Sustainability Report 2021

ready for tomorrow

swisscom

Annual Report publications

The Annual Report, Sustainability Report and '2021 at a glance' together make up Swisscom's reporting on 2021. The three publications are available online at: **swisscom.ch/report2021**

'Ready for tomorrow' concept

As part of its 'ready for tomorrow' concept, Swisscom is committed to preparing itself and its customers for the digital future and harnessing the corresponding opportunities. The images in the Annual Report show Swisscom services that simplify the everyday life of SMEs and improve their competitiveness.

The cover pages of the Annual Report and '2021 at a glance' show Swisscom SME consultant Kathrin Kölbl with Fabian Mauerhofer, manager of the Ziegelhüsi hotel and restaurant in Deisswil. The company procures services from Swisscom.

The remaining images are mostly from the various Swisscom campaigns run throughout the 2021 reporting year.

175,000
Green Points collected

With the first public Swiss Climate Challenge, we have made a wider audience aware of the need for sustainable mobility behaviour.

20 years of
Internet for Schools

Over the last 20 years, we have invested over CHF 500 million in the Swiss education system.

26,000
smartphones and accessories

Our customers have voluntarily offset CO_2 with the purchase of 26,000 devices.

E-fleet

On the journey to the complete electrification of our mobility by 2030, we have put the first 80 electric vehicles into service.

Over 4.7 million meals for children in need

Through Mobile Aid, we have collected over 940,000 used mobile phones, the proceeds of which go towards funding meals for children in need.

#mutethehate

Over 6 million video views on our online posts as part of our initiative for more respect on the Internet.

Stakeholders' letter

Dear Readers

'I'm more interested in the future than in the past, because the future is where I intend to live.' This thought from Albert Einstein is fitting for Swisscom: last year we were delighted to receive an award from World Finance magazine and the consulting firm Boston Consulting Group for being the world's most sustainable telecommunications company. This has spurred us on to courageously and consistently pursue this path into the future. After all, we want to continue to be economically successful as a company, but we also want to live up to our social and ecological responsibilities.

Net zero target: Swisscom first

Over the past decades, we have reduced our emissions by 80%. Now we are taking the next step with conviction. We are one of the first Swiss companies to reduce our CO_2 emissions along the entire value chain to net zero by 2025. With our decision to be completely climate neutral in four years' time, we are underlining our pioneering role as a sustainable company.

We will achieve this goal by first reducing our own emissions by a further 10% — in other words, 'Swisscom first'. This means: improving our electricity efficiency, increasing electricity production by adding solar panels on our own roofs, reducing CO_2 emissions along our supply chain, in our products and services, in buildings and in our vehicle fleet. In 2021, we took the first step and put 80 electric vehicles into operation. By 2030, we will have converted our entire fleet of 2,400 cars completely to electric-powered vehicles.

The aim is to exploit our own potential to reduce emissions and to compensate for residual emissions. The rigorous selection process for suitable climate compensation projects is underway. It is important to us that these projects are ambitious, have a broad geographical base and lead to a proven reduction in CO_2 emissions. They should also create synergies with our company.

In addition, Swisscom is enabling a positive CO_2 contribution of 1 million tonnes per year and is also helping our customers to reduce their CO_2 footprint with climate-friendly ICT solutions. These savings correspond to around two per cent of Switzerland's greenhouse gas emissions.

The future needs efficient networks

In 2017, we promised to provide 90% of all businesses and homes in all Swiss municipalities with at least 80 Mbps by 2021. By the end of 2021: mission accomplished! Our next goal is to double our FTTH coverage by 2025 and thus connect up to 60% of the population with optical fibre up to the socket. This enables maximum bandwidths of 10 Gbps. In addition, we are expanding the fourth and fifth mobile generations. The resistance to advanced 5G technology is surprising: the radiation exposure of these antennas is lower and 5G is more energy efficient and also more climate friendly than the previous technologies.

Despite network expansion, electricity consumption was virtually stabilised in 2021 through the use of new, more efficient technologies. We obtain 100% of our electricity from renewable energies and will further increase the share of self-generated electricity from our 87 own plants in the coming years.

Digitisation opens the door to a more sustainable future

Digitisation holds many opportunities for a more sustainable future and we want to take advantage of them. 2021 saw, among other things, the holding of the IoT Climate Award and investments in start-ups with great potential for sustainability, for example 'ecorobotix'. The company, based in western Switzerland, sells solar-powered agricultural robots that target weeds thus reducing herbicide use by 90%.

Modern media: harnessing opportunities without hurdles

The new media offer many opportunities. To ensure that these can be used and do not fall through, we have restructured our education portfolio. Increasingly, we are providing services for parents and SMEs with a particular focus on digital inclusion, media protection and data and Internet security. These web training courses can be attended flexibly 24/7. We offer Microsoft 365 Teams web training to employees of SMEs so that they too can take advantage of the new communication and collaboration possibilities in their everyday work.

We have a wide range of courses for teachers, parents, students and seniors — online or on site. In total, around 72,000 people attended our courses. We also provide training materials for teachers free of charge — for example, the new teaching aid 'Gaming and eSports'. One threat to young people online is cyberbullying. Based on the results of the James Study, which Swisscom has supported for years, we launched the '#mutethehate' campaign in 2021. This gives teens a simple guide to responding properly to hate and cyberbullying.

Ready for tomorrow

We are also getting ready for tomorrow. We train around 900 apprentices in seven different professions, offer our employees a wide range of digitised training and development opportunities, and allow flexible working at different locations, on the road and in a home office. We grow through the diversity of different ideas, experiences and skills. In 2021, we continued to promote diversity with campaigns such as 'Digital Days for Girls' and initiatives on unconscious bias, job sharing, language and Pride Month.

Even if the future remains uncharted territory: standing still in a digital world is a step backwards. Our 16,000 employees are ready for our customers, for Switzerland and for our environment. And together we are ready to make our contribution to the United Nations' Sustainable Development Goals, today and tomorrow.

Stefan Nünlist
Head of Group Communications & Responsibility

Saskia Günther
Head of Corporate Responsibility

Environment and sustainability strategy

Swisscom assumes responsibility towards society and the environment. As Switzerland's leading ICT company, we want to seize the opportunities of the digital transformation for the prosperity of our country, get involved and help shape the future. We do this by promoting the digital skills of people, protecting the climate, supporting fair and climate-friendly supply chains, and building and maintaining a reliable, high-performance ICT infrastructure. These measures are part of our Sustainability Strategy 2025 and are aligned with the UN's 17 Global Sustainable Development Goals.

Environment

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. The explanations in this report relate to Swisscom's business excluding Fastweb.

Swisscom operates in a dynamic environment. Megatrends such as digitisation are rapidly changing our society and economy. Customer needs and expectations of Swisscom are changing, while connectivity and data volumes are growing steadily. These developments shape and change our society and economy and influence our activities. The global Covid-19 pandemic has once again accelerated digitisation. This is becoming increasingly prevalent in all areas of life. Today, part of the value creation is done from home, online channels are increasingly used for shopping and making contacts, as well as for contactless payments.

Our stakeholders place high demands on us in terms of sustainability. Working together with them, we identify key issues each year on which we will focus when implementing the sustainability strategy. Through the annual review, we ensure that our commitment keeps pace with current developments and challenges 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 of 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 dialogue with the public.

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. It is important to us that this digital transformation serves sustainable development.

Digitisation can make a significant contribution to sustainability

We are part of the 'Digital with Purpose' Global e-Sustainability Initiative (GeSI). This initiative requires telecommunications companies to take measures such as climate protection or the promotion of sustainable offerings in order to make a significant contribution as an industry towards achieving the goals of the 2030 Agenda (see chapter 'Global e-Sustainability Initiative'). We specifically promote sustainable digital applications. With the Swisscom IoT Climate Award, for example, we recognise digital climate innovations. On our website, we describe these smart solutions and show their contribution to the global sustainability goals of the 2030 Agenda.

☺ See **www.digitalwithpurpose.org**
☺ See **www.swisscom.ch/sustainabledigitisation**

Sustainability Strategy 2025

In order to remain successful in the dynamic environment in the long term, during the year under review, Swisscom defined five Group ambitions ('Swisscom Group Goals 2025') with the intended purpose of 'Empowering the digital future'.

Swisscom Group Goals 2025

No. 1 in Switzerland	Leading Challenger in Italy	Rock-solid Financials	Committed to Corporate Responsibility	Outstanding in Innovation & Reliability

The newly set, ambitious goals form an integral part of our Group strategy and contribute to the 17 global Sustainable Development Goals of the United Nations. In doing so, we are addressing three fundamental challenges:

- **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.

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

Ready for people
We want to enable people in Switzerland to make use of the opportunities presented by a networked world.

Our goal
By 2025 at the latest, we will support two million people a year in their use of digital media.

During the year under review, we further expanded our range of training courses:
- New offers for Swiss SMEs
- Focus on youth media protection, inclusion of all user groups and security aspects in the daily use of digital media

In order to substantially extend our reach, we are increasingly relying on formats that can be communicated online.

Together with our partners, we are developing scientific bases on the risks and opportunities of digital media, making the population aware with nationwide campaigns and thus enabling the beneficial and safe use of media. To this end, we offer technical solutions that make media usage safer, and our employees in call centres and shops are there to help our customers with application questions that go far beyond the usual level of support.

'Ready for people' also means:
- providing all our customers with accessibility to our services.
- offering our employees an attractive working environment with opportunities for health, internal networking and volunteering and supporting them in their employability with suitable further training. We also train around 900 apprentices. Equal rights and equal opportunities are important to us. Targets relating to the proportion of women in the recruitment process, the promotion of talent and succession planning will promote the proportion of women at all levels.
- reviewing the working conditions in our supply chains by consistently working to ensure that our supply partners comply with social and environmental standards.

Ready for the environment
As a pioneer in climate protection, we are making our contribution to help limit the global temperature increase to 1.5 °C.

Our goals:

- **Net zero by 2025:** in our Swiss business, we will be completely climate-neutral across the entire value chain by 2025. Operational CO_2 emissions will be over 90% lower than in 1990. To achieve this, we will rely on 100% renewable energies, a fleet of zero-emission vehicles, heat pumps and, thanks to digitisation, we will operate in a climate-friendly manner. We are systematically maximising energy efficiency in our operations and supply chains by reducing CO_2 emissions from our operations and supply chains to a total of 235,000 tonnes, which corresponds to a reduction path to well below 1.5 °C. We will offset the remaining, unavoidable emissions from our value chain. In this way, we will achieve the net zero target by 2025.
- **Positive CO_2 contribution of 1 million tonnes/year:** in addition, we will enable a positive CO_2 contribution of 1 million tonnes per year by 2025. This corresponds to around two per cent of Switzerland's greenhouse gas emissions. We will achieve this by empowering our customers to reduce their own CO_2 footprint through our products and services. This includes digital solutions for location-independent working or services supported by the IoT (Internet of Things) for the optimisation and remote monitoring of traffic, building technology and devices.
- **Reduction of energy consumption by 20%:** we want to reduce our energy consumption by 20% by 2030 compared to today, despite increasing data volumes. To do this, we are using more efficient technologies to counteract the higher energy consumption caused by the constant increase in the data volume to be processed.

The new climate targets were drawn up by two internal working groups and with the involvement of external experts. In doing so, we relied on scientific evidence using the Science Based Targets initiative (SBTi) methodology. The project results were fully supported and approved by the Group Executive Board and the Board of Directors.

Ready for Switzerland

We provide individuals and businesses nationwide with reliable ultra-fast broadband.

Our goal

To improve competitiveness, digital fitness and quality of life for everyone in our country.

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. In this way we strengthen the competitiveness, digital fitness and quality of life in the country.

'Ready for Switzerland' also means addressing the public's concerns about the roll-out of the 5G network and data security. In addition, all schools in the country benefit from free, secure Internet access.

Value chain

We generate the bulk of our added value through our activities in Switzerland. In the year under review, activities abroad contributed only 10% (prior 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 59).

Each year, suppliers deliver goods and services to us worth over CHF 2.8 billion. The import has a positive and negative impact on the economy, society and the environment along the value and supply chains:

• Services, 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.

• We create and protect 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.

• 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.

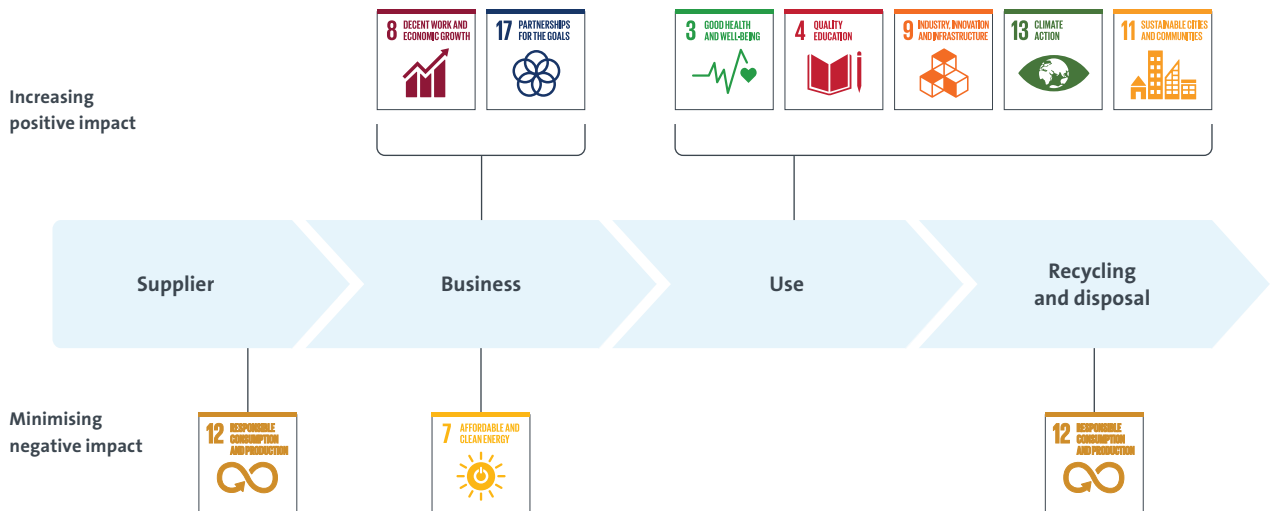(See the chapter 'Our supply chains')

Figure SDGs on the value chain

Group of stakeholders

Our stakeholders place high demands on us with regard to sustainability. We maintain direct communication and dialogue with all stakeholder groups. Working with them, we identify key issues each year on which we will focus when implementing our sustainability strategy. Through the annual review, we ensure that our commitment keeps pace with current developments and challenges in the economy, politics and society. The previous contact, the interests and the size of the stakeholder groups determine the structure of the respective dialogue.
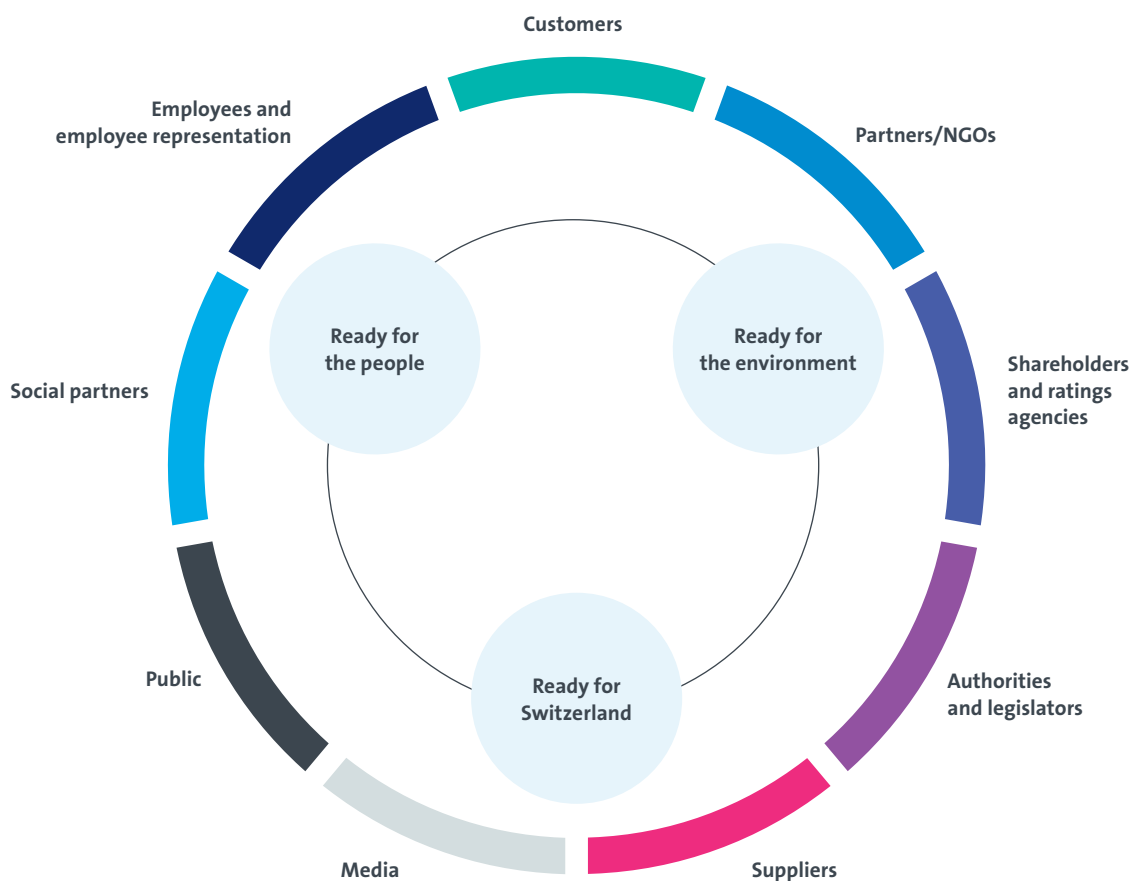
Stakeholder environment

Customers

We systematically consult private and business customers on their needs and their level of satisfaction. Customer Relationship Managers identify customer needs through direct contact. In addition, we regularly conduct representative surveys. 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 quantitative surveys on sustainability issues.

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, Association of Swiss Teachers (LCH), Swiss Association for the Deaf, SOS Children's Villages Switzerland and with organisations that address the special needs of people in specific areas (e.g. human rights in the supply chain). These partnerships and our social and ecological commitment are especially relevant for our stakeholder group.

