

# Swisscom Tax Principles

Swisscom believes that a coherent and responsible tax policy is a fundamental element of its sustainability strategy. The Board of Directors is responsible for definition of the tax strategy.

Swisscom attaches great importance to paying a fair share of taxes in every country in which it does business. With this in mind, Swisscom has adopted the following global tax principles.

## Compliance

Swisscom acts at all times in accordance with all applicable laws, regulations and policies, and applies the relevant international standards (e.g. OECD guidelines). Taxes are declared and paid in compliance with all relevant regulations and policies in the countries in which Swisscom is active. Swisscom endeavours to act in accordance with the wording and spirit of the law.

Swisscom has suitable management structures in place to fulfil its tax compliance and reporting obligations. Swisscom acts with professional diligence and judgement at all times. Swisscom ensures that all decisions are taken at the appropriate level and that the underlying decision-making considerations are adequately documented.

## Transparency

Transparency contributes to a better functioning tax system. Swisscom is transparent about its approach to taxes and its tax position. Disclosures are made in accordance with the relevant national regulations and the applicable reporting requirements and standards, such as IFRS.

## Relationship with governments and tax authorities

Swisscom respects the right of governments to define their tax structures, tax rates and collection mechanisms.

Swisscom strives for a positive, open and constructive dialogue with the tax authorities by disclosing all relevant facts and circumstances necessary for the tax authorities to examine potential tax risks. Swisscom works together with the tax authorities to provide clear, unambiguous and complete information, on the basis of their requests, in order to obtain, whenever possible, a swift agreement in the event of divergent views and certainty about its tax position.

## Transfer pricing

'Tax follows business'. Swisscom's profit is allocated in accordance with local and international regulations and standards (such as OECD guidelines) and application of the arm's-length principle to the countries in which added value is created.