

Press Release

Zurich/Geneva/Lucerne 2 March 2020

Corporate Responsibility: Swiss companies still lack a systematic approach and clear objectives

Do companies in Switzerland [accept their corporate responsibility](#)? Four out of five board members state that this topic embedded in the corporate strategy. However, two out of five do not appear to have sufficient resources and expertise to successfully implement the topic. The current swissVR Monitor-with responses from 429 board members-demonstrates that only around half of the companies involved have clearly identified the subject areas that are important to them. The assumption of corporate responsibilities clearly focuses on employees, followed by customers and then, at a distance, followed by nature and the environment. There are also quite a few sceptical voices on this topic: A quarter of those surveyed believe that their only real responsibility is to make a profit and increase the value of the company.

Everyone is talking about the corporate social responsibility (CSR) of companies: Numerous initiatives have been launched, dozens of declarations of intent have been signed and multiple reports have been published. At the World Economic Forum in Davos, the topics of corporate responsibility and climate change dominated the event. According to the swissVR Monitor, (published by the swissVR association together with the consulting firm Deloitte and Lucerne University of Applied Sciences and Arts), the public discussion of the topic is reflected in the responses of the board members of Swiss companies: 36 percent have fully and 45 percent have at least partially integrated corporate responsibility into their corporate strategy.

In many cases, clear objectives are lacking

However, it is noticeable that action is still required for the implementation. Only three fifths (61%) of those surveyed believe that their administrative board has sufficient resources and expertise to successfully implement the topic. For nearly half (46%) of those surveyed, the most salient social commitments for the company are either probably not defined (36%) or not at all defined (10%). The boards of only one-tenth (9%) of the companies strongly agreed they have clear and scheduled objectives for social commitments, whereas at least a further 27 percent would agree to this statement. Only around half (54%) of those surveyed believe that, as a board member, they would take sufficient time to address the topic of social responsibility.

"An increasing number of Swiss companies are realising that people expect more from them than making profits and creating jobs. At the same time, the public is becoming increasingly distrustful of the economy – this is currently very specifically reflected in the wide support for the Group Responsibility Initiative. It appears to be almost impossible to prevent more stringent regulations", Reto Savoia, CEO of Deloitte Switzerland, explains.

However, Reto Savoia also envisages great entrepreneurial opportunities. "Companies must embed their specific responsibility for the environment and society convincingly and strategically, and they must systematically define the material issues that are important to them. However, this alone is not enough to create genuine competitive advantages. Clear objectives, impact measurement and transparent communication are required. Ultimately, this is about a cultural change and the companywide adoption of an integrated mind-set."

Employees are more important than the environment

For board members, employees as a target group are right at the top when it comes to corporate social responsibility. Fair wages and employment conditions or occupational health are important to 89 percent. Ethical business conduct (compliance with laws and fair competition, for example) is given almost the same high priority. Almost two-thirds of those surveyed (64%) consider customers to be important stakeholders for CSR measures and thus are thinking about production and supply chain transparency or consumer protection. Just

under half (47%) of the board members surveyed regard nature and the environment as an important aspect of corporate social responsibility. Swiss companies consider taking responsibility for the impact of digitalisation to have a similar level of importance as environmental sustainability, climate protection, energy efficiency or the

Responsibility to employees
(e.g. health and safety at work, fair working conditions and remuneration)

Responsibility for ethical business practices
(e.g. compliance with legislation, fair competition, quality standards, ethical business practices in relation to suppliers and partners)

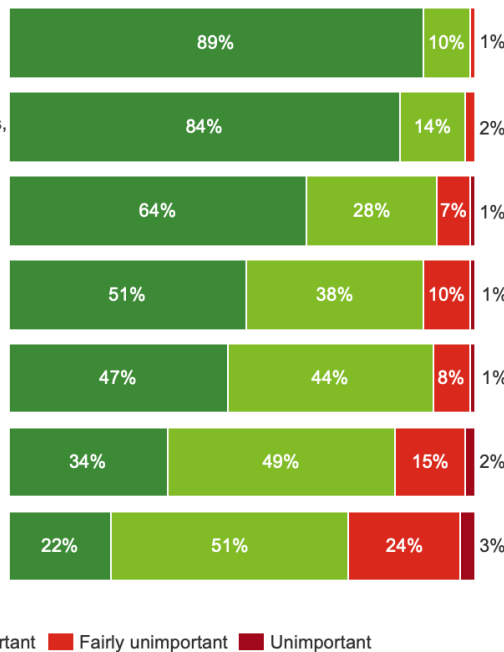
Responsibility to customers
(e.g. information on product manufacture or origin, consumer protection)

Responsibility for the impact of digitalisation
(e.g. data protection and data security, social impact)

Responsibility for nature and the environment
(e.g. environmental sustainability, climate change mitigation, energy efficiency and conservation of resources)

Responsibility to the company's location
(e.g. making use of local capacity, creating training places and jobs)

Responsibility to the state
(including use of training institutions, infrastructure, statutory framework, etc.)



conservation of resources. Around half (51%) of the board members surveyed describe data protection, information security or social impacts of digital technologies as important aspects of corporate social responsibility.

