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**UNIVERSITÄT
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Corporate ESG Panel 2023

Sustainability in Swiss companies - An empirical study by the University of Bern in collaboration with Sustainserv

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Executive Summary

- 84 sustainability experts took part in the Corporate ESG Panel. Most (around 40%) of the study participants work in a CSR or sustainability department, followed by around 35% who work in company management.
- In the companies surveyed, the management drives sustainability in the company more strongly than the Board of Directors and therefore determines the focus of sustainability management to a greater extent.
- In around 25% of the companies surveyed, the topic of sustainability is operationally anchored in an independent sustainability department; in around 23%, a single sustainability officer is responsible for the topic. In most other companies, the topic of sustainability is attached to another department, such as 14% in the Strategy and Innovation department.
- Companies with a sustainability strategy primarily pursue the goal of being able to comply with legal regulations and public standards, as well as strengthening the company's reputation and credibility. For large companies, the identification and minimization of risks and the integration of sustainability into governance structures are also relevant.
- There is still potential for sustainability to become more firmly anchored in the corporate culture of the participating companies. Sustainability values are given more consideration in small companies than in large ones.
- Around 85% of the companies surveyed have a sustainability report. Most companies report in the form of a combined sustainability report. Around 61% of the companies surveyed with sustainability reporting use the Global Reporting Initiative guidelines for their sustainability reporting, followed by the SDGs at just under 40%.

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Over 80 Swiss companies took part in the scientific study. Around 60% of the participants are male and the average age is 46.

Information on the organization of the study

- The survey was conducted from mid-summer to early fall 2023 by the Institute of Management Accounting and Control (IUC) at the University of Bern in collaboration with the management consulting firm SustainServ.
- 84 companies took part. On average, the participating companies employed around 5,500 people. Companies from the construction industry or the retail sector are most frequently represented.

Content of the survey

- The survey focused on sustainability management in Swiss companies.
- In addition to questions about the current organization of sustainability in the company, questions were also asked about the implementation of sustainability, sustainability reporting, governance and sustainability targets and indicators.

Methodology of the survey

- The answers were collected using Likert scales, whereby in most cases 1 means "*Does not apply at all*" and 7 means "*Applies completely*".
- The survey participants were divided into groups based on various criteria so that group-specific comparisons can be made (e.g. according to company size or the sustainability orientation of the management).

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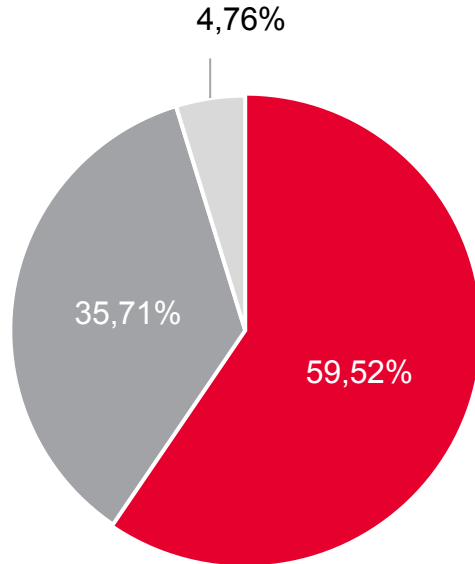
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Sustainability reporting in the companies

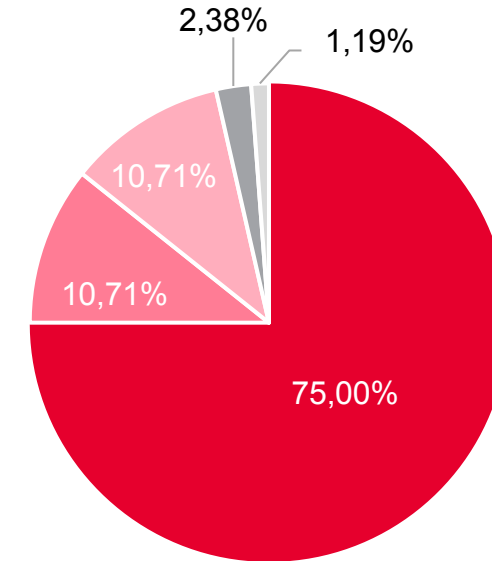
84 sustainability experts took part in the Corporate ESG Panel. Almost 60% of them were male and the average age was 46.

Gender in %



■ Male ■ Female ■ Not specified

Educational qualification in %

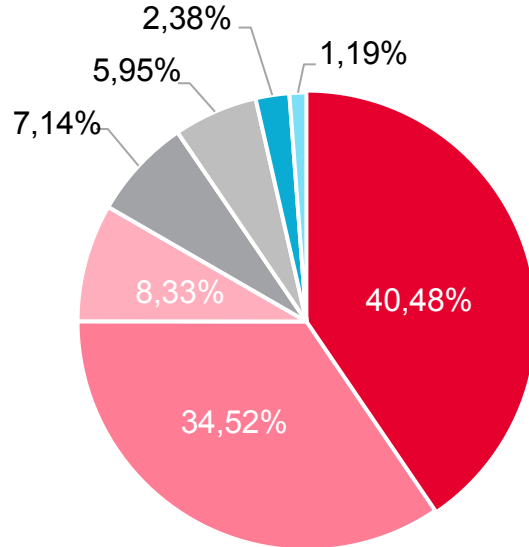


■ University / University of Applied Sciences
■ Higher technical and vocational education
■ Doctorate
■ Matura school / vocational baccalaureate / diploma school
■ Vocational apprenticeship / school

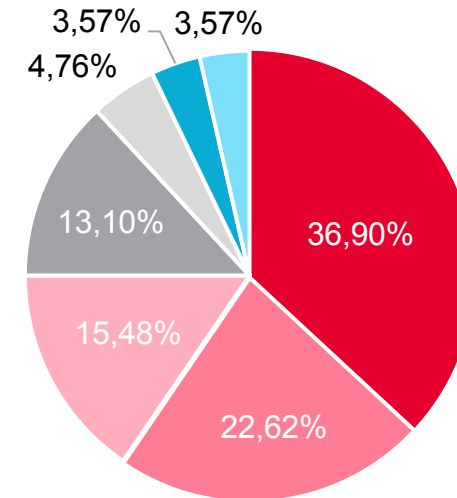
As highest educational qualification named the most study participants and -participants a university resp. a University of Applied Sciences degree, followed by higher technical and vocational training and a doctorate.

40% of study participants work in a CSR or sustainability department, followed by 35% who work in company management.

Divisions in %



Position in %



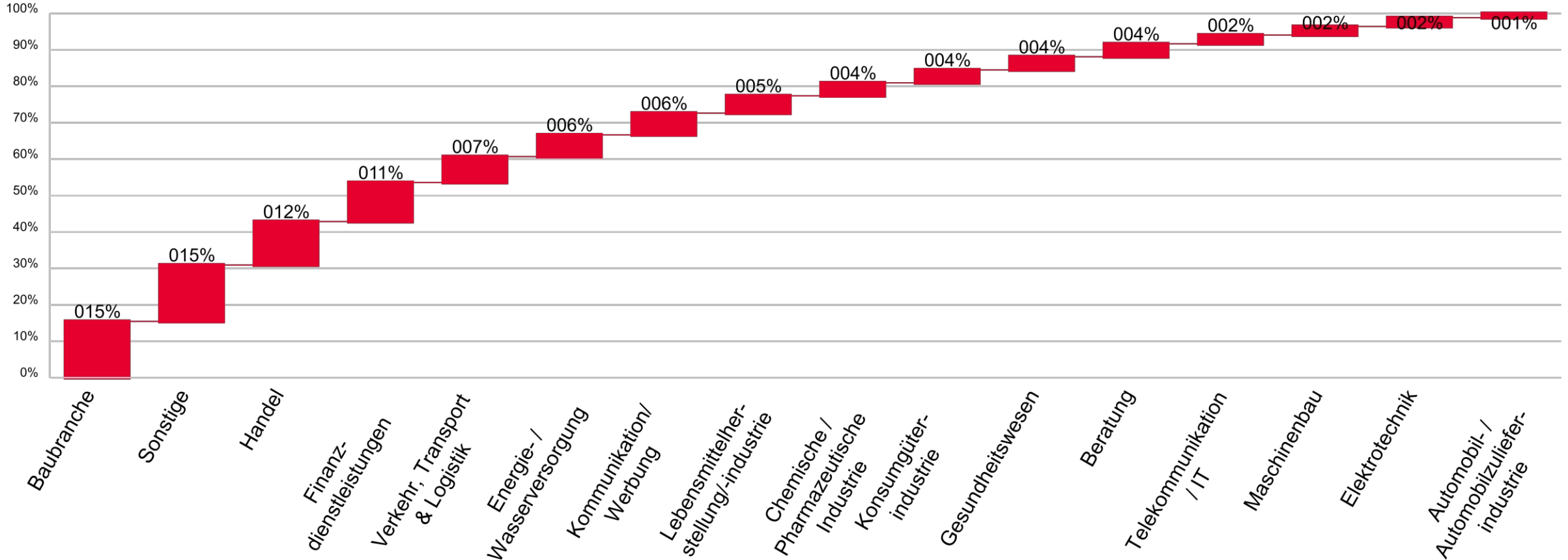
- Sustainability/CSR department management
- Company
- Communication
- Finance
- Investor Relations
- Other
- Strategy/Innovation

- Company management
- Employee without management duties
- Head of department
- Team leadership / project management
- Business unit management
- Staff unit
- Other

The majority of study participants are employed in a management function: around 35% in company management, around 15% in department management and around 12% in a team management function or in project management with management tasks. Around 23% of the study participants are employees without management responsibilities.

Most of the participating companies come from the construction industry, followed by trade and financial services.

Branchenzugehörigkeit der teilnehmenden Unternehmen (in %)



The participating companies employ between a minimum of 2 and a maximum of 98,000 employees. On average, the participating companies employ around 5,500 people.

