
# Engagement Report 2025

Responsible Shareholder Group (RSG)

January 2026

inrate

**Imprint**


| | |
|---|---|
| Publisher | Inrate AG |
| Authors | Glen Boschi, Marie Froehlicher, David Mondl, Juliana Frizzo |
| Supply | Inrate AG, www.inrate.com |


inrate

# Contents

# Introduction

# Foreword

The 2025 engagement season took place amidst a time of significant change and growing tension in global sustainable finance. Expectations of investors to act as responsible stewards continue to rise, while engagement and climate commitments have come under increasing pressure in some jurisdictions. This raises a key question for long-term investors: how can engagement remain credible, effective and resilient in a more polarised environment?

Recent developments, including the collapse of the Net-Zero Banking Alliance (NZBA), growing scrutiny of stewardship practices overseas, and a notable shift by several European asset owners towards European asset managers reflect a broader reassessment of how sustainability commitments are implemented and defended. In this context, engagement is increasingly recognised not as an optional add-on, but as a core pillar of responsible investment.

The recognition is also evident at the domestic level in Switzerland. With the introduction of the Asset Management Association Switzerland (AMAS) self-regulation 2.2, following the Federal Council's position on the prevention of greenwashing, engagement has been further anchored as a central element of sustainable investment practice. At the same time, discussions among practitioners have increasingly focused on escalation, the tracking of engagement outcomes, and the need for "credible" engagement.

In 2025, Inrate actively contributed to this dialogue. Facilitated by AMAS and the Principles for Responsible Investment (PRI), we participated in a series of stewardship roundtables, bringing together stewardship professionals from asset owners, asset managers and service providers to exchange practical experiences and challenges. We are pleased that Inrate's work and perspectives were featured in the joint AMAS-PRI handout Swiss Stewardship in Practice, reflecting the growing relevance of collaborative engagement approaches in the Swiss market.

Inrate's Responsible Shareholder Group (RSG) continued to deliver active, structured and outcome-oriented engagement on behalf of its members. In 2025, 100 engagement topics were assessed for at least the second time, enabling the evaluation of progress over time. Almost half of these topics showed improvement, particularly in Scope 3 emissions and Human Rights Due Diligence, while the majority of remaining topics remained stable. At the same time, persistent challenges notably in areas such as biodiversity and governance-related areas reaffirmed the need for continued and focused engagements.

This report documents the highlights of the 2025 engagement season. Beyond reporting on activities, it aims to provide insight into outcomes, highlights where engagement has been most effective and illustrates how active ownership can translate into change at company level - from value-chain decarbonisation to the representation of competencies in the board of directors — through dedicated case studies and thematic analysis.

We invite you to explore the following pages and to continue this journey with us. In an environment where stewardship is increasingly challenged, consistent, credible and well-defined engagement remains more relevant than ever. At Inrate, we will continue to shape and strengthen this approach to drive lasting impact.

**Glen Boschi**
Head of Engagement

# Inrate

Inrate AG is an independent Swiss sustainability rating agency and stewardship service provider. The company is not controlled by any financial institution and does not manage assets or funds, nor does it provide advisory services to companies on sustainability matters. Inrate's ratings assess the impacts of a company's products and services on society and the environment across their life cycle, as well as the company's capacity and commitment to addressing related sustainability challenges.

In addition, Inrate provides stewardship services to institutional investors. Since 2011, investors have been supported in exercising their shareholder rights through in-depth corporate governance assessments (zRating) and voting recommendations, with a particular focus on Swiss listed companies. The Responsible Shareholder Group (RSG) has been facilitating structured engagement dialogues with companies since 2006. In its early years, engagement focused on topics that are now widely established, such as remuneration disclosure and electronic voting, ahead of the Swiss "Abzocker" initiative. The annual RSG meeting was introduced in 2013, and Inrate has managed the RSG since 2019.

Beyond the RSG, Inrate also carries out individual engagement mandates, allowing institutional investors to pursue tailored engagement strategies aligned with their specific priorities, portfolios and objectives.

## RSG Engagement in Numbers

**100**
companies engaged

**10**
engagement targets reached

**482**
KPIs assessed by our analysts

**15**
companies engaged in in-depth dialogues on all relevant core engagement topics (Full Engagements)

**100**
topics assessed at least 2nd time

**30%**
KPIs improved compared to last Full Engagement

**498**
issues raised across engagement formats (Full, Light, Governance Light Engagements)

# About this Report

### Engagement Season 2025

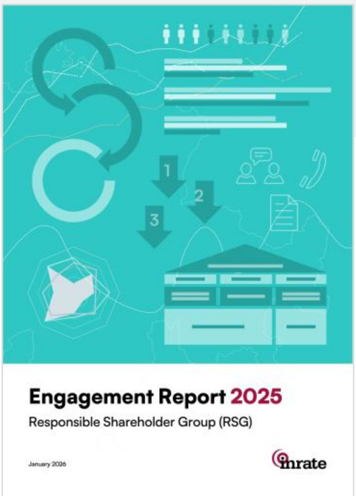
22.11.2024 — 21.11.2025

### Complementary Documents

Engagement Report 2025 & Engagement Policy

### Guidance

Swiss Stewardship Code




# Success Factors of Inrate's Engagement Services

### Experience

Comprehensive Engagement services since 2006 with over 800 dialogues since 2015.

### Reporting

Client-friendly online platform with all relevant information at hand and individual reporting capabilities.

### Integrity

Independence and no conflicts of interest. Inrate neither advises companies nor manages assets. Data collection and analysis is carried out exclusively "in-house".

### Coverage

Coverage of all companies in the Swiss Performance Index (SPI) and funds of the Swiss SXI Real Estate Indices.

