

Media release

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Latest Swiss board of directors' survey shows a clear call for more diversity and digital know-how in the boardroom

Diversity is the top priority for new appointments to the boards of Swiss companies: this includes new skills, different experience, and diverse personalities as well as digital savvy. The latest issue of the Swiss board members' survey [swissVR Monitor](#) also reveals that the workload is increasing for decision-makers on board level and that their tasks are becoming more diverse. According to the 448 Swiss board members surveyed, staffing issues and compliance in particular have become increasingly important topics. When it comes to their outlook for the Swiss economy, board members are quite positive.

Increasing overall diversity when appointing new members to their boards of directors is a high priority for Swiss companies. This comes from the latest edition of "swissVR Monitor", a survey conducted every six months by swissVR in cooperation with Deloitte and Lucerne University of Applied Sciences and Arts. Over three quarters (78%) of the board members surveyed attribute high or medium importance to the goal of increased diversity. In the future, they would like to see members with new skills and more diverse experience or personalities represented in their boards. Almost one fifth of current board members (19%) already consider themselves to be well-positioned in this regard and only a very small minority (3%) consider an increase in general diversity to be unimportant for new appointments.

Increasing digital savvy in the boardroom is also high on the agenda: 71% consider the second most important objective for new appointments to be increasing the know-how in IT and digitalisation on the board. 29% attribute high and 42% medium importance to this goal. Compared with the two top priorities, objectives such as increasing the proportion of women and the rejuvenation of the board rank lower down the list.

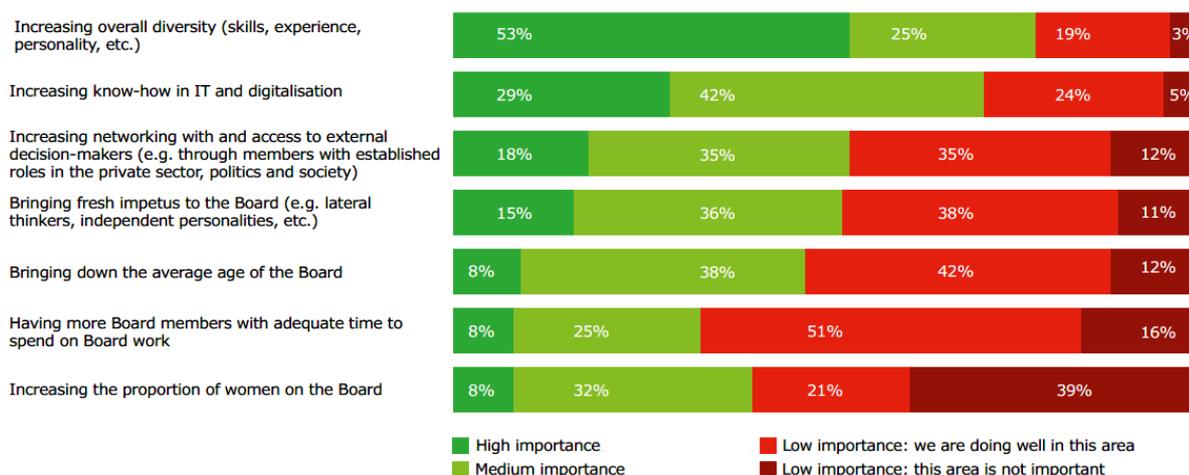


Figure 1: Objectives for new appointments (Question asked: In your personal view, what importance should the following objectives have when new appointments are made to the Board of Directors?)

Diversity vs. gender equality

Only a small number of the boards surveyed already achieve the guideline of a 30% proportion of women proposed by the Swiss Federal Council for listed companies. The survey shows that gender

distribution in larger board committees is somewhat more balanced: in committees with 6 or more persons, an average of 21% of members are women, in smaller committees with 3 to 5 persons, the figure is only around 10%. What's more, around two thirds (64%) of the company directors surveyed welcome an increase in the proportion of women in the boardroom in Switzerland, however 91% reject a gender quota prescribed by legislation or statutes.