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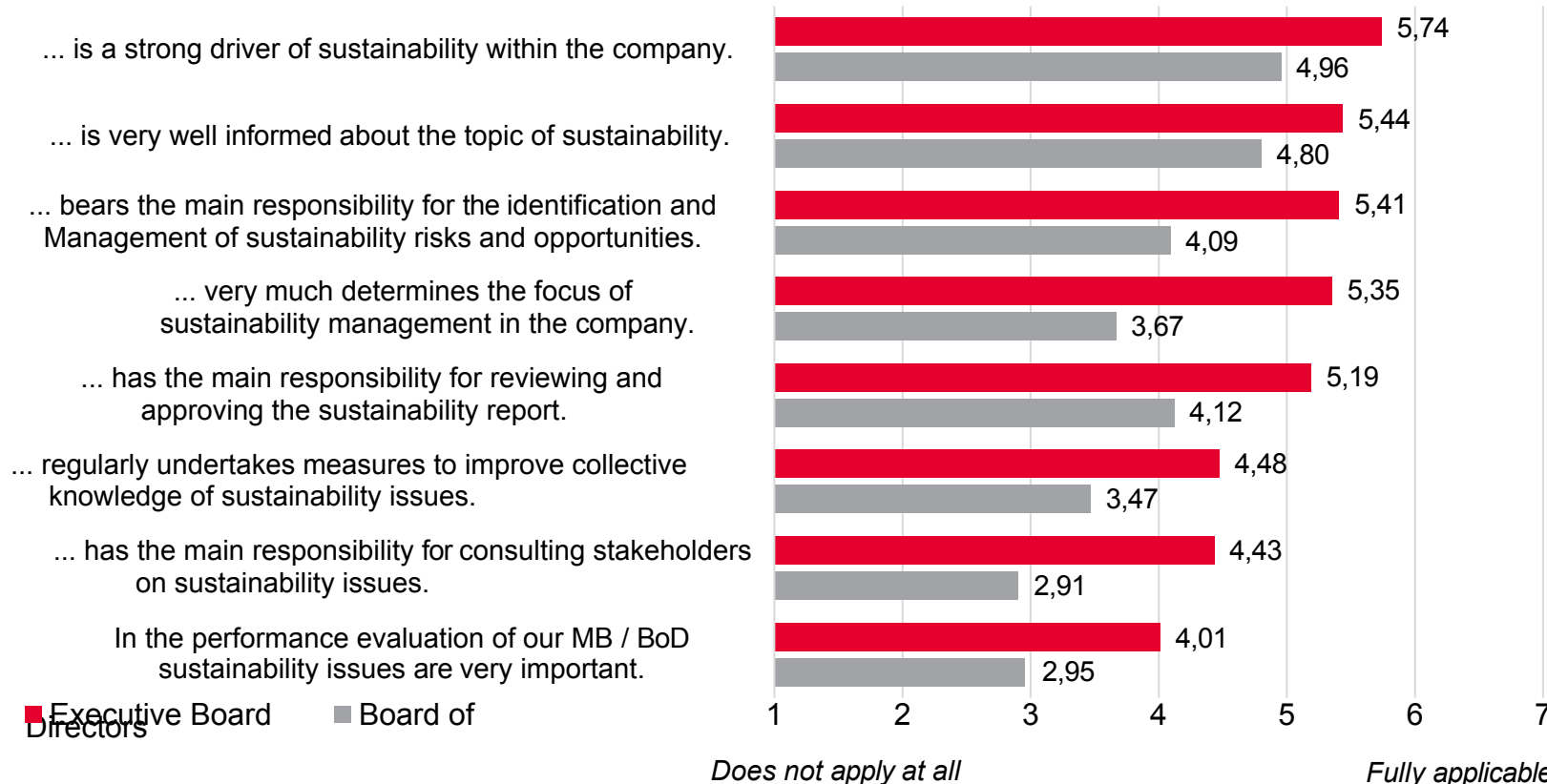
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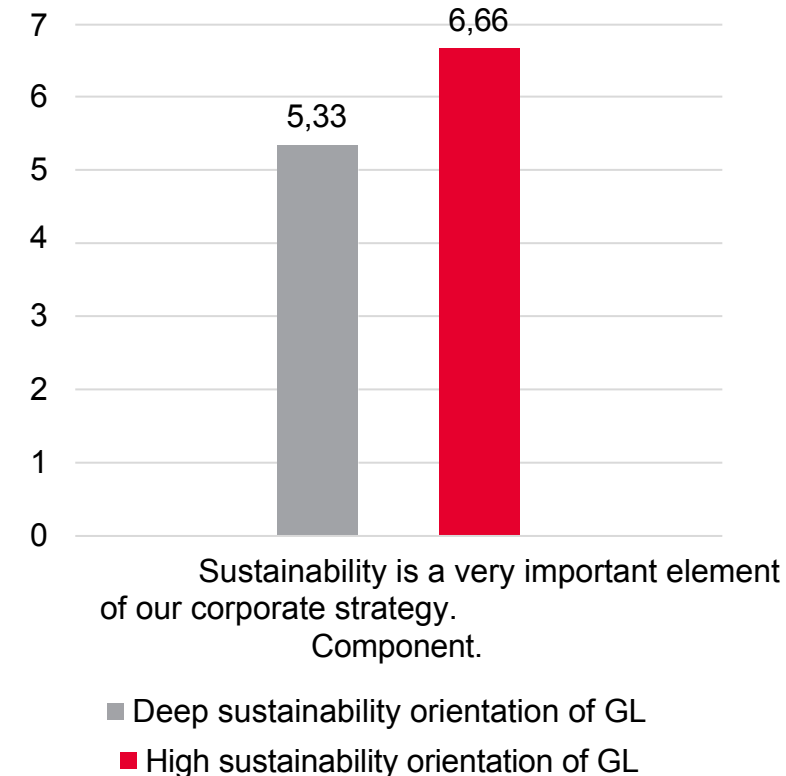
Sustainability reporting in the companies

In general, the Executive Board drives sustainability in the company more strongly than the Board of Directors and determines the focus of sustainability management to a greater extent.

Sustainability orientation of the Executive Board and Board of Directors:
The Executive Board / Board of Directors...



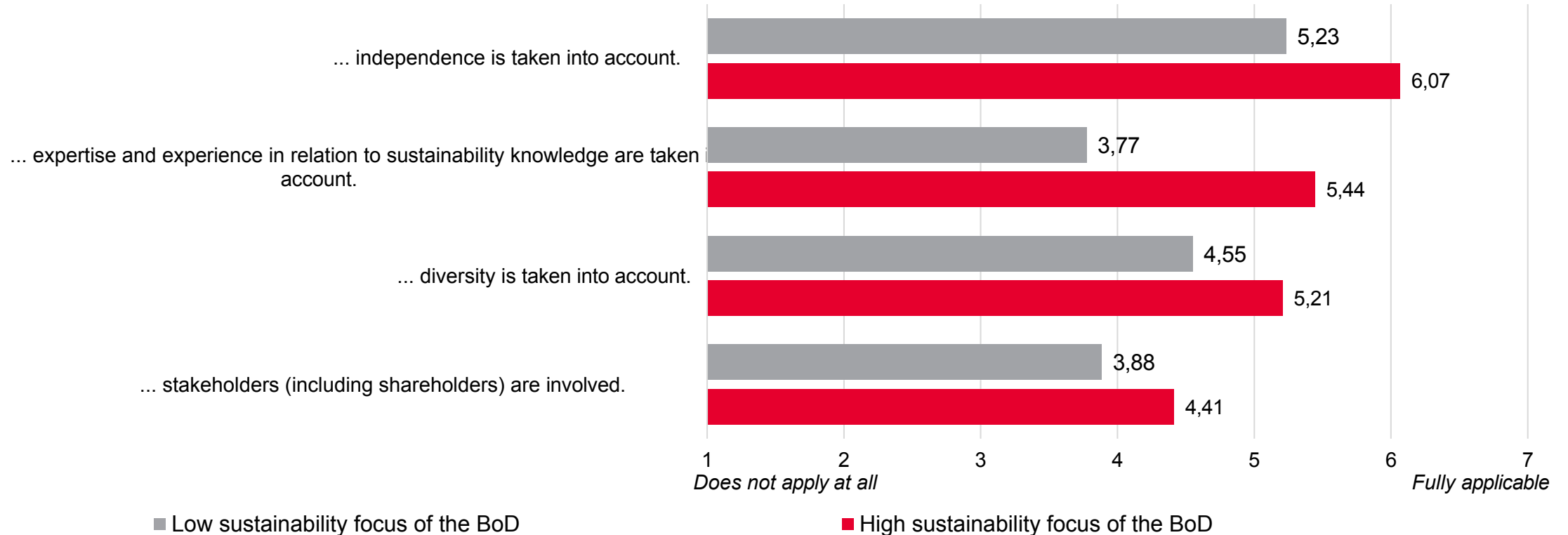
Importance of sustainability for Corporate strategy



Sustainability issues do not play a major role in the performance assessment for either the Executive Board or the Board of Directors. In companies with a management team with a strong focus on sustainability, sustainability is assigned a more important role in the corporate strategy.

For companies with a Board of Directors with a strong focus on sustainability, specialist knowledge and experience in relation to sustainability is the most important criterion alongside independence.

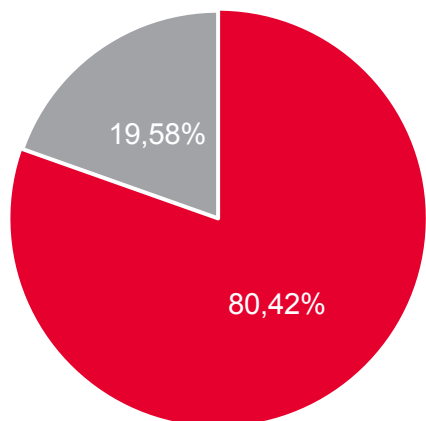
For the appointment and selection process of our Board of Directors



Topics such as diversity and the inclusion of stakeholders are also more relevant for companies with a board of directors with a high sustainability focus than for companies with a board of directors with a low sustainability focus.

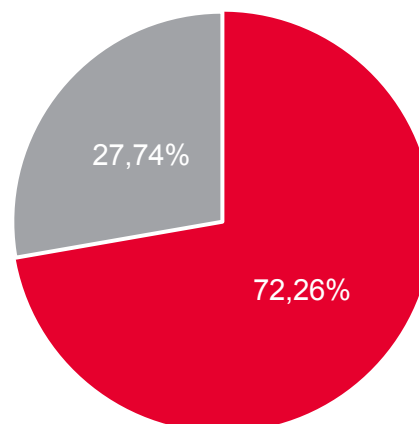
In the companies surveyed, the proportion of women on the Board of Directors is higher at around 28% than on the Executive Board, where the proportion of women is only around 20%.

Gender distribution in the Executive Board



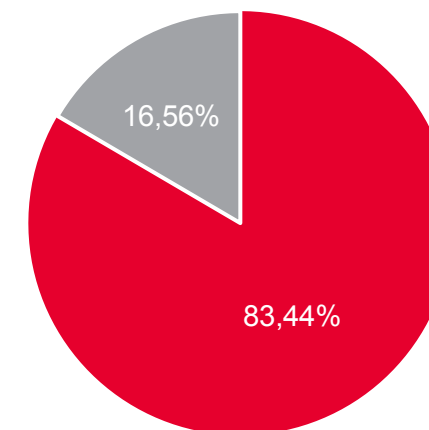
■ male ■ female

Gender distribution on the Board of Directors



■ male ■ female

Operationally active members of the Board of Directors



■ Non-operating members of the Board of Directors ■ Operating members of the Board of Directors

Only around 50% of the companies surveyed have a board of directors. In the companies surveyed with boards of directors, on average around 17% of them were also operationally active. On average, both the Executive Board and the Board of Directors of the companies surveyed consist of around 6 people each.

