



2014

Sustainability Report

Corporate Responsibility

Fulfilling
the expectations
of our stakeholder
groups in a res-
ponsible manner.

295,000

people in total have participated in the media skills courses thus far.



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Introduction

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

The Sustainability Report follows the Global Reporting Initiative (GRI) guidelines and forms part of Swisscom's reporting. It addresses sustainability as a Swisscom corporate responsibility and contains information on the topics that are relevant for Swisscom and its stakeholder groups. Swisscom also publishes a complete climate report in accordance with ISO 14064.

Stakeholder letter

Dear Readers

Swisscom wants to assume responsibility for our environment, our society and our economy – both now and in the future. We have developed a sustainability strategy that complements our corporate strategy and is based on numerous discussions with customers, employees, investors, NGOs, politicians and experts and the Swiss Confederation. This strategy encompasses Swisscom's commitment to the environment, society and the economy, and defines six goals that we intend to achieve in the areas of climate protection, working and living, media skills, attractive employer, fair supply chain and networked Switzerland by 2020.

For example, we hope to use Swisscom ICT services to save twice as much CO₂ as we emit in the course of operations and along the entire supply chain. In addition to the environment and the economic objective to connect the whole of Switzerland in one network, our main focus is on people. As regards the "working and living" goal, we aim to provide support to a million customers both in terms of mobile working as well as in living a healthy lifestyle. Our final example is in the media skills area, in which we intend to achieve the position as the leading provider in terms of data security and provide a million customers with support in using media in a safe and responsible manner. Through our commitments, we want to make a long-term contribution to creating a prosperous Switzerland and to treating people and the environment with a great deal of respect. "Sustainability" is one of the core values of our new mission statement. By this, we mean thinking holistically and in a networked manner, securing long-term business success, assuming responsibility and using resources sensibly. We identify strongly with the Swiss community, as people and their relationships are at the heart of everything we do.

Kind regards



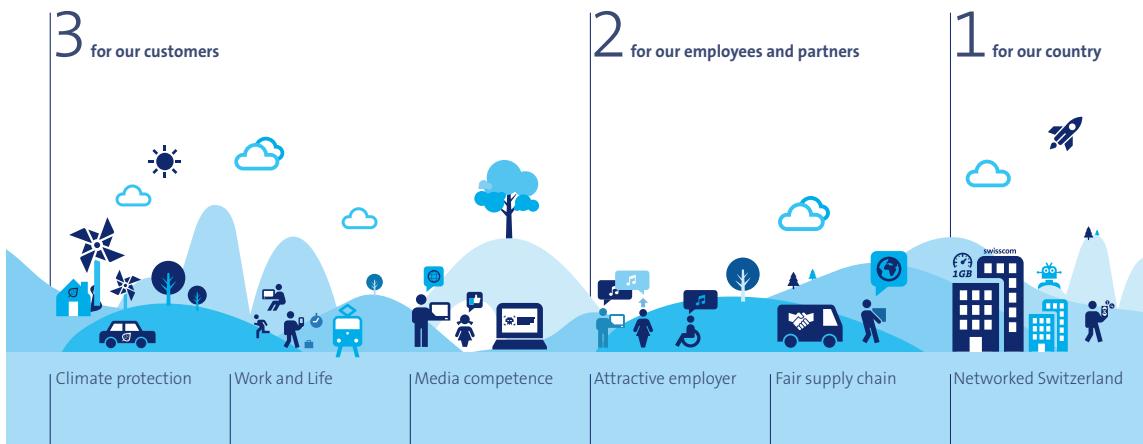
Stefan Nünlist
Head of Group Communications



Res Witschi
Head of Corporate Responsibility

Sustainable environment

Swisscom attaches great importance to sustainability. Ensuring the efficient use of resources while guaranteeing the provision of communications services that meet this requirement to consumers is essential. As a national infrastructure provider and a company committed to providing a public service, Swisscom holds a special position. Coupled with the expectations of the various stakeholder groups, including customers, employees and the federal government, in its role as principal shareholder and as legislator, this position places high demands on the company as regards sustainability. Sustainable management and long-term responsibility are among the core values to which Swisscom is committed. They are reflected in the corporate business strategy and mission statement, and are presented in more detail in the Corporate Responsibility (CR) strategy. In the year under review, Swisscom continued with the integration of corporate responsibility, particularly the ecological and social aspects, and expanded its CR strategy to include Italian subsidiary Fastweb.



Value chain and essential aspects of Corporate Responsibility

Swisscom generates the bulk of its added value in Switzerland. In 2014, activities abroad accounted for 4% (prior year: 5%) of the Group's added value from operations. Swisscom's business is described in detail in the Management Commentary.

Both positive and negative effects on the environment, economy and society are created along the value and supply chains:

- The provision of consumer and investment items and their transport to Switzerland have ecological effects on the use of energy and resources as well as on CO₂ emissions.
- The provision of infrastructure and telecommunication services plays a role in ensuring that Switzerland and Italy (Fastweb) remain competitive.
- Using Swisscom services offers advantages to customers, but also entails certain challenges.
- Creating and maintaining jobs in Switzerland, in Italy and within the supply chains involves a social and economic aspect.

The effects on the environment, economy and society mentioned above are assessed according to their importance. Stakeholders are involved in the assessment, enabling strategic priorities to be set more efficiently.

Stakeholder involvement

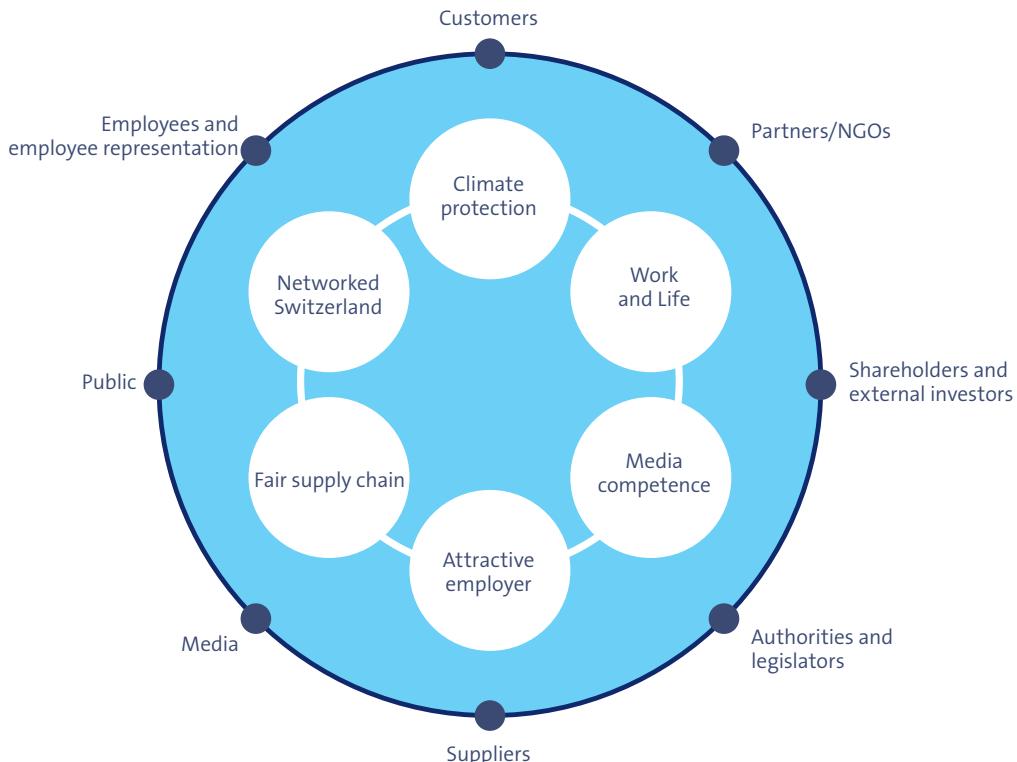
Swisscom fosters dialogue with its most important stakeholder groups through various channels: via electronic media, over the phone, through surveys, at information events, business meetings, road shows and conferences, as well as in customers' homes and in the Swisscom Shops. In 2014 – as in previous years – Swisscom took note of the concerns of the various stakeholder groups, prioritising them and among other things incorporating them into its CR strategy. Stakeholders'

expectations change over time. This had a significant influence on the further development of the new CR strategy in 2014, which will remain in effect until 2020. Stakeholder group management at Swisscom is decentralised in order to ensure proximity and ongoing contact with the individual stakeholder groups. As part of the further development of the CR strategy and on behalf of the Group Executive Board, Swisscom launched the CR Executive Dialogue in 2014, which sees the members of the Group Executive Board discuss all six strategic Corporate Responsibility targets with the managers responsible for the main stakeholders. The first CR Executive Dialogues took place in 2014 and addressed, among other things, the new CR strategy, the role of ICT in climate protection, flexible working models and sustainability in terms of ratings and financial assets. Swisscom plans to conduct another stakeholder survey in 2015.

Dialogue with stakeholder groups and strategic priorities

 See
Sustainability Report
page 73

Dialogue takes place with stakeholder groups depending on how close the relationship is and on the individual stakeholder group's interests. However, the size of the respective stakeholder group is the decisive factor in what kind of dialogue is possible. An overview of the stakeholders can be found in the section "Memberships and partnerships".



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Customers

Swisscom systematically consults residential customers on their needs and their level of satisfaction. In this way, customer relationship managers are able to determine their customers' needs by contacting them directly. Swisscom also conducts regular representative surveys on customer satisfaction. These include a question on the extent to which customers perceive Swisscom as a company that acts responsibly towards society and the environment.

Quarterly surveys are conducted among business customers, including questions on sustainability. Swisscom also maintains regular contact with consumer organisations in all language regions of Switzerland and runs blogs as well as online discussion platforms. The overall findings show that customers expect attractive pricing, good service, market transparency, responsible marketing, comprehensive network coverage, network stability, low-radiation communication technologies and sustainable products and services.

 See
Management Commentary
page 55

Shareholders and external investors

Besides the Annual General Meeting, Swisscom fosters dialogue with shareholders at analysts' presentations, road shows and in regular teleconferences. Over the years, it has also built up contacts with numerous external investors and rating agencies. Shareholders and external investors expect above all growth, profitability and innovation from Swisscom.

Authorities/residents

Swisscom maintains regular, close contact with various public authorities. A key issue in its dealings with this stakeholder group concerns mobile network expansion. Mobile data applications are becoming increasingly popular with customers. But while mobile communications are clearly appreciated and widely used, acceptance of the expansion of the infrastructure required is sometimes lacking.

Network expansion gives rise to tension because of the different interests at stake. For many years, Swisscom has been engaged in dialogue with residents and municipalities on network planning, which in the case of construction projects gives the parties affected an opportunity to suggest suitable alternative locations. Swisscom also liaises regularly with public authorities in other areas and on other occasions: for example, it invites ICT heads of the cantonal education authorities to an annual two-day seminar on the subject of "Internet for Schools". As a stakeholder group, public authorities expect Swisscom to act decisively in the way it recognises its responsibility towards the public at large and towards young people in particular.

Legislator

Swisscom is required to deal with political and regulatory issues, advocating the company's interests vis-à-vis political parties, public authorities and associations. Legislators expect compliance, nationwide coverage and technological leadership from Swisscom.

Suppliers

Swisscom's procurement organisations regularly deal with suppliers and supplier relationships, analysing the results of evaluations, formulating target agreements and reviewing performance. Once a year, they invite their main suppliers to a Key Supplier Day. The focus of the event is on risk mitigation and responsibility in the supply chain. In the interests of maintaining dialogue with global suppliers, Swisscom also relies on international cooperation within the relevant sectors.

Media

Swisscom maintains close contact with the media, seven days a week. Its relationship with the media is informed by professional journalistic principles. In addition to the Media Office, representatives of management maintain a regular dialogue with journalists and make themselves available for interviews and more in-depth background discussions.

Employees and employee representation

In order to meet its mandate and live up to its customer promise, Swisscom relies on fully committed, responsibly minded employees who think and act proactively. It is our employees who transform Swisscom into a tangible experience for customers. Swisscom gains valuable information from the dialogue with customers. The information gathered at the customer interfaces flows back to the company and permits Swisscom to continually improve its products and services. Using a wide range of communication platforms and activities, Swisscom promotes a corporate culture that encourages dialogue and cross-collaboration within the company. Every two years, Swisscom conducts an employee survey, the results of which provide ideas for new projects and measures. Helping to shape Swisscom's future is one of the most important tasks of the Employee Representation Committee. Twice a year, Swisscom organises a round-table meeting with the employee representatives. Employee concerns mainly relate to social partnership, training and development, diversity, and health and safety at work. Swisscom engages in dialogue with teams from all organisational units on sustainability issues, under the motto "Hello Future". Through this dialogue, Swisscom keeps all employees up to date on its commitments in the area of sustainability and motivates them to implement its sustainability measures in their daily work and life.

Partners and NGOs

Swisscom believes in the importance of sharing insights and information with partners within the framework of projects; for example, with WWF Climate Savers, myclimate, the Swiss Child Protection Foundation and organisations that address the specific needs of affected groups. Active partnerships and Swisscom's social and ecological commitment are especially relevant for partners and NGO stakeholder group.

Material issues

Criteria of materiality

With regard to materiality, Swisscom defined and applied the following qualitative criteria for the report in the year under review:

- > Importance of topics addressed by Swisscom's mission statement
- > Significance and relevance of sustainability issues for stakeholder groups
- > Effects on the company's financial position, results of operations and reputation

Classification of issues / materiality matrix

The issues can be identified based on their relevance to Swisscom's business strategy and the concerns of stakeholder groups. They are examined and dealt with internally according to level of importance and scope either by specialist departments or by those bodies that act as contact partners for the respective stakeholders. The issues are also discussed by other bodies such as division management or the Group Executive Board. If necessary, these bodies initiate the appropriate measures. The issues are arranged alphabetically within the boxes of the materiality matrix.

New classification levels

The matrix topics and their classification were validated by representative target groups in a survey conducted in October 2013. In the survey, government authorities, partners and NGOs such as the WWF and myclimate commented on ecological aspects, while the Swiss Association for Audiovisual Learning (SSAB) and the Federal Social Insurance Office (FSIO), which are jointly responsible for the National Programme for the Promotion of Media Skills, commented on social aspects. The survey concluded that Swisscom should increase its efforts in promoting products and services aimed at reducing customers' CO₂ emissions. Customers, after all, could make a substantial contribution towards combating climate change. These findings are also confirmed by the most recent study of the International Global e-Sustainability Initiative (GeSI smarter 2020) as well as Swisscom's latest evaluation. The topic of reducing customers' CO₂ emissions is therefore classified as highly relevant within the matrix.

Issues highlighted by the FSIO and SSAB surveys, such as the shortage of specialist staff and generation management, have also been incorporated in Swisscom's materiality matrix under diversity and personnel training and development. There is consensus as regards the rating accorded to the other issues.

The new CR strategy, which will be in place until 2020, was drawn up during the year under review. In connection with this, the collaboration of different divisions within Swisscom resulted in two new business activities being identified as material: healthcare and corresponding health-related offers, and offers for flexible working models and the promotion of a mobile working culture.

In a symbolic move toward increased stakeholder involvement, Swisscom reviewed its strategic "2:1 target" in collaboration with its long-term partner organisations WWF and myclimate. As part of the "2:1 target", Swisscom aims to work together with its customers to save twice as much CO₂ as it emits throughout the entire company including the supply chain by 2020. Specifically, this dialogue with partner organisations helped set both the target amount and find a plausible calculation method. Swisscom incorporated many suggestions throughout the process which helped improve the calculation method and communication of the target. Swisscom formulated targeted expertise requests for both partner organisations in order to rectify the shortcomings. Thanks to the transparent approach – all assumptions and calculations were disclosed to partners – they succeeded in defining the "2:1 target" in more precise terms. This does not, however, bring Swisscom's dialogue with its partners to an end. Moreover, Swisscom also wants to continue to consult myclimate and WWF for its annual interim reports in order to obtain a neutral opinion.

The issues are arranged alphabetically within the boxes of the materiality matrix.

Swisscom materiality matrix 2014

Materiality for stakeholders	Materiality for Swisscom	
	relevant	very relevant
very relevant	<p>Basic service provision¹ Health and safety in the workplace² Offers in health domain³ Sponsorship/partnerships⁴ Youth media protection⁵</p>	<p>CO₂ emissions, energy consumption and efficiency⁶ CO₂ savings by customers with Green ICT-Services⁷ Corporate governance⁸/compliance⁹/legal and regulatory environment¹⁰ Customer satisfaction¹¹ Data protection¹² Employee representation and union relations¹³ Financial position and cash flows¹⁴ Investments and network infrastructure¹⁵ Low-radiation communications technologies¹⁶ Offers for flexible work¹⁷ Payout policy and share performance¹⁸ Revenues and results (turnover and EBITDA)¹⁹</p>
relevant	<p>Corporate Volunteering²⁰ Diversity²¹ Ecological aspects of operations²² Social and cultural commitments²³</p>	<p>Innovation and development²⁴ Fair supply chain²⁵ Personnel training and development²⁶ Promoting media competency²⁷</p>

- Management commentary; ¹⁰ page 31, ¹¹ page 50, ¹³ page 52, ¹⁴ page 75, ¹⁵ page 78, ¹⁸ page 84, ¹⁹ page 60
- **Governance;** ⁸ page 94
- **Corporate responsibility Report;** ¹ page 65, ² page 49, ³ page 38, ⁴ page 73, ⁵ page 42, ⁶ page 26, ⁷ page 23, ⁸ page 19, ¹² page 42, ¹⁶ page 40, ¹⁷ page 37, ²⁰ page 47, ²¹ page 52, ²² page 32, ²³ page 66, ²⁴ page 70, ²⁵ page 58, ²⁶ page 47, ²⁷ page 42

Resulting Corporate Responsibility strategy

Swisscom carefully monitors all of the issues in the materiality matrix and handles them according to priority. The issues in the three particularly material boxes represent the foundations of the corporate business and Corporate Responsibility strategies. Those with the highest priority and of major relevance to both stakeholders and Swisscom are positioned in the top right-hand box. Cross-cutting issues such as "Innovation and development" and "Social and cultural commitments" are also represented in the matrix and are related to Swisscom's mission statement. Other topics such as noise, water protection, wildlife conservation, violence and population growth are important from an ecological and social point of view, but are not pivotal to Swisscom's activities. As a result, these are not included in the matrix. Swisscom's CR strategy is detailed in the next section.

About this Report

Scope of the Report

Swisscom's Group structure is described in the "Group structure and organisation" section of this year's Annual Report. A list of Group companies, comprising subsidiaries, associates and joint ventures, is provided in the Notes to the 2014 Consolidated Financial Statements (Note 41).

The scope of the Sustainability Report according to the Global Reporting Initiative (GRI) is generally defined as follows: Swisscom Ltd and all Group companies domiciled in Switzerland which are fully consolidated in accordance with International Financial Reporting Standards (IFRS) are included in the Sustainability Report, except for subsidiaries Azept Ltd, CT Cinetrade Ltd and LTV Ltd. In line with GRI reporting requirements, acquisitions (e.g. Swisscom Banking Provider Ltd) are included from 1 January of the following year after the date of acquisition and disposals up to the date of disposal. Group companies domiciled abroad and investments in associates and joint ventures

are not included in the scope. The Group's main foreign shareholding is Fastweb in Italy. Fastweb publishes its own sustainability report in line with GRI4, which is reviewed by Bureau Veritas, an external, independent auditor. The closely related foundations comPlan (pension fund) and sovis are also not included in the scope.

In the year under review, the Swiss subsidiaries Axept Webcall Ltd, CT Cinetrade Ltd and LTV Yellow Pages Ltd are not included in the personnel information system, affecting 912 FTEs of a total 18,172 FTEs in Switzerland. The personnel information system thus has a coverage ratio of 95%. The environmental performance indicators (especially regarding energy, water and waste water, emissions, and waste) cover nearly all of Swisscom's FTEs in Switzerland. The report therefore includes all buildings managed by Swisscom Real Estate in Switzerland as well as the vehicle fleet managed by Swisscom's Managed Mobility in Switzerland. As regards energy consumption, the data acquisition system also encompasses Swisscom (Switzerland) Ltd's mobile base stations, proprietary production of solar energy, external server hosting of Swisscom Hospitality Services and the few transmitter stations Swisscom Broadcast Ltd operates just across the Swiss borders. The consumption of third-party tenants is deducted from total energy consumption. The information on supply chains covers nearly all of the suppliers. Particular attention is paid to the situation in countries that are not in the OECD.

Reporting: procedure and organisation

This Sustainability Report complies with the GRI principles on reporting. It is structured in line with the "comprehensive" option under GRI, meaning that it also contains specific standard disclosures in addition to general standard disclosures.

- › Swisscom has in the past few years developed a clear understanding of the issues pertaining to its immediate environment. In addition, issues are reported to Swisscom directly by stakeholder groups or identified through recent studies, market research, trend analyses and benchmarking reports. All of these issues are included in the materiality matrix.
- › Over the past few years, Swisscom has increasingly involved its stakeholder groups in the evaluation and assessment of the materiality of issues as well as in the setting of strategic priorities.
- › The results of materiality analyses form the basis of the formulation of the CR strategy and the setting of strategic priorities. They lay the foundation for reporting.
- › Swisscom often involves stakeholder groups in the validation of issues and corresponding reporting; the processes and procedures to be used for these can then be defined directly wherever necessary. Swisscom collaborates with the Federal Office for Energy (FOE), for instance, to provide information on Swisscom's contribution to the "Role Model in the Area of Energy" ("Vorbildfunktion des Bundes im Energiebereich" – VBE) working group. Swisscom also works with the Energy Agency for Industry (EnAW) and WWF as part of the Climate Savers Group while also collaborating with other businesses in the ICT sector to contribute to the report on media skills in Switzerland. During the year under review, Swisscom had its Sustainability Report assessed by internal stakeholders. It also plans to involve additional stakeholders in the validation of the Sustainability Report over the course of the next few years.

Reference to the Swisscom 2014 Annual Report

See
[www.swisscom.ch/
gri-2014](http://www.swisscom.ch/gri-2014)

See
Management Commentary

See
Corporate Governance Report

The topics addressed in this Sustainability Report refer to the following sections in the Swisscom 2014 Annual Report:

- › **Strategy:** Swisscom's corporate strategy is laid out in the section "Strategy, organisation and environment", pages 28–29, of the Management Commentary of the Annual Report. The CR strategy is described in detail in this Sustainability Report.
- › **Infrastructure:** the "Networked Switzerland" section in this Sustainability Report refers to the section "Business model and customer relations", pages 45–46, of the Annual Report, which describes the network infrastructure.
- › **Added value:** the added value statement and the distribution of added value are addressed in the Management Commentary of the Annual Report, in the section "Financial review", page 78.
- › **Attractive employer:** the "Employees" section can be found in the 2014 Annual Report on pages 50–55.
- › **Governance:** the "Corporate Governance and Remuneration Reports" are explained in much further detail on pages 92–127 of the 2014 Annual Report.

Mission statement

Our vision

The best in today's networked world – everywhere and anytime.

Our values

People and their relationships are at the heart of everything we do.
We succeed by working together.

We are close to our customers	> Customer focus
We help shape the future	> Sustainability
We achieve great things	> Passion
We are open to new ideas	> Curiosity
We keep to our promises	> Reliability

Our customer promise

Swisscom – the best companion in today's networked world.
Trustworthy, straightforward, inspiring.




www.swisscom.ch/
leitbild

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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 six strategic priorities. Swisscom pushed ahead in 2014 with dovetailing its CR and corporate business strategy.

Strategic priorities and objectives

Swisscom's corporate responsibility activities focus on issues that have high relevance for stakeholder groups and at the same time are closely linked to the company's core business and thus entail market opportunities. Swisscom's vision is of a modern, forward-looking Switzerland: a country of great opportunities, including in the field of sustainability. Specifically, Swisscom focuses on six areas as strategic priorities. For each of these it has set a long-term target for 2020. The first three strategic priorities involve measures aimed at supporting Swisscom's customers in living a more sustainable life. The next two are geared towards employees and partners, and the final one constitutes an economic objective for the country as a whole.



Energy efficiency and climate protection

Together with its customers, Swisscom campaigns for climate protection in Switzerland.

Together with its customers, Swisscom is aiming to save twice as much CO₂ as it emits through its operations including the supply chain by 2020. This goal has been summarised as the 2:1 target, which initially involves making CO₂ savings on the customer side: Green ICT enables companies to massively reduce energy consumption and CO₂ emissions, videoconferencing and home office solutions generate savings in travel time and costs, and ICT services from the Cloud allow business customers to realise efficiency gains of up to 90% in their IT operations (compared with operating their own server). Buildings, vehicles and networks can be managed in an energy-efficient manner thanks to ICT solutions. Swisscom also provides residential customers with numerous ways to reduce their carbon footprint, from online billing to a recycling service for mobile phones.