☺ See **www.swisscom.ch/cr-partnerships**

Investors and rating agencies

Besides the Annual General Meeting, we foster regular dialogue with our investors at investor conferences and roadshows. Over the years, we have also built up contacts with numerous investors and rating agencies. Above all else, institutional shareholders and investors expect stability, profitability and reliability from us. In the year under review, we saw a sharp increase in enquiries about our approach to environmental, social and governance (ESG) issues. In response, we actively inform our investors about our sustainability progress, for example when we publish our quarterly results. As in previous years, we were listed in several ratings among the world's most sustainable tel-

ecommunications companies. In the year under review, we converted a revolving credit facility of CHF 1 billion into a sustainability linked loan (SLL), setting ourselves ambitious sustainability targets in the process. These are shown in the targets table.

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 among customers. At the same time, the expansion of the necessary infrastructure does not meet with the required acceptance everywhere. 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. They analyse the results of evaluations, formulate agreements on objectives and review performance. In the interests of maintaining dialogue with global suppliers, we also rely on international cooperation within the relevant sectors (see the chapter 'Our supply chains').

Media

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

☺ See **www.swisscom.ch/news**

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. During the year under review, three campaigns were also carried out on the topics of climate protection, youth media protection and the circular economy. These campaigns were primarily aimed at a younger target group between the ages of 16 and 35. The campaigns are described in more detail in the corresponding chapters.

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 usually travel across Switzerland several times a year to meet with local staff. During the year under review, the meetings were held online due to the Covid-19 pandemic. Once a year, Swisscom's employees are able to share their opinions about their individual situations and issues concerning the company's organisation. This survey allows all employees and teams as well as the entire organisation to respond to feedback and make improvements.

The employee association takes on board the requests, wishes and criticisms of employees and represents these in discussions with management, thereby exercising its co-determination right. The employee association 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 ').
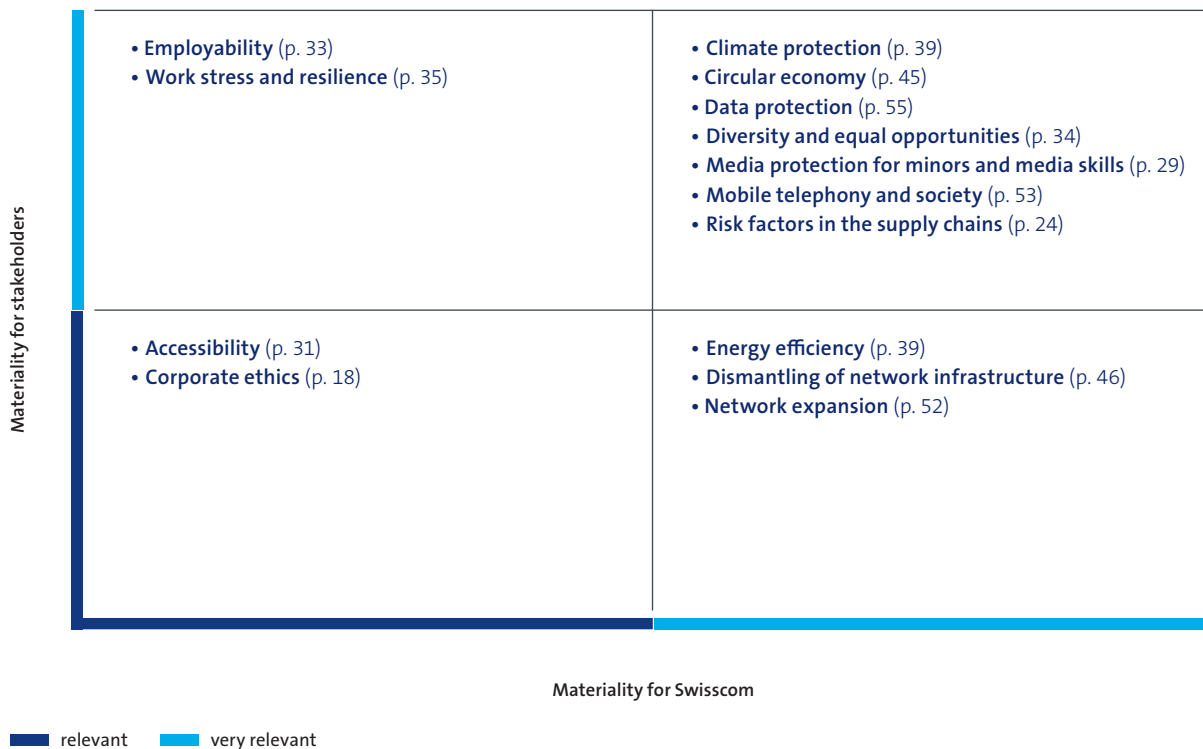
Social partners

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 considered relevant or very relevant for our stakeholders and for us. We involve the inter-est 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 prepare a management approach, which we include in the relevant chapter of this report.

Materiality for stakeholders

• **Employability** (p. 33) • **Work stress and resilience** (p. 35)	• **Climate protection** (p. 39) • **Circular economy** (p. 45) • **Data protection** (p. 55) • **Diversity and equal opportunities** (p. 34) • **Media protection for minors and media skills** (p. 29) • **Mobile telephony and society** (p. 53) • **Risk factors in the supply chains** (p. 24)
• **Accessibility** (p. 31) • **Corporate ethics** (p. 18)	• **Energy efficiency** (p. 39) • **Dismantling of network infrastructure** (p. 46) • **Network expansion** (p. 52)

Materiality for Swisscom

■ relevant   ■ very relevant

Materiality matrix 2021

Communication with our stakeholders during the year under review confirmed to us that the topics depicted in the matrix are still the right ones from a stakeholder and corporate perspective. Accordingly, we have not made any changes to the classification of the topics. Nor have any new topics been added or removed. The most important observations, trends and developments confirm the classification of topics in the materiality matrix:

The importance of expansion plans relating to the 5G generation of mobile communications in society and with the regulator has remained unchanged in the year under review. Accordingly, we have moved the topic of mobile communications and society to the quadrant at the top right.

Customer expectations on the topic of the circular economy are increasing, which is why we continue to list this among the very relevant topics.

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
• **Board of Directors:** in 2021, the Board of Directors addressed the further development of the sustainability commitment three times. First in the setting of the new climate protection targets and another time for the acceptance of the new sustainability governance. With the latter, the Board of Directors approves the sustainability strategy again, and the Audit Committee of the Board of Directors deals with ESG reporting. Accordingly, the Committee will be renamed 'Board Committee Audit & ESG Reporting' as of 1 January 2022. At a further meeting, the Board of Directors was informed about the Corporate Responsibility Roadmap 2022.

- **Members of the Group Executive Board:** members of the Group Executive Board comment on the status of implementation of sustainability management during the meetings held several times each year and in qualitative interviews on the challenges.
- **Line managers:** 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 2020. The next survey is scheduled for 2022.
- **Sustainability 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

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 2020, we commissioned sustainserv to carry out 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. In 2021, the benchmarking was specifically supplemented with governance and best practice elements.

In addition, European peers were analysed as part of the revision of our climate targets.
- **Trend scouting:** no trend scouting was carried out in the year under review. Instead, the observation and assessment of relevant trends was carried out with the persons responsible for Group strategy.
- **Stakeholder survey:** in the summer of 2021, we held a stakeholder event focusing on 'new forms of work', 'climate protection', 'investor perspective' and 'digital stakeholder dialogue'. A total of 30 representatives from various stakeholder groups participated. Most feedback has confirmed that we are already working on the right issues.

The following points were also discussed at the event:
- **New forms of work:** in addition to technological applications, business customers also need support for the work culture change.
  There are new opportunities on the labour market for part-time workers and people returning to work.
- **Climate protection:** the need for more climate protection is recognised. Partnerships are needed for reductions upstream and downstream.
  Climate protection is becoming increasingly important for the positioning of products and companies on the market.
- **Digital stakeholder dialogue:** our commitment to sustainability is perceived as not being specific enough.
  Swisscom communicates rather passively with little courage and few clear positions, thus little differentiation is noticeable.
- **Investor perspective:** Swisscom is rated exemplary in terms of its climate protection commitment.
  The Swisscom Diversity Ambition is insufficient for the CR Leadership claim.

The identified need for action was presented to the Group Executive Board and in part already included in the Sustainability Roadmap 2022.

☺ See **www.swisscom.com/purpose**

Swisscom's contribution to the SDGs

In addition to the expectations of stakeholders and Swiss legislation, the United Nations Agenda 2030 with its 17 Sustainable Development Goals defines the framework of our Sustainability Strategy.

SDG	Swisscom's contribution to the SDGs	Further information
3 GOOD HEALTH AND WELL-BEING	Promote the health of Swisscom employees through occupational health management.	• Work stress and resilience • Occupational health and safety in the workplace **Goal:** maintain or reduce absenteeism rate.
4 QUALITY EDUCATION	Promote the populations' media skills.	• Youth media protection and promoting media skills **Goal:** By 2025, we will be helping 2 million people per year to use digital media.
4 QUALITY EDUCATION	Contribution to the educational landscape in Switzerland by providing free Internet access for schools.	• Responsibility towards society; education policy
5 GENDER EQUALITY	As a contribution to diversity and gender equality, we are advancing the proportion of women in management and at the upper CEA levels.	• Diversity and equal opportunities **Goal:** Increase diversity among employees, measured by gender distribution.
7 AFFORDABLE AND CLEAN ENERGY	Swisscom makes its contribution through specific measures to boost energy efficiency and climate protection.	• Climate protection and energy efficiency **Goal:** Net zero by 2025 across the entire value chain. Reduction of energy consumption by 20%: By 2030, Swisscom wants to reduce its energy consumption by 20% compared to today, despite increasing data volumes.
8 DECENT WORK AND ECONOMIC GROWTH	Swisscom offers attractive jobs and working conditions. Swisscom's investments in network and infrastructure are a significant direct and indirect contribution to enhancing Switzerland as a place to do business. Swisscom is committed to fair and safe working conditions in its supply chains.	• Employees • Network expansion and infrastructure • Fair supply chains **Goal:** Coverage of Switzerland with fixed ultra-fast broadband.
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Swisscom operates and maintains a reliable, high-performance ICT infrastructure. Swisscom invests around CHF 1.6 billion annually in expansion of the network.	• Ready for Switzerland (network and infrastructure) • Basic service provision • climate protection solutions for our customers **Goal:** Coverage of Switzerland with fixed ultra-fast broadband.
11 SUSTAINABLE CITIES AND COMMUNITIES	Expansion of the portfolio of sustainable services, especially in the area of IoT and Smart City.	• Climate protection solutions for our customers **Goal:** Positive CO_2 contribution: Reduction of CO_2 emissions by 1 million tonnes each year by 2025.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Expansion of the sustainable portfolio for B2C and B2B customers. By promoting reuse offerings, Swisscom is making a valuable contribution to the circular economy.	• Climate protection solutions for our customers • Circular economy in practice **Goal:** Positive CO_2 contribution: Reduction of CO_2 emissions by 1 million tonnes each year by 2025.
13 CLIMATE ACTION	Expansion of the portfolio of sustainable services for reducing CO_2.	• Climate protection solutions for our customers **Goal:** Positive CO_2 contribution: Reduction of CO_2 emissions by 1 million tonnes each year by 2025.
13 CLIMATE ACTION	Swisscom makes its contribution through measures to boost energy efficiency and climate protection within the framework of the sustainability strategy.	• Climate protection and energy efficiency **Goal:** Net zero by 2025 across the entire value chain. Reduction of energy consumption by 20%: By 2030, Swisscom wants to reduce its energy consumption by 20% compared to today, despite increasing data volumes.

Corporate responsibility governance

In the reporting year, we reviewed corporate responsibility (CR) governance, compared it with industry practice and developed it further. The investigation showed that the existing management is professional, and that responsibilities and reporting are institutionalised. The adapted CR governance builds on the previous CR governance, eliminates evaluated vulnerabilities and takes into account legal and social developments.

The existing roles of sponsors (representatives of the Group Executive Board), SPOCs (contact persons from the sustainability team per business unit and subsidiary) and CR champions (representatives of the line units) were standardised and consistently updated.

The Board of Directors assumes overall responsibility for ESG (environmental, social, governance). The Audit Committee is given a leading role in the area of reporting and is renamed the 'Audit & ESG Reporting Committee'. Likewise, ESG issues are more consistently embedded throughout the entire organisation.

The CR governance was endorsed by the Group Executive Board on 24 September and approved by the Board of Directors on 27 October 2021. It enters into force on 1 January 2022.

The following sections describe the amended CR Governance (Information) on the previous CR Governance can be seen in last year's report.

☺ See www.swisscom.ch/cr-report2020

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 2025, it expects us to pursue a corporate strategy that is, to the extent economically possible, committed to sustainable and ethical principles.

☺ See www.swisscom.ch/ziele_2022-2025

Incorporation in the Group strategy

Our Board of Directors is committed to pursuing a Group strategy geared towards sustainability. The sustainability strategy is part of this.

☺ See www.swisscom.ch/basicprinciples

Organisation and responsibility

Board of Directors

At the request of the CEO, the Board of Directors approves the sustainability strategy embedded in the corporate strategy and defines the key ESG issues for Swisscom, including the goals. It is also responsible for the supply chain policy for potential conflict minerals and for products and services where child labour is suspected. The Board of Directors monitors the risks related to identified material ESG concerns. It decides on the application of national or international regulations for ESG reporting and approves the corresponding external reporting.

In the 2021 reporting year, the Board of Directors has already approved the new climate targets. It is informed in writing in half-yearly reports on the implementation status of the sustainability strategy. In December 2021, the Board of Directors acknowledged the 2022 roadmap derived from the sustainability strategy.

Audit & ESG Reporting Committee of the Board of Directors

The Audit & ESG Reporting Committee of the Board of Directors defines the Key Performance Indicators (KPI) in relation to material ESG matters. It monitors the concepts defined by the CEO for implementing the sustainability strategy and the KPIs, and evaluates the effectiveness of the defined measures. It also monitors compliance with due diligence requirements in the areas of conflict minerals and child labour. The Audit & ESG Reporting Committee designs and monitors the internal control system to ensure the reliability of ESG information and sustainability reporting. It decides on the design of internal and external reporting on material ESG issues, the auditing of reporting and approves the sustainability report. The Chairman of the Audit & ESG Reporting Committee informs the Board of Directors at the next meeting of the Board of Directors about the previous committee meeting.

CEO

The Board of Directors has delegated the implementation of the Group strategy to the CEO, who may delegate tasks and competences to subordinate bodies. The CEO defines the targets and measures for implementing the sustainability strategy. He is supported in this task by the members of the Group Executive Board (GEB) and by the Head of Group Communications & Responsibility (GCR). The CEO submits the devised sustainability strategy and the ESG issues evaluated as material to the Board of Directors for approval. The CEO periodically reports to the Board of Directors or to the Audit & ESG Reporting Committee on the current status of target achievement and measures, as well as their effectiveness. If necessary, a working group consisting of members of the Group Executive Board is convened for specific ESG issues.

Group Executive Board (GEB)

Our Group Executive Board has defined the main goals for the company and sub-goals per division as part of the sustainability strategy. It also convenes at least twice a year to discuss the further development and implementation of the defined measures. Each November, it adopts the roadmap and sub-goals (benchmarks) for the coming year.

Roles

Members of the Group Executive Board as well as the Head of Group Communications & Responsibility are sponsors for the strategic action areas for their divisions. Together with their Division Management, they are responsible for implementing the sustainability strategy in the line units and for deciding on specific measures. This is how we ensure that the action areas of the sustainability strategy are binding and firmly embedded in the company.

Ready for people:
- Head of Residential Customers (private customers, accessibility)
- Head of Group Communications & Responsibility (media skills, youth media protection)
- Head of Group Human Resources (employees incl. apprentices, diversity)
- Head of Group Business Steering, CFO (supply chains, ESG reporting)

Ready for the environment:
- Head of IT, Network & Infrastructure (network topics, energy efficiency)
- Head of Group Business Steering CFO (mobility and real estate topics, climate risks, ESG reporting)
- Head of Business Customers (sustainable portfolio business customers)
- Head of Residential Customers (sustainable portfolio private customers)

Ready for Switzerland:
- Head of IT, Network & Infrastructure (network expansion and dismantling)
- Head of Group Strategy (compliance, risk management, governance, IT security, data security)

☺ See **www.swisscom.ch/group-executive-board**

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

- Weekly reports by GCR on the main events
- Half-yearly reports with the main KPIs from the priority areas of the sustainability strategy
- Quarterly reports drawn up by Risk Management

- Half-yearly status reports in the Division Management Committees on the status of the division roadmap

Group Communications & Responsibility

The Group Communications & Responsibility (GCR) division is responsible for taking into account the goals of the 2030 Agenda and thus for sustainable development at Swisscom. The sustainability team as part of the GCR division creates the sustainability strategy and manages its implementation. To this end, the sustainability team works together with the business units to develop an overarching annual roadmap.

Processes:
Sustainability criteria are integrated into product portfolio applications and processes as well as investment decisions in a standardised manner.
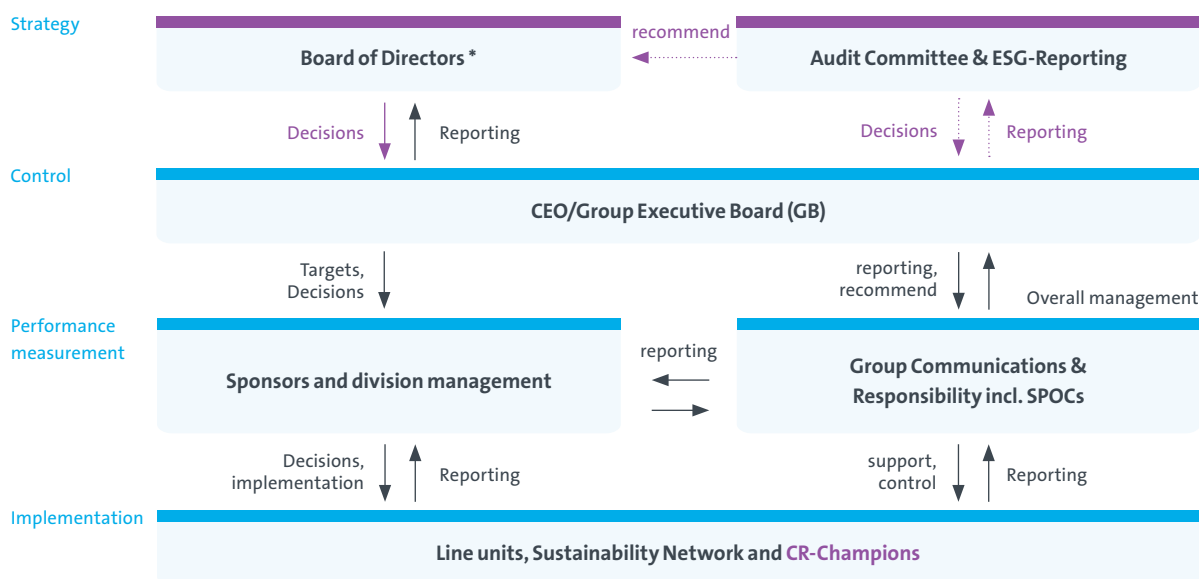
Monitoring:
The KPIs from the sustainability strategy are consistently integrated into the divisional targets. Furthermore, sustainability reporting will be strengthened by integrating it into the existing financial reporting and the risk management process. Compliance with CR governance is reviewed in the internal audit.

