

Ascom follows its sustainability principles to contribute to a better world

We are pursuing various initiatives throughout the whole organization and we are living up to the Company's sustainability tenets

We are showing our commitment to take sustainability challenges seriously as basis for achieving long-lasting growth and success in business.

2018 was another year in which we made good progress in improving its sustainability performance. Our business strategy and our sustainability efforts are interconnected, especially in our healthcare business, in order to provide a stress-reducing environment and calm care for patients. To improve the environment for patients and staff, several challenges have been addressed, such as stress and burnout among personnel, staff safety and the risk of missing crucial patient alarms.

The caregiver's role and improvements in staff safety for the working environment are critical to achieving global requirements, e.g. the World Health Organization's (WHO) global strategic directions for strengthening nursing and midwifery 2016–2020 or the United Nations (UN)'s business-relevant Sustainable Development Goals (SDG), which we at Ascom implemented for the first time in 2018. One of the main SDGs for Ascom encompasses Good Health and Well-Being (SDG No 3), which aims to ensure healthy lives and promote well-being for everyone at all ages.

As a signatory of the UN Global Compact (UNGC) since 2010, we at Ascom remain committed to pursuing sustainable business and adhering to the Ten Principles of the Global Compact, which relate to human rights, labor practices, and environmental and anti-corruption measures. Our Company is also governed by the Ascom Code of Ethical Business Conduct, which forms the basis of our corporate culture, an updated version is planned after the Annual General Meeting 2019.

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Holger Cordes, CEO Ascom

New environmental protection objective

In our 2020 Sustainability Roadmap we identified four key performance indicators in the areas of our ISO 14001 certificate to reduce greenhouse gas emissions. These environmental indicators correspond directly to our significant environmental aspects measured in CO₂ equivalents (CO₂e). We at Ascom continuously set detailed targets and new objectives on these topics. Please refer below for examples of Ascom's roadmap targets.

1. Strive for continuous improvements of products and their impact on the environment throughout their life cycle and design solutions to optimize power consumption during use

Reduce power consumption during use

- New generation of Smart Device Cellular variant. This must be as power efficient or more efficient than the current variant
- Reduce power consumption in our software products, measured per message processed at peak load
- Reduce patient stations power consumption

2. Optimization of materials/production processes

Material efficiency

- Increase materials with recycled content e.g. packaging

3. Reducing CO₂ impact on service organization by reducing mileage

Reduce business travel

- Benelux Region: Increase remote support percentage to 50%, which will reduce travelling hours to more than 30%
- Nordics Region: Make service more efficient, amount of remote support in Sweden should be 85% and in Finland 90%
- UK Region: Increase rate of remote service by 80%

4. Responsible supply chain

Supplier due diligence and improvements

- Due diligence follow-up on CSR issues relating to first-tier suppliers

The sustainability roadmap has shown some long-term success given these results. The low-emissions portfolio of solutions is underway. As of 2018, we have been disclosing key indicators which measure the ratio of Ascom's calculated CO₂ equivalents as a percentage of overall business revenue generated.

CO₂ per unit net revenue

Year	Net revenue (CHFm)	CO ₂ e kg	CO ₂ e kg per CHF	% Change CO ₂ e kg per CHF
2015 ¹	304,2	93,656,270	0.31	
2016 ¹	300,8	70,583,102	0.23	-25.8%
2017	309,7	69,427,651	0.22	-4%
2018	318,5	63,357,714	0.20	-9%

¹ Net revenue figures only for continuing business (former Division Wireless Solutions); CO₂e is calculated according to recognized standard (ISO 14064), but has not been externally verified.

