

Swisscom and the community

Relations with different interest groups are fostered at several levels within Swisscom. Overall responsibility lies with Group Communications, a staff function attached to the CEO. One special feature of Swisscom is that, because its many customers represent a large part of the community, public and customers can be regarded as virtually one and the same. Swisscom is a value-based company founded on four basic brand values: respect, reliability, roots and cosmopolitanism. Swisscom has formalized these values in collaboration with customer groups. The value propositions are incorporated into its business activities.

Swisscom uses this value system as a means of strengthening the company's integrity and ensuring a unique and unmistakable corporate identity. Swisscom endeavors to achieve the same level of cultural diversity in its workforce as in the community at large. Along with increasing the percentage of female employees, communicating this goal to the public is one of the aims of the "Diversity at Swisscom" project.

Swisscom maintains regular contact with all major interest groups, in order to provide them with the information they need and to stay abreast of developments. This allows the company to determine its public image and identify social trends at an early stage. To this end, Swisscom has created the "Swisscommunity" platform. Leading figures from the worlds of science, business, politics and culture with strong views on Swisscom's role in Switzerland regularly meet with senior Swisscom executives, who are thus able to improve their perspective on the external situation and outlook for the future. If deficiencies are identified at Swisscom, concrete projects are initiated to address them. Three such projects have been launched to date.

Basic provision

Swisscom Fixnet is responsible for the basic provision of telecommunications services throughout Switzerland until the end of 2007. Although basic service provision is not a break-even business, Swisscom Fixnet does not demand any investment contributions for this. Swisscom spends a non-recoverable sum of approximately CHF 3 million annually on services for the visually impaired and hard of hearing alone. The supplementary services for call forwarding, information on unsolicited calls, statement of charges, itemized statement, calling line identification restriction and barring of outgoing calls form part of the basic provision.

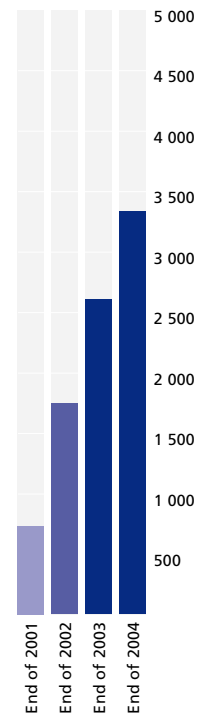
Key figures for basic service provision	2004
Fixed network lines*	3.9 m
Traffic minutes (Swisscom Fixnet national traffic)	8.2 bn
Dial-up Internet connections (connections to service providers)	300 m
Public payphones	8 500
Average response time to directory enquiries	7.9 sec
Emergency calls (numers 112, 117,118, 143, 144, 147)	3 m
Calls to the service for the visually impaired	400 000
Calls to the service for the hard of hearing	85 000

* 76.4% analog, 23.6% digital

Internet for Schools	2004
Schools connected*	3 403
Classes*	37 510
Pupils*	659 250
Number of PCs*	63 437
Number of MACs*	25 416
Yearly investments in CHF	40 719 780
Initial investment in CHF	4 507 970

* Status at December 2004

Internet for Schools
Connected schools



Investment in future communications

According to a number of surveys, Swisscom customers want the company to relieve them of the “burden” of having to worry about telecommunications. When it comes to new products and services, a key criterion is that they should be easy to use. Innovation and the novelty factor are of secondary importance. In a project on the subject of user behavior conducted by Swisscom Innovations among a group of high-school students in Berne, even students rated telecom products and services primarily according to usefulness rather than novelty.

Many customers see mobile communications in particular as complex. With this in mind, in 2005 Swisscom Mobile will launch a number of products and services designed specifically to minimize obstacles and make mobile communications easier and more accessible. Swisscom Innovations has extended its technical and scientific competencies to include psychological expertise. The aim is to offer every consumer telecommunications services that promote the dissemination of information and knowledge. One such example is the “speech-enabled Web”, which brings the Internet to the visually impaired. Swisscom supports “Access for All”, the Swiss foundation for technology adapted to people with disabilities, one of whose aims is to offer disabled people “barrier-free access” to the Internet. In the summer of 2004, the Swisscom Internet site (www.swisscom.com) was adapted for use by the visually impaired.

