

Media Release

Zurich, 04/09/2023

IRF Reputation AG
Rämistrasse 4
Postfach
CH-8024 Zurich
Rue du Commerce 4
CH-1204 Geneva
+41 43 244 81 44
info@irf-reputation.ch
www.irf-reputation.ch

Miriam Dippe-Nistor
Stefan Mathys
Martin Meier-Pfister
Oliver Seifried
Jürg Stähelin

Affiliate partner
FTI consulting

Increasing Standardization of Sustainability Reporting by Large Swiss Companies

- **All SMI Expanded companies apply at least one of the six most common international sustainability standards in their sustainability reporting**
- **Two-thirds of the companies adopt five or all of the six sustainability standards**
- **The most widely used standards are those of the Global Reporting Initiative (GRI), the UN Global Compact (UNGC), and the Carbon Disclosure Project (CDP)**
- **Compared to the last study in 2021, there is a significant increase in the adoption of all six sustainability standards**
- **Two-thirds of the companies have their sustainability report externally assured**

According to a study conducted by IRF, a leading Swiss strategic communication consulting firm, voluntary sustainability standards and guidelines have been increasingly applied in the sustainability reporting of the largest listed companies in Switzerland over the past two years. Particularly widespread are the internationally recognized standards of the Global Reporting Initiative (GRI), the UN Global Compact (UNGC), and the Carbon Disclosure Project (CDP). However, the United Nations' 17 Sustainable Development Goals (SGGs) are also used as guidance by most companies.

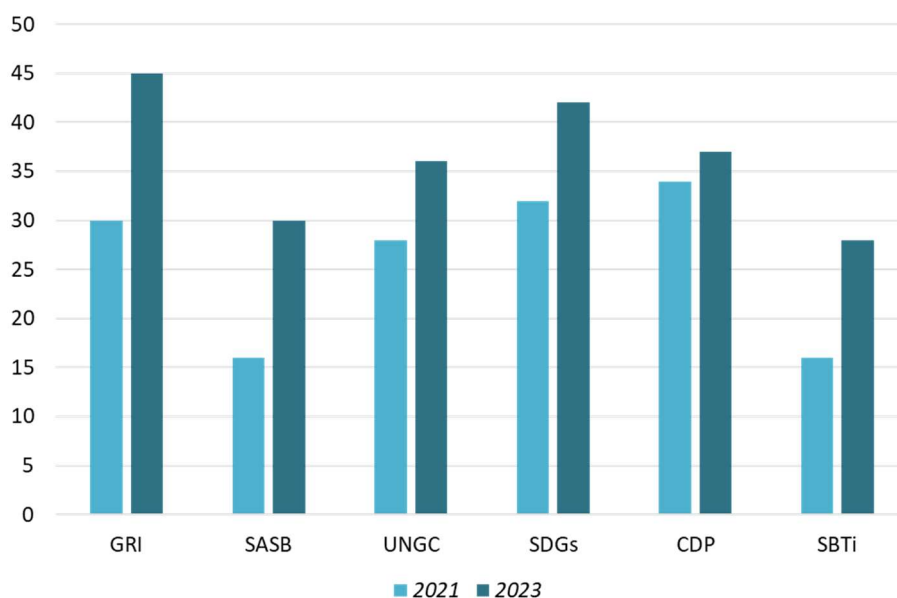
The foundation of sustainability reporting lies in voluntary sustainability standards and guidelines that serve as a guide for companies to define their sustainability objectives, set priorities, measure progress, and communicate their efforts. In their sustainability reporting, all 47 examined companies in the SMI Expanded index apply at least one of the six most common sustainability standards, but most of them adopt five (26%) or all six (36%) of the standards. In the previous study in 2021, just under a third (30%) of the companies were using five or six standards. This development highlights a clear trend toward more comprehensive and standardized sustainability reporting. External assurance is also gaining further significance.

While in 2021, almost half of the companies (45%) had their sustainability reports externally assured in part or in full, this number increased to 66% in 2023.

The Most Common Voluntary Standards and Their Prevalence in the SMI Expanded

Almost all examined companies (96%; 2021: 64%) apply the standards of the **Global Reporting Initiative (GRI)**, which are the most widely used worldwide. 77% of the companies commit to the ten principles of the **UN Global Compact (UNGC)** (2021: 60%), and 64% make use of the standards provided by the **Sustainability Accounting Standards Board (SASB)** (2021: 34%). Additionally, almost all companies (89%; 2021: 68%) use the United Nations' 17 **Sustainable Development Goals (SDGs)** as guidance.

In the area of **CO₂ reporting**, two standards that are based on measuring companies' greenhouse gas emissions are widely used. 79% of the companies disclose information on their greenhouse gas emissions, climate strategies, and other environmental aspects and have them assessed by the **Carbon Disclosure Project (CDP)** (2021: 72%). While 34% of the companies had set or committed to developing emissions reduction targets under the **Science Based Target Initiative (SBTi)** in 2021, this number has nearly doubled in 2023 (60%).



Development of the number of SMI Expanded companies reporting according to the respective standard

Stricter Requirements for Legal Reporting Obligations

In addition to voluntary sustainability standards and guidelines, companies must navigate through a maze of global, national, and regional regulatory measures to ensure their sustainability reports comply with legal requirements. The European Union (EU) continuously introduces new guidelines and regulations that require companies to disclose comprehensive sustainability information and assess their impact on the environment and society. In the EU, companies particularly need to take into account the regulatory changes introduced by the **Corporate Sustainability Reporting Directive (CSRD)**, which will come into effect for the fiscal year 2024. In Switzerland, new regulations on sustainability reporting will also come into effect in 2024 with the **“Ordinance on Climate Disclosures”** adopted by the Federal Council.

Method

In the period from June to August 2023, IRF conducted a comprehensive study on sustainability reporting by Swiss companies for the third time. For this purpose, sustainability reports published by the 47 companies in the SMI Expanded up to May 31, 2023, for the 2022 fiscal year were analyzed. The SMI Expanded represents the 50 highest-capitalized stocks on the Swiss stock market. For three of the companies, the reports for the fiscal year 2021 were taken into account as their reports for the fiscal year 2022 had not been published by the cutoff date. By conducting a content analysis of those sections of the sustainability reports in which the reporting procedure is presented, the application of the six most common voluntary sustainability standards and guidelines was evaluated and compared with available online databases of the respective standard. The results were compared with IRF's most recent ESG study from 2021.

Read the [full study](#).

About IRF

In recent years, IRF has established itself as one of the leading Swiss consulting firms for economic issues. IRF counts around 40 Swiss and international companies among its regular clients. In addition, IRF has made a name for itself in crisis communication and in accompanying capital market transactions.

Contact

Laura Berkes, Consultant

berkes@irf-reputation.ch

+41 43 244 81 44

www.irf-reputation.ch