

## *Corporate Responsibility*

We have a  
responsibility.  
Swisscom's  
four strategic priorities  
and other  
commitments.

### Corporate Responsibility strategy



Sustainable living  
and working

| Page 89–93



Sustainable  
use of resources

| Page 96–104



Telecommunications  
for all

| Page 105–110



Responsible  
employer

| Page 111–117

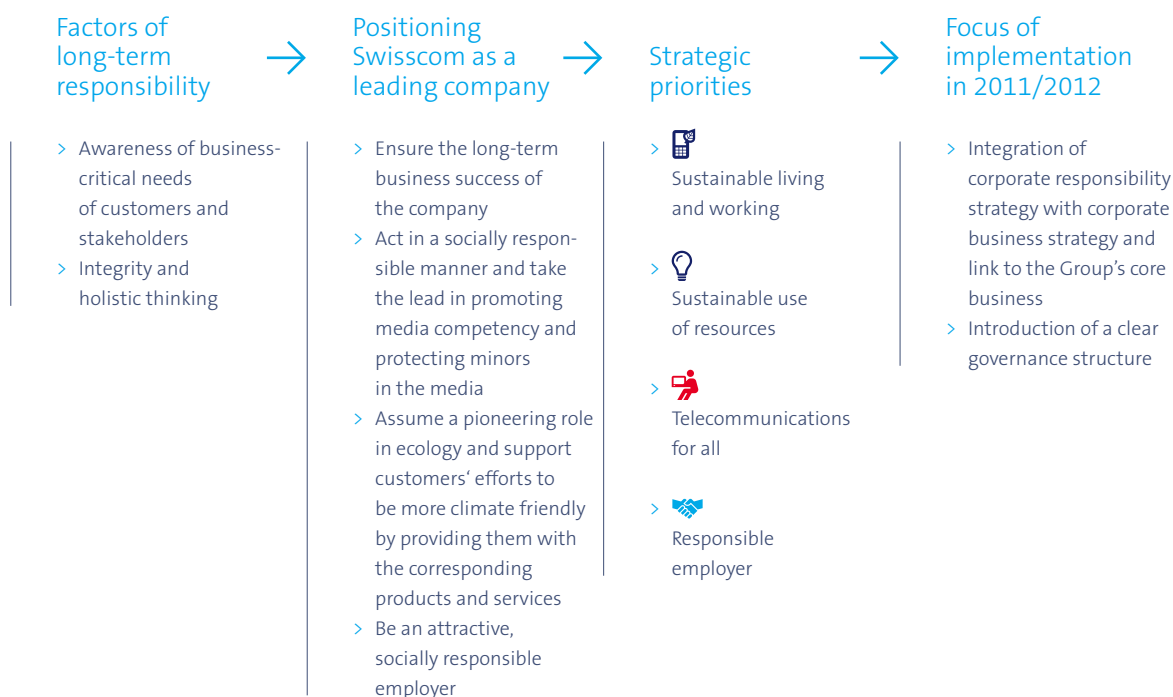
Corporate Responsibility Strategy	<ul style="list-style-type: none"> <li>77 Context and principles</li> <li>81 Strategic priorities</li> <li>85 Governance and implementation</li> <li>88 Customer satisfaction</li> </ul>
Sustainable living and working	<ul style="list-style-type: none"> <li>89 Principles and objectives</li> <li>89 Climate-friendly products and services for residential customers</li> <li>91 Green ICT for business customers</li> <li>92 Low-radiation communications technologies</li> <li>93 Partnerships</li> </ul>
Sustainable use of resources	<ul style="list-style-type: none"> <li>96 Principles and objectives</li> <li>96 Energy-efficient infrastructure</li> <li>98 Climate</li> <li>99 Other environmental aspects in the company</li> <li>101 Environmental performance indicators in Switzerland</li> <li>102 Swisscom's responsibility in the supply chain</li> <li>102 Supplier risk management</li> <li>104 Memberships and partnerships</li> </ul>
Telecommunications for all	<ul style="list-style-type: none"> <li>105 Principles and objectives</li> <li>105 Basic service provision</li> <li>106 Protecting minors in the media and promoting media skills</li> <li>108 Internet for Schools initiative</li> <li>109 Offerings for people with disabilities</li> <li>109 Memberships and partnerships</li> </ul>
Responsible employer	<ul style="list-style-type: none"> <li>111 Principles and objectives in Switzerland</li> <li>111 Human Resources policy</li> <li>112 Staff development</li> <li>113 Staff recruitment</li> <li>114 Health and safety in the workplace</li> <li>115 Diversity, but equal pay</li> <li>116 Employee satisfaction</li> <li>116 Memberships and partnerships</li> <li>117 Employees in figures</li> </ul>
Social and cultural commitments	<ul style="list-style-type: none"> <li>118 Festivals, museum, foundation</li> <li>118 Winter sports</li> <li>119 Economic development</li> <li>119 Corporate giving and people in need</li> <li>119 Climate Pioneers initiative</li> <li>120 Solar Impulse</li> </ul>
Innovation and developments	<ul style="list-style-type: none"> <li>121 Innovation process</li> <li>122 Successes</li> </ul>
Certificates and awards	<ul style="list-style-type: none"> <li>123 External evaluations of Swisscom</li> <li>123 2011 rating results</li> </ul>
Information on reporting according to GRI guidelines	<ul style="list-style-type: none"> <li>124 Scope of the report</li> <li>125 Guidelines and application level</li> <li>126 SGS certification</li> </ul>

# Corporate Responsibility Strategy

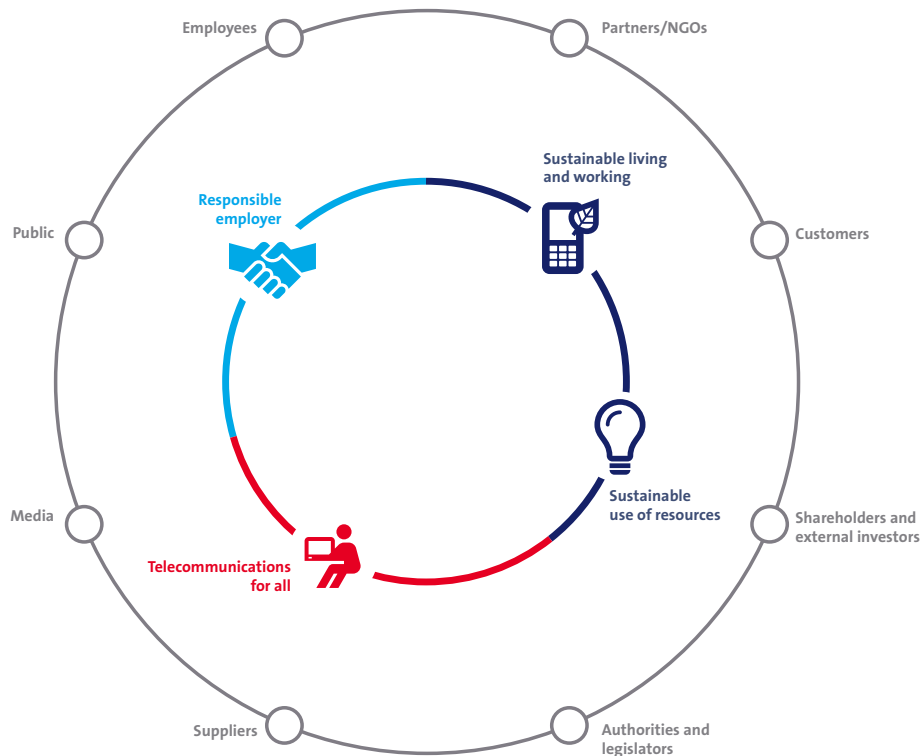
Swisscom continued to develop its corporate responsibility strategy (CR strategy), grouping the associated measures into four priority areas and strengthening internal governance. Long-term responsibility became more firmly embedded internally in 2011 and made more tangible for customers.

## Context and principles

Sustainable management and long-term responsibility are firmly enshrined in Swisscom's corporate culture. One of the guiding principles in the mission statement is that "Swisscom takes responsibility for the environment and the community – now and in the future". This guiding principle is nothing new, as Swisscom has had an environmental management system in place since 1998. Swisscom's corporate strategy is rooted in a long-term business view and promotes due consideration of economic, ecological and social factors.



## Dialogue with stakeholder groups and strategic priorities



Swisscom fosters dialogue with its most important stakeholder groups via electronic media, the phone, surveys, information events, business meetings, road shows, conferences, as well as in customers' homes and in the Swisscom Shops. In 2011 Swisscom addressed stakeholder concerns directly in concrete projects. Stakeholder management at Swisscom is decentralised to ensure proximity and ongoing contact with the various stakeholder groups. The following eight groups have the biggest influence on Swisscom's business strategy:

- > **Customers:** Swisscom systematically consults residential customers in order to identify their needs. Customer relationship managers, for example, gather information on customer needs directly at the customer touch points. The Corporate Business segment conducts quarterly surveys that include questions on sustainability. Swisscom also maintains regular contact with consumer organisations in all language regions of Switzerland, runs electronic forums and writes blogs, including an environmental blog launched in 2006, and a corporate responsibility (CR) blog launched last year. The overall picture gained is that customers expect attractive pricing, market transparency, responsible marketing, comprehensive network coverage, network stability, low-radiation technologies and sustainable products and services.
- > **Employees:** Once a year Swisscom conducts an employee survey and also organises round-table discussions with employee representatives. All employees are asked to report any irregularities that they come across in the course of their work. The Board of Directors' Audit Committee is the internal office responsible for handling whistleblowing cases. Employee concerns fall into the following areas: social partnership, training and development, diversity, health and safety in the workplace.

See  
www.swisscom.ch/  
supplierawards/en

See  
www.swisscom.ch/  
CR-Partnerships

- > **Suppliers:** As part of Swisscom's supplier relationship management, the company's procurement organisations discuss the results of evaluations, target agreements and measure fulfilment. Once a year the procurement organisations invite their main suppliers to the Key Supplier Day. The focus of the event is on risk reduction and responsibility in the supply chain.
- > **Shareholders and external investors:** Besides the Annual General Meeting, Swisscom fosters dialogue with shareholders at analysts' presentations, road shows and in regular teleconferences. Over the years it has also built up contacts with numerous external investors and rating agencies in the area of sustainability, as stakeholders, shareholders and external investors expect growth, profitability and innovation from Swisscom.
- > **Partners and NGOs:** Swisscom attaches importance to sharing insights and information with partners through projects: for example, with the WWF Climate Group, the Swiss Child Protection Foundation and organisations that address the special needs of disadvantaged groups. Active partnerships and social and ecological commitment are especially relevant for partners and NGOs in their role as stakeholders.
- > **Public authorities:** Swisscom maintains regular, close contact with various public authorities. A key issue in its dealings with this stakeholder group concerns expansion of the mobile network. Mobile data applications are becoming increasingly popular with customers. But while mobile communications are clearly appreciated and widely used, acceptance of the infrastructure that is required is sometimes lacking. Network expansion gives rise to tension because of the different interests at stake. Swisscom has been engaged in dialogue with residents and local authorities for many years. This dialogue model has raised the quality of the efforts to reconcile the interests of the parties involved and is based on an initiative launched by Swisscom and its competitors in the Swiss mobile communications market. The understanding reached as part of the dialogue model guarantees that heads of local authorities receive regular information on network planning in their area, and in the case of building projects are allowed to suggest viable alternative locations. Swisscom also liaises regularly with the public authorities in other areas: for example, it invites the ICT heads of the cantonal education authorities to an annual two-day seminar on the subject of "Internet for Schools". As a stakeholder group, the public authorities expect Swisscom to act decisively in the way it recognises its responsibility towards the public at large and towards young people in particular.
- > **Legislators:** Swisscom is required to deal with political and regulatory issues, representing the company's interests vis-à-vis political parties, public authorities and associations. In their role as stakeholders, legislators expect compliance from Swisscom.
- > **Media:** Swisscom's relationship with the media is formed by professional journalistic principles.

### Materiality/materiality matrix

The main issues relevant to Swisscom and its stakeholders are mapped out in the materiality matrix. The matrix shows different issues and where they fall within the four strategic priorities of Corporate Responsibility. More detailed information on these issues can be found later in this section. The matrix also contains other issues that impact Swisscom's business strategy. These issues are explained in greater detail in the Management Commentary.

The materiality matrix provides a simplified graphic presentation of issues of greater or major relevance for Swisscom and its stakeholders. Swisscom carefully monitors all of the issues and handles them according to priority. Those with the highest priority and of major relevance to stakeholders and Swisscom are positioned in the top right-hand box. Other issues such as noise, water protection, protection of wild life and fauna, violence and population growth are important from an ecological and social point of view but are not the focus of Swisscom's activities.

The issues can be identified based on relevance to Swisscom's business strategy and the concerns of stakeholders. They are examined and dealt with internally according to level of importance and scope either by specialist departments or by those bodies that act as contact partners for the stakeholders in question. The issues are also discussed by other bodies such as division management, the Management Board of Swisscom (Switzerland) Ltd or the Group Executive Board. If necessary, these bodies initiate appropriate measures.

These issues are arranged alphabetically within the quadrants.

Materiality for stakeholders	very relevant	<p>Basic service provision</p> <p>Health and safety in the workplace</p> <p>Sponsorship/partnerships</p> <p>Youth media protection</p>	<p><b>Corporate Governance / Compliance</b></p> <p>Customer satisfaction</p> <p>Data protection</p> <p>Employee representation and union relations</p> <p>Energy consumption and CO<sub>2</sub>-emissions (infrastructure efficiency)</p> <p>Financial position, results of operations and cash flows</p> <p>Innovation and development</p> <p>Legal and regulatory environment</p> <p>Low-radiation communications technologies</p> <p>Network infrastructure</p>
	relevant	<p>Biodiversity</p> <p>Corporate volunteering</p> <p>Diversity and age management</p> <p>Responsible marketing</p> <p>Unrestricted access</p> <p>Waste and recycling</p>	<p>Eco-friendly offerings (products and services)</p> <p>Promoting media competency</p> <p>Responsibility in the supply chain</p> <p>Training and development</p>
		relevant	very relevant

Discussed in:

■ Corporate Responsibility   ■ Management Commentary   ■ Corporate Governance

Materiality for Swisscom

## Swisscom's responsibility towards the public

### Commitments and participation

As a responsible corporate citizen, Swisscom actively participated in discussions on the following issues during the reporting year:

- > Sustainability in the ICT sector
- > ICT in education
- > Improvement in customer service (e.g. consumer protection)
- > Nationwide mobile and broadband infrastructure in Switzerland

During the year under review, Swisscom submitted statements as part of consultations at federal level on the proposed revision to the anti-trust law, the change in the Ordinance on Telecommunications Services and the partial revision of the Federal Mail and Telecommunications Monitoring Act. The statements can be viewed on the website of the authorities in question.

Swisscom supports a solution-oriented approach, in the interest of the common good and in the interest of the company. The company's positions are based on clear facts and reflect Swisscom's standpoint. Swisscom maintains transparent and trusting relationships with politicians, public authorities and the community. By participating in public hearings and events and issuing written statements, Swisscom plays its part in the political landscape. Swisscom rejects unlawful or ethically questionable practices aimed at exerting influence on opinion leaders. Moreover, Swisscom is a non-denominational, politically neutral organisation which does not financially support any parties.