Ascom wins several innovation awards

Innovation is an important success driver to setting new industry standards and increasing workflow productivity in both the healthcare and enterprise businesses. Increased R&D expenses of CHF 16.5 million for the first half-year 2018 highlight the fact that Ascom embodies an innovative spirit, which was recognized prominently in 2018:

- **Frost & Sullivan Company of the Year Award for the Enterprise Wireless Phone Industry** recognizes Ascom for its outstanding and sustained performance in the global enterprise wireless phone market.
- **UK's Building Better Healthcare Awards** was awarded to Ascom due to the clinical workflow solution Ascom Telligence as best communications system. The best communications system award is part of the technology class, which aims to identify the most innovative digital applications used in health and social care environments.

Responsible sourcing of minerals

The majority of Ascom's hardware contains one or more of the minerals tin, tantalum, tungsten and gold (3TG). The mining and trade of these materials from the Democratic Republic of Congo and surrounding countries have attracted international attention as "conflict minerals." Because of a potential association with human rights abuses, Ascom strives to source ethically and responsibly throughout the supply chain, and apply the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas", including a review of the Reasonable Country of Origin Inquiry (RCOI) for smelters/refiners reported in supply chains.

In 2018, Ascom identified 319 smelters in the supply chain, of which 80% comply with the Responsible Minerals Assurance Process (RMAP) audit. In our due diligence process for the supply chain we identified a couple high-risk gold smelters. Some of these smelters were either initially erroneous or unintentionally reported; and changes were made on the supplier's declaration of scope of the supplier's Conflict Minerals Reporting Template. In one case, the smelters were removed on the supplier's own initiative.

The number of RMAP-compliant smelters in our products has been increased by 10% since 2015. Non-responding suppliers have fallen by 11% to 3%. Our supplier due diligence on these remaining non-responding suppliers is ongoing.

Anti-corruption and bribery issues

All Ascom entities have access to the anonymous whistleblower reporting system, which all our employees can use to report any irregularities. Every employee is encouraged to draw attention to circumstances that indicate a violation of the Ascom Code of Conduct and inform the managers ("whistle-blowing"). The number of reported incidents in 2018 was three. The senior management discussed these reports and initiated measures where appropriate.

Ascom's exposure with respect to forced labor and child labor is considered low due to the industry, Ascom's business model, the countries in which the Company is doing business and the Company's high quality requirements. As a signatory of the UN Global Compact we at Ascom categorically condemn the use of all forms of forced or child labor in the entire Group. Principle 5 (Labor) of the UN Global Compact obliges all members of the UN Global Compact to uphold the effective abolition of child labor. We strongly adhere to this principle. So far, we have not become aware of any cases of forced or child labor within our Company or our suppliers.

Data protection as a focus topic

We have now fully implemented the OneCompany integration process which kicked-off in 2016. With OneCompany, we aim to focus Ascom's resources on our strategic business priorities and other growth areas, reduce costs, and improve decision making and accountability. To increase interaction within the organization and benefit the Company from the internal interchange of ideas, we at Ascom held regular all-employees meetings, as well as a number of Senior Leadership Q&A-sessions during 2018.

Data protection was a key topic for Ascom in 2018. Since the European General Data Protection Regulation (GDPR) came into force last year, major efforts have been undertaken to meet the comprehensive requirements of the new regulation. Ascom has attached great importance to internal training in this area. Every Ascom employee had to participate in a training and pass an online test that covered the most important topics and relevant business situations on data protection. Furthermore, Ascom evaluated its products for privacy protection and reviewed its data processing activities within the Ascom Group.

Employee Engagement Surveys were carried out to find out areas for improvement. In 2018 the survey was completed by 82% Ascom employees. Surveyed subjects like "Engagement", "Team efficiency", "Leadership and Psychosocial Work Environment" are overall in line with benchmark.

Ascom is strongly committed to a diverse workforce. Any discrimination of employees based on their sex, race, physical impairments, origins, sexual preferences, political opinion, religion or any other characteristics protected by local law is prohibited. All these principles of non-discrimination are laid down in the Ascom Code of Ethical Business Conduct. Ascom has a male/female ratio of 81/19 (%) among the employees, and of 80/20 (%) in the Board of Directors.

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