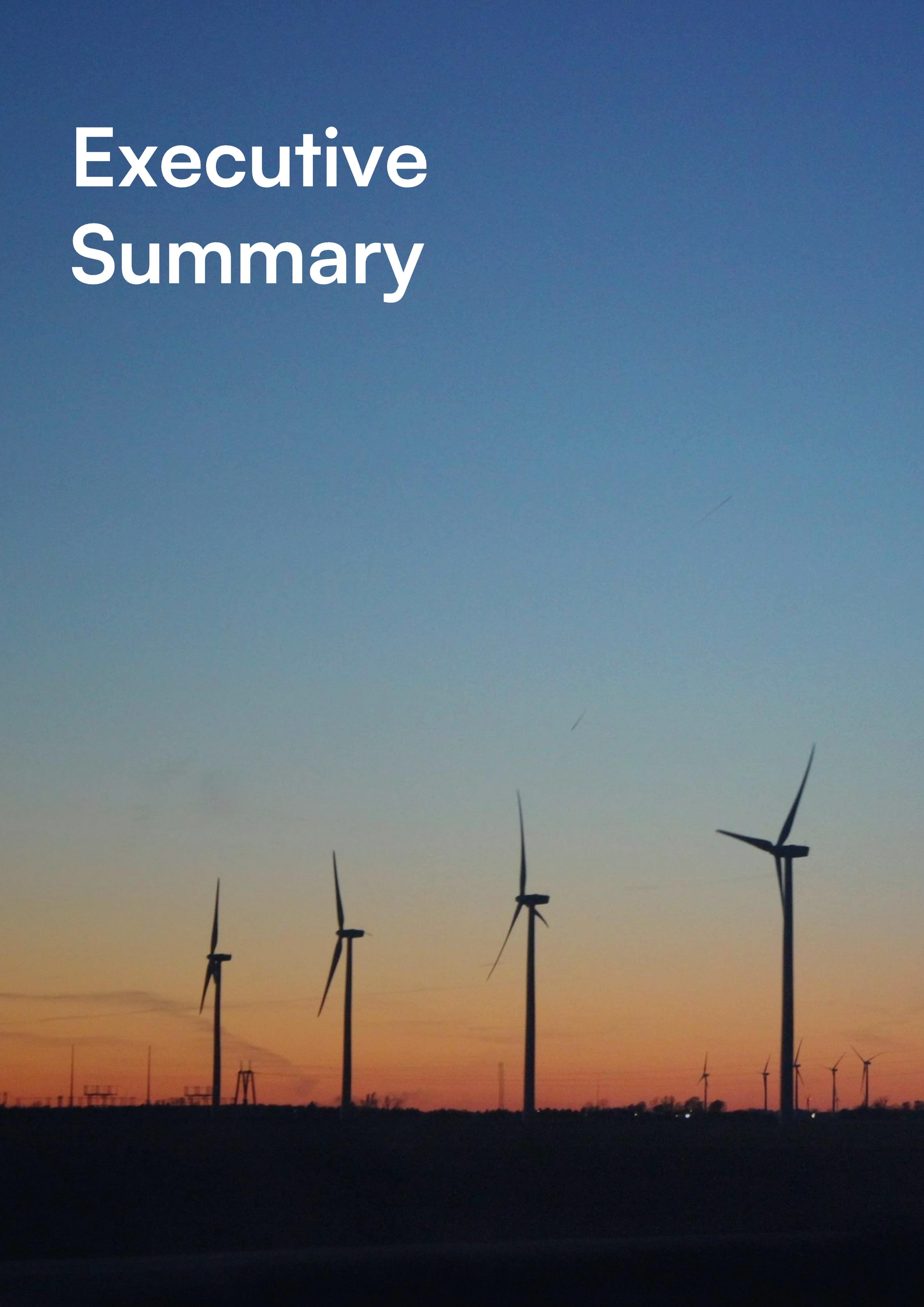
### Expertise

Highly skilled analyst team on the topics of ESG and impact investing through broad proprietary data collection and analysis and strong academic background.

### Goal-oriented Processes

Clear goals and milestones of Engagement dialogues are set and reported on transparently.

# Executive Summary



# Key Messages

- In 2025, Inrate engaged with **100 companies**, maintaining a very high level of activity, while deliberately shifting the focus from expanding coverage to **deepening dialogues, follow-up and accountability.** This reflects a maturing engagement programme centred on outcomes rather than quantity.
- The thematic focus of Inrate's Engagements continue to evolve. The share of **environmental and social topics** increased from 20% of all engagement topics in 2020 to **25% in 2025**. This shift underlines the growing importance of addressing critical sustainability challenges in engagement dialogues.
- Engagement indicates measurable outcomes: Across the topics addressed repeatedly, **146 KPIs (around 30%) improved**, with **91 milestones achieve**d during the year. Overall, **10 engagement objectives were reached**, demonstrating that sustained dialogue can translate into concrete changes at company level.
- Strong momentum on Scope 3 and Human Rights Due Diligence: The most **consistent progress** was observed in **Scope 3 emissions** and **Human Rights Due Diligence**, where repeated engagements, clearer regulatory expectations and stronger embeddedness in governance structures are beginning to pay off. Several companies reached their engagement targets in these areas for the first time.
- Quality over form - raising expectations on governance-related topics: Engagement discussions increasingly focus on the **quality and credibility** of governance practices. This is evident in topics such as **board competencies** and **ESG criteria in remuneration**, where transparency, clear accountability and meaningful integration are becoming more important than formal or symbolic adoption.
- Progress remains uneven - reinforcing the need for targeted engagement and escalation: While momentum is building in several areas, **Biodiversity and Psychosocial Risks at Work** continue to lag behind, highlighting structural challenges and data gaps. These differences underscore why engagement is most effective when it combines **persistence, access to senior executives and clear expectations**, supported by a more systematic escalation approach which is launched in 2026.