### Common-interest associations

Swisscom is involved in various industry associations: economiesuisse, Swiss holdings of the World-didac Association, ICT Switzerland and asut. It has a seat on the Boards of economiesuisse and asut.

## Risks and opportunities

The biggest challenges in the area of sustainability are conscientious resource utilisation (notably energy) and ensuring “telecommunications for all”. Both challenges are the result of analyses of the company’s situation and expectations of the relevant stakeholder groups, specifically customers and the federal government in its role as principal shareholder.

The analysis of risks and opportunities posed by climate change referred to under “Risk Factors” in the “Risks” section of the “Management Commentary” is based largely on the official reports on climate change published by the Federal Office for the Environment (FOEN) in October 2007 and October 2011. These reports provide the basis for Swisscom’s response as part of its participation in the internationally renowned Carbon Disclosure Project (CDP). The response can be viewed online.

 See  
[www.cdproject.net/  
en-US](http://www.cdproject.net/en-US)

## Strategic priorities

Swisscom’s corporate responsibility activities focus on issues which have high relevance for stakeholders and at the same time are closely linked to the company’s core business. Swisscom has the following four strategic priorities:

### Sustainable living and working

Swisscom supports customers in their endeavours to conserve resources. Green ICT enables companies to massively reduce energy consumption and CO<sub>2</sub> emissions: video conferencing and home-office solutions generate savings in travel time and costs, and buildings and networks can be managed in an energy-efficient manner; Swisscom also offers Green ICT Check, a simple tool that enables companies to assess their potential energy and CO<sub>2</sub> savings. Swisscom also provides residential customers with numerous ways to keep track of their carbon footprint, from online billing to a recycling service for mobile phones.

### Sustainable use of resources

Swisscom is among Switzerland’s ten biggest purchasers of electricity. It meets its full electricity requirements from renewable domestic energy sources and is one of the biggest purchasers of electricity from wind and solar energy in Switzerland. Since 1998 Swisscom has cut CO<sub>2</sub> emissions from vehicles and buildings by 53%. It also requires that suppliers comply with high ecological and corporate social responsibility standards.

### Telecommunications for all

Swisscom enables all people in Switzerland to access digital media and also helps them to use these media responsibly. To date Swisscom has provided free Internet access to 6,000 schools and introduced over 100,000 first-time users to the digital world through training courses. Swisscom also provides technical products and offerings aimed at protecting young people in the use of online media and promoting media competence.

## Responsible employer

See Report  
page 113

Swisscom offers employees the opportunity to develop their knowledge and skills and promotes work-life balance. Fair terms and conditions of employment are as important to Swisscom as an active social partnership and an above-average commitment to vocational training. Employees also have the chance to get involved in social and community projects, for example, by participating in the Corporate Volunteering Programme.

### Sustainable living and working



We support our customers in their efforts towards sustainable living and working.

### Sustainable use of resources



We work closely with our suppliers to ensure the highest standards of sustainability in terms of how we use natural resources.

### Telecommunications for all



We are committed to ensuring that everyone in Switzerland can use digital media securely.

### Responsible employer



We are one of the most popular employers in Switzerland and act in a socially responsible manner.

## Other content of this Report

See Report  
pages 118 and 121

In addition to the four strategic priorities, Swisscom is involved in various social and cultural areas. Numerous activities in research and development are also part of Swisscom's long-term responsibility. The innovation process at Swisscom and selected innovation projects are explained at the end of the "Corporate Responsibility" section.



## Swisscom's targets

### The most important indicators

Priorities/Key Performance Indicators KPI	Targets	Status/Measures
<b>Management/Governance</b>		
<b>Reporting boundaries/Data collection</b> Specification of reporting boundaries and expansion of data collection systems for sustainability reporting KPI: The extent to which management systems and indicators within the reporting boundary Switzerland are covered	<b>2011</b> Congruence of reporting boundary/data collection is 100% assured <b>2012</b> <b>Consolidation of data collection</b>	<b>2011 target partly achieved</b> 2012 measures > Enhanced integration > Additional training courses
<b>Compliance/Governance</b> Standardisation of the structure for documents on implementing directives in terms of corporate responsibility KPI: Implementation of the defined measures	<b>2011</b> Implementation of the defined measures <b>2012</b> <b>Completed. No further target</b>	<b>2011 target achieved (measures fully implemented)</b> Measures implemented > Accessibility and overview of Group directives checked and suggestions for improvement implemented > Standard document structure developed and implemented
<b>Anti-corruption (GRI-SO2)</b> KPI: Proportion of management staff trained in the application of the anti-corruption directive	<b>2011</b> 100% <b>2012</b> 100%	<b>2011 target partly achieved (62%)</b> Implementation of 2011 measures postponed > Divisions at risk in 2011 evaluated. Anti-corruption directive revised > Further training courses based on the new 2012 directive
<b>Compliance Management (GRI-SO8)</b> KPI: Coverage of the Group-wide compliance management system according to GRI reporting boundaries	<b>2011</b> 100% <b>2012</b> <b>Completed. No further target</b>	<b>2011 target achieved (100%)</b> Further development of compliance management
<b>Sustainable living and working</b>		
<b>Rise in net revenue in Green ICT portfolio (GRI-EN26)</b> Eco-friendly products and services for corporate customers (B2B) KPI: Rise in net revenue in the defined Green ICT portfolio	<b>2011</b> +10% versus prior year <b>2012</b> <b>+10% versus prior year</b>	<b>2011 target achieved (11%)</b> 2012 measures > Promote eco-friendly offerings > Issue of further Green ICT certificates > Project partnerships > Communication about the Green ICT portfolios
<b>Expand the portfolio of eco-friendly offerings (GRI-EN26)</b> KPI: Number of offerings certified by myclimate (NGO)	<b>2011</b> Residential customers: 1 Corporate customers: 14 <b>2012</b> <b>Residential customers: 3</b> <b>Corporate customers: 17</b>	<b>2011 target achieved (15)</b> 2012 measures > Evaluate suitable products or design suitable new products and services > Determine environmental benefits compared to standard products > Issue pictogram and incorporate in product marketing measures > Current portfolio at <a href="http://www.swisscom.ch/myclimate">www.swisscom.ch/myclimate</a>
<b>Mobile phone recycling (GRI-EN26)</b> Step up efforts to promote mobile phone recycling KPI: Response rate (percentage of sold mobile phones returned for recycling)	<b>2011</b> 10% <b>2012</b> 12%	<b>2011 target partly achieved (8.9%)</b> Plans to step up measures for 2012 > Raise awareness among shop staff > Communication campaign
<b>Reduction in paper consumption (GRI-EN26)</b> KPI 2011: Percentage of residential customers switching to online billing KPI 2012: Paper quantity per customer	<b>2011</b> 728'000 <b>2012</b> <b>-10% (reference year 2011)</b>	<b>2011 target achieved (723,000)</b> 2012 measures > New products with online billing as default payment method > Direct mailing for suitable customer segments
<b>Training of Touch Point (shop/call centre) staff (GRI-EN26)</b> Shop and call centre staff trained in customer concerns/ messages relating to environmental/social accountability KPI: Number of trained Touch Point staff	<b>2011</b> 15% <b>2012</b> 30%	<b>2011 target not achieved (10%),</b> entire training concept overhauled 2012 measures > Design separate training modules > Integrate topics in existing training courses
<b>Sustainable use of resources</b>		
<b>Environmental management system (UMS)</b> Applicability of individual EMS requirements extended to include Group companies in Switzerland KPI: Number of established and trained contacts at Group companies in Switzerland which still do not operate their own EMS	<b>2011</b> 17 <b>2012</b> 17	<b>2011 target partly achieved (15)</b> 2012 measures > Enhancement and consolidation of cooperation > Additional training courses
<b>Renewable energy (GRI-EN4)</b> KPI: Extent to which electricity requirements are covered by renewable energy	<b>2011</b> 100% <b>2012</b> 100%	<b>2011 target achieved (100%)</b> 2012 measures > Purchase of renewable energies (electricity) > Compensation with certificates
<b>Energy efficiency (electricity) (GRI-EN6)</b> Continual increase in energy efficiency KPI: Increase in energy efficiency EF 2009 basis > TEC = total energy consumption > ESP = accumulated energy savings Source: adapted from FOEN guidelines	<b>2015</b> +20% versus 1 January 2010 $EF = \frac{TEC + \sum ESP}{TEC}$	<b>Implementation on track</b> 2012 measures Implementation of other cost-cutting and efficiency measures including > Use of Mistral cooling system (cooling with fresh air) > Decommissioning and technology improvements > Increased efficiency in data centres

Priorities/Key Performance Indicators KPI	Targets	Status/Measures
<b>Reduction in CO<sub>2</sub> emissions (GRI-EN18)</b> KPI: CO <sub>2</sub> emissions from fuel consumption	<b>2015</b> –12% versus 1 January 2010	<b>Implementation on track</b> 2012 measure > Implementation of further efficiency measures > Further implementation of the procurement roadmap (vehicles)
<b>Optimised CO<sub>2</sub> emissions: mobility (GRI-EN29)</b> KPI: Average CO <sub>2</sub> emissions per car in gram CO <sub>2</sub> /km according to manufacturer data	<b>2011</b> 150 g CO <sub>2</sub> /km <b>2015</b> 110 g CO <sub>2</sub> /km	<b>2011 target exceeded (140g CO<sub>2</sub>/km)</b> 2012 measure > Further implementation of the procurement roadmap
<b>Responsibility in the supply chain</b>		
<b>Risk analysis of supply partner product groups (GRI-HR2)</b> Evaluation of supply partners and their products according to ecological and social criteria (incl. drawing up content for procurement guidelines) KPI: Number of supply partners assigned a risk profile (as % of total number of supply partners)	<b>2011</b> 80% <b>2012</b> No target as 100% achieved	<b>2011 target exceeded (100% instead of 80% achieved)</b>
<b>Risk evaluation of supply partners from high-risk product groups (GRI-HR2)</b> KPI: Percentage of supply partners subjected to a risk evaluation (as % of total number of supply partners from high-risk product groups)	<b>2011</b> 100% <b>2012</b> 100%	<b>2011 target partly achieved (71%)</b> 2012 measures: > Supply partners from high-risk product groups are evaluated using an evaluation form and prioritised if necessary > Appropriate risk reduction measures are defined, implemented and institutionalised
<b>Risk evaluation of supply partners from medium-risk product groups (GRI-HR2)</b> KPI: Percentage of supply partners subjected to a risk evaluation (as % of total number of supply partners from medium-risk product groups)	<b>2012</b> 25%	2012 measures > Supply partners from medium-risk product groups are evaluated using an evaluation form and prioritised if necessary > Appropriate risk reduction measures are defined, implemented and institutionalised
<b>Review of supply partners from medium-risk product groups (GRI-HR2)</b> KPI: a) Number of supply partners with a high-risk profile who have been audited b) Number of supply partners with a medium-risk profile who have registered with E-TASC and have completed the online questionnaire	<b>2012</b> 25% a) 6 audits b) supply partners (E-TASC)	2012 measures > Perform audits of supply partners with a high-risk profile > Have supply partners with the highest order volumes complete the E-TASC online questionnaire
<b>Implementation of corporate responsibility agreements (GRI-HR2)</b> KPI: Percentage of order volume generated with supply partners who have signed the Swisscom CR agreements	<b>2011</b> 70% <b>2012</b> 90%	<b>2011 target exceeded (83%)</b> 2012 measure > Expand CR specifications to include other supply partners
<b>Telecommunications for all</b>		
<b>Promoting media skills: Media courses for parents and teachers (GRI-PR6)</b> KPI: Number of external participants in the media courses on offer	<b>2011</b> 4,000 <b>2012</b> 5,000	<b>2011 target not achieved (3,405)</b> 2012 measure > Step up communication with the target group
<b>Promoting media skills: Courses for pupils (secondary school) (GRI-PR6)</b> KPI: Number of training courses	<b>2011</b> 60 <b>2012</b> 600	<b>2011 target exceeded (110)</b> 2012 measure > Roll out offering throughout Switzerland
<b>Promoting media skills: User courses for senior citizens (GRI-PR6)</b> KPI: Number of participants	<b>2011</b> 16,000 <b>2012</b> 16,000	<b>2011 target achieved (15,860)</b> 2012 measure > Step up communication with the target group
<b>Access for all (accessibility) (GRI-SO1)</b> Improve barrier-free nature of Swisscom's online presence KPI: Achieve AA rating in accordance with Web Content Accessibility Guidelines	<b>2011</b> AA rating for online presence <a href="http://www.swisscom.ch">www.swisscom.ch</a> <b>2012</b> AA rating for online presence <a href="http://www.swisscom.ch">www.swisscom.ch</a>	<b>2011 target not reached</b> Implementation of 2011 measures postponed > Implementation planned during the course of 2012
<b>Responsible employer</b>		
<b>Diversity (GRI-LA1)</b> Increase proportion of women in management to 20% KPI: Percentage of women in management	<b>Medium term (3-5 years)</b> 20%	<b>2010 starting point: 12%</b> Percentage in 2011: 11.7% 2012 measures > Special mentoring programmes > Transparent and targeted recruitment > Women's network
<b>Occupational health management (GRI-LA7)</b> Reduction in the staff absence rate KPI: Absences in days/target days (weighted by FTE) x 100; target days are based on the standard working hours	<b>2015</b> 2.09%	<b>2010 starting point: 3.00%</b> Percentage in 2011: 2.8% 2012 measures > Further professionalise case management > More professional application of the pro-presence method > Instil personal prevention culture – line managers and employees
<b>Corporate volunteering (GRI-LA)</b> KPI: Number of volunteer days	<b>2011</b> 250 days <b>2012</b> 600 days	<b>2011 target exceeded (300 days)</b> 2012 measure > Enhance use of corporate volunteering, e.g. as a personal development tool

## Governance and implementation

### Embedded in the strategy

The Board of Directors of Swisscom is committed to pursuing a strategy oriented on sustainability. The Board addresses economic, ecological and social issues in plenary sessions and in the various Board committees. Executive management of the Group is delegated to the CEO of Swisscom Ltd. The CEO can transfer powers and responsibilities to subordinate units and is supported in operational management by the members of the Group Executive Board. The corporate responsibility strategy was approved by the Board of Directors in December 2011.

The CR team is assigned to the Group Communications division and reports to the CEO. It is also responsible for functional management of the CR network within the Group as well as the project teams within the framework of the division-specific CR goals. The Board of Directors possesses information and controlling instruments as described in the Corporate Governance Report.

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

### Responsibility of the Board of Directors

The Board of Directors is responsible for approving the long-term corporate responsibility strategy. The Board last discussed the strategy in December 2011 and took note of the present governance report and targets for 2012 and approved the strategic priorities and overarching goals up to 2015 as proposed by the CEO. The Board of Directors is informed as part of the quarterly reporting on the implementation status of the CR strategy and achievement of the targets.

### Responsibility of the Group Executive Board

The Group Executive Board convenes at least twice a year to discuss the CR strategy and its implementation. In November it draws up a review of the past year and approves the goals for the coming year.

