

Appendix to the Swisscom 2012 Annual Report

Part of the report in accordance
with GRI version 3.1 (2011)

A+ application level



swisscom

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1 *Introduction*

This Appendix contains additions to the Corporate-Responsibility (CR) section of the 2012 Annual Report, as well as additional information.

The content listed here forms part of the report in accordance with the Global Reporting Initiative (GRI), A+ application level. In the past, this content was to be found either in separate reports or in the actual Annual Report.

See

www.swisscom.ch/GRI-2012/en

2 *Connection to the Swisscom 2012 Annual Report*

The topics covered in this Appendix relate to the following sections of the Swisscom 2012 Annual Report.

- > Governance: Corporate Responsibility governance and implementation (Annual Report 2012, p. 81) and Corporate Governance and Remuneration Report (Annual Report 2012, p. 117 resp. p. 138)
- > Other environmental aspects in the company: Sustainable use of resources (Annual Report 2012, p. 88)
- > Responsibility in the supply chain: Sustainable use of resources; Swisscom's responsibility in the supply chain (Annual Report 2012, p. 94)
- > Responsible employer: Responsible employer in Annual Report 2012, p. 103

3 *Scope of the report*

The Swisscom group structure is described in the “Group structure and organisation” section of the 2012 Annual Report, which contains explanations as regards the changes made to the Group as a result of acquisitions, sales and mergers. A list of Group companies, comprising subsidiaries, associates and joint ventures, is provided in the Notes to the 2012 Consolidated Financial Statements (Note 41).

The scope of the sustainability report in accordance with the Global Reporting Initiative (GRI) covers Swisscom Ltd and all fully consolidated subsidiaries domiciled in Switzerland in accordance with International Financial Reporting Standards (IFRS). Acquired subsidiaries are included from 1 January of the following year in the sustainability report, 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 main foreign shareholdings are Fastweb and the Swisscom Hospitality Group. The closely related foundations comPlan (pension fund) and sovis are also not included in the scope.

Group directives governing the various GRI sustainability topics are issued to Swisscom’s subsidiaries. Group directives governing the various GRI sustainability topics are issued to Swisscom’s subsidiaries, and specialist guidelines and specifications have been introduced on topics such as telephone exchange and data centre cooling and the decommissioning of transmitter stations.

In 2012, Asept Ltd was the only subsidiary in Switzerland not to be included in the personnel information system, i.e. 120 FTEs (Full-Time Equivalent) of a total 16,269 FTEs. This means that there is a 99.3% coverage. Employee indicators, in particular with respect to personnel structure and fluctuation and with respect to absences due to accident and illness cover also 99.3% of FTEs.

Environmental indicators, in particular with respect to energy, water/waste water, emissions and waste, cover almost 100% of Swisscom FTEs in Switzerland. The report includes all buildings managed by Swisscom Real Estate in Switzerland as well as the vehicle fleet managed by Swisscom’s Fleet Travel Management in Switzerland. In terms of energy consumption, small properties (such as a few power amplifiers or Indoor/Outdoor Cabinets), mobile base stations of Swisscom (Switzerland) and the external server hosting of Hospitality Services Plus SA, which are not managed by Swisscom Real Estate Management, have been integrated into the data compilation system. Third-party tenant consumption is now deducted from the total power consumption.

4 Governance

4.1 Compliance

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; these expectations are communicated throughout the Group through leadership and collaboration.
- › Goals: The compliance goals are set by the Board of Directors. Organisational measures and compliance activities are aligned to these goals.
- › Risks: Swisscom identifies risks arising from its business activities and changes in legislation, and assesses and manages these risks using suitable measures.
- › Organisation: The Board of Directors has defined the minimum tasks of the compliance function. The Group Executive Board and the Management Boards of the subsidiaries define further tasks and responsibilities and provide the resources required for an effective CMS.
- › Communication: Employees are informed about their tasks 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: The adequacy and effectiveness of the CMS are monitored on an ongoing basis and any weaknesses eliminated.

During the 2012 financial year, Swisscom conducted individual anti-corruption training courses in the divisions at risk. Additional training will be carried out during the 2013 financial year.

In 2012, an employee breached telecommunications secrecy by selling itemised statements to third parties. No other significant breaches of legal and environmental regulations, health and marketing standards or product information obligations took place.

4.2 Precautionary principle

Thanks to established management systems, Swisscom fulfils its obligation to reduce environmental and social risks and by doing so operates in a sustainable manner. Swisscom is using a CR checklist with which to monitor its compliance with ecological and social criteria in projects, network infrastructures, services and products that fall into the areas of activity of Swisscom Switzerland and, from 2012, that of Swisscom IT Services. Specific requirements based on ecological criteria exist for renovations and new builds. Swisscom's Swiss subsidiaries have instruments at their disposal which are tailored to their needs as required. Preventive measures are taken as part of the company's risk and safety management system. With regard to electromagnetic fields, Swisscom has its quality assurance systems certified to ensure their compliance with the Ordinance relating to Protection against Non-Ionising Radiation (NIR limits).

A further important element of the precautionary principle is staff training and awareness-raising.

4.3 Responsible marketing

Swisscom's marketing is informed by its mission statement on the one hand and the principles of the Swiss Commission of Fair Trading (Schweizerische Lauterkeitskommission) on the other. The principles of the Swiss Commission of Fair Trading govern all relevant aspects of fairness and integrity in communication. The Corporate-Identity team, which is integrated in Group Communications & Responsibility, is responsible for compliance with these principles. It monitors the relevant communications and marketing projects throughout the Group and is therefore in a position to detect possible breaches of the principles early on and initiate preventive measures. The Corporate-Identity team also regularly informs the various marketing units within Swisscom on further developments concerning these principles.

