

COMMUNICATION ON PROGRESS (COP)
BASIC TEMPLATE

Period covered by your Communication on Progress (COP 1)

From: To:

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Bern, July 2022.

To our stakeholders:

I am pleased to confirm that Swisscom reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this third Communication on Progress, we briefly describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We report in detailed manner in our established Annual, Sustainability and Climate Reports.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours

Christoph Aeschlimann

CEO Swisscom

2. DESCRIPTION OF ACTIONS

Human Rights

Introduction

We attach 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. Our guidelines on human rights are published on our website.

⇒ See [Swisscom Policy regarding human rights](#)

- Swisscom believes that a coherent and responsible position on human rights is an essential element of its sustainability strategy. Respecting human rights in our markets, our operations and in our value chain belongs to Swisscom corporate responsibility.
- Based on our commitment, Swisscom has set up a Code of Conduct and a Policy on Human Rights, published on our website, to make our position clear to employees, customers, suppliers and further interested stakeholders. Our Policy on Human Rights is aligned to the UN Guiding Principles on Business and Human Rights and to the Social Accountability SA 8000.
- Further Policies addressing specific topics such as fair and ecological procurement, environmental protection or fair communications are also available on our webpages about [Ethics and CR Governance](#).
- Swisscom verifies implementation and measure progress through external audits. [Audits](#) are performed in cooperation with other ICT companies (Joint Audit Cooperation JAC) following the same aim on human rights protection. The following topics are audited on location:
 - Health and safety
 - Working hours/overtime
 - Business ethics
 - Child and juvenile labour
 - Remuneration
 - Environment
 - Forced labour and discrimination
 - Disciplinary practice and freedom of association
- Moreover, all major suppliers are registered on EcoVadis. Swisscom evaluated 188 suppliers via this [audit platform](#). Suppliers included in risk monitoring are registered and invited to an assessment. EcoVadis evaluates suppliers in the core disciplines of environment, human rights, ethics and supply chain management.
- Within the Group Swisscom, a whistleblowing procedure is in place to report breaches. Topics such as working hours, child and juvenile work, remuneration and freedom of association are addressed in the Collective Employment Agreement (CEA). Health and Safety at the workplace follows the mandatory federal scheme set up by the federal commission on safety at the workplace ([EKAS](#)).

Click the links below to view our commitments and Policies:

- [Code of Conduct \(including whistleblowing procedure\)](#)

- [Code of conduct for Procurement](#)
- [Swisscom Policy regarding Human Rights](#)
- [Policy on smart data](#)

Further information can be found in our annual Sustainability Report

- [Employees](#)
- [Diversity and equal opportunities](#)
- [General terms and conditions of employment](#)
- [Diversity and equal opportunities](#)
- [Occupational health and safety](#)
- [Human rights](#)
- [Raw materials](#)
- [Risk management system](#)

Labour

Introduction

The Collective Employment Agreement (CEA) of Swisscom regulates rights and duties of employees. Employment conditions such as working time and overtime, working time models, salary, holidays and absences and employee development are described in the CEA and have been approved by the employees' representation.

- «Direct participation» is the continuous involvement of employees and Employee Committees by managers in work and projects with an impact on working methods and conditions. This safeguards employees' rights and ensure that that employment-related decisions are based on relevant and objective criteria
- **Remuneration and equal pay**
We remunerate our employees fairly and in line with market conditions and also ensure equal pay between the sexes. The salary system is structured in such a way that equal salaries are paid for equivalent tasks and services. We adjust employees' salaries in our annual salary review. Employees who have received a better rating in the performance evaluation and whose wages are at the lower end of their respective salary bands receive an above-average wage increase. We also periodically review the salary structure for differences between men's and women's wages using the federal government's equal pay tool (Logib). Previous reviews (most recently in 2021) have revealed minor pay discrepancies that are below the 5% tolerance threshold set by the Federal Office for Gender Equality.

Click the link below to view our employment agreement:

- [Collective Employment Agreement](#)

Further information can be found in our annual Sustainability Report:

- [working models](#)
- [Remuneration and Equal pay](#)
- [Recruiting and developing employees](#)

Environment

Introduction

The protection of the environment and especially the climate is an important part of our corporate philosophy. For over 20 years we have been systematically decarbonizing our activities. We are using new financing instruments to raise funds to increase our energy efficiency and accelerate our conversion to renewable energies. Together with our customers, we aim to save significantly more greenhouse gas emissions than our entire operation and supply chains generate. To this end, we are developing an attractive range of technology-supported services. We are also driving forward the conversion to a circular economy of ICT devices with innovative solutions.