The Group Executive Board has the following controlling instruments, which were introduced in 2010:

- > Weekly divisional reports prepared by Group Communications, with information on measures and trends
- > Quarterly reports, with information on the key performance indicators based on the strategic priorities
- > Quarterly reports drawn up by Risk Management

In March 2011 Group Executive Board members were nominated as internal sponsors for the strategic priorities of the CR strategy. They are responsible for progress and performance in their respective priority areas. The areas of responsibility are aligned to the core tasks of the respective Group Executive Board members and defined as follows:

- > **Sustainable living and working:** Head of Residential Customers, Head of SME, Head of Corporate Business and the CEO of Swisscom IT Services Ltd
- > **Sustainable use of resources:** Head of Network & IT and the CFO of Swisscom (Switzerland) Ltd
- > **Telecommunications for all:** Head of Residential Customers
- > **Responsible employer:** Head of HR
- > **Overall CR management and corporate giving:** Head of Group Communications

These definitions ensure that the priority areas are binding and firmly embedded in the company.

## Role of the Corporate Responsibility team

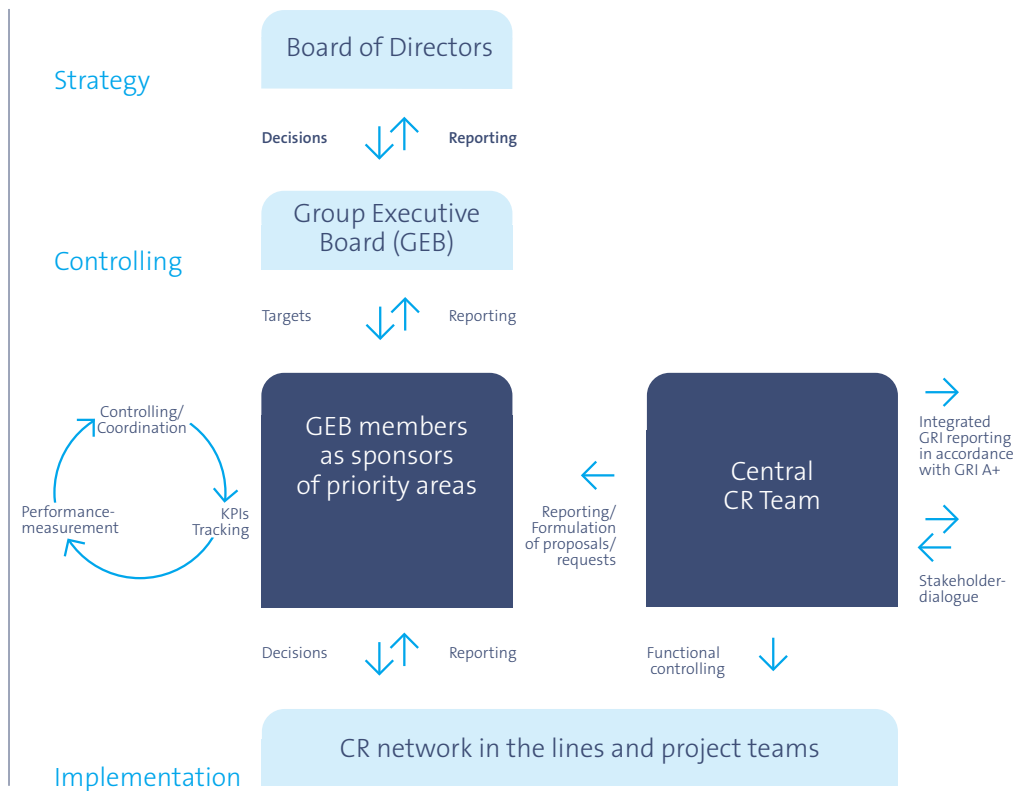
The CR team is responsible for coordinating implementation of the CR strategy, including leveraging synergies across all divisions. The team's specific tasks are:

- > Drawing up the CR strategy (goals/priorities) in conjunction with line and support units
- > Supporting the sponsors from the Group Executive Board
- > Coordinating implementation of the strategy and initiation of measures
- > Formulating requirements for implementation of the CR strategy
- > Maintaining dialogue with stakeholders
- > Managing strategic partners (NGOs)
- > Reporting to internal and external stakeholders
- > Cooperating with Group Finance and Controlling in the area of sustainability reporting, and drawing up the Annual Report

## Line units and the Corporate Responsibility network

Depending on the strategic priority in question, measures are implemented in project teams or line units. Further management members are designated for each division and these persons are responsible for implementing the measures at operational level in close collaboration with the CR team.

## Overview of corporate responsibility governance



## Compliance

Swisscom's wide range of business activities, coupled with the complexity of the applicable regulations, call for an effective compliance management system (CMS). Swisscom's CMS is based on the following elements:

- > **Culture:** An effective CMS is founded on a culture of compliance. The code of conduct sets down the minimum expectations of the Board of Directors and CEO of Swisscom Ltd; these expectations are communicated throughout the Group through leadership and collaboration.
- > **Goals:** The compliance goals are set by the Board of Directors. Organisational measures and compliance activities are aligned to these goals.
- > **Risks:** Swisscom identifies risks arising from its business activities and changes in legislation, assesses the risks and manages them using suitable measures.
- > **Organisation:** The Board of Directors has defined minimum tasks of the compliance function. The Group Executive Board and the Management Boards of the subsidiaries define further tasks and responsibilities and provide the resources required for an effective CMS.
- > **Communication:** Employees are informed of their tasks and responsibilities. Regular reports are sent to the Board of Directors and the Group Executive Board of Swisscom Ltd, as well as the Management Boards and Boards of Directors of the subsidiaries and other internal units.
- > **Monitoring and improvements:** The adequacy and effectiveness of the CMS are monitored on an ongoing basis and any weaknesses eliminated.

During the 2011 financial year, Swisscom evaluated the divisions at risk and had an assessment made of their corruption risk. The rules of conduct were formulated more precisely for the protection of Swisscom and its employees. Additional training will be carried out during the 2012 financial year.

No significant breaches of legal and environmental regulations, health and marketing standards or product information obligations occurred in 2011.

## Precautionary principle

Swisscom meets its sustainability obligations thanks to established management systems aimed at reducing environmental and social risks associated with the company's business activities. Swisscom Switzerland has a CR checklist, which it uses to comply with ecological and social criteria for projects, network infrastructures, services and products in its area of activity. Specific requirements based on ecological criteria exist for renovations and new builds. Swisscom's Swiss subsidiaries have instruments at their disposal which are tailored to their needs as required. Preventive measures are taken as part of the company's risk and safety management system.

An important element of the precautionary principle is also staff training and awareness-raising.

## Responsible marketing

Swisscom's marketing is informed by its mission statement on the one hand and the principles of the Swiss Office of Fair Trading (Schweizerische Lauterkeitskommission) on the other. The principles of the Swiss Office of Fair Trading govern all relevant aspects of fairness and integrity in communication. The Corporate Identity team, which is integrated in Group Communications, is responsible for compliance with these principles. It monitors the relevant communications and marketing projects throughout the Group and is therefore in a position to detect possible breaches of the principles early on and initiate preventive measures. The Corporate Identity team also regularly informs the various marketing units within Swisscom on further developments concerning these principles.

## Customer satisfaction

Customer satisfaction is a key metric at Swisscom that has a strong bearing on the company's long-term success. Measuring customer satisfaction and analysing the results are critical to the company meeting its business objectives.

### Swisscom Switzerland

Swisscom Switzerland conducts segment-specific studies in order to measure customer satisfaction.

- > The Residential Customers segment uses monthly representative surveys to measure satisfaction and willingness of customers to recommend Swisscom to others. Callers to the Swisscom hotline and visitors to the Swisscom Shops are questioned regularly about waiting times and staff friendliness. In product studies buyers and users are regularly asked about product satisfaction, service and quality.
- > The Small and Medium-Sized Enterprises segment conducts random interviews on an ongoing basis to gauge customers' satisfaction with Swisscom as well as dealers' satisfaction with Swisscom products and support.
- > The Corporate Business segment regularly polls customers with whom they have implemented projects. It also conducts quarterly surveys to measure customer satisfaction along the customer experience chain.
- > The Wholesale segment likewise conducts surveys to measure customer satisfaction along the customer experience chain, but on an annual basis.

The results of the studies serve to bring about improvements in services and products and also have an influence on determining the performance-related component of employee remuneration.

### Swisscom IT Services

Swisscom IT Services uses feedback instruments at key customer contact points to identify ways of improving customer satisfaction. After each interaction IT users can submit feedback to the service desk or enter their comments in the order system. In the case of projects, customers can evaluate the project on completion. Swisscom IT Services conducts monthly surveys concerning IT and business activities. A comprehensive customer satisfaction survey is carried out once a year.

# Sustainable living and working

Swisscom supports customers in their pursuit of a sustainable way of living and working, offering climate-friendly and low-radiation products and services to residential customers and Green ICT services to business customers.

## Principles and objectives

A study by the Global e-Sustainability Initiative found that the ICT sector has the potential to cut global CO<sub>2</sub> emissions by some 15%, using energy-efficient data centres, for example, virtual mobility measures, such as videoconferencing (eliminating the need for business trips), or optimising fleet routing.

Swisscom is aware of its responsibility in the ICT sector, and undertakes a host of initiatives to structure its offerings in a more resource-friendly and energy-efficient manner, as well as offering products and services to help customers reduce their energy consumption and CO<sub>2</sub> emissions.

### Ecological, socially acceptable product innovation

The CR strategy is an integral part of the product design process, during which information is gathered on the effects of new products on the four strategic priorities using a CR checklist. If the effects are shown to be substantial, appropriate measures are initiated.

## Climate-friendly products and services for residential customers

### Green Customer Experience programme

Swisscom Switzerland's Residential Customer segment expanded its Green Customer Experience programme during the year under review. The aim of the programme is to optimise products and services from an ecological point of view (for example in terms of radiation and energy efficiency) and ensure transparency in communication with residential customers.

Life-cycle assessments of Swisscom's networks and devices carried out in recent years have consistently identified the following main environmental impact factors: energy consumed by customer devices, energy consumed in production and energy consumed by network elements.

Measurable successes of the Green Customer Experience programme in the reporting year:

- > **Ecomode plus:** Cordless phones with Ecomode plus emit minimal levels of radiation. Ecomode plus models now account for practically all sales of cordless phones at Swisscom.
- > **Eco points:** Mobile handsets of individual makers differ not only in terms of design and performance but also in terms of environmental compatibility. Information on energy consumption or the raw materials used in manufacture of the products until now has not been readily available to customers. Swisscom is creating greater transparency and is the first provider in Switzerland to introduce eco points. All devices in Swisscom's portfolio are rated according to three equally weighted criteria: low energy consumption, low energy consumption in manufacture and responsible choice of raw materials. The more points, the greater the environmental compatibility. This means that in future customers will be able to factor environmental compatibility into their purchase decision.
- > **Recycling:** Swisscom provides a two-year guarantee on all telecoms devices such as phones, fax machines, modems, mobile phones and mobile PC cards and also offers a repairs service. In addition, any electronic devices from the Swisscom range can be returned to Swisscom for recycling.

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

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

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

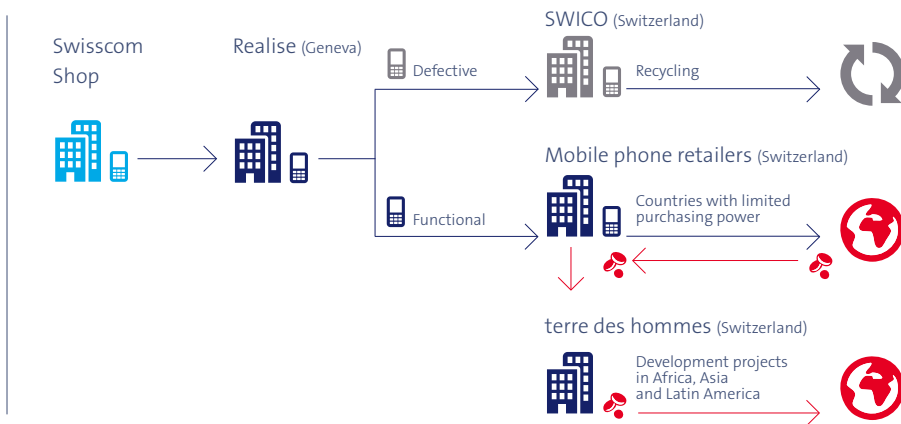
See  
www.swico.ch

See  
www.swisscom.ch/  
SwisscomMobileAid/en

clinging. This service is performed in conjunction with SWICO Recycling, the recycling commission of the Swiss Association for Information, Communication and Organisational Technology. The service is financed by a recycling fee. Recycling statistics are available from SWICO.

- > **Swisscom Mobile Aid (formerly Solidarcomm):** In 2011 around 70,000 mobile handsets were returned for recycling and many of these were sold via a third-party company to countries where there is a demand for low-priced second-hand devices. All sale proceeds go to Swisscom's social partners "terre des hommes suisse" and "réalise". Handsets that are no longer saleable are recycled in an appropriate manner. The aim in 2012 is to increase the return rate of mobile handsets for recycling to 12%, a rise of 25% compared with 2011.

### Swisscom Mobile Aid – the process



- > **Solar vignette:** Swisscom launched the solar vignette for customers who purchase a mobile handset without a solar panel. By purchasing the vignette for CHF 8, customers are guaranteed that enough solar energy to offset the power consumption of their mobile device will be fed into the electricity grid.
- > **Online billing:** Online billing is increasingly seen as an attractive and environmentally friendly alternative to a paper bill. The number of customers who opted to receive their bill online rose from 440,000 to 723,000. This represents an increase of 64% as of the end of 2011 compared with the previous year. Swisscom has therefore exceeded its goal of encouraging 10% of residential customers to switch to online billing. To further increase the attraction of online billing, Swisscom has launched a "first step" campaign where the customer receives a voucher or a donation is made to an NGO.

See  
www.swisscom.ch/  
firststep

### Packaging

Since 2009 Swisscom has largely done away with the additional packaging that comes with mobile phones and massively reduced enclosures such as user guides. In the case of postpaid mobile handsets, which make up 85% of all devices sold by Swisscom, packaging has been eliminated completely, saving the company 14 tonnes of cardboard a year. The packaging for the Centro range of routers has also been changed so that it now contains a higher share of recyclable fibres.



## Green ICT for business customers

### Green ICT programme

Swisscom's Green ICT programme features products and services that are designed to help business customers reduce their energy consumption and CO<sub>2</sub> emissions. Green ICT services are broken down into the following categories:

- > **"Business travel reduction"** (videoconferencing, teleworking solutions, optimised logistics solutions)
- > **"Energy reduction"** (outsourcing and virtualisation of servers in efficient data centres)

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

The respective products and services are labelled as recommended by the company myclimate. The climate recommendation label indicates energy and CO<sub>2</sub> savings compared with previous consumption behaviour.

During the 2011 reporting year Swisscom implemented a raft of measures aimed at boosting the use of Green ICT services and providing greater transparency on the savings to be achieved by using the services. A dedicated sales tool, special Green ICT events and a Green ICT calculator inform customers of ways to reduce their energy consumption. Around 40 customers were presented with special Green ICT certificates in 2011 confirming that thanks to the use of Green ICT services, savings of 10,000 tonnes of CO<sub>2</sub> and 4.5 million kWh of electricity were achieved by cutting back on business travel.

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

Swisscom also published a joint study with myclimate showing the potential savings to be achieved from using the most important Green ICT services; the potential savings are equivalent to the expected shortfall in Switzerland's CO<sub>2</sub> emission reduction targets to meet the Kyoto goals. One thing is certain: the ICT sector can make an important contribution to climate protection.