See

www.faire-werbung.ch

5 *Customer satisfaction*

Customer satisfaction is a key metric at Swisscom that has a strong bearing on the company's long-term success. Measuring customer satisfaction and analysing the results are critical to the company meeting its business objectives.

5.1 Customer satisfaction at Swisscom Switzerland

Swisscom Switzerland conducts segment-specific studies in order to measure customer satisfaction.

- › The Residential Customers segment conducts a monthly survey among representative customers to determine customer satisfaction and the extent to which customers are willing to recommend Swisscom to others. Callers to the Swisscom hotline and visitors to the Swisscom Shops are questioned regularly about waiting times and staff friendliness. In product studies, buyers and users are regularly asked about product satisfaction, service and quality.
- › The Small and Medium-Sized Enterprises segment conducts random interviews on an ongoing basis to gauge customers' satisfaction with Swisscom as well as dealers' satisfaction with Swisscom products and support.
- › The Corporate Business segment regularly surveys customers with whom projects have been implemented. It also conducts quarterly surveys to measure customer satisfaction along the customer experience chain.
- › The Wholesale segment conducts an annual survey to measure customer satisfaction along the entire customer experience chain.

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

5.2 Customer satisfaction at Swisscom IT Services

Swisscom IT Services uses feedback instruments at key customer contact points to identify ways of improving customer satisfaction. After each interaction, IT users can submit feedback to the service desk or enter their comments in the order system. In the case of projects, customers can evaluate the project on completion. Swisscom IT Services conducts monthly surveys concerning IT and business activities. A comprehensive customer satisfaction survey is carried out once a year.

6 *Other environmental aspects in the company*

6.1 Paper

Swisscom distinguishes between the deployment of durable and non-durable materials and is committed to reducing the environmental impact of non-durable materials, in particular paper. Swisscom uses 100% recycled paper in its offices with the “Blue Angel” environmental quality seal (183 tonnes in 2012, –8.2%) and only paper with the FSC seal (Forest Stewardship Council) for other purposes such as advertising and print media (4,311 tonnes in 2012, –4.2%). Swisscom used 503 tonnes of paper for invoices in 2012 (–29%). One key paper savings measure is Swisscom’s two-monthly billing for customers with small bills, as well as paperless electronic billing. In 2012, Swisscom used 4,284 (–12.4%) tonnes of PEFC (Programme for the Endorsement of Forest Certification) 34g/m² paper for telephone directories.

6.2 Cables, optical fibres and telephone poles

Network expansion necessitates the deployment of durable materials such as cables and optical fibres. In 2012, Swisscom laid 1.09 million kilometres of optical fibre, 145,797 kilometres of copper pairs and 831 kilometres of eco-friendly polyethylene piping in its fixed network, and installed 5,931 wooden telephone poles.

6.3 Water

Water consumption levels are projected by multiplying the average consumption measured in 1995 by the number of FTEs. In the sanitation area, water consumption levels have decreased slightly in proportion to the number of employees (see table of environmental performance indicators in the Swisscom 2012 Annual Report, page 93). Apart from sanitation, the only business process where water is used is in cooling. Water as an environmental indicator thus carries little weight for Swisscom. Swisscom uses dry cooling to cool the return air in its data centres. If hybrid or adiabatic systems are used in exceptional cases to cool return air (i.e. driven by evaporation), according to an internal directive issued in September 2011, preference must be given to the use of rainwater or (if permitted) river/lake water as the cooling agent, instead of using drinking water. In the case of new data centres, the amount of rain water in the cooling agent must be greater than 80%. The coolers that use water may not be operated for more than 15% of the total annual operating time. The amount of water used for cooling is therefore substantially less than Swisscom’s total water consumption.

6.4 Cooling systems and cooling agents

The old compression cooling systems for telephone exchanges, which use cooling agents, are constantly being replaced by the progressive Mistral cooling system. Mistral cools telecommunication installations throughout the whole year using only fresh air and does not require any cooling agents whatsoever. Over a half of Swisscom telephone exchanges have already been converted to Mistral. Compression cooling systems with cooling agents are currently only being used in the data centres. The cooling agent outlets of the systems are checked for leak-tightness on a regular basis.

6.5 Battery-powered and emergency power systems

In order to ensure service availability in the event of power outages, Swisscom equips its telecoms buildings and data centres with battery-powered and emergency power systems. To prevent batteries from causing any environmental hazards, Swisscom regularly checks whether the prescribed safety measures are being implemented in battery rooms. Swisscom arranges for batteries to be disposed of and recycled in an environmentally friendly manner at the end of their service life. The emergency power systems are only used in the event of power outages, as well as for a couple of hours every year for test runs. Their fuel consumption is included in the overall Swisscom heating fuel consumption indicator.

6.6 Packaging

As of 2009, Swisscom has largely done away with the additional packaging that comes with mobile phones and massively reduced enclosures such as user guides. In the case of postpaid mobile handsets, which make up the majority of all devices sold by Swisscom, packaging has been eliminated completely, saving the company about 14 tonnes of cardboard a year. The modified packaging concept, as part of which the packaging now contains a larger proportion of recyclable fibres, is suitable for reuse and the devices can be returned for disposal.

