Corporate Responsibility

Passionate about future generations.

Corporate responsibility strategy

Sustainable living and working

Sustainable use of resources

Telecommunications for all

Responsible employer

Corporate responsibility strategy

Swisscom takes responsibility seriously – now and in the future.
To this end, it relies on the corporate responsibility strategy
(CR strategy) with its four strategic priorities. Swisscom pushed ahead
in 2013 with dovetailing its CR and corporate business strategy.

Context and principles

Factors of long-term responsibility	→	Positioning Swisscom as a leading company	→	Strategic priorities	→	Focus of implementation
> Awareness of business-critical needs of customers and stakeholders > Integrity and holistic thinking		> Ensure the long-term business success of the company > Assume a pioneering role in ecology and support customers' efforts to be more climate friendly by providing them with the corresponding products and services > Act in a socially responsible manner and take the lead in promoting media competency and protecting minors in the media > Be an attractive, socially responsible employer		> Sustainable living and working > Sustainable use of resources > Telecommunications for all > Responsible employer		**2014** > Integration of corporate responsibility strategy with corporate business strategy and link to the Group's core business > Differentiation on the market **2020** > Development of targets 2020

Swisscom attaches great importance to sustainability. Ensuring the efficient use of resources, including energy, while guaranteeing the provision of communications services that meet this requirement to consumers is essential. Swisscom's situation as national infrastructure provider, coupled with the expectations of the relevant stakeholder groups, i.e. customers, employees and the federal government in its role as principal shareholder and as legislator, place high demands on the company as regards sustainability. Sustainable management and long-term responsibility are thus among the core values to which Swisscom is committed. They are reflected in the corporate business strategy and presented in more detail in the CR strategy. In the year under review, Swisscom continued with the integration of corporate responsibility, particularly the ecological and social aspects. Expanding the CR strategy to Swisscom subsidiary Fastweb was also part of the year's agenda.

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 and are therefore associated with creating market opportunities. Swisscom has the following four strategic priorities:

Sustainable living and working

Swisscom supports customers in their pursuit of a sustainable way of living and working.

Swisscom supports customers in their endeavours to conserve resources. Green ICT enables companies to massively reduce energy consumption and CO_2 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 thanks to ICT solutions. Swisscom offers Green ICT Check, a simple tool that enables companies to assess their potential energy and CO_2 savings. Swisscom also provides residential customers with numerous ways to manage their carbon footprint, from online billing to a recycling service for mobile phones.

Example from Swisscom's list of targets:
Swisscom aims to increase revenue generated from Green ICT services by 10% a year.

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.

Swisscom is among Switzerland's ten biggest purchasers of electricity. It continuously improves its energy efficiency, meets its full electricity requirements from renewable domestic energy sources and is one of the biggest purchasers of wind and solar power in Switzerland. Since 1998, Swisscom has more than halved CO_2 emissions from vehicles and buildings. Swisscom also requires that suppliers comply with high ecological and corporate social responsibility standards.

Example from Swisscom's list of targets:
Swisscom aims for a 25% improvement in energy efficiency by 2015 versus the 2010 reference year.

Telecommunications for all

Swisscom is committed to ensuring that everyone in Switzerland knows how to use digital media safely and securely.

Swisscom makes it possible for everyone in Switzerland to access digital media and also helps them to use these media responsibly. To date, Swisscom has provided free Internet access to 6,600 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 skills.

Example from Swisscom's list of targets:
Swisscom holds 800 training courses every year (with approximately 15,000 participants) aimed at improving the media skills of young people.

Responsible employer

Swisscom is one of the most popular employers in Switzerland and acts in a socially responsible manner.

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.

Example from Swisscom's list of targets:
In line with its commitment to diversity, Swisscom aims to increase the percentage of women in management to 20% in the medium term.

The most important indicators of Swisscom's CR-targets

Priority of the CR Strategy	Targets in year under review Future targets	Status/Measures The target is considered achieved if within a tolerance of 5%, not achieved or exceeded outside the tolerance
Management/Governance		
Reporting boundaries/Data collection Specification of reporting boundaries and integration of new companies in the data collection systems for sustainability reporting KPI: The extent to which management systems and indicators within the reporting boundary Switzerland are covered	**2013:** **Integration in processes** 2014: Achieved; no further target	**2013 target achieved** Detailed list of group companies continuously updated 2014 measure: > Further integration in Acquisition and Mutation processes
Anti-corruption (GRI-SO2) KPI: Implementation of training on anti-corruption directive	**2013:** **Integrate training in the Compliance Process** 2014: Achieved; no further target	**2013 target achieved** > Training integrated in the Compliance Process > Carried out in the form of eLearning courses for managers in 2013 > Further training courses are being carried out as part of the Compliance Process
Sustainable living and working		
Rise in net revenue in Green ICT portfolio (GRI-EN26) Eco-friendly products and services for corporate customers (B2B) KPI: Rise in net revenue in the defined Green ICT portfolio	**2013:** **+10% over the prior year** 2014: +10% over the prior year	**2013 target not achieved (−6%)** > Decline mainly due to special effect (one-time revenue from corporate customer from the previous year) > Most revenue from individual services up over the prior year 2014 measures: > Continue to promote eco-friendly offerings > Issue of further Green ICT certificates > Project partnerships with NGO
Expand the portfolio of eco-friendly offerings (GRI-EN26) KPI: Number of offerings certified by myclimate (NGO)	**2013:** **Residential customers: 3** **Business customers: 19** 2014: Residential customers: 3 Business customers: 32	**2013 Residential customers target not achieved (1)** **2013 Corporate customers target exceeded (30)** 2014 measures: > Evaluate suitable products or redesign suitable products and services > Determine environmental benefits compared to standard products > Current portfolio at www.swisscom.ch/myclimate
Mobile phone take-back (GRI-EN26) Reuse/recycling of mobile phones that are no longer used KPI: Return rate (percentage of mobile phones returned compared to the number of phones sold)	**2013:** **14%** 2014: 12%	**2013 target not achieved (9.8%)** National «Swisscom Mobile Aid» collection campaign remained below expectations 2014 measures: > Raise return rate over 2013 by means of a buy-back programme and other measures
Reduction in paper consumption (GRI-EN26) KPI: Percentage of residential customers switching to online billing	2015: 30%	**Percentage achieved in 2013: 18.3%** 2014 measures: > Continue to promote online billing > Direct mailing for suitable customer segments > Joint campaign with WWF Switzerland
Training of Touch Point (shop/call centre) staff (GRI-EN26) Shop and call centre staff trained in customer concerns/messages relating to environmental/social accountability KPI 2013: Course on Corporate Responsibility (CR)	**2013:** **Course set up and carried out for the first time** 2014: Continuation of course	**2013 target achieved** Course carried out 2014 measure: > Continuation of course
Sustainable use of resources		
Renewable energy (GRI-EN4) KPI: Extent to which electricity requirements are covered by renewable energy	2013: 100% 2014: 100%	**2013 target achieved (100%)** 2014 measures: > Purchase of renewable energies (electricity) > Compensation with certificates > Verification by WWF Switzerland > Increase in production of own electricity (solar)
Energy efficiency (GRI-EN6) Continual increase in energy efficiency KPI: Increase in energy efficiency EF Baseline 1.1.2010 > TEC = total energy consumption > AES = accumulated energy savings $$EF = \frac{GEV + \sum ESP}{GEV}$$ Source: adapted from FOEN Directive	2015: +25% over 1 January 2010	**Increase in energy efficiency achieved 2010–2013: +21 %** 2014 measures: Implementation of other cost-cutting and efficiency measures including > Use of Mistral cooling system (cooling with fresh air) > Decommissioning and technology improvements > Conclusion of the swap of mobile network > Increased efficiency in data centres > Virtualisation of servers
Reduction in direct CO_2 emissions (GRI-EN18) Focus on direct emissions from fossil fuels (Scope 1) KPI: CO_2 emissions from fuel consumption	2015: −12% over 1 January 2010	**Reduction achieved 2010–2013: −3.9%** > Increased demand for office space and rise in the number of kilometres driven mostly offset by reduction measures > However relative energy indicators improved markedly 2014 measures: > Implementation of further efficiency measures > Further implementation of the procurement roadmap (vehicles)

Priority of the CR Strategy	Targets in year under review / Future targets	Status/Measures / The target is considered achieved if within a tolerance of 5%, not achieved or exceeded outside the tolerance
Optimised CO$_2$ emissions of vehicle fleet (GRI-EN29) Focus on direct emissions from fossil fuels (Scope 1) **KPI:** Average CO$_2$ emissions per car in g CO$_2$/km according to manufacturers' data	**2013:** **128 g CO$_2$/km** 2014: 120 g CO$_2$/km 2015: 110 g CO$_2$/km	**2013 target exceeded (123 g CO$_2$/km)** 2014 measure: › Further implementation of the procurement roadmap

Responsibility in the supply chain

Risk evaluation of supply partners from medium-risk product groups (800 supply partners) (GRI-HR2) **KPI:** Percentage of supply partners subjected to a risk evaluation (as % of total number of supply partners from medium-risk product groups)	**2013:** **35% (280)** 2014: Reevaluation	**2013 target achieved (35%/280)** 2014 measures: › Reevaluation of product groups (based on the product group strategy) and supply partners with a medium-risk profile › Subsequent quantification after reevaluation of product groups
Review of supply partners from medium-risk product groups (GRI-HR2) **KPI:** a) Number of supply partners with a high-risk profile that have been audited b) Number of supply partners with a medium-risk profile that have carried out a self-declaration	**2013:** **a) 4** **b) 30** 2014: a) 4 + 50 through JAC b) 30	**2013 targets** **a) not reached (2),** 1 audit postponed, 1 audit cancelled; a further 38 audits carried out within the framework of JAC **b) exceeded (70),** of which 35 from the medium-risk profile segment 2014 measures: a) Perform audits and intensify collaboration within the framework of JAC b) Self-declaration by 30 selected suppliers with various risk profiles
New: Review of strategically important suppliers in terms of transparency of greenhouse gas emissions **KPI:** Number of key suppliers that disclose their environmental data via CDP CDP = Carbon Disclosure Project	2014: 40 (cumulative)	**2012 baseline value: 27** 2014 measure: › Campaigns to encourage participation in the CDP
Implementation of Swisscom CR agreements (GRI-HR2) **KPI:** Percentage of order volume generated with supply partners that have signed the CR agreements	**2013:** **95%** 2014: Achieved; no further target	**2013 target achieved (95%)** 2014 measure: › Focus on special cases

Telecommunications for all

Promoting media skills: Media courses for parents and teachers (GRI-PR6) **KPI:** Number of participants in the media courses on offer	**2013:** **5,000** 2014: 6,500	**2013 target exceeded (5,741)** 2014 measures: › Expansion of offering by means of an online platform › Further marketing of the offering
Promoting media skills: Media courses for pupils (secondary school) (GRI-PR6) **KPI 2013:** Number of pupils	**2013:** **15,000** 2014: 15,500	**2013 target not achieved (13,305 pupils)** Programme nevertheless expanded over the prior year 2014 measures: › Further development of the course programme › Intensification of communication
Promoting media skills: User courses for senior citizens (GRI-PR6) **KPI:** Number of participants	**2013:** **14,000** 2014: 14,000	**2013 target achieved (14,500)** Note: Original target reduced in the second quarter on resource grounds 2014 measures: › Further development of the course programme › Intensification of communication
Access for all (accessibility) (GRI-SO1) Improve barrier-free nature of Swisscom's online presence **KPI:** Achieve AA rating in accordance with Web Content Accessibility Guidelines WCAG	**2013:** **AA rating for online presence** 2014: AA rating for online presence	**2013 target delayed** Various measures implemented to improve barrier-free access for all (AA) 2014 measure: › Implementation of further measures to improve barrier-free access for all (in compliance with WCAG2.0 AA)

Responsible employer

Diversity (GRI-LA1) Increase the proportion of women in management **KPI:** Percentage of women in management (Group Executive Board and all management levels)	Medium term: 20%	**2010 baseline value: 9.9%** **Percentage in 2013: 11.8%** 2014 measures: › Special mentoring programmes/Coaching › Transparent and targeted recruitment › Women's network › Talent management and succession planning
Occupational Health Management (GRI-LA7) Keep staff absence rate constant or reduce it over the prior year **KPI:** Absences in days/target days (weighted by FTE) x 100; Target days are based on standard working hours	Yearly Keep absence rate constant or reduce it over the prior year	**2012 percentage: 2.9%** **2013 target achieved (2.9%)** Note: Original target revised and reformulated in the third quarter 2014 measures: › Further professionalise case management › Instil personal prevention culture – line managers and employees
Corporate Volunteering (GRI-LA) **KPI:** Number of volunteer days	**2013:** **1,000 days** 2014: 1,400 days	**2013 target exceeded (1,330 days)** 2014 measures: › Expansion of the use of corporate volunteering etc. as a personal development tool -> skills-based volunteering (skills- and knowledge-based deployments)

Further information on Swisscom's commitment (GRI Appendix)

In addition to the above strategic priorities, Swisscom is engaged in a wide range of social and cultural commitments and promotes innovation and development. Further information on Swisscom's commitments and detailed information on this Annual Report are available in the corresponding GRI Appendix. The GRI Appendix provides details on the reporting boundaries, governance, customer focus, the four strategic priorities of Swisscom, further environmental aspects of operations, as well as memberships and partnerships. It can only be accessed online.