In addition, the 2:1 target also comprises Swisscom's commitment to reducing its own CO₂ emissions from operations and the supply chain. Since 1998, Swisscom has cut CO₂ emissions from vehicles and buildings by more than half and continues to do so. Swisscom is one of the ten biggest purchasers of energy in Switzerland and is continuously improving its energy efficiency. It meets its full electricity requirements from renewable domestic energy sources and is one of the biggest purchasers of wind and solar power in Switzerland.

Swisscom also requires its suppliers to reduce their carbon footprint.

Examples from Swisscom's list of targets:

Together with its customers, Swisscom is aiming to save twice as much CO₂ as it emits through its operations including the supply chain by 2020. Swisscom aims to increase revenue generated from Green ICT services by 10% a year.

Swisscom intends, by the end of 2015, to increase its energy efficiency by 25% from the levels of 1 January 2010 and then by a further 35% between 1 January 2016 and 2020.



Work-life balance

Swisscom is committed to promoting a Switzerland that offers room for living.

By 2020, Swisscom aims to be supporting one million customers with its offerings in the healthcare sector, such as the Swisscom health platform and corresponding fitness sensors, electronic patient dossiers, and products from its subsidiary Data-sport. Swisscom also wants to offer one million customers by 2020 the opportunity to use mobile working models. To this end, Swisscom has included Work Smart services in its portfolio and supports mobile working methods through activities such as the Home Office Day.

Example from Swisscom's list of targets:

By 2020, Swisscom wants to be supporting one million people to utilise mobile working models through their phone and Internet connections.



Media competence

Swisscom is committed to promoting a Switzerland in which browsing the Internet is not dangerous.

The objective: By 2020 Swisscom aims to be the market leader in data security, helping one million people to use media safely and responsibly. To date, Swisscom has provided free Internet access to 6,581 schools and introduced over 100,000 first-time users to the digital world through media training courses. In doing so, Swisscom aims to protect young people in the use of online media by means of technical solutions and offerings that promote media skills.

Example from Swisscom's list of targets:

Swisscom aims to be helping one million people to use media safely and responsibly by 2020.



Attractive employer

Swisscom is committed to promoting a Switzerland in which everyone is able to excel themselves.

By 2020 Swisscom aims to be one of the most attractive employers in Switzerland, offering employees the opportunity to develop their knowledge and skills and promoting 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:

Ranking in the ICT sector.

Keep staff absence rate constant or reduce it over the prior year.



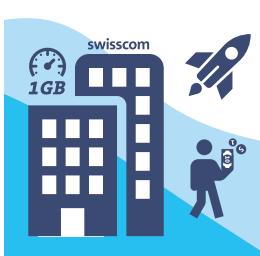
Fair supply chain

Swisscom is committed to promoting a Switzerland that fosters fairness throughout the world.

In the interests of a fair supply chain, Swisscom is committed to improving employment conditions for more than two million people by 2020. To this end, Swisscom has forged international partnerships that will ensure the implementation of relevant measures in close collaboration with suppliers. The company also ensures that working conditions at their suppliers are reviewed for improvements every year as part of the audit process.

Example from Swisscom's list of targets:

The number of audits conducted at suppliers and the number of employees whose working conditions have been improved.



Networked Switzerland

Swisscom is thus committed to promoting a Switzerland that is competitive.

By 2020, Swisscom intends to extend ultra-fast broadband coverage to 85% of all homes and offices and bring mobile ultra-fast broadband to 99% of the population. Swisscom therefore indirectly contributes around CHF 30 billion to the country's GDP and helps to create and maintain some 100,000 jobs.

Example from Swisscom's list of targets:

Coverage with ultra-fast wireline broadband and mobile broadband in Switzerland.

The most important indicators for achievement of Swisscom's CR targets

Priority of the CR Strategy	Targets in the year under review Future targets	Status/Measures
Image target / cross-portfolio activities		
Swisscom's sustainability image KPI: Rank in the GfK sustainability index GfK = Gesellschaft für Konsumforschung GfK is one of the world's largest market-research companies.	2015: Top 15	2014 baseline value: 19th position 2015 measures: › Introduction of the sustainability label 3,2,1 › Sustainability ideas competition with SRF › Projects such as energy-efficient routers, use of waste heat, possibly Fairphone and electromobility offerings
Rise in net revenue on sustainable ICT portfolio Portfolio: low-CO ₂ products and services for business customers (B2B) KPI: Rise in net revenue	2014: +10% over the prior year 2015: +10% over the prior year	Target for 2014 exceeded (+29%) Revenue well up on the prior year 2015 measures: › Further promotion of sustainable offerings › Project partnerships with NGOs
Expansion of portfolio of sustainable services (G4-EN27) Services with added ecological or social value KPI: Number	2014: 32 2015: 35	2014 target achieved (32) Existing portfolio: www.swisscom.ch/myclimate 2015 measures: › Evaluation or redesign of suitable services
Mobile telephone return (G4-EN28) Re-use/recycling of mobile phones that are no longer used KPI: Return rate (percentage of returned mobile telephones compared to the total number of mobile telephones sold)	2014: 12% 2015: 12%	2014 target not achieved (6.2%) 2015 measures: › Increase in return rate over 2014 by means of the "Mobile Bonus" buy-back programme for residential customers and introduction of the "Mobile Bonus" programme for business customers together with other measures
Reduction in paper consumption (G4-EN27) KPI: Percentage of residential customers switching to online billing	2015: 30%	Percentage achieved in 2014: 20.8% 2015 measures: › Further promotion of online bills › Direct mailing for suitable customer segments › Partnership with WWF Switzerland for paperless bills
Training for employees at touch points (shop/call centre/sales) Shop and call centre staff trained in customer concerns/messages relating to environment and social accountability KPI: Training sessions	2014: Continuation of course 2015: Training of touch points	2014 target partly achieved no course in 2014 Touch point training set 2015 measures: › Training for touch points in the three customer segments (RES, SME and ENT) on the sustainability advantages of Swisscom products
Energy efficiency and climate protection		
New main target: (G4-EN18) Increase in the ratio between customers' CO₂ savings and Swisscom's own CO₂ emissions KPI: Ratio of the CO ₂ savings achieved by customers to the Green ICT Portfolio and Swisscom's own CO ₂ emissions (excluding Fastweb)	Guidance for 2015: 1.07 to 1 2020: 2 to 1	2013 baseline value: 0.72 to 1 Ratio for 2014: 0.77 to 1 Emissions and savings are recorded in accordance with the ISO 14064 standard, verified externally and disclosed in detail in a climate report 2015 measures: › Further reduction in own emissions from operations including supply chain.
Energy efficiency (G4-EN5) Continual increase in energy efficiency KPI: Increase in energy efficiency EF EE = $\frac{\text{TEC} + \sum \text{AES}}{\text{TEC}}$ › TEC = Total energy consumption › AES = Accumulated energy savings Source: Federal Office of Environment, Forests and Landscape (BAFU) guideline	2015: +25% over 1 January 2010 Further target: +35% from 1 January 2016 to 31 December 2020	Efficiency gains achieved 2010–2014: +26.4% 2015 measures: Further implementation of savings and efficiency measures, including: › Use of Mistral cooling system (cooling with fresh air) › Decommissioning and technology improvements › Increased efficiency in data centres

Priority of the CR Strategy	Targets in the year under review Future targets	Status/Measures
Energy efficiency and climate protection (continued)		
Reduction in direct CO₂ emissions (G4-EN19) Focus on direct emissions from fossil fuels (Scope 1) KPI: CO ₂ emissions from fuel consumption	2015: -12% compared with 01 January 2010	Reduction achieved 2010-2014: -18.7% > Increased demand for office space and rise in the number of kilometres driven partially offset by reduction measures; relative energy indicators improved markedly, however 2015 measures: > Implementation of further efficiency measures
Optimisation of CO₂ emissions of vehicle fleet (G4-EN30) Focus on direct emissions from fossil fuels (Scope 1) KPI: Average CO ₂ emissions per passenger vehicle in g CO ₂ /km according to data from manufacturers	2014: 120 g CO ₂ /km 2015: 110 g CO ₂ /km	Target achieved in 2014 (117 g CO₂/km) 2015 measures: > Further implementation of the procurement roadmap
CO₂ emissions (G4-EN15-17) CO ₂ emissions in operations and in the supply chain (excluding Fastweb, energy offset). KPI: CO ₂ emissions in tonnes	Guidance for 2015: 380,000 2020: 326,000	2013 baseline value: 396,000 tonnes of CO₂ Figure for 2014: 419,000 tonnes of CO₂ 2015 measures: > Implementation of further efficiency measures > improvements jointly implemented with suppliers
CO₂ savings by customers thanks to green ICT services (G4-EN19) Sum total of savings achieved by customers through the use of sustainable Swisscom products KPI: CO ₂ savings in tonnes	Guidance for 2015: 390,000 2020: 650,000	2013 baseline value: 286,000 tonnes of CO₂ Figure for 2014: 323,000 tonnes of CO₂ 2015 measures: > Promotion of existing sustainable services > Expansion of portfolio of sustainable services
Work-life balance		
New main target: Utilisation of mobile working models Utilisation measured by multiplying the proportion of mobile working (in accordance with annual survey) with the share of the broadband market (AR 14 p. 40) KPI: Number of customers	Guidance for 2015: 821,000 2020: 1 million	2014 baseline value: 750,000 customers 2015 measures: > Intensification of communication
New main target: Utilisation of health offerings These offerings entail Evita, Fitbit, the health platform and the Datasport events KPI: Number of customers	2020: 1 million	2014 baseline value: 874,000 customers 2015 measures: > Creation of new partner offerings based on Evita > Integration of further providers within Evita > Personal and occupational health management based on apps and sensors
Media skills and security		
New main target: Promotion of media skills Measurement by reference to the number of course participants, users of MyTime, filter software customers, readers of "enter" (orders) and a proportion (10%) of Medienstark visitors KPI: Number of persons (cumulative)	Guidance for 2015: 367,000 customers 2020: 1 million	2013 baseline value: 253,000 Figure in 2014: 295,000 customers 2015 measures: > Further development of the course programme > Intensification of communication
Participation in media skills courses (G4-SO1) Media skills courses for parents, teachers, pupils (middle and upper school) and users KPI: Number of participants	2014: 6,500 parents/teachers 14,000 pupils 15,500 users 2015: 7,000 parents/teachers 15,000 pupils 15,500 users	Target for 2014 exceeded (42,334) 6,451 + 19,321 + 16,562 2015 measures: > Extensions to offerings with online platform > Further marketing of the offering > Intensification of communication
Promoting media skills: visitors to the Medienstark platform (G4-SO1) KPI: Number of visitors	2015: 10,000	2014 baseline value: 2,852 2015 measures: > Further development of the course programme > Intensification of communication

Priority of the CR Strategy	Targets in the year under review Future targets	Status/Measures
Attractive employer		
New main target: positioning as one of the most popular employers in Switzerland The position is measured by reference to the “Universe” ranking by students and professionals KPI: Ranking	2020: Ranking Students: 2 Professionals: 2	2014 baseline value: students (5); professionals (2) http://universumglobal.com/rankings/company/swisscom/ 2015 measures: › Intensification of communication
Diversity (G4-LA12) Increased diversity, as measured by gender, age and inclusion KPI: Share of women, employees over 50 and employees with a disability in total employee numbers NB Gender: Percentage of women in management (Group management and all management levels)	2014: Diversity Index: Top 3 Medium-term: Gender: 20% Age: annual target value Inclusion: 1%	Diversity Index 2014: 3rd place 2010 baseline value for percentage of women: 9.9% 2014: 12.8% (headcount) 2014 baseline value for inclusion: 0.6% 2015 measures: › Promotion/awareness-raising for “Men and part-time working” › Promotion/awareness-raising for job-sharing in management positions › DisAbility Performance pilot project
Occupational health management OHM (G4-LA6) 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	2014: 2.9% 2015: 2.8%	Percentage in 2013: 2.9% Target for 2014 achieved (2.8%) 2015 measures: › Introduction of a pilot project on “attentiveness” › Campaign against non-work-related accidents in conjunction with SUVA › Further development of the strategy for the operational health management of Swisscom
Corporate volunteering (GRI-SO1) KPI: Number of volunteer days	2014: 1,400 days 2015: 1,400 days	Target for 2014 exceeded (1,655 days) 2015 measures: › Continuation of the programme in line with the number of volunteer days in 2014
Fair supply chain		
New main target: review of working conditions of employees working for our suppliers (JAC Initiative) Number of audits/number of employees at the audited factories KPI: Number of employees working or suppliers	Guidance for 2015: 860,000 2020: 2 million	2013 baseline value: 400,000 2014: 540,000 2015 measures: › Continuation of audits by JAC community
Review of suppliers (G4-EN/HR/LA) KPI: a) Number of suppliers that have been audited b) Number of suppliers with self-assessment (validated externally)	2014: a) 4+50 through JAC b) 30 2015: a) 6+64 b) 120	Target for 2014 a) partly achieved (3); a further 35 audits completed as part of JAC b) exceeded (101) 2015 measures: › Intensification of joint activities as part of JAC (audits, qualitative + quantitative)
Review of strategically important suppliers in terms of transparency of greenhouse gas emissions (G4-EN32) KPI: Number of key suppliers that disclose their environmental data via CDP CDP = Carbon Disclosure Project	2014: 40 (cumulative) 2015: 45 (cumulative)	2014 target exceeded: 47 2015 measures: › Campaigns to encourage participation in the CDP
Networked Switzerland		
Coverage of Switzerland with fixed ultra-fast BB condition for ind. GDP of CHF 30 billion (G4-EC7) KPI: Coverage rate Ultra-fast broadband (BB) = bandwidth >50 Mbit/s	2020: 85%	2013 baseline value: 16% 2014: 30% 2015 measures: › Roll-out of FTTx (x = home, street or curb) › Increase in bandwidth
Coverage of Switzerland with mobile ultra-fast BB condition for ind. GDP of CHF 30 billion (G4-EC7) KPI: Coverage rate: Ultra-fast broadband (BB) = bandwidth up to 150 Mbit/s	2016: 99%	2012 baseline value: 3% 2013: 85% 2014: 94% 2015 measures: › Roll-out of LTE

Corporate responsibility governance and implementation

Incorporation in the strategy

The Board of Directors of Swisscom is committed to pursuing a strategy geared towards sustainability. The Board addresses the relevant economic, environmental and social issues in plenary sessions. The implementation of the strategy is delegated to the CEO of Swisscom Ltd. The CEO can transfer powers and responsibilities to subordinate units and is supported in operational management by the members of the Group Executive Board.

The Group Communications & Responsibility division (GCR) is responsible for the implementation of the CR strategy.

Responsibility of the Board of Directors

The Board of Directors approves the long-term CR strategy. It acknowledged this governance report, the targets for 2015 and the long-term CR targets for 2020 and approved the strategic priorities. The Board of Directors is informed in quarterly reports on the implementation status of the CR strategy and the achievement of targets. It also decides whether the scope of the CR strategy should be expanded – for example 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 the project status
- › Quarterly reports, with information on the key performance indicators based on the priorities of the CR strategy
- › Quarterly reports drawn up by Risk Management

Group Executive Board members have been named 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
- › Energy efficiency and climate protection: Head of IT, Network & Innovation and CFO Swisscom Ltd
- › **Work-life balance:** Head of Residential Customers, Head of Small and Medium-Sized Enterprises and Head of Corporate Business
- › **Media skills:** Head of Residential Customers
- › **Attractive employer:** Head of Group Human Resources
- › **Fair supply chain:** Head of Group Business Steering (CFO)
- › **Networked Switzerland:** Head of IT, Network & Innovation

Defining areas of responsibility 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 Corporate Responsibility (CR) team attached to this division is responsible for coordinating the implementation of the CR strategy and leveraging synergies across all divisions. The CR team's specific tasks include:

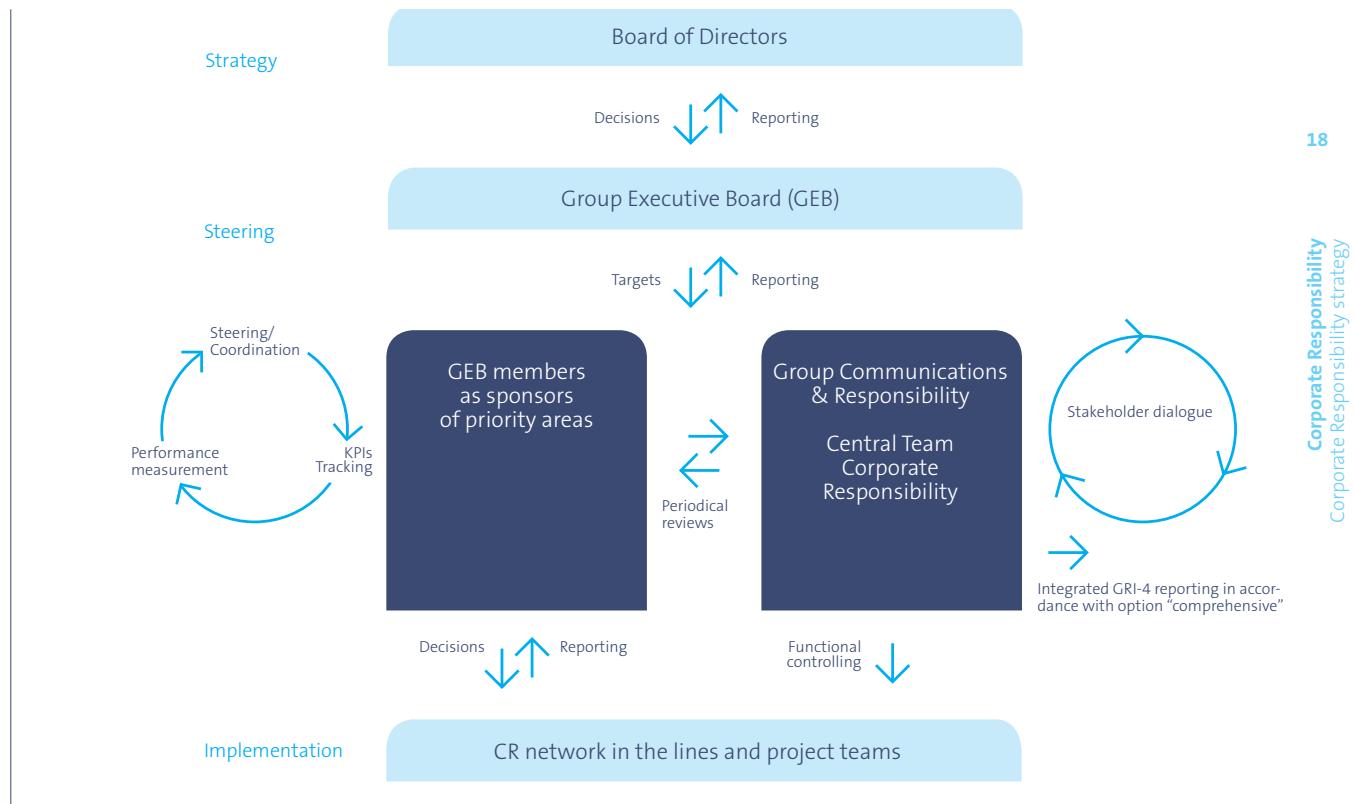
- > Drawing up the CR strategy (goals/priorities) in conjunction with line and support units
- > Supporting the sponsors from the Group Executive Board
- > Coordinating the implementation of the strategy and the initiation of measures
- > Formulating the requirements for the implementation of the CR strategy
- > Engaging in dialogue with stakeholder groups
- > Engaging in dialogue with strategic partners (including NGOs)
- > Reporting to internal and external stakeholder groups
- > 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, CR measures are implemented either by project teams or line units. Additional management members are also designated in each division and these persons are responsible for engaging with the measures at an operational level in close collaboration with the CR team. An event is held at least once a year for all of the members of the CR network for the purpose of exchanging information and exploring new issues.

Members of the Group Executive Board and their responsibilities

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



Management approaches

Swisscom has management approaches for those issues contained in the materiality matrix. The following requirements apply:

- › Collective employment agreement covering the representation of employees, the relationship with unions and other matters
- › Group Directive on the financial management of the Group
- › Group Directive on security including data protection
- › Environmental management system in accordance with ISO 14001 and associated directives and guidelines on the issues of energy and CO₂ (guideline on Swisscom greenhouse gas inventory in accordance with ISO 14064)
- › Compliance policy with the associated compliance management system (described in more detail below) and directives on the issues of law and anti-corruption
- › Guideline on investment
- › Quality assurance system for compliance with the limits set out in the Ordinance on Protection from Non-Ionising Radiation (NISV) – certified in accordance with ISO 15504
- › “Mobile work” guideline, which sets out the rules governing mobile working

Compliance system

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

- › **Culture:** An effective CMS is founded on a culture of compliance. The code of conduct sets down the minimum expectations of the Board of Directors and CEO of Swisscom Ltd, which are communicated throughout the Group in the course of management work and day-to-day collaboration.
- › **Goals:** The Board of Directors has defined Compliance goals. All organisational measures and activities are aligned with these goals.
- › **Risks:** Swisscom identifies risks arising from its business activities and from regulatory and legislative changes. It assesses these risks and manages them using suitable measures.
- › **Organisation:** The Board of Directors has defined the minimum tasks of Compliance. The Group Executive Board and the management boards of the subsidiaries have defined further tasks and responsibilities and provide the resources required for an effective CMS.
- › **Communication:** Employees are informed of their tasks, competences and responsibilities. Regular reports are sent to the Board of Directors and the Group Executive Board of Swisscom Ltd, as well as the management boards and boards of directors of the subsidiaries and other internal units.
- › **Monitoring and improvements:** Swisscom monitors the CMS and eliminates any weaknesses on an ongoing basis.

During the financial year, Swisscom reviewed the business activities of its Group companies in Switzerland for corruption risks. While the review prompted recommendations to eliminate weaknesses in a few individual processes, no cases of corruption were identified or confirmed.

With regard to data protection, the internal data leakage prevention system and customer complaints only revealed a small number of violations. Swisscom took disciplinary action under employment law as called for by the individual circumstances.

Precautionary principle

Swisscom operates in a sustainable manner and uses established management systems to reduce environmental, business and social risks. Group targets and directives ensure that Corporate Responsibility requirements are incorporated in operations and projects. For example, Swisscom uses a CR checklist to ensure economic, environmental and social criteria are taken into account in projects relating to network infrastructure, services and products. In addition, guidelines in place since 2013 govern the recycling and disposal of network infrastructure, which was previously carried out on an ad hoc basis.

The investment guideline requires Swisscom to assess the environmental and social impacts of significant investments. Requirements based on environmental criteria exist for renovations and newly constructed businesses. Swisscom's Swiss subsidiaries and its Italian subsidiary Fastweb use instruments tailored to their needs as required. Preventive measures are taken as part of the company's operational risk and safety management system. With regard to the electromagnetic fields in telecommunications technology – particularly mobile phone use – Swisscom has a certified quality assurance system (QAS) in place. This system is designed to ensure compliance with the limits set down in the Ordinance on Protection from Non-Ionising Radiation (ONIR limits).

Another important element of Swisscom's precautionary principle is staff training and the raising of awareness among employees.

Responsible marketing

Swisscom's marketing is aligned to its mission statement and the principles of the Swiss Commission for Fair Advertising (Schweizerische Lauterkeitskommission). These principles govern all of the relevant aspects of fairness and integrity in communication. The Brand Strategy & Management team, which is integrated in Group Communications and Responsibility, is responsible for compliance with these principles. It monitors the relevant communications and marketing projects throughout the Group and is in a position to detect breaches of the principles early on and initiate preventative measures. At the same time, the Brand Strategy & Management team regularly informs the various marketing units within Swisscom about developments in these principles.

 See
www.faire-werbung.ch

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

Practices in relation to copyright laws

Copyright is governed by the Collective Employment Agreement. Employees assign any copyright and associated protective rights (in particular rights to software) and all shared rights to Swisscom, if these rights were created while working for Swisscom. This applies specifically to all achievements made by the employee either alone or in collaboration with others while employed by Swisscom. In the event that Swisscom has no interest in the rights transferred to it, the employee's right to make use of them may be returned by contract.

Further management approaches based on the six GRI categories (economic, environmental, labour practices, human rights, society and product responsibility)

There are Group directives governing the various GRI sustainability topics. Specific technical regulations and guidelines also exist, for example on the cooling of telephone exchanges and data centres and the decommissioning of transmitter stations. These regulations are cited in the following chapters.

Swisscom's responsibility towards the public

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, relating to consumer protection)
- › Nationwide provision of mobile and broadband infrastructure in Switzerland
- › Improvement of customer information systems (for example, information on mobile phone services for customers abroad)
- › Contribution of ICT to energy reform

During the year under review, as in the previous financial year, 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 Federal Law on the Monitoring of Postal and Telecommunications Traffic is also being amended. Swisscom formulated an independent statement of its own on the proposed amendments in the current consultation process and was also involved in formulating the statement of the industry association Association Suisse des Télécommunications (asut). Both statements can be viewed on the websites of the authorities in question.