6.7 Waste and recycling

Swisscom minimises the volume of waste it produces by carefully selecting materials and extending the useful life of products where possible. A contract has been concluded with the Swiss Waste Exchange for the disposal and recycling of waste. Special waste is disposed of by authorised independent specialist companies in line with legal requirements. The 1,834 (+80%) tonnes of waste are sorted into 16 categories; the year-on-year rise in 2012 can be attributed to many factors, including the consolidation of data collection. The waste can be split into three main categories – recycling (90.5%), disposal in waste incineration plants (8.4%) and special waste disposal (1.1%); (see table of environmental performance indicators in the 2012 Annual Report, page 93). Leftover cables and building materials are sorted on site and disposed of directly. Domestic waste is forecasted by multiplying the Swiss average by the number of FTEs in Switzerland. Recycled materials are used as follows: Each location uses 100% recycled paper. In addition, the head office uses rain water and district heating from the nearby purification plant, while routers are also being reused wherever possible.

6.8 Soil and biodiversity

Base and transmitter stations required to ensure full telecoms, radio and TV coverage throughout Switzerland are partially located outside populated areas. The sealed areas per station amount to only a few square metres. When Swisscom dismantles decommissioned base stations, it recultivates the ground in accordance with guidelines issued by Swisscom Broadcast Ltd. In 2012, Swisscom dismantled 15 stations and restores the terrain to its natural state. The stations were used for broadcasting analogue TV signals and are therefore no longer required.

Swisscom supports a number of partners committed to protecting soil and biodiversity. This support takes the form of financial assistance as well as voluntary assistance from employees on Nature Days. The Nature Days are part of Swisscom's "Give & Grow" Corporate-Volunteering-Programme. Swisscom also provides the Swiss National Park with assistance in the form of technical services.

7 Responsibility in the supply chain

7.1 Supplier risk management

By incorporating the risk management system into the supply chain, Swisscom hopes to detect any potential risks in good time. The system is described in this Appendix.

7.2 Risk management procedure in the supply chain

Assessing each Swisscom supply partner with regard to risk does not make sense. A “filtering procedure” is used to determine the risk potential and, at the same time, reduce the number of supply partners to be assessed.

Fig.1 Filtering process: risk management procedure in the supply chain



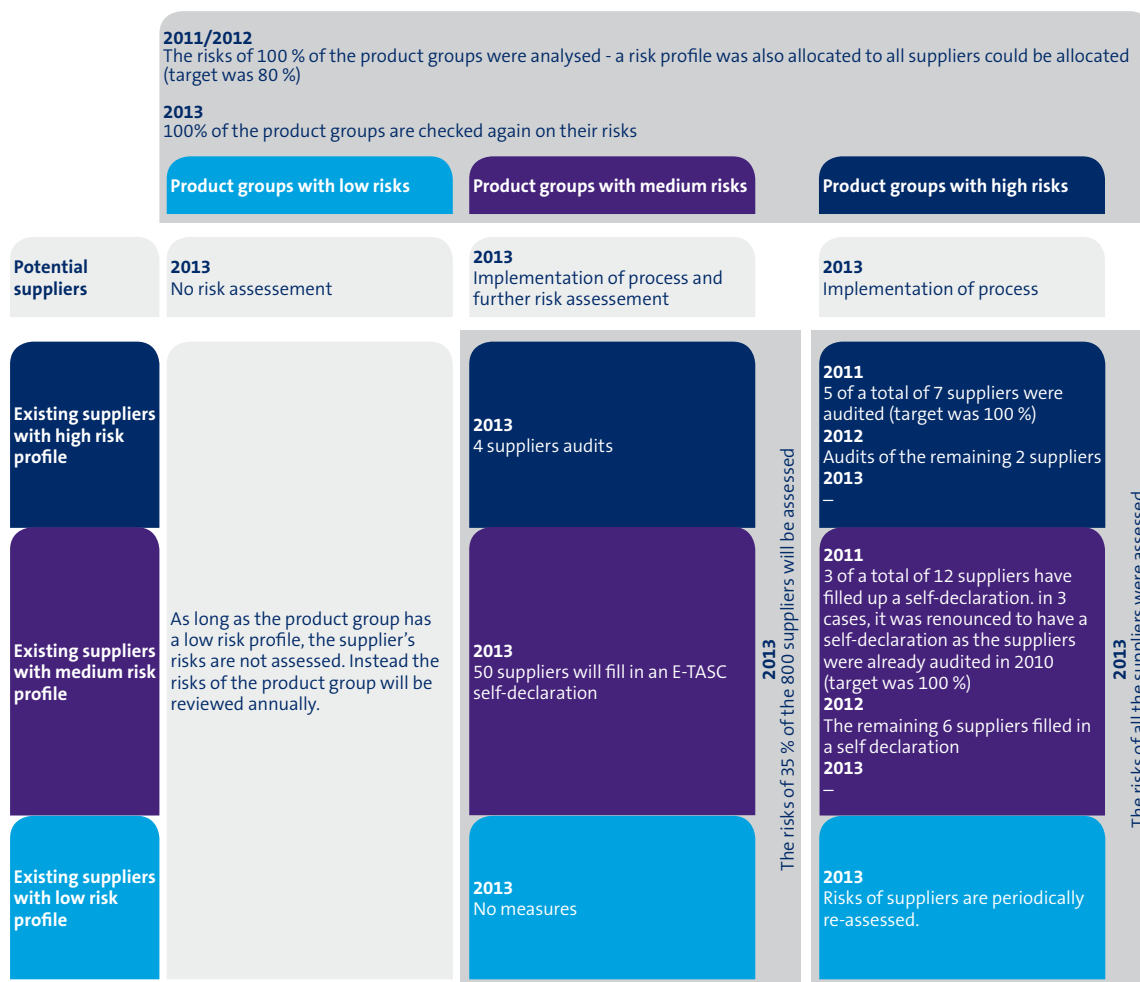
To this end, a first step involves all products groups being assessed in terms of their ecological and social risks, using clearly defined criteria .