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:
> Sustainable conduct in the ICT sector
> ICT in the education system
> Improvements in customer service (for example regarding consumer protection)
> Nationwide provision of the mobile and broadband infrastructure in Switzerland
> Improvement of customer information systems
  (for example, information on mobile phone services for customers abroad)
> ICT and energy reform

During the year under review, Swisscom submitted statements as part of consultations at a federal level on the proposed revision of the anti-trust law, as well as the revision of the Telecommunications and Radio and Television Act (RTVG). The preparatory work for the planned revision of the Federal Law on the Monitoring of Postal and Telecommunications Traffic (BÜPF) progressed well during the business year. As part of the current consultation process, Swisscom formulated an independent statement of its own on the revision and collaborated with Association Suisse des Télécommunications (asut) in formulating the statement of the industry association. The statements can be viewed on the websites of the authorities in question.

These statements are based on the principle of promoting self-regulation and competition in an open marketplace. Numerous attractive new customer offers and high investments made in the reporting year underscore this principle.
This is reflected in Swisscom's solution-oriented approach, which is geared to serving the common good as well as the interests of the company. The positions Swisscom takes are based on clear facts and reflect our own ideas. Swisscom maintains transparent relationships with politicians, public authorities and the community which are based on mutual trust. By participating in public hearings and events and issuing written statements, Swisscom plays its part in the political process. Swisscom rejects unlawful or ethically questionable practices aimed at exerting influence on opinion leaders. Furthermore, Swisscom is a non-denominational, politically neutral organisation which does not financially support any political party.

Common-interest associations

Swisscom is involved in various industry associations including economiesuisse, SwissHoldings, ICT Switzerland, Glasfasernetze Schweiz and asut. It has a seat on the Boards of economiesuisse, Glasfasernetze Schweiz and asut, where it seeks to promote stable, legal framework conditions as a prerequisite for continued investment in costly infrastructure expansion. Swisscom invested around CHF 1.7 billion in Switzerland's telecoms infrastructure in 2013.

Memberships and partnerships

Swisscom works as an association member or in projects with various partners on specific issues relating to the four strategic priorities.
> **Sustainable living and working:** the myclimate foundation; the Swiss Research Foundation on Mobile Communication (FSM)
> **Sustainable use of resources:** Energy Agency for Industry (EnAW); WWF Switzerland; Global e-Sustainability Initiative (GeSI); Joint Audit Cooperation (JAC) and Carbon Disclosure Project (CDP) – supply chain module

> **Telecommunications for all:** Swiss Foundation for the Protection of Children; Federal Social Insurance Office – a national programme promoting media skills and a foundation promoting media access for all
> **Responsible employer:** Swiss Women's Network; the Swiss Employers' Association

Further partnerships are listed in the GRI Appendix to the Annual Report.

Corporate responsibility 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. Implementation of the strategy is delegated to the CEO 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 Group Communications & Responsibility division is responsible for the implementation of the CR strategy.

Responsibility of the Board of Directors

The Board of Directors is responsible for approving the long-term CR strategy. It acknowledged the present governance report and targets for 2014 and approved the strategic priorities. The Board of Directors is informed in quarterly reports on the implementation status of the CR strategy and achievement of targets. The Board of Directors also makes decisions on expanding the scope of the CR strategy to include domestic and foreign subsidiaries.

Responsibility of the Group Executive Board

The Group Executive Board convenes once a year to discuss the further development of the CR strategy and four times a year to discuss its implementation. In November, it reviews the past year and approves the goals for the coming year.
The Group Executive Board has the following controlling instruments at its disposal, which were introduced in 2010:
> Weekly reports prepared by Group Communications & Responsibility, 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 and members of the Executive Board of Swisscom Switzerland were nominated as internal sponsors for the priorities of the CR strategy. They are responsible for progress and performance within 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:
> **Overall management:** Head of Group Communications & Responsibility
> **Sustainable living and working:** Head of Residential Customers, Head of SME, Head of Corporate Business and the CEO Swisscom IT Services
> **Sustainable use of resources:** Head of Network & IT and CFO Swisscom Ltd
> **Telecommunications for all:** Head of Residential Customers
> **Responsible employer:** Head of Group Human Resources

This ensures that the priority areas are binding and firmly embedded in the company.

Role of Group Communications & Responsibility

The Group Communications & Responsibility division or, more specifically, the central CR team attached to this division, is responsible for coordinating implementation of the CR strategy and leveraging synergies across all divisions. The CR team's specific tasks include:
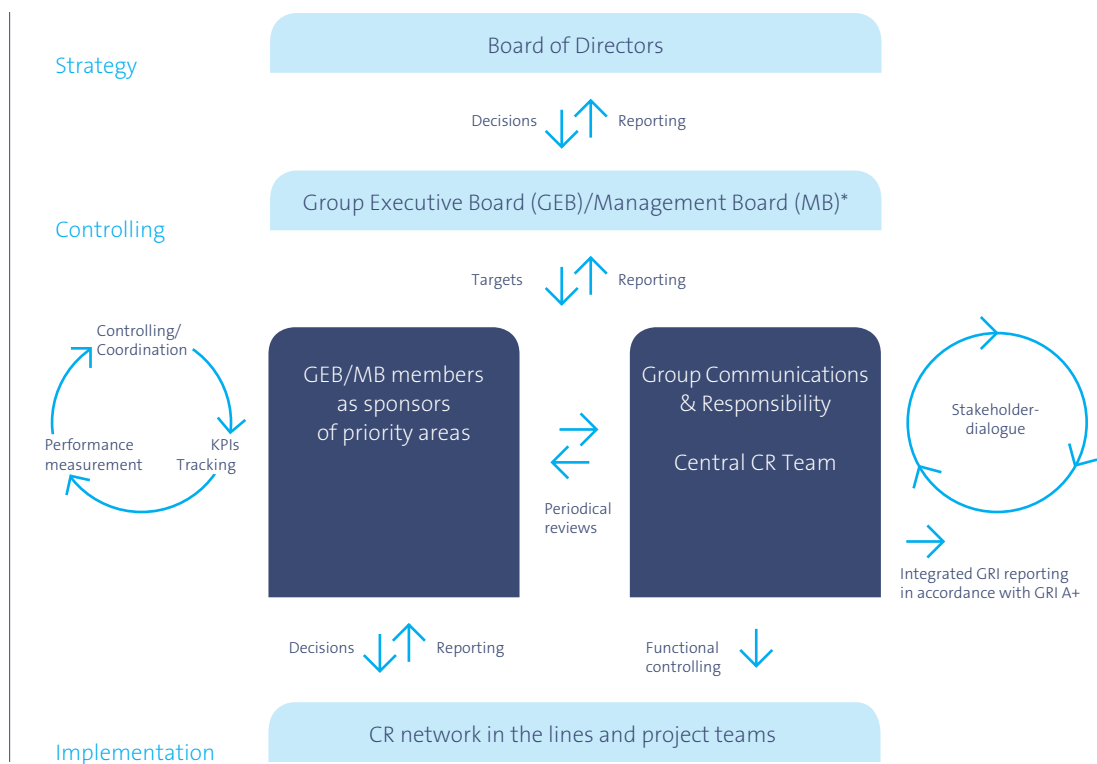> Drawing up the CR strategy (goals/priorities) in conjunction with line and support units
> Supporting the sponsors from the Group Executive Board and the Management Board
> Coordinating the implementation of the strategy and the initiation of measures
> Formulating the requirements for implementation of the CR strategy
> Engaging in dialogue with stakeholders
> Engaging in dialogue with strategic partners (including NGOs)
> Reporting to internal and external stakeholders
> Liaising with the Group Business Steering division for the purpose 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. An event is held at least once a year involving all of the members of the CR network for the purpose of exchanging information and addressing new topics.

Members of the Group Executive Board are their responsibilities

The diagram below illustrates the responsibility the members of the Group Executive Board and the Management Board have in providing support and advice to the line units.

Strategy	Board of Directors

Decisions ↓↑ Reporting

Controlling	Group Executive Board (GEB)/Management Board (MB)*

Targets ↓↑ Reporting

Controlling/
Coordination

Performance measurement — KPIs Tracking

GEB/MB members as sponsors of priority areas

⇄ Periodical reviews

Group Communications & Responsibility

Central CR Team

Stakeholder-dialogue

Integrated GRI reporting in accordance with GRI A+

Decisions ↓↑ Reporting   Functional controlling ↓

Implementation	CR network in the lines and project teams

* New management structure from Jan. 1st 2014

Sustainable living and working

Swisscom supports customers in their pursuit of a sustainable way of living and working. The company's portfolio includes climate-friendly, low-radiation products and services for residential customers as well as Green ICT services for business customers.

Environment and objectives

The ICT sector is set to play a key role in reducing CO_2 emissions. A study conducted by the Global e-Sustainability Initiative found that the ICT sector has the potential to reduce CO_2 emissions world-wide by some 16%. This potential reduction is around seven times the amount of CO_2 emissions produced by the ICT sector itself.

There are a wide range of ICT solutions that can help to reduce CO_2 emissions. For example, video conferencing allows companies to cut down on business travel, and communications solutions allow employees to work from their home office. Furthermore, the optimisation of vehicle fleets, the use of energy-efficient services from data centres and the intelligent control of buildings, equipment and power networks all contribute to lowering CO_2 emissions and saving energy using ICT technology.

Swisscom is aware of its responsibility in the ICT sector to use resources efficiently and promote sustainable ways of living and working. The company undertakes a host of initiatives to structure its offerings in a more resource-friendly and energy-efficient manner, as well as offering products and services8 to help customers reduce their CO2 emissions and save energy.

Ecological and 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, suitable measures are taken.

Number of climate-friendly products with climate recommendations
The portfolio contains

30 products

Mobile phone recycling Swisscom Mobile Aid
Number of devices returned in 2013:

149 thousand

Climate-friendly products and services for residential customers

Offering for residential customers

During the year under review, the Residential Customer segment of Swisscom Switzerland consolidated its programme for sustainable living and working. 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 three aspects as the main environmental impact factors:
> **Energy consumed** by devices through customer use
> **Energy consumed** producing the devices
> **Energy consumed** by network elements

Measurable results of the programme in the reporting year:
> **BeSmart:** The BeSmart service launched by the Swisscom Energy Solutions subsidiary allows residential customers to operate their heat pumps, electric heating systems and – where applicable – boilers via remote control and receive alarm notifications in good time in the event of these systems suffering a fault. BeSmart also compares the energy efficiency of heating systems with those in corresponding buildings. BeSmart is free of charge for residential customers. The aim of the service is to generate balancing energy to offset fluctuations in the Swiss electricity market. A large number of heat pumps and electric heating systems can be pooled together to help stabilise the power network. BeSmart thus makes an important contribution towards integrating a significantly larger proportion of variable energy sources, such as wind and solar energy, into the electricity supply.
> **1-Watt set-top box:** Since November 2012, all new TV set-top boxes and boxes needing replacement have been provided by Swisscom preset in power-saving mode. The energy consumption of these devices in stand-by mode is as low as only 0.4 watts, which corresponds to energy savings of around 50% on average. Aside from a slightly longer start-up time, customers experience no disadvantages whatsoever as a result of this change.
> **Ecomode plus:** Cordless phones with Ecomode plus emit only minimal levels of radiation. Almost all of the cordless phones sold by Swisscom are now Ecomode plus models.