Business units

Within the sustainability team, Single Points of Contact (SPOCs) are defined for each business unit. The SPOCs are the contact persons for business unit management and also the Corporate Responsibility (CR) champions. CR champions have implementation responsibility for the measures and report on implementation progress to sponsors and to the SPOC. Depending on the strategic priority in question, sustainability measures are implemented by either project teams or line units.

Sustainability network

Events are held during the year for all members of the sustainability network. The purpose of these sustainability community events, supplemented with themed Green Lunches, is to raise awareness of material sustainability issues and to exchange information. The sustainability network managed by the sustainability team is open to all employees.

Strategy			
	Board of Directors *	recommend	**Audit Committee & ESG-Reporting**

Decisions — Reporting   Decisions — Reporting

Control

CEO/Group Executive Board (GB)

Targets, Decisions   reporting, recommend — Overall management

Performance measurement

Sponsors and division management	reporting	**Group Communications & Responsibility incl. SPOCs**

Decisions, implementation — Reporting   support, control — Reporting

Implementation

Line units, Sustainability Network and CR-Champions

* The Board of Directors now has overarching responsibility for ESG matters and approves the sustainability strategy as part of the corporate strategy.

■ Previous CR Governance   ■ News CR Governance

Sustainability Governance structure 2022

Corporate ethics

Our actions are based on ethical principles. With this approach we meet our responsibility to all stakeholders – but also to ourselves. The public and stakeholder expectations of the business community have increased sharply, and 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. We encourage our employees to keep asking themselves whether their professional decisions and actions comply with the norms and values of both the company and society. We can only be economically successful if we inspire the trust of our stakeholders and can convince them with responsible actions based on ethical principles.

☺ See **www.swisscom.ch/cr-governance**

We meet these goals 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 can also result in conflicting objectives. We therefore actively address this matter, make decisions in line with our values, 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 responsible for ethics also presides over the Data Ethics Board, which meets to discuss data projects and makes recommendations for projects and management. Together with the CEO and the Head of Human Resources, he also regularly reflects on corporate ethics issues with a small group of people.

The sustainability strategy 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. In line with our sustainability strategy, we 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**

• **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 'Corporate Responsibility Governance').

☺ See **www.swisscom.ch/cr-governance**

• **Values and promises:** we focus on three values – trustworthy, committed, curious – which define who we are and the attitude with which we do our work. Swisscom has a duty to everyone in Switzerland to make the opportunities provided by the networked world accessible, easy to use and relevant. That is our responsibility as number one. That is our promise as the Swisscom brand.

☺ See **www.swisscom.com/purpose**

• **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**

• **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 four times 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. 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 relating to our core business. Swisscom employees have the option of anonymously reporting suspected unfair business practices via a publicly accessible whistle-blowing platform. The reports are processed according to a defined process. The Chairman of the Board of Directors, the Head of the Audit & ESG Reporting Committee, the CEO, the CFO and the responsible member of the Group Executive Board are informed about reports in a timely manner and anonymously. The Audit Committee receives quarterly updates from VR-IA on the status of audit activities in the event of serious reports.

• **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**

• **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**

• **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 chains.

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 'Mobile telephony and society'). 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.
- **Goals:** 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 and manage risks on an ongoing basis and take the necessary 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 improvement:** 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

☺ See **www.swisscom.ch/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, gender or language, 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**

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 'Our supply chains').
☺ See **www.swisscom.ch/menschenrechte**

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 parties 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

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.

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 the best possible protection for our company and our stakeholders. Security is guaranteed at all times by clear and simple measures, 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.

☺ See **www.swisscom.ch/data-protection**

Fraud management

We actively minimise fraud risks and thus prevent economic damage by actively implementing the necessary measures based on our own experience and incidents involving third parties (e.g. cases of fraud involving customers). 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.

Targets Table

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

Focus of the sustainability strategy	Value 2021	2025 target	Reference value 2022
Ready for people			
Main objective: by 2025 at the latest, we will be helping 2 million people per year to use digital media (GRI 416-1, SDG 4)		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).			
KPI: Promoting media skills	256,829	350,000	275,000
KPI: Training media use	1,094,451	1,273,000	1,000,000
KPI: Technical measures for youth media protection	108,716	158,000	125,000
KPI: Digital shift	180,285	230,000	185,000
2022 measures: • Web portal for topics related to competent media use (point of entry). • Course offering for professionals and companies (digital fitness at work). • Substantial expansion of online training content (synchronous/asynchronous) for diverse target groups.			
Improve working conditions in supply chains (GRI 204, GRI 414, GRI 408, GRI 409, SDG 8).			
We improve the working conditions of employees in our supply chains by consistently ensuring that our supply partners comply with social and environmental standards, and by monitoring compliance through audits. Number of audits times number of employees in the audited factories in the year in question in the JAC network. JAC = Joint Audit Cooperation.			
KPI: Number of employees working for suppliers in the audited factories in the year in question in the JAC network.	128,733	150,000	135,000
2022 measures: • JAC Audit Campaign (on-site audits, mobile surveys); focus on critical commodity groups and based on SCRM (Supply Chain Risk Management) concept. • Focus Task Force JAC Human Rights (child labour, forced labour).			
Diversity (GRI 405-1, SDG 5)			
Increasing the diversity of employees, measured by gender distribution, age mix, inclusion, origin and language.			
KPI: Proportion of women in management (management levels A – C) in headcount (HC) [1]	13.6%	15.4%	13.9%
KPI: Proportion of women in management (management levels A – C) and in the top CEA levels (D and E) in headcount (HC), increase of 1 percentage point annually.	17.6%		18.6%
KPI: Percentage of employees with health impairments (inclusion).	1.1%		1.0%
2022 measures: • Promotion of flexible working models for women and men to be pursued further. • Increasing the diversity of employees, measured by gender distribution, age mix, inclusion, origin and language • The majority of job advertisements will be published with an employment level of 60–100%.			
Work stress and resilience (GRI 403-1, SDG 3)			
Maintain or reduce absenteeism rate compared to the previous year.			
KPI: Absences in days/target days (weighted by FTE) x 100 Target days are based on the standard working hours	2.80%		2.8%
2022 measures: • Continuation of 2021 measures: focus topic: mental health with the 'Mental Health First Aid' trainer and 'Stress & Resilience' trainer training sessions, plus leadership training in presence management. • Proactively advising managers by means of data analyses. • Offering increasingly provided via online channel (not time or location-dependent) to extend reach.			

1 This target was added as a KPI in 2021. The value as of December 31, 2020 was 12.9%.

Focus of the sustainability strategy	Value 2021	2025 target	Reference value 2022
Ready for the environment			
Net zero target: Limit CO$_2$ emissions from operations and in the supply chain to 235,000 tonnes by 2025 (GRI 305-5, SDG 7)		235,000	
In our Swiss business, we will be completely climate-neutral across the entire value chain by 2025. Operational CO$_2$ emissions (scope 1, 2 and 3) will be reduced by more than 90% compared to 1990. The remaining, unavoidable emissions will be offset from 2025.			
KPI: CO$_2$ emissions Scope 1 (buildings and vehicles, without refrigerants)	14,429		12,300
KPI: CO$_2$ emissions Scope 2 (electricity, district heating, compensated)	0		0
KPI: CO$_2$ emissions Scope 3 (supply chain, employee mobility, etc.)	275,962		274,100
2022 measures: • Refurbishment of buildings and heating systems, replacement of fossil fuel-burning heating systems with heat pumps. • Electrification of the vehicle fleet and use of hybrid drives. • Agreements with A suppliers. • Promotion of supplier participation in the Carbon Disclosure Project (CDP), dialogue with individual suppliers.			
Positive CO$_2$ contribution: reduction of CO$_2$ emissions by 1 million tonnes by 2025 (GRI 305-5, SDG 7)		1,000,000	
Together with customers, CO$_2$ emissions are to be reduced by 1 million tonnes annually. This corresponds to around 2% of Switzerland's greenhouse gas emissions. We achieve these savings by enabling our customers to reduce their own carbon footprint through our sustainable portfolio.			
KPI: CO$_2$ savings in tonnes	892,812		734,000
2022 measures: • Reduction of traffic through the promotion of homeworking and virtual conferences. • Reduction of traffic through the promotion of remote maintenance and operation using sensor (IoT solutions). • Reduction of CO$_2$ emissions from buildings by optimising heating and power supplies by using sensors (IoT solutions). • Reduction of greenhouse gases through data-based tools for the decarbonisation of companies (greenhouse gas inventory, mobility data, Swiss Climate Challenge). • Investing in and supporting start-ups with greenhouse gas reduction solutions.			
Ready for Switzerland			
Main objective: coverage of Switzerland with fixed ultra-fast broadband as a prerequisite for Switzerland's competitiveness (GRI 203, SDG 9)			
Higher bandwidths by upgrading the existing network and by expanding fibre-optic coverage to homes and offices (FTTH).			
KPI: 30–40% fixed-network coverage of homes and offices by ultra-fast broadband with speeds of 300–500 Mbps by upgrading the existing network. Basis is 5.3 million homes and offices in Switzerland (Swisscom inventory).	65,8%	30–40%	n/a
KPI: 50–60% coverage of homes and offices with ultra-fast broadband of 10 Gbps by expanding the fibre-optic network (FTTH). Basis is 5.3 million homes and offices in Switzerland (Swisscom inventory).	32,9%	50–60%	44%[2]
2022 measures: • Continuous expansion and modernisation of the existing network.			

2 Provided that Swisscom can roll out the FTTH network in the point-to-multipoint (P2MP) architecture.

Our supply chains

Each year our partners deliver goods and services to us worth over CHF 2.8 billion. We attach great importance to maintaining a fair, efficient partnership with suppliers who share our social and environmental goals and values. Together we strive to protect the climate and improve working conditions in supply chains.

Fair and environmentally sustainable supply chains

An important part of governance and our Sustainability Strategy 2025 is implementing laws and standards and continuously improving environmental and social aspects along the supply chains. With our suppliers, apart from the economic relationship we focus on social, ethical, environmental and sustainable procurement aspects. With the help of international industry initiatives, we can assign these aspects to the supply chain through targeted measures in the network.

Management approach

Every year, we purchase goods and services worth over CHF 2.8 billion. Most of these supplies come from the ICT sector and from suppliers of network infrastructure and merchandise. Measures from our risk management system, e.g. regular audits, help ensure fair and environmentally compatible supply chains. Targeted measures allow potential risks to be identified at an early stage or responded to quickly if they occur. As part of the process of digitisation and standardisation, the approach for product group criticality and the supplier inphasing process was updated. The risk analysis for the product groups is now based on a global standard which takes into account certain developments (e.g. production methods and origin of raw materials).

Group Business Steering has overall responsibility here. The Supply Chain Management unit defines the strategic direction and implements measures across all procurement transactions.

The main basis for this is the Swisscom 'Code of Conduct for Procurement'. It contains binding rules for our suppliers and our employees. Legal implementation is carried out through the supplement to the purchasing contract 'Corporate Responsibility Contract Annex' (CRCA), which specifies the ecological, social and ethical aspects in the supply chain and safeguards them.

We monitor compliance with the requirements using a structured, holistic risk management system. This systematically covers all risk areas of the supply chains and the entire supplier portfolio (see 'Risk management system').
☺ See **www.swisscom.ch/purchasing**

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: the prohibition of discrimination, child labour and forced labour, and the right to health and safety, freedom of association and collective bargaining, reasonable limits on working hours and fair remuneration. The guidelines on human rights are published on our website.
☺ See **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 Global Enabling Sustainability Initiative (GeSI). This network seeks initially to develop an 'intelligence platform' which, based on big data and artificial intelligence, will uncover and report on current weaknesses in global supply chains. Since 2019 we have also been a member of the UN Global Compact initiative.
☺ See **www.unglobalcompact.org**
☺ See **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_2 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/rmi-initiative/**

☺ See **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 regularly review several hundred suppliers and subcontractors (covering over 80% of our annual spend) for relevant risks to our customers and our company. To identify suppliers with potential risks at an early stage, we first classify product groups according to their environmental and social risk profile. Taking into account defined risk criteria of the potential group and the amount of our order spend, we then identify suppliers of goods and services with high and medium risk profiles.

Our Supply Chain Risk Management (SCRM 360°) follows a holistic approach. The aim is to reduce risks not only in ethical, social and environmental terms, but also with regard to finance, logistics, quality and security of supply. We continuously check external data sources using individual, weighted score cards (featuring more than 50 risk indicators). If a threshold defined in the system is exceeded at a supplier or an upstream supplier, Supply Chain Management receives a warning message. In the case of invitations to tender, only suppliers that qualify for the relevant product groups will be admitted.

In 2021, 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 500 delivery paths. A supply chain consists of at least two delivery paths.

Risk assessment	Risk handling	Crisis management

• Product groups
• Suppliers
• Supply chains
• Impact analysis
• Risk treatment
	• Purchasing contract
	  – Contract supplement Corporate Responsibility
	  – Contract clauses
	• Sustainability Assessment
	• Audit in the international network
	• Corrective measures
	• Delivery partner development
		• Task Forces
		• Impact analysis
		• Measures
		• Targets
		• Monitoring

EcoVadis sustainability ratings

The risk-relevant suppliers complete a sustainability assessment on EcoVadis. 188 suppliers are in Swisscom's portfolio on this global rating platform. These cover 70% of the 2021 spend.

EcoVadis assesses suppliers in the core disciplines of environment, labour and human rights, ethics and sustainable procurement. The relevant supply partners are informed about deviations from the defined expectations and asked to make improvements. Progress is reviewed in reassessments.

In the year under review, Swisscom suppliers scored an average of 59.1 points (prior year: 58.1) out of a maximum of 100, which was significantly better than the average of the total number of suppliers recorded on the platform. Their average overall result was 43.8 (prior year: 42.9) points.

91% (prior year: 93%) of our suppliers on EcoVadis have already undergone one or more reassessments. In 2021, 16 (prior year: 16) suppliers were required to undergo reassessments. On average, they improved their overall score by 8 points or 17%.

Comparison between the performance of the Swisscom portfolio and the EcoVadis average:

	Overall Score	Environment	Labor & human rights	Ethics	Sustainable procurement
Swisscom Portfolio	59.1	61.6	60.4	57.0	54.0
EcoVadis all companies rated on the platform	43.8	43.8	46.6	41.8	36.3

Reassessments in the Swisscom portfolio compared with the EcoVadis average:

		Average improvement in points compared to the initial assessment				
	Revaluations [1]	Total score	Environment	Labor & human rights	Ethics	Sustainable procurement
Swisscom Portfolio	91%	13.2	13.4	13.3	12.1	14.1
EcoVadis all companies rated on the platform	38%	7.9	7.6	8.6	8.2	5.1

1   91% of suppliers in the Swisscom portfolio have undergone at least one reassessment after the initial assessment. Of all companies assessed on the EcoVadis platform, this is the case for 38%.

Audits and mobile surveys

We use audits to identify unsatisfactory practices in accordance with specific review criteria and take appropriate measures to address them through prioritised and scheduled measures. Uncovered issues often concern the environment, working hours, salary, safety and health.

We are a member of the Joint Audit Cooperation (JAC), a consortium of 18 telecommunications companies which checks the safeguarding of social responsibility in the production centres of the major multinational ICT suppliers. In the year under review, 71 (previous year 78) audits were carried out in the JAC network. The audited suppliers included producers from the areas of IT hardware, software and services as well as networks and end devices. Swisscom succeeded in carrying out the planned six audits despite the difficult circumstances.

☺ See **www.jac-initiative.com**

In addition to the normal sustainability audits, our partner organisation Elevate conducted mobile surveys in 2021. Workers answered questions about their working conditions on their mobile phones outside the factories. During the year under review, a total of 17 (prior year: 13) mobile surveys were conducted. Other measures, e.g.

targeted sustainability training for suppliers, had to be postponed until 2022 due to the Covid-19 restrictions. However, the JAC CSR Forum presented the JAC Awards for the most exemplary achievements in the field of sustainable supply chains. In 2021, awards were given to two of Swisscom's suppliers.

Audit results

As in previous years, the audit activities related to production facilities and suppliers, the majority of which are located in Asia, primarily in China, Taiwan and India. In total, 402 (prior year: 665) vulnerabilities were identified. Most of them were related to working hours, health and safety and the environment. The findings mainly concern the following categories and subcategories:

- **Health and safety:** e.g. blocked emergency exits, personal protective equipment, and the handling and storage of hazardous substances.
- **Working hours:** working hours, overtime and rest days
- **Salaries and benefits:** social security, minimum wages and deductions
- **Environmental protection:** lack of permits or environmental reports, greenhouse gas emissions (measurement, reduction targets and involvement of suppliers/subcontractors).

- **Child labour and young workers:** overtime, night shifts and no child labour
- **Forced labour:** lack of employment contracts

The time period for rectifying the irregularities depends on the category concerned. For example, correcting non-conformities related to working hours usually takes several months as it affects the human resources system of the company concerned.

The JAC Initiative has conducted a total of 812 audits in about 40 countries since 2010, 71% of which were at suppliers of JAC members' direct suppliers. 84% of factories audited from 2010 to 2021 are in Asia, 78% of which are in high-risk countries. These audits have covered a total of over 1.4 million employees and identified 5,145 cases of shortcomings, Of these, 258 cases remain open: 212 from the 2021 audits and 46 from the 2020 audits.

Partnerships for fair and climate-friendly procurement

We attach great importance to maintaining a fair, effective partnership with suppliers who share our social and environmental goals and our values. Through international initiatives, we ensure the measures are implemented in close cooperation with our supply partners.

Carbon Disclosure Project

Our supply chains are responsible for the bulk of our CO_2 emissions. Scope 3 emissions in the supply chains therefore play a fundamental role in climate protection. With the emissions data from suppliers, the Carbon Disclosure Project (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.

