

Sustainability Report 2020

Sustainability is a fundamental pillar for running a global company such as Ascom, as stakeholders underline the importance of complying with global standards.

In 2020, we emphasized the importance of sustainable business with a clear structure of the Sustainability Report that focuses on the three areas Environment, Social and Governance (ESG). During a year that has been marked by the pandemic, with the resulting drastic shifts in behavior, all three spheres have been affected – be it due to the decline in business travel, the increase in working from home or the lack of personal interaction with colleagues.

Ascom is pushing its sustainability agenda further with a comprehensive revision of the Corporate Directive that takes ESG targets into consideration and has been in effect since January 2021 (p. 20). The Directive will guide the way in which we work to ensure we consider all stakeholders and take a holistic approach in relation to all processes. The Corporate Directive is available on www.ascom.com/Investor-Relations/Governance/sustainability.html.

We continue to be a signatory of the UN Global Compact, focusing on the Sustainable Development Goals (SDG) that are most pressing for us and where we believe Ascom can have the greatest impact:

- Good Health and Well-Being (SDG No 3)
- Quality Education (SDG No 4)
- Gender Equality (SDG No 5)
- Decent Work and Economic Growth (SDG No 8)
- Industry Innovation and Infrastructure (SDG No 9)
- Reduced Inequalities (SDG No 10)
- Responsible Consumption and Production (SDG No 12)
- Climate Action (SDG No 13)

In 2020, we started again to donate to UNICEF to support disadvantaged children around the world into realizing their potential. We have upheld our external reporting to maintain transparency into our operations by reporting to the Carbon Disclosure Program (CDP, rated B– in the climate change questionnaire, rated A– in the supplier engagement rating report) and being rated by EcoVadis. We retained our gold status in the EcoVadis sustainability rating and are ranked among the top 5% of companies rated.

“As a global solutions provider focusing on healthcare ICT and mobile workflow solutions, we will continue to apply our prudent approach to minimizing Ascom’s environmental footprint. We are strongly committed to expanding our ESG reporting in the years ahead with additional topics that we consider extremely important for our business and our industry.”

Jeannine Pilloud
CEO Ascom

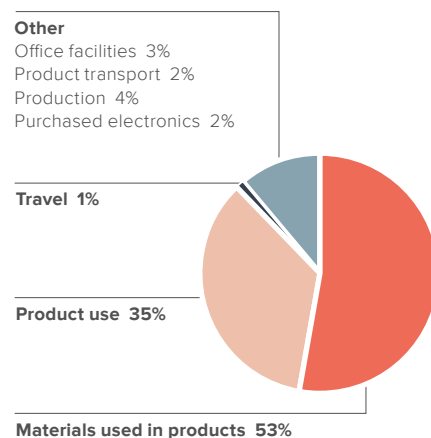
Environment

Ascom's solutions, products and services consistently fulfil the needs of users and customers. At the same time, the company is committed to minimizing its environmental footprint. Ascom no longer has any manufacturing plants. Our environmental impact is mainly derived from materials used and energy consumption over the life cycle of a product. It is therefore imperative that we consider environmental sustainability in the development and launch phase of products, where Ascom can impact on environmental friendliness of goods produced.

In 2020, employee commuting and business travel have been greatly reduced due to national health authority regulations to contain the pandemic. The volume of unplanned customer issues requiring business travel has remained low, which reduced the need to travel to customer sites. In Finland, only 9% and in Sweden only 13% of unplanned customer issues generated the need to travel in 2020. Both sites are within their target for remote fixes.

Our share of renewable energy has increased. The warehouse facility in Sweden is now wholly supplied with renewable energy from hydropower sources. In 2019, the Gothenburg office was already supplied by 100% renewable energy. After the continuous modernization of installations on site (e.g. light sensors, modular heating and cooling), energy consumption in all Swedish offices has fallen by 30% since 2013. Overall, carbon emissions have fallen due to a changed hardware mix and lower sale volumes of hardware in 2020.

Carbon footprint of Ascom



Year	Net revenue (CHFm)	CO ₂ e kg	CO ₂ e kg per CHF	% Change CO ₂ e kg
2016 ¹	300.8	70,583,102	0.23	-25.8%
2017	309.7	69,427,651	0.22	-4.0%
2018 ²	318.5	74,534,127	0.23	+7.4%
2019	282.9	67,712,161	0.24	-9.2%
2020	281.0	61,771,932	0.22	-8.8%

¹ Net revenue figures refer only to continuing business (former Division Wireless Solutions);

CO₂e is calculated according to a recognized standard (ISO 14064), but has not been externally verified.

² CO₂e emissions of 2018 were adjusted due to a thorough review conducted every five years.