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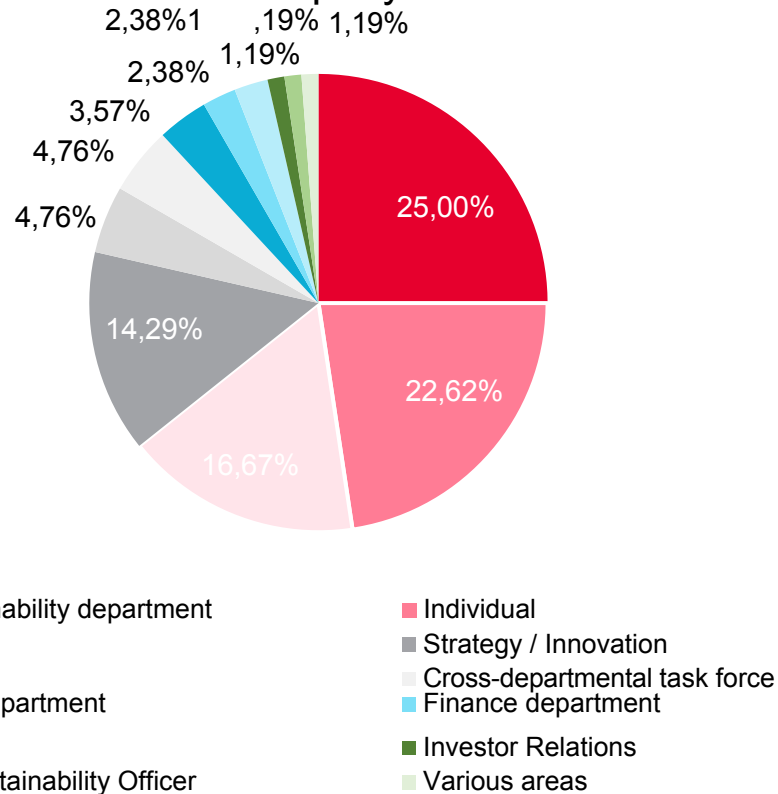
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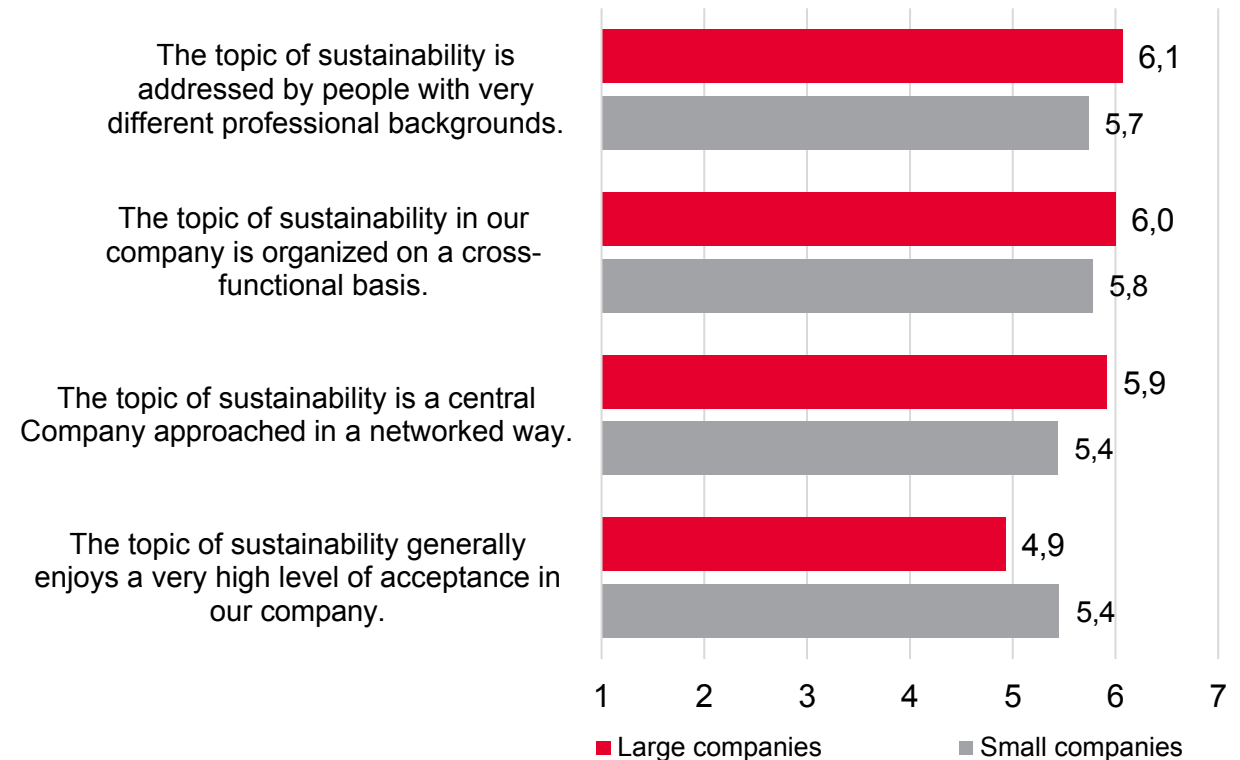
Sustainability reporting in the companies

In around 25% of companies, the topic of sustainability is operationally anchored in an independent sustainability department. On average, 21 full-time equivalents per company work on the topic of sustainability

Operational anchoring of sustainability in the company



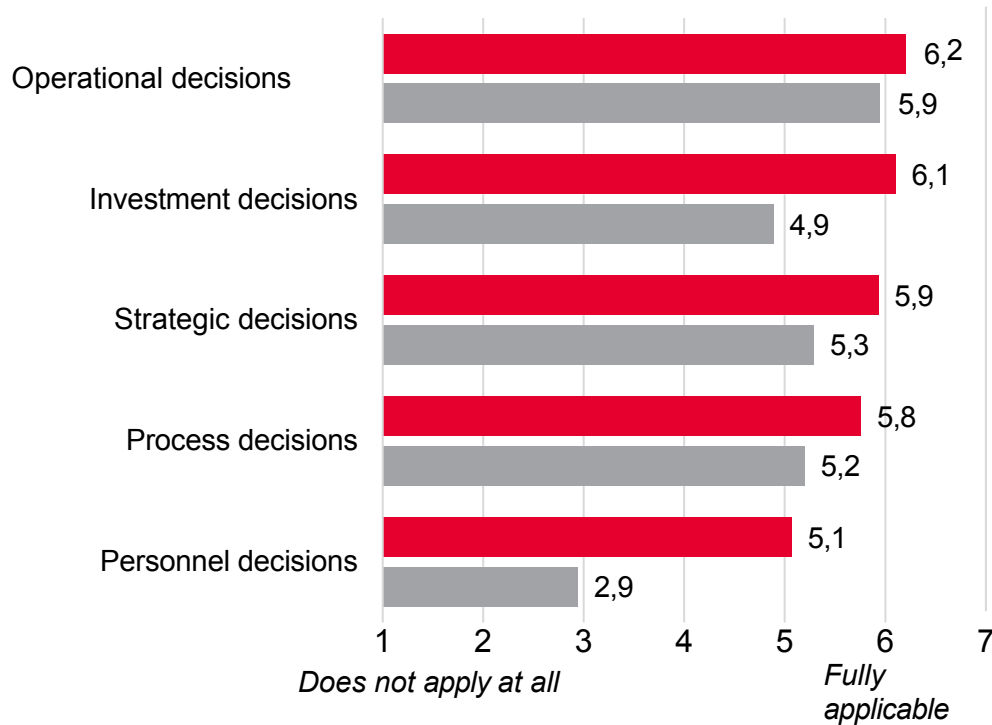
Addressing the topic of sustainability in the company



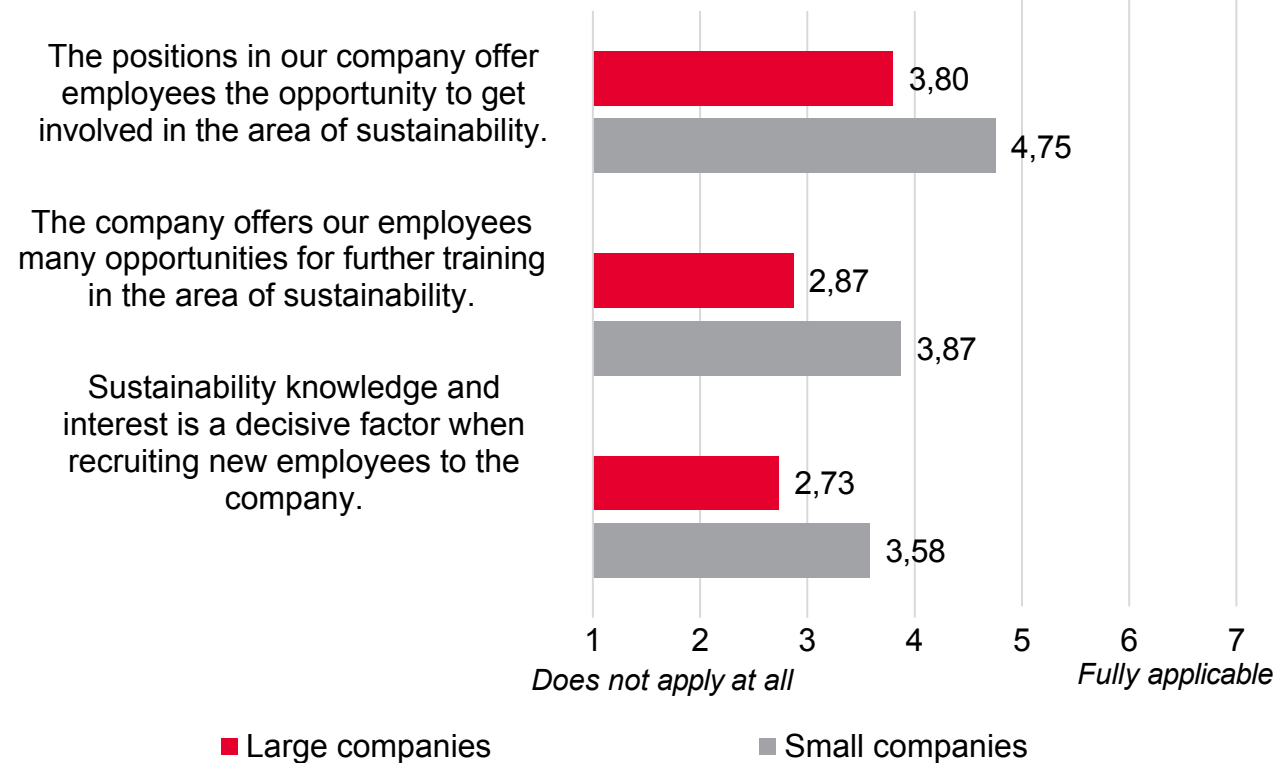
In larger companies, the topic of sustainability is addressed more by people with very different professional backgrounds and is approached in a more networked manner. However, sustainability enjoys less acceptance in large companies than in small companies.

Independent sustainability departments have more decision-making responsibility with an impact on sustainability than sustainability managers with a different operational focus.