The result of this first step is that the product groups are assigned one of three risk profiles – low, medium or high.

Step 2 involves identifying the supply partners that have been assigned high and medium risk profiles in all product groups, as shown in Fig. 2 below. These are then reassessed for risks on an individual basis using clearly defined criteria. The result of this is the matrix below with the corresponding guidelines.

Potential supply partners that belong to a product group with high and medium risk profiles undergo a risk assessment. The results of the assessment and the proposed measures are then incorporated into the decision-making process.

Fig. 2 Targets for 2013 and status as at the end of 2012



7.3 Audit and self-declarations

A risk assessment of the suppliers from high-risk product groups was carried out in 2011. At the time, seven supply partners were found to have a high-risk profile and were audited in accordance with our internal guidelines. Based on the results of this audit, four supply partners were re-audited in 2012. Two of the supply partners received excellent audit results and their risk assessment ratings were accordingly reduced a level to the medium-risk profile.

The risk assessment of supply partners from medium-risk product groups yielded seven supply partners with high-risk profiles and 32 supply partners with medium-risk profiles. Our target of carrying out six audits and 80 self-declarations in 2012 was achieved 100% in terms of audits and 35% in terms of the self-declarations.

Identified weaknesses

The few significant weaknesses from 2011 have largely been rectified in 2012. More time is needed to rectify the only serious weakness – “Working hours” – however Swisscom will monitor this closely.

New weaknesses that were found during the audits carried out in 2012 are still being processed, as some of the results from various repeat audits were only made available at the end of 2012. The audits not yet available are the CR audits that were carried out on behalf of Swisscom or by the Joint Audit Cooperation (JAC).

Rectifying weaknesses

The statuses of the significant and serious weaknesses identified in the audits in 2011 are as follows:

Health and Safety

- Emergency exits: There were five cases in which emergency exits did not have signs or emergency lighting. In one case, this was reviewed as part of a repeat audit and declared as having been rectified. In all of the other cases, the supply partners have provided documents that verify that the problems have been rectified. These documents will be checked during all the repeat audits still to be held in 2012.
- Certificate: There was one instance of a missing certificate. This was later submitted and the weakness was rectified.
- Risk analysis of possible dangers: There was one instance of a missing comprehensive risk analysis of possible dangers within the company. This was later submitted. These documents were checked during a repeat audit in 2012 and the weak point was eliminated.
- Fire and evacuation drills: There was one instance of an absence of regular fire and evacuation drills. This was reviewed as part of a repeat audit in 2012 and declared as having been rectified.
- Safety instructions: The last instance involved the absence of safety instructions for working on dangerous machines. These documents were reviewed as part of a repeat audit in 2012 and declared as being good. The weakness was thus eliminated.

Working hours

- Maximum overtime: There were two instances of non-observance of the legal requirements with regard to the maximum number of hours' overtime permissible. This was reviewed as part of a repeat audit in 2012 and declared as having been rectified.
- Maximum overtime: There was one serious case of the non-observance of the legal requirements with regard to the maximum number of hours' overtime permissible over a period of more than three months within a single year. The repeat audit revealed that the weakness had not been rectified, what Swisscom closely monitors.

Remuneration

- Minimum salary: There were three instances where although the salary complied with the minimum laid down by local law, it failed to cover the minimum required to cover basic needs in accordance with SA 8000. These instances were reviewed as part of a repeat audit in 2012, with one instance still open afterwards.
- Overtime monitoring: There were two instances in which overtime monitoring was not comprehensibly documented. These instances were reviewed as part of a repeat audit in 2012, and one instance was declared as having been rectified.
- Overtime calculation: There was one instance in which the employee overtime calculation was not comprehensibly documented. According to the supply partner, this instance has been dealt

with and the documented have been submitted. This was reviewed as part of the repeat audit in 2012 and declared as having been rectified.

- > Payment: There was one instance in which employees who had had their working hours reduced were paid too little.

8 *Responsible employer*

8.1 Change in headcount

The number of employees in Switzerland in 2012 has sunk to 16,269 FTEs (–2.2% year-on-year), comprising 26.8% women and 73.2% men. The percentage of women has fallen by 0.9%. The percentage of women in middle management has risen slightly in 2012 (+27 FTE or + 11.15%). The age pyramid according to gender remains similar year-on-year in 2012. The 2012 absence rate has increased slightly for both men and women.

8.2 Pension fund

At the end of 2012, around 17,700 Swisscom employees and some 4,900 pensioners were insured under comPlan. In 2012, comPlan posted a positive net return on assets of around 8.95% (prior year: –1.4%). On 31 December 2012, the market value of fund assets amounted to CHF 7.8 billion (prior year: CHF 7.2 billion) and the coverage ratio was around 103.5% (prior year: 97%) in accordance with Swiss accounting standards for pension funds.

In the year under review, a joint working group assessed the financial and technical effects of changing the technical principles to BVG 2010 (previously EVK 2000) and brought regulations in line with the change. The findings and the proposed solution were presented to the Board of Trustees in the last quarter of 2012. The measures are designed as generally being back-up measures intended to reduce the number of actuarial parameters in the pension regulations in the not-too-distant future. The change and the new regulations valid from 2014 should help comPlan to absorb future increases in life expectancy, the persistently low interest rates and the prolonged low investment yields forecasted.

8.3 Fringe benefits

All Swisscom employees enjoy fringe benefits in the form of a phone allowance and the Swiss Federal Railways (SBB) half-fare travel card. These fringe benefits are offered irrespective of function or whether the employee works full time or part time. Apprentices benefit from a lower phone 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 also runs vacation childcare weeks at selected locations in Switzerland. It also pays the employer's pension fund contribution for unpaid leave of up to three months.