Swisscom is making existing customers aware of the following possibilities for saving energy:
> **Saving energy is so easy:** On the initiative of the Swiss Federal Office of Energy (BFE), Swisscom and two other providers decided to launch a joint information campaign to encourage customers to find out more about how to save energy and how to set up the modem and router and TV set-top boxes they use in their homes to optimise their energy efficiency. Swisscom participates in this campaign by sending targeted information bulletins to its customers and illustrating the possibilities of potential of energy-optimised settings on the Swisscom website.
> **Eco points now also available on fixed network devices:** Fixed-line devices and mobile handsets produced by different manufacturers vary not only in terms of design and performance, but also in terms of environmental compatibility. Information on the energy consumption or the raw materials used in the manufacture of the devices has not been readily available to customers up until now. To create more transparency, Swisscom became the first provider to introduce an eco point rating in Switzerland in 2011. All the devices in Swisscom's portfolio are rated according to three equally weighted criteria: low energy consumption in use, low energy consumption in manufacture and responsible choice of raw materials. Eco points are limited to ecological aspects. This means that customers can factor environmental compatibility into their future purchase decisions. In 2013, Swisscom further developed the eco point rating system. Swisscom customers now benefit from the independent rating provided by myclimate when purchasing fixed-line devices.
> **Recycling devices:** Swisscom provides a two-year guarantee on all telecoms devices, such as phones, modems, mobile phones and mobile unlimited USB modems, and also offers repair services. In addition, any electronic devices from the Swisscom range can be returned to Swisscom for recycling, and equipment is reused where possible, e.g. routers. This service is performed in cooperation with SWICO Recycling, the recycling commission of the Swiss Association for Information, Communication and Organisational Technology and is financed by a recycling fee charged in advance. Recycling statistics are available from SWICO.

See
www.be-smart.ch

See
**www.swisscom.ch/
save-energy**

See
**www.swisscom.ch/
ecopoints**

See
www.swico.ch

> **Swisscom Mobile Aid:** In 2013, around 149,000 mobile handsets were returned to Swisscom 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 proceeds from the sales go to the réalise social organisation and the SOS Kinderdorf Schweiz relief organisation. Devices that can no longer be sold are professionally recycled by SWICO. The return rate of used mobile handsets decreased in comparison to previous years. Below expectations has been the Swiss-wide collection drive launched at the end of 2013 in collaboration with Valora, SOS Kinderdorf and the Ringier media enterprise. The Swiss population turned out in large numbers to donate their old mobile handsets. The return rate in 2013 was 9.8% (prior year: 11.4%).

> **Online billing:** Online billing is increasingly becoming an attractive, environmentally friendly alternative to a paper bill. The share of customers who opted to receive their bill online rose from 15% in 2012 to 18.3% as of the end of 2013. Swisscom has taken a wide range of steps to further improve the appeal of online billing, which suggest to the customer that online billing not only benefits the environment, but also saves the customer time and money thanks to the simplified procedure. For example, Swisscom worked together with the WWF at the start of 2013 to organise a major joint campaign, as a result of which 47,000 new customers decided to give up their paper invoices.

> **Providing information to and raising the awareness of customers and the wider population:** In 2013, Swisscom expanded its partnership with WWF Switzerland. It is now the main sponsor of the WWF "Ratgeber" (advisor) app and the WWF Footprint Calculator. With the app, the WWF and Swisscom are heading in a new direction as "partners for the environment". A special section within the app illustrates Swisscom's commitment to the environment and society and is evidence of the joint aim of promoting a sustainable lifestyle. The Footprint Calculator is a simple method of calculating your personal ecological footprint and provides personalised tips on how to live a more sustainable life.

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_2 emissions. The following categories apply to Green ICT services:
> **Reducing business travel:** Virtual conferences, solutions for home offices and mobile work, solutions for optimising logistics
> **Saving energy:** Outsourcing and virtualising servers in efficient data centres, solutions for efficient workplaces
> **Saving paper:** Solutions for paper-saving printing and working without paper

The respective products and services are labelled as recommended by myclimate. The climate recommendation label illustrates the energy and CO_2 savings compared with previous consumption behaviour and can be viewed on the Internet.

In 2013, Swisscom once again implemented numerous measures to increase the utilisation of Green ICT services and thus reduce CO_2 emissions.

Swisscom expanded its offering of the Green ICT services bearing the myclimate label. These new services include, for example, the Collaborative Whiteboard, which can be used to discuss and draw up project outlines and plans on a long-distance basis.

The continued growth in revenue recorded in the year under review demonstrates the appeal of Green ICT services. 2013 also saw Swisscom issue more customers in Western and German-speaking Switzerland with Green ICT certificates. The certificates state the amount of emissions that the Swisscom customers have saved by using Green ICT products. 53 customers have so far received these Green ICT certificates. They save annually more than 15,000 tonnes of CO_2 and approximately 8,000 MWh.

> Swisscom collaborated with SBB and the University of Applied Sciences Northwestern Switzerland (FHNW) to investigate the effects of mobile working. It involved 250 test persons from Swisscom and SBB who refrained from using transport during peak hours between February and March 2013. Below are the key findings of the study:

> The total working hours of the test persons remained the same during the study; however, there was an increase in the amount of flexible working.
> Approximately two-thirds of commuter travel took place outside of peak hours.
> Overall, there was a significant increase in job satisfaction, well-being, motivation, the quality of family and social lives, and employer satisfaction.
> The test persons felt that the team's performance and the atmosphere within the team remained as good as it was prior to the study.

The study thus verifies the huge potential of mobile work to relieve pressure on transport as well as increase employee satisfaction and productivity. The "Mobile work" guidelines in place within Swisscom lay out the key arguments in favour of mobile work. Furthermore, salespersons and special presentations provide Swisscom customers with information about the advantages of mobile work.

Swisscom also undertook the following activities in the area of Green ICT:

> **National Home Office Day:** Swisscom has supported the Home Office Day as a partner since its inception in 2010, and this year was the fourth time the company has participated. The "home office friendly" label for businesses was launched in 2013. This label identifies companies — e.g. in job advertisements — as attractive employers.
> **Rewarding Green ICT customers:** At a special event, Swisscom recognises business customers that have achieved energy savings and reductions in CO_2 emissions by using Green ICT services and received a Green ICT certificate.

Green ICT at Swisscom

Swisscom not only encourages its customers to use Green ICT, but also uses Green ICT solutions itself:

> 18 Swisscom sites are now equipped with the Telepresence virtual videoconferencing solution.
> Practically all Swisscom employees are now able to 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. Swisscom's participation in the Home Office Day and the Work Anywhere study have also served to further embed the topic of new ways of working in the company culture. In 2013, internal guidelines were formulated for employees and their supervisors on the subject of mobile work.

CO_2 savings achieved thanks to Green ICT services
In 2013, companies issued with Green ICT certificates achieved CO_2 savings of

15,000 tonnes

Energy savings achieved thanks to Green ICT services
These companies also had combined energy savings in 2013 totalling

8.0 GWh

Low-radiation communications technologies

Advice and information on wireless technologies and the environment

Specially trained Swisscom employees advise persons 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 more than 630 discussions with key stakeholder groups on the subjects of mobile communications and the environment. These discussions were motivated by local projects.

Research and development in the area of electromagnetic fields

Mindful of the major responsibility that Swisscom has in operating its wireless networks, internal and external experts track the progress of scientific research. Swisscom also analyses research findings and supports relevant scientific activities.
Swisscom works with and financially supports the Swiss Research Foundation on Mobile Communication (FSM) based at the Federal Institute of Technology (ETH) 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.
Based on current knowledge, scientists consider the current limits for electromagnetic fields as safe (see WHO Fact Sheets Nos. 193 and 304).

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 installations 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 quality assurance system was assessed in December 2013 by an external auditor mandated by SGS with a view to its recertification. Swisscom passed this audit of the quality assurance system, scoring a capability level of 4 (out of a maximum of 5), which means that the processes relevant for the QAS are "targeted and measureable".
The legal obligation to limit emissions from mobile communication installations in Switzerland 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 O Hz and 300 GHz. Swisscom complies with the ONIR limits. The Swiss limits are 10 times lower than those in the European Union.

Duty to provide information on products offered at points of sale

Swisscom provides information on the levels of radiation emitted by the mobile handsets 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 the levels of radiation emitted by mobile handsets (SAR values) at Swisscom points of sale and on the Swisscom website. There is no legal obligation to provide this information. By doing so, Swisscom is responding to a need by customers for whom radiation levels are particularly important when it comes to choosing a mobile phone. It goes without saying that no mobile handsets offered exceed the limit of 2 W/kg; half (51%: prior year 48.7%) are below 0.8 W/kg and 31% (prior year 28.2%) even have a SAR value below 0.6 W/kg (product portfolio as at December 2013).

Customer satisfaction

Customer satisfaction at Swisscom Switzerland

Swisscom Switzerland conducts segment-specific studies in order to measure customer satisfaction. Swisscom Switzerland made minor modifications to this approach in 2013 and standardised it. It measures customer satisfaction twice a year, in the second and fourth quarters of the year. The Wholesale segment measures customer satisfaction once a year. For all segments, the most important metric is the extent to which customers are willing to recommend Swisscom to others and the Net Promoter Score (NPS), which is derived from it and depicts the emotional aspects of customer loyalty and reveals customers' attitudes towards Swisscom. It is calculated from the difference between promoters (customers who would strongly recommend Swisscom) and critics (customers who would only recommend Swisscom with reservations or would not recommend the company).

> The Residential Customers segment conducts representative surveys of customers to determine customer satisfaction and the extent to which customers are willing 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 to gauge customers' satisfaction with Swisscom as well as dealers' satisfaction with Swisscom products and support.
> The Corporate Business segment surveys customers for whom it has implemented projects. It also conducts surveys to measure customer satisfaction along the customer experience chain.
> The Wholesale segment measures customer satisfaction along the entire customer experience chain.

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

Customer satisfaction at Swisscom IT Services

Swisscom IT Services uses relevant feedback instruments at key customer touch points in order to determine customer satisfaction. After each interaction with the service desk or after placing orders, IT users can submit feedback to the service desk or enter their comments in the order system; customers can assess the quality and success of projects following their conclusion and IT managers are given the opportunity to assess ongoing operations on a monthly basis. Swisscom IT Services also surveys customers' IT decision-makers each year.

Sustainable use of resources

Swisscom endeavours to meet the highest standards when it comes to the use of resources. Operating energy-efficient infrastructures and using and generating renewable energies is key for Swisscom, particularly in light of the Swiss government's 2050 energy strategy. Swisscom has also joined other international initiatives aimed at promoting accountability in the supply chain.

Environment and objectives

The energy turnaround, climate change and responsibility in the supply chain are key issues for Swisscom and its stakeholders. The Swiss government's new 2050 energy strategy intends to phase out nuclear energy. It calls for the consistent use of opportunities to increase energy efficiency and to transition to renewable energies. Accordingly, Swisscom places a special focus on increasing its own energy efficiency.

Both the environmental and the purchasing policies provide a framework for Swisscom to use its resources sustainably. Management norms, standards and internal policies allow the planned saving and efficiency measures to be systematically implemented. Swisscom subsidiaries of significant environmental relevance are ISO 14001 certified. The companies concerned are: Swisscom (Switzerland) Ltd, Swisscom Broadcast Ltd, Swisscom IT Services Ltd and cablex Ltd, all of which are also ISO 9001 certified. The foreign subsidiary Fastweb S.p.A. is also ISO 14001 certified. Based on headcount, the management systems and processes certified to ISO 14001 cover more than 95% of the Group (including Fastweb).