Decisions with an impact on sustainability



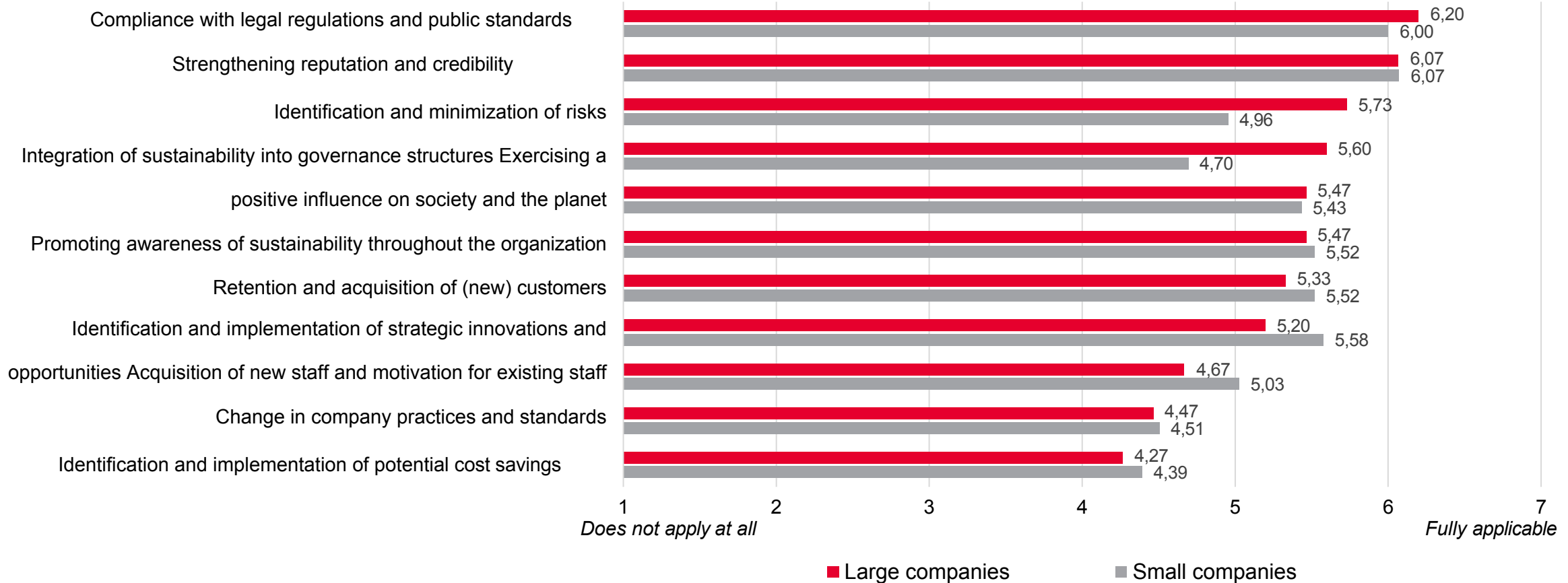
Consideration of sustainability in personnel decisions



Investment decisions, strategic decisions and personnel decisions in the area of sustainability are made significantly more often by independent sustainability departments. The participating companies (especially large ones) currently offer their employees few opportunities for further training in the area of sustainability, but slightly more opportunities to get involved in the area of sustainability. Overall, when hiring new employees, their sustainability knowledge and interest is often not a significant factor.

Regardless of the size of the company, sustainability is an important part of the corporate strategy, primarily with the aim of meeting legal requirements and public standards.

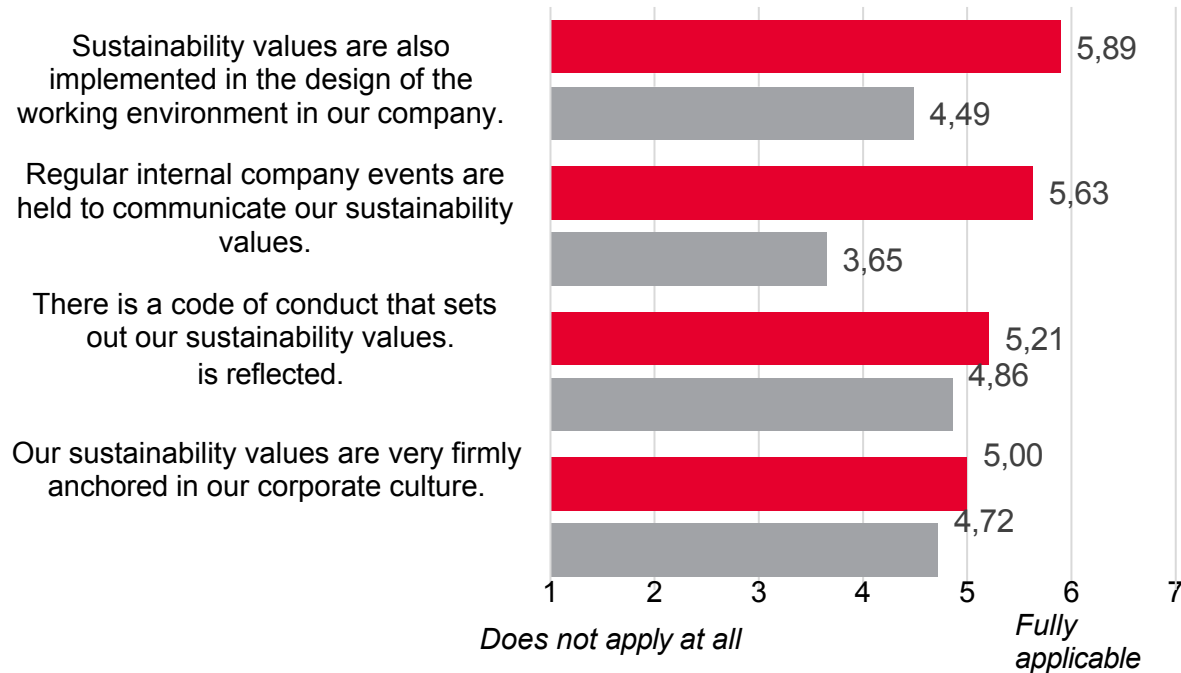
Goals & purpose of the sustainability strategy



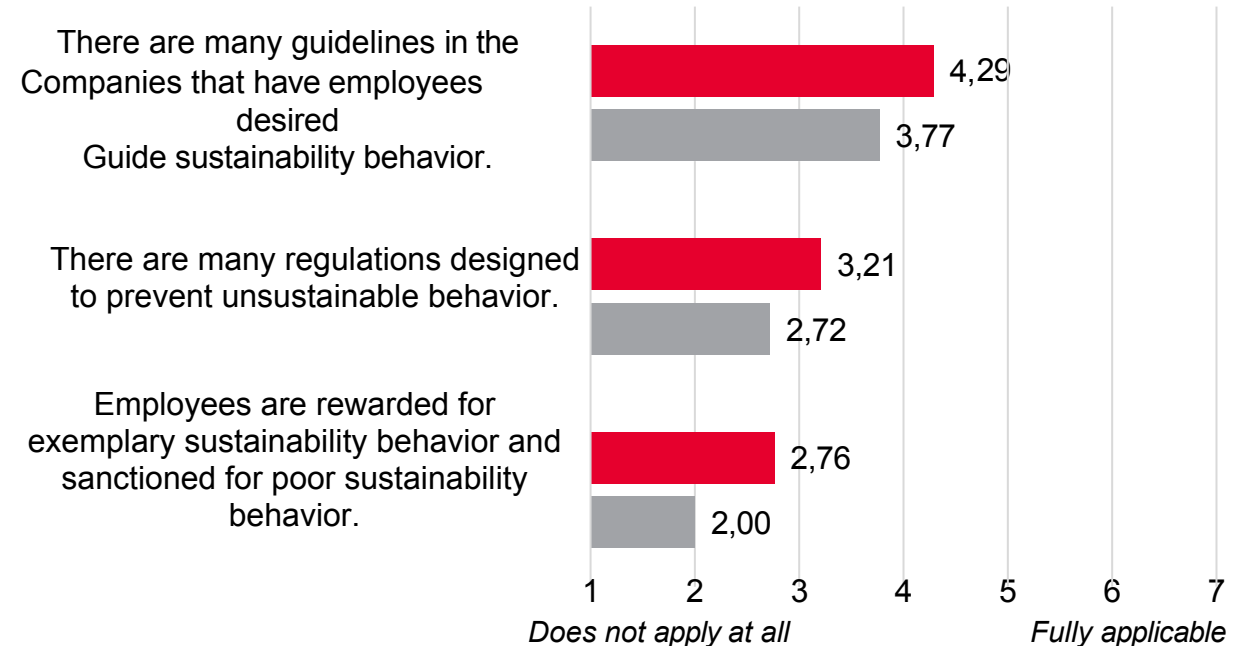
Strengthening the company's reputation and credibility is also an important goal of the sustainability strategy. For large companies, the identification and minimization of risks and the integration of sustainability into governance structures are also relevant.

Sustainability is managed more culturally than through regulations and incentives. The sustainability orientation of the management is decisive for the extent to which sustainability is managed.

Anchoring sustainability in the corporate culture



Sustainability regulations in the company



■ High sustainability orientation of GL ■ Low sustainability orientation of GL

■ High sustainability orientation of GL ■ Low sustainability orientation of GL

Overall, the rewards for exemplary sustainability behavior and the sanctions for poor sustainability behavior in particular are very low, but higher in companies with a management with a high sustainability orientation.

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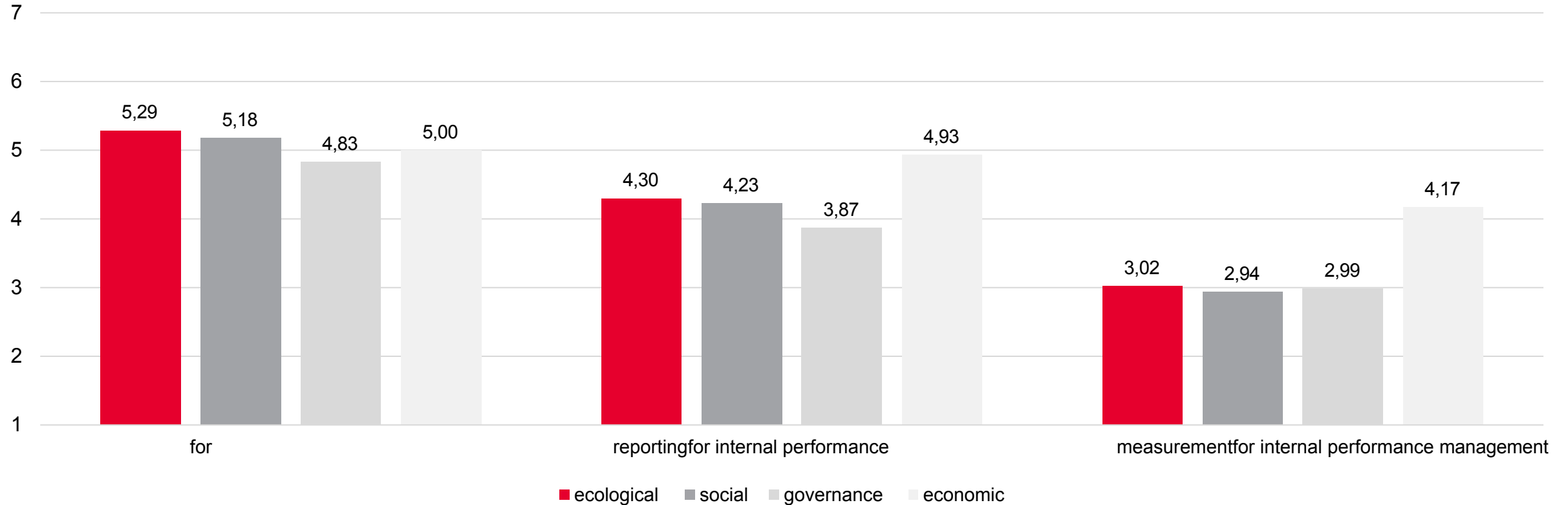
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Sustainability reporting in the companies

Sustainability indicators are collected primarily for reporting purposes and less for internal performance measurement and performance management.