In September, CDP launched its Science-Based Targets campaign, in which 220 investors (with assets of USD 29.3 trillion) and 26 corporate customers, including Swisscom, asked 1,600 companies to set science-based emissions reduction targets in line with warming scenarios of 1.5 degrees. Climate Week NYC also took place, calling for more ambitious action ahead of COP26.

As part of our cooperation with the CDP, we contacted and surveyed 73 (prior year: 78) of our relevant suppliers. The companies surveyed have a high order volume or a high degree of environmental relevance. They make up 64% of expenditure per year. The response rate was over 96%. 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 relevant suppliers. We are also using this programme to show our own commitment to climate protection to 8 (prior year: 7) customers.

☺ See **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 United Nation's Sustainable Development Goals.

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 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.digitalwithpurpose.org**

**Better World Program /
Supplier Development Program**

We are involved in the 'Supplier Development Programme' (SDP) together with strategically important suppliers or their sub-suppliers. Over the last few years, we have worked with participants to develop solutions in relation to issues such as environmental protection, working time regulations and health and safety.

In the SDP, a 'Saving Estimator' has been introduced as a pilot. This lets companies demonstrate the economic benefits of ethical, environmental and social development measures. For example, better working conditions reduce staff absenteeism and therefore have a positive effect on their motivation and increase the company's productivity. This also improves the quality of the products, which in turn reduces the number of complaints. The environmental improvements studied include resource savings, for example in energy and water consumption.

After the SDP participants themselves have successfully completed the development programme over three years, they can use it independently and apply it to their supply chains. Suppliers who are active in the programme continue carrying out their measures independently after the first year.

☺ See **www.sdp.gesi.org**
☺ See **www.gesi.org/platforms/the-better-world-programme**

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 strive to include circular economy criteria in common tendering procedures. In the future, the joint JAC audit guidelines will also be expanded to include this. Both task forces cooperate with international expert bodies such as the International Telecommunication Union (ITU).

☺ See **www.itu.int**
☺ See **www.cep2030.org**

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 support two million people a year in the use of digital media. 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 excellent service to our customers every day. In return, we offer them an appreciative environment with attractive working conditions, flexible working models and numerous opportunities for further training. We promote diversity and combat all forms of discrimination.

Digitisation and competent media use

We want to promote digitisation in Switzerland and enable the digital penetration of everyday life. Everyone in Switzerland must be able at all times to communicate in both the public and private spheres and to exploit the opportunities provided by digitisation. To make this possible, we see it as our duty to train users in the competent and safe use of digital media. First and foremost, we support children and young people in dealing 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.

With the help of our measures, we repeatedly draw the attention of the target groups in their various roles (young people, parents, working people, teachers and grandparents) to the opportunities and risks of digitisation. We are confident that this will promote an information society that is value-adding and safe.

Training support and other measures

Media users today are faced with a wide range of challenges. Different value systems create tensions. Young people experience media as a natural part of their everyday lives. 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.

In this area of tension, we therefore do not turn a blind eye to the risks of inappropriate and excessive media consumption. By 2025 at the latest, we will support two million people a year in the use of digital media. The training support is a key measure to help people, to inspire them and, if necessary, to assist them in difficult situations.

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 and many others. In 2021, we analysed and restructured the range of training content and formats. The strategy now follows the forms of use of contemporary learning paths (shift-to-digital), and the support focuses on these three areas:

- **Youth media protection and media skills:** raising awareness and providing assistance in media use for children, parents and teachers.
- **Digital inclusion:** enabling different target groups to use digital media in their daily work and private lives.
- **Data and Internet security:** raising awareness of possible risks through digital media, in particular protection and media use behaviour with regard to people's own data and the prevention of data theft.

This means we are focusing on a uniform range of training courses on everyday media for schools, parents, senior citizens, SMEs and other target groups. By bringing training content together in one place, we are increasing the visibility of our commitment. This website will be launched in spring 2022.
☺ See **www.swisscom.ch/media-literacy**

Youth media protection and promoting media skills

Management approach
Not only do we conscientiously comply with the legal requirements relating to children and young people, we are also taking various, more far-reaching measures to foster sensible use of media 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.

Youth media protection

Swisscom maintains close dialogue with its stakeholders on the subject of youth media protection. 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.

We also take technical measures to ensure that the user experience of digital media is supported in the best possible way. This includes security software with proven, extensive parental control functions, the simple use of PIN codes to restrict the content and commercial use of video-on-demand content on our TV service, and the child-friendly smartphone 'Blabloo', which children can use to practice certain types of behaviour in a playful way.

Promotion of media skills

We teach children and young people how to deal competently with new digital opportunities. For this we employ various different measures for young people. Swisscom's media courses are aimed at parents, teachers and students and highlight both the opportunities and the risks of digitisation.

In addition to the wide range of courses on offer, we also provide training materials that teachers can integrate independently into their lessons. The 'Gaming and eSports' teaching aid, for example, was designed as an optional subject and will be available to all schools free of charge in spring 2021. The aim of the teaching aid is to promote responsible gaming behaviour and looks at the background, contexts and the history of computer games. The eight chapters are in line with the competences matrix of the Swiss-German Curriculum 21. The optional subject was initially prepared in German and is now being adapted into French.
☺ See **www.swisscom.ch/medienkurse**

The 'media smart' platform is aimed at families. With its answers to questions about media consumption, the platform registered over 76,384 hits in 2021.
☺ See **www.swisscom.ch/getmediasmart**

Parents who buy their child their first smartphone are challenged when it comes to managing their child's everyday media life. Despite the many new options available and the child's enthusiasm, it is important to be aware of the risks such as addictive behaviour, inappropriate content or self-image on social media and to support the children on their first steps into the digital world. That is why we have set up an after-sales process to provide parents with ideas and information on media

consumption by children and young people on request. We give tips on how to make the children's smartphone a fun and helpful companion rather than a negative influence.

The 2021 'enter' guide looked at the issue of fake news and deepfake. It offers easy-to-read and comprehensive information about lies, misinformation, disinformation and the technical means of spreading them on the net. The booklet is aimed at parents and teachers and supports them in their pedagogical and educational work.
☺ See **www.swisscom.com/enter**

Through publications in the parents' magazine 'Fritz und Fränzi', we raise the awareness of another target group on issues relating to media education and literacy, and we reach almost 60,000 readers.

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. This year's JAMESfocus report – Hatespeech – examined the emotional impact of hate speech on young people. This was an important resource and foundation for the 'Mute the Hate' awareness campaign described below.
☺ See **www.swisscom.ch/james**

In August and September, Swisscom worked closely with Radio Energy to plan a wide range of measures aimed at raising awareness among the population about respectful behaviour on the Internet. In doing so, we conveyed basic knowledge, showed how to behave in the role of a victim, and what you can do if you encounter hate speech on the net. Various parts of the campaign have been integrated into the offering for schools and are still available to them.
☺ See **www.swisscom.com/hatespeech**

Digital inclusion, data and Internet security

Since 2005, Swisscom 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.

In 2021, a total of 71,806 people attended training courses on how to use modern communications media. This means that since the launch of Swisscom's training courses over 700,000 people have attended (see graphic Swisscom educational offers). The significant increase over the previous year is due to two reasons: Firstly, we have implemented a large number of measures online that were previously only available as content for on-site courses. And secondly, the Mute the Hate campaign,

gave us the opportunity to make content accessible to a broader target group.

In the year under review, we created the offering for SMEs. They too are being challenged greatly by the changes in the media and business world: Swisscom 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 temporarily close our course venues. We then offered a considerable portion of our course offering digitally. The offering was extremely popular: 35,119 participants used our online formats in the year under review. Similarly, since the early summer of 2021, 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 are hesitant about online training. This motivates us to provide help, support and education in this area as well.

Scepticism about the digitisation of many life situations sometimes feeds on uncertainty. Advisory services such as MyService help our customers get answers to questions and clear up uncertainties, not only about our own products, but also about other end devices or the handling of data. In 2021, there were over 70,000 MyService consulting events

☺ See **www.swisscom.com/myservice**

Swisscom Educational offers

Number of participants (cumulative)

				714,480
405,159	456,377	515,960	578,305	
2017	2018	2019	2020	**2021**
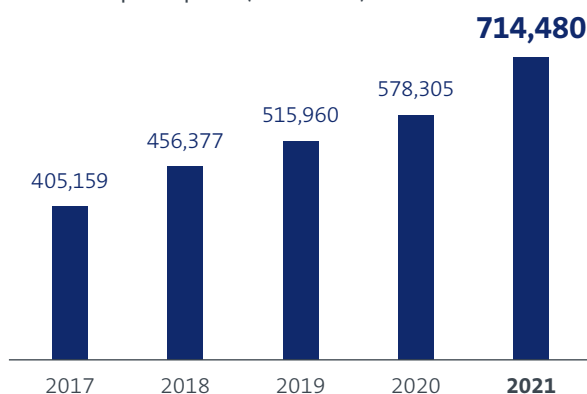
Accessibility

Management approach

For us, accessibility is not merely an economic obligation. We see this as a service that we are proud to offer our customers with disabilities. We attach great importance to accessibility for two reasons: firstly, as a matter of principle we comply with the national law on equality for

people with disabilities (BehiG). This recommends offering accessible products. Secondly, we want everyone to be able to access all of 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.

Various partners evaluate the accessibility of our services, such as services involving direct customer contact, our website and applications. For instance, Applause conducts monthly targeted accessibility testing. These routine reviews and the resolution of any identified issues are essential for the meaningful implementation of our accessibility improvement strategy and to ensure the effectiveness and sustainability of the measures. The test results also serve to validate our strategy.

Access areas

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 work together with recognised organisations, such as the Vision Positive agency and the Swiss Association of the Deaf. Shop and call centre staff are trained and given practical tools to identify the needs of customers with disabilities.

Access to our website and applications is being improved all the time. 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. In the next step, access to the online shop and television services (blue TV) will be significantly improved.

We also provide other services to individuals who have impairments. 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. 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 the deaf. This enables them to talk on the phone with hearing people. We offer this service, which is also part of the basic service provision, free of charge in cooperation with the Procom foundation.

☺ See **www.swisscom.ch/accessibility**

Employees

We want to help shape the future and to make use of the opportunities presented by a networked world. Wherever a customer comes across us, he 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.

We pay great attention to diversity and take care to treat colleagues fairly, regardless of their gender, age, origin, language or sexual orientation. We want to further increase the proportion of female employees in technical roles in particular. We train around 900 apprentices and ensure the inclusion of employees who have physical and mental disabilities.

To increase their employability, we guide and support our employees in their development. To this end, we provide our employees with a wide range of learning opportunities.

The dynamic economic environment demands a high degree of flexibility from our employees. As an employer, we make every effort to ensure they 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, improving resilience and also reducing the practice of going to work despite being ill (presenteeism).

Dealing with the Covid-19 pandemic

In the year under review, our company again faced various challenges in connection with the Covid-19 pandemic. But we were able to draw on the experience from 2020 in our response. When working from home was mandatory, over 80% of our employees, including call centre employees, did so. Our Covid-19 task force continuously analysed the situation, adapted the measures to the current circumstances and regulations of the Federal Office of Public Health and the Federal Council, and communicated decisions quickly and transparently to the organisation.

Additional specialised cleaning services were performed on a regular basis in the premises. We also supplied our staff with the means for their personal protection (disinfectants, hygiene masks and Plexiglas screens). Social distancing rules, mask mandates and the number of persons allowed per room were specified. To make vaccination as easy as possible, employees were also able attend appointments during working hours.

The option to work from home existed even before the pandemic. Today, this is widely used and highly appreciated by many employees.

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 received a better rating in the performance evaluation and whose wages are at the lower end of their respective salary bands 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 2021) have revealed minor pay discrepancies that are below the 5% tolerance threshold set by the Federal Office for Gender Equality.

In accordance with the new requirements under the Gender Equality Act, the equal pay analysis was carried out and audited in 2021 for all Swiss Group companies with more than 100 employees. The formal review of the equal pay analyses required by law was carried out by PWC. Swisscom Ltd issued an unqualified audit opinion, concluding that there were no indications the analysis did not comply with the legal requirements in all respects.

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. This ranges from 2% of the basic salary at the lowest level to 30% at the highest level (excluding the Group Executive Board). Employees at this highest job level and members of the Group Executive Board receive a proportion of their variable profit-sharing in the form of Swisscom Ltd shares.

comPlan pension fund

We offer our employees an attractive pension solution, with benefits that exceed the statutory minimum, through the comPlan pension fund. At the end of 2021, some 16,900 (prior year: 17,200) Swisscom employees and 9,300 (prior year: 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 their working time autonomously (time autonomy, in compliance with Ordinance 1 to the Employment Act) receive five additional days of annual leave per year. All employees subject to the CEA also receive five additional days of annual leave every five years as a reward for their loyalty to the company.

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 originated in software development and have become established at Swisscom. 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 clear that employee satisfaction with this collaborative work culture increases after the first few months. 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 ICT infrastructure.

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 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.

A survey conducted last year confirms our progressive stance on working from a home office. Swisscom is building on this experience and intends to continue offering the hybrid form of collaboration (a mixture of working at home and on site) in the future. It therefore drew up some flexible working principles, which stipulate, among other things, that employees should also work on site on a regular basis, depending on tasks, activities, meetings, etc. Each team decides on how to coordinate arrangements.

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 60 to 100% working hours. In order to make part-time working 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. 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, in the year under review, the Pro Familia organisation awarded us the 'Family Score' seal of approval for the years 2021 to 2023. This award confirms that we are effective in promoting balance between work and family life.

Employee engagement programmes

Two programmes are available to employees. Move! offers a wide variety of sporting, health promotion and cultural activities. The programme, some elements of which are available for a fee, is financially supported by the Swisscom Foundation sovis. The second programme, Give&Grow, is about corporate volunteering. Swisscom employees can perform charitable work once a year during their working hours, e.g. taking part in a nature conservation assignment or computer courses for refugees.

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 digitalswitzerland's 'Life Long Learning' initiative and we are committed to life-long learning.

Career starters

We provide around 900 apprenticeships in seven different vocational areas. Added to these are roughly 50 apprenticeships in three vocational areas at the subsidiary cablex. In 2021, 266 (prior year: 266) apprentices with Swisscom and 12 (prior year: 16) cablex apprentices successfully completed their vocational training. This corresponds to a success rate of 98% (prior year: 95%). At the same time, 253 (prior year: 267) young people started their apprenticeship at Swisscom and 12 (prior year: 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 100 (prior year: 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 15 selected students to embark upon their careers after completing their studies, five of which in the field of IT.

Training and education

By giving employees the freedom to shape their own professional development and requiring them to take responsibility for themselves, we create an inspiring learning culture and promote 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. Depending on the educational goal, we also participate in external training courses by freeing up working time and/or contributing financially. Around 46% (prior year: 58%) of Swisscom employees used at least one of the five training and development days in 2021.

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 grow through diversity – as people, as a team, as a company. 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. The diversity team was expanded to include two members from western Switzerland and Ticino. The internal diversity community currently has over 200 members. In 2021, various campaigns and initiatives were held, dealing with unconscious bias, job-sharing and Pride Month as well as regions and language. A diversity strategy was drawn up based on extensive data analysis, and clear governance was approved by the BoD. In order to measure success, the business divisions defined diversity ambitions and approved them.

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, the first Ecole42 course was launched with Swisscom as one of the main sponsors. Ecole42 trains IT specialists regardless of their previous career path (career changers) and thus helps to create more equal opportunities. The first year began in August 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 offer a self-test and knowledge transfer on the topic of unconscious bias.

Diversity in management bodies

We currently have three women and six men on our Board of Directors and one woman and five men on the Group Executive Board. Top management includes nine women. The Group Executive Board continues to set itself the goal of 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. That is why we have made it a priority for 2022 to fulfil our diversity ambitions in the Swisscom divisions.

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. The proportion of women entering the ICT professions at Swisscom in the year under review was 27.5% (prior year: 34.2%).

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

At Swisscom, people from all generations work together – from young people starting out in their careers to colleagues approaching retirement – all with a wide range of knowledge and experience. The exchanges and collaboration between the generations is valuable and enriching. For this reason, we encourage intergenerational cooperation.

Through the Check Your Chance initiative run by the Swiss Employers' Association, we support the career entry of young people in difficult situations and make it easier for older employees to leave the workforce by entering partial retirement in stages.

Nationality and language

People from 91 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. If employees are in poor health, we attach great importance to supporting them in their return to work or enabling them to reintegrate in a meaningful way. To promote inclusion, we offer at least 1% of all jobs for the integration of people with an impairment and the social integration of refugees. Swisscom has been a member and sponsor of the Compasso association since it was set up. Compasso provides information and support to association members on job retention and vocational integration.

Occupational health and safety

Management approach

Our employees' health and safety is our top priority. As an employer, we take various measures to help employees so they stay healthy and motivated for the long term.

If they have health or social concerns, they can obtain anonymous and confidential advice from the neutral Care Gate contact point.

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 with a wide range of offerings. We also offer our employees regular stress and resilience courses.

We are committed to consistent adherence to safety rules in the workplace in order to protect the life and health of everyone involved. To ensure this, we consistently implement the statutory provisions. The safety system is evaluated every two years with targeted audits conducted by occupational safety specialists.

Security experts meet regularly in the Group Security Board to discuss common problems and possible solutions and to define overarching Swisscom measures as well as awareness-raising and prevention campaigns. The Safety Board TU has been set up for larger projects (e.g. when Swisscom awards contracts to a general contractor) and meets six times a year under the leadership of the Safety Swisscom safety officer.

The safety officers analyse accidents and examine where improvements can be made. All these measures lead to lower accident rates and lower absenteeism. Key figures on work-related accidents and illnesses are collected via a central reporting system. Every year, a survey of the personal work situation is also conducted to measure the general stress level and presenteeism of employees.

Safety certifications and partnerships

In the year under review, the Federal Coordination Commission for Occupational Safety (FCOS) certified the Swisscom safety system, which is based on national standards, as a company group solution in accordance with FCOS Guideline 6508 and FCOS Guideline 6508/10 (comparable with the ISO 45001:2018 standard). The recertification for another five years (valid until 30 June 2026) was successfully obtained (FCOS confirmation no. BLZ-2021-G2002).

As the 2021 'G20 to ISO 45001' audit proves, we have a comprehensive safety system in place that complies with the law. This is based on the requirements of FCOS' ASA guideline. Certification to the latest ISO 45001 standard would be achievable at any time with little effort if customer requirements demanded it.

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 designation is valid for three years and will be renewed at the beginning of 2022.

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 to the well-being of their colleagues. They develop proposals for improving ergonomics and occupational health and safety, and they bring these to the relevant meetings of 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, together with Pro Mente Sana, stress and resilience courses, Mental Health First Aid (MHFA) training and courses on presenteeism with the Institute for Occupational Medicine.