### Internal use of Green ICT

Swisscom also deploys Green ICT solutions internally:

- > Fifteen Swisscom sites are now equipped with the Telepresence virtual videoconferencing solution.
- > Furthermore, practically all employees can set up videoconferencing and desktop sharing with other colleagues at the click of a mouse, enabling them to work part of the time from home. Participation in the 2<sup>nd</sup> National Home Office Day, which Swisscom has supported as a partner since its launch in 2010, also helped to further anchor the Home Office concept in the organisation.
- > In the reporting year Swisscom expanded its savings platform, CO<sub>2</sub>-Monitor, adding new functions for its employees such as the interactive selection of personal climate protection targets. Over 2,200 employees now use the platform, which demonstrates the potential for energy and CO<sub>2</sub> savings in the workplace.

 See  
[www.co2-monitor.ch](http://www.co2-monitor.ch)

## Low-radiation communications technologies

### Advice and information on wireless technologies and the environment

Specially trained Swisscom employees advise stakeholder groups involved in the construction and operation of mobile networks as well as stakeholder groups seeking general information on wireless technologies, the environment or health. During the reporting year Swisscom held over 600 discussions with key stakeholder groups on the subjects of mobile communications and the environment. Most of the discussions concerned local mobile network expansion projects.

### Research and development in the area of electromagnetic fields

Swisscom works with and financially supports the Swiss Research Foundation on Mobile Communication (FSM) based at the Federal Institute of Technology in Zurich, and employs four qualified employees to monitor and interpret the latest research findings on electromagnetic fields, their effect on organisms and the measurement of emissions.

Mindful of the major responsibility that operating its wireless networks entails, Swisscom follows scientific research by internal and external experts into the effects of non-ionising radiation on organisms. It also analyses the research findings and supports relevant scientific activities.

Based on current knowledge, scientists consider the current limits for electromagnetic fields as safe (see WHO Fact Sheets Nos. 193 and 304).

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

### Certification of quality assurance system for compliance with ONIR limits

Swisscom is required to operate a quality assurance system (QAS) for the base stations of its mobile network to ensure that the antennae in operation comply with the statutory limits at all times. In 2005 Swisscom decided to have this quality assurance system certified to the ISO 15504 standard. The system was recertified in 2010, and the prescribed system audit performed in November 2011 for the current reporting year produced a capability level of 4 (out of a maximum of 5). A level of 4 means that the processes relevant for the QAS are “targeted and measurable”.

The legal obligation to limit emissions from mobile communication installations comes from the Ordinance relating to Protection against Non-Ionising Radiation (ONIR), the aim of which is to protect people against harmful or undesirable non-ionising radiation. The Ordinance applies to the operation of fixed installations that emit electrical and magnetic fields with frequencies between 0 Hz and 300 GHz.

### Duty to provide information on products offered at points of sale

Swisscom provides information on the radiation levels of the devices that it sells. Prices on all products on display and offered by Swisscom are clearly disclosed as prescribed by the Federal Ordinance on the Disclosure of Prices. This declaration is supplemented by relevant technical information on the products. Customers and other interested parties can also find information on levels of radiation emitted by mobile handsets (so-called SAR values) at Swisscom points of sale and on the Swisscom website. There is no legal obligation to provide this information. However, by doing so Swisscom is responding to a need by customers for whom radiation levels are important when it comes to choosing a mobile phone. It goes without saying that no mobile handsets offered exceed the limit of 2W/kg.

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

## Partnerships

Swisscom works with the myclimate foundation to draw up a carbon footprint for its products and services. A spin-off of the Federal Institute of Technology Zurich, myclimate now occupies a leading international position in the area of CO<sub>2</sub> offsetting. It also possesses a wealth of expertise in drawing up carbon footprints and rating products.

Swisscom is currently working with myclimate in the following areas:

- > **Climate recommendation:** myclimate calculates the climate benefit of climate-friendly products and services offered by Swisscom such as online billing and videoconferencing.
- > **Eco points:** myclimate developed the environmental point labelling system for Swisscom's mobile phone portfolio and also rates the individual models.







# Sustainable use of resources

Swisscom endeavours to meet the highest standards when it comes to the use of resources. Operation of energy-efficient infrastructures (buildings, IT, networks, vehicles) and utilisation of renewable energies have high priority. Swisscom implemented a comprehensive risk management system in 2011. Swisscom also joined various international initiatives aimed at promoting accountability in the supply chain.

## Principles and objectives

Swisscom has signed a target agreement with the Energy Agency for Industry (EnAW), the aims of which are to reduce CO<sub>2</sub> emissions and enhance energy efficiency. Swisscom subsidiaries of significant environmental relevance, namely Swisscom (Switzerland) Ltd, Swisscom Broadcast Ltd, Swisscom IT Services Ltd and cablex Ltd, are certified to ISO 14001 as well as ISO 9001. Swisscom has set itself ambitious targets for the end of 2015: energy-saving measures in the area of network infrastructure are expected to achieve a further 20% improvement in energy efficiency compared with 1 January 2010. During the same period Swisscom aims to cut direct CO<sub>2</sub> emissions by a further 12%, chiefly through measures in the fields of mobility and buildings. Overall, Swisscom is aiming for a 60% reduction in direct CO<sub>2</sub> emissions by the end of 2015 compared to the reference year 1990.

## Energy-efficient infrastructure

### Energy consumption as the principle environmental impact factor

Swisscom's environmental analysis shows that the company's biggest impact on the environment stems from its energy consumption. Swisscom is striving to boost energy efficiency and rely more on renewable energies in order to minimise its environmental impact.

### Consumption of electricity from renewable sources and green electricity

Energy consumption in 2011 amounted to 410 gigawatt hours (GWh), versus 404 GWh in 2010. The slight increase is the result of expansion of activities and network infrastructure. Over the medium term the demand for electricity is expected to remain around the current level. For the electricity mix used for the network infrastructure and for consumption in buildings managed by Swisscom, compensation has been paid since 2010 for the share of nuclear power, electricity of unknown origin and electricity from fossil fuels. Thus again in 2011 Swisscom relied fully on electricity from renewable sources.

With 1.31 GWh *naturemade star* energy from solar power (0.4 GWh) and wind power (0.9 GWh), Swisscom is one of the biggest purchasers of wind and solar power in Switzerland. The company's claim "100% renewable energy" is confirmed externally by the WWF.

September 2011 saw the commissioning of a solar facility installed by Swisscom Broadcast on the Celerina transmitter station, which went into operation on 30 September 2011. The facility generates 68 kWh of power and is the sixth of its kind owned by Swisscom. Swisscom remains committed to setting up a new solar installation every year.

## Heating and fossil fuel consumption

Once a month Swisscom measures the consumption of heating oil, natural gas and district heating in its 60 biggest buildings which together make up over half of the total rental space. It extrapolates these figures to calculate overall consumption using a new method introduced in 2011. Actual consumption figures will not be known until the bill for heating and operating costs is issued in the second quarter of 2012.

During the reporting year, Swisscom consumed 177.3 terajoules (49.3 GWh) of fuel to heat buildings, which represents a year-on-year reduction of 14.7%. The “heating mix” comprises 74% heating oil, 11% natural gas and 15% district heating.

In 2011 Swisscom carried out further structural renovations and continued to pursue four initiatives launched in 2010 to save energy and reduce CO<sub>2</sub> emissions from buildings. Energy monitoring was extended in the last quarter of 2011 to a further 20 buildings. Starting in 2012, Swisscom intends to have a set of data that it can use as a benchmark to enable even more detailed energy monitoring, and is currently evaluating various monitoring systems. The other initiatives concern operational optimisation, renovation and temperature settings in the exchanges.

Swisscom also commissioned an independent engineering firm to conduct a detailed energy analysis of five main buildings. The first energy-saving recommendations have already been implemented. Further energy analyses for seven buildings are in the pipeline.

During the reporting year, Swisscom also further improved the standardised procedure introduced in 2010 for renovating heating installations. The procedure revolves around the eco form, which indicates CO<sub>2</sub> reduction levels achieved by building projects. In 2011 Swisscom identified 49 eco-relevant building projects, of which six measures, such as façade renovations, were implemented.

## Mobility policy and fuel consumption

The ability to provide first-class customer service depends on the seamless mobility of staff. A total of 67.6 million kilometres were driven in 2011 in the service of customers, equivalent to an energy consumption of 170.7 terajoules (47.4 GWh). As a result, fuel consumption fell by 2.5% year-on-year. Thanks to an innovative replacement strategy, average CO<sub>2</sub> emissions per vehicle are expected to drop to 110 grams of CO<sub>2</sub> per km by 2015. In accordance with the New European Driving Cycle (NEDC), CO<sub>2</sub> emissions from cars in the Swisscom fleet averaged 140 grams of CO<sub>2</sub> per km as of the end of 2011. 84% of the cars fall into the A and B energy efficiency categories. Swisscom also operates a fleet of 161 (+133%) hybrid vehicles, 37 (+48%) vehicles powered by natural gas and four new electrically driven vehicles. All electrical vehicles are recharged in Swisscom buildings and garages using electricity from renewable energy sources.

Over 40 e-bikes at nine different sites were added to the fleet in October 2011. These e-bikes fill the gap between public transport and private cars.

In 2011, 107,710 (+6%) rail tickets were used for business trips and 13,644 (+7%) half-fare cards and 2,776 (+4%) GA travel cards were issued to employees. Since 2007 Swisscom has charged a separate CO<sub>2</sub> levy of 1.5 cents per air mile on international flights. The levy is used to finance internal environmental projects in the field of mobility (for example, e-bikes, electric vehicles, etc.).

## Electricity consumption savings and efficiency measures

Swisscom has compiled forecasts for electricity consumption up to 2015 and calculated potential energy savings. It has drawn up a catalogue of measures aimed at achieving a 20% improvement in energy efficiency by 2015, by optimising network platforms and infrastructure cooling installations and power supplies and making fundamental improvements to the technology. Target performance is reviewed on an annual basis. Figures for the last two years (+8.5% as of the end of 2011) show that Swisscom is on track to meeting its goals of improved energy efficiency.

Implementation of the “Mistral” energy saving project continued in 2011. Mistral is a cooling technology that relies solely on outside air, all year round. It replaces conventional energy-intensive cooling systems equipped with compressors and contributes to a massive improvement in energy efficiency. Mistral also eliminates the need for harmful refrigerants. By the end of 2011 Mistral was

deployed in 544 exchanges, an increase of 26% compared to 2010. In 2011 Swisscom Switzerland also retrofitted mobile base stations and Swisscom Broadcast transmitter stations with Mistral.

Fresh air is furthermore an attractive alternative for cooling data centres and could significantly reduce the electricity required for this purpose in the centres. A plan drawn up internally envisages using fresh air for all-year cooling of data centres with heat loads of up to several kW/m<sup>2</sup> of floor area. A pilot test was started in the summer of 2011 and will run for a year. The aim of the test is to demonstrate the feasibility of deploying fresh air-cooling systems in data centres.

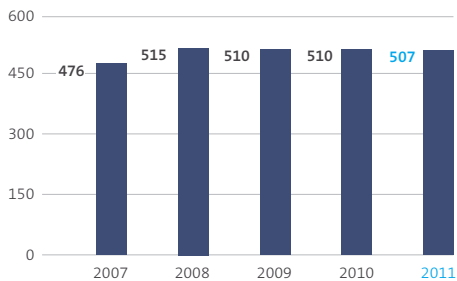
Swisscom encourages the use of dynamic uninterruptible power supply systems in large exchanges. Such systems offer an efficiency factor of over 90%, at an utilisation capacity starting at as little as 25%, and do not require any batteries. If direct current (DC) power supply systems used in telecoms installations in exchanges are replaced, their efficiency factor must exceed 95%. The efficiency factor of old systems is still 92%.

The systems installed in Swisscom IT Services' new data centre in Zollikofen feature a particularly high level of energy efficiency and energy-efficient cooling. The centre's average annual power usage effectiveness value (PUE value) is less than 1.35. This value represents the ratio of total power consumed by the data centre to the power consumed by the IT systems. Power consumption in Zollikofen, with a measured PUE value <1.35, is more than 40% lower than that consumed by conventionally built data centres.

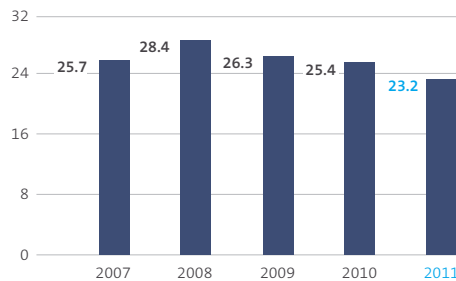
## Climate

### Carbon footprint based on Scope 1, 2 and 3 of the Greenhouse Gas Protocol (GHG)

Energy use Swisscom in GWh



CO<sub>2</sub>-emissions Swisscom in tons thousand



Swisscom follows the internationally recognised definition set out in the Greenhouse Gas Protocol (GHG). It categorises its CO<sub>2</sub> emissions in Scope 1 (direct emissions resulting from burning fossil fuels for heating and mobility), Scope 2 (indirect emissions resulting from electricity consumption) and Scope 3 (all other indirect CO<sub>2</sub> emissions resulting from goods transportation, business trips, etc.).

Direct consumption of fossil fuels accounts for 19.3% of Swisscom's total direct energy consumption. Swisscom's CO<sub>2</sub> emissions according to Scope 1 have fallen by 8.6% to 23,242 tonnes, without adjustment for the number of heating days, with vehicle fuel accounting for 53% and heating fuel and district heating accounting for 47%. Swisscom is therefore in line with the CO<sub>2</sub> targets agreed with the Energy Agency for Industry (EnAW) in 2004, which only covers emissions from fossil fuels. The electricity mix used in Switzerland is not generated from fossil fuels and so its production is free from CO<sub>2</sub> emissions. In its report to the EnAW, Swisscom continues to apply the conversion factor of 0 gram of CO<sub>2</sub> per kWh. In this Annual Report, however, Swisscom has calculated its CO<sub>2</sub> emissions according to Scope 2 using the conversion factor for green electricity of 13.7 grams of CO<sub>2</sub> per kWh. CO<sub>2</sub> emissions according to Scope 2 thus amount to 5,627 tonnes. These emissions are not part of the current target agreement with EnAW.

Swisscom launched an initiative in the second half of 2011 aimed at determining Scope 3 emissions. An econometric approach is being used to determine the CO<sub>2</sub> emissions of suppliers. It covers the entire supply chain, from raw material extraction all the way to delivery to the factory gate. Starting in 2012 Swisscom will draw up a list of logistics partners who compile statistics on CO<sub>2</sub> emissions from business trips and encourage the use of telepresence, unified communication and collaboration (UCC) and videoconferencing.



## Other gases

Besides CO<sub>2</sub> emissions, burning fossil fuels for heating and transport also produces NO<sub>x</sub> and SO<sub>x</sub>. These emissions are calculated using the relevant conversion factors. NO<sub>x</sub> and SO<sub>x</sub> emissions depend on the amounts of vehicle and heating fuels consumed and are reduced by optimising heating boilers and drive motors.

## Other environmental aspects in the company

The analysis conducted in the year under review revealed that Swisscom's impact on the ecosystem is minimal and will remain so.