See
[www.admin.ch/
documentation](http://www.admin.ch/documentation)

Swisscom's statements are based on the principle of 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. Swisscom maintains transparent relationships with politicians, public authorities and the community which are based on mutual trust. The company participates in public hearings and events and plays its part in the political process by issuing written statements. Swisscom rejects unlawful or ethically questionable practices aimed at exerting influence on opinion leaders. Moreover, Swisscom is a non-denominational, politically neutral organisation and does not support any political parties financially.

Energy efficiency and climate protection

Together with its customers, Swisscom is aiming to save twice as much CO₂ as it emits throughout the entire company including the supply chain by 2020. In keeping with the Swiss Confederation's 2050 energy strategy, Swisscom is aiming, by the end of 2015, to increase its energy efficiency by 25% from the levels of 1 January 2010 and then by a further 35% between 1 January 2016 and 2020. Swisscom also promotes the use and production of renewable energies.



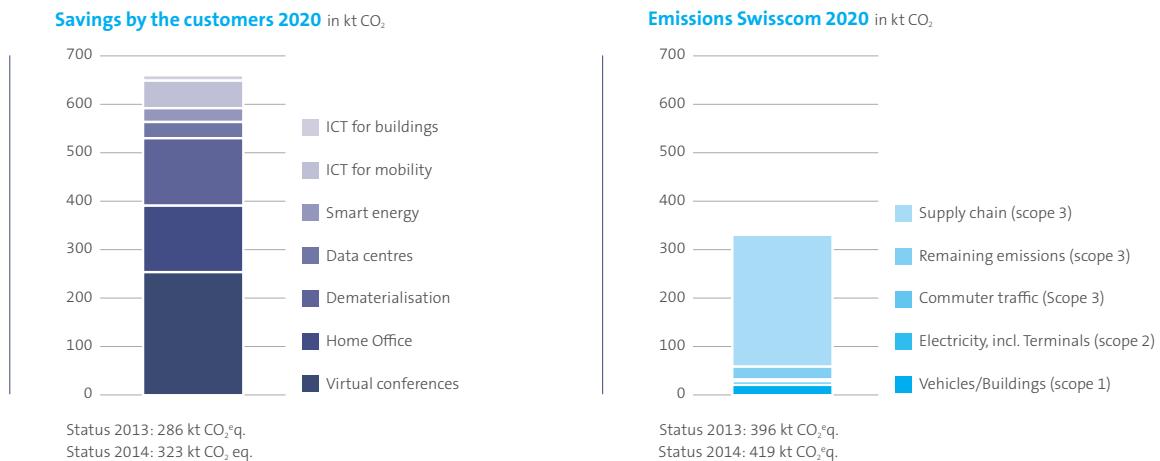
Environment, objectives and management approach

The energy turnaround and climate change are key issues for Swisscom and its stakeholder groups. The Swiss Confederation'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. Swisscom places a special focus on increasing its own energy efficiency and climate protection. Together with its customers, Swisscom is aiming to save twice as much CO₂ as it emits throughout the entire company including the supply chain by 2020. This undertaking has been summarised as the 2:1 target. The ratio between savings and emissions at the end of 2014 was around 0.77.

The environmental and 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 with operations that are of significant environmental significance are ISO-14001-certified. These are: Swisscom (Switzerland) Ltd, Swisscom Broadcast Ltd, Swisscom IT Services Ltd (operations integrated in Swisscom Switzerland since 1 January 2014, legal merger took effect at the start of 2015) and cablex Ltd, all of which are also ISO-9001-certified. The Italian subsidiary Fastweb S.p.A. is also ISO-14001-certified. The management systems and processes certified to ISO 14001 cover more than 95% of the Swisscom Group (including Fastweb) by headcount.

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 CO₂ emissions by 12%. This reduction is to be achieved primarily through measures related to employee mobility and the infrastructure. Overall, Swisscom is aiming for a 60% reduction in direct CO₂ emissions by the end of 2015 compared to the reference year 1990. Swisscom has forecast the company's energy requirements up to 2020 and renewed its target agreement with the Energy Agency for Industry (EnAW). Under the new agreement, it plans to increase energy efficiency by a further 35% from 2016 to the end of 2020. Together with the other government-associated enterprises that are pursuing the Swiss Confederation's 2050 energy strategy, Swisscom is also a member of the working group "Role Model in the Area of Energy" ("Vorbildfunktion des Bundes im Energiebereich" – VBE).

The 2:1 target for 2020



CO₂ savings by customers thanks to Green ICT services

The ICT sector has a key role to play in reducing CO₂ emissions. A study conducted by the Global e-Sustainability Initiative found that the ICT sector has the potential to reduce CO₂ emissions worldwide by some 16%. This potential reduction is around seven times the amount of CO₂ emissions produced by the sector itself.

Swisscom is constantly working on making its services ever more resource-friendly and energy-efficient, as well as offering products and services to help customers reduce their CO₂ emissions and save energy.

During the financial year, ICT solutions contribute to reducing CO₂ emissions. For example, virtual conferences allow companies to cut down on business travel, and communications solutions allow employees to work from their home office. Furthermore, the further optimisation of vehicle fleets, the use of energy-efficient services from data centres and the intelligent control of office buildings, equipment and power networks can all make a useful contribution toward reducing CO₂ emissions. Private households reduce CO₂ when they replace physical media such as CDs, DVDs and magazines with digital products. E-shopping eliminates trips to brick-and-mortar stores and reduces the energy needed to maintain the sales outlets.

See
www.swisscom.ch/greenict

23

Green ICT services for business customers

Green ICT services from Swisscom help business customers in their efforts to reduce their energy consumption and CO₂ emissions. Swisscom has set itself the target of boosting revenues from these services by 10% annually in the following categories:

- **ICT solutions for buildings:** Optimising energy consumption
- **ICT solutions for mobility:** Reducing business travel
- **Data centre services:** Outsourcing and virtualising servers in efficient data centres and optimising energy consumption
- **Dematerialisation:** Saving paper, solutions for paper-saving printing and working without paper
- **Home office:** Home office and mobile working solutions, reducing business travel
- **Virtual conferences:** Reducing business travel and solutions for efficient workplaces

See
www.swisscom.ch/myclimate

The services offered by Swisscom are labelled as recommended by myclimate. This recommendation label documents how much energy and CO₂ are saved through the use of the services and can be viewed on the Internet.

Swisscom once again heavily promoted its Green ICT services in the financial year 2014 and expanded the range of services labelled by myclimate. Revenues from Green ICT services continued to grow, underlining the appeal of the services.

Swisscom collaborated with Home Office Day and the University of Applied Sciences Northwestern Switzerland (FHNW) to investigate the prevalence of mobile working and the use of home offices.

See
workanywhere.swisscom.ch

- › The representative survey of people working in German-speaking and French-speaking Switzerland reveals for the first time how many people work while on the move and how many days they spend working from home. According to this survey, more than half (54%) of the 4.5 million people currently working in Switzerland could essentially work while on the move based on their job descriptions. A quarter of the workers, or just a little over 1 million people, already do this several times a month or even several times a week. Mobile working is a rather seldom occurrence for 11% (in other words, once a month or less). Another 13% could take advantage of mobile working yet do not, either because it is not permitted (9%) or because they lack the technology required.
- › This survey of 1838 workers in German-speaking and French-speaking Switzerland reveals that: 27% of those surveyed work from home on a daily basis. In the survey, a home office day was only recorded as such if the worker spent the entire day at home, thus eliminating their commute to work. On average this is the case 3 days per month or 0.7 days per week. In Switzerland, a total of around 42 million days are spent working at a home office every year. No differences were found between the German-speaking and French-speaking parts of Switzerland. These figures have made it possible to calculate the CO₂ reductions achieved through the use of home offices more precisely than in previous years.

Swisscom also carried out 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 participated for the fifth successive year in 2014. The “home office friendly” label introduced on Home Office Day identifies companies, in job advertisements for instance, as attractive employers.
- › **Label:** Launch of another label, the “work-friendly space” label, for restaurants where mobile working is allowed and supported through the provision of a WLAN connection and power supply.

Green ICT services for residential customers

The residential customer segment of Swisscom Switzerland launched a programme during the year under review to further develop its range of Green ICT services for residential customers. In doing so, Swisscom aims to optimise its services from an ecological point of view (for example, in terms of radiation and energy efficiency) and provide its residential customers with transparent information.

During the year under review, this programme could boast the following successes:

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

See
www.be-smart.ch

- › **Dematerialisation thanks to online billing:** Online bills are an attractive and environmentally friendly alternative to paper bills. The share of customers who opted to receive their bill online rose from 18.3% in 2013 to 20.8% as of the end of 2014. In its communications with customers, Swisscom emphasises the fact that online billing not only benefits the environment, but also saves the customer time and money. The company also carries out campaigns together with the WWF to try to persuade customers of the advantages of paperless billing.
- › **Docsafe data centre service:** Docsafe by Swisscom allows residential customers to safely store all their documents on Swiss servers in their own personal cloud. The documents can then be managed, accessed from anywhere in the world and shared in encrypted format via computer, tablet or mobile phone.
- › **tiko Smart Energy:** Our subsidiary Swisscom Energy Solutions Ltd has launched the tiko service, which allows residential customers to control their heat pumps, electric heating systems and boilers remotely and immediately alerts them in the event of any problems. tiko also compares the energy efficiency of heating systems in homes and businesses, and is free of charge for residential customers of Swisscom. This service aims to recover balancing energy in the Swiss energy market that can be used to offset fluctuations in demand by creating the largest possible pool of heat pumps and electric heating systems. This pool will allow significantly more renewable energy from energy sources such as wind and sun to be incorporated in the power supply and, in doing so, stabilise the power network.

Ecological and socially acceptable product innovation

The CR strategy is an integral part of the product design process. Swisscom gathers information on the effects of new products on the strategic priorities of the CR strategy using a CR checklist. If the effects are shown to be substantial, suitable measures are taken.

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

 See
www.swico.ch

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

› **Eco points are 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 a device has not been readily available to customers in the past. To create more transparency, Swisscom became the first provider to introduce an eco points rating in Switzerland in 2011. Since then, all the devices in Swisscom's portfolio are awarded eco points according to three equally weighted criteria. These are low energy consumption in use, low energy consumption in manufacture and responsible choice of raw materials. Eco points are limited to ecological factors. They help customers to make an informed choice about environmental friendliness when buying a device. Swisscom made further developments in the eco points rating system in 2014. Customers now benefit from an independent rating provided by myclimate when purchasing fixed-line devices.

› **Repairing and recycling devices:** By law, 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 the company, and routers are re-used if possible. Recycling is performed in conjunction 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.

› **Swisscom Mobile Aid:** In 2014, around 82,000 mobile handsets were returned to Swisscom and many of these were resold 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 social enterprise réalise 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 2014 compared with the previous year and amounted to 6.2% (prior year 9.8%).

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

32
products

**Mobile phone recycling
Swisscom Mobile Aid**
Number of devices returned in 2014

82
thousand

CO₂ emissions, energy consumption and efficiency

Energy consumption as the main environmental impact factor

The greatest impact Swisscom has on the environment is caused through its energy consumption and the related CO₂ emissions. Swisscom is striving to boost energy efficiency and rely more on renewable energies in order to minimise the environmental impact of its business activities. 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

In simplified terms, the Swisscom energy management programme comprises the following processes:

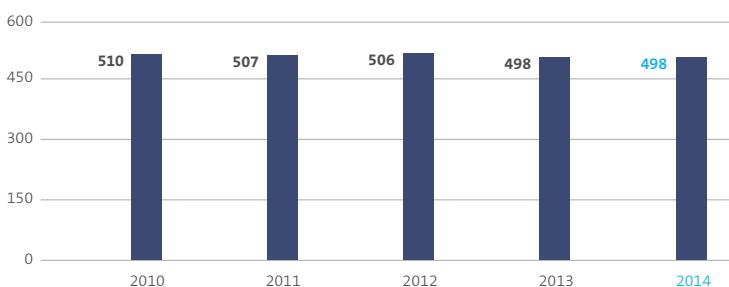
- > Determining energy requirements over a specific period of time
- > Determining and approving energy efficiency targets and measures
- > Determining the energy mix, particularly the electricity mix
- > Implementing measures to boost energy efficiency
- > Generating electricity
- > Utilising waste heat
- > Monitoring and reporting
- > Developing and marketing Green ICT products and services

Consumption of electricity from renewable sources and green electricity

Swisscom's energy consumption in Switzerland totalled 408 GWh in 2014 (prior year: 399 GWh). This represents an increase of 2.3%. We were able to balance out a portion of the additional energy consumption attributable to further network expansion through the implementation of efficiency measures. For the electricity mix used for the network infrastructure and for consumption in businesses 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 2014, as in previous years, it once again used 100% renewable energy, a claim which was verified by the WWF. The company 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.

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Energy use Swisscom in GWh



Efficiency measures for the electricity consumption of networks

Swisscom continued the “Mistral” energy saving project in 2014 for the cooling of its telephone exchanges. Mistral is a cooling technology that relies exclusively on fresh air all year round and replaces conventional energy-intensive cooling systems equipped with compressors and dramatically improves energy efficiency. Mistral also eliminates the need for harmful refrigerants. At the end of 2014, Mistral was being used to cool 761 (prior year: 673) telecom systems in local exchanges which represents an increase of 13%. During the year under review, Swisscom Switzerland and Swisscom Broadcast retrofitted six mobile base stations (prior year: twelve) and two transmitter stations (prior year: four) with Mistral. Swisscom also replaced all of the systems in its mobile network in 2013 and 2014, thus producing efficiency gains of around 15 GWh. This improved efficiency is confirmed by measurement results at pilot locations and an extrapolation. Swisscom is also currently expanding its mobile network. Replacing the hardware reduces the additional demand for electricity associated with this expansion.

Green Touch is a global consortium which aims to dramatically improve energy efficiency in telecommunications 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. Swisscom was a founding member, played a key role in the launch of Green Touch and is involved in two areas of research. Green Touch developed and presented several prototypes. One of these is capable of improving the energy efficiency of Fibre to the Home (FTTH) through the use of an optimised transmission protocol as well as new low-power optical components. Furthermore, Green Touch demonstrated how new mobile networks can be operated more efficiently by separating signalling from the data streams.

Efficiency measures for electricity consumption in data centres

The Swisscom IT Services data centre in Zollikofen (near Berne) boasts a high level of energy efficiency and efficient cooling. Its systems have an average annual power usage effectiveness (PUE) value of 1.3. The PUE value, representing the ratio of total power consumed by the data centre to the power consumed by the IT systems installed there, means that power consumption in Zollikofen is around 33% lower than that of conventionally built data centres. The data centre that began operating in Berne Wankdorf in September 2014 is even more efficient, with a PUE value of 1.2. Instead of conventional cooling units that eat up electricity, Swisscom uses a new type of freecooling process that utilises rainwater and works on the basis of evaporative cooling on hot summer days.

It was presented with the Watt d’Or award from the Swiss Federal Office of Energy which distinguishes outstanding achievements in the area of energy and the most innovative projects in terms of efficiency.

A growing number of servers are being used on a shared basis in data centres. This server virtualisation not only lowers Swisscom’s IT infrastructure requirements but also significantly boosts its energy efficiency.

Efficiency measures for electricity consumption in buildings

The energy analyses of seven buildings in 2014 prompted numerous optimisations in how buildings are run, which led to annual energy savings of 3.3 GWh. At its head office in Worblaufen, Swisscom replaced all of its light fittings with LED lamps, which allows the company to save 10.9 MWh of electricity annually through these measures alone.

Facility Management is also carrying out the “Pioneer @ Swisscom Energiechecks” programme throughout the entire company. These energy checks are helping to optimise the operating conditions of 83 buildings during the year under review, thus enabling Swisscom to achieve energy savings of 463 MWh (prior year: 411 KWh) and reduce its CO₂ emissions by 78 tonnes (prior year: 65 tonnes).

Efficiency measures when using fossil fuels 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 floorspace. These figures are extrapolated to calculate the overall annual consumption.

During the reporting year, Swisscom consumed 172 terajoules (47.8 GWh) of fuel to heat its buildings (prior year: 55.8 GWh). The company's heating mix comprises 71.3% heating oil, 15.3% natural gas and 13.3% district heating. Over the past six years, Swisscom has reduced the heat coefficient per m² by 30%. While this results in a reduction in CO₂ emissions, the actual savings this brings are impossible to calculate precisely due to the fact that the energy mix changes each year.

Swisscom intends to further reduce the amount of energy it uses to heat its buildings. In pursuit of this objective, it systematically continued to implement measures throughout the year under review to reduce the energy consumption and CO₂ emissions involved in heating buildings. 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.

In addition, Swisscom has renovated and modernised several heating systems across Switzerland during the year under review. Ahead of these renovations, Swisscom carried out studies to examine alternatives to heating using fossil fuels. In three locations, Swisscom will completely eliminate the use of heating oil from the heating period 2014/2015 onwards. This approach has already stood the test at the exchange in Twann (canton of Berne) where pellets are used for heating, in St. Gallen where an environmentally friendly heating system using waste heat and district heating has been put into operation, and in Hüttwil where Swisscom opted to switch to using a district heating system. These renovations and modernisations allow Swisscom to save 33 litres of heating oil and prevent 87 tonnes of CO₂ emissions every year across the three locations. Swisscom also implemented ten eco-relevant building projects in 2014. As evidenced by an internal environmental scorecard, this lets the company save 161 MWh of energy and reduce its CO₂ emissions by 43.2 tonnes.

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 62.7 million kilometres was driven (not including private consumption) in 2014 in the service of customers, corresponding to fuel consumption of 149 terajoules (41.4 GWh), 0.7% down year-on-year.

Thanks to a progressive deployment strategy, the average CO₂ emissions per vehicle are to be reduced from 150 g CO₂ for each kilometre travelled in 2010 to 110 g CO₂/km in 2015. In accordance with the New European Driving Cycle (NEDC), CO₂ emissions from cars in the Swisscom fleet according to the manufacturer's instructions averaged 117 g CO₂ per km as of the end of 2014, with 96.6% of the fleet classified in energy efficiency categories A and B. Swisscom also operates a fleet of 392 (+50%) hybrid vehicles, 69 (+8%) vehicles powered by natural gas, 17 (+55%) electrically driven vehicles and 34 (-13%) e-bikes. All electrical vehicles are recharged in Swisscom buildings and garages using electricity generated from renewable energy sources. In 2014, Swisscom employees used 121,260 (+16.8%) rail tickets for business travel and were issued 13,848 (13.3%) half-fare cards and 3,343 (+7.9%) GA travel cards.

Green ICT at Swisscom

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

- › **Virtual conferences:** 18 Swisscom sites are now equipped with the Telepresence virtual video-conferencing solution, including Fastweb in Italy.
- › **Home office:** Many 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 Home Office Day and the Work Anywhere study have further incorporated the new ways of working in the company culture. The "Mobile work" guidelines provide employees and their supervisors with guidance on mobile working.

Generating electricity

Swisscom has been generating its own electricity since 2005 and sees this as an important contribution towards a sustainable energy policy. Swisscom builds solar installations wherever these make economic sense.

In 2014, Swisscom commissioned six solar installations: four at the transmitter stations of Les Ordons (canton of Jura), La Chaux-de-Fonds (canton of Neuchâtel), FELD and Haute-Nendaz (canton of Valais) with outputs of 52 kWp, 67 kWp, 64 kWp and 29 kWp respectively, and three other plants with a combined total output of 280 kWp (Lucerne-Littau: 30 kWp, Neuchâtel-Le Landeron: 30 kWp and Berne-Ittigen: 220 kWp). The total output of all of Swisscom's solar facilities is 891 kWp (up +137% compared with the prior year). Swisscom intends to continue its electricity generation programme in the coming years. It has set itself the target of achieving an installed output of 1 MWp of solar energy by the end of 2015.

Overall impact of the efficiency measures

Swisscom's energy consumption (electricity, heating fuels and vehicle fuel) in Switzerland amounted to 499 GWh in 2014 (prior year: 503 GWh). Without the efficiency measures implemented since 1 January 2010 Swisscom would currently consume an additional 127 GWh of energy per annum.

Utilising waste heat

Swisscom has signed two agreements in Zurich to supply waste heat from its own commercial buildings. This led to 5.7 GWh of thermal energy being supplied to the neighbouring areas as district heating in 2014 (prior year: 5.8 GWh). This measure saved 570,000 litres of heating oil (prior year: 580,000 litres) and avoided the CO₂ emissions that would have been generated. Waste heat from the new data centre in Berne Wankdorf is also fed into the city of Berne's district heating system and directly heats neighbouring homes and offices. This reduces the CO₂ emissions of these homes and offices.

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Mistral project

cooling telephone exchanges using fresh air

Mistral achieves energy savings equivalent to the consumption of 9,000 offices and apartments or

45
GWh p.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
%

Energy savings for customers thanks to improved devices

Life-cycle assessments produced by Swisscom in recent years have identified the following three aspects as the main environmental impact factors for networks and devices:

- › **Energy consumed** by devices through customer use
- › **Energy consumed** producing the devices
- › **Energy consumed** by network elements

The energy consumed by customer devices is extrapolated to 250,000 MWh based on the volumes sold, the energy consumption of each device and the typical usage profiles. As regards energy consumption, Swisscom on the one hand makes its customers aware of the many different opportunities for saving energy and on the other hand offers concrete solutions:

- › **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. The aim of the campaign is to optimise the energy consumption of devices such as modems, routers and TV set-top boxes by using the correct settings. Swisscom is supporting the campaign by informing its customers and explaining energy-optimised settings on its website.
- › **Efficient set-top boxes for TV customers:** From November 2012 to the spring of 2014, Swisscom supplied all TV set-top boxes pre-set in power-saving mode. These devices consume only 0.4 watts of electricity in their lowest stand-by mode, which represents average energy savings of around 50% compared with predecessor models. This measure does not lead to any disadvantages for customers, as the only difference is that the start-up time of the boxes is a little longer in power-saving mode.
- › **Swisscom TV 2.0:** Swisscom launched Swisscom TV 2.0 in 2014, which no longer stores recordings on the set-top box itself, but in the cloud. As a result the new box does not need a hard disk, which means that it consumes around 36 kWh or 40% less energy than its predecessor model. Swisscom has also provided Swisscom TV 2.0 customers with detailed information on the most energy-efficient settings for the new set-top box for day-to-day use and when they are on holiday.
- › **Internet box:** Swisscom launched its Internet box at the end of 2013 and offered its customers special services for the new broadband Internet during the reporting year. The Internet box also offers opportunities to save energy. A time switch allows users to set times during which the Wi-Fi, the central storage function or the telephony (DECT) will be switched off. Moreover, thanks to the Internet box fewer devices are used in the home network, which significantly reduces electricity consumption. The box replaces the multiple devices that used to be required to connect computers, TVs and HD fixed-line telephony.
- › **Ecomode plus:** Cordless phones with Ecomode plus emit only minimal levels of radiation. Almost all of the cordless phones sold by Swisscom are now models with Ecomode plus.



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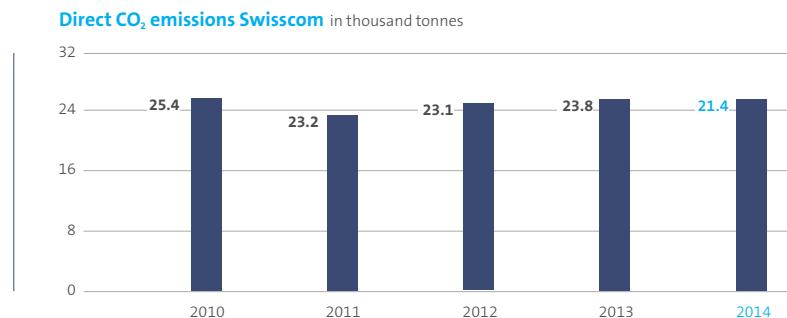
**CO₂ savings achieved
thanks to Green ICT services**
Thanks to Green ICT services
our customers have made CO₂ savings of

**Energy savings achieved
thanks to Green ICT services**
These companies will also have made
combined energy savings in 2014 totalling

323,000 t 70.4 GWh

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

Swisscom follows a clear policy to combat the consequences of climate change and applies the internationally recognised definitions of the Greenhouse Gas Protocol (GHG). It classifies its CO₂ 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 CO₂ emissions resulting, for example, throughout the supply chain).