A long-term indicator of work stress is the absence rate. In 2021, the absence rate was 2.8% (prior year: 2.6%). The number of absences rose by 21% year on year as did the duration of the individual absences.

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 measuring presenteeism, which is a psychosocial risk that the company pays particular attention to.

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 was stable in the year under review. At 16 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 or serious accidents at work were recorded.
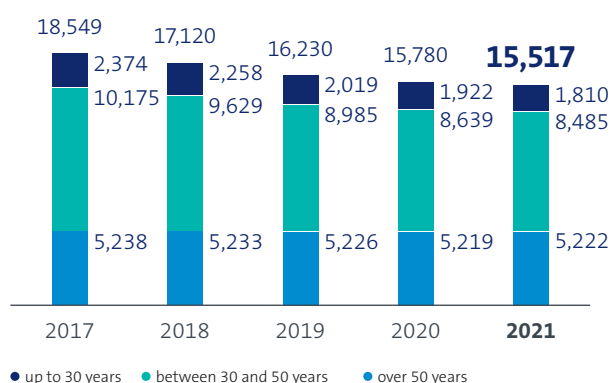
In the case of long-term absences, the number of cases is falling, but the average length of absence is also increasing, particularly due to psychological stress. 1,915 (prior year: 1,888) of absences were caused by non-occupational accidents (NOA).

Number respectively as indicated	2019			2020			**2021**		
	Male	Female	**Total**	Male	Female	**Total**	**Male**	**Female**	**Total**
Illness and accidents (S+A)									
Regular working days in FTE	3,103,967	1,028,765	**4,132,732**	3,036,402	986,088	**4,022,490**	3,003,720	960,697	**3,964,417**
Days lost due to illness (w/o work-related illness)	65,149	36,077	101,227	59,583	28,952	88,535	65,514	33,193	98,707
Days lost due to work-related illness		57	57	–	–	–	–	–	–
Days lost due to work-related accidents	2,673	259	2,932	2,513	152	2,665	2,483	133	2,616
Days lost due to non-work-related accidents	12,984	3,409	16,393	10,567	2,792	13,359	9,024	2,754	11,778
Days lost total (S+A)	80,806	39,803	**120,610**	72,663	31,896	**104,559**	77,020	36,080	**113,100**
Number of cases of illness	15,045	7,197	22,242	11,373	5,385	16,758	14,413	6,241	20,654
Work-related accidents	241	43	284	197	32	229	201	34	235
Number of non-work-related accidents	1,906	572	2,478	1,452	402	1,854	1,493	408	1,901
Total cases [1]	17,192	7,812	**25,004**	13,022	5,819	**18,841**	16,107	6,683	**22,790**
Share of days lost due to illness (w/o work-related illness)	2.10%	3.51%	2.45%	1.96%	2.93%	2.20%	2.17%	3.45%	2.48%
Share of days lost due to work-related illness		0.01%	0.0014%	0.0000%	–%	0.0000%	0.000%	–%	0.00%
Number of work-related accidents	0.09%	0.03%	0.07%	0.08%	0.02%	0.07%	0.08%	0.01%	0.07%
Share of days lost due to non-work-related accidents	0.42%	0.33%	0.40%	0.35%	0.28%	0.33%	0.30%	0.29%	0.30%
Rate of days lost total (S+A) in %	2.61%	3.87%	**2.92%**	2.40%	3.20%	**2.60%**	2.60%	3.70%	**2.80%**
Work-related deaths	–	–	–	–	–	–	–	–	–
Net presence in FTE	9,864	2,458	12,279	7,816	2,117	9,921	7,760	2,062	9,809
Total productive hours performed	20,306,884	5,753,271	**26,060,156**	16,294,051	5,005,499	**21,299,551**	16,201,459	4,847,351	**21,048,810**
Productive time per FTE in hours	1,684	1,636	1,673	1,402	1,505	1,425	1,412	1,488	1,428

1 Failure of working time which generates medical costs

Employee age structure

in headcount (HC)

Legend:
- up to 30 years
- between 30 and 50 years
- over 50 years

Year	up to 30 years	between 30 and 50 years	over 50 years	Total
2017	2,374	10,175	5,238	18,549
2018	2,258	9,629	5,233	17,120
2019	2,019	8,985	5,226	16,230
2020	1,922	8,639	5,219	15,780
2021	1,810	8,485	5,222	15,517

Overall balance in Switzerland

Number respectively as indicated	2019 Male	2019 Female	2019 Total	2020 Male	2020 Female	2020 Total	2021 Male	2021 Female	2021 Total
Total workforce in Switzerland									
Average workforce FTE			**16,872**			**16,234**			**15,961**
Workforce end of year FTE			**16,628**			**16,048**			**15,882**
Reporting limit in Switzerland **according to the personnel information system**									
Coverage report limit			**93%**			**93%**			**92%**
Average workforce FTE	12,062	3,516	**15,578**	11,652	3,337	**14,989**	11,509	3,270	**14,779**
Employees in FTE per end of December	11,938	3,443	**15,381**	11,584	3,318	**14,902**	11,465	3,211	**14,676**
in headcount (HC)	12,231	3,999	**16,230**	11,919	3,861	**15,780**	11,794	3,723	**15,517**
Temporary positions (HC)	945	292	1,237	806	225	1,031	737	197	934
Permanent work contracts (HC)	120	92	212	177	117	294	141	87	228
Temporary work contracts (HC)	12,111	3,907	16,018	11,742	3,744	15,486	11,653	3,636	15,289
Gender ratio (HC)	75.4%	24.6%	100.0%	75.5%	24.5%	100.0%	76.0%	24.0%	100.0%
Full-time employment (HC)	10,692	2,101	12,793	10,172	2,001	12,173	10,058	1,933	11,991
Part-time employment (HC)	1,419	1,806	3,225	1,570	1,743	3,313	1,595	1,702	3,297
Ratio full time employees (HC)	88.3%	53.8%	79.9%	86.6%	53.4%	78.6%	86.3%	53.2%	78.4%
Ratio part time employees (HC)	11.7%	46.2%	20.1%	13.4%	46.6%	21.4%	13.7%	46.8%	21.6%
Employees in collective employement agreement (CEA)	9,538	3,614	13,152	9,247	3,462	12,709	9,108	3,289	12,397
Rate collective labour agreement (CEA) to total workforce	78.0%	90.4%	81.0%	77.6%	89.7%	80.5%	77.2%	88.3%	79.9%
Top Management (HC)	76	9	85	69	9	78	68	10	78
Management (HC)	2,617	376	2,993	2,603	390	2,993	2,618	424	3,042
Rate of employees within Management (HC)	87.4%	12.6%	100.0%	87.0%	13.0%	100.0%	86.1%	13.9%	100.0%
Fluctuation in Switzerland									
Average age	44.1	41.5	43.5	44.3	41.7	43.7	44.5	42.1	43.9
Leavings [1]	1,382	497	1,879	1,092	317	1,409	1,009	321	1,330
Leavings < 30 years [1]	197	123	320	170	74	244	176	74	250
Leavings 30–50 years [1]	708	256	964	524	158	682	448	137	585
Leavings > 50 years [1]	477	118	595	398	85	483	385	110	495
Rate of leavings < 30 years	14.3%	24.8%	17.0%	15.6%	23.3%	17.3%	17.4%	23.1%	18.8%
Rate of leavings 30–50 years	51.2%	51.5%	51.3%	48.0%	49.8%	48.4%	44.4%	42.7%	44.0%
Rate of leavings > 50 years [2]	34.5%	23.7%	31.7%	36.4%	26.8%	34.3%	38.2%	34.3%	37.2%
Enterings [1]	908	239	1,147	705	177	882	850	211	1,061
Enterings < 30 years [1]	278	109	387	214	82	296	282	89	371
Enterings 30–50 years [1]	547	120	667	434	88	522	484	107	591
Enterings > 50 years [1]	83	10	93	57	7	64	84	15	99
Rate of Enterings < 30 years	30.6%	45.6%	33.7%	30.4%	46.3%	33.6%	33.2%	42.2%	35.0%
Rate of Enterings 30–50 years	60.3%	50.2%	58.2%	61.6%	49.7%	59.2%	56.9%	50.7%	55.7%
Rate of Enterings > 50 years [2]	9.1%	4.2%	8.1%	8.1%	4.0%	7.3%	9.9%	7.1%	9.3%
Further KPIs									
Education and training days			52,776			45,734			54,822
Number of days training and education per employee (headcount)			3.3			2.9			4
Maternity and paternity leave	584	210	794	580	195	775	671	207	878
Total CEO compensation in kCHF			1,759			1,853			1,958
Median salary in kCHF			137			139			141
Ratio CEO compensation / median salary			13			13			14
Variation of CEO compensation			−3.8%			5.3%			5.7%
Variation of median salary			1.5%			1.5%			1.4%
Minimum full time salary in kCHF according to the CEA			52			53			52
Peformance Dialogues [3]			91.4%			95.4%			86.0%

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

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 improving our energy efficiency and working to reduce our environmental footprint. 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 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. Added to this are our office and operations buildings, shops and data centres. Every year we procure goods and services worth 2.8 billion and provide 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 reports (Special Report of 2018, 6th Assessment Report AR6 of August 2021), which represent a tightening of the Paris climate target, recommending that a maximum temperature increase of 1.5 degrees 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 and the reduction of emissions from our supply chain.

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_2 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.

Building on an 80% reduction in our direct greenhouse gas emissions over the past 30 years, we intend to continue on the reduction path to reach 90% by 2025. We aim to decarbonise our operations and supply chains further and faster and to limit our direct and indirect CO_2 emissions to 235,000 tonnes between 2020 and 2025. We have been completely offsetting the remaining, unavoidable operational emissions with myclimate since 2020. As a result, we have become a climate-neutral company.

From 2025 onwards, we aim to fully offset the impact on the climate caused by the emissions from our operational activities and our supply chain. At the same time, as we continue to move down the reduction path based on the Science Based Targets Initiative (SBTi) set at 1.5 °C we will aim to achieve the net zero target in 2025 according to the SBTi requirements.

Periodic analyses of our impact on the environment prove that our energy consumption is the most important internal lever for reducing CO_2 emissions. By 2025, we want to increase our overall energy efficiency by a further 25% compared with the level on 1 January 2020. In addition, we will focus even more strongly on renewable electricity 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

the 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 climate 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. 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 successfully

issued another CHF 100 million green bond. Reports on the allocation of the capital and the impact achieved are publicly accessible on our website.
☺ See **www.swisscom.ch/financing**

Our ambitions do not stop at net zero emissions. Through our portfolio and together with our customers, we aim to increase CO_2 savings to 1 million tonnes per year by 2025. These savings correspond to around two 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.

Partnership	Target agreement	Start year January 1st	Target year Dec. 31st	Target
Swisscom	CO_2 reduction scope 1 to 3	2020	2030	−47%
Swisscom	Net zero emissions	2020	2025	−%
Swisscom	Energy efficiency (savings measures over total energy consumption, not weighted)	2020	2030	+43%
EnAW	Energy efficiency (savings measures over total energy consumption, not weighted)	2013	2022	+35%
EnAW	CO_2 intensity of heating fuels (CO_2 emissions as a proportion of total CO_2 emissions and CO_2 savings)	2013	2022	−8%
EnAW	CO_2 intensity of fuels (CO_2 emissions as a proportion of total CO_2 emissions and CO_2 savings)	2013	2022	−24%
VBE	Energy efficiency (savings measures over total energy consumption, not weighted)	2020	2030	+18%
Science-Based Target	CO_2 reduction Scope 1	2020	2030	−74.9%
Science-Based Target	CO_2 reduction Scope 2	2020	2030	−100%
Science-Based Target	CO_2 reduction Scope 3	2020	2030	−45.7%

## Energy efficiency in operations

We are investing an enormous amount in telecommunications networks and in energy efficiency measures. 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_2 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
• Developing and marketing sustainable ICT products and services

Total energy consumption Swisscom

in GWh

2017	2018	2019	2020	**2021**
548	558	563	546	**534**
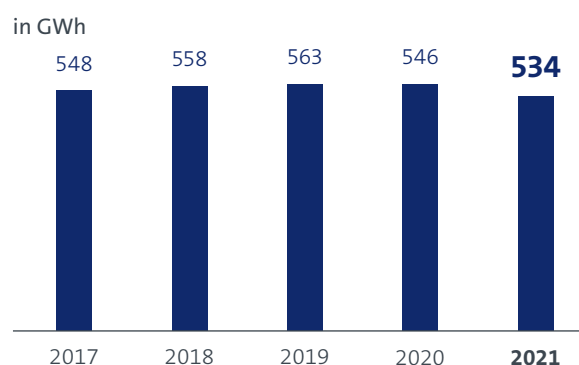
Determining energy demand up to 2030

In the year under review, we again reviewed our energy requirements and their CO_2 footprint up to 2030. The hypotheses and scenarios considered postulate total electrification of mobility and strong electrification of heating our own buildings thanks to heat pumps. The demand for fossil fuels should thus decrease significantly. 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 and 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 accordance with our procurement policy for renewable energy published in 2020, we procure our energy wherever possible from sources that are renewable or produce low CO_2 emissions. These include primarily hydropower, photovoltaics, wind power and, to a lesser extent, biomass for heating systems.

☺ See **www.swisscom.ch/renewable-energy**

At 87%, 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 reducing the associated CO_2 footprint in our operations. The following measures make the greatest contribution.

Network modernisation

Despite constant network expansion in both broadband and mobile networks, electricity consumption was virtually unchanged in 2021. This was achieved thanks to the use of new, more efficient technologies and the systematic implementation of further efficiency measures such as the modernisation of the low-band radio units in the mobile network. It was also due to the dismantling of obsolete platforms and network elements such as the shutdown of the 2G network and the dismantling of the analogue telephony platform TDM.

Replacement of antennas and cooling devices

In the mobile network today, remote radio units are used to the greatest possible extent and are mounted in the immediate vicinity of the antennas. The radio units range from two transmitters/receivers to eight transmitters/receivers. The portfolio includes coverage-optimised single-band and multi-band radio units that reduce space requirements, power consumption and the overall operating costs.

They are cooled directly by the outside air, which reduces the heat load and therefore the required cooling capacity within the base station. Swisscom is replacing its oversized and energy-intensive cooling systems and air-conditioning units wherever possible with environmentally friendly and cost-effective ventilation systems that 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 1.34 (prior year: 1.32). 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 rainwater and achieved a PUE value of 1.32 in 2021. 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 in accordance with the internal Pioneer standard. In the year under review, the corresponding checks helped optimise the operating conditions of buildings, saving 629 MWh of energy, 245 MWh 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 observed in energy consumption for heating the buildings during the year under review, as the offices were heated even with a small number of occupants. However, adjustments to the heating mix – such as the use of biomass (wood), including indirectly via district heating as a supplementary energy source – have reduced the CO_2 emissions of the buildings slightly.

Since 2016, we have been systematically replacing all heating systems due to be renovated with CO_2-free systems. 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. The energy and CO_2 intensities of buildings, all categories combined, have dropped by 37% and 51% respectively since 2007.

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, Berne Wankdorf and Ittigen to heat residential and office buildings in the neighbourhood. During the year under review, a total of 13.5 GWh (prior year: 12.8 GWh) of thermal energy was fed into neighbouring areas as district heating, saving 1.35 million litres of heating oil (prior year: 1.28 million 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 2021, the total output of our 87 solar installations was 3,376 kWp (+ 1.7%) and electricity production was 2.94 GWh. The project for the construction of photovoltaic systems on buildings with mobile communications installations was continued in the reporting year. This means that we should exceed the set target of 4,000 kWp by the end of 2023.

Fleet of climate-neutral vehicles

Our entire fleet will be climate-neutral: by 2025, compared with the new reference year 2020, we will halve the CO_2 emissions of our vehicle fleet, and by 2030 the entire Swisscom fleet will be CO_2-neutral (passenger cars and commercial vehicles).

In 2021, Swisscom accelerated the electrification of the vehicle fleet. Swisscom was one of the first companies in Switzerland to procure 80 electrically powered vehicles. The vehicles have sparked huge interest internally and have been distributed among Swisscom's various divisions. This also marks the start of the increased procurement of vehicles with electric drives. In parallel, charging stations have been installed in our buildings. Employees who opted for an electric car received financial support to install a charging station at home.

Further measures are contributing to halving the CO_2 footprint for mobility. The fleet is being resized. Thanks to optimisations made in field and customer services, fewer vehicles are in use. The traditional drives will continue to be optimised and energy-efficient models procured. Procurement criteria such as efficiency category and CO_2 emissions are being given more weighting. In 2021, 87.8% (prior year: 87.3%) of the vehicle fleet was assigned to energy efficiency categories A and B. The passenger car fleet had average CO_2 emissions of 115 grams per kilometre according to WLTP; the commercial vehicles emitted 170 grams per kilometre.

Climate protection solutions for our customers

According to the SMARTer2030 study by GeSI, ICT solutions can cut global CO_2 emissions by around one fifth by 2030. 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 1 million tonnes of CO_2 annually by 2025, which corresponds to around 2% of Switzerland's total emissions.

☺ See **www.swisscom.ch/sustainableproducts**

Below we report on the most important ICT products for our customers, divided into business and residential customers. The offerings have different climate impacts – on the indirect emissions (Scope 3/footprint) that arise with the use of the products or on the emission reductions (Scope 4/handprint) that the customers achieve through the use of the products. A detailed greenhouse gas balance sheet by emission category is published in our Climate Report.

☺ See **www.swisscom.ch/klimabericht2021**

For residential customers

• **blue TV:** in the year under review, Swisscom launched the Swisscom Box 21 on the market. This requires even less electricity than its predecessors. In addition, customers can optionally select a deep standby mode during installation, which further reduces electrical energy consumption but also slightly reduces user-friendliness (longer start-up time). Despite steady growth in customer numbers for blue TV, we have gradually reduced the energy consumption of all TV boxes in operation. In 2021, the TV boxes together required 56 GWh (prior year: 59 GWh). This was achieved thanks to extensive efficiency improvements in the new Swisscom Box 21.

☺ See **www.swisscom.ch/tv**

• **Routers:** we did not launch a new Internet Box in 2021. Our Internet Boxes offer several ways to save energy. 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. In addition, fewer devices are being used in home networks, as the Internet Boxes are increasingly replacing the connecting devices previously required to wirelessly link computers, televisions and HD fixed-line telephony, resulting in modest falls in energy consumption.