- Swisscom is committed to environmental and climate protection. Based on this commitment, Swisscom has set up a Code of Conduct and an Environmental Policy, publicly available on our [website](#).
- Our climate protection strategy is based on the IPCC reports (Special Report of 2018, 6th Assessment Report AR6 of August 2021), which represent a tightening of the Paris climate target, recommending that a maximum temperature increase of 1.5 degrees be observed. Our reduction path is aligned with climate science up to 2030 (Science Based Targets). In line with these targets, we have also identified new measures, including the electrification of our fleet and the use of heat pumps for our heating systems and the reduction of emissions from our supply chain.
- Swisscom will be climate-neutral across the entire value chain by 2025. By developing a portfolio of sustainable products and services with the aim to avoid CO₂-emissions, Swisscom is also working with its customers to reduce net CO₂ emissions by 1 million tonnes per year by 2025. This corresponds to around 2% of Switzerland's greenhouse gas emissions. Furthermore, Swisscom wants to reduce its energy consumption by 20% by 2030 compared to today
- Other environmental aspects such as land use, waste, materials and material intensities as well as end of life options for the goods we use or sell are also taken into consideration.
- Regarding the end-of-life options, we have set up and are developing programs to re-use, repair or recycle the goods we sell, with a focus on handsets. This is our latest contribution to the development of a circular economy.
- We have an environmental management system according [ISO 14001](#) in place and manage all environmental aspects within this framework.

Click the links below to view our Policies Climate report

- [Code of Conduct](#)
- [Environmental Policy](#)
- [Corporate Responsibility for suppliers](#)
- [Renewable energy sourcing policy](#)
- [Climate report](#)

Further information can be found in our annual Sustainability Report:

- [Climate protection and energy efficiency](#)
- [Use of resources and circular economy](#)
- [Fair and environmentally sustainable supply chains](#)

Anti-Corruption

Introduction

We have established a policy of zero tolerance in our approach towards corruption. We implement our internal guidelines through regular training, reviews and audits across the Group. In addition, we also require our suppliers to comply with these guidelines. We expect our own employees and those of our suppliers not to grant or accept any undue advantages. Infringements may result in disciplinary actions for our own employees, up to and including dismissal. If it is established that a supplier violated anticorruption laws, they are reprimanded and, as a last resort, removed from the supply chains.

- Swisscom broad range of activities and the complexity of applicable regulations calls for a systematic and effective compliance management. Swisscom compliance management system (CMS) covers the whole group Swisscom and is based on the following elements: culture of compliance, compliance objectives, risk assessment, organization, communication, monitoring and improvements.
- The [compliance system](#) monitors compliance with the laws in the following legal areas throughout the Group:
 - Anti-corruption
 - Anti-Money Laundering Act
 - Banking law (deposits from the public)
 - Data protection and confidentiality (concerning all laws)
 - Federal Act on Product Safety
 - Antitrust legislation
 - Telecommunications legislation
 - Stock exchange law (including OaEC)
- A proper conduct in doing business and a requirement to comply with internal and external regulations is set up in our Anti-Corruption Policy and in our Code of Conduct.
- A responsible conduct in procurement is essential to build trust and confidence. Swisscom explicitly addresses anti-corruption in its Code of Conduct for Procurement.

Click the link below to view our Policies and Measures

- [Code of Conduct](#)
- [Code of Conduct for Procurement](#)
- [Anti-corruption Directive](#)
- [Impact of the Money Laundering Act on value-added services](#)

Further information can be found in our annual Sustainability Report.

- [Corruption](#)
- [Compliance Management](#)
- [Actor in public debates](#)

3. MEASUREMENT OF OUTCOMES

Introduction

The wheel of time cannot be turned back, but the impetus from digitization can help to ensure a new way of looking at things will also lead to action. We will continue our 20-year path towards climate protection, sustainability and the promotion of media competency. We are guided by the UN Sustainable Development Goals (SDG) and by our sense of responsibility towards our customers, our employees and shareholders, society and our planet.

- Our annual Sustainability Report gives our commitments and reports on outcomes and progress. The Report builds on the Global Reporting Standard (GRI) and is externally verified. We record and publish relevant data on labour, health and safety (accidents, sickness), environmental and climate. A brief information on compliance is provided in the GRI Index of this Sustainability Report.
[Sustainability Report Swisscom 2021](#)
- A specific "Climate Report", in line with international standards such as the ISO 14064 and the Greenhouse Gas Protocol (GHG) reports specifically on our progress related to climate protection. This report is also externally verified. We record and publish relevant data on energy mix and consumption as well as on GHG emissions according to the scopes of the GHG Protocol. We publish the avoided CO₂-emissions with our sustainable portfolio that we estimate based on methods verified by a third party.
[Climate Report Swisscom 2021](#)

Other Downloads:

<https://reports.swisscom.ch/en/2021/downloads>