Swisscom maintains a greenhouse gas inventory according to the ISO 14064 standard:

- **Scope 1 emissions:** Direct consumption of fossil fuels accounts for 17.9% of Swisscom's total direct energy consumption (prior year: 19.9%). Scope 1 CO₂ emissions have fallen by 17.5% since 1 January 2010 to 21,380 tonnes in 2014, without adjustment for the number of heating days. Vehicle fuel accounts for 51% of this, and heating fuel for 49%. Scope 1 also factors in emissions from refrigerants of 271 tonnes (prior year: 226 tonnes). Swisscom does not include emissions from SF₆ losses in electrical transformers and stations, as these systems are not controlled by Swisscom.
- **Scope 2 emissions:** The electricity mix used in Switzerland by Swisscom is not generated from fossil fuels and so is free from CO₂ emissions. Under Scope 2, Swisscom therefore does not emit any CO₂ as a result of electricity consumption, but has a share of 794 tonnes of CO₂ from district heating.
- **Scope 3 emissions:** Swisscom determined its greenhouse gas emissions in 2014 in accordance with all Scope 3 categories, excluding the following categories: 10 processing of sold products, 13 downstream leased assets and 14 franchises. These categories are not relevant, as Swisscom does not manufacture any products, does not operate any distribution centres (downstream leased assets) and does not operate any franchises. Swisscom's CO₂ emissions according to Scope 3 amount to 449,589 tonnes.

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See
www.cdproject.net/
en-us

See
www.swisscom.ch/gri-2014

Swisscom publishes its greenhouse gas inventory and has it externally certified in a climate report. This report is structured in accordance with the ISO 14064 norm. This report not only provides information on CO₂ emissions, but also on the effects of implemented saving measures. It also calculates the CO₂ emissions that can be avoided by companies and residential customers if they use the myclimate-certified ecologically friendly ICT services. Finally, the climate report includes a balance sheet of emissions and reductions. The ratio of reductions to emissions at the end of 2014 is 0.77, which is slightly better than that of the previous year (0.72).

Swisscom is also involved each year in the Carbon Disclosure Project (CDP). The information gathered through the CDP regarding emissions and Swisscom's work in the protection of our climate is available on the CDP platform. This year, Swisscom was included in the Carbon Disclosure Leadership Index (CDLI) and the Carbon Supplier Climate Performance Leadership Index (SCPLI).

Other environmental aspects in the company

Paper

Swisscom distinguishes between the deployment of short-life and long-life materials, and is committed to reducing the environmental impact of short-life materials, in particular paper. Swisscom uses recycled paper with the "Blue Angel" environmental quality seal in its offices and only paper with the FSC Seal (Forest Stewardship Council) for other purposes such as invoices, advertising and print media. The company significantly reduced paper consumption by switching to bi monthly customer invoicing and paperless online billing. For printouts at its offices, Swisscom introduced "follow-me printing", which helped to reduce paper consumption. It also used 34 g/m² paper with the "Blue Angel" environmental quality seal for telephone directories. Paper consumption for telephone directories is on the decline as significantly fewer directories are being printed.

In tonnes	Quality	2012	2013	2014	2014 in %
Domain					
Office (copiers, printers)	Blue Angel ¹	170	143	130	1.7
Print media	FSC Seal	3,884	3,498	3,225	43.3
Bills and envelopes	FSC Seal	466	456	424	5.7
Phone directories	Blue Angel	4,244	662 ²	3,670	49.3
Total paper consumption		8,764	4,759	7,449	100.0

¹ 75% in 2014, 100% previous years

² Telephones directories outside perimeter Swisscom (shift to LTV and takeover of LTV by Swisscom in 2014)

Cables, optical fibres and wooden poles

Network construction necessitates the use of long-life materials such as cables and optical fibres. In 2014, Swisscom used the following materials in its fixed network: optical fibres, copper pairs and eco-friendly polyethylene piping. Swisscom also installed wooden telephone poles which are treated with copper and chromium-containing preservatives. Three partner companies guarantee these telephone poles are disposed of in an environmentally friendly way at the end of their useful life.

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in km, tonnes or number	Unit	2012	2013	2014
Material				
Glass fibre	km	1,090,000	1,140,509	1,377,471
Copper pairs	km	145,797	110,458	104,032
Plastic pipes PE	km	831	745	810
Copper	Tons	1,302	987	992
Plastic pipes PE	Tons	798	716	774
Telephone poles (wood)	Number of items	5,931	6,659	8,789

Water

Swisscom projects its water consumption levels by multiplying the average measured in 1995 in its largest buildings by the number of FTEs. The average measurement was updated in 2014 and is significantly lower than before (115 l per FTE per day in 1995 in comparison with approx. 40 l per FTE per day). In the sanitation area, levels have decreased accordingly (see table of environmental performance indicators, page 36). The only business process in which water is used is cooling. Water as an environmental indicator thus carries little weight for Swisscom. In order to cool the return air in its data centres, Swisscom uses dry cooling. Hybrid or adiabatic (i.e. through evaporation) systems to cool return air are only used in exceptional cases. In accordance with an internal directive issued in September 2011, preference must be given to rain water or, if permitted, river/lake water in such cases. In the case of new data centres, the proportion of rain water used for cooling return air must be higher than 80%, and operation of the return air coolers using water may not exceed 15% of the total annual operating time. Water used for cooling therefore accounts for significantly less than Swisscom's total water consumption.

Cooling systems and cooling agents

Swisscom is in the process of replacing all compression cooling systems that use cooling agents at its telephone exchanges with the advanced Mistral cooling system. Mistral cools telecommunications equipment throughout the entire year using only fresh air and does not require any cooling agents whatsoever. Around 85% of Swisscom's telephone exchanges have already been retrofitted with Mistral. Swisscom is also increasingly cooling its transmitter and mobile base stations without the use of compression cooling systems. Compression cooling systems with cooling agents are only in operation at the data centres, with Swisscom checking regularly that they are free of leaks. Cooling agent emissions in the year under review, determined by the refill volume was 128 kg (prior year: 88 kg). It has a global warming potential (GWP) of 271 tonnes CO₂ equivalent (prior year: 221) and an ozone depleting potential (ODP) of 0 kg R-11 equivalent (prior year: 0 kg). The global warming potential of cooling agents is described in a separate climate report written in accordance with ISO 14064. Swisscom requires the use of natural cooling agents for the conversion or development of data centre cooling systems. If no other option is available, Swisscom uses agents with a very low global warming potential.

Efforts to reduce direct CO₂ emissions between 1990 and 2015 using the following measures:

- > Building renovations
- > Low-consumption vehicles
- > Mobility management

60
%

Batteries and emergency power systems

Swisscom services must also be available in the event of power outages. To ensure availability, it has installed batteries and emergency power systems at telecommunications buildings and data centres. Swisscom regularly reviews the prescribed security measures in the battery rooms to prevent any possible danger to the environment through the use of batteries. At the end of their useful life, Swisscom has the batteries disposed of and recycled in an environmentally friendly manner. The emergency power systems are only used during power outages and for a few hours during annual test runs. The necessary fuel consumption is included in the overall figure of the fuel consumption of Swisscom.

Packaging

Swisscom now sends TV set-top boxes as non registered parcel post. This measure and the smaller size of the new boxes have reduced shipping volumes by 52% and shipping weight by 16%. The sophisticated packaging design dispenses entirely with foam inserts without affecting the protective function of the packaging itself.

Waste and recycling

Swisscom minimises the volume of waste it produces by carefully selecting materials and extending the useful life of products. A contract is in place with the Swiss Waste Exchange for the disposal and recycling of waste. Special waste is disposed of by authorised companies in accordance with legal requirements. Waste is sorted into 16 different types, which fall under the four main categories of recycling, disposal of household and operational waste in waste incineration plants and special waste disposal. Leftover cables and building materials are sorted on site and disposed of directly. The volume of household waste is calculated by multiplying the number of full-time equivalent employees at Swisscom in Switzerland by the average Swiss consumption.

In tonnes	2012	2013	2014	2014 in %
Waste categories				
Recycling	1,660	1,625	1,863	50.0
Domestic waste disposal in incineration plants	1,293	1,356	1,443	38.7
Operational waste disposal in incineration plants	155	235	404	10.8
Special waste	20	10	17	0.4
Total waste	3,128	3,226	3,727	100.0

Internal guidelines are in place to govern the recycling and disposal of network infrastructure in compliance with the law and in an environmentally friendly manner. Swisscom also uses recycled materials: the individual locations use recycled paper and the head office uses rain water and district heating from the nearby purification plant, and Swisscom also reuses routers where possible.

Soil and biodiversity

The base and transmitter stations ensure that the whole of Switzerland can use telecommunications, radio and TV services. In some cases, these stations are located outside populated areas. Six transmitter stations are on the edge of protected areas and two (0.4%) in protected areas of national significance (moor landscapes, water and migratory bird reserves, Ramsar and Emerald sites), and 62 base stations (1%) in protected areas, two of which are located in the Swiss National Park.

Only a few square metres of the surface are sealed for the construction of a base or transmitter station. In isolated cases, the stations may impair the natural scenery, even if Swisscom makes every effort to integrate them in the best way possible. Other impacts from the stations have not been detected. All base and transmitter stations were approved by the relevant authorities. When Swisscom dismantles decommissioned transmitter stations, it rehabilitates the ground in accordance with internal guidelines issued by Swisscom Broadcast Ltd. In 2014, Swisscom dismantled ten stations and rehabilitated the ground. The stations in question were used exclusively for broadcasting analogue TV signals and are no longer required.

Swisscom supports a number of partners who work to protect the soil and biodiversity. This support takes the form of financial assistance as well as assistance through the personal efforts of employees on site during Nature Days. These Nature Days are part of the corporate volunteering programme "Give & Grow". In 2014, Swisscom employees clocked up a total of 600 volunteer days for nature and landscape conservation. Swisscom also provides technical services to support the Swiss National Park.

Other air emissions

Besides CO₂ emissions, the burning of fossil fuels for heating and transport also produces NO_x and SO₂ emissions. These emissions are calculated using the relevant conversion factors and depend on the amount of vehicle fuel and heating fuel consumed. Swisscom is reducing NO_x- and SO₂ emissions by continually optimising heating boilers and drive motors. The emissions are listed in the table of environmental performance indicators.

Environmental performance indicators in Switzerland

	Unit	2012	2013	2014
Land/buildings				
Net floor space (NFS)	million of m ²	0.91	0.92	0.92
Paper consumption				
Total paper consumption	Tonnes	8,764	4,759	7,449
Water/sewage				
Water consumption ¹	m ³	466,581	475,701	183,537
Energy, electricity				
Electrical energy consumption ^{2,3}	Terajoule	1,471	1,435	1,470
	GWh	409	399	408
Energy, heating⁴				
Heating oil	Terajoule	149.3	155.2	122.7
Natural gas	Terajoule	22.4	25.2	26.4
District heating	Terajoule	29.3	27.3	22.9
Heating, total	Terajoule	201.0	207.7	172.0
Energy, fuel⁵				
Petrol	Terajoule	31.6	22.2	16.4
Diesel fuel	Terajoule	114.0	126.4	129.8
Natural gas	Terajoule	2.3	1.0	2.9
Total fuel	Terajoule	147.9	149.6	149.1
Vehicles	Number	3,372	3,628	3,377
Kilometers driven	million of km	60.5	62.3	62.7
Average carbon dioxide CO ₂ emission ⁶	g per km	131.0	123.0	117.0
Energy, total				
Energy consumption	Terajoule	1,820	1,792	1,791
	GWh	505	498	498
Air emissions				
Carbon dioxide CO ₂ -eq from the consumption of fossil energies ⁷	Tonnes	23,077	23,835	21,380
Nitrous gases NO _x ⁸	Tonnes	22.4	23.8	23.7
Sulphur dioxide SO ₂ ⁹	Tonnes	5.0	5.2	5.2
Waste				
Total amount of waste	Tonnes	3,128	3,226	3,727

¹ The water consumption is extrapolated on the basis of the average rate of 115 litre per FTE per day, resp. 40 from 2014 on.

² Energy conversion: 1 terajoule (TJ) = 0.278 gigawatt hours (GWh).

³ The power consumption 2012 was adjusted.

⁴ The heating energy consumption is based on a forecast of monthly measures of the consumption of 62 buildings (with a total floor space of over 48%).

⁵ The fuel consumption was adjusted from private use. The km driven, energy consumption and the air emissions were adjusted accordingly.

⁶ Average emissions per kilometre refer to manufacturer's indications.

⁷ CO₂ emissions from consumption of fossil energies, without district heating and refrigerant fluid. Swisscom published a complete climate report according to ISO 14064.

⁸ From Mobitool (www.mobitool.ch), car traffic, national 5-200 km, direct use, load 1.25,

fuel consumption 6.23 litres per 100 km (2013), 6.01 (2014).

⁹ 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).

Work-life balance

Swisscom supports customers in their efforts to achieve a sustainable way of living and working. This includes offers for mobile working and a health platform. Swisscom is thus committed to promoting a Switzerland that offers room for living.



Environment, objectives and management approach

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

Swisscom aims to give one million customers the opportunity to pursue a mobile form of working by 2020, and hopes to gain one million new customers for its services in the healthcare sector. As part of its management approach, Swisscom has internal departments and policies in place to review and establish criteria for services and platforms in the healthcare sector and for mobile working.

Offers for flexible working

37

Flexible working

Flexible working boosts productivity by giving employees the opportunity to choose the most suitable place to work, for example, at a home office in order to complete tasks requiring a high level of concentration. Employees are also able to use travel and waiting times more productively as part of flexible working.

Flexible working also increases job satisfaction and improves personal well-being through a strong work-life balance. Appointments with a doctor or mechanic are easier to reconcile with work compared to rigid working models. Finally, flexible working makes it easier to participate in volunteer work in associations or daytime leisure activities like outdoor sports, as employees can catch up on work in the evening.

From 1 January 2015, Swisscom will expand its model of flexible time management with an offer for purchasing holiday. This model allows employees to purchase up to 10 additional days of holiday leave, thus increasing their individual flexibility.

Great potential through mobile working and acyclic commuting

In recent years, Swisscom has studied the benefits of mobile working in depth, for example in the study "WorkAnywhere". During the reporting year, it shifted its focus to gaining an overview of the status of mobile working and acyclic commuting in Switzerland. On a company level, Swisscom has created the phase model FlexWork. It divides mobile working into five phases, while accounting for the infrastructure and culture of each company. A representative survey based on this model conducted among service- and knowledge-oriented companies and administrations shows that:

among 25% of companies surveyed mobile working is the exception, 35% are currently in the process of introducing it and for 16% mobile working is already an established part of the working day. Only 2% of the companies surveyed are what are referred to as network companies, where mobile working is already the norm. Mobile working is somewhat more common in large enterprises than it is in small and medium-sized companies. However, there is a much wider range of implementation among SMEs, as this group also has the greatest trendsetters for mobile working.

On an individual level, around 54% of the Swiss workforce has the opportunity for mobile working. Around 1.35 million people in Switzerland are currently engaged in mobile working "very frequently" (11% of around 4 million workers), "frequently" (12%) or at least "occasionally" (11%). Around 54% use our broadband connections for mobile working, i.e. around 750,000 people, and approximately one million employees regularly take advantage of this opportunity. In Switzerland, a total of around 42 million work days are completed at a home office.

The following services support mobile working:

- › **Conferencing services:** the traditional conferencing services. These can now be supplemented with functions such as screen sharing for group presentations.
- › **Managed Communications & Collaboration:** the communications solution that is integrated into the personal workspace. It allows for web and videoconferencing, screen sharing and joint editing of documents, and also includes chat functions and information on the presence status.
- › **Vidia:** a high-resolution videoconferencing solution, which can be used on any available screen.
- › **Remote access:** remote access to the company's network. This service enables employees to work with company documents and data regardless of their location or the time.
- › **Providing information to and raising the awareness of customers and the wider population:** In 2014, 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 advisor 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 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 more sustainably in daily life.

See
www.wwf.ch

Offers in the healthcare sector

Digital health for a healthy Switzerland

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Swisscom networks the Swiss healthcare sector through secure solutions for the digital exchange of information. For this purpose, Swisscom is pursuing three main strategies: Firstly, it helps service providers such as doctors and hospitals to increase efficiency through digitised medical and administrative processes and secure data communication. Secondly, Swisscom is contributing to a sustainable healthcare system. It promotes the standardisation of the exchange of medical data and the expansion of the eHealth infrastructure for a healthy and future-oriented Switzerland. Thirdly, Swisscom is offering its customers new technological opportunities for health-conscious living.

Lower healthcare costs through digitisation

Healthcare costs continue to spiral in Switzerland at a seemingly unstoppable rate. Total expenditure rose by 5.3% year-on-year in 2014. According to the Swiss Federal Statistical Office, 11.5% of GDP is spent on healthcare. One reason behind the high cost of healthcare is the lack of extensive digitisation in the healthcare sector. Experts estimate that around 250 million paper documents are sent every year in the Swiss healthcare sector, with faxes and letters still the standard mode of communication. Herein lies major savings potential. Swisscom commissioned PricewaterhouseCoopers PwC to investigate the potential savings by studying general practitioners and two hospitals. As the study showed, savings can be made in the referral process from the general practitioner or specialist to the hospital and in the subsequent discharge reports. According to PwC, digitising all these processes would reduce processing costs by around 90%. In Switzerland, this would correspond to over CHF 100 million, while increasing the quality of healthcare at the same time.

An ambitious goal

During the reporting year, Swisscom set the following group goal in the CR area: by 2020, Swisscom aims to be supporting one million customers through offers and services in the healthcare sector. The 2015 annual report will provide initial quantitative data on this for the first time. Currently, some 1,600 doctors, 32 hospitals and 16 Spitex firms use Swisscom services as customers. In addition, several thousand private individuals use Evita, the digital health dossier from Swisscom. Swisscom's platform for occupational health management already operates in over 60 companies.

Health Centre

The Swisscom Health Centre is part of Swisscom's social responsibility. It is a platform dedicated to the personal health of Swisscom employees and offers applications for personal health management and prevention. Swisscom also offers the Health Centre to other companies who wish to actively promote the health and well-being of their employees.

Online platform for operational health management

The Swisscom online platform for occupational health management (OHM) is available to companies of any size, allowing them to promote health and well-being within the company. Employees take a comprehensive health test with an integrated coaching call and thus work on their health completely anonymously. Personal data is saved in the Evita dossier and the users also benefit from special offers.

Evita – the online health dossier from Swisscom

The online health dossier from Swisscom provides access to doctor and hospital health data as well as to patients' own records. All personal medical data and documents of the patient are stored securely in one place and can be accessed online at any time. Swisscom develops solutions to enable patients, service providers and cost bearers to exchange administrative and medical data digitally. The Evita online health dossier and the networked solution curaX make this exchange possible and reduce costs as well as saving time and resources. Internal and external processes, the exchange of information and data storage also become more efficient and more secure.

Promoting health among the population

Those who want to lead a healthy life must exercise on a regular basis and participate actively in popular and mass sporting events. Swisscom subsidiary Datasport makes a significant contribution to ensuring that many of these events run smoothly. Each year, Datasport services over 300 events in the fields of running, walking, cycling, mountain biking, in-line skating, triathlon/duathlon, cross-country skiing and Alpine skiing. As a one-stop provider, it is responsible for data management, notification procedures, collection, time recording results services, speaker and information systems and information dissemination.

Low-radiation communications technology

Advice and information on wireless technologies and the environment

Seven trained Swisscom employees provide advice to people who are involved in the construction and operation of mobile networks. They also advise stakeholder groups seeking general information on wireless technologies, the environment or health. During the reporting year, Swisscom held more than 640 discussions with key stakeholder groups on the subjects of mobile communications and the environment. These discussions are generally motivated by local projects.

Research and development in the area of electromagnetic fields

The operation of wireless networks entails a great deal of responsibility for Swisscom. Swisscom follows scientific progress in the area of electromagnetic fields and works with internal and external specialists. It analyses research findings and supports relevant scientific work.

For example, Swisscom works with and financially supports the Swiss Research Foundation for Electricity and Mobile Communication (FSM) based at the Federal Institute of Technology in Zurich. FSM employs four qualified members of staff. It continually monitors and interprets the latest research published on the effect of electromagnetic fields on organisms and the measurement of emissions.

Based on current knowledge, scientists consider the current limits for electromagnetic fields as safe. Additional information is available in the WHO Fact Sheets No. 193 and No. 304.

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

Certification of the quality assurance system for compliance with ONIR limits

Swisscom is required to operate a quality assurance system (QAS) for its mobile base stations to ensure that the stations 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. An assessment and monitoring audit of the QAS was carried out by an external auditor mandated by SGS (Société Générale de Surveillance) in November 2014. Swisscom passed the audit, scoring a capability level of 4 (good) out of a maximum of 5, which means that the processes relevant for the QAS are "targeted and measurable".

The legal obligation to limit emissions from mobile communication installations in Switzerland is set out in the Ordinance relating to Protection against Non-Ionising Radiation (ONIR), the aim of which is to protect people against harmful or undesirable non-ionising radiation. The ordinance applies to the operation of fixed installations that emit electrical and magnetic fields with frequencies between 0 Hz and 300 GHz. The ONIR limits are 10 times lower than those in the most other countries. In 2014, Swisscom was in 100% compliance with the ONIR limits. The responsible cantonal offices conducted random checks to ensure that the limits are being observed.

Duty to provide information on products offered at points of sale

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 website. Swisscom is under no legal obligation to provide this information. Instead it is meeting a customer need to know the level of radiation when selecting a device. As at December 2014, all mobile telephones offered by Swisscom comply with a limit of 2 W/kg; 75% are under 0.8 W/kg (prior year: 51%), and 45% are even below 0.6 W/kg (prior year: 31%).

Media skills and security

Swisscom enables and shapes Switzerland's information society which everyone in Switzerland should be a part of. Its infrastructure and services allow people to communicate and interact in both the public and private sectors at any time. Swisscom is committed to protecting minors in the media.



Environment, objectives and management approach

Swisscom's aim is that everyone in Switzerland should have access to the opportunities offered by digital media. The company strives to ensure reliable network access in every location in Switzerland. In this context, Swisscom places a special focus on the promotion of media skills, not only in the company's efforts in the area of youth media protection, but also through various initiatives which aim to bridge the "digital divide".

Swisscom will continue to pursue this aim in 2015, championing a healthy information society that adds value in line with the federal government's strategy. Swisscom is thus confident that Switzerland as a business location, the Swiss education system and the entire population will continue to benefit from a progressive ICT landscape.

Data protection

The customer data that Swisscom deals with is 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 tasks and concerns for Swisscom. The Data Protection Declaration explains how Swisscom handles personal data in the context of its website and e-mail activities. Swisscom adheres strictly to the law. It collects, stores and processes only such data as is required for the following purposes: 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"). 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, it raises awareness among its employees through data protection training and equips them to implement the requirements of data protection rigorously. The persons responsible for security within the company have also completed a comprehensive project with the aim of improving data protection. They reviewed all access rights to critical customer data, reissued these rights and set up a system to identify whether attempts to access critical customer data are legitimate. Swisscom will in future continue to do everything in its power to protect its customers' data by means of optimisations in technology, organisation, processes and employee training. Swisscom is aware of its responsibility for data protection. In bringing in new technologies and in meeting new needs, Swisscom will continue to exercise the required sensitivity and assume its social responsibility as a companion in the networked 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 many new opportunities. 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. Instead, it supports parents and teachers by providing a wide range of information, resources and products. The private sphere plays a particularly important role in youth media protection. Children and young people who disclose private or even intimate information on social networks are often unaware of the repercussions this may have.

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

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 therefore 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 recommended a list of youth media protection measures in addition to the legal requirements, which Swisscom has pledged to comply with. For example, Swisscom provides filtering software for the Internet, carries out its obligation to actively provide customers with information, shows a willingness to engage in dialogue with organisations committed to youth media protection and has appointed a youth media protection officer.

However, an evaluation of the industry initiative through the programme "Youth and Media", which was carried out by the Federal Social Insurance Office (FSIO), found deficiencies in its implementation and enforcement. Swisscom is grateful for the critical feedback and has taken direct measures to improve the areas where deficiencies were identified. For example, it launched a major training initiative to further improve the preparation sales staff receive as regards addressing the special needs of concerned parents. In 2015, Swisscom will participate in a round table discussion organised by the industry organisation asut. This event will serve as a forum for various interest groups to discuss further measures for improving youth media protection.

Swisscom goes beyond the legal requirements for youth media protection:

- 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 blocking set at least once a year. A blocking set prevents 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 blocking set is automatically activated for young subscribers under the age of 16 and can only be deactivated with the consent of their parent or legal guardian.

Youth media protection and support initiatives

The measures Swisscom has taken in the area of youth media protection minimise many of the risks that arise when children use media. The company 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 for parents, teaching staff and pupils:** The courses are held on parents' evenings and as part of further 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 1000 media skills events with over 25,000 participants throughout Switzerland in 2014.
- **The JAMES Study:** The JAMES Study investigates the way in which media is used by young people aged between 12 and 19. In 2014, Swisscom, in cooperation with the Zurich University of Applied Sciences (ZHAW), conducted the third nationwide "JAMES Study". 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. 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 the programme "Youth and Media", 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 firmly believes that co-operation between the public and private sectors is particularly important in the field of youth media protection and therefore provides financial and communications support for the programme.

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 now also offers a modular course for secondary school pupils (year 7 to year 9) and a flexible module for primary school pupils (year 4 to year 6). Teachers can choose from a range of 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. This service again met with a great deal of interest in 2014. The experience and feedback gained have been positive, with the recommendation rate exceeding 97%.