☺ See **www.swisscom.ch/router**

• **Energy-optimised operation of end devices:** the energy consumed by customer devices can be extrapolated to 281 GWh (prior year: 287 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**

- **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 significantly once again to 64% (prior year: 56%). This saves over 20 million sheets of paper per year.

⊕ See **www.swisscom.ch/bills**

- **Climate-compensated smartphones:** in 2021, the range of climate-compensated smartphones was extended to all Swisscom shops and supplemented by three additional compensation categories. In cooperation with our partner South Pole, we offer our customers the opportunity to offset the CO_2 emissions not only of their smartphones, but also of tablets, smartwatches and protective cases, for example. These emissions are produced during manufacturing, use and disposal. In the year under review, Swisscom customers offset the impact on the climate of over 26,000 products in the shop.

⊕ See **www.swisscom.ch/compensation**

- **Swiss Climate Challenge:** we have launched the Swiss Climate Challenge (SCC) together with Energy Switzerland, Migros Pioneer Fund and South Pole. In June 2021, we ran a public challenge where the public was incentivised to collect 100,000 green points via the SCC app. The target set was exceeded by 175,000 green points and around 12,000 new users. Initial evaluations show that users significantly reduced their CO_2 footprint resulting from mobility during the challenge. A total of around 50,000 people registered for the SCC and became aware of the footprint caused by their mobility. In an accompanying research project, ETH Zurich investigated the impact of the SCC on the reduction of the personal footprint. ETH Zurich identified a reduction in CO_2 emissions from mobility as part of an experiment, but this cannot be considered statistically relevant due to the size of the sample. Further investigations will corroborate the observed significant reductions in emissions during the Challenges.

⊕ See **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 on a person's own driving style and gives tips on how to make it more efficient.

⊕ See **www.autosense.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 really demonstrated since the Covid-19 pandemic started, e.g. for coping with working from home 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_2 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. In the year under review, the customer base and therefore the number of efficiently operated servers increased.
- **Dematerialisation:** various collaboration solutions support paperless work and reduce paper consumption, among other things. For instance, the number of customers and transactions on Conextrade – a platform for the digitisation and automation of business processes – jumped in the year under review.

⊕ See **www.swisscom.ch/bills**

- **Swisscom Smart City:** networked and smart devices and applications help buildings and transport systems to be operated more efficiently. 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**

- **IoT Climate Award:** to provide an incentive for the development and dissemination of innovative IoT solutions, we held the IoT Climate Award for the second time in the year under review. With the award, we recognise companies and start-ups that offer climate-friendly IoT solutions. The winners of the 2021 Award are Nexxiot for its solution for optimising logistics in freight rail transport, Belimo with its smart valve for optimising heating systems in buildings, and Energiezukunftschweiz with its LORAALARM for remote monitoring of solar thermal systems.

⊕ See **www.swisscom.ch/iotclimateaward**

- **Swiss Climate Challenge for companies:** together with PostFinance, we developed the Green Coins incentive system, which rewards sustainable behav-

iour. Green Coins can be earned in behavioural challenges and then spent on sustainable products or donations to non-profit organisations. In 2021, the first company challenge was held with the employees of Swisscom, Swiss Post and PostFinance. More company challenges of a similar nature and the first challenges with people living in cities are planned for next year.

- **Mobility analyses of companies, cities, municipalities and events:** on the basis of anonymised mobility data, mobility analyses can be created for companies, cities, municipalities to optimise transport planning. After completing initial analyses with pilot companies, we refined the offering for the first time in the reporting year and developed it as a prototype. These prototypes were then tested with customers in the second half of the year. A decision will be made in early 2022 as to whether this will lead to a standardised product that companies can use to record their CO_2 emissions from business and commuter traffic, evaluate the efficiency of their work-smart culture, and plan new solutions – for example, in the area of electromobility.

☺ See **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 reporting year, we held various webinars on digitisation topics for municipalities. In addition, a special edition of the publication Schweizer Gemeinde (Swiss municipalities) on the topic of 5G was published with the Association of Swiss Municipalities.

☺ See **www.mynigmeind.ch**

- **Investments in the area of sustainability:** the Swisscom Ventures division has been successfully investing in start-ups in the field of digitisation for many years. In the year under review, Swisscom Ventures invested in two technology start-ups active in sustainability. Firstly, Ecorobotix, a start-up in the field of smart farming whose solutions help farmers significantly reduce the use of pesticides. Secondly, ClearSpace, which is active in the removal and disposal of space debris and has been awarded a contract by the European Space Agency ESA for this purpose.

☺ See **www.ecorobotix.com/de**
☺ See **www.clearspace.today**

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 ecological 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.
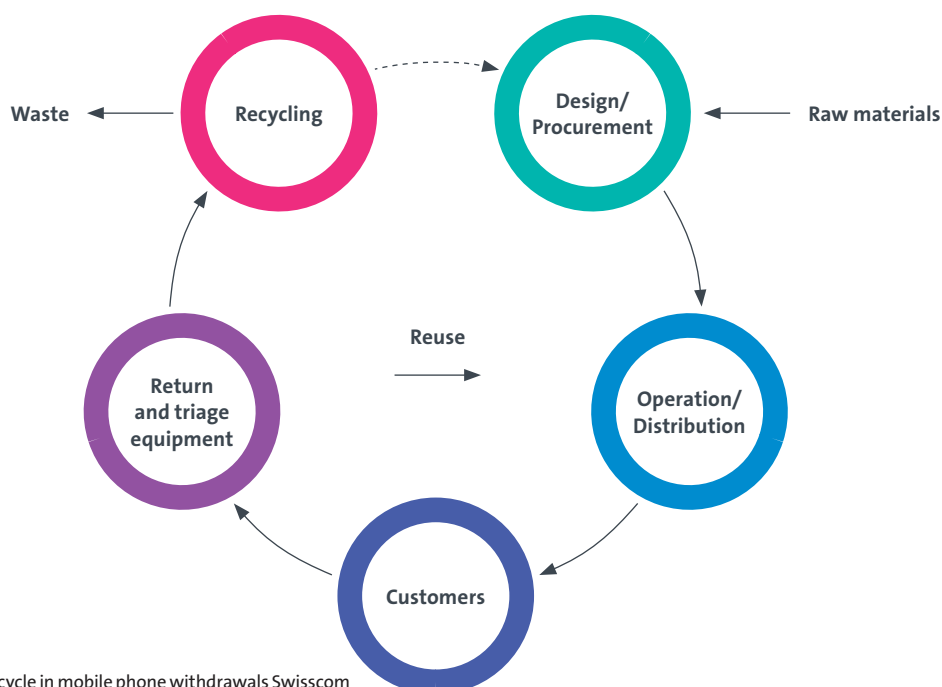
Based on the commitments of our sustainability and supply chain strategy, we have further developed our circular economy activities. In this respect we are very well positioned with the take-back and second-life programmes (e.g. Swisscom Mobile Aid). There is potential for improvement with the circular 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 here. 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 outdated 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 return its components to the cycle via reuse programmes 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.

Waste ← Recycling --- Design/Procurement ← Raw materials

Return and triage equipment — Reuse → Operation/Distribution

Customers

Waste presentation cycle in mobile phone withdrawals Swisscom

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 been working on the possible use of new types of biopolymers – which come from 100% renewable material and serve as a plastic substitute – in Swisscom devices on the basis of a pilot project. In the year under review, this material could not be mass produced yet. It is still our intention to make our own products more sustainable and compatible with the circular economy.

Raising awareness among the public

In September and October, we ran a campaign to make customers aware of the topic of the circular economy. The focus of the campaign was to draw the attention of younger customers in particular to our second-life programmes such as Swisscom Mobile Aid, Buyback and Refreshed. This involved providing basic knowledge about the raw materials and manufacturing energy which are needed in the production of smartphones. Customers were also made aware of the fact that they can contribute to the circular economy by using second-life programmes. The campaign shows the target group how they can use their mobile phones longer or give their devices a second life.

Repairs

In the reporting year, Swisscom opened two new Repair Centers at the Biel and Lugano sites. As a result, Swisscom now has a total of eleven locations with Repair Centers.

If a device happens to be faulty, we offer on-site repairs within 24 hours at our eleven Repair Centers. For an extra charge, this express service includes repairs within three hours. 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 valid thanks to the use of certified specialists and original parts. In 2021, we repaired 12,700 (prior year: 16,600) mobile phones at our 11 repair centres. This corresponds to 20% (prior year: 22%) of the total number of smartphone repairs at Swisscom.

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 pack-

aging. This makes it easy for our customers to reduce the amount of their waste.

☺ See www.swisscom.ch/rethink

We have also further developed our packaging concept to facilitate reuse. The ReBox packing box with or without any branding on it can be reused independently. In the year under review, we gradually modified them to be in line with all our own products.

Reduction of plastics in our own products

In the year under review, we began gradually reducing the amount of plastic used in the inner packaging of Swisscom's own products. Working with the suppliers, we were able to replace all plastic packaging for the cables supplied with TV boxes with smaller, more environmentally-friendly paper labels in the year under review. Furthermore, in consultation with customers, the cable length and therefore the amount of material used for new products was reduced.

In the year under review, we tested various forms of packaging and inner packaging with our suppliers. The evaluation determines how we will continue to develop these materials going forward. We also want to gradually reduce the amount of paper used in supplied instructions. A programme for this is now under way.

In the year under review, we sent 1,194 million parcels (prior year: 1,187 million) to our customers via our logistics partner ALSO. 741,000 (prior year: 612,000) of these 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% (prior year: 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 2021, we once again improved the targeted reverse logistics for the reprocessing of Swisscom's own products. We adapted the notifications to the customers. In doing so, we want to ensure that as many devices as possible, which can be refreshed and used as replacement devices, are returned to Swisscom. The simplified 'Take me back' system introduced in 2019 is an important component. 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. In the year under review, we achieved a return rate of 41% (prior year: 48%) with this return process. We are planning to offer 'Take me back' for other product categories.

☺ See www.swisscom.ch/material

'Refreshed smartphones'

We re-launched the refreshed smartphones offering in mid-2021, following a soft launch in the previous year.

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

Swisscom Mobile Aid and Mobile Aid Business

Returned functional devices have the potential for reuse. In 2021, Swisscom Mobile Aid collected 130,000 used mobile devices that had been returned by consumers. This is significantly more than in the prior year (90,000 devices). 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 Valida. The social institution Valida helps long-term unemployed people to reintegrate into the workforce. Compared with the prior year, the return rate for mobile devices rose to 21% (prior year: 15.5%).

☺ See www.swisscom.ch/mobile-aid

Companies can now work with their employees to collect old mobile phones for Mobile Aid. For this purpose, we provide them with the collection box free of charge. After the campaign, they receive an evaluation of the success of the collection and communications from SOS Kinderdorf Switzerland about the proceeds, which are used specifically for children in need. Due to the Covid-19 pandemic, large numbers of people have been working from home, which is why Mobile Aid Business has only been used sporadically. But the interest from the companies has been huge, and a number of collection campaigns are already planned for 2022.

☺ See www.swisscom.ch/mobileaidbusiness

Dismantling of network infrastructure

In places where we install new, more powerful networks, we also regularly dismantle old network infrastructure. In 2020, the last customers were migrated over to IP. This produces large amounts of old hardware that can be dismantled and recycled. The (reusable) materials produced in the process will be either reused, resold to other providers or recycled. 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 1,370 (prior year: 1,286) tonnes of iron, 78 (prior year: 140) tonnes of aluminium, 698 (prior

year: 763) tonnes of cable and 677 (prior year: 437) tonnes of electrical waste and printed circuit boards. 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 contribute to our climate protection goal.

Materials that can no longer be used are sent for recycling, where they are broken down into their individual parts and reprocessed so that they can be reintroduced into the material cycle. This procedure is resource-saving and is carried out for the most part in Switzerland. The materials obtained include iron, silver, gold, palladium, copper and nickel.

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

Promoting innovation to create a more circular economy

Swisscom promotes innovation in the circular economy. As a member of Swicorecycling, we support the Innovation Fund's activities. The work carried out by the SWICO Innovation Fund and the projects it supports are described on its website.

In the year under review, we also supported the Circular Economy Incubator of the Impact Hub Switzerland as a partner. In the year under review, the jury selected 33 par-

ticipants for the Incubator Programme from more than 100 applications. This will run until the end of January 2022.

☺ See **www.swico.ch**

☺ See **www.cetransition.ch**

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 and in the prior year. 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 even with the smaller 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	2019	2020	**2021**	**2021 in %**
Paper					
Office (copiers, printers) (80 g/m² = 5 g/sheet)	Blue Angel [1]	59	42	35	1.6%
Print media	FSC Label	1,488	1,201 [2]	947 [2]	42.4%
Bills and envelopes (envelopes = 6 g/per envelope)	FSC Label [3]	307	232	186	8.3%
Phone directories	Blue Angel	1,383	1,197	1,065	47.7%
Total paper consumption		3,237	2,672	2,233	100.0%

1 95%
2 Derived from experience from the previous year or on the basis of the previous year's order volume, converted (2020).

3 88% Blue Angel, 12% FSC Label

Cables, optical fibres and telephone masts

The laying of optical fibres in plastic pipes made of environmentally friendly polyethylene up to the street or 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. Our wooden masts also serve as CO_2 sinks.

in km, tonnes or number	Unit	2019	2020	**2021**
Consumamble material				
Optical fibre	fkm [1]	1,124,379	1,178,491	992,791
Copper pairs	pkm [1]	47,830	37,931	32,778
Plastic pipes PE	km	359	351	364
Copper [2]	Tonnes	575	504	409
Plastic pipes PE [2]	Tonnes	322	318	315
Telephone poles (wood)	Number of items	6,437	5,250	4,159

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 23 litres per FTE. Consumption is measured monthly. The measurement covers more than half of Swisscom's FTEs and is therefore representative. The measured amount is extrapolated to the number of average full-time positions.

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 hybrid coolers are operated with water for about 15% of the total annual operating time and with air the rest of the time. The share of rainwater used for cooling return air is over 80%. 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 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. The emission volume of refrigerants in the year under review was determined on the basis of the refill volume. This emission volume amounted to 33.1 tonnes of CO_2 equivalent (prior year: 35.9) and had no ozone depletion potential (ODP, 0 kg R-11 equivalent).

☺ See **www.swisscom.ch/klimabericht2021**

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.

The waste is separated into 25 subcategories, labelled 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. The special waste is disposed of in accordance with the legal provisions described on the FOEN website.

If there is a maintenance agreement with authorised third parties, these dispose of the special waste. Leftover cables and building materials are sorted on the construction site and disposed of directly. We do not record information on such waste. The volume of in-house household waste is calculated by extrapolating the actual figures recorded in 2021 at six major Swisscom locations throughout Switzerland. We multiply the calculated average volume of 12 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	2019	2020	2021	2021 in %
Waste categories				
Recycling	3,008	2,059	3,185	76.5%
Domestic waste disposal in incineration plants	623	225	534	12.8%
Operational waste disposal in incineration plants	1,168	2,149	393	9.4%
Hazardous waste (specific treatments)	23	28	50	1.2%
Total waste	**4,822**	**4,461**	**4,163**	**100.0%**

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 were 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 (protected area of national importance). In addition, one site was located in moorland. 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 did not dismantle any stations and restore the ground affected to its natural state.
- **Swisscom (Switzerland) Ltd base stations:** 76 mobile radio base stations (two more than last year; equivalent to 1.57% of the 76 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. Both of the new buildings mentioned in 2021 were built in emerald areas in Oberaargau and Monte Generoso.

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 Give & Grow programme. Due to Covid-19 restrictions, there were also significantly fewer engagements in 2021. In the year under review, our employees clocked up a total of 383 volunteer days (prior year: 386) for nature and landscape conservation.

Other air emissions

Besides CO_2 emissions, burning fossil fuels for heating and transport also produces NO_x and SO_2. 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_2 also applies to NO_x and SO_2, 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.

Overall assessment of 2021

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 2021 Climate Report.

⊕ See **www.swisscom.ch/klimabericht2021**

Energy consumption and efficiency

Our total energy consumption in Switzerland was 534 GWh (prior year: 546 GWh). It comprises 87% electricity, 8% heating fuels and 5% vehicle fuels. Thanks to the efficiency measures implemented, energy consumption was reduced by 22 GWh. The cumulative efficiency gain since 1 January 2021 is 4.7%.

We calculate efficiency as the ratio between total energy used and cumulative energy saved or avoided. 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. Thanks to this 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 89.6% (prior year: 89.8%).

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 Scope 1 emissions from the combustion of fossil fuels for heating and mobility and from refrigerants amounted to 14,429 (prior year: 14,420) tonnes of CO_2, including 33 tonnes (prior year: 36 tonnes) as fugitive emissions from the loss of refrigerants.

Scope 2 emissions

Scope 2 emissions from electricity and district heating consumption before compensation (on-site) amounted to 45,814 tonnes of CO_2. We offset this by purchasing certificates of origin.

Scope 3 emissions

Scope 3 emissions (all indirect CO_2 emissions including, for example, those emitted in the supply chains) amounted to 275,962 tonnes of CO_2. 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 for us as we did not manufacture any products, did not maintain any distribution centres and did not operate any franchises.

CO_2 savings

The change since base year 2020 is +9t CO_2eq. Scope 1, -1650t CO_2eq. Scope 2 (before offsetting) and -19,959t CO_2eq. Scope 3.

CO_2 savings through ICT services

Our customers save CO_2 by using our offerings. These savings amounted to 892'812 tonnes of CO_2 in 2021 (see 'Climate protection solutions for our customers'). Due to the Covid-19 pandemic and the requirement to work from home, the use of ICT services for teleworking increased sharply in 2020.

Carbon footprint

Our total emissions including those in our supply chains amounted to 290,392 tonnes of CO_2 in the year under review.

CO_2 intensity

We have continually reduced our CO_2 intensity in recent years. Intensity is calculated by the EnAW on the basis of our consumption statistics.