Overview CO₂ by emission scope¹

Scope	2019 (in CO ₂ e in tons)	2020 (in CO ₂ e in tons)
1 – Direct emissions	57	75
2 – Indirect emissions	2,325	2,120
3 – All other indirect emissions	65,330	59,527
Total	67,712	61,722

¹ Scope definitions in line with the GHG Protocol Corporate Accounting and Reporting Standard for greenhouse gas emissions.

Every five years, Ascom carries out an in-depth environmental review to identify the environmental footprint of our activities, products and services. The carbon dioxide equivalent (CO₂e) emissions from each activity area are calculated. Ascom then sets environmental targets in the areas in which we have the biggest environmental impact. The top areas of impact when comparing CO₂e emissions are the materials used in products and energy consumption of products sold. We will continue to implement targets in these areas in 2021 and beyond.

The Ascom commitment to quality in our products, our solutions and our services is absolute. 24 Ascom sites are certified with ISO 9001 and five sites with ISO 14001. In addition, six sites are certified with ISO 13485 and two sites with ISO 27001. Ascom is working on increasing the number of certified sites in 2021 and beyond. For more information, please see www.ascom.com/Investor-Relations/Governance/quality-certification.html.

Social

An inclusive culture and diverse workforce make Ascom stronger as it opens up avenues for innovation and improvement. Historically, technology companies tend to have an overrepresented male workforce. With an overall male/female ratio of 4:1 (80%/20%), Ascom is no exception, although the ratio is 3:1 (75%/25%) on top management level.

Due to the unprecedented Covid-19 pandemic, Ascom responded quickly in communicating with employees, as its employees' health safety is the Company's most important asset. A crisis group with a clear distribution of responsibilities was formed, regular calls with key departments were initiated and an internal CEO crisis communication to all employees was established. An internal e-mail channel and a dedicated intranet page provides an Ascom Covid-19 update on a regular basis, which includes information about basic behavioral instructions (e.g. health & safety measures, working from home guidance), announcement of health measures on working sites (e.g. deployment of face masks on Ascom sites). It also draws attention to local health authority regulations. This Ascom Covid-19 update will remain active until the pandemic is deemed to be under control by federal authorities.

The pandemic had personal implications for employees during a very transformational phase for Ascom and at a time when fluid dialog between management and all employees was very limited. In order to meet the additional need for open and direct dialog and communication, we launched a global online staff conference in October 2020, aimed at supporting and emphasizing the importance of the strategic changes. We had a high attendance of above 60% in all regions extending from the USA to Australia. A survey carried out after the event showed a favorable overall impression from participants: 90% rated the online event with a rating of at least "good" or higher.

In the first quarter of 2020, Ascom appointed a Chief Human Resources Officer with the ultimate goal to align the company worldwide and to improve employee attraction and retention. With specific focus on learning & development, Ascom is fostering a new sustainable culture of employee development. One of the immediate responses to the pandemic was the prompt assembly of remote trainings in one single resource – 139 lessons were made available to all employees. This allowed staff, whose usual duties were affected by the pandemic, to use the time to develop their knowledge and skills. To give us a better overview and record of employee skills, we introduced a smart, simplified performance management process at the end of 2020, which emphasizes the focus on behavior and high-quality discussions, thus bringing the overall behavior within Ascom onto the next level.

Governance

The Ascom Board of Directors and Executive Committee are committed to the highest standards of good corporate governance and transparency.

After achieving high rankings in independent corporate governance surveys in past years, Ascom remains fully dedicated to a state-of-the-art governance approach. Ascom is ranked number 21 (2019: 20, 2018: 7, 2017: 1) in corporate governance among 172 publicly listed companies in Switzerland according to the Corporate Governance study 2020 of zRating (www.inrate.com).

In 2020, four new members were elected to the Board of Directors. All new members are independent and have a proven track record in various business areas. The Board of Directors is composed of both male and female members. The members of the Board of Directors have a diversity of skills and experience to serve the Company in an optimal way.

This Code of Conduct is of utmost importance for Ascom and its stakeholders. It forms the basis of the corporate culture and is a binding roadmap for applying the defined values to business situations. This guidance consists of ten principles all Ascom employees have to adhere to. The Code of Conduct is available online on www.ascom.com/Investor-Relations/Governance/Directives-and-guidelines.html.

To ensure that all at Ascom adhere to these principles, it is crucial that they have access to an anonymized and secure reporting system. Ascom encourages employees to report any actual or suspected misconduct through an anonymous and independent whistleblowing and compliance hotline. Three reports were made in 2020.

For more information about Ascom's sustainability efforts, please visit www.ascom.com/Investor-Relations/Governance/sustainability.html.