



# Swisscom Code of Conduct for Procurement

Edition 2020

**swisscom**

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The Swisscom Code of Conduct for Procurement and further information on purchasing-related topics is available at the following link:

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

## Editorial



As one of the major Swiss companies, Swisscom has a special responsibility for society and the environment. We care about tomorrow. Going forward, sustainable thinking and acting will shape our decisions and day-to-day work even more, not least when it comes to cooperating with our suppliers.

Swisscom is committed to fair and effective partnerships with its suppliers. We actively involve our suppliers, define development targets together, and strive for the continuous optimisation of our joint procurement processes.

For us, sustainable development starts with procurement. Therefore, we have stipulated our principles in our Code of Conduct for Procurement. We show consideration for other people, society and the environment. This Code of Conduct for Procurement is binding for all Swisscom procurement departments and represents the binding basis for all our supplier relationships.

Having a binding basis is particularly important wherever our supply partners also process data on behalf of Swisscom. Our customers, employees and other people trust us to process their data in compliance with the law and to ensure its comprehensive protection. To justify this trust, we promote and maintain a data and security culture within Swisscom. Supply partners who process data for us will be integrated in this culture to an even greater degree in the future. They, together with Swisscom, are called upon to make their contribution.

**Urs Schaeppi**  
CEO Swisscom Ltd

## Why a Code of Conduct for Procurement?

Innovation is at the heart of enterprise. Ongoing development is the engine of any company and part of the Swisscom culture. Acting responsibly towards society and the environment, constantly adapting to the latest conditions and seeking even better solutions for our customers are the forces that drive our day-to-day business. To achieve this, we actively involve our partners and suppliers in this process.

Involving partners and suppliers is particularly important in the area of data processing. As the penetration and use of digital technologies grows, so does the volume of data processed as well as the proportion of labour that is dedicated to the processing of such data. The legal framework governing data processing is becoming considerably stricter at the same time. A trustworthy and sustainable business activity requires that data always be processed in a legally compliant, secure and responsible manner along the entire value chain.

This is the basis on which Swisscom defines the economic, environmental, legal and social principles for its business activities. These are binding for all employees, and we expect a comparable standard from our suppliers. Applicable laws and country-specific regulations or requirements are adhered to. Such regulations may be more but not less stringent than the guidelines detailed in Swisscom's Code of Conduct for Procurement. Successful supplier relationships are based on objectivity, 100% integrity and common sense. This Code of Conduct serves as the basis for our reliable partnerships with our suppliers and applies throughout the entire organisation.

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«It is not only for what we do that we are held responsible, but also for what we do not do.» Molière (1622–1673)

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# 1 What do we expect from ourselves and our suppliers?

## 1.1 Joint success

Swisscom considers suppliers as innovative and reliable partners who are willing to contribute to the companies' mutual success in the market with a high degree of value creation, commitment and flexibility. The aim is to achieve an open and transparent long-term collaborative working relationship. This is achieved through transparent selection procedures, debriefings for bidders, feedback and fair play during the entire procurement process. Swisscom aims for the best possible terms of performance, price, quality and delivery.

## 1.2 Avoiding economic dependencies

Swisscom prevents a one-sided focus on individual companies and ensures that it has an optimised portfolio of suppliers operating in the same product segment. The supplier ensures that no economic dependence on Swisscom arises.

Swisscom only concludes contracts with legal entities. Contracts with single-person companies should be avoided. Contractual relationships with micro-companies (2 – 5 persons) must be examined carefully for risks.

## 1.3 Security and data protection

Swisscom and its suppliers safeguard the confidentiality of the information and data of both Swisscom and Swisscom's customers at all times in accordance with the applicable laws and agreements with Swisscom. Data and personal data are only used and processed to the extent necessary and within the authorised framework. The suppliers undertake to impose these obligations on third parties to the same extent.

## 1.4 Formal requirements

The "General Terms and Conditions" (Swisscom T&C) and corresponding contract templates form the basis for procurement transactions with Swisscom.

## 1.5 What do we expect from our suppliers?

Swisscom expects, in accordance with its company values and its environmental and social policies, that its suppliers and subcontractors exercise their responsibilities with respect to society and the environment. The focus is on the entire supply chain, from the manufacturer to the supplier, through to the user and the disposer. In this sense, Swisscom expects the following conduct from its suppliers:

### **1.5.1 Quality management**

The supplier ensures that the products covered by the contract are produced with a management system in accordance with the standard ISO 9001. The supplier is responsible for ensuring that the entire value chain is subject to an appropriate quality management system (QMS). This also requires that the supplier guarantees the identification of the products covered by the contract. In the event of any quality defects, this serves to identify which products, deliveries or production periods are affected.

### **1.5.2 Security and data protection**

Suppliers who meet the following criteria are given preference:

- The importance of security (information security and physical security) and data protection is stated and can be found in the company values, vision and/or strategy. The appropriate structures and resources are in place.
- The presence of certifications according to international standards such as ISO/IEC 27001 and assurance reports according to ISAE 3402, for example, is preferred.
- A security management system is in place and evidence verifies that it is implemented.
- The work processes and procedures implemented to ensure security and compliance with data protection (processes, checklists, work instructions, etc.) are documented.
- Regular checks are carried out to ensure compliance with the law and conformity with the security standards customary in the industry.
- The supplier's company infrastructure, products and services are regularly checked for security risks and vulnerabilities.
- Employee training courses on the topics of security and data protection are conducted on a regular basis.