Environmental key figures in Switzerland

	Unit	2019	2020	**2021**
Land/buildings				
Net floor space (NFS)	million m²	0.92	0.91	0.88
Paper consumption				
Total paper consumption	Tonnes	3,237	2,672	2,233
Water/sewage				
Water consumption [1]	m³	182,135	130,647	111,801
Waste				
Total amount of waste	Tonnes	4,822	4,461	4,163
Mobility				
Vehicles	Number	2,249	1,736	1,727
Kilometers driven	million km	52.5	40.6	42.0
Average CO_2 emissions [2]	g per km	101.0	100.0	100.0
Energy, electricity				
Electrical energy consumption [3,4]	Terajoule	1,763	1,725	1,674
	GWh	490	479	465
of which electricity for the heat pumps	GWh		1.1	1.4
of which electricity for cooling (district cooling)	GWh		0.2	0.8
Energy, thermal [5]				
Heating oil	Terajoule	72.1	69.6	74.1
Natural gas [6]	Terajoule	28.3	28.6	27.7
Biomass [7]	Terajoule	1.2	1.1	1.3
District heating [8]	Terajoule	35.7	37.9	46.0
Total thermal	Terajoule	137.4	137.2	149.2
Energy, fuel [9]				
Petrol	Terajoule	17.1	13.7	13.8
Diesel fuel	Terajoule	108.4	88.6	84.9
Natural gas	Terajoule	0.4	0.3	–
Total fuel	Terajoule	125.9	102.6	98.7
Energy, total				
Energy consumption	Terajoule	2,027	1,964	1,921
	GWh	563	546	534
Air emissions				
Carbon dioxide CO_2-eq according to Scope 1 of the GHG Protocol [10]	Tonnes	16,295	14,420	14,429
Carbon dioxide CO_2-eq according to Scope 2 of the GHG Protocol ("market-based") [10]		–	–	–
Carbon dioxide CO_2-eq according to Scope 2 of the GHG Protocol ("location-based") [10]	Tonnes	55,702	54,001	45,814
Carbon dioxide CO_2-eq according to Scope 3 of the GHG Protocol [10]		339,342	295,921	275,962
Nitrous gases NO_x [11]	Tonnes	15.0	11.2	7.4
Sulphur dioxide SO_2 [12]	Tonnes	2.4	0.9	0.4

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), 24.25 (2020) resp. 23.47 (2021).
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 43% in 2021). 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_2 emissions from fossil energy consumption and loss of refrigerants. Scope 2: indirect CO_2 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), 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 SOx 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

Our reliable supply of high-performance broadband connections forms the basis for a digital Switzerland with innovative business segments, mobile working and a first-class entertainment proposition. The pandemic has clearly shown the value of this infrastructure: in international studies on infrastructure and digitisation, Switzerland regularly ranks among the top countries. The reasons for this are secure and high-performance access to the Internet for the population as well as free access for all schools in the country.

Broadband coverage

Management approach

We continue to invest heavily in infrastructure to meet the growing broadband needs of the Swiss fixed and mobile network. In addition to the nationwide basic service, we provide Switzerland with particularly powerful and fast broadband technologies. Our goal is to be the first telecommunications provider in Switzerland to make innovations available to our customers. Cities and villages, remote alpine huts and industrial buildings – in short, the whole of Switzerland should be able to benefit from the digital world. In the most recent international comparison of broadband coverage, Switzerland was very good. Almost the entire Swiss population already benefits from ultrafast broadband networks, as international studies carried out by the OECD and IHS (Information Handling Services) regularly show. Rural regions benefit in particular from the high level of capital expenditure, almost two thirds of which is financed by Swisscom.

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.

A network outage occurred in July 2021 that impacted the accessibility of emergency numbers. We have already learned many lessons from past outages. Together with the emergency call organisations, we have defined further measures to make improvements and will implement them in close cooperation. The measures introduced will further increase the robustness of the technically and procedurally complex emergency call systems.

Network and infrastructure

Bandwidth requirements in the 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. This is the highest investment of any provider in Switzerland.

By the end of 2021, around 90% of all homes and offices had a connection > 80 Mbps. By 2025, around 50 to 60% of all homes and offices are to be connected with a bandwidth of up to 10 Gbps. At the same time, we will continue to modernise the existing network in the coming years, giving another 30 to 40% of homes and offices access to bandwidth of 300 to 500 Mbps.

There is currently a great deal of uncertainty shrouding the continued rolling out of the fibre-optic network to homes and businesses (FTTH), which Swisscom is implementing for the whole of Switzerland. In 2021, the Federal Administrative Court confirmed the precautionary measures taken by the Competition Commission in December 2020, which partly call into question Swisscom's network architecture. Until the situation is clarified, Swisscom is only building network elements relating to the P2P (point-to-point) network element (e.g. feeder to the home) or that are being built under cooperations.

Our mobile network currently supplies 99% of the Swiss population with 4G and 3G coverage. The 5G expansion continues to progress and is bringing the needed additional capacity to the mobile network.

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 form the crucial basis for the expansion of a powerful Internet of Things (IoT) and make smart cities, smart farming, networked factories and smart homes technically possible.

In August 2021, OFCOM released the supplement to the enforcement aids for adaptive antennas. This means that these modern antennas, which are primarily utilised for the 5G standard, can be used in the way the inventors had intended: to transmit specifically in the

direction of the end devices. This will reduce the exposure of non-users and allow more data to be transmitted with the same amount of energy. These antennas therefore reduce non-ionising radiation from mobile communications signals (see Annual Report, page 27).

In May 2021, Successuisse published a study on mobile phone usage by Sotomo. The study is based on data from all Swisscom mobile radio cells. In the last ten years, data consumption has increased two hundredfold, while the number of devices registered on the network has tripled. Access to data has risen more in rural areas than in urban areas. The 4G technology will not be able to handle this increase over the long term. In the current situation and under the current permit regime, data columns or data congestion are pre-programmed.

Some sections of the population are still uneasy about 5G, often fuelled by disinformation and half-knowledge on the Internet. We are therefore investing more in educating people about the facts. The information platform 'Chance5G' was founded under the asut umbrella and in cooperation with partners. This is now supported by more than 100 ambassadors, 50 associations and about 300 private supporters (see 'Mobile telephony and society').

Basic service provision

We are responsible for providing basic telecoms services in Switzerland, and have been mandated to do so 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 59.25 per month. As part of basic service provision, we also maintain special services for persons with disabilities (see 'Accessibility').

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 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 the proposals will raise fundamental questions about the future structure of the universal service and the financing of network expansion in Switzerland. In spring 2021, the TTC therefore adopted the 'High bandwidth strategy of the Confederation' postulate (postulate report 21.3461), which is intended to examine the issues in greater depth and to identify a targeted implementation of a high bandwidth infrastructure in Switzerland.

In December 2021, the Federal Council opened the consultation process on the amendment of the content of the basic service provision in the Ordinance on Telecommunications Services (OTS). The main element is on the proposed increase in the minimum bandwidth from 10 Mbps today to a new 80 Mbps download. Swisscom will comment on the draft by means of a statement. Against the backdrop of the amendment of the basic service provision, the existing licence will be extended until the amended legal framework enters into force.

In general, the topics of 'public service' and 'governance' in federally owned companies are currently being addressed in various political initiatives. They are also very relevant to Swisscom's business activities.

	Unit	2019	2020	**2021**
Emergency calls	in thousand	3,000	3,036	3,284
Calls to the service for visually and hearing impaired	in thousand	252	286	292

Mobile telephony and society

Management approach

Some 8.6 million Swiss citizens use 11 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 and infrastructure'). 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 recently confirmed again 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 engaged in dialogue in relation to the controversy surrounding mobile communications and the environment for 20 years now. 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. Our team of experts has direct access to senior management and reports to a committee of the Group Executive Board (including the CEO, CIO and CCO) on a monthly basis.

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 in personal correspondence, by telephone and often in

direct conversation with people and stakeholder groups. In doing so, we strive to convey specialist knowledge so that it is easy to understand.

We also attach great importance to promoting high-quality research in order to clarify outstanding issues relating to mobile communications, society 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**

Electromagnetic fields

As a responsible player, we have a fundamental interest in operating a technology that harms neither people nor the environment. When operating the mobile communications installations, we comply with the national environmental requirements and the cantonal and communal building laws at all times and in every respect. We also want to actively communicate the technical and scientific aspects of mobile communications and the environment. So we are pursuing the goal of expanding the mobile network in line with the needs of our customers, driving research forward and maintaining dialogue with stakeholders.

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. Most scientists therefore consider such concerns unfounded. However, 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. In addition, an interdisciplinary team coordinates the measures. But there is also a constructive dialogue on this issue with competitors and the industry association asut.

Advice and information on wireless technologies

Local construction projects or articles in the media often lead to questions and demands on us. Open and honest dialogue with our stakeholders is important to us. This is why nine trained Swisscom employees dedicate themselves exclusively to these issues. In the year under review, we held around 500 discussions (prior year: 106) and conducted correspondence and telephone calls 115 times (prior year: 181) on the subjects of mobile communications and the environment and presented our position at public information events. The marked increase in the number of direct calls was due to the fact that mobile communications is now a fixed item on the agenda during all municipality accounting visits. We have found from these discussions that the controversy surrounding the roll-out of 5G has become more objective.

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 us. Four communications experts prepare information on mobile communications and the environment for online and print media.

Research and development

We cooperate with internal and external experts who analyse studies and support relevant scientific work in order to investigate electromagnetic fields. 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 on the effects of electromagnetic fields on organisms and the measurement of immissions.

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 at the start of November 2021 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.

The Federal Office of Communications (OFCOM) also validated a software-based security system for the new adaptive antennas. This ensures that the strict installation limit values are always complied with when averaged over a period of six minutes.

For places where people spend longer periods of time, the Ordinance on Non-Ionising Radiation (ONIR) sets limits that are ten times stricter than those recommended by the WHO for prevention. These installation limit values therefore represent a precautionary measure. However, the Federal Council wants to stick to these limits. The enforcement regulations for these limits represent a further tightening. The mobile communications industry and some politicians are pushing for certain practical reliefs here so that the mobile communications network can be expanded in line with usage, without the need to construct thousands of new mobile communication antennas.

Information about radiation values of devices

Interested parties can find information on the levels of radiation emitted by available mobile handsets (SAR values) at our points of sale and on the website. There is no legal obligation to provide this information. With this information, we are instead responding to the needs of a rather small segment of our shop customers (approx. 2%). All mobile telephones that we offer comply with the limit of 2 W/kg, in line with the WHO recommendations. At the end of 2021, we offered 38 different smartphones. 18% are below 0.8 W/kg (prior year: 35%), 14% are even below 0.6 W/kg (prior year: 23%). The average SAR value of this year's device portfolio is higher than last year's as the issue is marginal for manufacturers. In addition, a low SAR value is not a blanket guarantee of low immissions. It is more effective to make phone calls with a good connection and to use headsets for long conversations in order to protect yourself against mobile phone immissions as a precaution. However, we also provide information about the immissions of mobile communication antennas: the calculated field intensities of Swisscom locations can be accessed online for almost any residential address in Switzerland.

☺ See **www.swisscom.ch/fieldstrength**

Current challenges

Due to the strict legal limits and additional restrictions on execution, the modernisation of mobile communications systems cannot be rolled out as quickly as planned: the majority of the current sites have already exhausted the approved power reserves. This calls for a large number of new antenna systems. The decommissioning of the second generation of mobile communications (2G) at the end of 2020 has brought virtually no relief in terms of power reserves on existing mobile communications installations.

We are therefore advocating a modest amendment of the ONIR and its enforcement provisions. Only in this way can Switzerland continue to take full advantage of the opportunities from mobile communications. 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

We attach great importance to the legally compliant and responsible processing of personal data. Our central data governance unit monitors and manages data protection within Swisscom and works closely with all relevant business divisions and other staff units. It is extremely important for us to support this unit by developing and expanding appropriate technical systems.

In the year under review, we pressed ahead with the implementation of the new Swiss Data Protection Act (DPA) by analysing the legal requirements and their implications. It is being carried out in a cross-organisational programme involving all relevant functions. In addition, new directives and information sheets were issued for specific types of data processing.

In 2021, we were also heavily involved in the development of privacy icons. These graphical representations show data subjects quickly and easily which of his or her data is being processed and how. The icons are made available to the public through the Privacy Icons association and can be used free of charge by data processors. We are a member of the association and are represented on the board.

Our Data Ethics Board reviewed several use cases in the year under review to check for compliance with data ethics principles. The data ethics framework has proven its worth and will be continued next year (see 'Business ethics').

☺ See **www.swisscom.ch/data-protection**

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 relevant institutions ideally complement 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**

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

☺ See **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 'digitalswitzerland' initiative, which hosted Digital Days 2021 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 (see 'Training support and other measures' et seq.).
- **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 (see 'Broadband coverage').
- **Mobile expansion:** by continuously modernising and expanding the infrastructure, we are able to meet the demand for high-performance networks. 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 (see 'Networks for advanced solutions').
- **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 (see 'Broadband coverage').
- **Basic service provision:** ComCom has awarded Swisscom the current universal service licence until 31 December 2022. On 10 December 2021, the Fed-

eral Council decided to amend the general structure of the basic service provision. ComCom will therefore probably extend the current licence by one year until the new legal framework is in place (see 'Basic service and nationwide provision').
- **Customer friendliness:** we are continually improving our customer information systems, for example with services such as Swisscom Cockpit for customers abroad.

☺ See **www.swisscom.ch/cockpit**

During the year under review, as in the previous financial year, we submitted statements as part of numerous consultations at federal level. 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 'High bandwidth strategy of the Confederation' postulate are of particular importance to us. Furthermore, consultations were opened at the end of 2021 on the revision of the Federal Cartel Act (FCA), the Ordinance on Telecommunications Services (OTS) concerning the enhancement of the security of telecommunications networks, and the aforementioned amendment of the basic service provision, on which we will have our say.

Unresolved regulatory issues

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

The Swiss electorate rejected the eID bill at the ballot box in March. But politicians recognise the need for a digital identity and new initiatives are calling for the Federal Department of Justice and Police (FDJP) to draw up a new bill. In parallel, the responsible department and the Federal Chancellery carried out a public consultation on this matter. In December 2021, the Federal Council discussed the general structure of the future eID and decided to submit a draft law on this for consultation by mid-2022.

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 revision of the Film Act (FiG) was finished in the autumn session. But in October, young civic parties launched a referendum against the 'Lex Netflix', which is particularly concerned about the higher levy and possible higher costs for consumers. If the referendum is successful, the Swiss population will then vote on the revised Film Act.

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. The Foundation for Consumer Protection (SKS) criticised the implementation of the new roaming rules and called for a minimum limit. The new provision allows customers to set their own limits. If they do not do this, telecommunications service providers (TSPs) will set a certain limit to allow telephony abroad. However, some FDAs have chosen different limits, the level of which has been repeatedly criticised by the SKS.

In the autumn session, several proposals concerning the business activities of federally owned companies were discussed. There have been repeated calls for legislative action to curb (possible) distortions of competition by state-owned enterprises, and for the political management and supervision of service public enterprises. The parliamentary initiative 'appropriate remuneration and a stop to wage excesses at federal and federal-related companies' also continued to be debated in parliament. The differences between the National Council and the Council of States have not yet been resolved and the matter will go back to the preliminary committee and then to the Council of States (probably in the spring session of 2022).

The expansion of the 5G mobile communications infrastructure also led to numerous parliamentary motions and standing initiatives, three of which even called for moratoriums on further expansion. The standing initiatives calling for a moratorium were not adopted, but a postulate (21.3596) calling for the examination and clarification of future use in the millimetre wave range was.

In the aftermath of certain disruptions and breakdowns – particularly with emergency numbers – motion 21.3000 called for the introduction of technical system leadership in the area of emergency calls. Furthermore, six motions with the same wording, calling for the digitisation and further development of emergency calls in Switzerland, were adopted by parliament. The actual implementation details of these issues are not yet known and are being worked on by the responsible Federal Office of Communications (OFCOM) and other bodies.

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. The digital sovereignty issue is gaining weight in the political debate, not least because of the repeated disruptions to the networks.

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 the Annual Report 2021. A list of Group companies, comprising all the subsidiaries, associates and joint ventures, is provided in the Notes to the consolidated financial statements 2021 (see Annual Report, page 158).

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, Innovative Web, Ajila AG, Swisscom IT Services Finance Custom Solutions Ltd, Swisscom Trust Services AG, AdUnit AG, JLS Digital Ltd and Global IP Action AG. The central personnel information system thus has a coverage ratio of 92% (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 Blue Entertainment AG. Fastweb's CO_2 emissions are taken into account but excluded from the calculation of climate targets. 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 chain is based on a projection that takes account of 69 suppliers 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 70% of our order volume.

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 2021 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 13). They form the basis for the report. Detailed information on stakeholder management and stakeholder dialogue is provided in the section '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, '2021 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.

SGS

Assurance Statement

SGS ASSURANCE STATEMENT of the Swisscom AG 2021 GRI Sustainability Report

SCOPE

SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2021. Our limited 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 2021 data in accompanying tables contained in the Sustainability Report 2021 and referenced information in the Annual Report 2021 and on the webpage of Swisscom as quoted in the GRI index. The assurance process did not consider any data from previous years.

CONTENT

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

CERTIFIER INDEPENDENCE AND COMPETENCIES

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

METHODOLOGY

The SGS Group has developed a set of protocols for the assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Standards, Version till 2020. 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 limited 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 2021 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 2021. 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 (till 2020).