By the end of 2015, measures taken in the network infrastructure area are expected to achieve a further 25% improvement in energy efficiency in comparison with 1 January 2010. During the same period, Swisscom aims to cut direct CO_2 emissions by 12%, chiefly through measures in the area of employee mobility and infrastructure. Overall, Swisscom is aiming for a 60% reduction in direct CO_2 emissions by the end of 2015 compared to the reference year 1990. In 2013, Swisscom calculated the company's energy consumption up to 2020 and renewed its target agreement with the Energy Agency for Industry (EnAW). The aim of this target agreement is to increase energy efficiency by a further 34% from 2016 by the end of 2020 onwards. In this effort, Swisscom is working together with, among others, the government-associated enterprises following the 2050 energy strategy.

Energy-efficient infrastructure

Energy consumption as the principle environmental impact factor

The greatest impact Swisscom has on the environment is caused through its energy consumption. Swisscom is striving to boost energy efficiency and rely more on renewable energies in order to minimise its environmental impact. In addition to the network infrastructure described in the Management Commentary, Swisscom operates a substantial real estate portfolio itself. This comprises offices, commercial buildings, local exchanges and data centres. Swisscom does not operate any warehouses or distribution centres, but does maintain a fleet of company and commercial vehicles.

Energy management at Swisscom

The Swisscom energy management programme comprises the following processes:
> Determining energy consumption over a specific period of time
> Determining the energy mix, particularly the electricity mix
> Generating electricity
> Economic use of energy and increasing energy efficiency
> Reusing waste heat
> Monitoring and reporting

Consumption of electricity from renewable sources and green electricity

Swisscom's energy consumption totalled 399 GWh in 2013 (prior year: 409 GWh). It has therefore, despite further network expansion, fallen slightly, and this is to be attributed to the implementation of efficiency measures. For the electricity mix used for the network infrastructure and for consumption in buildings managed by Swisscom, compensation with certification of origin has been paid since 2010 for the share of nuclear power, electricity of unknown origin and electricity from fossil fuels. Swisscom is thus increasing the sustainability of its electricity mix. In 2013, Swisscom once again relied fully on electricity from renewable sources. Swisscom's claim of using "100% renewable energy" is verified by the WWF.
In 2013, Swisscom purchased 7.5 GWh of "naturemade star" energy from solar power (3.5 GWh) and wind power (4 GWh). This makes Swisscom one of Switzerland's largest purchasers of wind and solar power.

Saving and efficiency measures when using fossil fuel to generate heat

Swisscom measures the consumption of heating oil, natural gas and district heating on a monthly basis in its 62 biggest buildings, which together make up over half of the total space. It extrapolates these figures to calculate the overall annual consumption.
During the reporting year, Swisscom consumed 207.9 terajoules (57.8 GWh) of fuel to heat buildings (prior year: 55.8 GWh). The heating mix comprises 75% heating oil, 12% natural gas and 13% district heating. Over the last five years, the figure for heat per m^2 has been reduced by 17.6%, which should also result in a reduction in CO_2 emissions, although this is not evident on account of the energy mix changing each year.
Swisscom intends to further reduce the amount of energy it uses to heat its buildings. For this purpose, it has systematically pursued measures throughout 2013 which will serve to reduce the energy consumption and CO_2 emissions of building heating. A detailed energy monitoring system has provided a more in-depth data set for the energy analysis and uncovered instances of disproportionately high energy consumption. Swisscom carried out an energy analysis on seven buildings in 2013, which identified numerous possibilities for optimising operations that could result in energy savings of 10–30%. Swisscom is planning to conduct further energy analyses in 2014. Using its Pioneer programme, Swisscom's service provider has carried out energy checks throughout Swisscom. In total, these energy checks have optimised the operating conditions of 20 buildings. They enabled Swisscom to make energy savings of 411 MWh and to reduce its CO_2 emissions by 65 tonnes.

The St. Gallen firing plant is a good example of an energy-efficient refurbishment project: as part of a variation study, Swisscom systematically examined alternatives to fossil fuels for the purpose of heat generation. For economic and ecological reasons, it then opted to generate heat from district heating. This type of solution reduces CO_2 emissions by 58%, to 32 tonnes of CO_2. Swisscom also carried out further structural renovations in 2013, for which an internal eco form was used indicating the CO_2 reduction levels achieved by the building projects. In 2013, Swisscom implemented nine eco-relevant building projects, as part of which 146 MWh and 38 tonnes of CO_2 were saved.

Saving and efficiency measures in fuel consumption and mobility

The ability to provide first-class customer service and expand the network infrastructure depends on the seamless mobility of staff. A total of 71.3 million (+2%) kilometres were driven in 2013 in the service of customers, representing an fuel consumption of 169 terajoules (47.0 GWh), 0.4% up year-on-year.

Thanks to a progressive deployment strategy, the average CO_2 emissions per vehicle should be reduced from 150 g CO_2/km (2010) to 110 g CO_2 for each kilometre travelled in 2015. In accordance with the New European Driving Cycle (NEDC), CO_2 emissions from cars in the Swisscom fleet according to the manufacturer's instructions averaged 123 g CO_2 per km as of the end of 2013. 96.5% of the cars are in the A and B energy efficiency categories. Swisscom also operates a fleet of 262 (+14%) hybrid vehicles, 64 (+42%) vehicles powered by natural gas, 11 (+10%) electrically driven vehicles and 39 (–13%) e-bikes. All electrical vehicles are recharged in Swisscom buildings and garages using electricity generated from renewable energy sources.

In 2013, Swisscom employees used 103,818 (+2.4%) rail tickets for business travel and were issued 12,222 (–5%) half-fare cards and 3,097 (+10.9%) GA travel cards.

Electricity consumption savings and efficiency measures

Swisscom continued the "Mistral" energy saving project in 2013 for the cooling of its telephone exchanges. Mistral is a cooling technology that relies exclusively on fresh 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. Mistral was being used to cool 673 telecom systems in local exchanges at the end of 2013. This represents an increase of 11% compared with the previous year. In 2013, Swisscom Switzerland also retrofitted 12 additional mobile base stations and Swisscom Broadcast four transmitter stations with Mistral. Swisscom is currently replacing all of the systems in its mobile network. Based on measurement results at pilot locations and extrapolations, Swisscom estimates that this replacement strategy will result in efficiency gains of around 15 GWh per year. In parallel to this, Swisscom is also expanding its mobile network. Replacing the hardware reduces the added electricity consumption associated with this expansion.

The systems installed in the Swisscom IT Services data centre in Zollikofen (near Berne) feature a particularly high level of energy efficiency and efficient cooling. The centre's average annual power usage effectiveness (PUE) value is 1.3. This value represents the ratio of the total power consumed by the data centre to the power consumed by the IT systems. This PUE value means that power consumption in Zollikofen is around 33% lower than that of conventionally built data centres. The newly constructed data centre in Berne Wankdorf will achieve a PUE value of 1.2. Instead of conventional cooling units that eat up electricity, the centre uses a new type of free-cooling process that works on the basis of evaporative cooling on hot summer days. Rainwater supplies all of the water required for this system.

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 fourth year, Green Touch presented prototypes to the public that had been developed by several of the consortium's partners. One of these prototypes is capable of making the transmission protocol for Fibre to the Home (FTTH) more energy-efficient. Green Touch has also demonstrated how an optical distribution node can function with 70% less energy.

Generating electricity

Swisscom started generating its own electricity in 2005 and sees this as an important contribution towards a sustainable energy policy. Swisscom builds solar installations wherever these make economic sense. In 2013, Swisscom Broadcast commissioned four solar installations: two at the transmitter stations on the Valzeina (canton of Grisons) and at Niederhorn (canton of Berne) with outputs of 52 kW and 56 kW respectively, and two other plants (Lausanne und Berne-Ittigen) with a combined total output of 59 kW. The total output of all of Swisscom's solar facilities is 376 kWp (+40% in comparison with the prior year). Swisscom intends to continue its electricity generation programme in the coming years.

Utilising waste heat

Swisscom has entered into two agreements in Zurich governing the supply of waste heat from its own commercial buildings. The agreements cover a volume of more than 5.8 GWh of thermal energy, which is supplied to the neighbouring area as district heating. This measure saves 580,000 litres of heating oil and prevents the CO_2 emissions that would be generated from this amount of oil. Waste heat from the newly constructed data centre in Berne Wankdorf will be fed into the city of Berne's heating network to provide heat for neighbouring homes that are being renovated accordingly. This reduces CO_2 emissions for the households concerned.

Mistral project:
Cooling telephone exchanges using fresh air
Mistral achieves savings equivalent to the energy consumption of 9,000 households or

45 GWh/a

Electricity requirements
covered by renewable energy
Swisscom buys certificates every year and offsets the amount of non-renewable electricity used at a level of
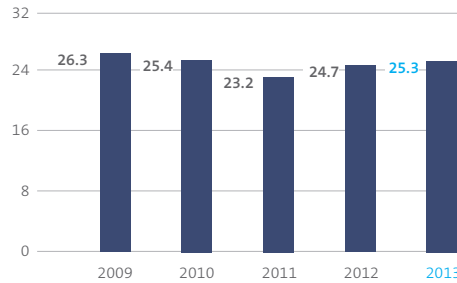
100 %

Climate

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

Energy use Swisscom in GWh

Year	Value
2009	510
2010	510
2011	507
2012	511
2013	503
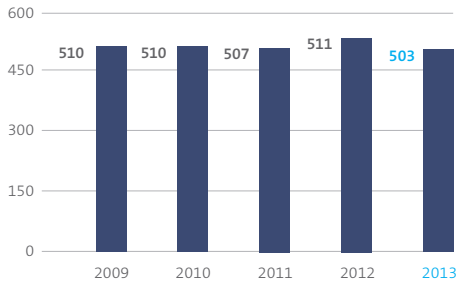
Direct CO$_2$-emissions Swisscom in tonnes thousand

Year	Value
2009	26.3
2010	25.4
2011	23.2
2012	24.7
2013	25.3

Swisscom follows a clear policy to combat the consequences of climate change. It intends to use its energy management programme to increase energy efficiency and reduce its direct emissions. The company's strategic focus on sustainable living and working also encourages the use of climate-friendly services. Swisscom applies the internationally recognised definitions of the Greenhouse Gas Protocol (GHG) and classifies its CO$_2$ emissions as Scope 1 (direct emissions resulting from burning fossil fuels for heating and mobility or from refrigerants), Scope 2 (indirect emissions caused by purchased energies) and Scope 3 (all other indirect CO$_2$ emissions resulting, for example, from goods transport, business trips, etc.).

> **Scope 1 emissions:** The direct consumption of fossil fuels accounts for 19.9% of Swisscom's total direct energy consumption. Swisscom's Scope 1 CO$_2$ emissions have fallen by 3.9% since 1 January 2010 to 25'260 tonnes in 2013, without adjustment for the number of heating days. Vehicle fuel accounts for 49% of this, and heating fuel accounts for 51%. Scope 1 now factors in the emissions from refrigerants, which amount to 226.2 tonnes at Swisscom. Scope 1, however, does not include emissions from SF°6 losses in electrical transformers and stations, as these systems are not controlled by Swisscom.

> **Scope 2 emissions:** The electricity mix used in Switzerland is not generated from fossil fuels and so its production is free from CO$_2$ emissions. Swisscom therefore has no CO$_2$ emissions under Scope 2.

> **Scope 3 emissions:** Swisscom determined its greenhouse gas emissions in 2013 in accordance with Scope 3, the calculation of which reflects the emissions associated with the change in its vehicle fleet, the provision of energy, the removal of operational waste, business travel, employee commuter traffic and the use of products by customers. The indirect CO$_2$ emissions resulting from the provision of electricity which fall under Scope 3 are calculated by application of a conversion factor of 14.7 g CO$_2$ per kWh. Scope 3 emissions are published in a separate climate report according to ISO 14064.

Other air emissions

Besides CO_2 emissions, burning fossil fuels for heating and transport also produces NO_x and SO_2. These emissions are calculated using the relevant conversion factors and depend on the amount of vehicle fuel and heating fuel consumed. Swisscom is reducing these emissions by continually optimising heating boilers and drive motors.

Other environmental aspects in the company

Information on the environmental aspects of Swisscom's operations, such as paper consumption, waste disposal and water consumption, can be found in the GRI appendix to the Annual Report. Swisscom publishes its greenhouse gas inventory in a climate report written in accordance with the ISO 14064 standard and has it externally certified. This report does not just provide information on emissions, but also on the effects of the implemented saving measures. It also calculates the CO_2 emissions that can be avoided by the company and its residential customers using the myclimate-certified ecologically friendly ICT services described in the Annual Report in the section on sustainable living and working.

