

Sustainability

Innovative products, together with socially and environmentally conscious behavior, for the benefit of all our stakeholders

Ascom is committed to conducting its business while complying with all applicable laws on international, national and local levels. As an international technology group Ascom aims to fulfill the high standards of environmental and social concerns while bringing the business forward as a comprehensive solution provider.

Our Code of Ethical Business Conduct and several Corporate Directives form the basis of our corporate culture. The Code of Ethical Business Conduct contains binding principles regarding anti-corruption, labor, human rights and the environment. It applies to every Ascom employee. In 2016 Ascom took numerous measures to foster a socially responsible and environmentally friendly working and business environment. Ascom has been a signatory of the United Nations Global Compact (UNGC) since 2010 and is committed to respecting the 10 principles of human rights, labor rights, the environment and anti-corruption.

Energy efficiency improved

The three main elements of Ascom's environmental impact are power consumption during use, materials used in its products and solutions, and business travel of employees. These account for close to 85% of Ascom's total carbon footprint.

Ascom continues to address the energy efficiency of its products and solutions on several fronts: The Myco project has identified various potential ways of reducing power consumption of new hardware (e.g. speech, standby). The new version of Telecare IP Repeater is calculated to have a power consumption of up to 2% lower than previous versions.

Reparability and serviceability are included in Ascom's initial design, giving predictable life-cycle costs. Formal life cycle analyses have been performed on key products. During 2016, an analysis was made

that showed the necessity of weight-minimizing packaging material usage and of using more recycled packaging material.

Since business travel is our third largest generator of carbon emissions, reducing these emissions is a top priority. In 2016 we made focused efforts to decrease onsite maintenance in our service organization. We implemented several measures:

- Remote monitoring in the Netherlands reduced traveling hours by 2,666 hours
- Germany, Austria and Switzerland implemented a centralized call entry, which increased the first resolution rate and reduce travel
- The French service car fleet average emission was reduced from 109 g CO₂/km to 98 g CO₂/km
- The number of contract customers with remote fault handling in Norway has increased from 98 to 134. In Denmark, customers with surveillance have increased from 57 to 101

Ascom has also reduced unnecessary business travel by encouraging internal teams to make better use of technology-based alternatives such as video conferencing, teleconferencing and online meetings. Many long-term improvements have resulted: E.g. intercontinental air travel from Sweden has decreased CO₂eq by 20% from 2013 to 2016.

Ascom complies with several international regulations for protecting the environment. The company takes EU chemical legislations such as REACH (Registration, Evaluation, Authorization and restriction of Chemicals) and RoHS (Restriction of Hazardous Substances Directive) into account. Ascom requires 100% supplier documentation on bill of material level, complemented with risk-based testing. The company also meets the Waste Electrical and Electronic Equipment Directive (WEEE) and is a member in producer compliance schemes. In addition, Ascom is certified by ISO 14001, ISO 9001 and ISO 13485.

Monitoring of first tier contract manufacturers regarding environmental issues occurs quarterly. The reports include CO₂ emissions, energy consumption, water and waste. 60% of our first tier contract manufacturers are ISO 14001 certified.

Compliance is a key topic for Ascom

To support the transformation of Ascom into an ICT healthcare company, we have built a strong compliance culture throughout the organization. Every Ascom employee is responsible for fully complying with our compliance principles.

In order to improve the understanding and the sensibility for these topics, all employees had to pass a comprehensive online compliance training including a self-assessment test in December 2016. The training

enhances our employees' ethical problem-solving skills and raises awareness of critical aspects in a complex international business world. Additional on-site compliance trainings were held in Italy and at a top management meeting in January 2016.

In addition, we completed Medical Compliance Culture Trainings in most product lines and global functions (90% attendance) during 2016.

Ascom has an active and anonymous whistleblowing procedure in place for anti-competitive practices, corruption and bribery issues. Beside the whistleblower channel, a compliance hotline has been set up for inquiries related to compliance matters. These channels are accessible to all employees. No incidents were reported through our whistleblower channel during 2016.

Wide diversity of employees

The principle of non-discrimination, and our commitment to a diverse workforce, is laid down in the Ascom Code of Ethical Business Conduct. Diversity, particularly of gender, ethnicity and generation, is a core value of all our recruiting, promotion and development activities. Equality and diversity plans are in place where required by law. Recruitment diversity (male/female) amounted to about 20% during 2016, while the recruitment diversity of management members reached over 30%.

Ascom has signed collective agreements on working conditions where applicable, including agreements on remuneration and company-specific pension plans for employees. Regular assessments of individual performance are conducted on a yearly basis.

During 2015 and 2016 most managers of the former Wireless Solutions Division attended a leadership boot camp. We also started the Leadership Development Program for new managers. With these programs we aim to provide each manager with an eight day hands-on-skills training to help them further develop their leadership capacity based on our corporate values and principles.

Gold recognition level from EcoVadis

Since 2012, Ascom has been annually evaluated by the independent CSR assessment group EcoVadis (www.ecovadis.com) by request from several large European customers. Ascom was awarded the gold recognition level in December 2015. This excellent result means Ascom is among the top 5% performers evaluated by EcoVadis. The EcoVadis methodology takes into account 21 CSR criteria which are contained under four themes: environment, labor, fair business practices and sustainable procurement. The methodology and criteria are in line with international CSR standards including the Global Reporting Initiative, UN Global Compact, and ISO 26000. We placed ourselves better than average in all areas, and distinguished ourselves in the area of environment and fair business practices.



“To support the transformation of Ascom into an ICT health-care company, we have built a strong compliance culture throughout the organization.”

Holger Cordes, CEO Ascom

Purchasing activities include controls to ensure that suppliers comply with applicable laws and regulations, including environmental protection, safety, fair labor practices and restrictions on use of conflict minerals. Contracts for first tier contract manufacturers contain mandatory sustainability and compliance commitments. Ascom also requires that our first tier contract manufacturer meet the ten principles of the UN Global Compact; this is verified by them signing a Sustainability Commitment included in their contract.

In regards to the conflict minerals tin, tantalum, tungsten, and gold (3TG) Ascom is committed to implementing responsible supply chains for minerals from conflict-affected and high-risk areas. During 2015 and 2016, Ascom implemented processes to be consistent with OECD due diligence requirements. We have conducted Reasonable Country of Origin Inquiry (RCOI) for smelters/refiners reported in supply chains. The file listed 261 smelters. 33 of these smelters are sourcing or there is reason to believe they may be sourcing, from the covered countries. All 33 of these smelters comply with the CFSP (Conflict Free Sourcing Program) of the Conflict-Free Sourcing Initiative (CFSI). During 2016 continuing work identified more smelters in our supply chain, and at year-end Ascom gained information on more than 75% of these. Non-responding suppliers have been reduced from 14% to 4%. Ascom will continue to obtain further information on suppliers of 3TG.

For more information visit www.ascom.com/corp/corporate-governance/sustainability.html