

Swisscom AG

Bern

Independent Limited Assurance Report
on the Eligible Green Project Portfolio 2019

to the Board of Directors



Independent Limited Assurance Report

on the Eligible Green Bond Project Portfolio 2019 to the Board of Directors of Swisscom AG

Ittigen (Bern)

We have been engaged to perform assurance procedures to provide limited assurance on the Eligible Green Project Portfolio 2019 of Swisscom AG, Bern and its consolidated subsidiaries ('Swisscom') included in the Green Bond Allocation Report 2020 ('Report').

The Eligible Green Project Portfolio 2019 included in the Report was prepared by Swisscom Management based on Swisscom's Green Bond Framework published on 17 April 2020. The Eligibility Criteria used for the preparation of the Eligible Green Project Portfolio is the Eligibility Criteria as described in the "Use of Proceeds" chapter on pages 5 and 6 in the Swisscom Green Bond Framework. The described Use of Proceeds is in accordance with the Use of Proceeds requirements stipulated in the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA) in June 2018. The verification of the other core components of the GBP (such as Chapter 2 "Process for Project Evaluation and Selection" and Chapter 4 "Reporting") included in the Swisscom Green Bond Frameworks have been assigned to other service providers. We therefore will express no conclusion on other components than the "Allocation Reporting" as described in the "Reporting" chapter on page 8 in the Swisscom Green Bond Framework.

Inherent limitations

The mapping of the GBP-project categories to environmental objectives of their green project(s) is a process for project evaluation and selection – under the second core component of the GBP - directed by Swisscom as the issuer of a Green Bond and communicated to its investors. Attributions are indicative only, as the relevant objectives and their relative contributions will be project specific. Furthermore, projects may also be deemed to contribute to various objectives not necessarily with a given priority among them. The list of project categories in ICMA's GBP guidance, while indicative, captures the most commonly used types of projects supported by or expected to be supported by the Green Bond market. Thus, the assessment is based on the Swisscom's judgement and Swisscom's common understanding of what qualifies as a Green Project and how it may contribute positively to environmental objectives. It is therefore possible that a categorisation of a project is interpreted differently by a report reader.

Board of Directors' responsibility

The Board of Directors of Swisscom is responsible for the Eligible Green Project Portfolio 2019 and the Swisscom Green Bond Framework as well as for selection, preparation and presentation of the information in accordance with the Eligibility Criteria. This responsibility includes the design, implementation and maintenance of related internal controls relevant to the Green Project Portfolio 2019 that is free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the Eligible Criteria and adequate record keeping.

Our independence and quality control

We are independent of the Swisscom in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Our responsibility

Our responsibility is to perform an assurance engagement and to express a conclusion on the Eligible Green Project Portfolio. We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. This standard requires that we plan and perform the assurance engagement to obtain limited assurance on whether anything has come to our attention to indicate that the Eligible Green Project Portfolio is not prepared, in all material respects, in accordance with the Eligibility Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement. The procedures selected depend on the assurance practitioner's judgement.

We performed the following procedures, among others:

- Reviewing the application of Eligibility Criteria on a sample of green bond projects;
- Interviewing Swisscom representatives at Group level responsible for the Use of Proceeds process;
- Inspecting the relevant source documentation on a sample basis for the eligible projects;
- Performing procedures on a sample basis of the fund allocation at corporate head office to verify that eligible projects meet the criteria and have been appropriately measured, recorded, collated and reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited assurance conclusion

Based on our work performed, nothing has come to our attention causing us to believe that, in all material aspects, the Eligible Green Bond Project Portfolio for the year ended 31 December 2019 is not prepared in accordance with Swisscom's Green Bond Framework.

PricewaterhouseCoopers AG

Petra Schwick

Raphael Rutishauser

Basel, 10 August 2020