Swisscom is also involved on each year in the Carbon Disclosure Project (CDP). In 2013, Swisscom was rated as a Carbon Disclosure and Performance Leader. It was therefore included in the relevant indices, namely the Carbon Disclosure Leadership Index (CDLI), the Carbon Performance Leadership Index (CPLI) and the Carbon Supplier Climate Performance Leadership Index (SCPLI).

Efforts to reduce direct CO_2 emissions between 1990 and 2015 using the following measures:
› Building renovations
› Low-consumption vehicles
› Mobility management

60%

Environmental performance indicators in Switzerland

	Unit	2011	2012	2013
Land/buildings				
Net floor space (NFS)	million of m²	0.91	0.91	0.92
paper consumption				
Total paper consumption	tonnes	9,587	8,764	4,759
Water/sewage				
Water consumption [1]	m³	468,577	466,581	475,701
Energy, electricity				
Electrical energy consumption [2,3]	terajoule	1,479	1,471	1,435
	GWh	411	409	399
Energy, heating [4]				
Heating oil	terajoule	130.9	149.3	155.2
Natural gas	terajoule	18.9	22.4	25.4
District heating	terajoule	27.2	29.3	27.3
Heating, total	terajoule	177.6	201.0	207.9
Energy, fuel				
Petrol	terajoule	53.7	38.5	27.5
Diesel fuel	terajoule	114.8	127.1	140.0
Natural gas	terajoule	2.2	2.7	1.5
Total fuel	terajoule	170.7	168.3	169.0
Vehicles	number	3,332	3,372	3,628
Kilometers driven	million of km	67.7	69.9	71.3
Average carbon dioxide CO_2 emission [5]	g per km	140.0	131.0	123.0
Energy, total				
Energy consumption	terajoule	1,827	1,840	1,812
	GWh	507	511	503
Air emissions				
Carbon dioxide CO_2-eq from the consumption of fossil energies [6]	tonnes	23,242	24,662	25,260
Nitrous gases NO_x [7]	tonnes	23.2	24.9	26.2
Sulphur dioxide SO_2 [8]	tonnes	4.4	5.0	5.2
Waste				
Total amount of waste	tonnes	2,345	3,127	3,226

[1] The water consumption extrapolated on the basis of the average rate of 115 litre per FTE per day.
[2] Energy conversion: 1 terajoule (TJ) = 0.278 gigawatt hours (GWh).
[3] The power consumption 2012 was adjusted.
[4] The energy consumption is based on a forecast of a monthly measure of the consumption of 62 buildings (with a total floor space of over 50%).
[5] Average emissions per kilometre refer to manufacturer's indications.
[6] CO_2-emissions from consumption of fossil energies, without district heating and refrigerant fluid. Swisscom published a complete climate report according to ISO 14064.
[7] From Mobitool (www.mobitool.ch), car traffic, national 5-200 km, direct use, load 1.25, fuel consumption 6.7 litres per 100 km (2013).
[8] According to publications "Pollutant Emissions from Road Transport, 1990 to 2035, FOEN, update 2010, annex 6, p. 91, 2010"
and "Worksheet emissions factors combustion", FOEN, 2005 (in german).

Swisscom's responsibility in the supply chain

Swisscom is committed to improving the working conditions of its suppliers' employees and to ensuring compliance in the supply chain with ecological standards. This also means that Swisscom expects its direct suppliers and their sub-suppliers to commit to acting in a sustainable manner. The principles Swisscom observes are stipulated in its purchasing policy, which is defined by an overarching committee, the Swisscom Purchasing Board. The policy sets out the principles and procedures to be followed by the procurement organisations. Together, their total order volume accounts for more than 80% of the total procurement volume. The purchasing policy stipulates the requirements that suppliers accept by signing the CR Contract Annex (CRCA). Swisscom uses a structured risk management system to audit suppliers' compliance with the requirements.

Supplier risk management

Risk management system

The risk management system established itself further in 2013 within Swisscom, enabling the continued reduction of environmental and social risks. The implementation and results achieved are shown below.

On the strength of the recent past experience, the risk assessment of product groups conducted in 2012 was not repeated in 2013. Swisscom will check the accuracy and up-to-dateness of the product groups again in spring 2014.

In 2012, Swisscom began reviewing its current supply partners from medium-risk product groups and assessed 223 supply partners in detail. Swisscom critically reviewed and re-evaluated the list of suppliers from medium-risk product groups once again in 2013, and final decisions on 57 suppliers were made.

Swisscom plans to further reassess the requirements applicable to suppliers of medium-risk product groups by the first quarter of 2014 and subsequently formulate concrete objectives. The process already implemented proved successful with potential suppliers and tendering processes in 2013 and has resulted in appropriate measures being introduced where necessary. A supply chain crisis management organisation is currently being set up and will be integrated into the existing Swisscom Group structures in 2014.

Overview and requirements of risk management in the supply chain

Product groups with ...	... low risk	... medium risk	... high risk
Existing suppliers with ...	As long as the product group has a low risk profile, the supplier's risks are not assessed. Instead the risks of the product group will be reviewed annually	**... high risk profile** > Suppliers shall fill in a self-declaration within three months and/or be audited within one year > Further measures if needed **... medium risk profile** > Suppliers shall fill in a self-declaration within three months and/or beaudited within one year > Further measures if needed **... low risk profile** > Supplier's risk shall be periodically assessed	**... high risk profile** > Suppliers shall be audited within six months > Further measures if needed **... medium risk profile** > Suppliers shall fill in a self-declaration within three months and/or be audited within one year > Further measures if needed **... low risk profile** > Supplier's risk shall be periodically assessed
Potential suppliers	> No risk assessment performed	> Risk assessment performed > The findings with measures proposed are included in the decision process	> Risk assessment performed > The findings with measures proposed are included in the decision process

Corporate Responsibility Contract Annex

In 2013, 95% of the total order volume came from suppliers that had accepted the CR Contract Annex (CRCA), which meant that the goal set for 2013 was achieved. In 2014, Swisscom will continue to its efforts to identify further suppliers who have not yet signed the CRCA. The CRCA is part of all contracts.

Audits

Swisscom carried out two audits in 2013 as part of its collaboration with the Joint Audit Cooperation (JAC). The JAC is a consortium of telecoms companies which checks, assesses and promotes the implementation of social responsibility in the production centres of the major multinational ICT suppliers. In total, more than 38 audits of suppliers were carried out within the JAC network. These audits involved production facilities, most of which were in China, Taiwan, India, Japan, South Korea and South America. The following guidelines apply to the on-site audits:

> **Preparation:** Information must be obtained on the operations to be audited.
> **Qualified auditors:** The audits are carried out by international audit companies that have specialist knowledge of the social and environmental conditions particular to the country in question.
> **Confidentiality:** Confidentiality agreements are concluded with the suppliers to ensure that the results of the audits are only disclosed to JAC members.
> **Methodology:** The JAC members create a checklist based on the SA 8000 and ISO 14001 standards and the on-site audits with the relevant dialogue partners.
> **Report:** The report formulates the findings based on objective evidence.
> **Collaboration with suppliers:** The collaboration is based on the common understanding that the CR risk management system plays a key role in supporting responsible and sustainable development.
> **Collaborating with and further developing suppliers:** On the basis of the findings from the audit, corrective measures are drawn up with suppliers to correct the shortcomings noted in the audit report. The respective JAC member follows the implementation of these measures until they have been successfully completed.

At weekly teleconferences, the JAC members set the audit agenda, check the audit reports and monitor the progress of the planned corrective measures. These regular conferences help to optimise the Corporate Social Responsibility (CSR) assessments through the exchange of best practices and thus make the JAC initiative more efficient. The JAC steering committee, which is made up of representatives from the senior management level of the respective CSR and sourcing areas, meets twice a year to review the audit campaign findings and decide on how to proceed.

A limited number of instances of nonconformity and various types of non-compliance were noted in the audits carried out. The instances of non-compliance mainly concern working hours, occupational safety and wages. The audits also identified several cases of discrimination and employment of minors. The time period for rectifying the problems depends on the type of non-compliance. Due to the impact on personnel units, a period of several months is required, particularly for rectifying irregularities with respect to working hours (limiting regular working hours and overtime). Swisscom publishes further information on this in the GRI Appendix to the Annual Report.

Swisscom achieved its JAC audit objectives for 2013. It conducted two audits with the JAC, deferred one audit to the first quarter of 2014 for business reasons and cancelled another. Swisscom wants to step up collaboration with the JAC further and plans to carry out four audits in 2014.

Self-declarations/self-assessments

In the transition to the new e-tasc self-declaration tool from EcoVadis, Swisscom successfully transferred 13 suppliers to the new tool in 2013. In two further campaigns, Swisscom also registered and assessed 57 suppliers in the new tool. A total of 70 registrations and assessments were carried out, with none of the suppliers being classified as "high risk". In 2014, Swisscom intends to register further key and strategic suppliers and high- and medium-risk suppliers in e-tasc. With the suppliers already registered in e-tasc, Swisscom has fully met its objectives for 2013 with respect to self-declarations.

Carbon Disclosure Project – Supply Chain Program (CDP)

In the year under review, Swisscom concluded a further cooperation agreement with the Carbon Disclosure Project (CDP) – a nonprofit organisation founded in 2000. The organisation wants companies and local authorities to publish their environmental data, including data on harmful greenhouse gas emissions and water consumption. Once a year, the CDP, on the behalf of investors, provides companies with standardised questionnaires which they can use to voluntarily provide information and data on CO_2 emissions, climate risks and reduction goals and strategies. The CDP now maintains the world's largest database of this kind. As part of its cooperation with the CDP, Swisscom contacted and surveyed 37 of its key suppliers who are important owing to high order volume or a high degree of environmental relevance. The response rate was 73%, allowing the survey to be brought to a successful completion (in the previous year, the response rate from all suppliers was 51%). In the fourth quarter of 2013, the CDP analysed the responses from the survey and applied a scoring system to rate the Swisscom suppliers who took part. This scoring is to be incorporated into the EcoVadis database in 2014 and serve as a further basis on which to comprehensively assess Swisscom's key suppliers.

Main risk factors in the supply chain

Human rights
Swisscom attaches great importance to the observance of human rights in the areas specified by the Social Accountability SA 8000 standard, which include child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, discipline, working hours and remuneration.

Climate risks from CO_2 emissions
Climate change poses risks for Swisscom in the form of increasing levels of precipitation as well as higher average temperatures and extreme meteorological events. These risks could compromise the manufacture of telecommunication products and network equipment and its transport into Switzerland and have a negative effect on the company's market chances and operations.

Raw materials
The raw materials used in Swisscom's many different products stem from a wide range of countries and regions. Questions on the origin of the raw materials and the associated ecological and sociological risks are increasingly being asked. Swisscom has been addressing the issue of raw materials since 2011 and over the last two years has implemented the following measures in this regard:

> **January 2012:** Swisscom became a member of the World Resources Forum Association (WRFA) through its membership in the Global e-Sustainability Initiative (GeSI).
> **March 2012:** Inaugural meeting of the WRF Association, at the meetings of which Swisscom represents GeSI.
> **March/October 2013:** Participation at the WRFA Annual General Meeting in St. Gallen and the World Resources Forum in Davos.
> **October 2013:** Dialogue with the NGO "Bread for All" and participation at the "High Tech No Rights" symposium in Berne.
> **October 2013:** Preliminary enquiry into involvement with Fairphone.

See
www.worldresourcesforum.org

In 2014, Swisscom plans to revise its purchasing policy and the CR Contract Annex and, where necessary, add a corresponding passage on raw materials.

Swisscom Supplier Award

Maintaining a constant dialogue with suppliers, building a common future together and taking responsibility for the present and future all play a key role at Swisscom. Internal procurement is also guided by these principles. From among its more than 6,500 suppliers, Swisscom recognised those with the most impressive success stories in spring 2012. The Supplier Award is awarded in three categories – Innovation, Cooperation and Sustainability – every two years. The next will be awarded in 2014.