*Activities*

*Progress*

**Full Engagements 2025**

**Topics Assessed 2025**

**Objectives not yet Reached 2025**

| 15 | 85 | | 100 | 10 | 86 |
|---|---|---|---|---|---|

**Light Engagements 2025**

**Objectives Reached 2025**

*Figure 1: Historical Development of Topics*

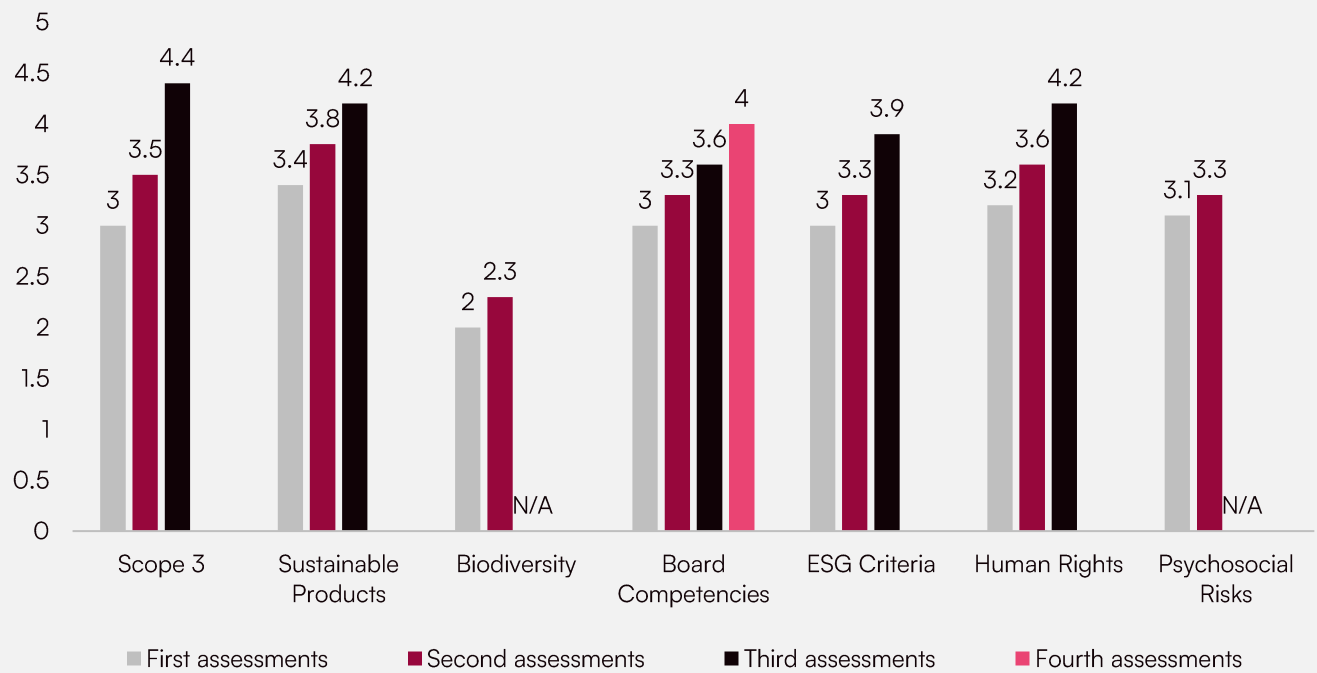
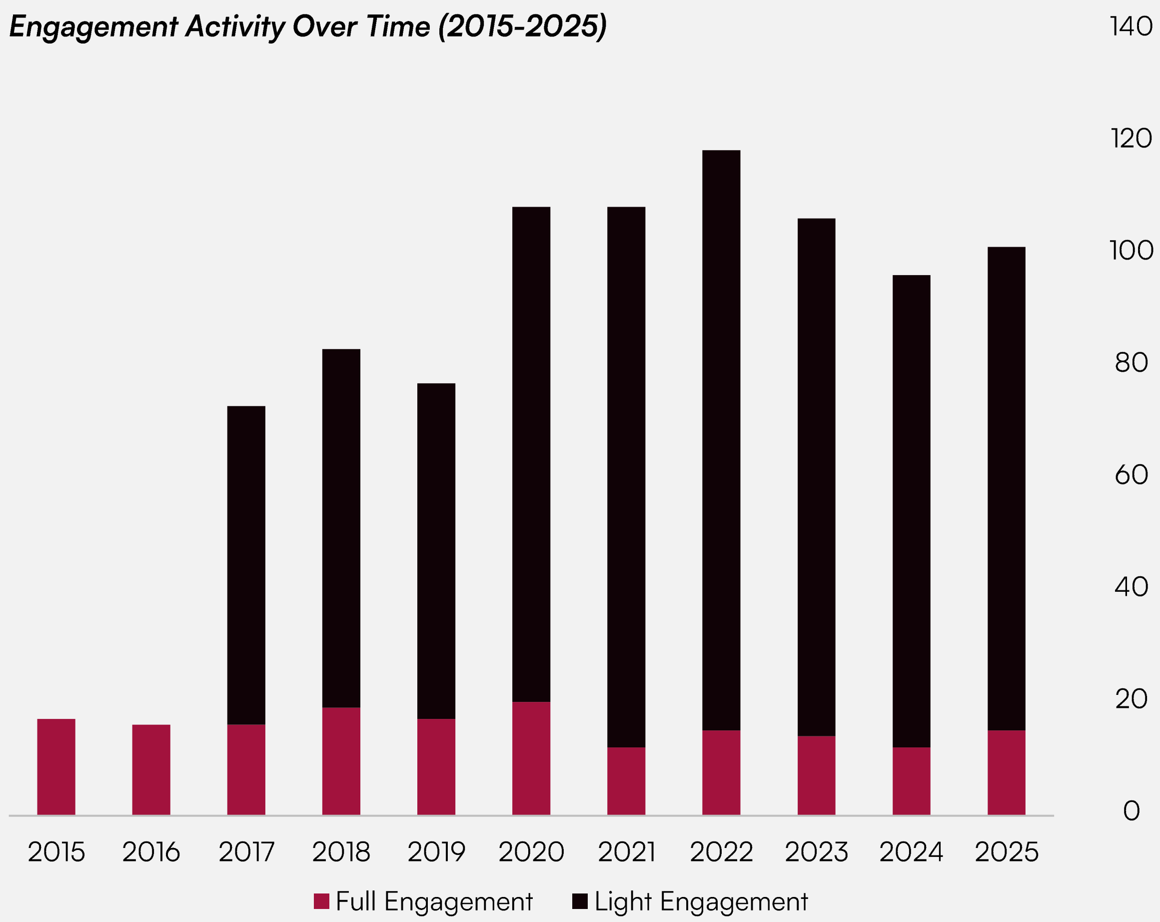