The effectiveness of the media courses has been evaluated by a study carried out in collaboration with the Swiss Distance University of Applied Sciences (FFHS) under the leadership of Prof. Per Bergamin. The study shows that students who only have limited prior knowledge benefit particularly from the media courses. After the course, 47% of the young participants make sure to use more secure passwords. 38% gain a better understanding of the legal situation on the web as a result of their visit.

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. The academy is also mobile and present at additional locations every year. In 2014, over 16,000 people attended courses on how to use modern communications media. Since the launch of Swisscom Academy, some 295,000 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 the courses, Swisscom is playing an important role in reducing the digital generation gap.

Promoting media skills

Swisscom promotes the responsible use of new media.

Since 2008, the courses offered by Swisscom have been attended by

295,000 participants in academy and media courses

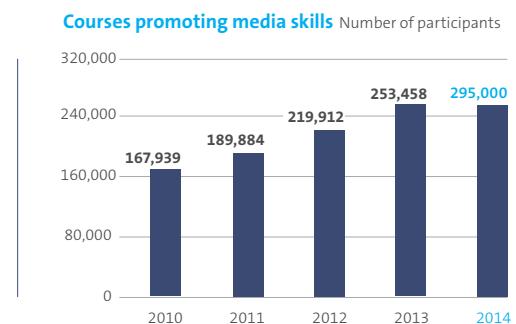
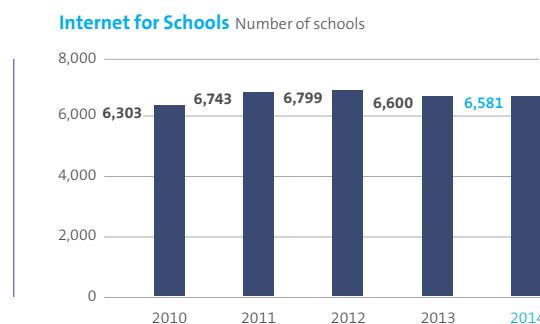
“Internet for Schools” initiative

Digital media are becoming ever more important in Swiss schools. Swisscom’s “Internet for Schools” initiative is a response to the increased needs of schools and cantons, which is why the range of services is constantly being expanded. Thanks to Swisscom, all primary and secondary schools in Switzerland already benefit from a broadband Internet connection. For some years the initiative has also been helping kindergartens being integrated into primary schools as part of the intercantonal HARMOS concordat to take their first steps into the digital world. 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 since 2008 through its own “Internet for Schools” initiative and in consultation with the relevant public bodies. Swisscom aims to work together with schools, cantons and federal offices to create an efficient and sustainable architecture for the future ICT landscape of the Swiss education system.

The number of schools benefitting from the “Internet for Schools” initiative declined slightly in 2014 (6,581 schools), as the consolidation of schools in many municipalities continued in the reporting year – owing in particular to the wave of mergers of municipalities in Switzerland. The number of pupils and teachers involved in the initiative 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 firewalls and content filters on a user-pays basis. The costs per school amount to CHF 780 per year, although Internet access is free.

Schools are now running ICT infrastructures on an increasingly more professional scale. This raises the question of what a school or canton should do itself and what could be outsourced. This is why Swisscom has developed a portfolio specifically for schools that offers information on the needs schools typically have and that is geared towards meeting the cantons’ requirements. Swisscom knows there is a limit to schools’ finances and offers schools heavily discounted pricing models as it continues its efforts to promote education.



Swisscom has added various educational institutions to its network over the past few years, enabling it to recognise the needs of schools early on during the ICT integration process. Swisscom cultivates this network through dialogue and events, in particular with the following institutions:

- Education server educa and the Swiss education server edukanet
- 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

Attractive employer

People and their relationships are at the heart of everything we do at Swisscom. Working with its staff is what makes Swisscom successful.



Swisscom operates in a dynamic and demanding market environment shaped by rapid technological development and changing customer requirements. As demographic and social trends are also influencing personnel resources, Swisscom employs the progressive management of human resources, lives out a corporate culture focused on services and development and creates a working environment that motivates employees to realise their potential in the context of the mission statement.

In a multimedia society, our employees' specialist knowledge, flexibility and willingness to change play a vital role in the implementation of Swisscom's corporate strategy. Customer focus, and thus the trust placed by customers in Swisscom and our employees, is key to remaining competitive in the long term. This is why Swisscom consistently focuses on meeting customer requirements. This calls for employees who can develop clear targets and work in mixed, cross-divisional teams to put them into practice, while never losing sight of our customer promise to be a companion in the networked world.

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Environment, objectives and management approach

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. In collaboration with line management and the Compensation & Benefits, Development, Employment Relations and Recruiting & Employability competence centres, the HR departments of each individual division implement the guidelines and support the line in all personnel-related matters, from hiring 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 conducts management development, succession planning and employee development in collaboration with the operating units as part of strategic personnel planning.

It is also responsible for all 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 help shape 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 healthy performance orientation. In this way, Group Human Resources makes a key contribution to the implementation of the corporate strategy.

Staff development

Swisscom's market environment is constantly changing. The company invests in professional training for employees and managers in order to maintain and improve their employability and the company's competitiveness in the long term. Employees are supported in their development by a wide range of on-, near- and off-the-job development options as well as internal programmes and training courses. In 2014, Swisscom bundled its internal programmes and training courses in a Group-wide learning centre, which is accessible to all employees via their own, dedicated learning environment. Around half of all internal options can also be completed in an electronic form, regardless of location or time.

The training content covers technical, management and project management topics. As part of talent management, around 10% of the top performers in the target groups have completed such an internal programme or training course. On-the-job training via job moves and work experience periods is becoming increasingly important. Even now Swisscom fills almost 43% of advertised vacancies internally. It also welcomes opportunities for employees to attend external further training courses, providing financial support and granting time off for such studies.

Swisscom management sees staff development as a crucial element of its management responsibility. Regular dialogue between employees and management helps to provide guidance in a complex, networked working world. It also strengthens the joint commitment to learning and development and helps to agree and realise medium-term staff development measures. To assess and promote employee performance and development, Swisscom will continue to develop its Performance Management System in line with requirements. Performance appraisals are carried out according to fair principles and cover a wide range of criteria based on binding agreements on objectives. In order to obtain as broad a basis as possible for performance and development evaluations, management teams hold twice-yearly calibration rounds. Performance can be assessed systematically and further development steps laid down in these rounds. They also address succession plans for key functions and the placement of talent in specially designed talent programmes that encourage development by offering talented employees challenges beyond their own departments.

In 2014, Swisscom launched its Leadership Academy, which offers executive staff the opportunity to get to grips with both individual and overarching management issues and enhance their expertise in dialogue with other managers.

Employee training in general and in the area of corporate responsibility

In 2014, Swisscom employees attended an average of 3.8 days of training and/or further occupational development. Swisscom also regularly trains employees on relevant topics, including security, compliance and corporate responsibility. For example, Swisscom raises awareness of ecological and social issues among new hires at its Welcome Days. Swisscom apprentices used the "Hello Future" motto to raise the awareness of Swisscom's sustainability goals among 150 teams in 2014. As part of this campaign, the teams were encouraged to specify and implement their own contribution to sustainability.

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 volunteering projects in the fields of nature (Nature Days), social responsibility (Social Days) and economy (Economy Days). Swisscom employees can dedicate up to two days of their working time to voluntary work each year. A total of 1,655 volunteer days were clocked up in 2014.

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 networked 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, Swisscom cultivates close contact with universities and schools of applied sciences. Attending 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 177 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. The fact that some 60% of trainees and interns are women is particularly pleasing.

Vocational training

Two hundred and fifty-six young people began their apprenticeships with Swisscom in August 2014, of which 107 were in ICT jobs in mediamatics and IT. Swisscom is thus Switzerland's largest trainer of ICT professionals. At the end of 2014, 849 apprentices in technical and commercial apprenticeships were working at Swisscom as well as an additional 73 apprentices at its subsidiary cablex. With special offerings for girls, Swisscom helps to introduce girls in secondary school to ICT as a professional field. Eighty-nine girls took part in the Digital Days for Girls in Berne and Zurich. When apprenticeships started in August 2014, Swisscom for the first time offered Matura holders the chance of a shorter Way-up apprenticeship in mediamatics. Swisscom wants to give its future retail employees an additional chance of assuming responsibility during their apprenticeships. So in August 2014, it opened a Swisscom Shop in Düdingen that is run and managed by apprentices. In order to promote language diversity, Swisscom encourages apprentices to join projects in other language regions. The Swisscom training model is geared towards independence and personal accountability and aims to promote and develop the personality of every apprentice. Apprentices take an active role in devising their training so that it fits their individual priorities, and they apply within the company for different practical placements and learn from experienced employees during such placements.

Inclusion and integration services

Swisscom actively supports employees whose job performance may be impacted by health issues. The aim is to retain them as employees and to offer them continued meaningful employment. At present, around 0.6% of Swisscom's workforce are involved in such programmes. To further support and strengthen these inclusion measures, a contingent of FTE-exempt positions has for the first time been available from the autumn of 2014. Swisscom's aim is to create and occupy Workability jobs and integration positions for at least 1% of the workforce.

Staff recruitment outside of Switzerland

As a Swiss company, Swisscom is committed to the Swiss employment market. In order to meet customer needs and remain competitive, Swisscom is prepared to work together with both domestic and international recruitment partners, on the condition that they satisfy Swisscom's requirements as regards local labour legislation and sustainability. Swisscom does not directly recruit staff from outside of Switzerland.

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 Group Executive Board and management staff all contribute to the success of OHM, which has resulted in a slight fall in the staff absence rate since 2012; in the reporting year, it stood at 2.8%. Swisscom wants to achieve a staff absence rate that either remains constant or declines further in 2015. Due to a slight upward trend in non-work-related accidents, a campaign has been launched in conjunction with Suva, which will run for three years. The campaign has a number of different elements, including protectors and helmets for various sports as well as an initiative to "cut risks on winter days". Further details and performance indicators can be found in the table "Employees in figures".

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As a result of the positive trend in 2013, the premium rates for work-related accidents, non-work-related accidents and the insurance for daily sickness benefits insurance were reduced as of 1 January 2014.

The aim of the ConCerto project, which Swisscom launched in collaboration with the Federal Social Insurance Office (FSIO), was to promote the reintegration of employees who had suffered ill health or an accident. The three organisations Compasso, Think Tank FER and ConCerto-pro will continue the project. Under the leadership of the sponsoring body Compasso they want to exploit synergies in order to maintain the employability of people with health problems. Compasso will begin operations on 1 January 2015. Its role is to support employers in identifying employees with health problems at an early stage and coordinate measures to reintegrate employees who have fallen ill or suffered accidents. Swisscom actively supports Compasso as a member and sponsor.

The number of disability cases in 2014 fell by 26% in comparison to previous years. Through cooperation with integration partners and the heightened involvement of Group Human Resources, several trainee positions and internships were able to be filled once again. These positions are open 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. In 2014, Swisscom held an internal roadshow across many locations in Switzerland, in order to raise further awareness of its health and prevention measures. In addition, Swisscom employees enjoy the benefits of the Swisscom Health Centre themselves in line with the motto "Use what you sell".

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, the CEA grants the employee associations a right to be informed. The employee associations and social partners also have a right of consultation with regard to the prevention of work-related accidents and occupational illnesses and safety. Various Swisscom 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.

Codetermination rights are systematically implemented, especially in the area of safety. The company complies with the internal standards set out in the Swisscom safety system and, supported by the legal compass, conscientiously adheres to external standards. The employee associations are represented at the quarterly meetings of the Safety Board.

Number respectively as indicated	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Sickness and accidents GRI (S+A)									
Average Number of FTE	11,840	4,412	16,252	12,095	4,356	16,451	12,595	4,570	17,165
Regular working days	2,999,153	1,125,614	4,124,768	3,054,809	1,107,753	4,162,562	3,183,404	1,162,790	4,346,194
Days lost due to sickness (w/o work-related sickness)	57,796	42,146	99,942	59,829	41,291	101,120	59,918	42,568	102,486
Days lost due to work-related sickness	2	–	2	8	–	8	28	–	28
Days lost due to work-related accidents	2,294	552	2,846	1,890	425	2,314	3,012	242	3,254
Days lost due to non-work-related accidents	11,031	4,055	15,086	11,573	5,009	16,582	11,347	4,142	15,489
Days lost total (S+A)	71,123	46,753	117,876	73,299	46,724	120,024	74,305	46,951	121,256
Number of cases of sickness	15,024	10,235	25,259	15,549	9,677	25,226	14,951	9,419	24,370
Work-related accidents	266	52	318	251	55	306	243	44	287
Number of non-work-related accidents	1,742	599	2,341	1,822	618	2,440	1,879	623	2,502
Total cases	17,032	10,886	27,918	17,622	10,350	27,972	17,073	10,086	27,159
Share of days lost due to sickness (w/o work-related sickness)	1.93%	3.74%	2.42%	1.96%	3.73%	2.44%	1.88%	3.66%	2.36%
Share of days lost due to work-related sickness	0.0001%	–	0.00004%	0.0002%	–	0.0002%	0.0009%	–	0.0007%
Number of work-related accidents	0.08%	0.05%	0.07%	0.06%	0.04%	0.06%	0.09%	0.02%	0.08%
Share of days lost due to non-work-related accidents	0.37%	0.36%	0.37%	0.38%	0.45%	0.40%	0.36%	0.36%	0.36%
Share of days lost total (S+A) in %	2.37%	4.15%	2.86%	2.40%	4.22%	2.89%	2.33%	4.04%	2.80%
Work-related deaths	–	–	–	–	–	–	–	–	1
Net presence in FTE	121,024	43,901	164,925	123,338	43,503	166,841	129,002	45,680	174,682
Total productive hours performed	20,437,207	7,466,206	27,904,715	20,749,395	7,372,945	28,123,072	21,708,650	7,742,911	29,452,423
Productive time per FTE in hours	1,726	1,692	1,717	1,716	1,693	1,710	1,724	1,695	1,716

The risk of work-related accidents has declined over the past ten years. In the tertiary sector “trade and services”, the frequency of accidents is 50 per 1,000 full-time employees and has remained relatively stable. Swisscom has a rate of 16 accidents per 1,000 full-time employees, which underlines that Swisscom manages its occupational safety in a serious and conscientious manner. Around 60% of the work-related accidents at Swisscom occur at cablex, which is involved in the areas of network construction, radio networks and in-house installation. However, in comparison with other companies in the electrical network construction/electrical installations sector, cablex' accident frequency falls within the average range.

Move! and the Swisscom Games

Move! is a programme that promotes activities in the areas of health, sport and culture, such as football, skiing, climbing or Aikido, Tai Chi and yoga as well as elocution, writing and stress management lessons. Employees can become Move! coaches or take part in an activity. Activities are conducted during the employees' free time. Move! broadens employees' horizons and gives staff the opportunity to meet their colleagues from different areas of the company. In 2014, 140 Move! coaches offered and supervised 291 activities.

The Swisscom Games are a biennial event. Employees have the option of enrolling for a team or individual activity in the fields of sport, culture and society. Two events were held as part of the last Swisscom Games in 2013: the Winter Games in Davos and the Summer Games in Tenero. A total of around 4,000 employees took part in the two events. The Swisscom Games are a key networking opportunity for employees and an important part of the corporate culture. The next Swisscom Games will be held in 2015 with nine regional events across the whole of Switzerland, in addition to the main event in Tenero.

Diversity

Living and promoting diversity

Diversity management is a concept that is extremely important within an international working environment. 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.

Diversity champions an open working environment, in which employees are treated with respect and everyone is free to develop and reach their full potential. Diversity also means that teams combine a broad range of knowledge and experience. Swisscom sees diversity as something it must commit to internally within the company, as well as externally with its customers and partners. In the interest of diversity management, Swisscom is also committed to utilising the broad range of knowledge and experience of all its employees for the benefit of the company. 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 can arrange their daily work to suit their needs and to fit in with other areas of their lives. 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 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. The solutions promoted by Swisscom include flexible and mobile work and flexible working hours, which the majority of employees take advantage of. In addition, Swisscom offers annual working hours, a long-term working-time account, part-time working for women and men, as well as job sharing. All of these models are being supported by Swisscom. Employees may also work from home with the consent of their line manager. Swisscom bears the label "home office friendly". 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. Paternity and adoption leave are also granted. In 2014, Swisscom developed two new models to improve the way in which different aspects of employee's lives can be balanced: work-&care, aimed at employees who care for relatives in their homes for a certain period of time, and the option of buying additional holidays.

82.3% of Swisscom's workforce are Swiss nationals. The remaining 17.7% are made up of employees from 96 different countries, including 5.5% from Germany, 3.7% from Italy, 2% from France and 1% from Spain. This represents altogether 97 countries.

The average age of the population and hence the average age of Swisscom's workforce is increasing. This poses opportunities as well as risks, which Swisscom addresses with its Generation Management initiative.

Swisscom's corporate culture is characterised by openness and tolerance. Swisscom considers sexual orientation to be an important aspect of diversity. One isolated case of discrimination was reported in 2014.

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. The company honours its social responsibility and is committed to the integration of people with impairments. In doing so, Swisscom expands the effectiveness of diversity. It also offers training and integration services which enable employees to rejoin professional life after health- and accident-related absences. Around 0.6% of Swisscom employees currently suffer health problems. The company targets a quota of at least 1% of all staff.

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. As the average age of the wider population is steadily increasing, Swisscom has launched so-called BestAge projects. These projects address the needs of older employees and customers and are implemented in call centres and shops. One such project for example, sees older employees advising older customers. Swisscom has also established 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 are also deployed in network construction as quality assurance specialists.

In the interests of employability management, Swisscom also supports employees in developing an awareness of and seizing opportunities to develop their skills and expertise. The company supports intergenerational communication primarily by promoting collaboration in teams and projects, and via management programmes focussing specifically on intergenerational dialogue.

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 that collects information and draws up basic principles in order to establish sustainable demographic management. Its members have developed a variety of practical solutions that could be put to good use by the participating companies.



Diversity @ Swisscom
Swisscom employs people from

97
nations

Equal pay

Swisscom takes great care to ensure equal pay for men and women. Its salary system is structured in such a way as to award equal pay for the equivalent duties, responsibilities and performance. Individual functions are assigned to function levels according to their requirements. For each function level, a salary band is defined that 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. This continually levels out salary differences. 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.

Swisscom also uses the federal government's equal pay tool (Logib) to conduct periodic reviews of its salary structure, in order 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 that was set up by the employer and employee umbrella organisations in association with the federal government and ran until February 2014. Its objective was 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.

 See
www.lohngleichheitsdialog.ch

The protection of human rights within the Swisscom Group

The protection of human rights is an integral part of Swisscom's corporate culture. There is no or only very little risk of human rights being breached within the Swisscom Group. Swisscom employs more than 18,272 FTEs in Switzerland and 2,391 FTEs in Italy, with no human rights risks having been identified at these locations. A further 462 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. Swisscom only employs a small number of staff from the "risk countries" listed by the rating agencies (for example Romania, Malaysia and South Africa). Moreover, 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.

 See Sustainability Report
page 58

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Employee satisfaction

Swisscom conducts an employee job satisfaction survey every two years. In 2014, 83% of Swisscom employees in Switzerland took part. The results again revealed an above-average level of job satisfaction and a high level of employee commitment at Swisscom. The employees gave all of the areas under review a significantly better average score than in the 2012 survey, and some of the scores were above average compared to other companies in the sector. This is all the more notable given the fact that Swisscom has undergone significant change since the last survey.

Change in headcount

The number of employees in Switzerland increased to 18,272 FTEs in 2014 (+5.0% compared with 2013) and comprises 26.7% women and 73.3% men, a 5.9% increase in the proportion of women. The proportion of women in middle management increased slightly in 2014 (+21 FTEs or +7.3%), while the proportion of women in top management was unchanged. The percentage of women at all management levels is 12.8% (headcount).

The age pyramid by gender remained similar year-on-year in 2014. The absence rate fell marginally for both men and women in 2014 to 2.8% (0.09 percentage points).

Pension fund

At the end of 2014, some 18,300 Swisscom employees and 6,300 pensioners were insured under comPlan. In 2014, comPlan posted a positive net return on assets of 4.9% (prior year: 8.9%). On 31 December 2014, the market value of fund assets amounted to CHF 8.3 billion (prior year: CHF 7.8 billion). In accordance with Swiss accounting standards for pension funds, the funding ratio is around 111% (prior year: 106%).

In January 2014, the Foundation Council approved the implementation of new BVG 2010 actuarial tables. These are intended to help the pension fund adopt a new strategy to absorb the risks associated with increased life expectancy as well as low interest rate levels. comPlan took the opportunity to issue new pension fund regulations and implement a new investment strategy.

Fringe benefits

All Swisscom employees enjoy fringe benefits in the form of a personal allowance on Swisscom services, including telephony, Internet and Swisscom TV services, and a Swiss Federal Railway's (SBB) half-fare travel card. These fringe benefits are offered irrespective of function or whether the employee works full time or part time. Apprentices also receive an allowance. Swisscom also supports external childcare facilities through financial contributions and by providing access to free counselling services through the familienservice® family service. To assist working parents during the school holidays, Swisscom offers holiday childcare weeks at selected locations throughout Switzerland. It also pays the employer's pension fund contribution for unpaid leave for up to a maximum of three months.

Supplementary regulations governing management staff

Members of management have the opportunity to take partly paid leave (sabbatical) of up to three months, depending on their length of service in management. Swisscom pays their salary for 30 working days and now also offers coaching. The employment contract remains valid, and managers are guaranteed to be able to return to their current function.

Members of management are also exempted from the obligation to pay a contribution to the collective insurances for illness and accident as well as management staff risk insurance in the event of death.

Employees in figures

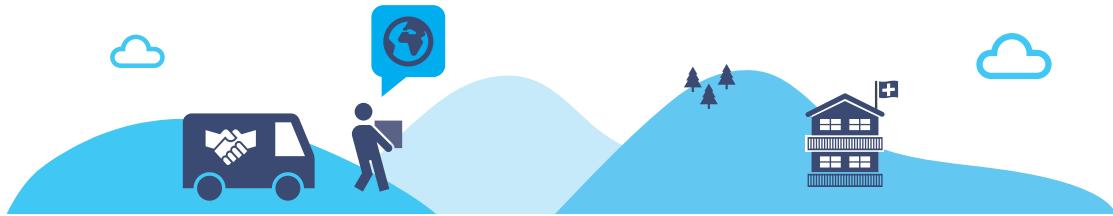
The following table shows the various key personnel figures for the years 2012 to 2014 in accordance with the GRI requirements, version 4, broken down by gender. The indicators relate to the staff employed in Switzerland (excluding Axept Webcall Ltd, CT Cinetrade Ltd and LTV Yellow Pages Ltd; see scope of the report). Shareholdings outside of Switzerland were not taken into consideration.