### **1.5.3 Environmental management**

Our suppliers preferably operate an environmental management system according to ISO 14001 or EMAS. If they do not deploy a certified system, Swisscom expects its suppliers to take the following measures:

- Regular checking of legal compliance in the area of the environment.
- Documentation of work processes and procedures which contain environmental aspects (e.g. processes, checklists, instructions).
- An environmental programme is in place with proof of implementation.
- Relevant training for employees in environmental-related roles.
- Ongoing improvements in environmental issues are checked by means of internal or external audits.
- Supplier management takes into account environmental aspects alongside commercial aspects.
- One person in the company is responsible for all matters relating to the environment.

#### 1.5.4 Product ecology

New products should be tested for environmental impact during the design phase and in accordance with the relevant Swiss standards or relevant equivalent international standards. Possible environmental risks are assessed for existing products and manufacturing processes, and appropriate action is taken if necessary.

#### 1.5.5 Social responsibility

Suppliers who can demonstrate the following social commitment are given preference:

- Legal compliance in the social field is checked on a regular basis.
- The SA8000 standard, elements 1-8 (Child Labour, Forced Labour, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Discipline, Working Hours, Compensation) are complied with.
- Young people with no specialist knowledge are also brought into the workplace and receive on-the-job training.
- Employees are offered various working-time options (e.g. part-time, teleworking, working from home).
- Employees have a say in decisions relating to their working conditions.
- In the case of dismissals/large-scale dismissals, an industry-standard social plan is in place.
- The supplier has a compliance system in place to ensure compliance with the law, particularly in the areas of anti-corruption and anti-trust.
- As part of the evaluation, suppliers are also assessed in relation to their social responsibility.

Swisscom's supplier evaluation system assesses the most important factors of cooperation. Regular assessment of the overall performance in the context of the supplier evaluation lays the foundations for joint advancement. The implementation of written agreements is also checked through on-site audits.

With the purpose of assessing the business risk, Swisscom reserves the right to audit suppliers and potential suppliers, and their products. The result of the evaluation is always discussed with the supplier and influences a potential future partnership.

## 2 Responsible conduct in procurement

### 2.1 Code of conduct for procurement

Employees bear responsibility for their actions and show consideration for other people, society and the environment. They comply with all laws and any other external or internal regulations, and act with integrity. These are the fundamental values of the Swisscom Code of Conduct, which also applies to procurement. Swisscom employees ensure that these core values and the principles of the Swisscom Code of Conduct for Procurement form the basis for any collaboration with suppliers.

#### 2.1.1 Personal conduct

- We behave in a professional manner and are guided by a healthy amount of common sense.
- We treat one another with respect and are always fair to each other.
- We act in good faith and justify the trust placed in us.
- We act in an environmentally conscious, security-conscious and socially responsible manner.
- We refute unfair business practices and disclose these internally.
- We respect individual and cultural differences.

#### 2.1.2 Conduct during the procurement process

- We protect the company's know how and intellectual property.
- We comply with antitrust law (no price agreements, segmentation of customers or markets, etc.).
- We ensure that existing customer relationships, whether direct or indirect, do not lead to entitlement to preferential treatment in the area of procurement.
- We do not engage in two-way deals (counter trades). We do not regard counter trades as a tool for negotiation.
- We ensure fair competition in procurement.
- We provide clear and truthful information to foster a transparent exchange of information with our suppliers.
- We respect our suppliers' interests.
- We expect our suppliers to act according to best practice.
- With respect to security and data protection, we require our suppliers to comply with applicable laws and the requirements of Swisscom. We demand this on a consistent basis.
- We require our suppliers to comply with applicable laws and request that they carry out their social and environmental responsibilities.
- We make active use of our suppliers' innovative strength.
- We always protect the interests of Swisscom.



## 2.2 Anti-corruption

Swisscom's anti-corruption directive is binding for all employees and contracted auxiliary personnel throughout the company. Swisscom employees and auxiliary personnel are not permitted to request, accept promises of or actual gifts, invitations or other benefits for themselves or a third party. Accepting minor and socially customary benefits is acceptable, subject to compliance with the thresholds set out in the directive. The acceptance of invitations to events with a higher market value must be approved in advance by the respective supervisor, taking into account the requirements of the anti-corruption directive.

## 3 Basic procurement processes and principles

Separation of powers and the dual-control principle form the basis of Swisscom's procurement processes. These are open, transparent and take into account the aspects of quality, environmental and social affairs, security, regulatory compliance and other requirements. When carrying out our procurement activities, we act in good faith and affirm the trust placed in us by our partners.

Procurement at Swisscom:  
Swisscom vision, values and strategy:  
Swisscom responsibility:

[swisscom.ch/procurement](https://swisscom.ch/procurement)  
[swisscom.ch/strategy](https://swisscom.ch/strategy)  
[swisscom.ch/responsibility](https://swisscom.ch/responsibility)