8.4 Supplementary regulations governing management staff

Members of management have the opportunity to take a sabbatical of up to three months, depending on their length of service. Swisscom pays their salary for 30 working days, and during the sabbatical the existing employment contract remains in place and managers are assured of a return to their existing position.

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

8.5 Employees in figures (addendum)

The following table shows the various personnel indicators according to gender for the years between 2010 and 2012 in accordance with the GRI requirements, version 3.1. The indicators relate to the staff employed in Switzerland (without Asept Ltd, see the scope of the report). Shareholdings outside Switzerland were not taken into consideration.

GRI-Manpower FTE in Switzerland			2010			2011			2012		
Indicator	Male	Female	Total	Male	Female	Total	Male	Female	Total		
Personnel hiring (temporary employee) number of employees	1'083	391	1'474	1'221	363	1'584	1'242	462	1'704		
Personnel hiring FTE (Full Time Equivalents)	1'036	379	1'415	1'171	349	1'520	1'190	446	1'636		
Fixed-term contracts of employment in FTE	75	63	137.7	29	27	56	32	28	60		
Permanent contracts of employment in FTE	11'184	4295	15'478.4	11'823	4'519	16'342	11'798	4'302	16'100		
Total workforce Switzerland in FTE			16'057			16'628			16'269		
covered FTE in the following rates	11'259	4357	15'616	11'852	4'546	16'398	11'830	4'330	16'160		
Gender in total workforce FTE	72.1	27.9	100.0	72.3	27.7	100	73.2	26.8	100		
Number of full time in FTE	10'523	2977	13'500	11'080	3'128	14'208	11'028	2'926	13'954		
Number of part-time FTE	736	1'380	2'116	772	1'418	2'190	802	1'404	2'206		
Rate full time employees of total workforce in %	67.4	19.1	86.4	67.6	19.1	86.6	68.2	18.1	86.3		
Rate part-time employees of total workforce in %	4.7	8.8	13.6	4.7	8.6	13.4	6.8	32.4	13.7		
Number of employees in collective labour agreement in FTE	9'195	4'130	13'324	9'663	4'289	13'952	9'546	4'047	13'593		
Rate collective labour agreement of total workforce in %	58.9	26.4	85.3	58.9	26.2	85.1	80.7	93.5	84.1		
Number <30 years old in FTE	1'463	1'068	2'531	1'620	1'135	2'754	1'489	996	2'484		
Number 30- 50 years old in FTE	7'196	2'602	9'798	7'361	2'629	9'990	7'260	2'528	9'788		
Number >50 years old in FTE	2'600	687	3'287	2'871	782	3'654	3'081	806	3'888		
Rate employees <30 years old in %	9.4	6.8	16.2	9.9	6.9	16.8	9.2	6.2	15.4		
Rate employees 30 - 50 years old in %	46.1	16.7	62.7	44.9	16.0	60.9	44.9	15.6	60.6		
Rate employees > 50 years old in %	16.6	4.4	21.0	17.5	4.8	22.3	19.1	5.0	24.1		
Average age of employees	42	39	41.2	42.2	39.1	41.3	42.8	39.8	41.9		
Number of employees in Top Management in FTE	109	15	124.0	111	15	126	110	11	121		
Rate of employees within Top Management in %	88.2	11.8	100.0	88.4	11.6	100.0	90.9	9.1	100.0		
Rate of employees to the total workforce in %	0.7	0.1	0.8	0.7	0.1	0.8	0.7	0.1	0.7		
Number of employees in Middle Management in FTE	1'952	212	2'164	2'078	242	2'320	2'150	269	2'419		
Rate of employees within Middle Management in %	90.2	9.8	100.0	89.6	10.4	100.0	88.9	11.1	100.0		
Rate of employees to the total workforce in %	12.5	1.4	13.9	12.7	1.5	14.1	13.3	1.7	15.0		
Leavings in FTE (w/o fixed term contracts)	1'179	551	1'730	1'421	534	1'955	1'125	510	1'635		
Leavings in FTE < 30yrs. old (w/o fixed term contracts)	228	191	419	287	177	464	221	167	387		
Leavings in FTE 30 - 50 yrs. old (w/o fixed term contracts)	624	282	906	829	290	1'119	663	269	932		
Leavings in FTE < 30yrs. old (w/o fixed term contracts)	328	78	406	304	67	371	242	74	316		
Rate of Leavings < 30 yrs. old in %	19.3	34.7	24.2	20.2	33.1	23.7	19.6	32.7	23.7		
Rate of Leavings 30 - 50 yrs. old in %	52.9	51.2	52.3	58.3	54.3	57.2	58.9	52.8	57.0		
Rate of Leavings > 50 yrs. old in %	27.8	14.1	23.4	21.4	12.5	19.0	21.5	14.5	19.3		
Enterings in FTE < 30yrs. old (w/o fixed term contracts)	389.3	237.3	626.6	632	342	974	295	169	464		
Enterings in FTE 30 - 50 yrs. old (w/o fixed term contracts)	688.0	186.8	874.8	1'021	267	1'288	717	153	870		
Enterings in FTE < 30yrs. old (w/o fixed term contracts)	82.1	9.4	91.5	179	23	202	97	17	115		
Rate of Enterings < 30 yrs. old in %	33.6	54.7	39.3	34.5	54.1	39.5	26.6	49.8	32.0		
Rate of Enterings 30 - 50 yrs. old in %	59.3	43.1	54.9	55.7	42.3	52.3	64.6	45.1	60.0		
Rate of Enterings > 50 yrs. old in %	7.1	2.2	5.7	9.8	3.6	8.2	8.8	5.1	7.9		
Education and training days	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	-	54'441		
Number of days training and education per employee (headcount)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	-	3.2		
Maternity and paternity leave	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	405	215	620		
Sickness and accidents GRI (S+A)			2010			2011			2012		
Indicator	Male	Female	Total	Male	Female	Total	Male	Female	Total		
Average Number of FTE	11'450	4'475	15'924	11'742	4'546	16'288	11'840	4'412	16'252		
Regular working days in FTE	2'920'775	1'140'340	4'061'115	2'988'702	1'162'906	4'151'608	2'999'153	1'125'614	4'124'768		
Days lost due to sickness (without work-related sickness)	52'821	45'035	97'856	55'023	43'894	98'916	57'796	42'146	99'942		
Days lost due to work-related sickness	290	88	377	5	0	5	2	0	2		
Days lost due to work-related accidents	2'620	132	2'752	2'059	193	2'252	2'294	552	2'846		
Days lost due to non work-related accidents	11'874	5'325	17'199	11'601	3'436	15'037	11'031	4'055	15'086		
Days lost total (S+A)	67'605	50'579	118'184	68'687	47'523	116'210	71'123	46'753	117'876		
Share of days lost due to sickness (without work-related sickness) in %	1.81	3.95	2.41	1.84	3.78	2.39	1.93	3.74	2.42		
Share of days lost due to work-related sickness (%)	0.0100	0.0080	0.0095	0.0002	0	0.0001	0	0.0001	0.0000		
Share of days lost due to work-related accidents (%)	0.09	0.01	0.07	0.07	0.02	0.05	0.08	0.05	0.07		
Share of days lost due to non work-related accidents (%)	0.41	0.47	0.42	0.39	0.30	0.36	0.37	0.36	0.37		
Share of days lost total (S+A) in %	2.32	4.44	2.92	2.30	4.09	2.80	2.37	4.15	2.86		
Activity FTE (net presence in FTE)	115'013	43'198	158'211	119'547	44'223	163'770	121'024	43'901	164'925		
Total productive hours performed	19'536'947	7'330'376	26'867'020	20'290'074	7'541'011	27'832'456	20'437'207	7'466'206	27'904'715		
Productive time per FTE in hours	1'706	1'638	1'687	1'728	1'659	1'709	1'726	1'692	1'717		
Minimum full time salary according to the CEA	45'500	45'500	-	45'500	45'500	-	45'500	45'500	-		
Number of work-related deaths	0	0	0	0	0	0	0	0	0		
Performance Dialogues in %	98.2	97.4	98.0	98.9	98.5	98.8	98.9	98.5	98.8		