Purchasing circle – embedding corporate responsibility in the organisation

A conference on "Challenges for a sustainable supply chain" was held for the very first time in 2013 as part of a series of events for Swisscom purchasing staff (50 participants). The programme featured wide range of keynote presentations from external guests and internal CR managers, a podium discussion and a tour of the Umweltarena, an exhibition platform in Spreitenbach (canton of Aargau) for sustainable solutions.

Telecommunications for all

Swisscom enables and shapes Switzerland's information society by providing infrastructure and services that allow people in the public and private sector to communicate and interact in a sustainable manner. In so doing, Swisscom remains true to its goal of enabling everyone in Switzerland to be part of the information society. "Telecommunications for all" is Swisscom's guiding principle.

Environment and objectives

Swisscom wants everyone in Switzerland to be able to take advantage of the opportunities provided by new media and is thus making sure that reliable network access is present virtually everywhere in Switzerland. Swisscom focuses on promoting media skills, not only in its efforts in the area of youth media protection, but also through various initiatives which aim to reduce the "digital divide".
Swisscom will continue to pursue these activities in 2014, championing a healthy information society that adds value in line with the federal government's strategy, so that Switzerland as a business location, the Swiss education system and the entire population will continue to benefit from a progressive ICT landscape.

Basic service provision

	Unit	2011	2012	2013
Number of traffic minutes (national fixed-line traffic)	million min.	6,200	5,328	4,437
Number of public payphones [1]	number	6,700	5,800	4,834
Emergency calls	in thousand	3,050	3,053	2,284
Calls to the service for visually impaired/hard of hearing	in thousand	553	540	515

[1] Of which 3,307 (2013), 3,514 (2012), 4,058 (2011) 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, including voice telephony, fax, data transmission and broadband internet access. The guaranteed transmission speed for a broadband Internet connection in 2013 was 1,000 kbps (download speed). The price ceiling for this service is CHF 55 per month (excluding VAT). Another part of basic service provision for which Swisscom has long been responsible is the maintenance and operation of the public telephones and access to the emergency call service for the police, fire and ambulance services, as well as special services for the disabled. Swisscom continues to forego any financial settlement in compensation for the uncovered costs of basic service provision.

Data protection

As part of its operations, Swisscom processes customer data. Such data are subject to the Data Protection Act and the Telecommunications Act. The protection of privacy, compliance with data protection laws and the observance of telecommunications secrecy 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. Swisscom complies rigorously with the legislation currently in force, in particular with the laws on telecommunications and the protection of data. It collects, stores and processes only such data as are required for the provision of services, the handling and maintenance of the customer relationship – namely ensuring high service quality – for the security of the company and its infrastructure and for billing purposes. Customers also consent to Swisscom processing their data for marketing purposes and to their data being processed for the same purposes within the Swisscom Group. Customers have the option of stating what types of advertising material they do or do not wish to receive ("opt-out"). As a trustworthy partner, Swisscom has set itself the goal of providing all employees who have access to customer data as part of their job with thorough instruction on compliance within their work. In addition, Swisscom makes its employees aware of, and equips them to recognise, the issues and requirements of data protection and to ensure they are properly implemented. All Swisscom employees thus have to regularly take part in data protection training sessions.

The persons responsible for security within the company also launched a comprehensive project in 2012 with the aim of improving data protection. This project has been successfully completed. During the course of the project, Swisscom reviewed and redefined all access rights to critical customer data. In addition, Swisscom set up a system that determines whether attempts to access critical customer data are linked to enquiries regarding the customers in question and are thus warranted. Swisscom will continue to do everything in its power to ensure the best possible protection for its customers' data by means of optimisations in technology, organisation, processes and training. Swisscom is aware of its responsibility for data protection. In bringing in new technologies and in meeting new needs, Swisscom will exercise the required sensitivity and assume its social responsibility as a companion in the digital world.

Protecting minors in the media and promoting media skills

Protecting minors in the media and guidelines on media content

The use of digital media provides us with new opportunities but also entails new risks. The opportunities significantly outweigh the risks. However, the risks associated with digital media are particularly prevalent for children and young people. Swisscom is determined not to leave parents to shoulder the responsibility of handling these risks alone. Swisscom supports parents and teachers by providing a wide range of information, resources and products.

Children and young people who disclose private or even intimate information on social web 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.

Swisscom supports the High Principles on Child Protection. Together with the European Telecommunications Network Operators' Association (ETNO), Swisscom has reformulated its terms of use on youth platforms so that children and young people understand them.

The legal obligations governing the protection of minors in the media were fully complied with in 2013. 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 Swisscom information portal 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 youth media protection 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.

Swisscom's efforts to protect minors in the media exceed the legal requirements, in particular due to its implementation of the following measures:

> Age limit for access to certain services (value-added services) was voluntarily increased to 18
> No adult content whatsoever is included in the video-on-demand offerings on Swisscom TV or on the information portal
> Additional channel blocking via PIN on Swisscom TV
> Providing youth media protection with the new "replay" TV function
> Providing FSK age rating recommendations for all video-on-demand films
> Exceptionally stringent requirements apply to 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 blocks access to chargeable value-added services 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 and can only be deactivated with the consent of their parent or legal guardian.

Promoting media skills

The technical and process-related measures for protecting minors in the media significantly reduce the number of risks faced by children and young people when using the media. At the same time, Swisscom considers the promotion of media skills among children and young people to be the best method of further reducing the risks. Swisscom has therefore been involved for a number of years with a wide range of programmes aimed at helping children and young people use digital media sensibly and in moderation:

> **Media courses as part of the Academy training programme:** The course is held on parents' evenings and as part of in-service training sessions for teachers. The aim of the course is to raise the participants' awareness of the risks and to make recommendations on the use of media at home and in school. In total, Swisscom held more than 700 media skills events throughout Switzerland in 2013.
> **The JAMES study:** The JAMES study investigates the way in which media is used by young people aged between 12 and 19. After an initial run in 2010, Swisscom carried out the JAMES study once again in 2012 in cooperation with Zurich University of Applied Sciences (ZHAW). Four detailed studies were carried out in 2013 which addressed the following questions: What effect does the use of media have on the relationship between parents and children? Is there a connection between media use and school grades? Various providers offer media courses to schools: How effective are these courses? How do young people handle the protection of their private data in social networks? (publication: March 2014)
> The findings from the JAMES study allow conclusions and measures to be formulated in the fields of science and politics based on reliable, scientific data. The recurring study will allow trends and changes in the media usage behaviour of young people to be identified as of 2014. With this study, Swisscom is bridging a gap in research that has existed for a long time, particularly as surveys into media usage among young people were not consistently carried out before 2010.

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 the principal partner of the programme, Swisscom is confident that by working together the public and private sectors can do significantly more to promote media skills. Swisscom supports the programme by providing both financial resources and communication services.

Media courses for parents, teaching staff and pupils

Swisscom has been expanding its course offerings since 2012 to promote media skills. In addition to the information events for parents and teaching staff, it has since also offered a modular course for secondary school pupils (year 7 to year 9) and a flexible module for intermediate school pupils (year 4 to year 6). Teachers can choose from a range of different modules dealing with general media usage behaviour, legal issues on the Internet, social networks, safe surfing and the new issue of cyberbullying. Swisscom appoints a dedicated course instructor for the participating classes. There was once again huge demand for the classes in 2013. The experience and feedback gained from the events were extremely positive, and over 95% of participants said they would recommend the events to others.

A study was conducted to evaluate the effectiveness of the media courses. The results of the study were presented at the media skills symposium held as part of the federal programme on young people and media (see above, "National programme for the promotion of media skills"). According to the study director from the Distance-Learning University of Applied Sciences (Fernfachhochschule Schweiz (FFHS)), the study documents the effectiveness of Swisscom media courses. The study is set to be expanded in 2014 and will focus on investigating long-term effects.

Swisscom Academy

The Swisscom Academy has been teaching people how to use mobile devices and the Internet since 2005. Courses are offered on a daily basis at the training centres in Berne, Basel, Lausanne, Lucerne, Geneva and Zurich. In addition, four specially equipped Academy buses visit around 70 towns and villages across Switzerland every year. In 2013, 14,500 people attended courses on how to use modern communications media. Since the launch of Swisscom Academy, close to 254,000 people in Switzerland have taken advantage of the courses it offers. The courses are aimed at the general population in Switzerland and are open to customers and non-customers alike. Through this campaign, Swisscom is playing an important role in continually reducing the digital generation gap.

Promoting media skills
Swisscom promotes the responsible use of new media.
The courses offered by Swisscom since 2008 have already been attended by

48,500 participants

"Internet for Schools" initiative

The use of media is increasingly intensifying at all levels of education. The Swisscom "Internet for Schools" initiative is therefore challenged to respond to the growing needs of schools and cantons. Consequently, Swisscom is steadily expanding the initiative as well as its fee-based offerings for schools. Thanks to Swisscom, almost all primary and secondary schools in Switzerland are now benefiting from a broadband Internet connection. A key task for the initiative in the next few years will be to help kindergartens being integrated into primary schools as part of the intercantonal HARMOS concordat to take their first steps into the digital world.

Through the "Internet for Schools" initiative, Swisscom has been making a substantial contribution to the Swiss education system since 2002, initially as part of the government's "Internet for Schools" initiative (2002–2007) and then independently in consultation with the relevant public-sector offices. Swisscom aims to work together with schools, cantons and federal offices to create a consolidated and efficient architecture for the future ICT landscape of the Swiss education system.

The number of schools benefitting from the "Internet for Schools" initiative has declined slightly (6,600 schools). In 2013 the consolidation of schools in many municipalities continued – owing in particular to the wave of mergers of municipalities in Switzerland. Nevertheless, the number of pupils and teachers involved in Internet for Schools has remained unchanged.
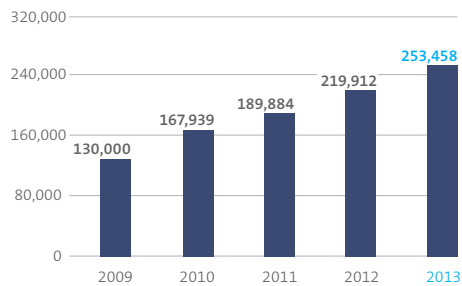
As the cost of a high-performance infrastructure has grown continuously in recent years, by agreement with the cantons, schools are now contributing to the costs of security solutions such as a firewall and content filter, on a user-pays basis. According to the bandwidth required, the costs per school amount to between CHF 1,560 and CHF 2,400 per year.

Internet for Schools Number of schools

	2009	2010	2011	2012	2013
	5,814	6,303	6,743	6,799	6,600
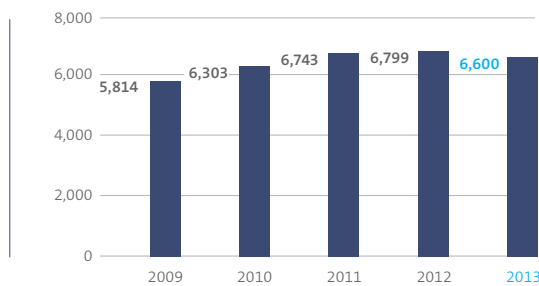
Courses promoting media skills Number of participants

	2009	2010	2011	2012	2013
	130,000	167,939	189,884	219,912	253,458

Swisscom has added various educational institutions to its network over the past few years, enabling it to recognise the ICT integration needs of schools at an early point in time. Swisscom cultivates this network through dialogue and events, in particular with the following institutions:
> Education server Educa and the Swiss education server educanet
> Swiss Conference of Cantonal Ministers of Education (EDK)
> Conference held by the Swiss Office for Information Technology in Education (SFIB)
> Federal Office of Communications (OFCOM)
> Swiss Foundation for Audiovisual Teaching Media (SSAB)
> Swiss Association of Teachers (LCH)
> Intercantonal Conference of Public Education (CIIP)
> Worlddidac Association
> Various teacher training colleges and universities

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 innovations. Demographic and social trends are also increasingly influencing personnel resources at Swisscom, which employs progressive management of human resources, lives out a corporate culture and creates a working environment that motivates employees to realise their potential in the context of the corporate strategy.

In a multimedia society, our employees' flexibility, willingness to change and specialist knowledge play a vital role in the implementation of Swisscom's mission statement and achievement of the objectives outlined in the corporate strategy. Customer trust is 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 them into practice in a results-oriented manner.