Number respectively as indicated	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
GRI-Manpower FTE in Switzerland									
Personnel hiring (temporary employee)	1,242	462	1,704	1,230	440	1,670	1,163	402	1,565
Personnel hiring FTE (Full Time Equivalents)	1,190	446	1,636	1,169	395	1,564	1,083	357	1,440
Fixed-term contracts of employment	32	28	60	47	26	73	38	32	70
Permanent contracts of employment	11,798	4,302	16,100	12,127	4,349	16,476	12,689	4,601	17,290
Average workforce according to the GRI scope	—	—	16,449	—	—	16,816	—	—	18,035
Employees in FTE according to GRI scope per end of decembre	—	—	16,269	—	—	17,362	—	—	18,272
Thereof employees included in the following analysis (= workforce)	11,830	4,330	16,160	12,173	4,376	16,549	12,727	4,633	17,360
Gender proportion in total workforce	73.2%	26.8%	100.0%	73.6%	26.4%	100.0%	73.3%	26.7%	100.0%
Employees with full-time employment	11,028	2,926	13,954	11,332	2,982	14,314	11,772	3,128	14,900
Employees with part-time employment	802	1,404	2,206	841	1,394	2,235	955	1,505	2,460
Rate full time employees of total workforce	93.2%	67.6%	86.3%	93.1%	68.1%	86.5%	92.5%	67.5%	85.8%
Rate part-time employees of total workforce	6.8%	32.4%	13.7%	6.9%	31.9%	13.5%	7.5%	32.5%	14.2%
Number of employees in collective employment agreement (CEA)	9,546	4,047	13,593	9,799	4,070	13,869	10,280	4,316	14,596
Rate collective labour agreement (CEA) to total workforce	80.7%	93.5%	84.1%	80.5%	93.0%	83.8%	80.8%	93.2%	84.1%
Average age	42.8	39.8	41.9	42.6	39.7	41.8	42.8	39.9	42.0
Number of employees in Top Management	110	11	121	92	8	100	92	8	100
Number of employees in Middle Management	2,150	269	2,419	2,231	286	2,517	2,338	307	2,645
Rate of employees within Management (headcount)	89.0%	11.0%	100.0%	88.2%	11.8%	100.0%	87.2%	12.8%	100.0%

Number respectively as indicated	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Fluctuation in Switzerland									
Leavings (w/o fixed term contracts)	1,126	510	1,635	1,221	558	1,779	1,008	485	1,493
Leavings < 30yrs. old (w/o fixed term contracts)	221	167	387	225	184	409	227	180	407
Leavings 30 – 50 yrs. old (w/o fixed term contracts)	663	269	932	682	267	949	567	233	800
Leavings < 50yrs. old (w/o fixed term contracts)	242	74	316	314	107	421	214	72	286
Rate of Leavings < 30 yrs. old	19.6%	32.7%	23.7%	18.4%	33.0%	23.0%	22.5%	37.1%	27.3%
Rate of Leavings 30 – 50 yrs. old	58.8%	52.8%	57.0%	55.9%	47.8%	53.3%	56.3%	48.1%	53.5%
Rate of Leavings > 50 yrs. old	21.5%	14.5%	19.3%	25.7%	19.2%	23.7%	21.2%	14.8%	19.2%
Enterings (w/o fixed term contracts)	1,109	339	1,448	1,553	597	2,150	1,507	723	2,230
Enterings < 30yrs. old (w/o fixed term contracts)	295	169	464	641	344	985	572	373	945
Enterings 30 – 50 yrs. old (w/o fixed term contracts)	717	153	870	811	226	1,037	804	290	1,094
Enterings > 50yrs. old (w/o fixed term contracts)	97	17	114	101	27	128	101	27	128
Rate of Enterings < 30 yrs. old	26.6%	49.9%	32.0%	41.3%	57.6%	45.8%	38.0%	51.6%	42.4%
Rate of Enterings 30 – 50 yrs. old	64.7%	45.1%	60.1%	52.2%	37.9%	48.2%	53.4%	40.1%	49.1%
Rate of Enterings > 50 yrs. old	8.7%	5.0%	7.9%	6.5%	4.5%	6.0%	8.7%	8.3%	8.6%
Further KPI									
Education and training days	–	–	54,441	–	–	72,136	–	–	68,831
Number of days training and education per employee (headcount)	–	–	3.2	–	–	4.2	–	–	3.8
Maternity and paternity leave	405	215	620	373	175	548	439	217	656
Minimum full time salary according to the CEA	45,500	45,500	45,500	52,000	52,000	52,000	52,000	52,000	52,000
Highest paid salary (CEO Swisscom)	–	–	–	–	–	–	–	–	–
Performance Dialogues	98.9%	98.5%	98.8%	96.6%	97.7%	97.0%	97.1%	95.6%	96.7%

Fair supply chain

Swisscom's partners supply the company with goods and services worth approximately CHF 5 billion a year. Fair and efficient partnerships with suppliers who share its social and ecological objectives and values are important to Swisscom. Swisscom works together with its suppliers to protect the environment and is aiming to improve the working conditions of more than two million people by 2020. To this end, Swisscom has entered into international partnerships which ensure that measures are implemented in close collaboration with suppliers.



Environment, objectives and management approach

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

Swisscom is committed to improving the working conditions of its suppliers' employees and to ensuring compliance in the supply chain with ecological standards. It expects its direct suppliers and their sub-suppliers to commit to acting in a sustainable manner.

The principles that 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. Swisscom revised its purchasing policy in the year under review. It now covers an order volume of 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. This system was expanded conceptually in 2014 and will in future cover all risk areas along the supply chain.

See
[www.swisscom.ch/
gri-2014](http://www.swisscom.ch/gri-2014)

Supplier risk management

Risk management system

As part of the Supply Chain Risk Management 360 (SCRM 360) project, Swisscom ran a pilot test with the Cloud-based Supply Risk Network (SRN) platform in the first half of 2014. The solution will be implemented in stages in 2015. The comprehensive SCRM 360 approach will enable Swisscom to reduce the risks it is exposed to not only in terms of the environment and society, but also in terms of finances, security, logistics and quality. Swisscom continuously checks external data sources using individual, weighted score cards (featuring more than 50 risk indicators). If a top 100 supplier and many upstream suppliers breach a pre-defined threshold, the purchasing organisation is automatically notified. Top 100 suppliers are selected based on the following criteria: purchase volume, strategic importance and risk profile of the product group.

In 2014, Swisscom reviewed the product groups from the perspective of Corporate Responsibility. It decided to maintain the current risk structure and has completed a critical revision of the list of suppliers in high-risk product groups. Of these, all of the major suppliers are already registered on the e-tasc platform from EcoVadis. For potential supply partners and invitations to tender, Swisscom continues to use the implemented process. From 2015 the new Cloud-based platform SRN will also enable a first estimate of a supplier's overall risk.

Swisscom intends to phase in the overall concept in the first quarter of 2015, including the introduction of a supply chain crisis management organisation.

Risk management procedure in the supply chain

Swisscom does not assess the risk of every supply partner. Instead, it uses a filtering process to determine the effective risk potential at an early stage, while at the same time reducing the number of supply partners to be assessed.



Filtering process: Risk management procedure in the supply chain

In the first stage of the filtering process, Swisscom assesses all product groups in terms of their ecological and social risks using clearly defined criteria, with the individual product groups being assigned to one of three risk profiles – low, medium or high.

In the second stage Swisscom then identifies the supply partners whose goods have been assigned to the product groups with high- and medium-risk profiles. It reviews the risks of these supply partners individually using clearly defined criteria. Goods belonging to a category with medium and high risks are also used to determine the risk of potential supply partners. The results of the assessment are then taken into account when deciding on a possible collaboration.

Overview and requirements of risk management in the supply chain



¹ The suppliers are classified according to the product groups.

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

Corporate Responsibility Contract Annex

In 2014, 96% of the total order volume came from suppliers that had accepted the CR Contract Annex (CRCA). In 2015, Swisscom will continue its efforts to identify the suppliers who have not yet signed the CRCA. The proportion of suppliers who have signed the CRCA remains stable at a high level. Swisscom will therefore refrain from publishing the above figure next year.

Self-declarations/self-assessments

As part of two campaigns, Swisscom registered and assessed 31 suppliers on the e-tasc platform from EcoVadis, bringing the total number of assessed suppliers on the platform as at the end of 2014 to 101. Of the 101 assessed suppliers, 34 have not yet met expectations in terms of CR. Swisscom has therefore set up a corrective action plan (CAP) for them that documents potential improvements. After 12 to 24 months, Swisscom will decide which suppliers need to be reassessed. By the end of 2014, 19 suppliers had started working on the CAP via the platform, with some having already completed their efforts. One supplier was classed as high-risk but no longer maintains a business relationship with Swisscom. Further processing will thus only be carried out if a new contract is concluded. Swisscom exceeded its objective for 2014 to assess 101 suppliers on the e-tasc platform. In 2015, Swisscom intends to register further key and strategic suppliers as well as high- and medium-risk suppliers in e-tasc.

Audits

Swisscom is a member of the Joint Audit Cooperation (JAC). Swisscom carried out three audits in 2014 as part of its collaboration with the 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, 35 audits of suppliers were carried out within the JAC network (prior year: 38). 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:** Audits are based on information that must be obtained in advance via the company to be audited.
- **Qualified auditors:** Audits are carried out by international auditing companies that have specialist knowledge of the social and environmental conditions particular to the country in question.
- **Confidentiality:** Confidentiality agreements are signed with suppliers, so audit results are only known to JAC members.
- **Methodology:** The JAC members create a checklist based on the SA 8000 (including in relation to working conditions, health and safety, environment, business ethics, management system) and ISO 14001 standards. On-site audits with the relevant dialogue partners are also taken into account.
- **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 shortcomings. The respective JAC member follows the implementation of these measures until they have been successfully completed.

In 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 and the exchange of best practices help to optimise the Corporate Responsibility assessments and make the JAC initiative more efficient. The JAC steering committee, which is made up of representatives from the senior management level of the respective CR and sourcing areas, meets twice a year to review the audit campaign and decide on how to proceed.

Audits results

A limited number of instances of non-conformity and various types of non-compliance were noted in the audits carried out in 2014. The instances of non-compliance mainly concern working hours, occupational safety, wages and health/security. The audits also identified several cases of discrimination and the employment of minors. The time period for rectifying the problems depends on the type of non-compliance.

Due to the impact on the human resources of the company concerned, rectifying irregularities with respect to working hours in particular (for example limiting regular working hours and overtime) requires several months.

Swisscom achieved its JAC audit objectives for 2014 in part and conducted three audits. One audit had to be postponed. The collaboration with the JAC will continue in 2015; Swisscom plans to contribute 6 audits.

The Joint Audit Cooperation network has conducted a total of 146 audits in 15 countries on five continents since 2010, of which 35 took place in the year under review. The audits covered 540,000 employees in total and identified 922 cases of shortcomings, with 317 yet to be resolved. The audits identified the following number of shortcomings:

Number of problems	2012	2013	2014
Health and safety	62	68	93
Working hours / overtime	52	73	83
and "Worksheet emissions factors combustion", FOEN, 2005 (in german).	31	64	50
Child and juvenile labour	10	10	13
Remuneration	18	9	23
Environment	11	30	33
Forced labour and discrimination	7	10	22

Of the total 922 shortcomings, 279 were published during the 2014 reporting year. 83 of the outstanding cases were connected to issues involving working hours. 55 of these 83 shortcomings occurred in the years 2010 to 2013, and 28 in 2014. 234 identified shortcomings fall into other categories. Of those, 98 occurred in the years 2010 to 2013, and 136 in 2014. The shortcomings in terms of under-age workers relate to noisy environments, excess hours or night shifts, but not child labour. The cases of discrimination that have been highlighted involve inadequate formalisation of contracts, but no cases of forced labour. Environmental shortcomings refer to missing environmental reports and improper waste disposal.

The individual JAC members are continuously addressing these shortcomings. The collected data is updated regularly and discussed in the steering committee.

Carbon Disclosure Project (CDP) – Supply Chain Program

In the year under review, Swisscom continued its cooperation with the Carbon Disclosure Project (CDP) – a non-profit organisation founded in 2000. The organisation wants companies to publish relevant 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 CO₂ 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 47 of its key suppliers. The suppliers surveyed have a high order volume or a high degree of environmental relevance. The response rate was 85%, thus allowing the survey to be brought to a successful completion (in the previous year, the response rate from all suppliers was 52%). In the fourth quarter of 2014, the CDP analysed the responses and applied a scoring system to rate the suppliers who took part. The results are partly incorporated into the e-tasc platform from EcoVadis and serve as a 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 International (SAI) SA 8000 standard, which include child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, discipline, working hours and remuneration.

Climate risks from CO₂ emissions

Climate change poses risks, for example 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 Swisscom's market chances and operations. Swisscom's greenhouse gas inventory shows that the majority of its CO₂ emissions are attributable to the supply chain, a fact Swisscom takes account of in its strategic priority on climate protection.

Raw materials

The raw materials used in Swisscom's various products stem from a wide range of countries and regions. Questions on the origin of the raw materials used and the associated ecological and socio-logical 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 Annual General Meetings of the WRFA in St. Gallen and the WRF in Davos.
- **October 2013:** Dialogue with the NGO "Bread for All" and participation at the "High Tech – No Rights" symposium in Berne.
- **2014:** Preliminary enquiry into involvement with Fairphone. Involvement is planned for 2015 with the launch of second-generation end devices.

See
www.worldresourcesforum.org

In 2014, Swisscom revised the content of its purchasing policy. If necessary, the company will also review the CR Contract Annex in 2015.

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Purchasing Circle – embedding corporate responsibility in the organisation

The Purchasing Circle is a series of events for Swisscom purchasing staff. In 2013, the first Circle took the form of a conference on "Challenges for a sustainable supply chain". The programme included keynote presentations from external guests and internal CR managers and a podium discussion. Swisscom purchasers also visited the "Umwelt Arena" ("Environment Arena"), an exhibition platform in Spreitenbach (canton of Aargau) for sustainable solutions. Swisscom continued the Purchasing Circle concept with three additional events in 2014.

A networked Switzerland

Swisscom plans to achieve ultra-fast broadband coverage of 85% of homes and offices by 2020, with 99% of the population enjoying ultra-fast mobile broadband. Aside from the direct added value it provides, Swisscom's investment in Switzerland also indirectly contributes around CHF 30 billion to the country's GDP and helps to create and maintain some 100,000 jobs.



Environment, objectives and management approach

Swisscom's investments not only create around CHF 5 billion a year of added value for itself, but also benefit other companies in Switzerland and thus indirectly constitute an important contribution to the competitiveness and prosperity of the country.

In the summer of 2013, the Boston Consulting Group (BCG) calculated the impact of investments by telecommunication companies on gross domestic product (GDP) and employment – two key macroeconomic indicators – on behalf of the European Telecommunications Network Operators Association (ETNO). The calculations were based on eleven recent academic studies, five of which focused on the impact of telecoms companies on GDP, six on the impact on employment levels. In collaboration with the BCG, Swisscom applied the calculation model and findings to its own situation. Swisscom's impact on employment in Switzerland as calculated by the BCG is reduced by a factor of 1.8 compared with other countries, due to high salaries (calculations are based on annual average salary).

In 2014, Swisscom invested around CHF 1.75 billion in Switzerland's telecoms infrastructure. Swisscom is planning to invest several billion Swiss francs in Switzerland between 2015 and 2020. According to the BCG model, Swisscom will indirectly contribute more than CHF 30 billion to GDP in this period, in addition to the total added value of around CHF 35 billion it creates for itself (CHF 5 billion per year for seven years). Moreover, Swisscom will support the creation and preservation of 100,000 jobs.

The figures and targets will be obtained and measured as part of the business plan process and through the annual segment information and added value calculations as published in the Annual Report. The BCG will be able to review and adjust the calculation model in line with new academic findings if required.

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 was 1,000 kbps (download speed) in the year under review. 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 foregoes any financial settlement in compensation for the uncovered costs of basic service provision.

	Unit	2012	2013	2014
Number of public payphones ¹	Number	5,800	4,834	4,453
Emergency calls	in thousand	3,053	2,284	2,716
Calls to the service for visually impaired/hard of hearing	in thousand	540	515	463

¹ Of which 3,105 (2014), 3,307 (2013), 3,514 (2012) within the scope of basic service provision.

Net neutrality

Together with other network operators and the trade association Swisscable, Swisscom has established a code of conduct for an open Internet. The signatories of the code of conduct have made a public commitment to net neutrality and an open Internet. The code lays down that all users in Switzerland should be able to use the content, services, applications, hardware and software of their choice. No services and applications will be blocked and freedom of information and expression will not be limited on the Internet in any way.

The code also stipulates that operators may engage in network management for quality assurance purposes and to enable special offers for customers. There is also to be scope for prioritising, if the customer so wishes, services with time-critical requirements, such as IP telephony, television, emergency calls, videoconferencing or future telemedicine applications, where data has to reach the customer as quickly as possible,

Social and cultural commitments

Throughout its history, Swisscom has had close ties with Switzerland and the local population, so its commitment is a matter of tradition. Swisscom's social commitment covers three areas: public affairs, events and sponsoring, and corporate responsibility.

Swisscom's commitment

Swisscom's long-term sponsorship activities are focused on promoting sport and cultural events to a wide audience. Therefore, Swisscom's sponsorship activities are spread across all regions of Switzerland and appeal to a wide range of target groups.

Public Affairs

Swisscom Public Affairs fosters communication with the municipalities and cantons throughout Switzerland. The team members are organised locally, primarily provide information on infrastructural issues and Swisscom commitments and listen to the concerns addressed at a cantonal and municipal level. In addition to one-on-one meetings and discussions, Swisscom maintains contact with politicians and the authorities via regular publications (municipal newsletters) and e-mail newsletters. Swisscom organises information events in various cantons covering a wide range of topics (e.g. data security and using electronic media).

The construction and expansion of mobile communications infrastructure repeatedly leads to local conflict due to concerns being raised by residents. The work of Swisscom Public Affairs mainly focuses on providing knowledge and information about mobile communications and related wireless applications. As part of this, Swisscom not only deals with enquiries from the authorities and politicians, but also attends to the concerns of the general public, affected neighbours, companies and homeowners. In order to continue developing the mobile communications infrastructure in line with customer requirements while keeping a dialogue open with local stakeholders, Swisscom has worked together with the industry to develop and introduce a voluntary participation procedure which will help to determine new mobile communications sites. Swisscom has already launched this dialogue model in a number of cantons. Swisscom Public Affairs also maintains a regular exchange with environmental agencies in order to ensure that environmental regulations for mobile communications are correctly put into practice.

Swisscom participates in national working groups and committees that focus on ensuring improved broadband provision in peripheral regions. For example, Public Affairs and Public Policy represent Swisscom in the Federal Office for Communication (OFCOM) Broadband Working Group and on the Teleworking Committee of the Schweizerische Arbeitsgemeinschaft für Berggebiete ("Swiss Consortium for Alpine Regions").

Festivals, museums and foundations

In 2014, together with Radio Energy, Swisscom presented ten “life sessions” featuring exclusive concerts that attracted more than 50,000 visitors. Swisscom also supports the medium of film in its capacity as the principal sponsor of the Locarno International Film Festival and offers film fans discounted admission to Kitag cinemas with the Carte Bleue. The company is also a member of the Board of Trustees of the Museum of Communication in Berne, which gives visitors an insight into the communication of the past, present and future. Visitor surveys show that the museum is highly regarded as a family-oriented and interactive museum. The temporary exhibition “Rituale” (“Rituals”), which opened in November 2013, welcomed 31,375 visitors in the space of eight months. Swisscom is a sponsor of the Sasso San Gottardo foundation and the principal sponsor of the exhibition which covers the topics of mobility and the living environment, safety, water, energy, weather and climate. As part of the first Sasso San Gottardo forum, the Young Leaders for Sustainability Club was launched in 2013. Its purpose is to bring young management professionals from business, science and politics together to address questions on the topic of sustainability. In 2014, the club held two events on the premises of Swisscom and the SBB which drew some 80 happy participants and speakers. An event on the topic of “Big Data for Good” is planned for 2015.

Sports

Swisscom’s sporting sponsorship focuses on winter sports. As the principal sponsor of Swiss-Ski, it helps Swiss winter athletes reach peak performance in downhill and Nordic skiing, snowboarding, freestyle and telemark skiing. As part of its partnership with Swiss-Ski, 20% of Swisscom’s annual sponsorship fees go towards fostering the development of junior talents. Swisscom has also developed a downhill training programme for junior talents, which is focused on systematically selecting and fostering the skiers of tomorrow. It also aims to create training opportunities to provide the Swisscom Junior Alpine Ski Team with ideal preparation for the Junior World Cup. As the official telecoms partner of all Swiss FIS World Cup events, Swisscom is boosting Switzerland’s status as both a venue for sporting events and a haven for winter sports.

Football also plays a significant role in Swisscom’s commitment to sport. Thanks to Swisscom and Teleclub, more Swiss football is now being shown live on television than ever before. Swisscom TV broadcasts in excess of 200 Swiss football matches every season.

Not only is Swisscom the partner of the Swiss Football League, it also supports ten clubs in the Super League and nine in the Challenge League. Swisscom’s collaboration with the Swiss Football League is geared towards a long-term and future-oriented partnership.

Promoting start-ups and social entrepreneurship

Swisscom provides start-ups with comprehensive, long-term support, not only prior to and during the launch period, but also on their way to becoming an established company. By doing so, Swisscom plays an important role in ensuring that the Swiss economy remains competitive. In addition, Swisscom encourages development and innovation in the Swiss SME segment, and supports up-and-coming talent through commitments on startups.ch, the Institute for Young Entrepreneurs, and through regional economic development measures. Swisscom also maintains partnerships with the Swiss Venture Club, the Swiss Economic Forum and the Swiss Innovation Forum. Swisscom is increasing its commitment in the field of social entrepreneurship, as exemplified by its partnership with the Coworking Space HUB Zurich.

Swisscom's commitment to start-ups

- > **Startups.ch:** partner of Switzerland's largest online portal for company founders.
- > **Institute for Young Entrepreneurs (Institut für Jungunternehmen, IFJ):** partner of eleven years of the biggest national platform for start-ups
- > **BlueLion Foundation Zurich:** co-founder of the foundation, which has the largest ICT and clean-tech incubator in Switzerland
- > **BaseCamp4HighTech co-operative:** co-founder of the co-operative launched by the canton of Berne to promote high-tech start-ups
- > **Startup Weekend Association:** gold sponsor of the Startup Weekend Association: supports events in Zurich, Berne, St. Gallen, Basel and Lucerne by providing financial assistance and coaches
- > **Lift Conference Geneva:** "official sponsor"
- > **Coworking Space Impact HUB Zurich:** communication partner of the Coworking Space Impact HUB Zurich, the forum for sustainably oriented founders of start-ups (social entrepreneurs)

Corporate giving and people in need

Swisscom documents its close ties to Switzerland through its Corporate Giving strategy. The company maintained its long-standing partnerships with Swiss Solidarity (Glückskette) and 143 The Samaritans (Die Dargebotene Hand) in the reporting year.

The devastating damage caused by persistent rainfall in the area of the former Yugoslavia in the spring of 2014 moved Swisscom's Group Executive Board to offer swift help. As a result, Swisscom made a donation of CHF 500,000 to Swiss Solidarity. Swiss Solidarity uses these funds to support activities and measures in the affected region that not only help to reduce suffering in the short term, but also to rebuild the region in the long term.

In the autumn of 2014 Swisscom combined a customer survey in the residential customer segment with a donation campaign, which raised CHF 300,000 for Swiss Solidarity, WWF Switzerland and SOS Children's Villages.

 See
www.swiss-solidarity.org

Swiss Solidarity (Glückskette)

The Swiss Solidarity foundation is Switzerland's humanitarian solidarity and fund-raising platform. It is supported by the radio and television broadcasting organisation SRG SSR and works closely with private and print media. Swisscom has been a partner of Swiss Solidarity since its foundation in 1946 and supports the work of the charity's 30 partner relief agencies.

143 The Samaritans (Die Dargebotene Hand)

143 The Samaritans helps vulnerable and distressed people 24 hours a day, seven days a week. More than 600 staff – mainly volunteers – take more than 155,000 phone calls a year, offering a helping hand to callers who find themselves in desperate situations. People in need of help have long been able to contact 143 The Samaritans via channels other than the phone, with the number of enquiries received via e-mail and personal chat rising continuously. Swisscom makes a significant contribution to 143 The Samaritans by providing financial support and services, as well as supporting the central secretariat and 14 regional offices.

 See
www.143.ch

Swisscom offerings for people with health problems

Swisscom wants everyone in Switzerland to have barrier-free access to the latest communication tools. It therefore makes a substantial contribution to ensuring that disadvantaged people can partake in Switzerland's information society.

Swisscom Shops comply with stringent requirements concerning wheelchair access. Swisscom Shop employees also have to be able to recognise what requirements a specific disability may entail. To help them with this, Procap Schweiz provides accessibility trainings. In addition, Swisscom continuously introduces measures to optimise the accessibility of its shops.

Swisscom endeavours to offer a range of end devices that gives people with impaired hearing or vision a real choice. It therefore constantly updates its device and service portfolio. The range includes, for example, the Emporia mobile phone, a smartphone with on-screen voice support for visually impaired people, and the multi-modal customer service contact option.

Anyone unable to use the current subscriber directory due to physical impairments can be connected via the short number 1145 at no extra cost. Swisscom provides this service free of charge as part of the basic service provision.

People who are hard of hearing can take advantage of a transcription service. This service makes telephone calls possible between the hard of hearing and those who can hear normally, and is offered free of charge in association with the organisation procom. It is also part of the basic service provision.

Swisscom continues to be committed to ensuring its website offers barrier-free access to all. As part of the technical redesign of its website, Swisscom has already implemented key guidelines for barrier-free content in the form of the Web Content Accessibility Guidelines WCAG 2.0. Swisscom will also incorporate other recommendations in the upcoming phases of the website redesign and is aiming to receive AA certification from the "Access for all" foundation.

Offerings for people with limited financial resources

Swisscom supports people with scarce financial resources via two offerings. Young people under 26 can benefit from a reduced-tariff plan, with an additional credit limit for subscriptions for those under 18. Swisscom also offers subscriptions with very low basic subscription charges for older people. As older people continue to use new communication technologies less frequently than young people, these subscriptions only generate costs when the customer uses a communications service.

Energy and climate pioneers

The Energy and Climate Pioneers initiative provides classes from pre-school to secondary school with the opportunity to realise their own climate protection projects. Swisscom originally launched the initiative together with Solar Impulse and the climate foundation myclimate under the name "Climate Pioneers Initiative". The initiative encourages children and young people to get involved and make an important contribution to protecting our climate. In 2014, SwissEnergy, the network organisation of the Swiss Federal Office of Energy (SFOE), became a partner of the initiative. SwissEnergy adds the issue of energy to the scope of the initiative and its offering for schools. As a result of this new partnership, the name of the initiative has been changed to "Energy and Climate Pioneers Initiative".