9 *Social and cultural commitments*

Swisscom historically has close ties with Switzerland and the local population, and has long been committed to its Swiss roots. The company's community involvement covers three areas: Community Affairs, Events and Sponsoring, and Corporate-Responsibility projects.

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

9.1 Community Affairs

Swisscom Community Affairs maintains contact with the municipalities and cantons throughout Switzerland. The local team members primarily provide information on infrastructural issues and Swisscom's commitments, and listen to the concerns of the municipalities. In addition to one-on-one meetings and discussions, Swisscom maintains contact with politicians and the authorities via regular publications (Community Affairs flyers) and email newsletters. Swisscom organises training events in various cantons covering a wide range of topics (e.g. social media and eHealth).

The development of mobile communications infrastructure repeatedly leads to local conflict due to concerns being raised by residents. Swisscom Community Affairs' work mainly focuses on providing knowledge and information on mobile communications and related fields. As part of this, Swisscom not only deals with enquiries from the authorities and politicians, but also generally 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 the municipalities, Swisscom has worked together with the industry to develop and introduce a voluntary participation procedure in a wide range of cantons, which will help to determine new mobile communications sites. Swisscom Community 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 marginal regions. For example, Community Affairs represents Swisscom in the BAKOM Broadband Working Group and on the Teleworking Committee.

9.2 Festivals, museums and foundations

Swisscom sponsors renowned, popular open-air music festivals and the AVO Session in Basel. It also supports the medium of film in its capacity as the principal sponsor of the Locarno International Film Festival, and as the communications partner of selected film distribution companies for the premières of new films. The company is also a member of the Board of Trustees of the Museum of Communication in Berne, which organises exhibitions on communications past, present and future. Visitor surveys show that the museum is highly regarded as a family-oriented and interactive museum. For example, the temporary exhibition "Warnung: Kommunizieren gefährdet" ("Warning: communications at risk") which opened in October 2011, welcomed 31,705 visitors in the space of eight months.

Swisscom is a sponsor of the Sasso San Gottardo foundation and is now principal sponsor of the exhibition which covers the following topics: Mobility and the living environment, safety, water, energy, weather and climate.

9.3 Sport

Swisscom's sporting sponsorship focuses on winter sports. As 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, the key focus of which is the selection and

development of young athletes and the creation of training opportunities, allowing the Swisscom Junior Alpine Ski Team to prepare for the Junior World Championships. As official telecoms partner of all Swiss FIS World Cup events, Swisscom boosts 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. Over 200 Swiss football matches are broadcast on Swisscom TV every season.

Swisscom further enhanced its commitment to football at the start of the 2012/2013 season by becoming the sponsor of the Swiss Football League. As part of this commitment, Swisscom launched various measures to further increase the appeal of both the Swiss Super League and the Swiss Challenge League. Swisscom also supports ten clubs in the Super League and nine in the Challenge League. By working together with the Swiss Football League, Swisscom is supporting a long-term and future-oriented partnership.