*Figure 2: Engagement Activity Over Time (2015-2025)*



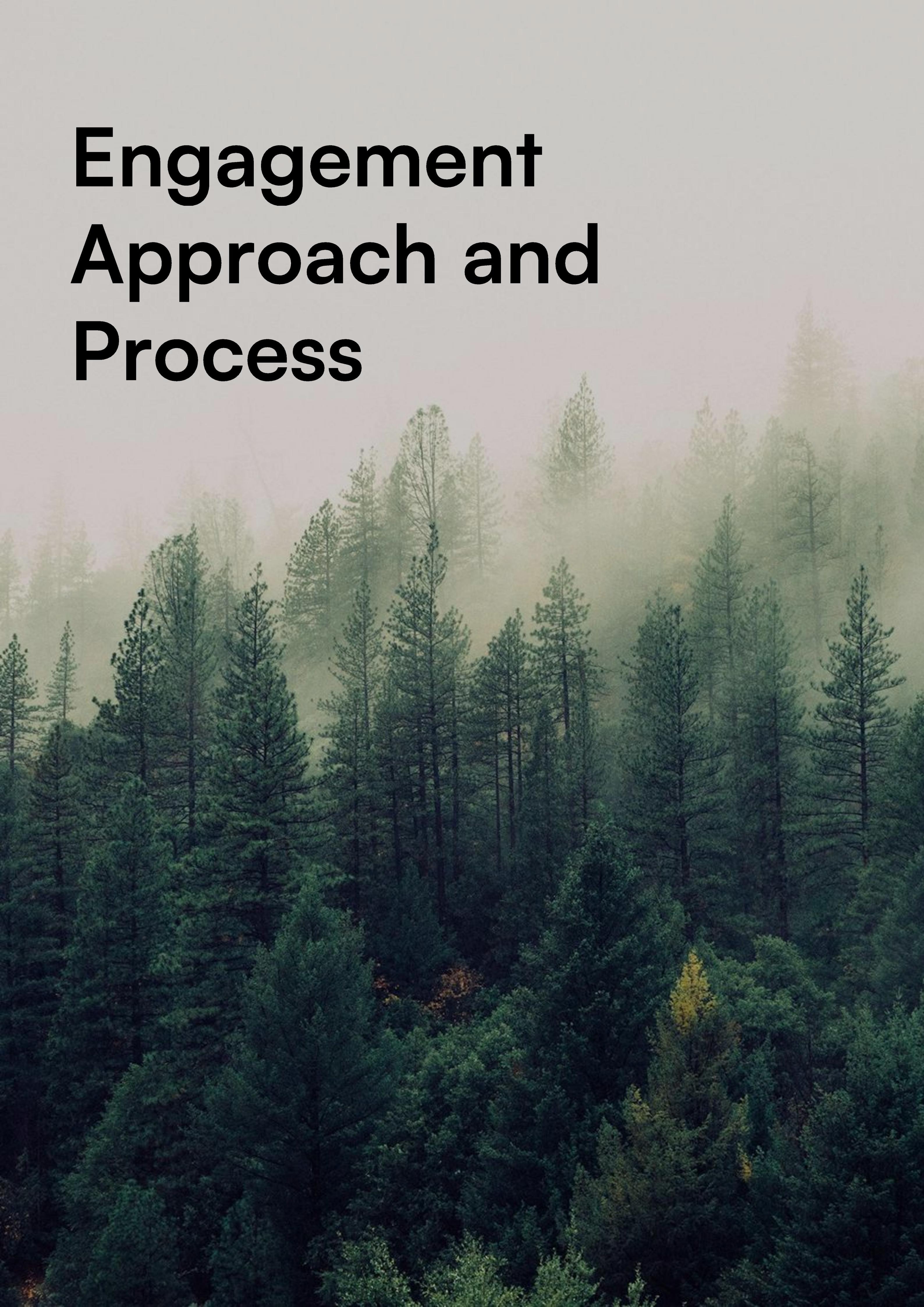

## Why this matters

Taken together, these insights show how engagement is evolving from dialogue to measurable influence — and where continued focus is required to drive long-term value creation. The following sections of the report provide deeper analysis, topic-specific insights and case studies illustrating these developments in practice.

### *Inrate's Engagement Framework at a Glance*

- The target of the engagement dialogue is for each company to achieve a maximum overall score of five points (out of 5) for every engagement topic addressed.
- For each topic, a clear engagement target and five milestones are defined. Progress towards these milestones is assessed using Key Performance Indicators (KPIs), which are evaluated Inrate's analysts at each Full Engagement.

# Engagement Approach and Process



# Engagement Approach and Philosophy

Inrate's Engagement approach focuses on identifying material sustainability issues and fostering change through engaging in an active and continuous dialogue with companies. The objective is for companies to improve their sustainability impact, managing their ESG-related risks effectively, and thereby contributing to long-term value creation. Central to this approach is the principle of avoiding current value creation at the expense of future generations.

While improvements in efficiency, reduced resource consumption and innovation can support long-term growth, effective risk management is equally important. Addressing ESG risks such as reputational, regulatory or operational risks arising from human rights violations or environmental impacts can help mitigate potential financial costs and protect enterprise value.

***Figure 3: Company valuation using the discounted cash flow method (simplified)***

$$\text{Firm value}\uparrow = \frac{\text{Future free cash flows}\uparrow}{\text{Cost of capital}\downarrow}$$

To this end, Inrate prioritizes engagement topics that reflect market-wide and systemic risks. Topic selection is guided by the principle of double materiality, which integrates both financial and impact considerations.

From an outside-in perspective (i.e., financial materiality), we assess how environmental and social developments may affect a company's risk profile (cost of capital) and earnings situation (future cash flows). Examples include the potential impact of social unrest in the supply chain or the introduction of effective carbon pricing mechanisms.