In the year under review, Swisscom Innovations examined user requirements and the possibility of positioning information and communications technology in the healthcare sector. To this end, a prototype was developed for the remote monitoring of oxygen levels, pulse rate and medication intake, for example via mobile phone. Tele-medical services will in future supplement, and to a certain extent replace, traditional medical processes for out-patient and in-patient treatment, thereby providing patients with more comprehensive care.

Bridging the digital divide

The success of the “Internet for Schools” initiative in Switzerland prompted Swisscom to implement a similar pilot project in Mali. In collaboration with ITU/WSIS (World Summit on the Information Society), Swisscom and Mali, two schools in Mali have been connected to the Internet. The two schools in Timbuktu and Mopti have been equipped with PCs and connected to a satellite link. Teaching staff are trained in Switzerland with the support of Swisscom. Around 1,300 students and 80 teachers can now use the Internet as a source of information and for communication purposes. Swisscom has invested some CHF 500,000 and 130 working days in the project. The Mali government and the communities involved will provide long-term financing.

With the support of the Swiss Institute for Child and Youth Media, Swisscom aims to promote media skills among children and young people.

Swisscom is a patron of the "Schweizer Jugend forscht" foundation. In co-operation with Swisscom Innovations, study weeks have been held on the topics of people, technology and the environment.

Responsibility for products and services ...

The network infrastructure, consisting of the wireline fixed network and the mobile network, requires long-term planning and major investments well before the necessary terminal equipment comes on stream.

Legal requirements, ranging from the provisions of the Federal Law on Environmental Protection (USG) to ordinances on specific issues, provide the basis for the safe operation and expansion of telecommunications networks. In accordance with the precautionary principle enshrined in the Federal Law on Environmental Protection, the radiation limits defined by the Ordinance relating to Protection from Non-Ionizing Radiation (ONIR) for mobile communications installations in Switzerland are ten times stricter than those valid in the EU and apply to the maximum expansion of the installation. Stricter limits and extremely comprehensive legislation enforced through rigorous control mechanisms make Swiss mobile communications regulations among the toughest in the world.

The Mobile Communications and Environment unit at Swisscom Mobile is happy to provide information on mobile communications issues (www.swisscom-mobile.ch). Forum Mobil (www.forummobil.ch), an association of companies in the mobile communications sector, also supplies relevant information. The Ombudsman for Mobile Communications and the Environment has been in existence since the autumn of 2003 and provides a free service to the Swiss public.

...and equipment

Discussions on radio waves repeatedly focus on the electromagnetic radiation emitted by mobile handsets (mobile phones, DECT cordless phones, etc.). The physical unit of measurement is the SAR (Specific Absorption Rate in watts per kilogram), which quantifies the rate of energy absorption in biological tissue as a result of exposure to electromagnetic radiation. The internationally recommended SAR limit is 2.0 W/kg. It applies to all equipment available on the retail market and sets the acceptable exposure limits for all user groups. The SAR limits for all current equipment are listed on the Swisscom Mobile website.

UMTS (third generation) mobile handsets require less power than GSM handsets since they set up the connection on very low power, adjusting it upwards until it becomes sufficient for the desired transmission quality.

DECT cordless handsets have an even lower transmission power than mobile handsets due to their short range. However, some users have concerns about the DECT base station, which is in constant wireless contact with its handset. In response to these concerns, Swisscom Fixnet is to launch a number of cordless phones (five or six models) with a "low radiation node" in the first half of 2005. The base station for these terminals will only transmit when the handset is in use.

Data and personal protection

Much of Swisscom's product responsibility relates to customer data protection and confidentiality. This covers all areas that handle data for customer billing and identification. Measures such as building security, entry controls and regulations governing access to applications and systems guarantee the confidentiality and integrity of the content of customers' communications and personal data. Employees and suppliers are contractually bound to treat as confidential all information associated with the execution of their duties.

Data protection criteria are particularly important for data-sensitive services such as Location Based Services (LBS). The basic design of LBS along with the associated services was therefore worked out in detail with representatives of the Federal Data Protection Commissioner. The location information in the NATEL® network is kept completely anonymous, so that content providers are aware only that a NATEL® customer has used their service but do not know his or her identity.