The Energy and Climate Pioneers Initiative is supported by two well-known patrons: Bertrand Piccard and André Borschberg, who plan to fly around the world in their solar-powered plane Solar Impulse in 2015 and set a marker for the use of renewable energies.

By the end of 2014, 5,000 energy and climate pioneers had realised more than 250 projects throughout the whole of Switzerland.



www.energie-klimapioniere.ch
www.pionniers-energie-climat.ch

Solar Impulse

André Borschberg and Bertrand Piccard's Solar Impulse project contributes to the research and development activities carried out in the area of renewable energies. The aim of the project is to show how clean tech can reduce the use of natural resources as well as our dependence on fossil fuels. Swisscom has been Solar Impulse's national telecommunications partner since 2009 and has developed an ultra-light, energy-saving communications solution to ensure communication between the pilot and his crew on the ground at all times as the plane circumnavigates the Earth. The company thus plays an important part in making the round-the-world flight a success. In the summer of 2013, the Solar Impulse completed the historic crossing of the United States, west to east, over a two-month period, with all communication running through Swisscom's solution.

Thanks to the partnership with Swisscom, the public can experience Solar Impulse's international flights from the pilot's perspective, as a satellite connection streams images from the cockpit and the plane's current data (position, speed, course, etc.) to a virtual cockpit on the Internet. Swisscom also provides updates on the project on Bluewin, Facebook and Twitter, along with a special application for iPhone, iPad and Android smartphones.

Innovation and development

In a dynamic environment in which the market situation and general conditions are constantly changing, a company must be innovative to ensure long-term success. With this in mind, Swisscom consistently addresses changing customer needs, and identifies growth areas in which it can sustainably defend and strengthen its position.

Innovation is an important driver in the bid to enter new markets and develop up-and-coming technologies. Due to the rapidly changing nature of Swisscom's business environment, research and development are becoming increasingly important. Swisscom wants to anticipate the strategic challenges, new growth areas and future customer needs early on, so as to help actively shape the future of telecommunications and the Internet. At Swisscom, innovation takes place in all areas of the company as well as beyond.

Open innovation: a success factor

Swisscom recognises the importance of dialogue with customers, employees, suppliers and other partners, as it enables a permanent, open process of innovation with the focus on customers and their needs. When developing new products and services, Swisscom consistently adopts human-centred design methods, i.e. the user-oriented design of simple, inspiring experiences that help customers find their way in the networked world.

Within the company, Swisscom practices and promotes decentralised product development. As a result, new ideas are generated throughout the company. Various events and platforms provide employees with the opportunity to exchange innovative ideas and familiarise themselves with best practice examples. One example is the Innovation Week held twice a year, during which teams of employees from different divisions realise a new idea that addresses a specific customer need, is of business relevance and has potential on the market.

To identify customer needs in good time, it is essential to involve future users in the development process at the earliest stage possible. Swisscom operates its own open innovation platform called Swisscom Labs, where registered users are able to contribute their own ideas, give their own opinions on trials and take part in beta tests.

Outside the company, Swisscom promotes innovation throughout the industry. In particular, Swisscom is committed to supporting young companies that offer forward-looking new solutions in the field of IT, communications and entertainment. Swisscom participates in start-ups as a project partner and investor, and supports them by providing tailored products and services. Since 2013, Swisscom has held the StartUp Challenge competition, where winners are sent on a one-week mentoring programme in Silicon Valley.

Specific areas of innovation

End-to-end connectivity

A high-quality, reliable network infrastructure is one of the key success factors for Swisscom. Over the past few years, the standard of quality that customers expect the network to deliver has risen dramatically. Swisscom is therefore working on the next-generation network and developing solutions to give users in Switzerland even faster, more reliable networks. The main challenge here is the growing volume of data in the mobile area. Swisscom is seeking and developing innovative network solutions that allow high volumes of data to be handled efficiently and guarantee seamless mobile network provision at busy locations. One promising solution is the installation of low-power microcells that provide high capacity locally. Swisscom is working on the development of new types of antenna that will allow such microcells to be operated efficiently and perfectly integrated in the existing architecture.

Mobile services and apps

The trend towards greater mobility is proceeding apace. Mobile devices such as smartphones and tablets are commonplace, and it is hard to imagine life nowadays without mobile Internet. Swisscom's vision is to use smartphones as a bridge between the real and the digital worlds. One important step in this direction was the launch of Swisscom Tapit, the Swiss wallet of the future. Tapit is an open, non-exclusive platform for all service providers in various industries who are seeking to mobilise their business processes. For end customers, Tapit is a safe place in which to manage their bank and credit cards. Tapit is based on Near Field Communication (NFC) technology, which is already incorporated in the majority of smartphones. Swisscom also continues to operate and further develop the iO app, which allows users to send SMS messages and make calls to Switzerland and abroad free of charge. With iO@home they can also be reached on their fixed-line number wherever they are in the world.

Security and intelligence

As data volumes continue to grow, so too do the requirements placed on products that process this data in a secure and anonymised way and analyse it according to the latest methodology. "Big data technologies" have already made inroads in various sectors and are used, for example, to measure and control traffic flows. At the same time, the number of customers who use their smartphone for mobile Internet browsing and leave behind customer data is also growing. Hackers and other parties are therefore becoming increasingly interested in customer data. Given this situation, Swisscom aims to offer its customers various applications that ensure greater transparency and control. CheckAp, for example, checks the security of programmes installed on a smartphone. In 2014, Swisscom launched DocSafe, a cloud-based solution that enables users to easily and securely store important documents, and that users can access at any time and from anywhere.

Current innovation projects

Swisscom invests in progressive solutions in a number of areas in order to continuously tap into new growth opportunities and offer its customers the best services and products:

- › **Identity Access Management:** In a world full of virtual products and services, a digital identity can be a useful tool. It makes life simpler by replacing a large number of passwords with a single, simple user ID. Swisscom is currently drawing up the foundations for such a digital identity and for concrete applications.
- › **Voice over LTE (VoLTE)/WLAN interworking:** The 4G/LTE network is currently a dedicated data network, with customers being transferred to the 3G network for calls. With VoLTE, Swisscom is aiming to enable the use of voice telephony via 4G, with a technical adjustment to the mobile infrastructure also allowing voice telephony via WLAN. Customers will be able to enjoy faster connection times and improved voice quality.
- › **Clean Pipe:** Under the working title "Clean Pipe" Swisscom is trialling new ways of making digital life simpler for customers and protecting them against dangers and bad experiences, such as phishing. In the year under review, Swisscom launched the first product, Safe Connect: an app based on VPN technology that blocks access to websites considered to be dangerous, and to malware.
- › **Cloud:** Swisscom is developing a 360-degree Cloud with a unified architecture that offers companies and private individuals a wide range of services. Thanks to state-of-the-art technologies, open source, the latest security concepts and data storage in Switzerland, Swisscom is leading the way in cloud computing.

Memberships and partnerships

Swisscom works as an association member or in projects with various partners on issues relating to the four strategic priorities.

Principles of memberships and partnerships

Swisscom sets itself ambitious targets and therefore seeks to work with suitable partners at both national and international level. At national level, for example, the company supports the Federal Government's 2050 Energy Strategy, the Swiss information society and the National Programme for the Promotion of Media Skills. At international level, Swisscom is active in the protection of our climate and the promotion of better working conditions throughout the supply chain. In choosing its partnerships and memberships Swisscom attempts to ensure firstly that they are always compatible with the core strategic issues of its corporate responsibility policy and secondly that the partners and institutions represent an ideal complement for Swisscom by virtue of their expertise and experience.

Memberships and partnerships

Energy efficiency and climate protection

Swisscom works with the myclimate foundation to draw up a carbon footprint for its products and services. A spin-off of the Federal Institute of Technology Zurich, myclimate is an international leader in the area of CO₂ compensation and possesses a wealth of expertise in carbon footprints and rating products.

Swisscom is currently working with myclimate in the areas of eco points and climate recommendations. Together with other partners, Swisscom is investigating the conditions required for sustainable living and working and is sharing its findings with the public.

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

- › **European Telecommunications Network Operators (ETNO), Working Group Sustainability:** Swisscom was one of the first telecommunications providers in Europe to sign the ETNO Environmental Charter in 1996 and the Sustainability Charter in 2002.
- › **ETNO Energy Task Team:** Swisscom is a member of the Energy Task Team, a working group of European telecoms providers. The working group aims to develop best practice solutions in order to increase network efficiency.
- › **European Telecommunications Standards Institute (ETSI):** Swisscom has been a member of ETSI's Environmental Engineering (EE) working group for seven years and has helped promote the ETSI Standard EN 300019-1-3 (class 3.1) governing the operation of IT facilities. The standard has since entered into force. The working group is currently drawing up uniform norms for verifying electricity consumption and assessing life cycles of network equipment and devices.
- › **Energy Agency for Industry (EnAW):** Swisscom joined the Energy Agency in 2003 and signed a new target agreement to improve its energy efficiency. The target agreement covers the years 2013 to 2020.
- › **Swiss Association for Environmentally Conscious Management (ÖBU):** Swisscom has been a member of this association since 1999.
- › **WWF Switzerland:** Swisscom is a member of WWF Climate Savers.
- › **Swiss Confederation as a Role Model in the Area of Energy (Vorbildfunktion Bund im Energiebereich, VBE):** The Swiss Confederation intends to lower its use of energy by implementing appropriate measures and assuming its responsibility as a role model in line with the 2050 Energy Strategy. To coordinate the overall efforts in this regard, the Swiss Confederation as a

Role Model in the Area of Energy (Vorbildfunktion Bund im Energiebereich) coordination group was set up. Swisscom is a member of this coordination group.

- › **Association for Environmentally Sound Electricity (VUE):** The VUE certifies energy plants with the naturemade star and naturemade basic quality labels.
- › **Verein Energo (an association which promotes energy efficiency in buildings):** Swisscom has been represented on the Energo Board since 2008.

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

Work-life balance

- › **Swiss Research Foundation for Electricity and Mobile Communication (FSM):** The FSM is a non-profit-making foundation based at the Swiss Federal Institute of Technology (ETH). It supports scientific research into the opportunities and risks presented by radio and power technologies that use and/or produce electromagnetic fields. It also supports the publication and unbiased dissemination of research findings in order to eliminate knowledge gaps within society. Swisscom supports the FSM in its activities.
- › **Home Office Day foundation:** Swisscom is one of the sponsors of the national Home Office Day.
- › **Umwelt Arena:** Swisscom is an exhibition partner of the Umwelt Arena in Spreitenbach (canton of Aargau), a centre of competence in the area of sustainability. It takes visitors on an interactive journey through the possibilities of living a sustainable life style with regard to mobility, nutrition, construction, energy supply, communication and more. Visitors discover new Swisscom offerings in virtual mobility, "Smart Living" – the intelligent control of your home – and the recycling of mobile phones in the Umwelt Arena. Swisscom also uses the Umwelt Arena as an event platform for external and internal events and acts as its ICT partner.

Media skills and security

In line with legal requirements, Swisscom implements measures that offer the public additional added value. For example, the company works with a number of specialist organisations to better understand the needs of certain customer groups. These organisations help Swisscom in an advisory capacity and in return receive support from Swisscom in making Switzerland's information society a reality. Both sides therefore benefit from this exchange.

The collaboration with individual organisations, institutions and official authorities takes many forms:

- › **Swiss Foundation for Audiovisual Teaching Media (SSAB):** Swisscom has been a member of the SSAB since 2008. It works with an extensive network to devise strategies and solutions for modern information provision in both a schooling and extracurricular context.
- › **Worlddidac Association:** The world's biggest education trade fair, Worlddidac, is held every two years in Basel. It attracts more than 350 exhibitors who come to present their products and teaching materials to more than 20,000 visitors. Swisscom has been a partner of Worlddidac and the simultaneously held Swiss education fair Didacta since 2004. Its Swisscom Arena provides visitors with a central platform for exchanging views and ideas relating to trends in the education system.
- › **Swiss Foundation for the Protection of Children:** Swisscom and the Swiss Foundation for the Protection of Children are in contact over issues relating to media skills and media protection for minors.
- › **European Telecommunications Network Operators Association (ETNO):** Swisscom became a sponsor of the High Principles on Child Protection Charter in 2011. Originally initiated by ETNO, the charter is now supported by the industry itself. Under the charter, the sponsors commit themselves to a number of voluntary measures aimed at protecting young people from the negative impacts of digital media.

Dialogue partners and strategic partnerships

- > **Federal Social Insurance Office (FSIO) – National Programme for the Promotion of Media Skills:** Swisscom uses the FSIO programme as a platform for exchanging views with a large number of partners on the promotion of media skills. Swisscom supports the national programme by providing both financial resources and communication services.

Project-based cooperation

- > **Pro Senectute** (telephone chains)
- > **Swiss Consortium for Alpine Regions (SAB)**
- > **Access For All foundation** (knowledge database, experts for barrier-free access to Internet)
- > **Procap Schweiz** (dialogue and training partner for activities involving people with disabilities and for corporate volunteering)
- > **Elternbildung CH (foundation promoting training for parents)**
- > **Pro Familia**
- > **Jugendschutz im Film (association for the protection of minors from films)**

Swisscom worked with the above organisations in 2014 on a variety of projects which all offer direct added value for today's information society.

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

Attractive employer

Swisscom is a member of national and international institutions that deal with human resources:

- > **International Institute of Management in Technology in Fribourg (iimt):** The institute runs executive programmes and carries out research in the fields of ICT and utility management.
- > **Swiss Employers' Association:** The association works to ensure social stability and a constructive social partnership.
- > **Corporate Leadership Council (London):** The Corporate Leadership Council conducts research on best practices in corporate management.
- > **Swiss Association for ICT Vocational Training:** Swisscom is represented on the governing board.
- > **IT Vocational Training Switzerland foundation:** Swisscom is represented on the foundation board.
- > **Generation CEO:** An initiative promoting female management talent.

Fair supply chain

To further underline its requirements in terms of corporate responsibility in the supply chain, Swisscom is involved in the following initiatives:

See
www.gesi.org

- > **Global e-Sustainability Initiative (GeSI):** The Global e-Sustainability Initiative (GeSI) is a partnership of companies from the ICT sector whose aim is to promote sustainability.
- > **EcoVadis (e-tasc powered by EcoVadis) – self-assessment tool for accountable supply chains:** As part of its risk management system, Swisscom uses the self-declaration online questionnaire by EcoVadis for its suppliers.
- > **Joint Audit Cooperation (JAC):** Swisscom has been a member of the JAC since 2012. As part of the JAC, ten telecoms companies plan and conduct CR audits of their suppliers together.
- > **Supply Chain Program of the Carbon Disclosure Project (CDP):** Swisscom joined the CDP's Supply Chain Program in 2013 with the aim of creating more transparency with regard to the greenhouse gas emissions of its suppliers.

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

Networked Switzerland

Swisscom is involved in the industry associations 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 regulatory framework as a prerequisite for the continued investment in costly infrastructure expansion.



ASSURANCE

SGS CERTIFICATION of the Swisscom AG 2014 GRI Sustainability Report

SCOPE

SGS was commissioned by Swisscom to conduct an independent assurance of the GRI-based disclosure on sustainability in 2014. Our assurance scope included the GRI disclosure obligations and figures in accordance with the GRI Index published at www.swisscom.ch/GRI-2014/en. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included all texts and 2014 data in accompanying tables contained in the printed Annual Report 2014 and referenced information on the webpage of Swisscom as quoted in the GRI index. The assurance process did not consider any data from previous years.

CONTENT

The Board of Directors or the Managing Director and the Management of the organisation are responsible for the details provided in the annual report and on the website and in the presentation. SGS was not involved in the preparation of any of the material included in the GRI Index and acted as an independent assessor of the data and text using the Global Reporting Initiative Sustainability Reporting Guidelines, Version 4 (2013) as a standard. The content of this Assessor's Statement and the opinion(s) it gives is the responsibility of SGS.

CERTIFIER INDEPENDENCE AND COMPETENCIES

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

METHODOLOGY

The SGS Group has developed a set of protocols for the assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines, Version 4 (2013). SGS has also certified the environmental management systems of Swisscom (Switzerland) Ltd., Swisscom Broadcast Ltd. and Cablex Ltd., and SGS has certified the environmental management system of Swisscom IT Services Ltd., in accordance with ISO 14001:2004. In addition the greenhouse gas inventory of Swisscom AG is going to be verified according to ISO 14064.

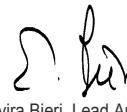
The assurance comprised the evaluation of external sources, meetings with relevant employees, a verification of the documentation and recordings as well as the validation of these with external institutions and/or beneficiaries, where required. Financial data drawn directly from independently audited 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 2014 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 2014. 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 the option "comprehensive" of the GRI, Version 4 (2014) in accordance with the GRI Index.

SIGNED FOR AND ON BEHALF OF SGS


Albert von Däniken, Lead Auditor


Elvira Bieri, Lead Auditor

Zurich, 4 February 2015

www.SGS.COM

GRI Index

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

Indicators	Status	Reference MC = Management Commentary, SR = Sustainability Report, CG = Corporate Governance, RR = Remuneration Report, FS = Financial Statements or Website Swisscom
		Key: Indicator according to GRI 4 (within scope of the report) <input type="checkbox"/> = not relevant <input checked="" type="checkbox"/> = not covered <input type="checkbox"/> = partially covered <input checked="" type="checkbox"/> = totally covered
1 Strategy and Analysis		
G4-1 Explanation from the most senior decision maker <input checked="" type="checkbox"/> MC Shareholders' letter; MC P. 43 Company profile; MC P. 26 Corporate strategy and objectives; SR P. 4 Stakeholders' Letter; SR P. 12 Strategic priorities and targets; SR P. 17 Corporate Responsibility Governance and implementation		
G4-2 Key implications, risks and opportunities <input checked="" type="checkbox"/>		MC P. 31 General conditions; MC P. 26 Corporate strategy and objective; MC P. 85 Risks (Concern); SR P. 5 Value chain and essential aspects of CR; SR P. 12 Corporate Responsibility strategy; SR P. 63 Main risk factors in the supply chain
2 Organisational Profile		
G4-3 Name of organisation <input checked="" type="checkbox"/>		FS P. 137 Notes to the consolidated financial statements 1 General information
G4-4 Brands, products and services <input checked="" type="checkbox"/>		MC P. 44 Swisscom brand; SR P. 37 Work-life balance
G4-5 Head office of the organisation <input checked="" type="checkbox"/>		See G4-3
G4-6 Countries of business <input checked="" type="checkbox"/>		MC P. 24 Group structure and organisation; FS P. 200 41 List of Group companies
G4-7 Ownership structure <input checked="" type="checkbox"/>		CG P. 93 1 Group structure and shareholders; FS P. 137 Notes to the consolidated financial statements 1 General information
G4-8 Markets <input checked="" type="checkbox"/>		MC P. 38 Market trends in telecoms and IT services
G4-9 Size of organisation <input checked="" type="checkbox"/>		MC P. 14 KPIs of Swisscom Group; MC P. 18 Business Overview; MC P. 59 Financial review; CG P. 93 1 Group structure and shareholders
G4-10 Workforce in numbers <input checked="" type="checkbox"/>		SR P. 56 Employees in figures
G4-11 Percentage of total employees with CEA <input checked="" type="checkbox"/>		SR P. 56 Employees in figures
G4-12 Description of the supply chain <input checked="" type="checkbox"/>		SR P. 5 Value chain and essential aspects of CR; SR P. 58 Fair supply chain
G4-13 Changes in size, structure or ownership <input checked="" type="checkbox"/>		MC P. 24 Group structure and organisation
G4-14 Precautionary principle <input checked="" type="checkbox"/>		SR P. 20 Precautionary principle; SR P. 40 Certification of the quality assurance system for Compliance Management System with ONIR limits; SR P. 47 Employee training in general and in the area of corporate responsibility
G4-15 Supporting charters, principles <input checked="" type="checkbox"/>		SR P. 11 Mission statement; SR P. 73 Memberships and partnerships
G4-16 Memberships of associations <input checked="" type="checkbox"/>		See G4-15
3 Identified Material Aspects and Boundaries		
G4-17 Organisational structure <input checked="" type="checkbox"/>		MC P. 24 Group structure and organisation; FS P. 200 41 List of Group companies
G4-18 Procedure for determining the content of the report <input checked="" type="checkbox"/>		See G4-24
G4-19 Aspekte zu Berichtsinhalten <input checked="" type="checkbox"/>		SR P. 8 Swisscom materiality matrix 2014
G4-20 Report boundary within the organization <input checked="" type="checkbox"/>		MC P. 24 Group structure and organisation (Scope of sustainability report); SR P. 10 Scope of the report
G4-21 Report boundary outside the organization <input checked="" type="checkbox"/>		SR P. 10 Scope of the report
G4-22 New presentation of information <input checked="" type="checkbox"/>		No new presentation from old reports.
G4-23 Changes in the scope, report boundaries or measurement methods used <input checked="" type="checkbox"/>		See G4-20, G4-21
4 Stakeholder Engagement		
G4-24 Stakeholder groups <input checked="" type="checkbox"/>		SR P. 6 Dialogue with stakeholder groups and strategic priorities
G4-25 Selecting the stakeholder groups <input checked="" type="checkbox"/>		See G4-24
G4-26 Involvement of stakeholder groups <input checked="" type="checkbox"/>		SR P. 5 Stakeholder involvement; See G4-18, G4-24
G4-27 Stakeholder questions and concerns <input checked="" type="checkbox"/>		See G4-18, G4-24

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5 Report Profile		
G4-28 Reporting period	<input checked="" type="checkbox"/>	01.01.2014–31.12.2014
G4-29 Publication of the last report	<input checked="" type="checkbox"/>	www.swisscom.ch/report2013
G4-30 Reporting cycle	<input checked="" type="checkbox"/>	Yearly
G4-31 Contact partner	<input checked="" type="checkbox"/>	FS P. 225 Publishing details
G4-32 GRI Content Index and the chosen option	<input checked="" type="checkbox"/>	It is structured in line with the Comprehensive option under GRI. The Index is available online at the following link: www.swisscom.ch/GRI-2014 .
G4-33 Confirmation by external third party	<input checked="" type="checkbox"/>	SR P. 76 SGS certification
6 Governance		
G4-34 Management structure of the organisation	<input checked="" type="checkbox"/>	MC P. 24 Group structure and organisation; SR P. 17 Corporate responsibility governance and implementation; Governance and implementation; CG P. 97 3 Board of Directors; CG P. 102 3.4 Internal organisation; CG P. 104 3.6 Assignment of powers of authority; CG P. 107 4 Group Executive Board
G4-35 Process for delegating authority	<input checked="" type="checkbox"/>	See G4-34
G4-36 Responsibility for sustainability topics	<input checked="" type="checkbox"/>	See G4-34
G4-37 Report processes for consultation between stakeholders and the highest governance body	<input checked="" type="checkbox"/>	CG P. 112 6.3 Convocation of the Annual General Meeting; CG P. 112 6.4 Agenda items; Link: http://www.swisscom.ch/en/about/investors/contact.html See also under the link: www.sherpany.ch for registered shareholder's from Swisscom
G4-38 Composition of the highest governance body	<input checked="" type="checkbox"/>	CG P. 97 3 Board of Directors; CG P. 107 4 Group Executive Board
G4-39 Chair of the highest governance body	<input checked="" type="checkbox"/>	CG P. 97 3 Board of Directors; CG P. 107 4 Group Executive Board
G4-40 Nomination and selection processes for the highest governance body	<input checked="" type="checkbox"/>	CG P. 101 3.3 Composition, election and term of office CG P. 103 3.5 Committees of the Board of Directors: Nomination Committee
G4-41 Mechanisms for avoiding conflicts of interest	<input checked="" type="checkbox"/>	Link: www.swisscom.ch/basicprinciples – Organisational Regulations; CG P. 105 3.7 Information instruments of the Board of Directors vis-à-vis the Group Executive Board
G4-42 Highest governance body's and senior executives' roles	<input checked="" type="checkbox"/>	Link: www.swisscom.ch/basicprinciples – Organisational Regulations See G4-34
G4-43 Development and enhancements of collective knowledge of the highest governance body in sustainability topics	<input checked="" type="checkbox"/>	CG P. 102 3.4 Internal organisation
G4-44 Procedure for evaluating the sustainability performance of the most senior management body	<input checked="" type="checkbox"/>	See G4-45, G4-47; Group Executive Board members were nominated as internal sponsors for the strategic priorities of the CR strategy; SR P. 17 Corporate responsibility governance and implementation
G4-45 Procedure of the most senior management body for monitoring sustainability performance	<input checked="" type="checkbox"/>	See G4-34, G4-38; SR P. 17 Corporate responsibility governance and implementation; CG P. 105 3.8 Controlling instruments of the Board of Directors vis-à-vis the Group Executive Board
G4-46 Reviewing the effectiveness of the organization's risk management processes	<input checked="" type="checkbox"/>	CG P. 105 3.8 Controlling instruments of the Board of Directors vis-à-vis the Group Executive Board; CG P. 105 3.8.1 Risk Management; CG P. 106 3.8.4 Internal auditing
G4-47 Frequency of the examination of risks and opportunities	<input checked="" type="checkbox"/>	CG P. 105 3.7 Information instruments of the Board of Directors vis-à-vis the Group Executive Board: annual; CG P. 105 3.8.1 Risk Management: quarterly at the Audit Committee; CG P. 105 3.8.2 Financial reporting internal control system (ICS): quarterly at the Audit Committee; CG P. 106 3.8.3 Compliance management: quarterly at the Audit Committee; CG P. 106 3.8.4 Internal auditing: quarterly at the Audit Committee In urgent cases: contemporary
G4-48 Validation of the report from the highest governance body	<input checked="" type="checkbox"/>	The Audit Committee from the Board of Directors is validating the report in two steps before the publication: An independent proxy is validating the Remuneration Report; The report is released by the Board of Directors; See G4-34
G4-49 Communication of critical concerns	<input checked="" type="checkbox"/>	CG P. 105 3.7 Information instruments of the Board of Directors vis-à-vis the Group Executive Board: The Chairman of the Audit Committee is informed in real time in urgent cases on new essential risks.
G4-50 Total number of critical concerns	<input checked="" type="checkbox"/>	As a basic principle of the Whistleblowing anonymity is guaranteed, for this reason, Swisscom communicates neither the number nor other details about concerns.