Environment and objectives

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 each of the operating segments are responsible for implementing these and handling all HR functions, from hiring of 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 and 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 thus makes an important contribution to Switzerland as a business location. 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 plans its resource requirements from a quantitative and qualitative point of view, formulates key priorities in employees' professional development and cultivates a management culture characterised by trust, esteem and performance orientation. In this way, Group Human Resources contributes towards the implementation of corporate strategy.

Staff development

Swisscom's market environment is constantly changing. The company thus invests accordingly in targeted professional training for employees and managers in order to improve their employability and the company's competitiveness in the long term. Employees are supported in their development by a wide range of on- and off-the-job training options as well as internal programmes and courses covering specialist, management and project management topics. As part of talent management, around 10% of the top performers from the target groups have completed a corresponding internal programme. In 2013, Swisscom also further developed the language skills of its employees in the country's national languages as part of an initiative implemented throughout Switzerland.

Swisscom welcomes employees who want to take advantage of individual, advanced external training opportunities and supports such efforts financially and with respect to working hours. In the year under review, staff spent 72,136 days on training and development in Switzerland.

The Swisscom "management compass" serves as an orientation tool for management and, among other things, defines employee development as a management task. Swisscom has also created an orientation tool at Group level for training and development within the company, which heightens the general commitment towards training and development in the digital world. It promotes regular dialogue between employees and management, which facilitates the agreement and realisation of medium-term development measures. In this context, Swisscom has standardised the training offerings of Swisscom IT Services Ltd for the various target groups at Group level.

Swisscom continues to develop its Performance Management System in line with requirements with a view to assessing and promoting employee achievements. At the start of 2013, Swisscom launched "My Performance" across the Group as part of which fair and broad-based performance evaluations based on mandatory objectives are conducted thereby helping to implement occupational development projects. On the basis of coordinated agreements on objectives, all managers systematically discussed the performance and potential development steps for the employees entrusted to them in so-called "calibration rounds". These rounds support both succession planning for key functions as well as the placement of talents beyond individual divisions, consistent with Swisscom's strategic positioning as a trustworthy partner in a digital world and the concrete requirements that all employees have to fulfil.

A mentoring programme encourages professional and personal discussions between talents and the members of the Group Executive Board, while the Leadership Forum offers an important platform for management issues.

Employee training in general and in the area of corporate responsibility

Swisscom trains its employees continuously. In 2013, employees attended an average of 4.2 days (33 hours) of training and/or further occupational development. Swisscom also regularly trains employees on a wide range of corporate responsibility issues. For example, Swisscom raises awareness of ecological and social issues among new hires at its Welcome Days, Swisscom held a corporate responsibility (CR) training course for the first time in 2013. This training programme for employees from the Residential Customer segment has been newly developed for Swisscom. Pilot sessions were conducted with 14 employees.

Corporate volunteering

Corporate volunteering is the term used to describe voluntary work carried out by employees for charitable causes. Swisscom encourages this commitment by allowing its employees to do this during paid working hours and offering them the chance to help out with various projects in the fields of nature (Nature Days), social responsibility (Social Days) and economy (Economy Days). Swisscom employees can now dedicate up to two days of their working time to voluntary work each year. A total of 1,330 volunteer days were clocked up in 2013.

Staff recruitment

Recruiting new staff

Swisscom seeks individuals who are motivated and passionate about helping customers and who want to help shape the future of the digital world. 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.

Student interns and trainees

In order to attract talented and highly motivated graduates to the company, Swisscom remains in close contact 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. In the last twelve months, almost 100 students began internships at Swisscom, and a similar number of students were coached through the practical part of their Bachelor's or Master's courses by Swisscom employees. Once they have successfully completed their studies, graduates can embark on the first step of the career ladder at Swisscom through internships, the trainee programme or a junior position.

Vocational training

Two hundred and forty-seven young people began their apprenticeships with Swisscom in August 2013, of which 95 were in ICT jobs in mediamatics and IT. Swisscom is thus Switzerland's largest trainer of ICT professionals. In 2013, Swisscom trained a total of 847 apprentices in technical and commercial apprenticeships. Additionally, 73 apprentices completed their training at subsidiary cablex. The new apprenticeship training as a specialist in customer dialogue, introduced in 2011, is held in the customer contact centres. It has been expanded to include apprentices in Western Switzerland since 2012 and in Ticino since 2013.
Swisscom has been holding exploratory ICT weeks for young women since 2012, giving the participants the chance to spend a week getting to know the professional world of ICT up close. This offering was expanded in 2013. Swisscom now also offers exploratory ICT weeks specifically geared to upper-level female high-school students ("Matura" level).
The Swisscom training model is geared towards independence and personal accountability. The aim of this is to support the personal development of the apprentices. They take an active role in devising their training so that it fits their individual priorities, apply within the company for different practical placements and learn from experienced employees during such placements.

Staff recruitment outside of Switzerland

As a Swiss company, Swisscom is committed to the Swiss labour market. In order to meet customer needs and remain competitive, Swisscom is prepared to work together with both domestic and international partners, on condition that they satisfy Swisscom's requirements as regards labour legislation and sustainability.

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 has resulted in the staff absence rate being reduced from 3.4% to 2.9% since 2009. Swisscom wants to achieve a staff absence rate that either remains constant or declines further by 2015. Further details and performance indicators can be found in the table "Employees in figures".

As a result of this positive trend, the premium rates for work-related accidents, non-work-related accidents and the insurance for sick pay allowance were reduced as of 1 January 2013.

Through its involvement in the ConCerto project with the Federal Social Insurance Office, Swisscom makes an important contribution to ensuring that collaboration with the social insurance agencies is coordinated as effectively as possible. ConCerto aims to simplify and accelerate the professional reintegration of individuals who have suffered health problems. The ConCerto-pro association was set up in 2012. Its goal is to encourage all domestic employers, Federal Disability Insurance offices, sick pay allowance and accident insurers and SMEs to join the association and adopt the processes it has defined. The ConCerto-pro association, together with partners on a national level (FSIO, SECO, associations and institutions), also supports and coordinates the further development of issues pertinent to vocational reintegration.

The number of disability cases in 2013 fell by 25% in comparison to previous years. Through cooperation with integration partners and the heightened involvement of Group Human Resources, several trainee positions and internships could be filled once again. These positions are available to employees with health problems. OHM and, if necessary, social insurance agencies such as the Federal Disability Insurance office (IV) provide assistance and support with the deployments in these positions.

Swisscom aims to extend the focus of occupational health management to include prevention in order to promote and maintain employee health.

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 and health care, prevention of work-related accidents and occupational illnesses, workplace safety), the CEA grants the employee associations the right of codetermination and the social partners 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 company submitted this management system for approval to the Swiss Accident Insurance Fund (Suva).

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.

Co-determination rights are systematically implemented, especially in the area of safety, where internal (safety system) and external ("legal compass") standards are conscientiously adhered to. Employee associations are represented at the quarterly meetings of the Safety Board.

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 or take part in another activity. Activities are conducted during the employees' free 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 are 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 2013 Swisscom Games included two events – the Winter Games in Davos and the Summer Games in Tenero, in which a total of around 4,000 employees took part. The Swisscom Games are a key networking opportunity for employees and have become an important part of the corporate culture. The next Swisscom Games will take place in 2015.

Diversity

Living diversity

Diversity management is a concept that is extremely important within an international working environment. The aim of the concept is to recognise each individual's special knowledge and skills and utilise them for the benefit of the entire company.

Diversity champions an open working environment, in which employees are treated with respect and everyone is free to develop and reach their full potential. Swisscom sees diversity as something it must commit to internally within the company, as well as externally with its customers and partners. Swisscom's commitment to diversity means ensuring the well-being of all its employees, so they are motivated to deliver outstanding performance.

Swisscom considers a balanced gender ratio to be fundamentally important for the brand and for ensuring the success of the company. One way Swisscom facilitates this is through flexible working models that help create an environment in which every employee is able to tap into their full potential. Consistent with its commitment to diversity, Swisscom has set itself the goal of increasing the percentage of women in management to 20% in the medium term.

Swisscom is also increasingly championing the use of solutions such as flexible working methods and models that support the compatibility of family and career, thereby enabling a healthy work-life balance and addressing employees' growing need for flexibility and the right to make their own decisions. As a family-friendly employer Swisscom pays child and education allowances that are higher than those laid down by federal law and that are also in most cases higher than those laid down by cantonal law. Swisscom also supports external childcare facilities through financial contributions and by providing access to free counselling services through the familienservice® family service as well as holiday childcare during the school holidays.

In the interest of diversity, Swisscom finds it extremely important to have a wide range of cultures represented within the company. The wide range of approaches, ideas and skills possessed by our employees makes Swisscom an innovative and creative company. 82.8% of Swisscom's workforce are Swiss nationals. The remaining 17.2% are made up of employees from 90 different countries, including 5.3% from Germany, 3.8% from Italy, 2% from France and 1% from Spain.

The average age of the population and hence the average age of Swisscom's workforce is steadily increasing, which poses opportunities as well as risks. Swisscom is addressing this issue with its "Generation Management" initiative.

Swisscom considers sexual orientation to be an important aspect of diversity. The company's corporate culture is characterised by openness and tolerance.

With respect to the opportunities offered and the potential accorded to the individual, Swisscom does not differentiate between employees with physical or mental impairments and those who are not impaired. Swisscom builds on the individual strengths and skills that each employee possesses. No cases of discrimination were reported in 2013.

Generation management

Swisscom is using "generation management" to address demographic trends in good time and find innovative ways of allowing older employees to continue in active employment. The average age of employees, the wider population and Swisscom's customers is steadily increasing. Swisscom is responding to this by establishing "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. Older employees are serving and advising older customers. Further initiatives include in-house consulting, where older senior managers advise line management, provide coaching and allow others to benefit from their experience through involvement in projects. Older employees also serve as quality assurance specialists in network construction projects.

Swisscom has been a member of the Swiss Demographics Forum since 2011. Currently comprising seven finance and service companies, the Swiss Demographics Forum is a platform which aims to collect information and draw up basic principles for establishing a sustainable demographic management system. In 2013, the members of the forum developed a variety of practical solutions that could be therefore put to good use by the participating companies.

Age structure of employees in full-time equivalent
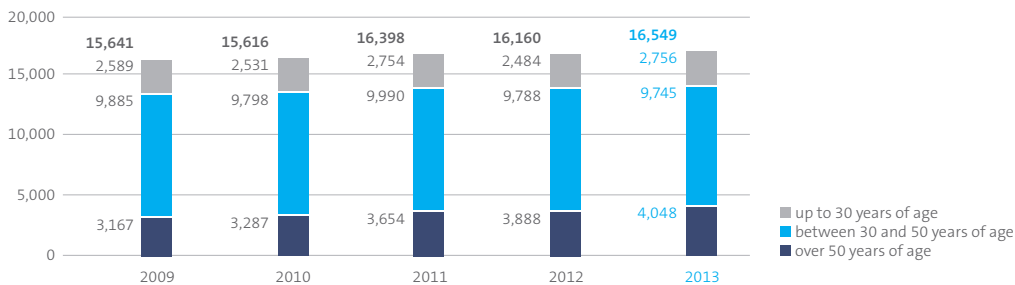
Diversity @ Swisscom
Swisscom employs people from

90 nations

Equal pay

Swisscom takes great care to ensure equal pay for men and women. The company's 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. As part of its salary review, Swisscom grants employees who have performed better and are lower within the respective salary band an above-average pay rise. In this way, any wage disparities are 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 the status of equal pay. The positive outcome of the Equal Pay Dialogue confirms that Swisscom salaries conform to the principle of equal pay.

Human rights

Swisscom considers the protection of human rights an integral part of its corporate culture. There is no or only very little risk of human rights being breached within the Swisscom Group. Swisscom employs 17,362 FTEs in Switzerland and 2,375 FTEs in Italy, with no human rights risks having been identified at these locations. A further 371 FTEs work outside of Switzerland and Italy – predominantly in the EU or OECD countries – and here, too, there is no risk or only very little risk of human rights breaches. Swisscom only employs a small number of staff in the "risk countries" listed by the rating agencies (Russia, Romania, Malaysia and South Africa). Swisscom employees working outside of Switzerland and Italy only render services, i.e. they are not employed in production. Swisscom therefore considers there to be no need for an internal Group management system for risks concerning human rights infringements.