Greater protection against intrusion

For roughly a year, Swisscom and other network operators have been taking a joint stand against misuse by providers of chargeable 090x numbers. To this end, an agreement has been reached governing misuse of value-added services offered via the telephone or Internet (dialer). Swisscom Fixnet provides free dialer protection.

In the area of "mobile spam" (unsolicited phone calls and SMS/MMS messages), Swisscom Mobile has greatly enhanced the information it supplies to customers, providing tips on SMS/MMS spam and premium-rated numbers on its homepage and also periodically in its NATEL update customer information publication.

National and international agreements are making spamming a less commercially attractive proposition.

Content providers working with Swisscom Mobile are required to sign agreements containing stringent spam abuse clauses. They are also contractually obliged to operate a hotline for customers wishing to opt out from the receipt of further SMS messages. Swisscom Mobile is intent on using all the means at its disposal to tackle those responsible for spamming. Where direct intervention is possible, Swisscom Mobile will block the access.

Economy

Swisscom supports the Swiss economy by providing the very latest in efficient telecommunication services and by making the majority of its investments in Switzerland.

The company is actively involved in several institutions that promote domestic economic growth. These include the Swiss Economic Forum in Thun, the International Management Symposium ISC in St. Gallen, ESPRIX, the Swiss Quality Prize for Business Excellence in Lucerne and Switzerland Tourism.

Swisscom also collaborates with groups that promote ecological and social awareness in companies. For instance, it is participating in a project run by the Swiss Association for Environmentally Conscious Management on corporate reporting of social indicators.

Culture and sport

With its cultural and sporting commitments, Swisscom contributes towards the attractiveness of Switzerland as a business location and a place to live. Sport and culture serve to make life more enjoyable. It is also a known fact that outstanding performance and achievement by top athletes boost sport at recreational level. Swisscom views both of these aspects as its contribution towards the health of the nation. The wide range of cultural events supported by Swisscom would not be possible without sponsors and patrons. This applies in particular to investments in infrastructure and support at major national events.

In the area of culture, Swisscom supports a diverse range of musical events from classical and jazz to blues, rock and pop. In addition, the company is a sponsor of the Locarno International Film Festival and the Golden Rose. Swisscom is also the main partner of the Museum of Communication in Berne. The Paul Klee Center in Berne, which will house the world's most important collection of Paul Klee works (around 4,000 in total covering all the artist's creative periods), has also received start-up capital from Swisscom. The Center is due to open in the summer of 2005.

In the sporting arena, Swisscom is heavily involved in football and in the winter sports disciplines that come under the umbrella of the Swiss Ski Association. Since the 2004/05 season, downhill and cross-country skiing have been joined by snowboarding, freestyle and telemark. Swisscom is also the communications partner for major sporting events, and is therefore involved in ice hockey, athletics and rowing. Thanks to its sponsorship of Switzerland's main knockout football competition – known since 2003 as the Swisscom Cup – Swisscom is represented throughout Switzerland. Swisscom sponsored the national football team at the 2004 European Championships and also supports disabled sport through its sponsorship of the Swiss Paralympics.

Help for people in need

Sometimes it is necessary to help others without expecting anything in return. Swisscom does just this in its commitment to "Die Dargebotene Hand" (The Samaritans), "Glückskette" (Swiss Solidarity) and other institutions.

The Samaritans' 24-hour number 143 is the first point of contact for people in desperate need of help or advice – irrespective of age, culture or creed. The number of calls has increased by around 50 percent over the past ten years, with more than 200,000 calls now being taken each year. Since 2000, Swisscom has been the organization's official partner, offering support in the form of goods and services.

Swisscom is a partner of Swiss Solidarity, the Swiss media appeal charity headed by SRG SSR idée suisse. Swiss Solidarity currently works with around 30 relief organizations. Swisscom provides the freephone numbers and the entire telecom and Internet infrastructure for the regular national appeal days. In addition to its usual support, Swisscom organized an internal appeal for victims of the devastating tsunami that struck Asia on December 26, 2004. Swisscom doubled employees' donations to produce a final tally of CHF 2.32 million.

The Pestalozzi Children's Village Foundation received a donation of CHF 100,000 thanks to the generosity of some 7,500 Swisscom Fixnet employees, who elected to donate money to the foundation in lieu of a Christmas gift. The relief organization Terre des Hommes was also a beneficiary.