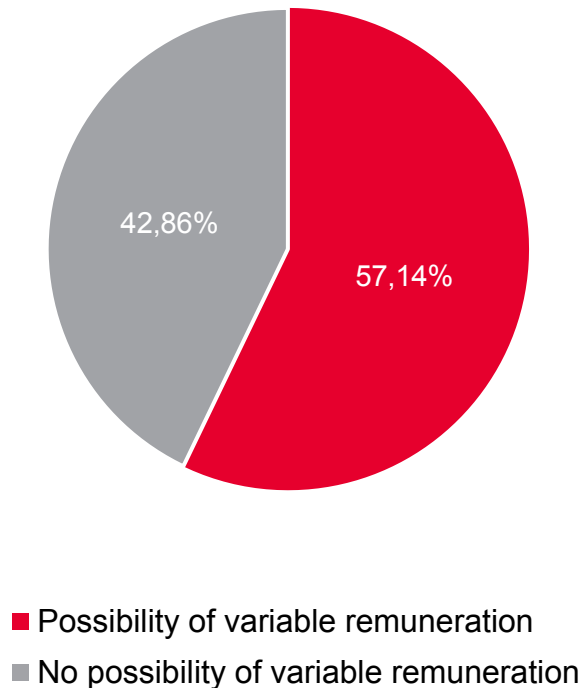
Importance of sustainability indicators



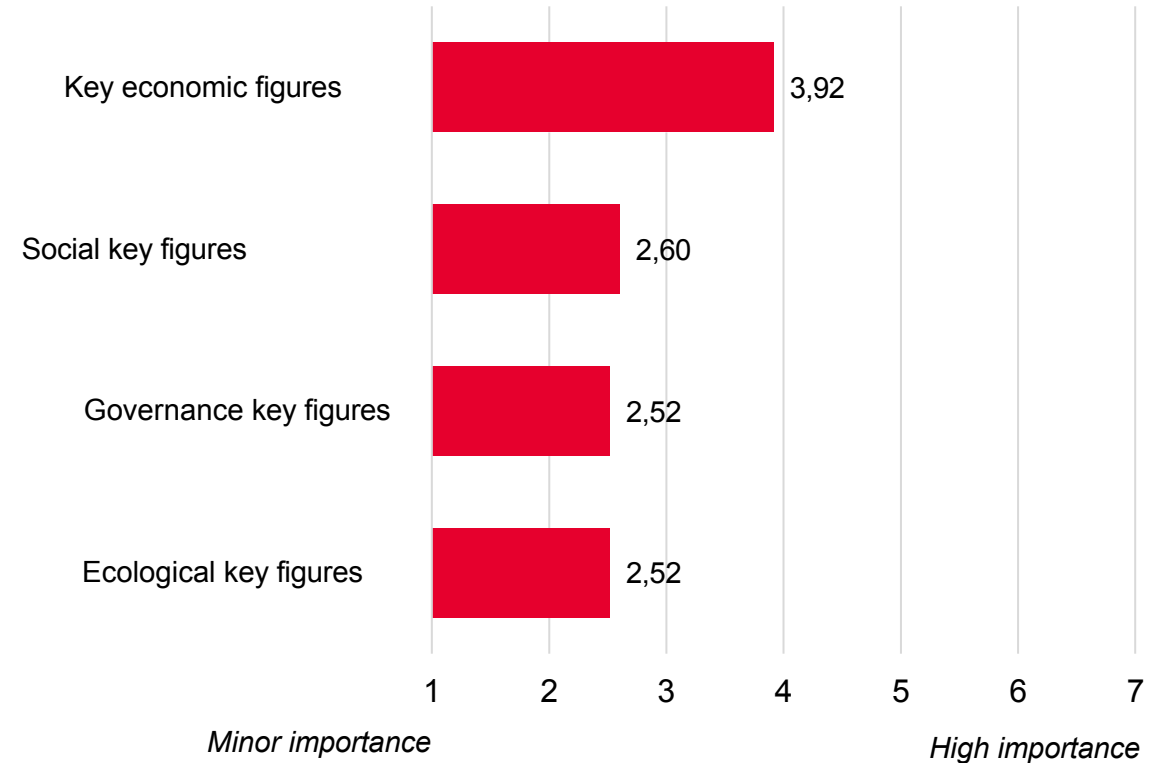
Economic indicators are still much more common for performance measurement and management than ecological or environmental indicators. social key figures or key figures in the area of governance.

Around 40% of survey participants have the opportunity to receive variable remuneration in their company (e.g. bonuses or share options), but this variable component is low.

Possibility to receive variable remuneration

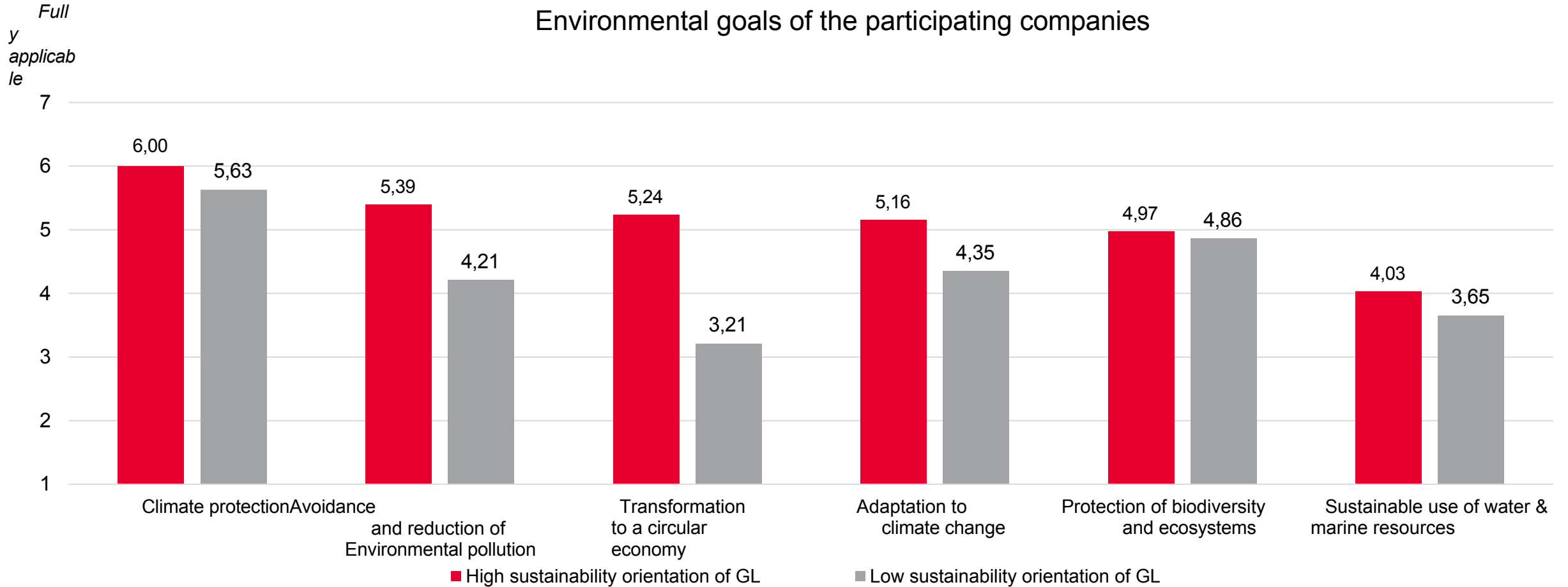


Significance of the following key figures for the amount of variable remuneration



Economic indicators have the greatest significance for the amount of variable remuneration. Environmental and social key figures as well as key figures in the area of governance have on average little significance for variable remuneration.

Companies in which the management has a high sustainability focus implement environmental targets more extensively than those with a low sustainability focus.



In particular, companies have set themselves targets in the areas of climate protection and the prevention and reduction of environmental pollution. The circular economy is another important topic for companies with a management team with a strong focus on sustainability. Overall, the protection of biodiversity and ecosystems and the sustainable use of water and marine resources are still underrepresented as formal environmental goals.

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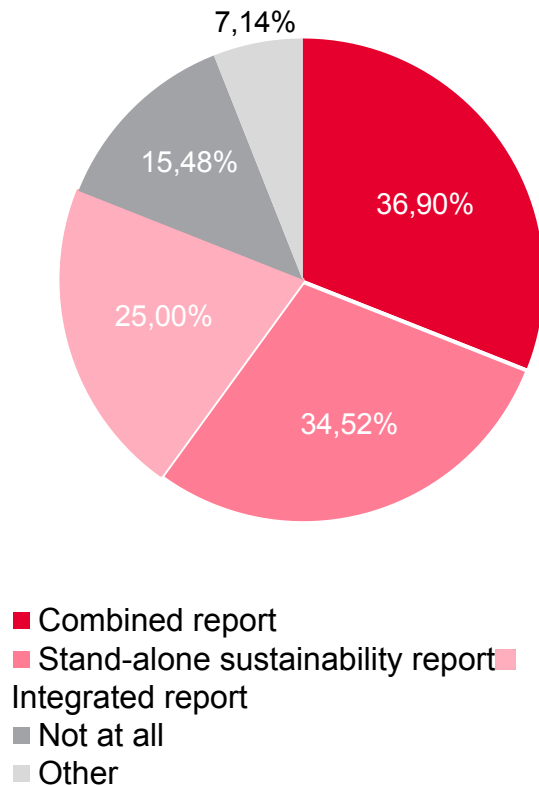
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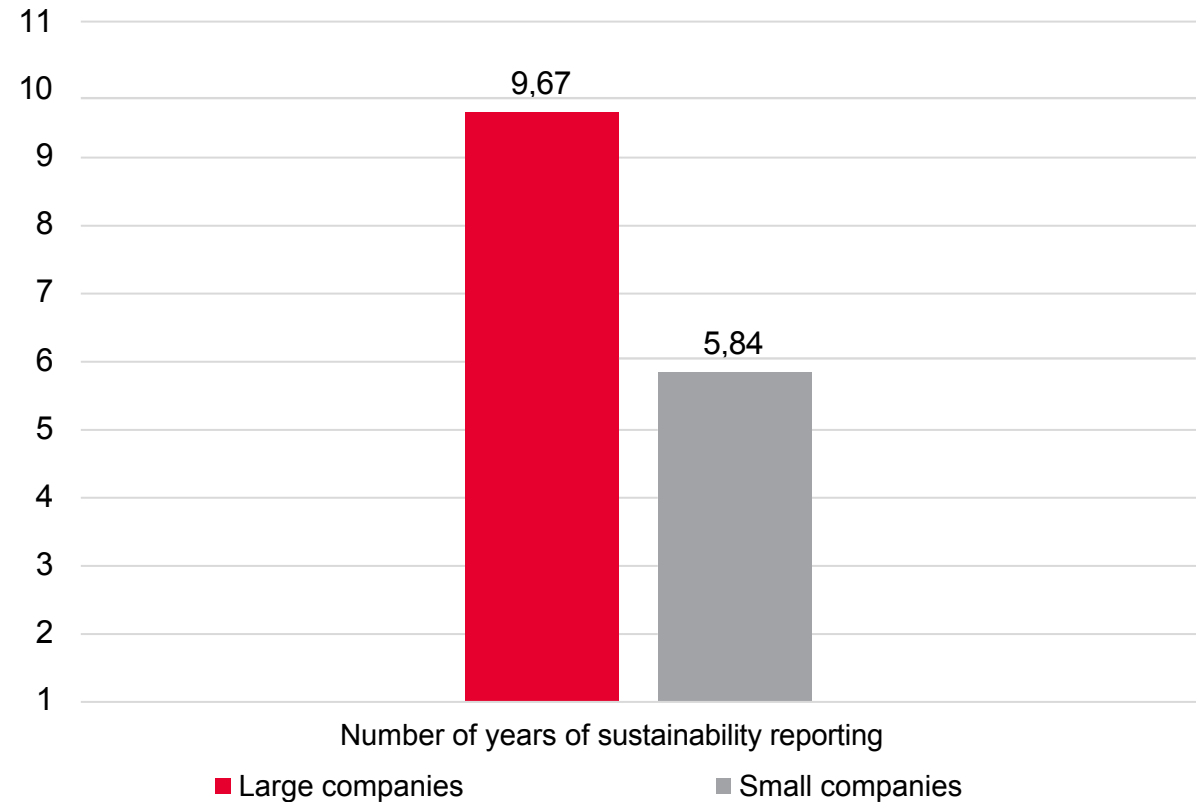
Sustainability reporting in the companies