From an inside-out perspective (i.e., impact materiality), we evaluate how a company's activities affect the environment and society across its operations and value chain. This dual lens helps avoid a narrow focus on short-term financial effects and ensures a long-term, sustainability-focused perspective.

The engagement topics for the 2025 engagement season, approved by the members of the RSG are presented in Table 1.

***Table 1: Core Topics***

| Environment | Social | Governance |
|---|---|---|
| Scope 3: Indirect GHG Emissions | Human Rights Due Diligence | Competencies in the Board |
| Sustainable Products and Services | Psychosocial Risks at Work | ESG Criteria in the Compensation System |
| Biodiversity | | Corporate Governance Assessment (zRating) |

# Process

Engagement processes can take a long time and develop over several stages. Personal, ongoing dialogue with selected companies in the Swiss Performance Index (SPI) is just as important for the success of Engagement processes as a shared cultural space and a long-term exchange based on mutual trust.

Our aim is to conduct a Full Engagement with the target companies every three years (see Figure 4). This involves the Inrate delegation meeting with company representatives on site or virtually to discuss progress on all core topics. Regular follow-ups on the topics take place in between (Light Engagement). In addition, all other companies in the SPI are notified of deficits in the key governance topics as part of our corporate governance rating (Governance Light Engagement). Find more information on our engagement types on p. 18f.

***Figure 4: Engagement Cycles***

| **Year** | 0 | 1 | 2 | 3 |
|---|---|---|---|---|
| **Target Companies** | Full | Light | Light | Full |
| **SPI** | Goverance Light Engagement | Governance Light Engagement | Governance Light Engagement | Governance Light Engagement |

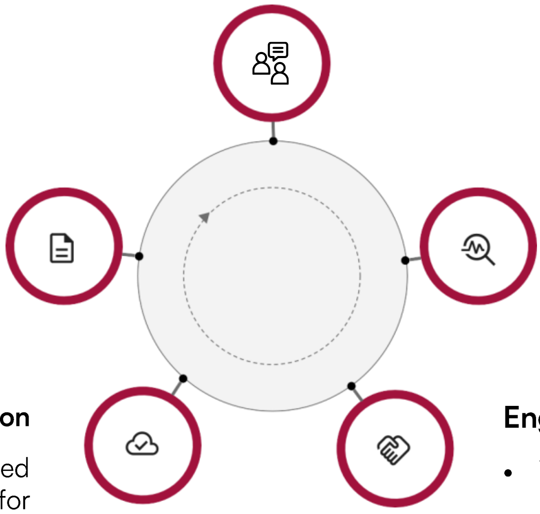
### Selection Criteria Target Companies

1. Potential for improvement (ESG Impact Rating of Inrate lower than B, on a scale from A+ to D-)
2. Relevance or impact potential of companies (e.g., on the basis of turnover)
3. Preference of RSG members

### Engagement Process of the Inrate Responsible Shareholder Group (RSG)

**Initial Outreach**

Identify priority companies for engagement and initiate dialogue



**Pre-Engagement Assessment**

- Full Engagement: Quantitative KPI-based assessment prepared by analysts
- Light Engagement: Monitoring progress and improvement potential

**Engagement Dialogue**

- Year 0 and every 3 years; Full Engagement through in-depth dialogue in physical or virtual meeting
- Interim years: Light Engagement focused on monitoring progress and addressing core topics

**Post-Engagement Documentation**

Progress and outcomes documented in Inrate's Engagement platform for tracking and reporting purposes

**Annual Reporting**

Publication of annual Engagement Report with company case studies

## Topic Assessment and Target Setting

For each key topic, one target and five different milestones are defined. Milestone achievement is evaluated using key performance indicators (KPIs). The topics are analyzed and evaluated by our analysts on the basis of these KPIs for each Full Engagement. Criteria are defined for each KPI, according to which a three-stage evaluation (red, yellow, green) is carried out. This assessment then flows into a five-level total score per core topic (see Figure 5).

The goal of the Engagements is to achieve five points in the overall score for each targeted topic and for each target company. A milestone is achieved when a KPI is evaluated as green. The re-evaluation takes place every three years as part of the Full Engagement.

***Figure 5: Evaluation Scheme***

| Evaluation of the KPI | |
|---|---|
| - 5 (Excellent) | |
| - 3 (Sufficient) | |
| - 1 (Poor) | |

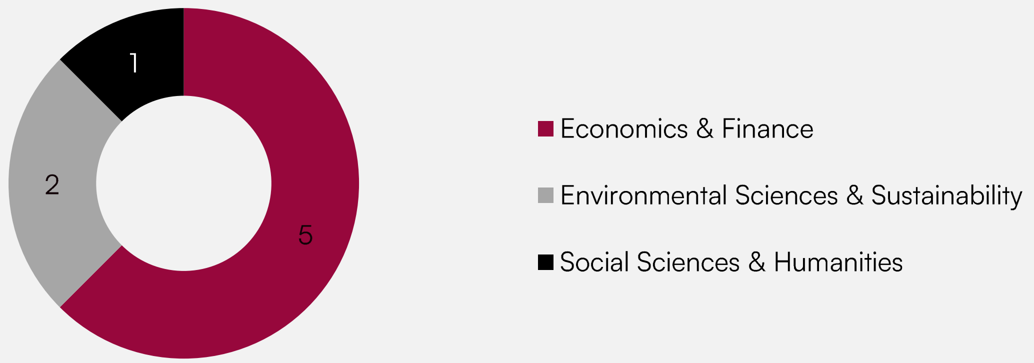
| Evaluation of the topic (Total score) | |
|---|---|
| - 5 (Excellent) | |
| - 4 (Good) | |
| - 3 (Sufficient) | |
| - 2 (Insufficient) | |
| - 1 (Poor) | |

# Engagement Activities

## Inrate Participants

Inrate performs engagement dialogues on behalf of RSG members and Inrate team members represent the jointly defined targets and priorities of the RSG. In the reporting year 2025, eight Inrate team members were involved in the engagement activities, reflecting a gender distribution of 38% women and 62% men. Our team members have diverse educational backgrounds, ranging from finance, migration studies, sustainable development to environmental sciences, to name a few. This internal diversity fosters a variety of perspectives, enriching our discussions and enabling us to address a wide range of topics.