9.4 Promoting start-ups

Swisscom provides start-ups with comprehensive, long-term support, not only prior to and during the launch period, but also while they strive to establish themselves. By doing so, Swisscom plays an important role in ensuring that the Swiss economy remains competitive.

The company particularly encourages the development and innovation shown on the Swiss SME market. Up-and-coming talent is supported through the various initiatives and commitments organised by startups.ch, the Institute for Young Entrepreneurs and regional economic development. 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, an example which is its partnership with The HUB Zurich.

Commitments

- > Startups.ch: a partnership set up this year with the largest online portal in Switzerland for companies looking to establish themselves.
- > Institut für Jungunternehmen (Institute for Young Entrepreneurs - IFJ): A partnership established ten years ago with the largest national platform for start-ups.
- > BlueLion Foundation Zurich: Swisscom is the co-founder of the foundation. In 2012, the foundation opened the largest ICT & clean tech incubator in Switzerland.
- > BaseCamp4HighTech co-operative: Swisscom is the co-founder of the co-operative, which is an initiative introduced by the Canton of Berne to promote high-tech start-ups.
- > Startup Weekend Association: Swisscom is a gold sponsor of the Startup Weekend association and supports the events in Zurich, Berne, St. Gallen, Basel and Lucerne by providing financial assistance and coaches.
- > Lift Conference Geneva: Swisscom is the "official sponsor".
- > The HUB Zurich: A forum for sustainably oriented founders of start-up companies (social entrepreneurs). Swisscom is a communications partner. The partnership will be further expanded in 2013.

9.5 Corporate giving und people in need

Swisscom's Corporate Giving strategy is an opportunity for Swisscom to document and demonstrate its close ties to Switzerland. The company continued its long-standing partnerships with Swiss Solidarity (Glückskette) and 143 The Samaritans in the reporting year. Swisscom has been a partner of Swiss Solidarity since its inception in 1946.

Swiss Solidarity

The Swiss Solidarity foundation is Switzerland's humanitarian solidarity and fund-raising platform. The foundation is supported by the radio and television broadcasting organisation SRG SSR idée suisse, and also works closely with the private and print media. Swisscom has been a partner of Swiss Solidarity since 1946, during which time it has supported the work of the charity's 30 partner relief agencies.

See

www.swiss-solidarity.org/en.html

143 The Samaritans (Die Dargebotene Hand)

143 The Samaritans helps vulnerable and distressed people 24 hours a day, seven days a week. Over 600 staff, who are mainly volunteers, take well over 150,000 phone calls a year, offering a helping hand to callers who find themselves in desperate situations. For some time now, callers have been able to contact 143 The Samaritans via channels other than the telephone, with enquiries received via e-mail and instant messenger on the rise. Swisscom makes a significant contribution to 143 The Samaritans by providing financial support and specialist services, supporting the central secretariat and 14 regional offices.

See

www.143.ch

9.6 Climate Pioneers

The Climate Pioneers project offers schoolchildren from pre-school to secondary school the opportunity to realise their own climate protection projects. Swisscom launched the Climate Pioneers project together with Solar Impulse and the climate protection organisation myclimate. Swisscom is committed to encouraging children and young people to get actively involved and to make an important contribution to climate protection.

The Climate Pioneers initiative has two prominent supporters, Bertrand Piccard and André Borschberg. They plan to circumnavigate the globe in their solar aircraft Solar Impulse in 2015 to raise the profile of renewable energy.

In the period since the initiative was first launched until the end of 2012, over 5,000 Climate Pioneers have worked together on realising more than 200 projects, the majority of which were in German-speaking Switzerland. In spring 2012, Swisscom expanded the initiative to French-speaking Switzerland.

See

www.klimapioniere.ch

www.pionniersduclimat.ch

9.7 Solar Impulse

André Borschberg and Bertrand Piccard's Solar Impulse project is committed to raising the profile of energy efficiency, clean tech and innovation, which is why Swisscom has been supporting it as national telecoms partner since 2009. Swisscom has developed an ultra-light, energy-saving communication solution to allow the pilot to communicate with the crew on the ground at all times as the plane circumnavigates the Earth. The Solar Impulse solar aircraft completed its first intercontinental

flight in 2012, flying the 6,000 or so kilometres between Switzerland and Morocco. It was the first time that all communications were carried out using Swisscom's communication solution. Thanks to the partnership with Swisscom, the public are able to experience Solar Impulse's international flights first-hand and from the pilot's perspective, as the satellite connection allows images of the pilot and the plane's current data (position, speed, route, etc.) to be reproduced online in a virtual cockpit. Swisscom also provides updates on the project on Bluewin, Facebook and Twitter, as well as on a special application for iPhone, iPad and Android smartphones.

10 Memberships and partnerships

10.1 Sustainable living and working

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 now occupies a leading international position in the area of CO₂ offsetting. It also possesses a wealth of expertise in drawing up carbon footprints and rating products.

Swisscom is currently working with myclimate in the areas of eco points and climate recommendations. Working with other partners, Swisscom investigates the conditions necessary for sustainable living and working and passes on its findings in the appropriate form to the public at large.

- Swiss Research Foundation on Mobile Communication (FSM): The FSM is a not-for-profit foundation that promotes scientific research into the opportunities and risks of mobile communication and publishes the results of its research in scientific journals. It also supports the unbiased publication of research findings and fills any knowledge gaps that exist within society. Swisscom financially supports the research foundation that is based at the Swiss Federal Institute of Technology (ETH) in Zurich.
- Umwelt Arena: Swisscom is the exhibition partner of Umwelt Arena, a new competence centre devoted to sustainability in Spreitenbach (canton of Aargau). Swisscom accompanies visitors on an interactive tour of the possibilities of a sustainable lifestyle in the areas of mobility, nutrition, construction, energy supply, communication and many others. During the tour, conducted in virtual mobility, visitors encounter new Swisscom offerings, including “Smart Living”, the intelligent way to stay connected with their homes, and mobile phone recycling. Swisscom also uses the Umwelt Arena as an event platform for external and internal events and is the Umwelt Arena’s ICT partner.