Around 85% of the companies surveyed have a sustainability report. Most integrate the sustainability report into the annual report (combined report)

Form of sustainability reporting



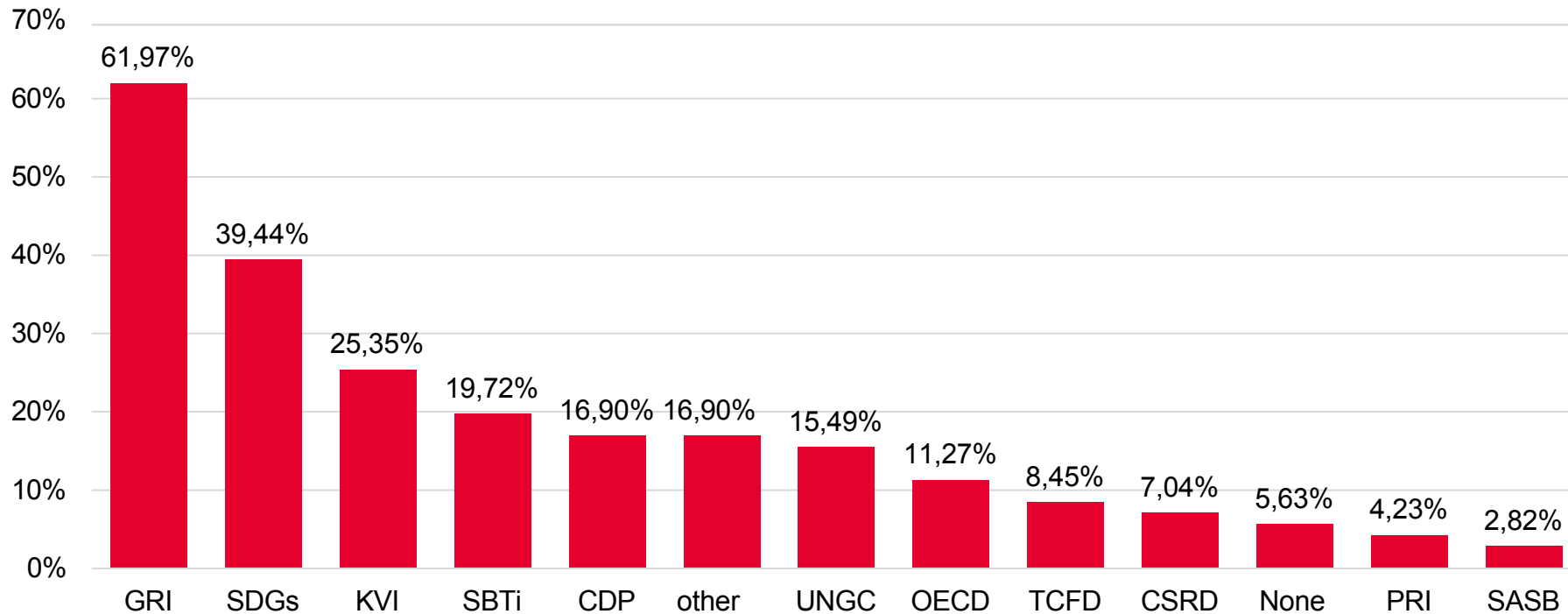
Number of years of sustainability reporting



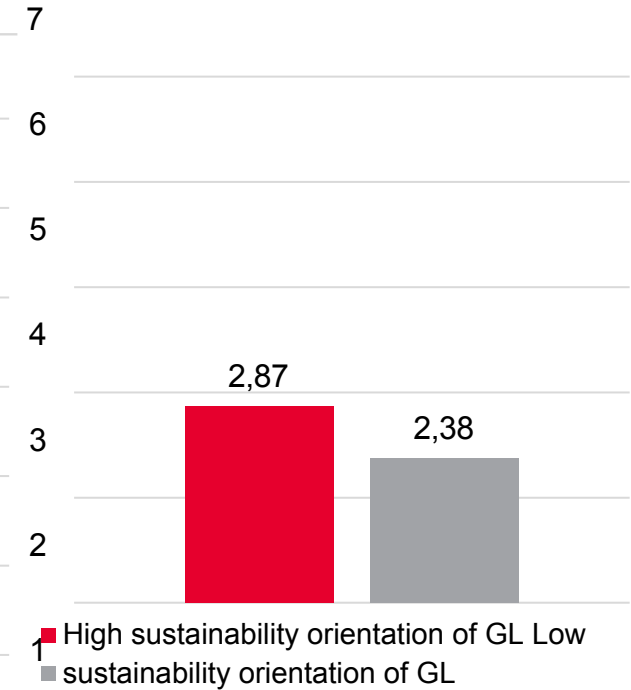
Large companies have generally been reporting on sustainability for longer than small companies. On average, large companies have been reporting on sustainability for almost 10 years and small companies for around 6 years. Only around 40% of the companies surveyed are obliged to report on sustainability.

Around 61% of the companies surveyed with sustainability reporting use the Global Reporting Initiative (GRI) guidelines for their sustainability reporting, followed by the SDGs.

Standards / guidelines used for sustainability reporting (in %) (multiple answers possible)



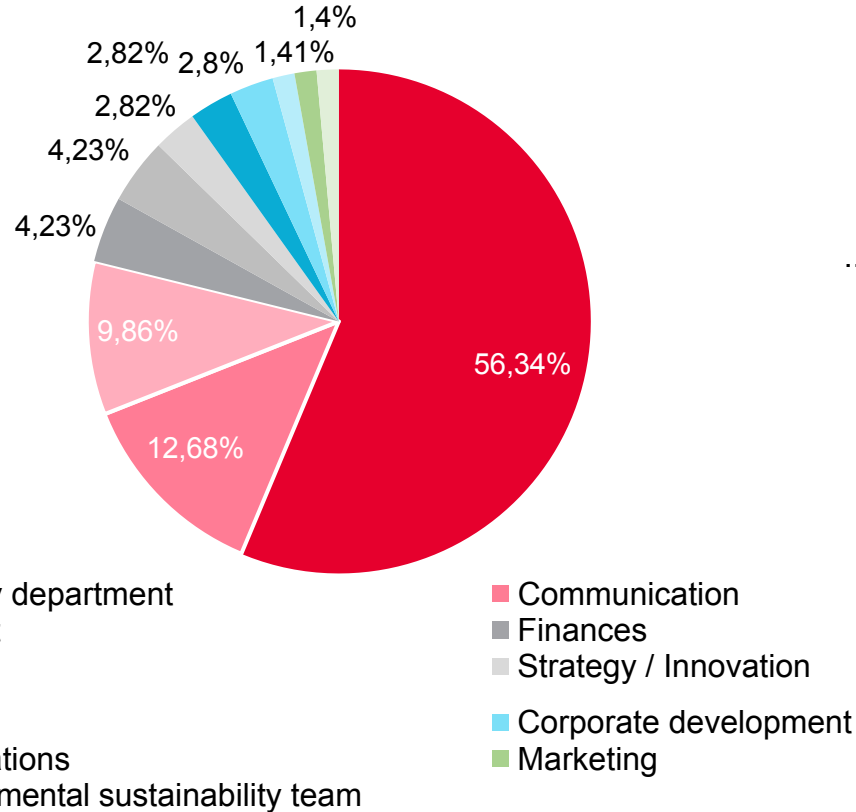
Review of the sustainability report for greenwashing



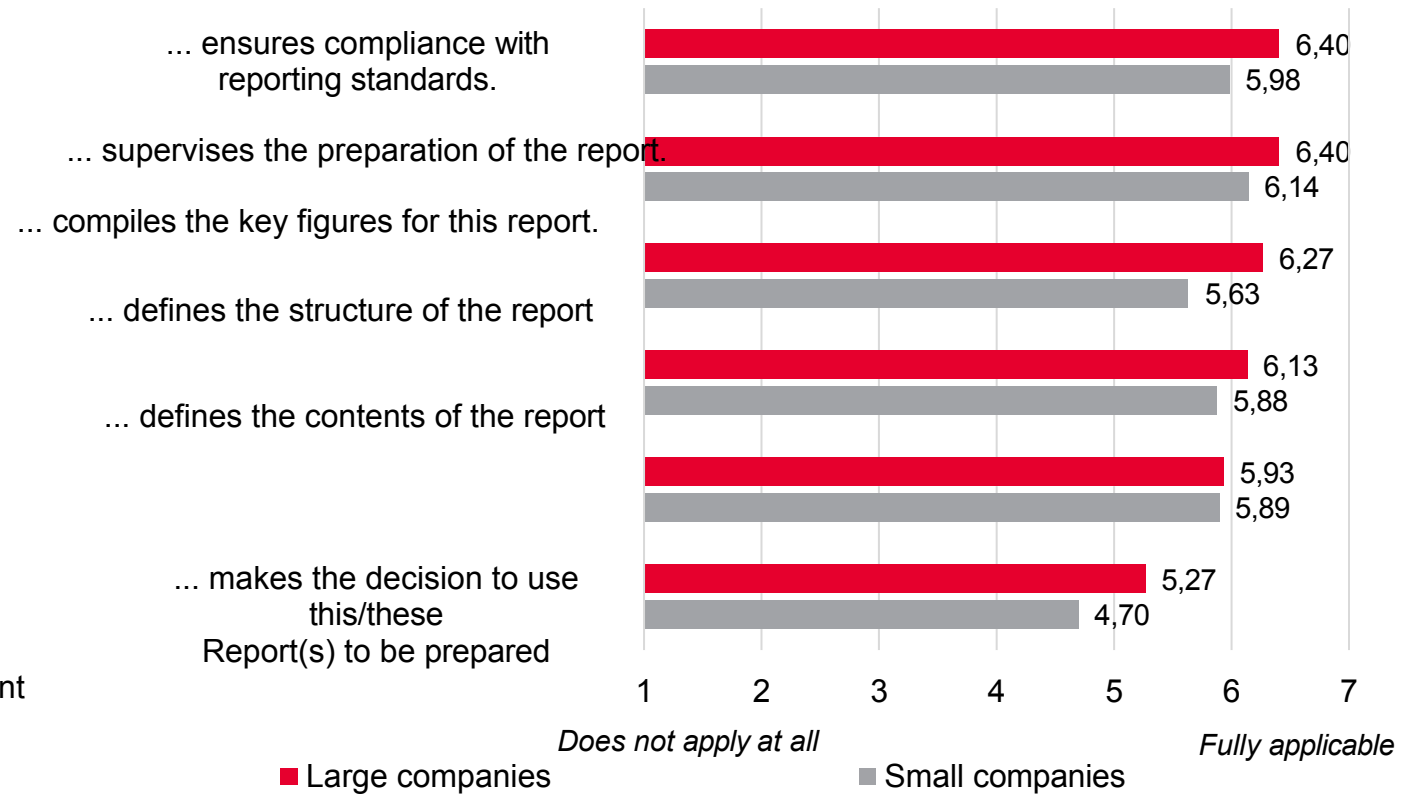
The standards of the Corporate Responsibility Initiative (CRI) and the Science Based Targets (SBT) are also widely used. Only 5.63% of the companies surveyed do not use any standard at all for their reports. However, a detailed review of the report for greenwashing rarely takes place, and when it does, it tends to be in companies with a management team with a strong focus on sustainability.

