

## Anti-Corruption Directive

Officer in charge	Andrew Haller, Group Compliance
Approval	Martin Vögeli, Head Group Security & Corporate Affairs
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## **1 Purpose**

Swisscom rejects all forms of corruption. Swisscom operates fairly, honestly and transparently.

This directive sets out the type of conduct that is either admissible or inadmissible as part of professional activities. It aims to protect Swisscom employees ("employees"), participating third parties and the Swisscom Group from prosecution. This directive takes account of Swiss law and the provisions of the UK Bribery Act and the U.S. Foreign Corrupt Practices Act applicable to our business activities.

## **2 Scope of application**

The directive and the rules of conduct described below apply to the Swisscom Group, which includes Swisscom Ltd. and fully consolidated subsidiaries in Switzerland and abroad ("subsidiaries").

This directive applies to the subsidiaries abroad, subject to any stricter legal system/practice prevailing in the respective country.

## **3 Definitions**

*Corruption:* Corruption occurs where a person acting in the course of his or her employment relationship is granted an advantage to which he or she has no legal entitlement and which can lead to a conflict of interests with his or her professional obligations. Both granting and accepting the advantage are punishable by law.

Accepting advantages must not impair the independence, objectivity and freedom of professional decisions or infringe the employer's interests.

*Advantages/other:* Advantages include all types of tangible, financial or personal advantages. The directive categorises advantages into the acceptance or granting of gifts, other advantages and invitations to events. The category *other advantages* includes all of the aforementioned types of advantages that are not listed separately, such as invitations to meals, training courses, club memberships, promises of employment and internships, etc.

*Conflict of interest:* When employees involved in a decision-making process may have an interest in the outcome of a decision for personal or financial reasons or because of a commitment to one or more third parties, a potential conflict of interest with their professional duties may exist. Because conflicts of interest can result in pecuniary damage to Swisscom and/or corruption, they must be disclosed.

*Official:* Officials are members of a judicial or other authority (e.g. public administration employees), civil servants, officially appointed experts, translators or interpreters, arbitrators or military personnel.

*Private individual:* Persons who work for a private employer are normally considered private individuals.

**Note:** Private individuals are also considered officials if and for as long as they perform official tasks. This may already be the case in the event of a fulfilment order (e.g. preparing tender documentation) for an authority. In case of doubt, private individuals are to be treated as officials.

- Market value:* Market value is the price a third party would have to pay in order to acquire the advantage on the market (i.e. without any volume or company discount and including the costs of any accompanying guests). For events organised by Swisscom, the market value of an invitation includes all costs incurred, e.g. the location rental, internal and external staff costs, catering and IT expenses.
- In terms of *minor, purely informational events*, the term "market value" refers solely to the personal advantages and not to the market value of the event as a whole.
- Lobbying:* Lobbying refers to the influence on decision-makers in politics and administration. It also refers to the term "public affairs", i.e. the management of the processes related to the formation of opinion and decisions at the interface between politics, business and society.
- Donations:* Donations are charitable contributions. By making donations, Swisscom lives up to its responsibility to society.
- Sponsorship:* Sponsorship refers to providing financial or material support to organisations and events. In exchange, Swisscom receives advertising opportunities, marketing advantages and, in some cases, tickets to the sponsored event.

#### **4 Responsibilities**

The **Group companies and business divisions as well as subsidiaries** must ensure the implementation of this directive in the structuring of their organisations and operations and document the necessary evidence. They may issue their own directives but must not fall short of the prescribed minimum standard.

Every **employee** is responsible for complying with the provisions of this directive, the relevant processes and the involvement of third parties. The **relevant manager** must oversee their compliance in the course of performing his or her managerial duties. For example, the relevant manager must, where necessary, approve invitations subject to compliance with the aforementioned provisions and examine invoices for out-of-pocket expenses and supplier invoices for any improper advantages granted.