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G4-51	Remuneration policies for the highest governance body	<input checked="" type="checkbox"/>	RR P. 121.4 Remuneration paid to the Group Executive Board
G4-52	Determining remuneration	<input checked="" type="checkbox"/>	RR P. 121.4 Remuneration paid to the Group Executive Board
G4-53	Stakeholders' views	<input checked="" type="checkbox"/>	SR P. 6 Dialogue with stakeholder groups and strategic priorities; CG P. 112.6.3 Convocation of the Annual General Meeting; CG P. 112.6.4 Agenda items; Protocol
G4-54	Ratio of the highest-paid to the median annual total compensation	<input checked="" type="checkbox"/>	Swisscom introduces a new job classification and wage architecture in 2015. For reasons of comparability, the ratio of the highest wage to median wage will be disclosed from 2015.
G4-55	Ratio of percentage increase of the highest-paid to the increase median annual total compensation	<input checked="" type="checkbox"/>	Swisscom introduces a new job classification and wage architecture in 2015. For reasons of comparability, the ratio of the highest wage to median wage will be disclosed from 2015.
7 Ethics and Integrity			
G4-56	Principles, standards and norms of behavior	<input checked="" type="checkbox"/>	Link: www.swisscom.ch/basicprinciples – Code of Conduct ; SR P. 13 Mission statement; CG P. 101.3.9.3 Compliance Management System management
G4-57	Advice on ethical and lawful behavior	<input checked="" type="checkbox"/>	SR P. 21 Compliance Management System; CG P. 106.3.8.3 Compliance management; CG P. 106.3.8.4 Internal auditing
G4-58	Reporting concerns about unethical or unlawful behavior	<input checked="" type="checkbox"/>	See G4-57
Generic Disclosures on Management Approach			
G4-DMA	Generic Disclosures on Management Approach	<input checked="" type="checkbox"/>	SR P. 19 Management approaches
Economic Performance Indicators			
	Management approach and objectives	<input checked="" type="checkbox"/>	MC P. 26 Corporate strategy and objectives; MC P. 79 Outlook
G4-EC1	Directly generated and distributed economic value	<input checked="" type="checkbox"/>	MC P. 78 Statement of added value
G4-EC2	Financial consequences of climate change	<input checked="" type="checkbox"/>	MC P. 87 Risks: risk factors: Environment and health; Siehe G4-EN5, G4-EN6, G4-EN7, G4-EN18 und G4-EN26; Link: www.cdproject.net/en-US
G4-EC3	Scope of company's benefits plan	<input checked="" type="checkbox"/>	FS P. 157.10 Post-employment benefits; SR P. 55 Pension fund; See LA3
G4-EC4	Significant financial contributions from the government	<input type="checkbox"/>	From a Group standpoint there were no matters in 2014 requiring disclosure in accordance with IAS 20 and no government grants at all
G4-EC5	Entry-level salaries in relation to local minimum wage	<input checked="" type="checkbox"/>	MC P. 52 Employee remuneration; SR P. 55 Employees in figures
G4-EC6	Location-based choice of staff	<input type="checkbox"/>	There is no location-based staff selection
G4-EC7	Investment in infrastructure and services for the good of the community	<input checked="" type="checkbox"/>	MC P. 33 Telecommunications Act (TCA); SR P. 64 Basic service provision; SR P. 45 "Internet for Schools" initiative
G4-EC8	Indirect economic effects	<input checked="" type="checkbox"/>	MC P. 33 Telecommunications Enterprise Act (TEA) and relationship with the Swiss Confederation; SR P. 64 A networked Switzerland
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	<input checked="" type="checkbox"/>	There is a location-based supplier selection for the location Switzerland
Ecological Performance Indicators			
	Management approach and objectives	<input checked="" type="checkbox"/>	SR P. 23 Environment, objectives and management approach
G4-EN1	Materials used	<input checked="" type="checkbox"/>	SR P. 35 Environmental performance indicators in Switzerland; SR P. 32 Other environmental aspects in the company; Cables, optical fibres and wooden poles
G4-EN2	Recycling material	<input checked="" type="checkbox"/>	SR P. 35 Environmental performance indicators in Switzerland; SR P. 32 Other environmental aspects in the company; Cables, optical fibres and wooden poles
G4-EN3	Internal energy consumption	<input checked="" type="checkbox"/>	SR P. 26 Consumption of electricity (green electricity, networks, data centres and buildings); SR P. 28 Savings and efficiency measures when using fossil fuel to generate heat; SR P. 28 Saving and efficiency measures in fuel consumption and mobility; SR P. 35 Environmental performance indicators in Switzerland Separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN4	External energy consumption	<input checked="" type="checkbox"/>	separate climate report Swisscom 2014, online under: www.swisscom.ch/GRI-2014
G4-EN5	Energy intensity	<input checked="" type="checkbox"/>	MC P. 14 Energy efficiency; SR P. 22 Energy efficiency and climate protection (Target 2:1) SR P. 14 The most important indicators for achievement of Swisscom's CR targets

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G4-EN6 Energy saving	<input checked="" type="checkbox"/>	SR P. 26 CO ₂ emissions and energy consumption: Energy-efficient infrastructure; SR P. 35 Environmental performance indicators in Switzerland
G4-EN7 Initiatives for reducing indirect energy consumption	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 CO ₂ and energy savings for customers thanks to improved devices; SR P. 36 Environmental performance indicators in Switzerland
G4-EN8 Total water withdrawal	Ø	SR P. 36 Environmental performance indicators in Switzerland; SR P. 33 Other environmental aspects in the company: water
G4-EN9 Impact of water consumption	<input checked="" type="checkbox"/>	Not relevant, as water is only used for sanitary purposes
G4-EN10 Recycled water	<input checked="" type="checkbox"/>	Household water only
G4-EN11 Property in or on the edge of protected areas	<input checked="" type="checkbox"/>	SR P. 35 Other environmental aspects in the company: Soil and biodiversity
G4-EN12 Effects on biodiversity	<input checked="" type="checkbox"/>	SR P. 35 Other environmental aspects in the company: Soil and biodiversity
G4-EN13 Protected or recreated natural habitats	<input checked="" type="checkbox"/>	SR P. 35 Other environmental aspects in the company: Soil and biodiversity
G4-EN14 Endangered species	<input checked="" type="checkbox"/>	Not collected as not relevant
G4-EN15 Direct Greenhouse gas (GHG) emissions (Scope 1)	<input checked="" type="checkbox"/>	SR P. 26 CO ₂ emissions and energy consumption: Energy-efficient infrastructure; SR P. 35 Environmental performance indicators in Switzerland; separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<input checked="" type="checkbox"/>	SR P. 26 CO ₂ emissions and energy consumption: Energy-efficient infrastructure; SR P. 36 Environmental performance indicators in Switzerland; separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	<input checked="" type="checkbox"/>	SR P. 26 CO ₂ emissions and energy consumption: Energy-efficient infrastructure; SR P. 35 Environmental performance indicators in Switzerland; separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN18 Greenhouse gas (GHG) emissions intensity	<input checked="" type="checkbox"/>	SR P. 14 The most important indicators for achievement of Swisscom's CR targets; Separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN19 Reduction of greenhouse gas (GHG) emissions	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 CO ₂ and energy savings for customers thanks to improved devices; SR P. 35 Environmental performance indicators in Switzerland Separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN20 Emissions of ozone-reducing substances	<input checked="" type="checkbox"/>	SR P. 33 Refrigerators and refrigerants
G4-EN21 NO _x , SO ₂ and other air emissions	<input checked="" type="checkbox"/>	SR P. 36 Environmental performance indicators in Switzerland
G4-EN22 Waste water discharge	<input checked="" type="checkbox"/>	Water is only used for sanitary purposes
G4-EN23 Waste by type and method of disposal	<input checked="" type="checkbox"/>	SR P. 35 Environmental performance indicators in Switzerland; SR P. 34 Other environmental aspects in the company; Waste and recycling
G4-EN24 Significant releases	<input checked="" type="checkbox"/>	No significant releases known.
G4-EN25 Dangerous waste according to the Basel Convention	Ø	Not relevant. Swisscom did not transport in 2014 waste classified under the Basle Convention.
G4-EN26 Impact of waste water on biodiversity	Ø	Not relevant Waste water is discharged into municipal sewage treatment plants.
G4-EN27 Initiatives to minimise environmental impacts	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 CO ₂ and energy savings for customers thanks to improved devices; SR P. 35 Environmental performance indicators in Switzerland Separate climate report Swisscom, 2014, available online at the link: www.swisscom.ch/GRI-2014
G4-EN28 Packaging materials	<input checked="" type="checkbox"/>	SR P. 33 Other environmental aspects in the company; Packaging
G4-EN29 Penalties for environmental offences	<input checked="" type="checkbox"/>	No fines or penalties were imposed for non-Compliance Management System with legal requirements in 2014. SR P. 20 Compliance Management System.
G4-EN30 Effects of transportation	<input checked="" type="checkbox"/>	SR P. 28 Saving and efficiency measures in fuel consumption and mobility
G4-EN31 Expenditure on environmental protection	<input type="checkbox"/>	No separate expenditure collected.
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	<input checked="" type="checkbox"/>	SR P. 61 Audits
G4-EN33 Environmental impacts in the supply chain	<input checked="" type="checkbox"/>	SR P. 61 Audits; SR P. 63 Main risk factors in the supply chain
G4-EN34 Grievances about environmental impacts	<input checked="" type="checkbox"/>	No grievances about environmental impacts in 2014 See SR P. 39 Advice and information on wireless technologies and the environment

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**Social Performance Indicators:
Labour practices and humane employment conditions**

Management approach and objectives	<input checked="" type="checkbox"/>	MC P. 52 Employee remuneration; SR P. 46 Environment, objectives and management approach; SR P. 47 Staff development
G4-LA1 New hiring and employee turnover	<input checked="" type="checkbox"/>	SR P. 56 Employees in figures
G4-LA2 Benefits for full-time employees	<input checked="" type="checkbox"/>	MC P. 51 Employee representation and union relations; SR P. 55 Fringe benefits
G4-LA3 Maternity and paternity leave (days)	<input checked="" type="checkbox"/>	SR P. 56 Employees in figures
G4-LA4 Notification deadline(s) in relation to key operational changes	<input checked="" type="checkbox"/>	CEA § 3.3 negotiations should be engaged early enough with the contracting unions
G4-LA5 Employees represented on workplace safety committees	<input checked="" type="checkbox"/>	MC P. 51 Employee representation and union relations (100% of staff); SR P. 50 Occupational safety
G4-LA6 Occupational illness, days lost due to illness and work-related deaths	<input checked="" type="checkbox"/>	SR P. 56 Employees in figures
G4-LA7 Workers with high incidence or high risk of diseases	<input checked="" type="checkbox"/>	SR P. 49 Employee health; SR P. 50 Occupational safety not relevant for Swisscom
G4-LA8 Work and safety agreements with unions	<input checked="" type="checkbox"/>	SR P. 49 Employee Health; SR P. 50 Occupational safety
G4-LA9 Employee training	<input checked="" type="checkbox"/>	SR P. 47 Staff development
G4-LA10 Lifelong learning programmes	<input checked="" type="checkbox"/>	SR P. 47 Staff development; Language courses/language skills and training opportunities on new media: partnership with the swiss education-portal www.ausbildung-weiterbildung.ch
G4-LA11 Performance evaluation and development planning for employees	<input checked="" type="checkbox"/>	SR P. 56 Employees in figures; MC P. 51 Collective employment agreement (CEA)
G4-LA12 Composition of management bodies and distribution of employees by category	<input checked="" type="checkbox"/>	CG P. 97 3 Board of Directors; CG P. 107 4 Group Executive Board; SR P. 56 Employees in figures
G4-LA13 Salary differences between genders	<input checked="" type="checkbox"/>	MC P. 52 Employee remuneration; SR P. 54 Equal pay; SR P. 56 Employees in figures
G4-LA14 New suppliers that were screened using labor practices criteria	<input checked="" type="checkbox"/>	SR P. 61 Audits
G4-LA15 Impacts for labor practices in the supply chain	<input checked="" type="checkbox"/>	SR P. 61 Audits; SR P. 63 Main risk factors in the supply chain
G4-LA16 Grievances about labor practices	<input checked="" type="checkbox"/>	SR P. 52 Diversity. No incidents known of discrimination in the year 2014

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**Social Performance Indicators:
Human Rights**

Management approach and objectives	<input checked="" type="checkbox"/>	SR P. 58 Fair supply chain; SR P. 58 Environment, objectives and management approach; Link: www.swisscom.ch/suppliers
G4-HR1 Investment agreements	<input checked="" type="checkbox"/>	The Corporate Responsibility Contract Appendix (CRV) is part of all contracts
G4-HR2 Training on human rights	<input checked="" type="checkbox"/>	SR P. 47 Employee training in general and in the area of corporate responsibility
G4-HR3 Incidents of discrimination	<input checked="" type="checkbox"/>	SR P. 61 Audit result. Table with problems
G4-HR4 Freedom of association and collective bargaining	<input checked="" type="checkbox"/>	Covered by the mutually agreed obligation to avoid industrial action under collective employment agreement (CEA)
G4-HR5 Child labour	<input checked="" type="checkbox"/>	SR P. 63 Fair supply chain: main risk factors in the supply chain
G4-HR6 Forced labour	<input checked="" type="checkbox"/>	SR P. 63 Fair supply chain: main risk factors in the supply chain
G4-HR7 Training of security staff in human rights	Ø	Not relevant: Sub-contracted to Securitas
G4-HR8 Violation of indigenous rights	Ø	not relevant for company locations, see List of Group companies (MC P. 200 note 41)
G4-HR9 Operations that have been subject to human rights	Ø	No new company locations in 2014
G4-HR10 New suppliers that were screened using human right criteria	<input checked="" type="checkbox"/>	SR P. 61 Audits
G4-HR11 Human right impacts in the supply chain	<input checked="" type="checkbox"/>	SR P. 61 Audits; SR P. 63 Main risk factors in the supply chain
G4-HR12 Grievances about human right impacts	<input checked="" type="checkbox"/>	No grievances about human right impacts in 2014

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Social Performance Indicators:

Society

		Management approach and objectives <input checked="" type="checkbox"/> SR P. 19 Management approaches
G4-SO1	Integration of local communities	<input checked="" type="checkbox"/> MC P. 45 Swisscom's network and IT infrastructure; SR P. 65 Basic service provision; SR P. 42 Protecting minors in the media and promoting media skills; SR P. 45 "Internet for Schools" initiative; SR P. 66 Social and cultural commitments
G4-SO2	Operations with impacts on local community	<input checked="" type="checkbox"/> SR P. 42 Protecting minors in the media and promoting media skills: Protecting minors in the media and guidelines on media content
G4-SO3	[KorruptionSRisiken]	<input checked="" type="checkbox"/> SR P. 14 The most important indicators for achievement of Swisscom's CR targets; SR P. 21 Compliance Management System
G4-SO4	Training on anti-corruption policy	<input checked="" type="checkbox"/> SR P. 14 The most important indicators for achievement of Swisscom's CR targets; SR P. 21 Compliance Management System
G4-SO5	Incidents of corruption and measures taken	<input checked="" type="checkbox"/> SR P. 21 Compliance Management System; No corruption case in 2014
G4-SO6	Contributions to parties and politicians	<input checked="" type="checkbox"/> SR P. 21 Swisscom's responsibility towards the public; Swisscom is politically and confessional neutral and doesn't support financially political parties
G4-SO7	Legal action as a result of anticompetitive behaviour	<input checked="" type="checkbox"/> MC P. 32 General conditions: Legal and regulatory environment; FS P. 148 4 Significant accounting judgments, estimates and assumptions in applying accounting policies; FS P. 148 4 and P. 181 28 Provisions for regulatory proceedings; FS P. 181 29 Contingent liabilities
G4-SO8	Penalties for breaching legal requirements	<input checked="" type="checkbox"/> SR P. 21 Compliance Management System; See G4-SO7
G4-SO9	New suppliers that were screened using criteria for impact on society	<input checked="" type="checkbox"/> SR P. 61 Audits
G4-SO10	Impact on society in the supply chain	<input checked="" type="checkbox"/> SR P. 61 Audits; SR P. 63 Main risk factors in the supply chain
G4-SO11	Grievances about impacts on society	<input checked="" type="checkbox"/> No grievances about impacts on society in 2014 Not relevant for Swisscom.

Social Performance Indicators:

Product responsibility

		Management approach and objectives <input checked="" type="checkbox"/> SR P. 19 Management approaches	82
G4-PR1	Percentage of product for which health and safety impacts are assessed for improvement	<input checked="" type="checkbox"/> SR P. 25 Eco points; SR P. 25 Ecological and socially acceptable product innovation; SR P. 39 Low-radiation communications technology; SR P. 42 Protecting minors in the media and guidelines on media content	
G4-PR2	Violations of health standards	<input checked="" type="checkbox"/> Relevant health standards for the mobile network are contained in the ICNIRP Guidelines and, in particular, the ONIR See IO5 Standards for radiation from base station SR P. 21 Compliance Management System. No violations of relevant health standards or standards on product labelling in 2014	
G4-PR3	Product information	<input type="checkbox"/> Ø SR P. 40 Duty to provide information on products offered at points of sale Not relevant for Switzerland, except with respect to Ordinance on the Disclosure of Prices	
G4-PR4	Violations of standards on product labelling	<input checked="" type="checkbox"/> SR P. 21 Compliance Management System. No violations of standards on product labelling in 2014	
G4-PR5	Customer satisfaction	<input checked="" type="checkbox"/> MC P. 49 Customer satisfaction	
G4-PR6	Standards in relation to advertising	<input checked="" type="checkbox"/> SR P. 25 Ecological and socially acceptable product innovation; SR P. 20 Responsible marketing	
G4-PR7	Violations of marketing standards	<input checked="" type="checkbox"/> SR P. 20 Responsible marketing. No violations of marketing standards in 2014	
G4-PR8	Infringement of the protection of customer data	<input checked="" type="checkbox"/> SR P. 21 Compliance Management System; Compliance Management System. There were no known reports, complaints or claims resulting of a violation of the protection of customer data in 2014;	
G4-PR9	Sanctions due to product and service requirements	<input checked="" type="checkbox"/> SR P. 21 Compliance Management System; There were no known breaches of product and service provisions in 2014. No fines were imposed	

Indicators	Status	Reference MC = Management Commentary, SR = Sustainability Report, CG = Corporate Governance, RR = Remuneration Report, FS = Financial Statements or Website Swisscom
		Key: Indicator according to GRI 4 (within scope of the report) Ø = not relevant <input checked="" type="checkbox"/> = not covered <input type="checkbox"/> = partially covered <input checked="" type="checkbox"/> = totally covered

GRI Telecommunications Sector Supplement:

Capital expenditure

IO1	Capital invested in infrastructure-measures by region	<input checked="" type="checkbox"/> MC P. 77 Capital expenditure
IO2	Net costs for extending service to remote geographic locations and low-income groups which are not profitable. Describe relevant legal requirement in Switzerland	<input checked="" type="checkbox"/> MC P. 45 Network Infrastructure in Switzerland; MC P. 33 Telecommunications Act (TCA); SR P. 65 Basic service provision; Detailed cost calculations for the basic services are not available because Swisscom has not claimed these costs resp. renounced to activate the compensation fund of the Swiss Confederation

Health and Safety

IO3	Practices to ensure health and safety of field personnel engaged in installing infrastructure	<input checked="" type="checkbox"/> SR P. 49 Employee health; SR P. 50 Occupational safety
IO4	Compliance Management System with the ICNIRP standards for radiation from terminal devices	<input type="checkbox"/> Ø Not relevant, terminal devices suppliers' responsibility
IO5	Compliance Management System with the ICNIRP standards	<input checked="" type="checkbox"/> SR P. 40 Certification of the quality assurance system for Compliance Management System with ONIR limits; Swisscom complies with the ONIR limits 2014
IO6	Measures relating to the SAR values of terminal devices	<input checked="" type="checkbox"/> SR P. 39 Research and development in the area of electromagnetic fields; SR P. 40 Duty to provide information on products offered at points of sale (last sentence)

Infrastructure

IO7	Measures relating to the placement of masts	<input checked="" type="checkbox"/> See under Network planning / coverage: www.swisscom.ch/networkcoverage MC P. 45 Network Infrastructure in Switzerland
IO8	Number of stand-alone and shared transmitter masts	<input checked="" type="checkbox"/> MC P. 45 Network Infrastructure in Switzerland

Providing access to telecommunications products and services:

Bridging the digital divide

PA1	Strategies and measures in sparsely populated areas	<input checked="" type="checkbox"/> MC P. 33 Telecommunications Act (TCA); SR P. 65 Basic service provision
PA2	Strategies and measures for overcoming barriers to access and use	<input checked="" type="checkbox"/> MC P. 33 Telecommunications Act (TCA); SR P. 65 Basic service provision; SR P. 68 Offerings for people with disabilities; SR P. 42 Protecting minors in the media and promoting media skills; SR P. 45 "Internet for Schools" initiative
PA3	Strategies and measures to ensure availability and reliability of products and services	<input checked="" type="checkbox"/> MC P. 86 Business interruption; SR P. 65 Basic service provision
PA4	Distribution area and market shares for products and services	<input checked="" type="checkbox"/> MC P. 38 Market trends in telecoms and IT services
PA5	Number and types of products and services available for low-earners and people without any income	<input checked="" type="checkbox"/> SR P. 69 Offerings for people with limited financial resources
PA6	Programmes and measures for the provision and maintenance of services in emergency situations	<input checked="" type="checkbox"/> MC P. 86 Business interruption; Free call number: emergency number 112; fire brigade 118; sanitarian number 144 Number with costs: REGA 1414, Air Glacier 1415; road help 140

Access to Content

PA7	Strategies and measures to guarantee human rights issues in relation to access and use of telecommunications products and services	<input type="checkbox"/> Ø Not relevant for the reporting boundary in Switzerland
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Customer Relations		
PA8 Strategies and measures for communicating EMF- related issues to the public	<input checked="" type="checkbox"/>	SR P. 39 Low-radiation communications technology; www.swisscom.ch/radiation
PA9 Investments in activities for research on electromagnetic fields	<input checked="" type="checkbox"/>	SR P. 39 Research and development in the area of electromagnetic fields; See www.swisscom.ch/innovation/en See www.swisscom.ch/lowradiation FS P. 141 3.9 Research and development costs (aggregate)
PA10 Initiatives to guarantee transparent fees and tariffs	<input checked="" type="checkbox"/>	Swisscom discloses its tariff structure and also offers consulting services for optimising customers' fees and tariffs; Link: www.swisscom.ch/mobiletariffs
PA11 Initiatives to advise customers on responsible, efficient and environmentally friendly product use	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 Energy savings for customers thanks to improved devices; See G4-EN27
Technology Applications Resource Efficiency		
TA1 Examples of the resource efficiency of telecommunications products and services	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 Energy savings for customers thanks to improved devices; See G4-EN27
TA2 Examples of the replacement of physical objects with telecommunications	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 Energy savings for customers thanks to improved devices; See G4-EN27
TA3 Change in customer behaviour through the use of the above-mentioned products and services	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 Energy savings for customers thanks to improved devices; See G4-EN27; See Survey on Green ICT at www.swisscom.ch/greenict
TA4 Effects of the use of the above-mentioned products and services and lessons learned for future development	<input checked="" type="checkbox"/>	SR P. 23 CO ₂ savings by customers thanks to green ICT services; SR P. 30 Energy savings for customers thanks to improved devices; See G4-EN27; See Survey on Green ICT at www.swisscom.ch/greenict
TA5 Practices in relation to copyright laws	<input checked="" type="checkbox"/>	SR P. 20 Practices in relation to copyright laws