In around 55% of the companies surveyed, the main responsibility for sustainability reporting lies with the sustainability department, followed by the communications department and the management.

Department primarily responsible for sustainability reporting



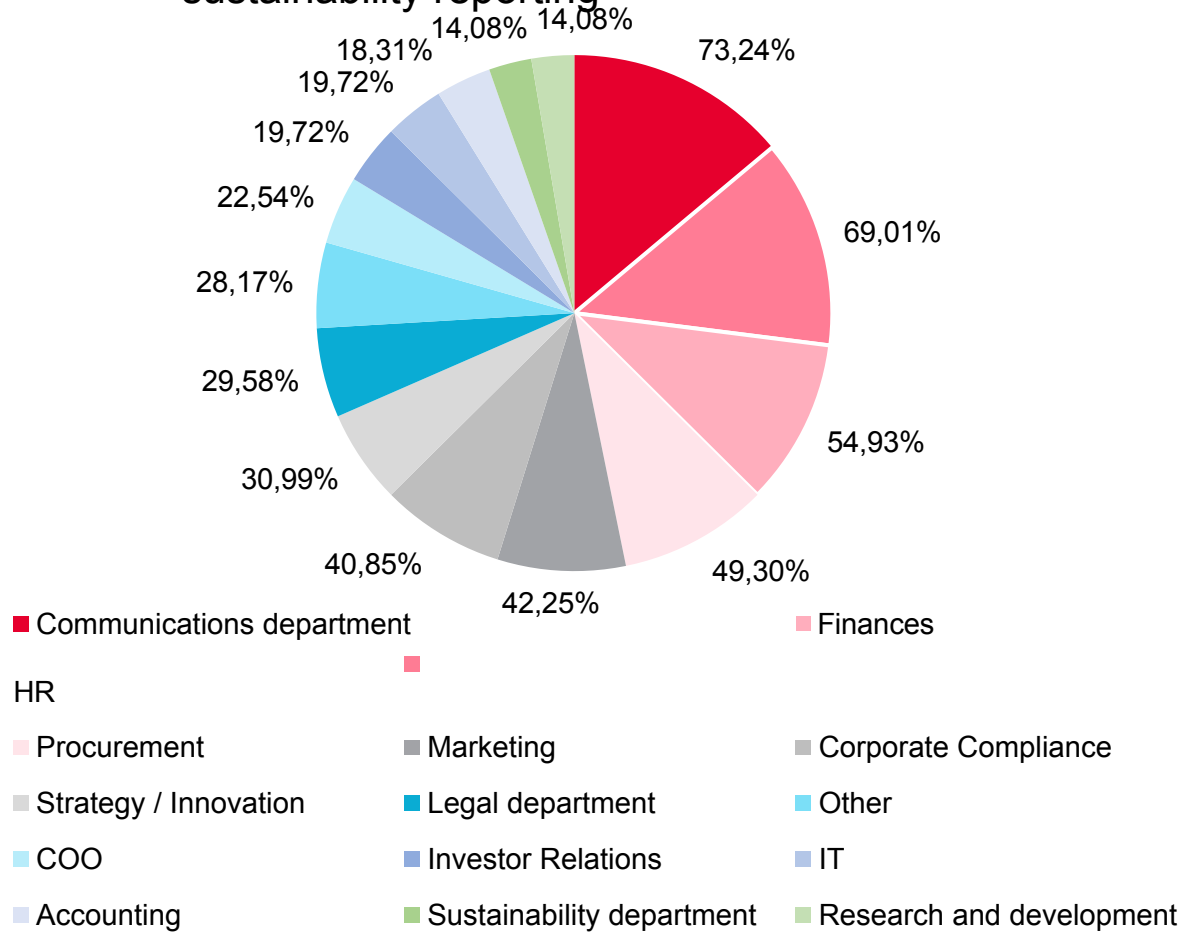
The main department responsible...



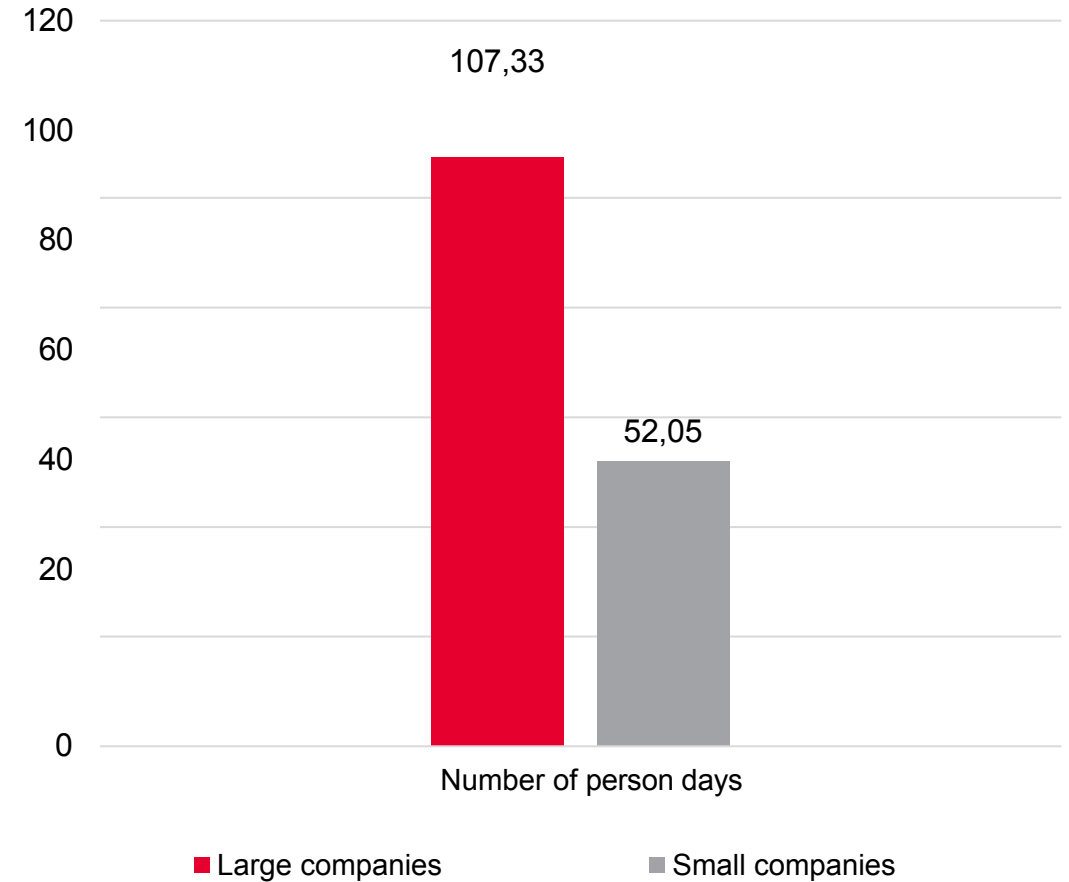
The department with the main responsibility is usually in charge of preparing the report, but the decision to prepare the report is made by the department with the main responsibility.
are not often the responsibility of this department.

In addition to the department with primary responsibility, other departments are usually involved in sustainability reporting. The communication and finance departments are the most involved.