### Paper and other materials

Swisscom distinguishes between the deployment of short-life and long-life materials and is committed to reducing the environmental impact of short-life materials, in particular paper. Swisscom uses 100% recycled paper in its offices with the "Blue Angel" environmental quality seal and only paper with the FSC seal (Forest Stewardship Council) for other purposes such as advertising and printer matter. In addition, Swisscom offers two-monthly billing for customers with small bills as well as paperless electronic billing. In 2011 it used 4,284 (–12.4%) tonnes of PEFC 34g/m<sup>2</sup> paper for telephone directories.

### Cables and optical fibres

Network expansion necessitates the use of long-life materials such as cables and optical fibres. In 2011 Swisscom laid 1.1 million (+56.3%) kilometres of optical fibres, 159,859 (+41.3%) kilometres of copper pairs and 977 (+25.3%) kilometres of eco-friendly polyethylene piping and installed 3,948 wooden telephone poles.

### Water

Water consumption levels are projected by multiplying the average measured in 1995 by the number of FTEs. In the sanitation area levels have increased slightly in proportion to the number of employees (see table of environmental performance indicators). Apart from sanitation, the only business process where water is used is in cooling. Water as an environmental indicator thus carries little weight for Swisscom. To cool the return air in its data centres Swisscom uses dry cooling. If in exceptional cases hybrid or adiabatic systems are used to cool return air (i.e. driven by evaporation), according to an internal directive issued in September 2011, preference must be given to the use of rainwater or (if permitted) river/lake water as the cooling agent. In the case of new data centres the proportion of rain water in the cooling agent must be higher than 80%. Operation of the coolers using water may not exceed 15% of the total annual operating time. Water used for cooling is therefore substantially less than Swisscom's total water consumption.

### Waste and recycling

Swisscom minimises the volume of waste it produces by carefully selecting materials and extending the useful life of products where possible. A contract has been concluded with the Swiss Waste Exchange for the disposal and recycling of waste. Special waste is disposed of by authorised independent specialist companies in line with legal requirements. The 1,015 (+7.3%) tonnes of waste are separated into 17 categories and earmarked for recycling (70%), disposal in waste incineration plants (29%) and special waste disposal (1%); (see table of environmental performance indicators). Leftover cables and building materials are sorted on site and disposed of directly. Recycled materials are used as follows: the individual sites use 100% recycled paper. Head office uses rain water and district heating from the nearby purification plant.

## Soil and biodiversity

Base and transmitter stations required to ensure full telecoms, radio and TV coverage throughout Switzerland are partially located outside populated areas. The sealed areas per station amount to only a few square metres. When Swisscom dismantles decommissioned base stations it rehabilitates the ground in accordance with guidelines issued by Swisscom Broadcast Ltd. In 2011 Swisscom dismantled 21 stations and rehabilitated the ground. The stations were used for broadcasting analogue TV signals and so are no longer required.

Swisscom supports the WWF SMARAGD project aimed at protecting soil and biodiversity. Support takes the form of financial assistance as well as voluntary assistance from employees on Nature Days. The Nature Days are part of Swisscom's Corporate Volunteering Programme. Swisscom also supports Switzerland's National Park by providing technical services such as an SMS service and the interactive hiking guide Webpark. Swisscom is also one of the main sponsors of the new National Park Centre in Zernezh.

 See Report  
pages 104 and 113

## Environmental performance indicators in Switzerland

	Unit	2009	2010	2011
<b>Land/buildings</b>				
Net floor space (NFS)	million of m <sup>2</sup>	0.88	0.95	0.91
<b>Paper for photocopying and printing</b>				
Format A4 100% recycled (other formats converted)	million of sheets	49.6	41.0	37.0
<b>Water/sewage</b>				
Water consumption <sup>1</sup>	m <sup>3</sup>	453,698	452,486	468,577
<b>Energy, electricity</b>				
Electrical energy consumption <sup>2,3</sup>	terajoule	1,448	1,454	1,479
	GWh	402	404	411
<b>Energy, heating</b>				
Heating oil	terajoule	161.2	149.4	130.9
Natural gas	terajoule	24.9	31.5	18.9
District heating	terajoule	25.8	27.3	27.2
Heating, total	terajoule	211.9	208.2	177.6
<b>Energy, fuel</b>				
Petrol	terajoule	93.3	77.8	53.7
Diesel fuel	terajoule	83.1	93.0	114.8
Natural gas	terajoule	0.4	1.5	2.2
Total fuel	terajoule	176.8	172.3	170.7
Vehicles	number	3,240	3,102	3,332
Kilometers driven	million of km	71.0	66.1	67.7
Average carbon dioxide CO <sub>2</sub> emission	g per km	n/a	150.0	140.0
<b>Energy, total</b>				
Energy consumption	terajoule	1,837	1,835	1,827
	GWh	510	510	507
<b>Air emissions</b>				
Carbon dioxide CO <sub>2</sub>	tons	26,296	25,422	23,242
Nitrous gases NO <sub>x</sub>	tons	23.0	22.5	23.2
Sulphur dioxide SO <sub>2</sub>	tons	5.4	5.0	4.4
<b>Waste</b>				
Garbage	tons	175	249	291
Recycling	tons	669	687	713
Special waste	tons	11	10	11
Waste tonnage, total <sup>4</sup>	tons	855	946	1,015

<sup>1</sup> The water consumptions for 2009, 2010 and 2011 are based on a forecast.

<sup>2</sup> Energy conversion: 1 terajoule (TJ) = 0.278 gigawatt hours (GWh).

<sup>3</sup> The energy consumptions for 2009, 2010, and 2011 are based on a forecast. Since 2011 on a monthly measure of the consumption of 60 buildings (with a total floor space of over 50%).

<sup>4</sup> Based on data provided by the Swiss Waste Exchange and the Group companies; domestic waste not included.

## Swisscom's responsibility in the supply chain

Swisscom's purchasing policy sets out the principles and procedures to be followed by the procurement organisations. The policy is defined by an overarching committee, the Swisscom Purchasing Board. The procurement organisations of Swisscom (Switzerland) Ltd, Swisscom IT Services Ltd and Swisscom Broadcast Ltd act in accordance with the Swisscom purchasing policy. Together their total order volume accounts for more than 75% of the total procurement volume. By signing the corporate responsibility contract annex (CRCA), suppliers accept the requirements set out in the purchasing policy. Swisscom uses a structured risk management system to review suppliers' compliance with the requirements. In 2012 the purchasing policy is to be extended to all procurement organisations in the Swisscom Group.

To further reduce CR risks in the supply chain, Swisscom has set itself the following goals for 2012: around 800 existing suppliers from medium-risk product groups are to undergo a risk assessment. Twenty-five percent of these suppliers are to be assessed and appropriate measures initiated by the end of 2012. Suppliers from high-risk retail product groups were already assessed in 2011 (see audits and self-declarations). The aim in 2012 is to have 90% of the total order volume coming from suppliers that have accepted the requirements of the CRCA.

In 2012 the 80 suppliers with the highest order volumes, whose products are manufactured in countries classified by Swisscom as critical, are to have registered with E-TASC and completed the online questionnaire. Swisscom plans to conduct at least six audits on behalf of the JAC (Joint Audit Cooperation – see Memberships).

 See  
[www.swisscom.ch/  
GRI-2011/en](http://www.swisscom.ch/GRI-2011/en)

## Supplier risk management

### Risk management system

The concept for the risk management system in procurement has been in place since the beginning of 2011 and is being implemented in stages. The respective product groups have already been assessed and assigned one of three risk levels: "low", "medium" or "high". Registration of all existing suppliers in medium and high-risk product groups has also been completed. That means that Swisscom exceeded its 2011 goal of assigning a risk profile to 80% of all suppliers.

In future, product groups will be risk assessed and suppliers registered on an annual basis.

Swisscom also defined the following risk reduction instruments in the first half of 2011: signing of the CRCA, signing of a self-declaration by suppliers, completion of the E-TASC questionnaire, performance of material audits and meeting at management level to discuss the escalation procedure. Swisscom reviews these instruments every two years.

Buyers and members of the Corporate Responsibility specialist unit have subjected all 92 existing suppliers from high-risk product groups to a risk assessment and defined appropriate risk reduction measures. Some of these measures have already been implemented, some are still pending. In 2012 Swisscom plans to assess existing suppliers from medium-risk product groups and determine appropriate risk reduction measures.

New suppliers in high or medium-risk product groups will undergo a CR risk assessment during the tendering process or when the contract is awarded. Swisscom set up a new process for this and tested it throughout 2011. The process is to be implemented definitively in 2012 and will include buyer training.

A crisis management system is also in the start-up phase and will be integrated into existing Group structures in 2012.

### Corporate responsibility contract annex

The CRCA is integrated into all contract templates. This is intended to ensure that when new contracts are signed the CRCA is automatically signed at the same time. One of the goals for 2011 stipulated that 70% of the total order volume must come from suppliers who have accepted the CRCA. With 83%, this goal was exceeded.

## Audit and self-declarations

According to the goals formulated for 2011, all suppliers with a high-risk rating must be audited within six months and suppliers with a medium-risk rating must complete a self-declaration within three months and/or be audited within a year. Swisscom achieved the first goal with a score of 71%. Five of the total of seven suppliers with a high-risk rating from a high-risk product group were audited on behalf of Swisscom. One of the two remaining audits will be conducted in February. In the last case Swisscom will rely on the audit report from an audit recently conducted on behalf of the JAC (Joint Audit Cooperation – see Memberships). Audits of suppliers carried out until now and in the future cover social and environmental issues.

Audits conducted in 2011 on behalf of Swisscom or the JAC (including the quality audits during which social and environmental issues were examined at the same time) produced the following results:

Areas of themes	Identified weaknesses		
	marginal	significant	serious
Child labour	2	–	–
Forced labour	2	–	–
Health and safety	22	9	–
Freedom of association and right of collective bargaining	–	–	–
Discrimination	2	–	–
Disciplinary charges	2	–	–
Working hours	8	2	1
Remuneration	5	7	–
Environment	2	–	–
Ethics of the company	5	–	–
<b>Total</b>	<b>50</b>	<b>18</b>	<b>1</b>

This table does not include audits which other JAC members conducted in 2011 on behalf of the JAC. Of the twelve suppliers with a medium-risk rating three had signed a self-declaration from Swisscom or the E-TASC (see Memberships) by the end of 2011. In three cases Swisscom waived the requirement for a self-declaration or E-TASC since the suppliers in question had already undergone an audit in 2010.

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

## Swisscom Supplier Award

Preparations for the second Swisscom Supplier Awards got underway in April 2011. As in 2010 the awards will be presented at the end of March 2012 in the following three categories: innovation, cooperation and sustainability. Suppliers are asked to demonstrate their commitment and the added value that they provide for Swisscom customers in their application.

## Memberships and partnerships

Swisscom collaborates with various associations and organisations in the area of sustainable use of resources:

- > **European Telecommunications Network Operators (ETNO), Sustainability Working Group:** Swisscom was one of the first telecommunications providers in Europe to sign the ETNO Environmental Charter in 1996 and the Sustainability Charter in 2002.
- > **ETNO Energy Task Team:** Since 2007 Swisscom and Telecom Italia have jointly headed this team, which is made up of European telecoms providers.
- > **European Telecommunications Standards Institute (ETSI):** Swisscom has been a member of ETSI's Environmental Engineering (EE) working group for six years and has helped promote the ETSI Standard EN 300019-1-3 (class 3.1) governing the operation of IT facilities. The working group is currently drawing up uniform standards for verifying electricity consumption and assessing life cycles of network equipment and devices.
- > **ÖBU (Swiss Association for Environmentally Conscious Management):** Swisscom has been a member of this association since 1999.
- > **Energy Agency for Industry (EnAW):** Swisscom joined the Energy Agency in 2003 and signed a target agreement to reduce CO<sub>2</sub> emissions and improve energy efficiency in 2004.
- > **WWF Switzerland:** Swisscom is a member of the WWF Climate Group.
- > **Association for Environmentally Sound Electricity (VUE):** The VUE certifies energy plants with the quality labels *naturemade star* and *naturemade basic*. Swisscom has been a member of the VUE Board since 2006 and, according to internal data gathered by Swisscom, is one of the biggest procurers of *naturemade star* products in Switzerland.
- > **Association Energo (an association which promotes energy efficiency in buildings):** Swisscom has been represented on the Energo Board since 2008.

Swisscom has signed four external agreements: the ETNO Sustainability Charter, the Code of Conduct for Broadband Equipment, the Code of Conduct for Digital TV Services Equipment (set-top boxes) in Europe and target agreements with EnAW to reduce CO<sub>2</sub> emissions and improve energy efficiency in Switzerland. Swisscom is also involved in the Carbon Disclosure Project and other ratings activities.

To increase the impact of the corporate responsibility demands that Swisscom places on the supply chain, in 2011 the procurement organisation of Swisscom Switzerland joined the following initiatives:

- > The Global e-Sustainability Initiative (GeSI), a partnership of companies from the ICT sector whose aim is to promote sustainability.
- > Since August 2011 Swisscom has been using the online E-TASC questionnaire of the GeSI within the framework of the risk management system.
- > The Joint Audit Cooperation (JAC) comprises seven telecoms companies that work together to plan and perform CR audits.

# Telecommunications for all

Swisscom provides barrier-free access to its products and services. It promotes the protection of minors in the media and implements measures to increase the media skills of all age groups. As such, Swisscom plays a key role in helping to create a sustainable information society in Switzerland.

## Principles and objectives

Swisscom focuses on promoting media skills, not only in its efforts in the area of youth media protection, but also through various projects which aim to bridge digital divides. Swisscom will continue to pursue these activities in 2012. The company aims to champion a sound information society that adds value in line with the federal government's strategy to ensure that Switzerland as a business location, the Swiss education system and the entire population continue to benefit from a forward-looking and progressive ICT landscape.

## Basic service provision

	Unit	2009	2010	2011
Number of traffic minutes (national fixed-line traffic)	million min.	7,100	6,741	6,200
Number of public payphones <sup>1</sup>	number	8,115	7,663	6,700
Emergency calls	in thousand	2,700	3,092	3,050
Calls to the service for visually impaired/hard of hearing	in thousand	496	556	553

<sup>1</sup> Of which 4,058 (2011), 4,437 (2010) and 4,803 (2009) within the scope of basic service provision.

Swisscom is responsible for providing basic telecoms services in Switzerland, and has been mandated to do so until 2017. The aim of the mandate is the provision of analogue and digital network access throughout Switzerland. This includes voice telephony including fax and broadband Internet access with a minimum transmission speed of 600/100 kbps and a transcription service for people with disabilities.

Maintaining and operating the 6,700 public telephones (Publiphones) in service, and operating the emergency call service for the police, fire and ambulance services also comes under the basic service provision, for which Swisscom has long been responsible.

## Protecting minors in the media and promoting media skills

### Protecting minors in the media and guidelines on media content

The Internet and mobile phones harbour a number of dangers for children and young people. Both their parents and Swisscom are well aware of this fact. Swisscom is determined not to leave educators to shoulder this responsibility alone and supports parents and teachers by providing a wide range of information, resources and products.