10.2 Sustainable use of resources

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

- European Telecommunications Network Operators (ETNO), Sustainability Working Group: 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: Since 2007, Swisscom and Telecom Italia have jointly headed this team, which is made up of European telecoms providers.
- European Telecommunications Standards Institute (ETSI): Swisscom has been a member of the ETSI’s Environmental Engineering (EE) working group for six years and has helped promote the ETSI Standard EN 300019-1-3 (class 3.1) governing the operation of IT facilities. The working group is currently drawing up uniform standards for verifying electricity consumption and assessing life cycles of network equipment and devices.
- Swiss Association for Environmentally Conscious Management (ÖBU): Swisscom has been a member since 1999.
- Energy Agency for Industry (EnAW): Swisscom joined the Energy Agency in 2003 and signed a target agreement to reduce CO₂ emissions and improve energy efficiency in 2004.
- WWF Switzerland: Swisscom is a member of the WWF Climate Group.
- Association for Environmentally Sound Electricity (VUE): The VUE certifies energy plants with the quality labels naturemade star and naturemade basic. Swisscom has been a member of the VUE Board since 2006 and, according to internal data gathered by Swisscom, is one of the biggest procurers of naturemade star products in Switzerland.

- › Energo Association (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 (set-top boxes) in Europe and target agreements with EnAW to reduce CO2 emissions and improve energy efficiency in Switzerland. Swisscom is also involved in the Carbon Disclosure Project (CDP) and other ratings activities.

To bring about a continuous increase in the impact of the corporate responsibility demands that Swisscom places on the supply chain, Swisscom is actively involved in the following initiatives:

- › Global e-Sustainability Initiative (GeSI): a partnership of companies from the ICT sector whose aim is to promote sustainability.

See

www.gesi.org

- › E-TASC (Electronics – Tool for Accountable Supply Chains): Since August 2011, Swisscom has been using the online E-TASC questionnaire for the self-declaration of suppliers within the framework of its risk management system.
- › Joint Audit Cooperation (JAC): The JAC comprises eight telecoms companies that work together to plan and perform CR audits.
- › Carbon Disclosure Project (CDP) Supply Chain Program: Swisscom is considering stepping up its involvement in the CDP Supply Chain Program in 2013.

See

www.cdproject.net/en-US

10.3 Telecommunications for all

In line with legal requirements, Swisscom takes various measures to offer the public additional added value. For example, the company works with a number of specialist organisations in order to continually enhance its understanding of the specific needs of particular customer groups. These organisations act in an advisory capacity to Swisscom, while, in turn, Swisscom supports them in helping make Switzerland's information society a reality. Both parties benefit from the mutual support and exchange of ideas and information.

The types of collaboration with individual organisations, institutions and public offices are many and varied, and in each case comply with the relevant needs and objectives:

- › Swiss Foundation for Audiovisual Teaching Media (SSAB): Swisscom has been a member since 2008 and works with an extensive network to devise strategies and solutions for modern information provision both in schools and in the extra-curricular sphere.
- › Worlddidac Association: The world's largest education fair, Didacta (former Worlddidac) is held every other year in Basel and attracts over 400 exhibitors from more than 80 countries who come to present their products and teaching aids to nearly 20,000 visitors. Swisscom has been a partner of Worlddidac since 2004 and through the Swisscom Arena provides a central platform for the exchange of views and ideas relating to trends in education. In 2012, the Swisscom Arena was held under the motto "The school goes to school" and provided many innovative participants with the opportunity to present their ideas and models to a large professional audience.
- › Swiss Foundation for the Protection of Children: Swisscom and the Swiss Foundation for the Protection of Children meet regularly to discuss issues relevant to the promotion of media skills and the organisation of the youth media protection programme.

- › European Telecommunications Network Operators (ETNO): Swisscom became a sponsor of the High Principles on Child Protection Charter in 2011. After being launched by ETNO, these principles are now supported by the industry itself. Under this charter, the sponsors commit themselves to a number of voluntary measures aimed at protecting young people from the negative impact of new 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 via which to exchange views with a large number of partners on the promotion of media skills. Swisscom supports the programme by providing both financial resources and communication services.

Project-based cooperation

- › Pro Senectute (telephone chains, International Day of Older Persons)
- › Swiss Consortium for Alpine Regions (SAB)
- › Access for all (knowledge database, experts for barrier-free access to Internet)
- › Procap Schweiz (dialogue partner for activities involving people with disabilities and for corporate volunteering)
- › Fondation Suisse pour les téléthèses (Swiss Foundation for Electronic Aids)

Swisscom worked with the above organisations in 2012 on a variety of projects which all offer direct added value in the environment surrounding today's information society. Swisscom reviews memberships and partnerships on the basis of a range of transparent criteria such as the thematic relevance or national significance of the organisation in question.

10.4 Responsible employer

Swisscom is a member of various national and international institutions which deal with different human resources issues. These include:

- › International Institute of Management in Technology in Freiburg (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 council conducts research into best practice in corporate management.
- › Generation CEO: This is an initiative promoting female management talent.
- › Swiss Women's Network (SWONET): The SWONET Internet portal is a network of Swiss women's organisations.