***Figure 6: Educational and professional background Inrate Engagement Team***



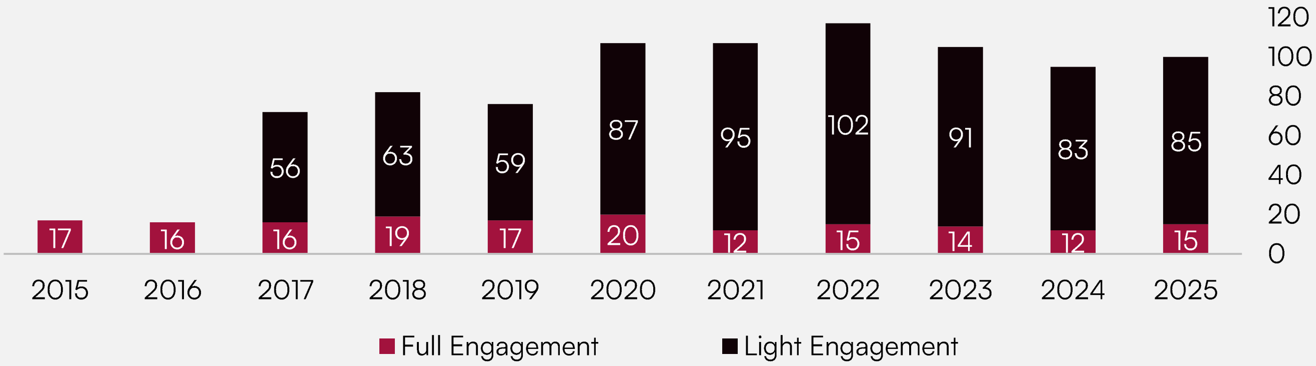

## Historical Developments

Engagement activity has increased visibly in recent years (see Figure 7). In the reporting period, Inrate engaged in dialogue with 100 out of 164 companies in its universe. This universe corresponds to the companies covered by Inrate's corporate governance assessments (zRating).

Since 2019, Inrate has been in contact with 160 companies, and since 2015 with 165 companies, reflecting the scale and continuity of the engagement programme.

Over the period since 2019, a total of 707 engagement exchanges were recorded. For reporting purposes, multiple contacts with the same company within a single engagement type are counted only once, ensuring a conservative and transparent representation of engagement activity. This approach differs from that of some other engagement providers, who count each individual interaction separately.

*Figure 7: Engagements since 2015 by type*




## Full Engagements

A Full Engagement typically reflects as an on-site meeting or video conference with the company where key topics are addressed based on a comprehensive prior analysis. During these meetings, Inrate discusses the core engagement topics, relevant controversies, and where applicable, agenda items proposed for rejection by Inrate as proxy advisor at companies' Annual General Meetings. All analyses are conducted by Inrate's qualified ESG experts using publicly available information.

Full Engagement meetings are usually attended by three Inrate specialists, covering Environmental, Social and Governance topics. During the 2025 engagement season, Inrate conducted Full Engagements with 15 companies. In two cases, representatives of Pax Asset Management, an RSG member, participated in the meetings to gain first-hand insights into the engagement dialogue and contribute to the dialogue with investee companies. While Inrate seeks to engage in constructive dialogue with all target companies, UBS declined participation in a Full Engagement in 2025, following earlier indications of a reduced willingness to engage. The company cited a perceived misalignment between Inrate's corporate governance assessment framework (zRating) and its business model as the primary reason for this decision. In this context, UBS also declined to discuss environmental and social topics, which limited the opportunity for a broader and more constructive exchange. Inrate continues to consider the identified ESG topics as material and will maintain outreach efforts, seeking appropriate opportunities for dialogue and information exchange in the future.

Compared to the previous year, the format of meetings shifted. While 75% of Full Engagements were held in person in 2024, this share decreased to 40% in 2025 (see Figure 8). The chosen format depends largely on the availability of company representatives and the feasibility of coordinating with all participants. Virtual meetings have proven effective where in-person meetings were not possible. Nonetheless, Inrate continues to prioritize physical meetings whenever feasible, as they foster trust and allow for the "human factor" to receive the attention it deserves in these dialogues.

*Figure 8: Dialogues Full Engagements*


Acting as a pool of shareholders remains a key strength of the RSG and is reinforced by Inrate's established position in the Swiss financial market. In the reporting period, 41% of company participants were executives or board-level representatives (see Figure 9), representing a doubling relative to 2024 (20%) and the second highest attendance of senior decision-makers in the past five years.

Across the 2025 Full Engagements, Inrate engaged with ten executive committee members, including two CEOs. In 11 of the 15 Full Engagements, at least one member of top management or the governing body was present. While the number of Full Engagements increased compared to the previous engagement season (15 vs. 12 in 2024), the total number of company participants remained stable (39 participants 2025 vs. 40 in 2024). This indicates a higher concentration of senior decision-makers, enhancing the effectiveness and strategic relevance of the engagement dialogues.

Sustainability representatives remain a consistently strong presence, underlining the continued prioritization of ESG topics within companies' organizational structures. In contrast, participation from Investor Relations has declined compared to previous years, suggesting that engagement discussions are increasingly taking place outside a purely capital-markets-oriented setting.

Importantly, this functional diversity was complemented by a high level of senior decision-maker involvement, ensuring that discussions were anchored at an appropriate strategic level. Overall, despite fewer participants per meeting, the mix of expertise and inclusion of seniority underscores the continued effectiveness and relevance of Inrate's engagement activities.

*Figure 9: Overview Function Engaged Companies*

Our engagement activities continue to focus on key topics of long-term relevance for both companies and investors: *Competencies in the Board*, *ESG Criteria in the Compensation System*, *Human Rights Due Diligence*, *Psychosocial Risks at Work*, *Scope 3 Emissions*, *Sustainable Products and Services*, and *Biodiversity*.