#### **5 Rules of conduct**

All employees are prohibited from engaging in any form of corruption, whether directly or indirectly (through engaged third parties or for the benefit of third parties, e.g. by sponsoring events). Payments to accelerate official acts ("bribes") are also prohibited.

Stricter provisions on the part of customers, suppliers or partners in contracts or issued internal directives must be observed.

Gifts and invitations are to be delivered exclusively to the business address.

If a business transaction can only be executed by granting improper advantages, the transaction must be avoided. All provisions of the rules of conduct set out below apply to each subsidiary individually.

## **6 Granting or accepting gifts and other advantages**

Granting gifts and other advantages **to officials** is **always prohibited**.

Employees may grant gifts and other advantages with a maximum market value of CHF 100.- to a **private individual** no more than three times a year. The same applies when accepting such gifts and other advantages from a company.

Monetary gifts (cash or cash substitutes, e.g. vouchers, cryptocurrency) are always prohibited.

If, out of courtesy, employees cannot refuse monetary or other gifts that exceed the permitted threshold, such gifts must be surrendered to a central office so that they can be used for a charitable purpose.

Swisscom Ltd's and Swisscom (Switzerland) Ltd's competent office is the secretary's office of the Board of Directors and the Group Executive Board. All other subsidiaries must designate their own internal office.

## **7 Granting or accepting invitations to events**

### **7.1 General rules**

- Granting or accepting invitations must always be in the overall business interest of Swisscom.
- Invitations must transparently indicate the advantages included and the respective market value.
- They must not be extravagant or excessive. Examples: events in luxury hotels, casinos, exclusive golf tournaments or helicopter flights.
- Covering travel or accommodation expenses is not permitted. This prohibition excludes travel and accommodation expenses in exchange for presentations or training courses by employees, as long as the expenses are not covered by current or potential suppliers or partners.

### **7.2 Minor, purely informational events**

In the case of purely informational events, the main purpose must be the transfer of specialised knowledge or the presentation of the respective company's services and innovations. The events must primarily provide a direct benefit for the companies or authorities to which the invited individuals belong as a result of the knowledge transfer. Examples of minor, purely informational events are presentations on new products and services on the business premises or antenna/onsite visits.

Employees may issue invitations to purely informational events **to private individuals and officials** or accept such invitations if:

- the arrangement of the event, including location, is appropriate to its professional purpose and
- the total amount of any catering or small gifts, as personal advantages, do not exceed a market value of CHF 50.-.

### **7.3 Other informational events and social events**

Employees may issue invitations to other informational events and social events (e.g. concerts, sports, film, theatre and business events) **to private individuals** or accept such invitations if the following requirements are met:

- the invitation has a total market value of less than CHF 100.- per person (including accompanying guest) or
- the invitation has a total market value of less than CHF 300.- per person (including accompanying guest) for members of the Executive Board or the Board of Directors and
- no more than three invitations are issued/accepted per person per year.

If the market value exceeds the aforementioned threshold, or if invitations are to be granted to **officials**:

- the following is required at the time the invitation is **granted**:
  - o the invitation must always be approved in the form of a **signed declaration of consent** (bearing a handwritten or qualified electronic signature) by the responsible body of the invited person's employer
- or
- o the invitation must be impersonal and addressed to the companies or government authorities. These companies or government authorities must then decide on their own whether accepting the invitation is permitted based on their standards and, if so, which employees may attend the event.
- For **acceptance** by employees of Swisscom, the consent of their **manager** as the responsible body is required. Subject to the provisions of this directive, the manager must decide whether employees may accept invitations.

If an invited person participates in the cost, it shall not affect either the calculation of the market value or the requirement to obtain a signed declaration of consent.

## **8 Members of Parliament and publicly elected members of executive authorities**

Gifts and other advantages (section 6) or invitations to other informational events and social events (section 7.3) may only be granted to members of parliament and publicly elected members of executive authorities (e.g. government or city councillors) in Switzerland in coordination with the Public Affairs (GCR-NR) unit. The granting of advantages of up to CHF 200.- per person (including accompanying guest) per year is permitted. The amount of CHF 100.- per advantage must not be exceeded.