The legal obligations governing the protection of minors in the media were fully complied with in the year under review. Under the terms of the Swiss Federal Penal Code, it is forbidden for providers to offer content of a pornographic nature to persons under the age of 16. Swisscom is rigorous in its interpretation of the regulations of the Ordinance on Telecommunications Services regarding the blocking of value-added services. For example, no adult content whatsoever has been offered on the information portal of [www.bluewin.ch](http://www.bluewin.ch) since 2009.

Since 2008 the Industry Initiative of the Swiss Association of Telecommunications (asut) for Improved Youth Media Protection and the Promotion of Media Skills in Society has published a list of measures in addition to the legal requirements, which Swisscom has pledged to comply with. These include the provision of Internet filters, the obligation to actively inform customers, willingness to engage in dialogue with committed organisations and the designation of a youth media protection officer. In 2011 an independent body reviewed the industry initiative and the way in which it has been implemented.

With the following measures, Swisscom goes beyond the statutory requirements in terms of youth media protection:

- > Age limit for access to certain services voluntarily increased to 18
- > No adult content whatsoever included in the video-on-demand offering from Swisscom TV
- > Additional channel blocking via PIN on Swisscom TV
- > FSK age rating recommendation for all video-on-demand films
- > Highly stringent requirements for third-party providers of value-added services

The Telecommunication Services Ordinance requires telecommunication service providers to disclose information on the existence of a barring set at least once a year. A barring set allows access to chargeable value-added services to be blocked on specific lines. Swisscom sends its customers a bill enclosure every year to inform them about this free service. The barring set is automatically activated for young subscribers under the age of 18.

### Data protection

Protecting privacy and data protection in particular are key concerns for Swisscom. The Data Protection Declaration explains how Swisscom handles personal data in the context of its website and e-mail activities. This includes the use of cookies and the handling of customer data, including the possibility of passing these data on to others within the Swisscom Group. Swisscom is not responsible for information and data processing on third-party linked offerings.

Children and young people who publish private or even intimate information on community platforms are often unaware of the repercussions this may have. Privacy therefore plays a prominent role in the documentation and information provided on media protection for minors.

As part of its sponsorship of the High Principles on Child Protection in conjunction with ETNO, Swisscom has reformulated its terms of use on youth platforms so that children and young people really understand them.



## Promoting media skills

In 2011 Swisscom took the following measures in order to raise awareness among parents and teachers of the potential dangers and risks posed by new media:

- > **The “enter” brochure (formerly SchoolNetGuide) focusing on “Safety and security”:** 400,000 copies of the brochure have been printed in German, French and Italian and are available free of charge.
- > **A youth protection course was designed as part of the Help Point training scheme.** The course was held in 2011 at parents’ evenings and during further training sessions for teachers. Swisscom has expanded its offering in this area and now offers courses for secondary school pupils (see below: Media courses for parents, teaching staff and now also secondary school pupils).
- > **The JAMES study:** The JAMES study, conducted by Swisscom in 2010 in conjunction with the Zurich University of Applied Sciences (ZHAW), revealed that the Internet and mobile phones are increasingly being used by young people not only as information and communication tools but also as learning aids. The study also explores aspects of inappropriate media usage and uncovers some considerable differences between the language regions. The findings from the JAMES study were re-interpreted in a more in-depth report in 2011 and published under the title JAMESfocus. JAMESfocus concentrates on the role of sociological factors in media usage.

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

## National Programme for the Promotion of Media Skills

In summer 2010 the Swiss federal government set up a programme aimed at improving the media skills of children and young people. The Federal Social Insurance Office (FSIO) is responsible for implementing the programme, which is set to run until 2015. As principal partner of the programme, Swisscom believes that it will be important for the public and private sectors to work together closely. Swisscom supports the programme by providing both financial resources and communication services. The Media Competence Day, which was held for the first time in the reporting year on 27 October 2011, is one of the programme’s highest-profile activities. Its aim is to bring together various organisations and funding bodies and to raise awareness of the risks posed by new media among the general population. In collaboration with the gaming industry (Swiss Interactive Entertainment Association, SIEA), the FSIO and various regional partners, Swisscom has since informed the public in Zurich, Lucerne, Lausanne and St. Gall about the risks of mobile media and how they can be avoided.

## Media courses for parents, teaching staff and now also secondary school pupils

As well as being involved in the Media Competence Day, Swisscom has expanded its course offering aimed at promoting media skills and now offers a modular course for secondary school pupils in 7<sup>th</sup> to 9<sup>th</sup> grade. Even before the new media courses were announced, a lot of interest was shown. Teachers can choose from a range of different modules dealing with new media, legal issues in the Internet, social networks and secure surfing, and Swisscom then visits the class together with a course instructor. Initial feedback gleaned during the 2011 pilot indicates that Swisscom is fulfilling a major need by offering such courses. The information sessions and media courses for parents and teachers will continue to be offered in 2012 as well.

## Swisscom Help Point

Swisscom has been teaching customers how to use mobile devices and the Internet at its Help Points since 2005. Weekly courses are offered at the training centres in Berne, Basel, Lausanne, Lucerne, Geneva and Zurich. Four training buses also visit around 80 towns and villages across Switzerland every year. In 2011, 15,860 people attended courses on how to use modern communications media. Since their launch, Swisscom’s Help Points have served over 181,000 customers. Through this campaign, Swisscom is playing an important role in continually reducing the digital generation gap.

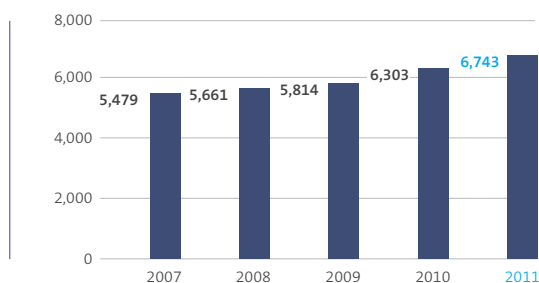
## Internet for Schools initiative

Swisscom has been providing free Internet access to all primary and secondary schools in Switzerland since 2001. At the end of 2011 almost all schools were connected to the cantonal education networks. Swisscom continued the Internet for Schools initiative after the public-private partnership with the federal government officially expired in 2007, and the company works hard to continually tailor the infrastructure it offers to the day-to-day needs of schools. Swisscom extended its Internet for Schools initiative to kindergartens in 2009 in response to the needs of cantonal education departments. This means that the number of connections provided under the scheme is set to increase almost three-fold over the coming years. At the end of 2011, well over 1,300 kindergartens were already online.

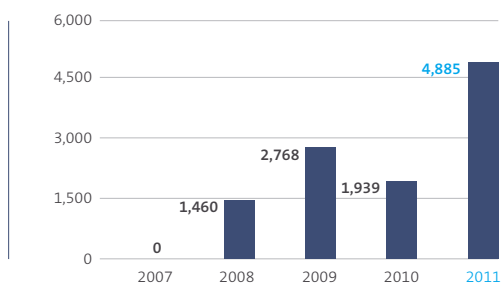
Schools that require high-performance bandwidths (large educational centres or schools which use the Internet particularly intensively) can now take advantage of connections providing free Internet access with a bandwidth of up to 50 Mbps. If the school also wishes to take advantage of Swisscom's professional security options, the company makes a contribution towards the associated expenses.

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

**Internet for Schools** Number of schools



**Courses for protection of minors in the media** Number of participants



Swisscom has added various educational institutions to its network over the past few years, enabling it to keep pace with the school system and recognise ICT integration needs early on. Swisscom cultivates this network by means of meetings and events, in particular with the following institutions:

- > educa
- > Swiss Conference of Cantonal Ministers of Education (EDK)
- > SFIB conference
- > Federal Office of Communications (OFCOM)
- > Swiss Foundation for Audiovisual Teaching Media (SSAB)
- > Swiss Association of Teachers (LCH)
- > Inter-cantonal Conference of Public Education (CIIP)
- > Worlddidac Association
- > Various teacher training colleges and universities

## Offerings for people with disabilities

### Swisscom's offerings for the visually impaired and hard of hearing

Swisscom's most important goal is to provide all groups in Switzerland with barrier-free access to the latest communication tools. In this context Swisscom plays a key role in ensuring that disadvantaged groups also participate in Switzerland's information society.

- > Swisscom Shops comply with stringent requirements concerning wheelchair access. Swisscom Shop employees also have to be able to recognise what requirements a specific disability entails. In collaboration with the TerzStiftung, Swisscom has worked on ways of optimising its Shops. The corresponding measures are to be implemented in 2012.
- > Swisscom endeavours to provide a portfolio of terminal devices that includes a choice of suitable equipment for customers with impaired hearing or vision. Swisscom renews and updates its service and device portfolio on an ongoing basis. One of the aims of doing so is to ensure its offering satisfies the needs of those with special needs or requirements. Two examples of devices in this range are the Emporia mobile phone, a smartphone with on-screen voice support for the partially sighted and the multi-modal customer service contact option.
- > All those who are unable to use the current subscriber directory due to physical disabilities can be connected via the short number 1145 at no extra cost. Swisscom provides this service free of charge as part of the basic service provision.
- > Individuals who are hard of hearing can take advantage of a transcription service. This service makes telephone calls possible between the hard of hearing and those who can hear normally and is offered free of charge in association with the organisation procom. It is also part of the basic service provision.
- > Swisscom continues to be committed to ensuring its website offers barrier-free access to all. The complete technical redesign of [www.swisscom.ch](http://www.swisscom.ch) reflects the guidelines for barrier-free website content (Web Content Accessibility Guidelines WCAG) and is set to be completed in 2012.

Swisscom supports people with scarce financial resources by making specially geared offers available to them. For example, it has drawn up a reduced-tariff plan for young people under the age of 26. Under this tariff plan, subscribers up to age 18 are assigned a credit limit. Older people continue to make less use of the new technologies than younger people. Special subscriptions offer price models with this in mind, featuring particularly low basic fees and services charged only on a pay-as-you-use basis.

## Memberships and partnerships

In line with legal requirements, Swisscom takes various measures to offer society additional added value. For example, the company works with a number of specialist organisations in order to continually enhance its understanding of the specific needs of particular customer groups. These organisations act in an advisory capacity to Swisscom, while in turn Swisscom supports them in helping make Switzerland's information society a reality. Both parties benefit from the mutual support and exchange of ideas and information.

The types of collaboration with individual organisations, institutions and public offices are many and varied and in each case comply with the relevant needs and objectives:

### Memberships

- > **Swiss Foundation for Audiovisual Teaching Media (SSAB):** Swisscom has been a member since 2008 and works with an extensive network to devise strategies and solutions for modern information provision both in schools and in the extra-curricular sphere.
- > **Worlddidac Association:** The world's largest education fair, Worlddidac is held every other year in Basel and attracts over 400 exhibitors from more than 80 countries who come to present their products and teaching aids to nearly 20,000 visitors. Swisscom has been a partner of Worlddidac since 2004 and through the Swisscom Arena provides a central platform for the exchange of views and ideas relating to trends in education.

### Dialogue partners and strategic partnerships

- > **Swiss Foundation for the Protection of Children:** Swisscom and the Swiss Foundation for the Protection of Children meet regularly to discuss aspects relevant to the promotion of media skills and the organisation of the youth media protection programme.
- > **European Telecommunications Network Operators' Association (ETNO):** In spring 2011 Swisscom became a sponsor of the High Principles on Child Protection, which was launched by ETNO but is supported by the industry itself. Under this charter the sponsors commit themselves to a number of voluntary measures aimed at improving the protection of young people from the negative impact of new media.
- > **pro audito:** Swisscom collaborates closely with pro audito, which enables it to continually adapt its portfolio to the special requirements of people with impaired hearing.

### Project-based cooperation

- > **TerzStiftung** (raising the profile and representing the interests of the elderly)
- > **Pro Senectute** (telephone chains, International Day of Older Persons, dance event)
- > **Compisternli** (introductory courses to new media given by children and young people)
- > **Swiss Consortium for Alpine Regions (SAB)**
- > **Access for all** (knowledge database)

Swisscom worked with these organisations in 2011 on a variety of projects which all offer direct added value for today's information society.

Swisscom reviews memberships and partnerships on the basis of a range of transparent criteria such as the thematic relevance or national significance of the organisation in question.

# Responsible employer

Swisscom offers employees a working environment that fosters their personal and professional development by setting them challenging tasks and allowing them to exercise responsibility. At the same time Swisscom positions itself as a socially responsible employer.

Swisscom operates in a fast-moving and challenging market environment and has to continually adapt to technological developments. Demographic and social trends are also increasingly influencing personnel resources. These dynamic changes require innovative human resources management and a corporate culture and working environment that motivate employees to unleash their potential in the context of the corporate strategy.

In a multimedia society, employees' flexibility, willingness to change and specialist knowledge play a vital role in the implementation of Swisscom's mission statement and the achievement of the objectives outlined in the corporate strategy. Customer trust is therefore key to staying competitive in the long-term and is the reason why Swisscom systematically aligns itself to customer needs. This calls for employees who can develop visions and work in mixed teams to put these into practice in a results-oriented manner.

## Principles and objectives in Switzerland

Swisscom's Group Human Resources Division is responsible for implementing a uniform HR and social policy throughout the company and formulates and promulgates Group-wide standards, guidelines and principles. The HR departments within the operating segments are responsible for implementing these and carrying out all HR functions from hiring new staff to employee departures. The Group Human Resources Division supports the Group Executive Board and Board of Directors on HR policy matters, such as terms and conditions of employment, salary system or diversity. It also recruits senior managers and conducts management development and succession planning in collaboration with the operating units. Group Human Resources is also responsible for professional and vocational training throughout the Group, and as such plays a key role at the company's Swiss locations. In its dealings with the social partners and employee associations, Group Human Resources advocates the interests of the Group as a whole.

In order to meet future challenges, Group Human Resources focuses on the following priorities: planning resources from a quantitative and qualitative point of view, planning investments in employees' professional development and establishing a management culture shaped by trust, esteem and performance orientation.

## Human Resources policy

Swisscom's human resources policy lays down clear principles for a good working relationship, defining management principles and governing Swisscom's approach to social issues.

- **Management:** At Swisscom, management means exercising and delegating responsibility, jointly defining and achieving objectives, promoting and supporting talent and ensuring equal opportunities, irrespective of personal preferences.
- **Social policy:** Social responsibility is broadly embraced at Swisscom. Adequate insurance forms the basis of employees' social protection. Where operationally feasible, Swisscom integrates disadvantaged individuals, offers support to employees who find themselves in crisis situations, avoids redundancies where possible and conducts headcount reduction in a socially responsible manner. Aided by a wide range of initiatives and programmes, Swisscom raises employees'

awareness of health issues and offers a broad array of additional social benefits to promote safety and provide support. These include support for childcare outside the family, social advisory services and affordable catering facilities.

- > **Discrimination and social advisory services for employees:** Swisscom employees have the right to non-discriminatory treatment in the workplace that safeguards their personal dignity and integrity. In the event of discrimination – including matters relating to lifestyle, cohabitation, health, finances and other such issues – employees can call on the services of counsellors throughout Switzerland. Swisscom places great emphasis on uncovering cases of discrimination within the company. When employees report such incidents to Social Services, the situation is comprehensively clarified and appropriate action taken. The counselling service offers various courses on how to prevent psychological and social tension and discrimination, as well as stress management courses. Every year, several hundred employees and line managers attend these courses.