With Biodiversity assessed for the second time at several companies, this year's engagement cycle provided a clearer picture of how companies have progressed since the topic was introduced in 2021.

To evaluate progress across these key areas, we assess five KPIs for each topic. In 2025, 103 core topics were assessed - of which 100 were addressed recurringly, resulting in the review of 482 KPIs. What stands out is that 146 KPIs showed improvements, of which 91 reached a defined milestone (reflected by a green KPI scoring). In addition, milestones had already been achieved for 102 KPIs during previous engagements. At the same time, 210 KPIs remained unchanged, 24 KPIs deteriorated, highlighting areas where further engagement remains instrumental. Overall, we are pleased to report that ten engagement targets were reached in the 2025 engagement season.

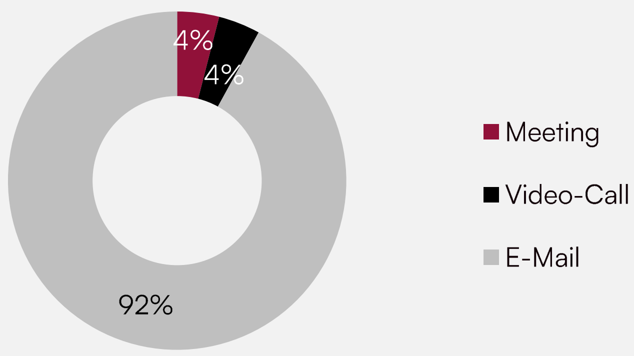
## Light Engagements

Companies that have previously participated in a Full Engagement are contacted on an annual basis as part of a Light Engagement. These follow-up dialogues focus on RSG-defined core topics and aim to maintain momentum, monitor developments and encourage continued progress where material gaps remain. The topics raised in the Light Engagement are selected based on their urgency, materiality and potential for improvement.

In addition, Light Engagements may address relevant controversies or agenda items proposed for rejection by Inrate in its role as proxy advisor at Annual General Meetings.

In the reporting period, 25 companies were contacted as part of a Light Engagement (compared to 28 in the previous year). As illustrated in Figure 10, most of these exchanges were conducted in written form via email.

***Figure 10: Dialogues Light Engagements***

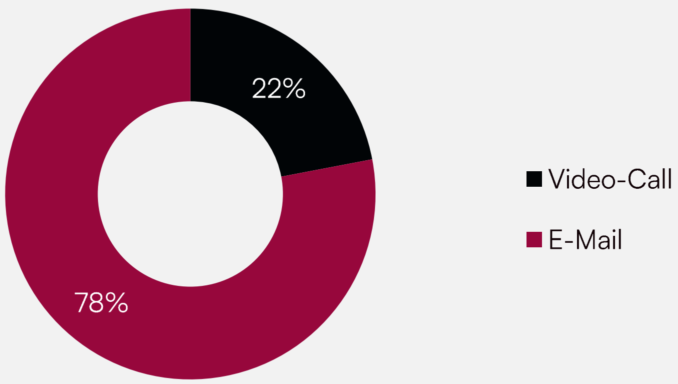


## Governance Light Engagements

Inrate engages in active dialogues with companies to discuss corporate governance standards and expectations as well as our voting recommendations as a proxy advisor. As part of our corporate governance rating process, we communicate with companies to ensure quality and drive continuous improvement. Companies in the Swiss Performance Index (SPI) that are not part of the target companies are informed of their rating and invited to discuss potential improvements in two key areas: 1) Competencies on the Board of Directors and 2) ESG Criteria in the (variable) Compensation System. Additionally, we address any agenda items that were rejected at previous Annual General Meetings. Further points from the zRating criteria catalogue are raised based on their relevance to the specific company, such as the independence of the Board of Directors or limitations on external mandates.

In 2025, Inrate informed a total of 164 companies of their corporate governance assessments resulting in 60 dialogues (Figure 11). While the majority of these exchanges were conducted via email, the proportion of video calls doubled year-over-year (rising from 11% in 2024 to 22% in 2025). Conversely, no engagements took place via physical meetings or telephone calls this year. In total, 20 of these dialogues were held as meetings, demonstrating a high level of interest in Inrate's governance assessment. These exchanges allowed us to present our views, advocate for changes, and clarify ambiguities.

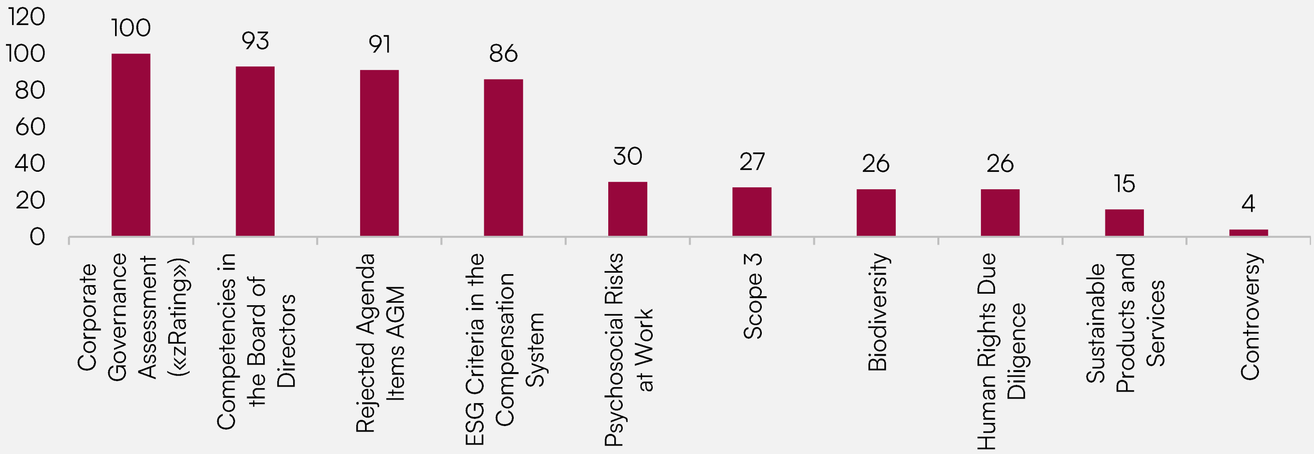
***Figure 11: Dialogues Governance Light Engagements***



# Core Topics Addressed in 2025

Considering all three engagement formats, governance-related topics were addressed more frequently than environmental and social topics in 2025 (see Figure 12). This is primarily driven by Governance Light Engagements linked to Inrate's Corporate Governance Assessment (zRating), through which all SPI companies are contacted annually on corporate governance matters and other governance-related issues.