Furthermore, publicly elected members of executive authorities may attend other informational events and social events as per Section 7.3 if they obtain a signed declaration of consent from their authority.

## **9 Sponsorships and donations**

General conditions of anti-corruption law must always be observed when granting sponsorships and donations.

Swisscom promotes organisations and events in Switzerland through sponsorships and donations. Any sponsorship of politicians or political parties is always prohibited.

The commitment must not be utilised to:

- influence specific or identifiable business decisions by an official or a private individual or
- do advance favours for officials regardless of any specific decision (prohibited "sweetening" / "baiting")

Sponsorship of subsidiaries in Switzerland must go through the central sponsorship process: see <https://www.swisscom.ch/en/about/sponsoring/sponsoringanfragen.html>.

The following general conditions must be observed in the sponsorship approval process:

- The commitment must be based on specified, objective strategies or key points that are transparent to third parties.
- For any sponsorship, the marketing or advertising advantages must be of equivalent value to the financial or material services provided by Swisscom.
- Any risk of corruption must be evaluated if a planned sponsorship deviates from the predefined strategy.
- As a rule, payments are not made to personal accounts. However, in the context of small sponsorships, if payments can only be made to a personal account, it must be substantiated and documented.
- Every commitment must be documented internally and can be disclosed to third parties, subject to trade/official secrets.

## **10 Engagement of third parties**

If engaged third parties (e.g. subcontractors, consultants, partners) commit any corruption-related infringements in the course of performing their business activities for Swisscom, this could render Swisscom and its employees liable to prosecution.

Therefore, engaged third parties must be prohibited by default from granting advantages to third parties in the course of performing business activities for Swisscom.

If employees engage third parties and the tasks assigned to them involve an elevated risk of corruption (e.g. obtaining permits from government authorities, participating in the awarding of public contracts or lobbying activities), the risk must be precluded or mitigated by taking the following measures:

- The employees must avoid awarding the specific task involving an elevated risk or
- the compensation for the services to be performed must be appropriate and plausible and
- the third party must provide proof that its company has taken sufficient measures to combat corruption.

**11 Archiving documentation**

All documents must be archived in a retrievable manner for 15 years from the date the advantage was granted. This applies particularly to the signed declarations of consent from the companies or authorities and the impersonal invitation letter sent to the companies or authorities as well as the replies to that letter.

**12 Conduct in the event of suspected corruption**

Employees who suspect corruption must contact their manager. They may also use the anonymous whistleblowing channel or contact Group Compliance directly.

The information provided will be evaluated and, if the circumstances warrant it, the matter will be reported to the prosecuting authority. The origin of the information is always treated as confidential.

Except in cases of wrongful reports, a whistleblower is protected from termination and other forms of discrimination.

**13 Handling conflicts of interest**

All employees are obligated to disclose actual or potential conflicts of interest in the following cases:

- generally in case of appointments or outside activities as defined in the collective employment agreement and, for senior management, as by the directive of the Board of Directors;
- on a case-by-case basis if business relations with Swisscom could be affected because of:
  - o private investments in the case of potential or actual business partners or competitors;
  - o planned cooperation agreements with related parties, such as relatives, spouses, partners or close friends or
  - o other situations that could result in a conflict of interest when examined objectively by a third party.

In these cases, the manager or the decision-making body and, if affected, the purchasing department must be informed regarding the potential conflict of interest. They will decide if withdrawal from the consulting or decision is necessary or if another measure should be taken.

**14 Training**

Employees will receive periodic training via e-learning sessions. Based on the risk, Group Compliance will also conduct specific training for divisions that are particularly affected.

**15 Sanctions**

Employees who breach this directive must expect to be criminally prosecuted and bear the consequences under labor law, including dismissal without notice.