## Staff development

Swisscom's market environment is constantly changing. The company therefore makes targeted investments in professional training and development for employees and managers to improve their employability in the long-term. Employees are supported in their development by a wide range of on-the-job and off-the-job options as well as internal programmes and courses. Further training and education programmes on offer include professional, technical and management courses. Swisscom spends an average of around CHF 1,500 per employee on external courses and further training every year. The company welcomes opportunities for further training and provides related financial support.

Swisscom continues to develop its Performance Management System in line with requirements with a view to assessing and rewarding employee achievements. The basis of this system is the performance dialogue. Guided by the principle of "agreeing objectives, recognising achievements and following a development plan", employees and line managers engage in dialogue in which they discuss future tasks, expectations and personal development. In 2011 line managers conducted a performance dialogue with 98.8% of all Swisscom employees in Switzerland. The management review process introduced in 2009 has been extended to organisational units below Group division level. This process supports succession planning for key functions and promotes the transversal placement of top talents. A mentoring programme also encourages professional and personal discussions and the sharing of information and ideas between members of the Group Executive Board and top talents, while the Leadership Forum offers an important platform for management issues.

### Employee training in the area of Corporate Responsibility

At its Welcome Days, Swisscom raises awareness of ecological and social issues among new hires and informs them about the mission statement and directives. Employees who come into contact with customers also receive regular training which broadens their knowledge of corporate responsibility. Within the scope of internal behavioural training courses, several CR road shows have been held and video messages on CR-related topics were posted on the intranet to raise awareness among Shop employees of ways of reducing radiation when using wireless technologies. In 2011 Swisscom also trained 322 project managers on the environmental parameters for new projects. As part of the four compact courses on procurement, 56 Swisscom employees were sensitised to the issue of "responsibility in the supply chain" in 2011. Four "Lead-Buyer Circles" were held, at each of which around 65 buyers were briefed and trained on specific CR topics. The two CR managers in the supply chain also visited each team at six-monthly intervals to update and train the buyers on CR issues.

## Corporate volunteering

Corporate volunteering is the term used to describe voluntary work carried out by employees for charitable causes. Swisscom encourages this commitment and offers employees the opportunity to get involved in various environmental and social projects. A total of 300 employees took part in such projects in 2011. Each year, employees can carry out a one-day mission, which is funded half by the company and half by the employee. Swisscom plans to extend and develop the corporate volunteering programme in the coming years and feature a wider variety of projects.

## Staff recruitment

### Recruiting new staff

Swisscom seeks individuals who are forward-looking and enthusiastically embrace change. At all company locations in Switzerland Swisscom endeavours to give priority to people from the surrounding regions. This is why the percentage of local employees in all areas and at all hierarchical levels is exceptionally high.

84% of Swisscom's workforce are Swiss nationals. The remaining 16% is made up of employees from 88 different countries, including 4.9% from Germany, 3.8% from Italy, 1.3% from France and 1% from Spain.

### Student interns and trainees

In order to attract the best graduates to the company, Swisscom maintains a wide range of connections with universities and schools of applied sciences. Attending relevant recruitment fairs and engaging in more advanced forms of cooperation such as guest lectures and workshops is very important to Swisscom. Many students gain initial professional experience at Swisscom during their studies either by working as interns or during the practical part of their Bachelor's or Master's course. Once they have successfully completed their studies, graduates can embark on the first step of the career ladder through internships, the trainee programme or a junior position.

### Vocational training

A total of 886 young people across Switzerland started their apprenticeships at Swisscom in 2011 and the company now offers apprenticeships in six specialist areas. Swisscom Vocational Training is responsible for training 800 of these young people, while the remaining 86 are being trained by cablex. At almost 5% of the workforce, the percentage of apprentices versus other employees at Swisscom remained stable.

Swisscom's new apprenticeship programme "Specialist in Customer Dialogue", which includes a Federal Certificate of Proficiency, was launched in August 2011 in German-speaking Switzerland. Over a three-year period, the ten young people on the course will learn how to handle customers professionally, address their needs, effectively advise them by telephone and offer them the best quality service even in difficult situations.

Two hundred and ten (91%) out of a total of 231 media specialists, IT technicians, salespeople, retail specialists and telematics technicians successfully completed their apprenticeships in summer 2011. Over 45% of all newly-qualified apprentices found a position in the company after completing their apprenticeship. Swisscom also launched various measures aimed at developing young talent within the company, in particular for apprentices in the area of ICT.

The company's primary aim is to support the personal development of its apprentices and the training model which is geared towards independence and personal accountability helps achieve this goal. In this way, apprentices play an active role in devising their own training schedules. They can apply for various practical assignments within the company, learn from experienced colleagues and set up their own training plans individually according to their specialist areas.

## Health and safety in the workplace

### Employee health

Having healthy and motivated employees is very important to Swisscom. In line with its strategy, Swisscom therefore makes targeted investments in initiatives and programmes for Occupational Health Management (OHM). The Board of Directors, Group Executive Board and management staff have all contributed to the success of OHM, which was launched in 2010. For example, the number of days of absence was reduced by over 11,000 in 2010 compared to the previous year. In 2011 the number of days of absence was reduced by a further 1.7% (2,000 days). The absence rate therefore fell from 3.24% in 2009 to 2.92% in 2010 and 2.80% in 2011. The aim is to reduce it to 2.09% by 2015.

On the initiative of the OHM, the menus in the staff restaurants were extended in the year under review to include a more healthy and varied range of snacks.

Through its involvement in the ConCerto project in collaboration with the Federal Social Insurance Office, Swisscom has provided important impetus to ensure collaboration with the social insurance agencies is coordinated as effectively as possible. ConCerto aims to accelerate and facilitate the professional reintegration of individuals after suffering health problems. Swisscom entered into partnerships with selected integration partners in the year under review and now offers trainee positions and internships for people with health problems. If someone is hired to fill one of these integration positions, OHM and, if necessary, social insurance agencies such as the Federal Disability Insurance office (IV) are on hand to provide advice and support. In 2011, twelve placements were made in these positions.

Swisscom aims to extend the focus of occupational health management to include prevention (Health Promoting Leadership) to promote and maintain employee health. This is being carried out as part of a research and development project in collaboration with the University of Applied Sciences Northwestern Switzerland.

### Occupational safety

As set out in the collective employment agreement (CEA), Swisscom undertakes to protect the personal integrity of its employees and provide an appropriate level of health protection according to ergonomic principles. In terms of ergonomics (design of workstations and working environment, health protection/health care, prevention of work-related accidents and occupational illnesses, workplace safety), the CEA grants employees the right of co-determination and unions the right of information. Various committees coordinate and organise training courses, initiatives and measures aimed at promoting safety and health protection in the workplace. In areas where workplace safety is particularly important for employees, Swisscom operates an integrated, process-based management system and is ISO 9001:2000 certified.

The criteria, processes and tools for regulating and implementing workplace safety and health protection are integrated in a quality environmental and safety management system. For example, Swisscom's subsidiary cablex follows Guideline 6508 of the Federal Coordination Commission for Occupational Safety (FCOS), which covers the ten elements of the operational safety system and ensures the measures necessary for safeguarding the health and safety of employees involved in installing infrastructure.

### Move! and the Swisscom Games

Move! is a programme which supports activities in the fields of health, sport and culture. Employees can become Move! coaches and offer an activity themselves or take part in another activity. Activities take place in employees' leisure time. Move! aims to broaden employees' sporting and intellectual horizons and give staff the opportunity to meet their colleagues from other areas of the company.

The Swisscom Games is an employee event that is held every two years. Employees have the option of enrolling for a team or individual activity in the fields of sport, culture and society. The 2011 Swisscom Games saw four events held in various regions throughout Switzerland in which a total of around 6,000 employees took part. The Swisscom Games are a key networking opportunity for employees and have become an important part of the corporate culture.



## Diversity but equal pay

### Diversity@Swisscom

Men and women from 88 countries and all kinds of cultural backgrounds, of widely varying ages, different religions and different sexual orientations work at Swisscom. This diversity encourages creativity and innovation and Swisscom is therefore keen to promote it. The aim is for employees to learn from each other about how to tackle challenges in a variety of ways. As such, dialogue is central to diversity. Swisscom organises workshops, training courses, talks and other activities aimed at encouraging intercultural exchange. As an organisation, Swisscom aims to be open – to embrace diversity, otherness, and new, forward-looking thinking.

A key topic in diversity management is mixed leadership. Swisscom's aim is to increase the percentage of women in management roles from 11.7% currently to 20% in the medium term. The Group Executive Board supports this goal and has entrusted the whole organisation with the task of achieving it. In the area of management development, Swisscom focuses on recognising female talent within the company early on and developing it. In terms of external talent, Swisscom takes care to ensure that its recruitment partners support its aim of increasing the percentage of women in management roles.

The newly founded internal "Swisscom Network of Leading Women" is designed to give female managers already working at Swisscom increased visibility. It is also a platform which allows female managers from within Swisscom to get to know each other better and to work together to devise measures to make Swisscom an even more attractive employer for women.

 See  
[www.swisscom.ch/  
GRI-2011/en](http://www.swisscom.ch/GRI-2011/en)

### Age management

Swisscom applies age management strategies and measures so as to address the demographic trend in good time and seeks innovative ways of allowing older employees to continue in active employment. Because the average age of employees, respectively of the wider population and therefore also of Swisscom's customers is getting higher all the time, the company set up the so-called "BestAge projects". These projects focus on meeting the needs of older employees and older customers. The measures and programmes implemented in call centres and shops accommodate these needs, whereby older customers are served and advised by older employees. Another initiative is in-house consulting, where older senior managers offer advice on internal mandates, provide coaching and allow others to benefit from their experience through involvement in projects.

### Equal pay

Swisscom takes great care to ensure equal pay for men and women. The salary system is structured in such a way as to award equal pay for equivalent duties, responsibilities and performance. To this end, the individual functions are assigned to function levels according to their requirements and a salary band is defined for each function level. This stipulates the remuneration range for equivalent duties and responsibility. Pay is determined within this range based on the individual employee's performance and experience. As part of its salary review, Swisscom grants employees who have performed better and are lower down the salary band a pay rise beyond the usual salary adjustments. This allows any existing wage disparities to be evened out on an ongoing basis. When conducting the salary review, Swisscom also checks whether there are any pay inequalities between men and women within individual organisational units and corrects them in a targeted manner.

Swisscom also uses the federal government's equal pay tool (Logib) to conduct periodic reviews of its salary structures to ascertain whether disparities exist between men's and women's pay. Previous reviews have revealed only minor pay discrepancies, well under the tolerance threshold of 5%.

In 2011 Swisscom joined the Equal Pay Dialogue, an initiative set up by the employer and employee umbrella organisations in association with the federal government to review equal pay. The positive outcome of the Equal Pay Dialogue confirms that Swisscom salaries conform to the principle of equal pay.

## Employee satisfaction

Swisscom conducts a comprehensive survey every two years to gauge employee satisfaction. The most recent survey was conducted in May 2010 and the response rate was 74.3%. Of particular note was the high level of job satisfaction and the above-average level of employee commitment. It is important to ensure that employees understand why financial resources are used in a particular way and to demonstrate the rationale behind large-scale investments in the future and the associated outlooks. This special task is currently being accorded even greater attention by management at all levels. Managers within the individual divisions are also working on specific projects aimed at strengthening management in Swisscom's dynamic environment and promoting trust and personal responsibility throughout the organisation. The impact of these measures will be revealed in the next survey, to be conducted in early summer 2012.

## Memberships and partnerships

Swisscom is a member of various national and international institutions which deal with different human resources issues. These include:

- > **The International Institute of Management in Technology in Fribourg (iiimt)**, which runs executive programmes and carries out research in the fields of ICT and utility management.
- > **The Swiss Employers' Association in Zurich**, which works to ensure social stability and a constructive social partnership.
- > **The Corporate Leadership Council in London**, which conducts research into best practice in corporate management.
- > **Generation CEO in Germany**, which is an initiative promoting female management talent.
- > **SWONET in Rombach**: The "Swiss Women's Network" Internet portal, which is a network of Swiss women's organisations.

## Employees in figures

	Unit	2009	2009 in %	2010	2010 in %	2011	2011 in %
<b>Personnel structure in Switzerland</b>							
Employees in FTE according to GRI scope	FTE/%	15,995	100.0%	16,064	100.0%	16,628	100.0%
<b>Thereof employees included in the following analysis</b>	FTE/%	<b>15,641</b>	<b>97.8%</b>	<b>15,616</b>	<b>97.2%</b>	<b>16,398</b>	<b>98.6%</b>
Employees with full-time employment	FTE/%	13,571	86.8%	13,500	86.4%	14,208	86.6%
Employees with part-time employment	FTE/%	2,070	13.2%	2,116	13.6%	2,190	13.4%
Employees with unlimited employment	FTE/%	15,538	99.3%	15,478	99.1%	16,342	99.7%
Employees with limited employment	FTE/%	103	0.7%	138	0.9%	56	0.3%
Female employees	FTE/%	4,435	28.4%	4,357	27.9%	4,546	27.7%
Male employees	FTE/%	11,206	71.6%	11,259	72.1%	11,852	72.3%
Employees up to 30 years of age	FTE/%	2,589	16.6%	2,531	16.2%	2,754	16.8%
Employees between 30 and 50 years of age	FTE/%	9,885	63.2%	9,798	62.8%	9,990	61.0%
Employees over 50 years of age	FTE/%	3,167	20.2%	3,287	21.0%	3,654	22.3%
Average age	Years	41.0	n/a	41.2	n/a	41.3	n/a
Female employees in top management	FTE/%	12	9.8%	15	12.0%	15	11.8%
Male employees in top management	FTE/%	110	90.2%	110	88.0%	112	88.2%
Female employees in middle management	FTE/%	207	10.0%	212	9.7%	242	10.4%
Male employees in middle management	FTE/%	1,868	90.0%	1,968	90.3%	2,078	89.6%
Temporary employees	FTE	1,217	7.8%	1,415	9.1%	1,520	9.3%
Apprenticeship positions	number of jobs	840	5.4%	805	5.2%	800	4.9%
<b>Personnel structure in Switzerland</b>							
Number of performance dialogues held	FTE	13,481	86.2%	14,137	90.5%	16,201	98.8%
<b>Fluctuation in Switzerland</b>							
Leavings/fluctuation women	FTE/%	575	13.0%	551	12.6%	534	11.7%
Leavings/fluctuation men	FTE/%	1,177	10.5%	1,179	10.5%	1,421	12.0%
Fluctuation rate total	FTE/%	1,751	11.2%	1,730	11.1%	1,955	11.9%
Leavings up to 30 years of age	FTE/%	411	23.5%	419	24.2%	464	23.7%
Leavings up to 50 years of age	FTE/%	969	55.3%	905	52.3%	1,119	57.2%
Leavings from 30 to 50 years of age	FTE/%	371	21.2%	406	23.5%	371	19.0%
<b>Absences due to accidents and sickness in Switzerland</b>							
Days lost due to work-related sickness	number of days	580	0.015%	377	0.010%	5	—
Days lost due to sickness	number of days	111,731	2.79%	97,856	2.46%	98,916	2.39%
Days lost due to work-related accidents	number of days	2,821	0.07%	2,752	0.07%	2,252	0.05%
Days lost due to non-work-related accidents	number of days	15,353	0.38%	17,199	0.42%	15,037	0.36%
Days lost total	number of days	130,475	3.26%	118,184	2.92%	116,210	2.80%
Days lost per FTE	number of days/FTE	8.3	n/a	7.6	n/a	7.1	n/a

# Social and cultural commitments

Swisscom historically has close ties with Switzerland and the local population, and has long been committed to its Swiss roots. The company endeavours to ensure that everyone can benefit from the latest technologies and it supports non-profit organisations by providing services and expertise.