Other departments involved in sustainability reporting

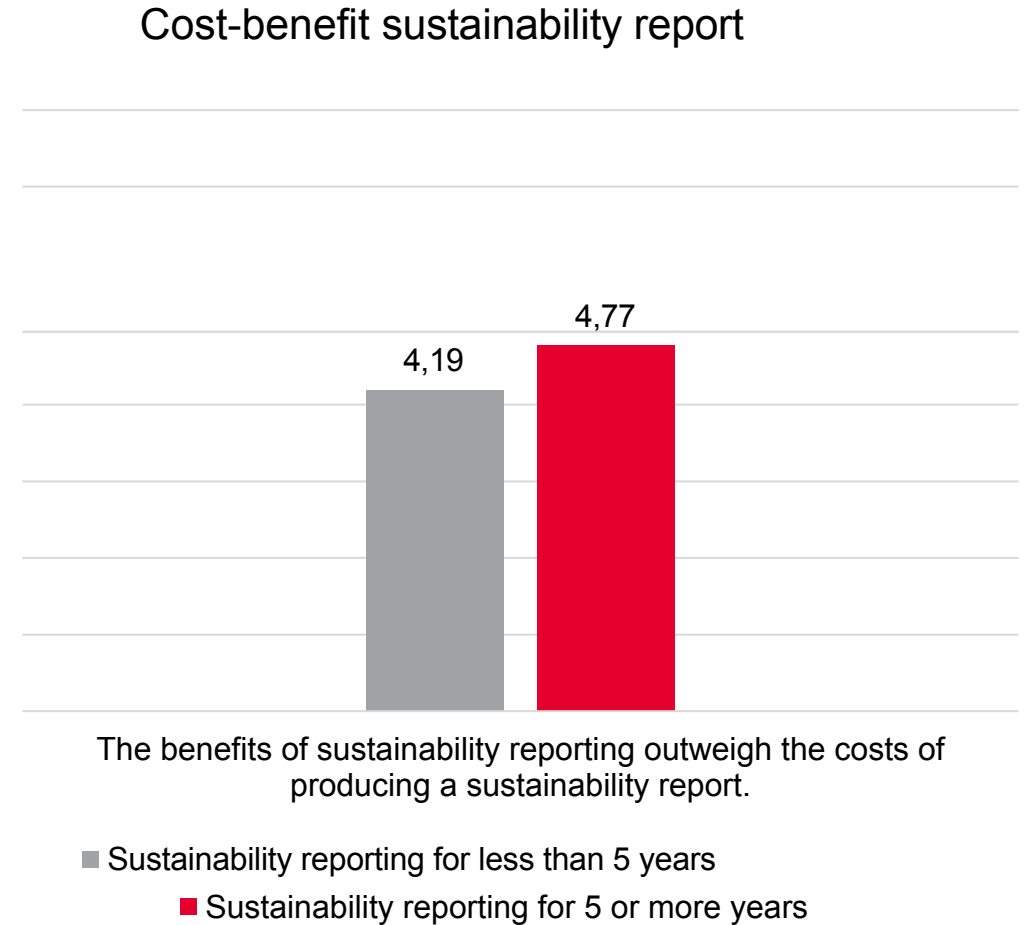
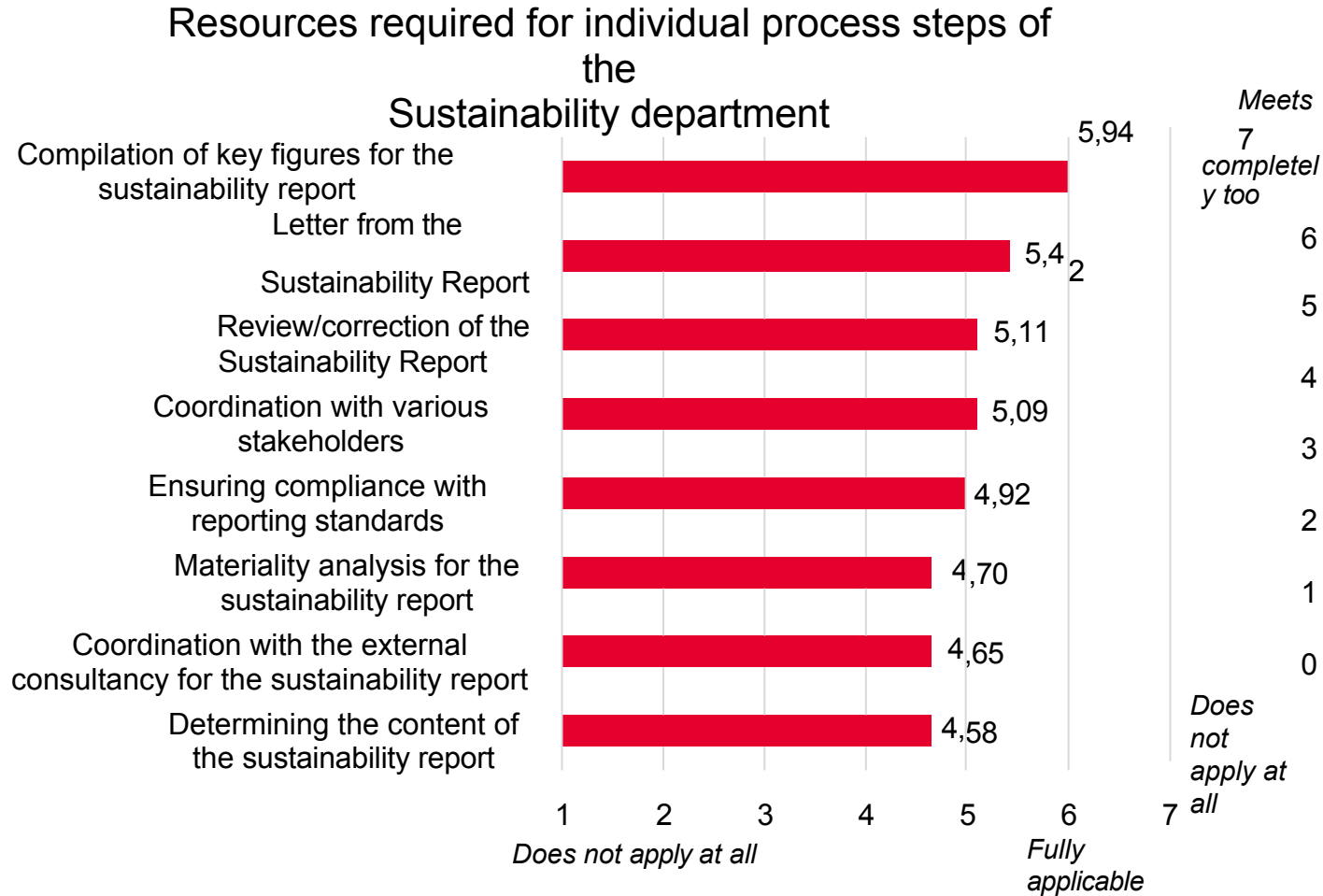


Number of person-days spent working on the sustainability report



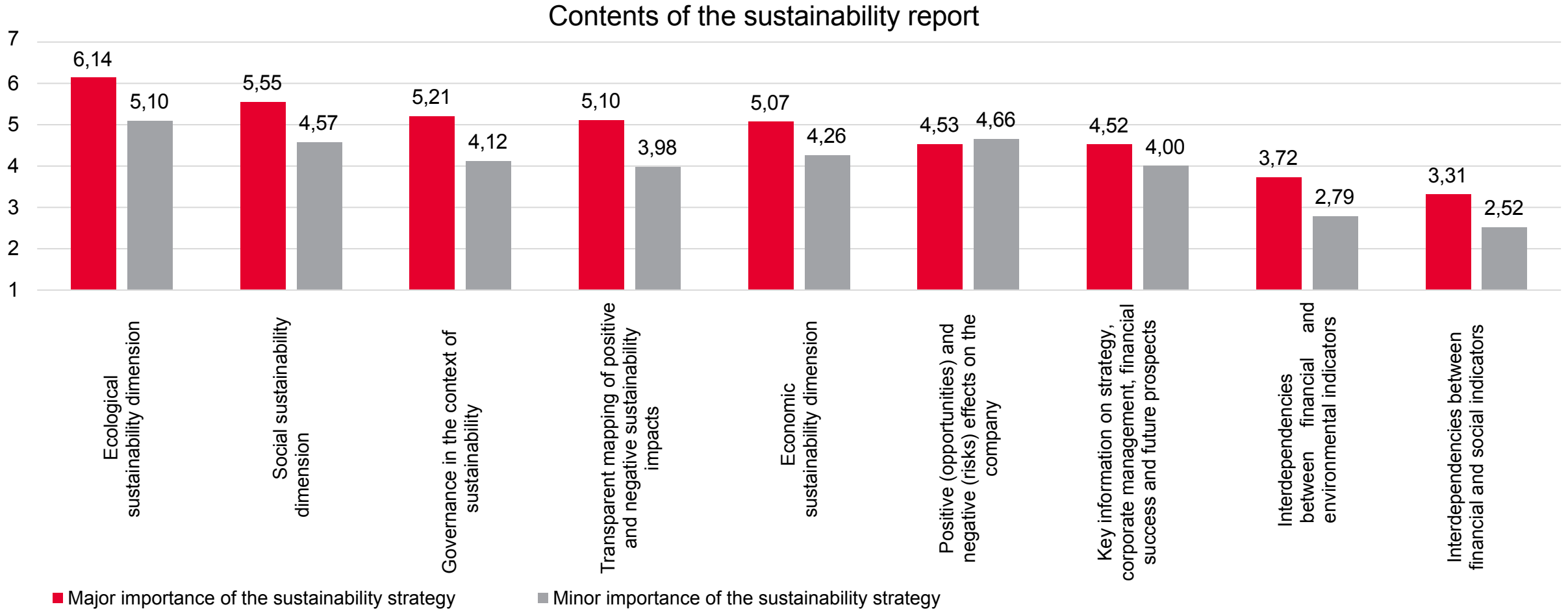
Large companies in particular devote considerable resources to the sustainability report. The preparation of the sustainability report in large companies requires approximately one full-time employee for 4 months.

The highest expenditure of resources for sustainability reporting occurs in the process steps "Compilation of key figures" and "Writing the sustainability report".



If a company has been reporting on sustainability for five or more years, a better cost-benefit ratio is perceived than for companies that have been reporting on sustainability for less than five years. This could be due to the fact that the more experience companies have, the less effort is required for sustainability reporting.

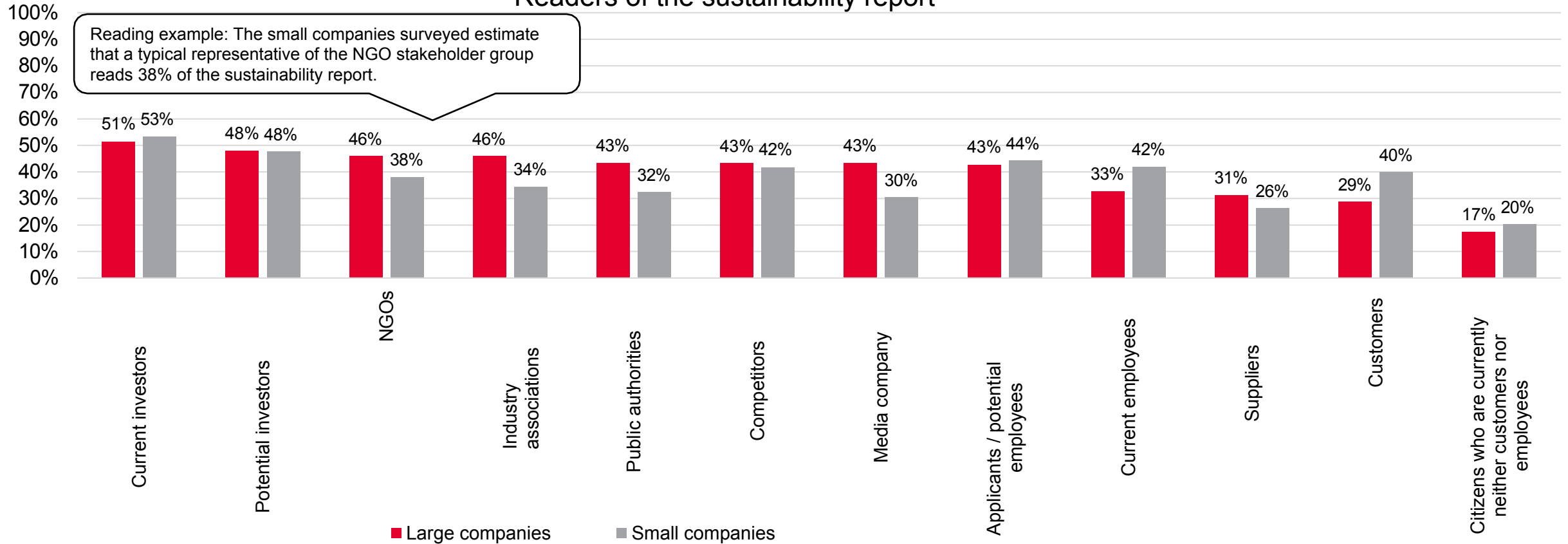
Companies that attach great importance to their sustainability strategy cover more content in their sustainability reports.



Sustainability reports generally report little on strategy, corporate management, financial success and interdependencies between financial and environmental indicators, but rather on environmental, social and governance indicators.

The respondents assume that it is primarily current and potential investors, NGOs, industry associations and public authorities who read their sustainability report.

Readers of the sustainability report



Small companies are more likely to assume that customers and current employees read the sustainability report than large companies. Overall, however, all companies assume that the stakeholder groups do not read the sustainability report in full.

We will be happy to answer any questions you may have at any time.

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