SIGNED FOR AND ON BEHALF OF SGS

Albert von Däniken, Lead Auditor

Elvira Bieri, Managing Director

Zurich, 31.01.2022

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) Ø =not relevant ☒ = not covered ☐ = partially covered ☑ = totally covered

102 General Disclosures
Organizational profile

Indicators		Status	Reference
102-1	Name of the organization	☑	AR: Notes to the consolidated financial statements: Other disclosures
102-2	Activities, brands, products and services	☑	AR: Brands, products and services
102-3	Location of headquarters	☑	See 102-1, CH-3048 Worblaufen
102-4	Location of operations	☑	AR: 2 Group structure and shareholders AR: 5.4 Group companies
102-5	Ownership and legal form	☑	AR: 2 Group structure and shareholders AR: Notes to the consolidated financial statements: Other disclosures
102-6	Markets served	☑	AR: Swiss market trends in telecoms and IT services
102-7	Scale of the organization	☑	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	☑	AR: Employees SR: Total workforce in Switzerland SR: Scope of the report: Personnel information system
102-9	Supply Chain	☑	SR: Value chain, supply chain and key aspects of Corporate Responsibility SR: Our supply chains
102-10	Significant changes to the organization and its supply chain	☑	AR: 2 Group structure and shareholders No significant changes in the supply chain.
102-11	Precautionary principle or approach	☑	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	☑	www.swisscom.ch/cr-partnerships
102-13	Membership of associations	☑	SR: Memberships and Partnerships www.swisscom.ch/cr-partnerships

Strategy

Indicators		Status	Reference
102-14	Statement from senior decision maker	☑	AR: Shareholders' letter SR: Stakeholders' letter
102-15	Key impacts, risks, and opportunities	☑	Context: AR: General conditions and market environment SR: Sustainable environment Risks: AR: Risks SR: Main risk factors in the supply chain Chances: AR: Brands, products and services Goals and strategy: AR: Strategyand environment SR: Sustainability strategy

Indicators		Status	Reference SR = Sustainability Report, AR = Annual Report
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Ethics and integrity

102-16	Values, principles, standards, and norms of behaviour	☑	Values and Vision: www.swisscom.ch/vision-values-strategy
			Link: www.swisscom.ch/basicprinciples – Code of Conduct www.swisscom.ch/codeofconduct
			AR: Compliance Management
			SPAG: SPAG: http://www.public-affairs.ch/de/standeskommission/standesregeln
			Codex from Lisbon: https://prsuisse.ch/uploads/media/prsuisse/1105/kodex_von_lissabon_verhaltensno256.pdf
			SR: Corporate ethics
102-17	Mechanisms for advice and concerns about ethics	☑	SR: Compliance management
			AR: Compliance management
			AR: Internal auditing

Governance

102-18	Governance structure	☑	SR: Corporate responsibility 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: Corporate responsibility 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: Corporate responsibility 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 www.swisscom.ch/de/about/investoren/kontakt.html; See also Website https://ip-ho.computershare.ch/swisscom 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	☑	www.swisscom.ch/basicprinciples – 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	☑	www.swisscom.ch/basicprinciples – Organisational Regulations
			SR: Corporate responsibility 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

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102-28	Evaluating the highest governance body's performance	☑	SR: Corporate responsibility 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.
102-29	Identifying and managing economic, environmental, and social impacts	☑	SR: Corporate responsibility 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	☑	AR: 4.12 Information and controlling instruments of the Board of Directors visa-vis the Group Executive Board AR: Risk management AR: Internal auditing
102-31	Review of economic, environmental, and social topics	☑	AR: 4.12 Information and controlling instruments of the Board of Directors visa-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	☑	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: Corporate responsibility 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	☑	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	☒	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	☑	AR: 3 Remuneration of the Group Executive Board
102-36	Process for determining remuneration	☑	AR: 4.2 Key management compensation
102-37	Stakeholders' involvement in remuneration	☑	SR: Stakeholders and strategic priorities AR: 7.3 Convocation of the Annual General Meeting and agenda items; Protocol
102-38	Annual total compensation ratio	☑	SR: Total workforce in Switzerland
102-39	Percentage increase in annual total compensation ratio	☑	SR: Total workforce in Switzerland

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Stakeholder engagement			
102-40	List of stakeholder groups	☑	SR: Stakeholders and strategic priorities
102-41	Collective bargaining agreements	☑	SR: Total workforce in Switzerland
102-42	Identifying and selecting stakeholders	☑	SR: Stakeholders and strategic priorities
102-43	Approach to stakeholder engagement	☑	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	☑	SR: Material issues SR: Group of stakeholders
Reporting practice			
102-45	Entities included in the consolidated financial statements	☑	AR: 2 Group structure and shareholders AR: 5.4 Group companies
102-46	Defining report content and topic boundaries	☑	SR: Scope of the report SR: Reporting: procedure and organisation
102-47	List of material topics	☑	SR: Material issues SR: Materiality matrix 2021 SR P. 61 Reporting
102-48	Restatements of information	☑	No "Restatements" in 2021
102-49	Changes in reporting	☑	SR: Group of stakeholders SR: Material issues SR: Materiality matrix 2021
102-50	Reporting period	☑	01.01.2021–31.12.2021
102-51	Date of most recent report	☑	www.swisscom.ch/report2020
102-52	Reporting cycle	☑	annual
102-53	Contact point for questions regarding the report	☑	www.swisscom.ch/en/about/impressum.html
102-54	Claims of reporting in accordance with the GRI Standards	☑	SR: Scope of the report: Principles This report has been prepared in accordance with the GRI Standards: Comprehensive option.
102-55	GRI content index	☑	SR: GRI Index
102-56	External assurance	☑	SR: SGS Certification
200 Economic Topics			
103-1	Explanation of the material topics and its boundaries	☑	AR: Shareholders' letter
103-2	The management approach and its components	☑	AR: Shareholders' letter www.swisscom.ch/basicprinciples – Code of conduct AR: Corporate strategy AR: Financial outlook
103-3	Evaluation of the management approach	☑	AR: Shareholders' letter
201 Economic Performance			
201-1	Direct economic value generated and distributed	☑	AR: Statement of added value
201-2	Financial implications and other risks and opportunities due to climate change	☑	AR: Sustainability strategy Siehe 302-3, 302-4, 302-5, 305-4 und 306-5; www.cdp.net
201-3	Defined benefit plan obligations and other retirement plans	☑	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	☑	As a result of the restrictions imposed by the Swiss Federal Council to contain the Covid 19 pandemic, short-time compensation was requested for some of the employees at Blue Entertainment AG (cinemas).

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202 Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	☑	AR: Employee remuneration SR: Total workforce in Switzerland
202-2	Proportion of senior management hired from the local community	☑	There is no location-based staff selection.
203 Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	☑	AR: Capital expenditure SR: Basic service provision SR: Education policy
203-2	Significant indirect economic impacts	☑	SR: Ready for Switzerland
204 Procurement Practices			
103-1	Explanation of the material topics and its boundaries	☑	SR: Our supply chains – Management approach
103-2	The management approach and its components	☑	SR: Our supply chains – Management approach
103-3	Evaluation of the management approach	☑	SR: Our supply chains – Management approach
204-1	Proportion of spending on local suppliers	☑	There is a location-based supplier selection for the location Switzerland.
205 Anti-Corruption			
103-1	Explanation of the material topics and its boundaries	☑	SR: The Group's precautionary principle SR: Compliance management
103-2	The management approach and its components	☑	SR: Compliance management
103-3	Evaluation of the management approach	☑	SR: Compliance management
205-1	Operations assessed for risks related to corruption	☑	Risky business activities are monitored within the framework of the CMS by means of control processes and an IT system.
205-2	Communication and training about anti-corruption policies and procedures	☑	The Board of Directors, Group and divisional management are informed annually about the measures, developments and any necessary adjustments. Annual anti-corruption training for new employees. Contractual obligations of all suppliers and partners to comply with the anti-corruption directive. SR: Compliance management
205-3	Confirmed incidents of corruption and actions taken	☑	No cases of corruption were identified in the reporting year.
206 Anti-Competitive Behaviour			
103-1	Explanation of the material topics and its boundaries	☑	SR: The Group's precautionary principle SR: Compliance management
103-2	The management approach and its components	☑	SR: Compliance management
103-3	Evaluation of the management approach	☑	SR: Compliance management
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	☑	AR: Legal environment AR: Federal Cartel Act (CartA) AR: Contingent liabilities for regulatory and competition law proceedings

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207 Tax			
207-1	Approach to tax	☑	Based on the guidelines determined by the Board of Directors, Swisscom has has drawn up a tax concept.
207-2	Tax governance, control, and risk management	☑	The Board of Directors determines the strategic, organisational, financial planning as well as accounting related guidelines, including the tax strategy. AR: Corporate Governance
207-3	Stakeholder engagement and management of concerns related to tax	☑	Not a material issue for Swisscom or our stakeholders.
207-4	Country-by-country reporting	☑	AR: Income taxes
300 Environmental Topics			
103-1	Explanation of the material topics and its boundaries	☑	SR: Ready for the environment
103-2	The management approach and its components	☑	SR: Ready for the environment
103-3	Evaluation of the management approach	☑	SR: Ready for the environment
301 Materials			
301-1	Materials used by weight or volume	☐	SR: Use of other resources The report only includes selected materials.
301-2	Recycled input materials used	☐	SR: Recycling Only data on selected topics are listed.
301-3	Recycled products and their packaging materials	☐	SR: Circular economy Quantities are not reported. SR: Paper
302 Energy			
302-1	Energy consumption within the organization	☑	SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
302-2	Energy consumption outside of the organization	☑	SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
302-3	Energy intensity	☑	SR: Energy efficiency and climate protection SR: Energy consumption and climate footprint
302-4	Reduction of energy consumption	☑	SR: Energy consumption and climate footprint SR: Environmental key figures in Switzerland
302-5	Reductions in energy requirements of products and services	☐	SR: CO_2 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
303 Water			
303-1	Interactions with water as a shared resource	☑	SR: Environmental key figures in Switzerland SR: Water
303-2	Management of water discharge-related impacts	∅	Not relevant, as water is only used for sanitary purpose.
303-3	Water withdrawal	∅	Household water only.

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304 Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	☑	SR: Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	☑	SR: Biodiversity
304-3	Habitats protected or restored	☑	SR: Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	∅	Not collected as not relevant.
305 Emissions			
103-1	Explanation of the material topics and its boundaries	☑	SR: Energy efficiency and climate protection – Management approach
103-2	The management approach and its components	☑	SR: Energy efficiency and climate protection – Management approach
103-3	Evaluation of the management approach	☑	SR: Energy efficiency and climate protection – Management approach
305-1	Direct (Scope 1) GHG emissions	☑	SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
305-2	Energy indirect (Scope 2) GHG emissions	☑	SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
305-3	Other indirect (Scope 3) GHG emissions	☑	SR: Energy efficiency in operations SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
305-4	GHG emissions intensity	☑	SR: The most important indicators fort he achievement of Swisscom's sustainability targets Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
305-5	Reduction of GHG emissions	☑	SR: Climate protection solutions for our customers SR: Environmental key figures in Switzerland Separate climate report Swisscom 2021 available online at the link: www.swisscom.ch/climatereport2021
305-6	Emissions of ozone-depleting substances (ODS)	☑	SR: Cooling systems and refrigerants
305-7	Nitrogen oxides (NO$_x$), sulphur oxides (SOx), and other significant air emissions	☑	SR: Environmental key figures in Switzerland
306 Effluents and waste			
306-1	Water discharge by quality and destination	☑	Water is only used for sanitary purposes.
306-2	Waste by type and disposal method	☑	SR: Recycling SR: Waste SR: Environmental key figures in Switzerland
306-3	Significant spills	☑	No significant releases known.
306-4	Transport of hazardous waste	∅	Not relevant. Swisscom did not transport in 2021 waste classified under the Basle Convention.
306-5	Water bodies affected by water discharges and/or runoff	∅	Not relevant. Waste water is discharged into municipal sewage treatment plants.

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307 Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	☑	No fines or penalties for non-compliance were imposed in 2021. SR: Compliance management
308 Supplier Environmental Assessment			
103-1	Explanation of the material topics and its boundaries	☑	SR: Our supply chains – Management approach
103-2	The management approach and its components	☑	SR: Our supply chains – Management approach
103-3	Evaluation of the management approach	☑	SR: Our supply chains – Management approach
308-1	New suppliers that were screened using environmental criteria	☑	SR: Audits
308-2	Negative environmental impacts in the supply chain and actions taken	☑	SR: Audits SR: Main risk factors in the supply chain
400 Social			
103-1	Explanation of the material topics and its boundaries	☑	SR: Ready for people – Management approach
103-2	The management approach and its components	☑	SR: Ready for people – Management approach
103-3	Evaluation of the management approach	☑	SR: Ready for people – Management approach
401 Employment			
401-1	New employee hires and employee turnover	☑	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	☑	AR: Employees SR: General terms and conditions of employment
401-3	Parental leave	☑	SR: General terms and conditions of employment SR: Combining work and home life
402 Labour/management relations			
402-1	Minimum notice periods regarding operational changes	☑	CEA § 3.3 Negotiations should be engaged early enough with the contracting unions.
403 Occupational health and safety			
103-1	Explanation of the material topics and its boundaries	☑	SR: Occupational health and safety
103-2	The management approach and its components	☑	SR: Occupational health and safety
103-3	Evaluation of the management approach	☑	SR: Occupational health and safety
403-1	Occupational health and safety management system	☑	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	☑	SR: Total workforce in Switzerland
403-3	Occupational health services	☑ ☑	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. SR: Dealing with the Covid-19 pandemic
403-4	Health and safety issues covered by formal agreements with trade unions	☑	SR: Occupational health and safety

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404 Training and education			
103-1	Explanation of the material topics and its boundaries	☑	SR: Employability – Management approach
103-2	The management approach and its components	☑	SR: Employability – Management approach
103-3	Evaluation of the management approach	☑	SR: Employability – Management approach
404-1	Average hours of training per year per employee	☑	SR: Training and education
404-2	Programs for upgrading employee skills and transition assistance programs	☑	SR: Training and education
404-3	Percentage of employees receiving regular performance and career development reviews	☑	SR: Evaluating performance and professional development SR: Total workforce in Switzerland AR: Collective employment agreement (CEA)
405 Diversity and equal opportunity			
103-1	Explanation of the material topics and its boundaries	☑	SR: Diversity and equal opportunities – Management approach
103-2	The management approach and its components	☑	SR: Diversity and equal opportunities – Management approach
103-3	Evaluation of the management approach	☑	SR: Diversity and equal opportunities – Management approach
405-1	Diversity of governance bodies and employees	☑	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	☑	AR: 4 Board of Directors AR: 5 Group Executive Board SR: Total workforce in Switzerland
406 Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	☑	SR: Cases of discrimination and measures taken SR: Audit results – number of issues No incidents of discrimination were reported in the reporting year.
407 Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	☑	Covered mutually thanks to agreed peace obligation pursuant to CEA.
408 Child labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	☑	SR: Main risk factors in the supply chain
409 Forced or compulsory labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	☑	SR: Main risk factors in the supply chain
412 Human rights assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Ø	No new company locations in 2021.
412-2	Employee training on human rights policies or procedures	☑	SR: Corporate ethics
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	☑	The Corporate Responsibility Contract Appendix (CRV) is part of all contracts.

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414 Supplier social assessment			
103-1	Explanation of the material topics and its boundaries	☑	SR: Our supply chains – Management approach
103-2	The management approach and its components	☑	SR: Our supply chains – Management approach
103-3	Evaluation of the management approach	☑	SR: Our supply chains – Management approach
414-1	New suppliers that were screened using social criteria	☑	SR: Audits
414-2	Negative social impacts in the supply chain and actions taken	☑	SR: Audits SR: Main risk factors in the supply chain
415 Public policy			
415-1	Political contributions	☑	SR: Responsibility towards the society Swisscom is politically and denominationally neutral and does not financially support any parties, opinion or decision makers.
416 Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	☑	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	☑	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 2021. SR: Compliance management No violations of regulations related to health and safety impacts of products and services identified.
417 Marketing and labelling			
417-1	Requirements for product and service information and labelling	Ø	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	☑	SR: Compliance Management No violations were identified in the reporting year.
417-3	Incidents of non-compliance concerning marketing communications	☑	SR: Responsible marketing No violations in connection with marketing and communication detected.
418 Customer privacy			
103-1	Explanation of the material topics and its boundaries	☑	SR: Data protection
103-2	The management approach and its components	☑	SR: Data protection
103-3	Evaluation of the management approach	☑	SR: Data protection
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	☑	SR: Data protection In the reporting year, one substantiated complaint was received from a private customer, which was acknowledged. The corresponding processes were adjusted.
419 Socioeconomic compliance			
103-1	Explanation of the material topics and its boundaries	☑	SR: The Group's precautionary principle
103-2	The management approach and its components	☑	SR: Compliance management
103-3	Evaluation of the management approach	☑	SR: Compliance management
419-1	Non-compliance with laws and regulations in the social and economic area	☑	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 telephone run over the same IT network. Swisscom switched all existing communication networks to Internet Protocol (IP) by the end of 2019. The IP services within Switzerland thus operate on Swisscom's own network, thereby enhancing security and availability in comparison with other voice services on the World Wide Web.

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

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

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

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

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

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

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

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

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

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

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

Other terms

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

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

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

Sustainability terms

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.

asut: Swiss Telecommunications Association (asut). asut represents the telecommunications industry and all economic branches comprised therein. The association is committed to ensuring optimal general conditions for users and providers of services and products.

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

CDP: CDP (formerly the Carbon Disclosure Project) is a non-profit organisation whose goal is for companies, communities and countries to disclose and publish their environmental data, such as climate-damaging greenhouse gas emissions. Swisscom joined the CDP's Supply Chain Programme in 2013 to create more transparency about the greenhouse gas emissions of its suppliers.

CO_2-eq: CO_2 equivalents (CO_2-eq) are a unit of measurement for standardising the climate impact of the various greenhouse gases. (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 unter **www.siea.ch**

CR Champions: The CR Champions are employees in the various business units who have been selected to implement measures and report on the progress of their implementation. They also develop further measures to achieve the objectives.

CSR: Corporate social responsibility refers to corporate responsibility for people, society and the environment.

EcoVadis: The EcoVadis online platform 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 made with EcoVadis by its suppliers.

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 signed a new agreement on objectives to increase its energy efficiency. The current agreement on objectives runs until 2020.

ESG: ESG refers to the consideration of environmental, social and governance issues.

Footprint: The term 'footprint', also called carbon footprint or CO_2 footprint, is the result of an emission calculation or CO_2 balance. It indicates the amount of greenhouse gas emissions released by an activity or a product. In the case of products, for example, the carbon footprint includes the total emissions caused by production, use and disposal.

CEA: Collective employment agreement

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

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

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

ISO 14001: An international environmental management standard that sets globally recognised requirements for 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: FOEN)

Supplier in-phasing process: The process for adding new suppliers to the supplier portfolio according to the Supply Chain Risk Management concept.

Delivery path: A delivery path is a part of a supply chain. For example, it maps the delivery of the antenna, chipset or memory by suppliers (sub-suppliers) to the factory for the production of a TV box.

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 the adjustment of the test cycle. WLTC is more dynamic and features a higher average and maximum speed and length compared to NEDC.

Net zero: Net zero means that all greenhouse gas emissions caused by humans must be removed from the atmosphere again through reduction measures and thus the climate balance is net, or zero.

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.

SBTi and SBT: The goal of the Science Based Target Initiative (SBTi) is to encourage companies to increase their efforts to combat climate change by setting science-based targets. These targets focus on the quantity of emissions that must be reduced to meet the goals of the Paris Agreement – to limit global warming to 1.5°C.

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).

SPOC: There is a Single Point of Contact (SPOC) for each Group division in the Swisscom sustainability team. The SPOC is the point of contact for the divisions, especially the CR Champions, who in turn ensure the implementation of the CR measures.

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 sustainable development in a balanced way and, for the first time, bring poverty reduction and sustainable development together into one agenda. (Source: DFA)

TCFD: The Task Force on Climate-related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) in 2015 to develop recommendations on corporate financial transparency related to climate risks. These provide a framework that allows companies to correctly assess their exposure to climate risks, e.g. in order to implement the necessary strategies in their business activity.

Greenhouse gases: Greenhouse gases, also referred to as 'climate gases'. Gases such as CO_2, methane, sulphur hexafluoride, N_2O 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.