The focus of Swisscom's long-term sponsorship activities is on winter sports and a wide range of cultural events. The sponsoring activities are spread across all regions of Switzerland and appeal to a wide range of target groups. Swisscom's sponsorship partners are obliged to report on their activities and results.

## Festivals, museum, foundation

Swisscom sponsors renowned and popular open-air music festivals and the AVO Session in Basel. It also supports the medium of film in its capacity as the principal sponsor of the Locarno International Film Festival, and as communications partner of selected film distribution companies for the premieres of new films. Swisscom works with Pro Senectute to organise dancing events in public places for senior citizens who are keen dancers.

The company is also a member of the Board of Trustees of the Museum of Communication in Berne, which organises exhibitions on communications past, present and future. Visitor surveys show that the museum is highly regarded as a family-oriented and interactive museum. For example, the temporary exhibition "Wo bisch? Handy macht mobil" ("Where are you? Mobility thanks to mobiles"), which opened in October 2010, welcomed 27,851 visitors in the space of eight months. Swisscom is sponsor of the Sasso San Gottardo Foundation and is principal sponsor of the exhibition due to open in 2012 covering the following topics: mobility and habitat, safety, water, energy, weather and climate.

## Winter sports

As a leading partner of Swiss Olympic and partner to the Swiss Paralympic Committee, Swisscom supports various competitive sports. It also sponsors the young talent programme "Golden Talents", which allows Swisscom specialist dealers to support up-and-coming local athletes, in association with Swiss Olympic. Thirty top athletes from across Switzerland each receive CHF 1,000 a month under the scheme. Swisscom's sporting sponsorship focuses on winter sports. As principal sponsor of Swiss Ski, it helps Swiss winter athletes reach peak performance in downhill and Nordic skiing, snowboarding, freestyle and telemark skiing. As part of its partnership with Swiss Ski, 20% of Swisscom's annual sponsorship fees go towards fostering the development of junior talents. Swisscom has also developed a downhill training programme for junior talents, the key focus of which is the selection and development of young talents and the creation of training opportunities, allowing the Swisscom Junior Alpine Ski Team to prepare for the Junior World Championships. As official telecoms partner of all Swiss FIS World Cup events, Swisscom boosts Switzerland's status as both a venue for sporting events and a haven for winter sports.

## Economic development

Swisscom promotes entrepreneurship in Switzerland. Through its partnership with the Swiss Venture Club and the Institute for Young Entrepreneurs, it also supports new start-ups. Swisscom is also involved in the following major economic and business congresses: the Swiss Economic Forum, Swiss Innovation Forum and Swiss SME Day.

## Corporate giving und people in need

Swisscom's Corporate Giving strategy is an opportunity for Swisscom to document and demonstrate its close ties to Switzerland. The company continued its long-standing partnerships with Swiss Solidarity (Glückskette) and 143 "The Samaritans" in the reporting year. In 2011 Swiss Solidarity collected a total of over CHF 28 million for the victims of the famine in Africa. Swisscom supports Swiss Solidarity's collection activities through the provision of communications technology.

143 The Samaritans helps vulnerable and distressed people 24 hours a day, seven days a week. Over 600 staff, who are mainly volunteers, take well over 150,000 phone calls a year, offering a helping hand to callers who find themselves in desperate situations. For some time now, callers have been able to contact 143 The Samaritans via channels other than phone, with enquiries received via e-mail and instant messenger on the rise. Swisscom makes a significant contribution to 143 The Samaritans by providing financial support and specialist services, supporting its central secretariat and 14 regional offices.

From 12 to 17 December 2011, Swisscom sponsored the "Jeder Rappen zählt" ("Every Cent Counts") fundraising campaign as telecoms partner. Together with DRS 3, SF and Swiss Solidarity, "Every Cent Counts" raised money for mothers in need. During the week of the campaign, Swisscom provided the telecommunications infrastructure in front of the Culture and Convention Centre Lucerne (KKL Luzern), free of charge, thereby helping the project to run smoothly. Over 94 Swisscom apprentices answered calls from donors every day between 7 a.m. and 10 p.m. In addition, as part of the "Jedes Handy zählt" ("Every Mobile Counts") campaign, Swisscom collected old mobile phones which were donated to "Every Cent Counts". The mobile phones collected will be resold in countries with limited purchasing power, enabling the people there to access mobile communication. All net proceeds from the sale go to "Every Cent Counts".

## Climate Pioneers initiative

The Climate Pioneers initiative offers schoolchildren from pre-school to secondary school the opportunity to realise their own climate protection projects. Swisscom launched the Climate Pioneers project together with Solar Impulse and the climate protection organisation myclimate. Swisscom is committed to encouraging children and young people to get actively involved and to make an important contribution to climate protection.

The Climate Pioneers initiative has two prominent supporters, Bertrand Piccard and André Borschberg. They plan to circumnavigate the globe in their solar aircraft Solar Impulse in 2014 to raise the profile of renewable energy.

In 2011, 1,500 climate pioneers implemented a total of 100 climate projects, the majority of which were in German-speaking Switzerland. Over the next twelve months the initiative will implement its first projects in French-speaking Switzerland.

 See  
[www.swiss-solidarity.ch](http://www.swiss-solidarity.ch)

 See  
[www.143.ch](http://www.143.ch)

 See  
[www.klimapioniere.ch](http://www.klimapioniere.ch)

## Solar Impulse

André Borschberg and Bertrand Piccard's Solar Impulse project is committed to raising the profile of energy efficiency, clean tech and innovation, which is why Swisscom has been supporting it as national telecoms partner since 2009.

As part of the partnership, Swisscom has developed an ultra-light, energy-saving communication solution to allow the pilot to communicate with the crew on the ground at all times as the plane circumnavigates the Earth. The Solar Impulse plane embarked on its first flight outside Switzerland in 2011. It was the first time that all communications between the pilot/plane and the ground crew had been carried out using Swisscom's communication solution.

# Innovation and development

Swisscom's innovation process is based on exploration, incubation and implementation. Through the elements of this process Swisscom identifies future trends, selects the most promising ones and prepares them for market.

The goal of Swisscom Innovation is to work on topics that are relevant to the future, tap new areas of growth, identify future customer needs and avoid unnecessary costs. The segregation of Swisscom Innovation into three new divisions, Infrastructure Innovation, Service Innovation and New Business Fields and Prospects will help it to respond to a rapidly changing market environment in the best way possible and pursue themes in a more targeted way than previously.

## Innovation process

### Research

Swisscom bases its research efforts on the following six long-term issues:

- > **The future business model of the telecoms industry:** Thanks to its know-how and expertise as a telecoms company, Swisscom is keen to offer new support services and to establish itself as an important link in the Internet service value chain. Acting as an interface between Internet providers and end customers, Swisscom offers tools for identity, data and security management.
- > **The future development of broadband networks:** The increasing demand for bandwidth and customers' desire to be online anytime and anywhere are posing new challenges for telecoms infrastructure. Swisscom presents future-oriented solutions to satisfy customer needs using cloud-based services.
- > **Sustainable network and IT infrastructure:** Awareness of sustainability is growing all the time. Furthermore, future energy price trends could place a heavy strain on ICT providers' budgets. Swisscom aims to increase energy efficiency and promote Green ICT services in order to reduce costs and set itself apart from the competition.
- > **Future TV and entertainment trends:** The technical possibilities in the TV and entertainment segment are subject to rapid change, while new global as well as local service providers are entering the market. Swisscom tracks technological and ecosystem trends and develops new solutions to ensure its TV and entertainment offerings remain competitive.
- > **Developments in collaboration and communication services:** A world of work in a state of flux, which increasingly relies on teams in different locations working together, requires innovative services. Swisscom analyses products, for example in the field of video communication and collaboration tools, in order to meet customers' changing needs.
- > **Improving customer interaction:** Swisscom seeks innovative and convincing ways of improving and personalising the customer experience, whether in Shops, on the Internet or in its call centres.

## Incubation and implementation

Swisscom is keen to incorporate new ideas from research to tap new areas of business and optimise costs. It therefore reviews every promising idea in terms of profitability, feasibility and what it offers customers. If an idea fulfils the relevant requirements, it is quickly tested and brought to market. For example, Swisscom is currently pursuing new approaches to the digital home, new television experiences and energy saving in Swisscom data centres.

New ideas are generated within the company or are the result of open innovation from customers, start-ups and partners. Swisscom operates its own open innovation platform in the form of Swisscom Labs, which has several thousand registered users.

Green Touch project

Green Touch is a global initiative which aims to dramatically improve energy efficiency in ICT networks by a factor of 1,000. Green Touch was set up in 2010 and is already supported by 50 manufacturers, academic institutions and network operators. As a founding member, Swisscom played a key role in the launch of Green Touch and is involved in two research areas.

In its second year, Green Touch presented a prototype to the public which was developed by several of the consortium's partners. The prototype significantly reduces the radiation generated by a system through the combination of several antennas.

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

  
See  
[www.greentouch.org](http://www.greentouch.org)

## Successes

Below are a number of examples of products which have been developed ready for market:

- > **Mobile ID:** Mobile ID enables secure authentication for business applications such as remote access via mobile phone. A new function integrated in the SIM card eliminates the need to use additional devices or type in complicated codes. With Mobile ID, businesses have a secure, user-friendly means of authentication provided as a managed service that requires no software to be installed on the mobile phone.
- > **Machine-to-Machine (M2M):** Machine-to-Machine (M2M) communication is growing rapidly. It is estimated that there will soon be more machines communicating directly with each other than there are mobile phone users. This "Internet of Things" will help to simplify processes, reduce costs and make more sustainable use of scarce resources. Swisscom wants to drive communication between devices more strongly and has therefore established a new department to support clients at every stage, from the project idea to operation.



# Certificates and awards

Swisscom awarded good evaluations by independent rating agencies in 2011.

## External evaluations of Swisscom

External experts and institutions, or rating agencies, regularly evaluate Swisscom's services. Every agency has its own methods and evaluation criteria. Swisscom received sound ratings from every agency, and consistently achieves good results for its commitment in the area of sustainability. In 2011 the company further improved its ratings, which are partly used to measure how effectively the CR strategy is being implemented.

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

## 2011 rating results

- > **Ethisphere most ethical companies:** 1<sup>st</sup> place in the telecoms category
- > **Bilanz eco rating 2011:** 1<sup>st</sup> place
- > **Newsweek Green Ranking 2011:** 10<sup>th</sup> place worldwide
- > **Carbon Disclosure Project:** 85 points
- > **Verdantix:** Sustainable Telecoms Europe: among the top 5 in Europe
- > **Dow Jones Sustainability Index:** Silver Class

### Other relevant awards received in 2011

- > Swiss Ethical Award for Commitment to the Promotion of Media Skills
- > ecosport.ch-Award for the sustainable implementation of the Swisscom Games
- > Gigaton Award in the telecommunications category for achievements in the area of Green ICT

# *Information on reporting according to GRI guidelines*

Swisscom reports about its commitments and activities in the area of sustainability in accordance with the requirements of the Global Reporting Initiative (GRI).

## Scope of the report

Sustainability reporting according to the GRI is limited to Swisscom AG and all subsidiaries domiciled in Switzerland which are fully consolidated in accordance with International Financial Reporting Standards (IFRS). Acquired subsidiaries are included from 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. The main foreign shareholdings are Fastweb and the Swisscom Hospitality Group. The closely related foundations comPlan (pension fund) as well as sovis are also not included in the scope. An illustration of the scope of the GRI including the legal structure is provided in the section on the Group structure and organisation.

Group directives governing the various GRI sustainability topics are issued to Swisscom's subsidiaries, and specialist guidelines and specifications have been introduced on topics such as data centre cooling and the decommissioning of transmitter stations.

Employee indicators, in particular with respect to personnel structure and fluctuation, cover 99% of FTEs, and with respect to absences due to accident and illness more than 95% of FTEs.

Environmental indicators, in particular with respect to energy, water/waste water, emissions and waste, cover virtually 100% of FTEs in Switzerland. The report includes all buildings managed by Swisscom Real Estate in Switzerland as well as the vehicle fleet managed by Swisscom's Fleet Travel Management in Switzerland. One additional subsidiary (Swisscom IT Services Finance AG) which is not managed by Swisscom Real Estate has been integrated in the data compilation system for electricity consumption. The electricity consumption of this company is calculated on the basis of the electricity bill and not the electricity meters.

For the 2011 report the electricity consumption data were measured for the first three quarters and projected for the year as a whole.

A list of Group companies, comprising subsidiaries, associates and joint ventures, is provided in the Notes to the Consolidated Financial Statements.

## Guidelines and application level

The scope and content of the sustainability report are based on the currently applicable guidelines of the Global Reporting Initiative (GRI 3.0). GRI is the world's leading standard for corporate sustainability reporting. Swisscom is of the opinion that the 2011 Corporate Responsibility Report complies with application level A+ of GRI guideline 3.0.

This has been reviewed and confirmed by the Société Générale de Surveillance (SGS) AG.



## CERTIFICATION

### SGS CERTIFICATION of the Swisscom Ltd 2011 GRI Sustainability Report

#### SCOPE

SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2011. Our assurance scope included the GRI disclosure obligations and figures in accordance with the GRI Index published at [www.swisscom.com/GRI-2011/en](http://www.swisscom.com/GRI-2011/en). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all texts and 2011 data in accompanying tables contained in the printed Annual Report 2011 and referenced information 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 Annual Report and on the website and in the presentation. SGS was not involved in the preparation of any of the material included in the GRI Index and acted as an independent assessor of the data and text using the Global Reporting Initiative Sustainability Reporting Guidelines 2006 as a standard. The content of this Assessor'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 Guidelines (2006). SGS also certified the environmental management systems of Swisscom (Switzerland) Ltd, Swisscom Broadcast Ltd and cablex Ltd, and SGS has certified the environmental management system of Swisscom IT Services Ltd, in accordance with ISO 14001:2004. The assurance comprised the evaluation of external sources, meetings with relevant employees, a verification of the documentation and recordings as well as the validation of these with external institutions and/or beneficiaries, where required. Financial data drawn directly from independently audited financial accounts was not checked back to its source as part of this assurance process.

#### OPINION

The statements in the report refer to the system threshold disclosed (Group companies based in Switzerland). On the basis of the above methodology, we did not detect any instances from which we would have to conclude that the information and data disclosed by Swisscom Ltd in accordance with the GRI Index 2011 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 2011. The estimates stated in the report are justifiable; the implementation of the GRI-relevant instructions was carried out at those parties involved, where Swisscom regarded them to be significant or feasible. Optimisation potentials were mainly detected in the target setting process and in the consistent and comprehensive controlling of the instructions' implementation. They were added to the list of objectives.

We believe that the existing gaps are not significant and the sustainability report meets the requirements of level A+ of the GRI (2006) in accordance with the GRI Index.

#### SIGNED FOR AND ON BEHALF OF SGS

Jakob Koster, Lead Auditor

Elvira Bieri, Lead Auditor

Zurich, 27 January 2012

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