Reto Savoia, Deputy CEO of Deloitte Switzerland, interprets the results as follows: "Swiss board members clearly differentiate between diversity and gender equality. They have learned that diversity in the steering bodies of their companies has a positive impact on business success. In contrast, equal representation of women in boards is not the highest of priorities. Although the rather tame quota of 30% suggested by the Federal Council could probably be implemented without great difficulty, quotas of all types continue to be rejected in principle."

HR topics are becoming more important

Asked about the most important issues facing their board over the last 12 months, Swiss board members continue to rank increasing efficiency and process optimisation as their highest priority, with 40% naming that issue. Also high on their agenda: digitalisation (38%) and reviewing corporate strategy (35%). Human resources challenges at management level took fourth place, followed by talent recruiting and retention, which climbed up from seventh place held last August. One year ago, this topic was way back in 11th place. Risk management (25%) and compliance (24%) also moved up.

Time commitment is increasing

Many of those surveyed believe that the operating environment for board members has changed considerably over the past year. More than half of all Board members surveyed (56%) believe that their time commitment to the role has increased over the past 12 months. Already one year ago, most participants reported an increase in their time commitment. Interaction with the company management has also become more intensive for over half of the participants.

Prof. Dr. Christoph Lengwiler, lecturer at the Institute for Financial Services Zug (IFZ) and Vice-Chairman of swissVR explains: "The role of board members is becoming more demanding and time-consuming as the range of topics and formality are increasing. Their tasks are no longer restricted to strategy definition and the appointment of the company management. This is demonstrated in the variety of topics identified as Swiss boards' top issues in latest swissVR Monitor survey. Even though the board committees react to this expansion of topics by increasing diversity, each individual member must still cope with the broad spectrum of topics if he or she wants to fulfil his or her tasks reliably."

Rosy outlook for the economy and for companies

For the most part (67%), the board members surveyed anticipate a positive trend in the Swiss economy for the next 12 months and are more optimistic than they were six or twelve months ago. They assess the economic prospects slightly more positively than the prospects for their own company (64%). Board members from the information technology and communication sectors have a particularly positive outlook for the future of their company (86%).

The board members also assessed the current and future importance of external factors for their company on a scale of 1 to 5. Board members currently attach the highest importance to economic trends in Switzerland (4.0) and economic trends abroad (3.5). They believe that there will be an improvement in both factors over the next five years (43% and 41% respectively of the participants).

Re-investing long-term earnings

Board members also attach a relatively high importance (3.4) to the exchange rate of the Swiss franc against the euro and dollar. However, their opinions of how the exchange rate will change over the next five years are divided: almost one third of the participants anticipate a stronger Swiss franc, whereas almost another one third anticipate a weaker Swiss currency. The interest rate (3.2) and inflation (3.0) are ranked as external factors with medium importance. For both factors, the majority of participants anticipate an increase.

Prof. Dr. Dr. Christian Wunderlin, President swissVR, on the business outlook: "Many companies think that they are more successful than the industry average, however they do not believe that they will grow at a greater rate than the general economy. All in all, business prospects are very positive and framework conditions for the companies are better than they have been for a long time. Companies should use the

earnings they are incurring now to actively reinforce their long-term positioning. Investments in people and their training are essential pillars for this."

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About the report

The half-yearly survey "[swissVR Monitor](#)" aims to record the assessments of board members with regard to business outlooks, strategies and structural themes and also, as a focus topic in this issue, the diversity and composition of the board of directors. The survey was conducted by swissVR in collaboration with Deloitte and Lucerne University of Applied Sciences and Arts from 20 November to 22 December 2017. The 448 participating persons represent both company directors of listed companies and of SMEs and come from all relevant industries.

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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 700+ 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. 6,000 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 1,600 staff. www.hslu.ch

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