“The central importance of employees is justified; they are the most important asset

Diagram: Which aspects of corporate responsibility are important to you?

of a company and have a significant influence on its success. An increasing number of companies are taking personal responsibility for the development of their employees and are preparing them for new challenges such as digital transformation. Swiss companies would be wise to adopt a culture of lifelong learning in their organisations. However, many must pay even more attention to the skills that their employees require to successfully take their company forward. It is also a good sign that companies don't only view digital technologies as profit drivers and intend to use them to increase efficiency, but that they are also aware of their responsibility for potential negative effects”, says Cornelia Ritz Bossicard, Chairwoman swissVR.

Many SMEs are still sceptical

The vast majority of those surveyed believe that corporate social responsibility promotes the loyalty of employees, increases their appeal as an employer, facilitates customer acquisition and enhances competitiveness. There are sceptics, however: Around a third (36%) of those surveyed believe companies should prioritise their economic responsibilities. According to 32% of those surveyed, corporate responsibility involves costs, reduces profits and increases the prices of products. A quarter (25%) of the board members surveyed support the statement that making a profit and increasing company value are their only real responsibilities. A further two-fifths (40%) believe that their company already assumes enough social responsibility by creating jobs and paying taxes.

Thus, the survey also demonstrates a conflict of objectives between the costs and the benefits of corporate social responsibility measures. This percentage is more pronounced in SMEs than in large companies. Forty percent of those surveyed from small businesses and 30 percent from medium-sized businesses believe that social commitment primarily involves costs. In large companies, only 26 percent hold this opinion.

Dr. Christoph Lengwiler, lecturer at the Institute for Financial Services Zug (IFZ) at the Lucerne University of Applied Sciences and Arts and Vice Chairman of swissVR, explains, “There still appears to be a certain amount of scepticism among the board members of SMEs regarding the effective benefits of targeted social commitment. Aside from limited resources, this may also be because many owner-led companies and especially family businesses already have an established tradition of acting with corporate responsibility. They are established in their social environment and accordingly, they assume the relevant responsibility without enshrining this in written objectives and CSR programs. In this scenario, it may be worthwhile to communicate this social commitment, which is considered natural, more actively to stakeholders”.

Contact: Cornelia Ritz Bossicard
Title: Chairwoman swissVR
Phone: +41 41 757 67 11
Email: cornelia.ritz@swissvr.ch

Contact: Dr. Christoph Lengwiler
Title: Lecturer at the Institute for Financial Services Zug (IFZ) at Lucerne University of Applied Sciences and Arts & Vice Chairman of swissVR
Phone: +41 41 757 67 51
Email: christoph.lengwiler@hslu.ch

Contact: Reto Savoia
Title: CEO, Deloitte Switzerland
Phone: +41 58 279 70 50
Email: rsavoia@deloitte.ch

Contact: Michael Wiget
Title: Head of External Communications, Deloitte Switzerland
Phone: +41 58 279 70 50
Email: mwiget@deloitte.ch

About the report

The swissVR Monitor is a survey conducted jointly by swissVR, Deloitte and the Lucerne University of Applied Sciences and Arts. Every six months, this survey gauges the attitudes of members of Swiss company boards of directors towards the outlook for the country's economy and their sector. It also gauges their attitudes towards current matters of relevance to boards. Each issue of swissVR Monitor also explores a focus topic in greater detail. The surveyed board members represent firms from SMEs to listed companies across a range of sectors. With 429 members surveyed between 16 December 2019 and 17 January 2020 in its latest edition, it is an accurate reflection of the attitudes of boards in Swiss companies.

swissVR

swissVR is an association for members of board of directors from Swiss companies. swissVR is committed to the professionalism, quality and the perception of the interests of boards. The association's 850 members represent board mandates in various sectors and regions as well as in SMEs and listed companies. This broad coverage of various sectors, regions and company sizes allows for a varied know-how sharing. swissVR also offers a diverse range of events on a variety of topics currently facing boards, as well as training courses tailored for specific needs in cooperation with educational partners.

Lucerne University of Applied Sciences and Arts – the university of applied sciences of Central Switzerland

The Lucerne University of Applied Sciences and Arts is the university of applied sciences of the six Central Swiss cantons and comprises the Lucerne Schools of Engineering and Architecture, Business, Information Technology, Social Work, Art and Design, and Music. 6,500 students are working towards bachelor's or master's degrees here, while a further 4,400 are in continuing education. The Lucerne University of Applied Sciences and Arts is the largest educational institution in Central Switzerland and employs 1,700 staff. www.hslu.ch

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