Swisscom is aware that there are risks of human rights being breached by its suppliers and has therefore set up a supplier risk management system.

Swisscom also applies a purchasing policy based on the SA 8000 standard, which places clear demands on its suppliers as regards the protection of human rights.

Employee satisfaction

Swisscom conducts an employee job satisfaction survey every two years, with the next one scheduled for 2014. Just under 80% of the entire workforce took part in the last survey conducted in May 2012, the results of which revealed a high level of job satisfaction and an extremely high level of employee commitment at Swisscom. The employees gave all of the areas under review a significantly better score than in the 2010 survey, and some of the scores were above-average when compared to other companies in the sector.

Employees in figures

	Unit	2011	2011 in %	2012	2012 in %	2013	2013 in %
Personnel structure in Switzerland							
Employees in FTE according to GRI scope	FTE/%	16,628	100.0%	16,269	100.0%	17,362	100.0%
Thereof employees included in the following analysis	FTE/%	**16,398**	**98.6%**	**16,160**	**99.3%**	**16,549**	**95.3%**
Employees with full-time employment	FTE/%	14,208	86.6%	13,954	86.3%	14,314	86.5%
Employees with part-time employment	FTE/%	2,190	13.4%	2,206	13.7%	2,235	13.5%
Employees with unlimited employment	FTE/%	16,342	99.7%	16,100	99.6%	16,476	99.6%
Employees with limited employment	FTE/%	56	0.3%	60	0.4%	73	0.4%
Female employees	FTE/%	4,546	27.7%	4,330	26.8%	4,376	26.4%
Male employees	FTE/%	11,852	72.3%	11,830	73.2%	12,173	73.6%
Employees up to 30 years of age	FTE/%	2,754	16.8%	2,484	15.4%	2,756	16.6%
Employees between 30 and 50 years of age	FTE/%	9,990	60.9%	9,788	60.6%	9,745	58.9%
Employees over 50 years of age	FTE/%	3,654	22.3%	3,888	24.0%	4,048	24.5%
Average age	Years	41.3	n/a	41.9	n/a	41.8	n/a
Female employees in top management	FTE/%	15	11.8%	11	9.1%	8	8.0%
Male employees in top management	FTE/%	112	88.2%	110	90.9%	92	92.0%
Female employees in middle management	FTE/%	242	10.4%	269	11.1%	286	11.4%
Male employees in middle management	FTE/%	2,078	89.6%	2,150	88.9%	2,231	88.6%
Temporary employees	FTE	1,520	9.3%	1,636	10.1%	1,564	9.5%
Apprenticeship positions	number of jobs	800	4.9%	907	5.6%	920	5.6%
Personnel structure in Switzerland							
Number of performance dialogues held	FTE	18,779	98.8%	18,779	98.8%	16,082	97.0%
Fluctuation in Switzerland							
Leavings/fluctuation women	FTE/%	534	11.7%	510	11.8%	558	12.8%
Leavings/fluctuation men	FTE/%	1,421	12.0%	1,125	9.5%	1,221	10.0%
Fluctuation rate total	FTE/%	1,955	11.9%	1,635	10.1%	1,779	10.7%
Leavings up to 30 years of age	FTE/%	464	23.7%	387	23.7%	409	23.0%
Leavings from 30 to 50 years of age	FTE/%	1,120	57.3%	932	57.0%	949	53.3%
Leavings up to 50 years of age	FTE/%	371	19.0%	316	19.3%	421	23.7%
Absences due to accidents and sickness in Switzerland							
Days lost due to work-related sickness	number of days	5	—	2	—	8	—
Days lost due to sickness	number of days	98,916	2.39%	99,942	2.42%	101,120	2.44%
Days lost due to work-related accidents	number of days	2,252	0.05%	2,846	0.07%	2,314	0.06%
Days lost due to non-work-related accidents	number of days	15,037	0.36%	15,086	0.37%	16,582	0.40%
Days lost total	number of days	116,210	2.80%	117,876	2.86%	120,024	2.89%
Days lost per FTE	number of days/FTE	7.1	n/a	7.3	n/a	7.3	n/a

Innovation and development

A dynamic environment in which the market situation and general conditions are constantly changing requires a company to be innovative to ensure its long-term success. For this reason, Swisscom is working on future-oriented issues that will sustainably strengthen Swisscom's position on the market.

Research and innovation are of fundamental importance to Swisscom. Swisscom wants to anticipate the strategic challenges of the coming years and take advantage of the opportunities for a new generation of products and services. At Swisscom, innovation takes place in all areas of the company, from continuous improvement processes to operational innovations in various business areas to long-term, research-driven innovations for the next generation of the telecommunications infrastructure and the future use of digital end devices.

Innovation as an open process

Swisscom builds on the know-how of its customers, employees and partners with the aim of constantly developing new products, services and unique experiences as part of an open process. Customer requirements are at the heart of everything it does. For this reason Swisscom consistently adopts human-centred design methods when developing new products and services, i.e. the user-oriented design of simple and inspiring experiences that stand out on the market.

Swisscom is keen to take up new ideas from research that enable it to tap into 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 related to the digital home, new television experiences and machine-to-machine (M2M) communication.

Swisscom operates its own open innovation platform in the form of Swisscom Labs, which has several thousand registered users. The platform involves future users at as early a stage as possible in the development of new products and services. Users are able to contribute their own ideas, give their own opinions in so-called "challenges" and participate in trials and beta tests in open or closed focus groups.

Innovation requires time and space for ideas to develop into products and services that are ready for market. Swisscom therefore staged an innovation week for the first time in 2013, during which variously composed teams work hard on realising an idea that satisfies a client need, is of business relevance and has potential on the market. A number of these prototypes are to be anchored in the 2014 Roadmap and pursued further.

Specific areas of innovation at Swisscom

End-to-end connectivity

The importance of high-quality broadband Internet access has increased significantly in recent years. Swisscom is therefore working on the next network generation and developing solutions to give the population even faster ultra-high-speed broadband. Mobile data traffic is also expanding, presenting an enormous challenge to the mobile network. Swisscom is seeking and developing innovative solutions that allow high volumes of data to be handled efficiently.

As an alternative solution to FTTH (Fibre to the Home) in which the fibre-optic cable is routed into the house, FTTS (Fibre to the Street) has been developed to bring the fibre-optic network to within around 200 metres away from the building. From this distance, individual properties are connected to the fibre-optic network via the copper network already in place. This approach allows Swisscom to provide Swiss households with a significantly faster service, offering a much higher broadband capacity. Swisscom is already working on the next generation of FTTS, which will significantly improve network performance even further.

Mobile services and apps

It has become hard to imagine life without the Internet, whether at home or on the move. Mobile end devices such as smartphones are the ideal basis on which to implement new services, due to their high usage in Switzerland. Swisscom's vision is to be able to use smartphones to establish a simple bridge between the real and digital worlds. To this end, Swisscom wants to establish a tapping culture. "Tapping" or "Tapit" means that the smartphone can be held against or placed on something, causing a digital reaction on the phone. Tapping is based on technologies such as Near Field Communication (NFC), which is already incorporated in the majority of smartphones. Tapping will in future enable customers to use their smartphones to make payments, manage loyalty cards or gain access to buildings, allowing the smartphones to replace conventional credit cards, loyalty cards and company ID cards.
Swisscom has been testing applications with NFC technology for some time and is keeping a close watch on developments in this area. For this purpose, Swisscom collaborates with financial service providers, retailers and all relevant companies in order to provide their customers with a simple, secure and seamless customer experience on their smartphones. Swisscom also gives the participating companies the opportunity to offer their products securely and simply via an NFC-enabled mobile SIM card.

Security and intelligence

The ongoing migration of telecommunications services to the Internet protocol means that it is vital to ensure the right level of security and privacy, while the exponential increase in data volumes presents enormous challenges for telecoms providers and their customers. The requirements of products that can safely and anonymously handle these large volumes of data and analyse them using cutting-edge methods are increasing. Big data technologies have already gained a foothold in many areas. While these technologies raise new questions regarding security and privacy, they also open up new prospects for security products. Swisscom uses the connection between data analysis and security to offer customers increased transparency and control.
In the context of its social responsibility, Swisscom is, for example, developing models to predict traffic flows on motorways based on anonymised mobile use data in collaboration with external partners for the Federal Roads Office (FEDRO). In 2013 Swisscom also launched the first of several planned mobile applications that accompany customers in their daily lives and support them in security-related matters. Swisscom is working on the use of new technologies for business customers, such as trusted computing. These should help make the Swisscom cloud the most secure cloud for all applications.
Swisscom is collaborating with ETH Zurich on new Internet routing mechanisms that should help reduce the danger of eavesdropping on data traffic.

Tapping into new growth areas

Changed consumer behaviour and technological developments present an opportunity to tap into new growth areas. Swisscom is investing in progressive solutions in the financial sector, the public health sector, the dynamic control of energy consumption and the intelligent networking and control of appliances for in the home, for transport and logistics or for security technology.

Current innovation projects

Below are a number of examples of products that Swisscom is developing ready for market:

> **iO:** phoning, chatting, exchanging photos – everything in one app and free of charge on mobile data networks or WiFi anywhere in the world. Swisscom has launched iO, an app where all that counts is who you want to contact, not how you want to contact them. The app connects iO users simply and securely, and an attractive flat rate also allows unlimited calls to people around the world who are not iO users.

> **Smart Networks:** better customer experience despite high network load. Realising new mobile antennas is a laborious process. Swisscom is therefore investigating whether the use of real-time technologies could enable data traffic flows within the current infrastructure to be managed in a manner that would free up 20% of the bandwidth and thus improve the customer experience.

> **Docsafe:** document handling made simpler. Managing administrative documents such as bills, account statements and health insurance statements is becoming ever more complicated and less transparent for everyone, including residential customers. It is made more complex by the fact that such correspondence now takes place online as well as on paper. Docsafe ensures that all digital documents are kept securely and centrally organised in one place, are archived and can be accessed at any time.

SGS

CERTIFICATION

SGS CERTIFICATION

GRI Sustainability Report 2013 of the Swisscom Ltd

SCOPE

SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2013. Our assurance scope included the GRI disclosure obligations and figures in accordance with the GRI Index published at www.swisscom.ch/GRI-2013. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all texts and 2013 data in accompanying tables contained in the printed Annual Report 2013, the GRI-annex 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 assuror of the data and text using the Global Reporting Initiative Sustainability Reporting Guidelines, Version 3.1 (2011) as a standard. The content of this Assuror's Statement and the opinion(s) it gives is the responsibility of SGS.

CERTIFIER INDEPENDENCE AND COMPETENCIES

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

METHODOLOGY

The SGS Group has developed a set of protocols for the assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines, Version 3.1 (2011). SGS has also certified the environmental management systems of Swisscom (Switzerland) Ltd., Swisscom Broadcast Ltd. and Cablex Ltd., and SQS has certified the environmental management system of Swisscom IT Services Ltd., in accordance with ISO 14001:2004. In addition the greenhouse gas inventory of Swisscom AG was verified according to ISO 14064.

The assurance comprised the evaluation of external sources, meetings with relevant employees, a verification of the documentation and recordings as well as the validation of these with external institutions and/or beneficiaries, where required. Financial data drawn directly from independently audited financial accounts was not checked back to its source as part of this assurance process.

OPINION

The statements in the report refer to the system threshold disclosed (Group companies based in Switzerland). On the basis of the above methodology, we did not detect any instances from which we would have to conclude that the information and data disclosed by Swisscom Ltd. in accordance with the GRI Index 2013 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 2013. The implementation of the GRI-relevant instructions was carried out at those parties involved, where Swisscom regarded them to be significant or feasible. In an internal report, we made recommendations in regard to the further development of the sustainability report as well as the management system.

We believe that the existing gaps are not significant and the sustainability report meets the requirements of level A+ of the GRI, Version 3.1 (2011) in accordance with the GRI Index.

SIGNED FOR AND ON BEHALF OF SGS

Albert von Däniken, Lead Auditor   Elvira Bieri, Lead Auditor

Zurich, 28 January 2014   www.SGS.COM