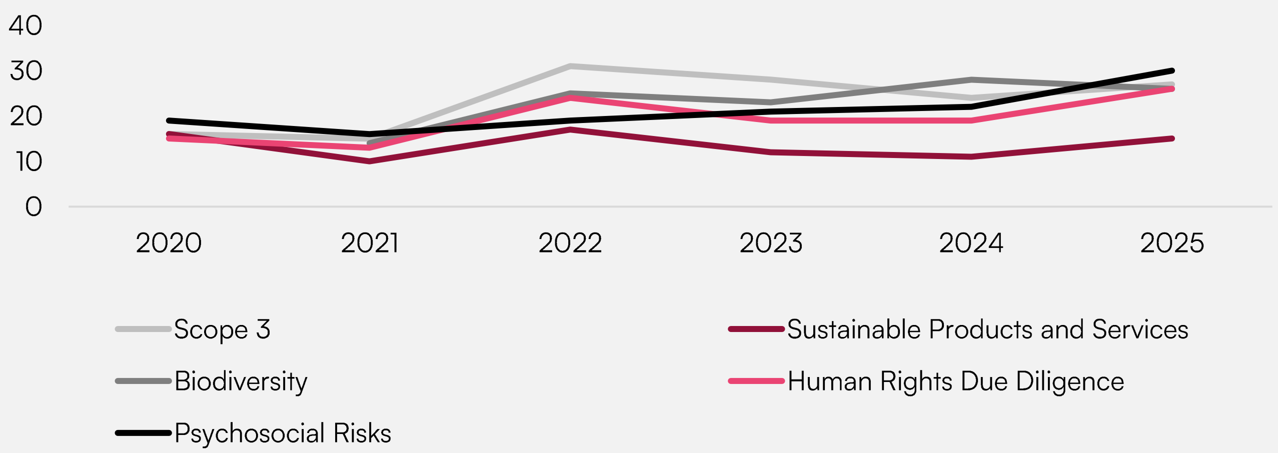
***Figure 12: Topics Engaged 2025***




At the same time, the relevance of environmental and social topics within Inrate's engagement activities has increased visibly over time. Since 2020, Inrate has expanded the target company universe and strengthened its focus on environmental and social risks and impacts. As a result, the number of environmental and social topics addressed increased from 66 in 2020 to 124 in 2025 (see Figure 13).

This development reflects not only the overall growth in engagement activities (see Figure 7), but also a higher number of Full Engagements and especially Light Engagements covering environmental and social topics. Consequently, the share of environmental and social topics relative to all engagement topics increased from 20% in 2020 to 25% in 2025, underscoring the continued expansion of Inrate's engagement focus beyond governance.

***Figure 13: Historical Development Topics Engaged (Environment & Social)***



The results of the core topics assessed by Inrate as part of the 2025 Full Engagements are presented below. Table 2 shows the average total scores achieved for each core topic.

In 2025, the highest average scores were recorded for Human Rights Due Diligence (4.1 out of 5), Sustainable Products and Services (3.7), Competencies in the Board (3.5) and Scope 3 Emissions (3.4). As shown in Figure 15, these topics are characterized by a growing concentration of higher scores (4 and 5), indicating increasing maturity among engaged companies. Figure 16 further confirms this trend, particularly for Scope 3 Emissions and Human Rights Due Diligence, where successive assessments show a clear upward trend. These results reflect the overall progress made by companies in these areas over recent years, supported by repeated engagement, clearer regulatory expectations and increased stakeholder scrutiny.

In contrast, Biodiversity continues to record the lowest average score (2.5 out of 5), indicating that this topic remains at an earlier stage of development for most companies. At the same time, Figure 14 and 16 indicate initial progress compared to first assessments, and 2025 marks the first instance of a company achieving the maximum score in this area, suggesting emerging momentum despite remaining challenges.

In 2025, Inrate observed tangible outcomes across several engagement topics, with ten engagement targets reached during the year. Notably, Holcim, SGS, Sika and Swisscom achieved their engagement targets for Scope 3 Emissions, while Novartis, Swisscom and HIAG Immobilien reached their targets for Human Rights Due Diligence. Further examples and detailed assessments are presented in the topic sections and, for members of the RSG, in Inrate's online platform.

The comparison of assessments over time following the first Full Engagement (Figures 14 and 16) highlights where engagement has been most effective. The strongest and most consistent improvements are observed in Scope 3 Emissions and Human Rights Due Diligence. In contrast, progress in Biodiversity and Psychosocial Risks at Work remains more gradual, marking the case for continued and focused engagement in these areas.

For Competencies in the Board, the average score shows a stable development across assessment rounds. Earlier declines were driven by stricter assessment criteria, following the introduction of "experience in sustainability" as an additional requirement in 2023, rather than a deterioration in company practices.

***Table 2: Average Total Score 2025***

| Core Topics | Ø Total Score 2025 |
|---|---|
| Human Rights Due Diligence | 4.1 |
| Sustainable Products and Services | 3.7 |
| Competencies in the Board | 3.5 |
| Scope 3 | 3.4 |
| ESG Criteria in the Compensation System | 3.3 |
| Psychosocial Risks at Work | 3.3 |
| Biodiversity | 2.5 |

## Core Topics Addressed in 2025

***Figure 14: Progress Status of Core Engagement Topics***

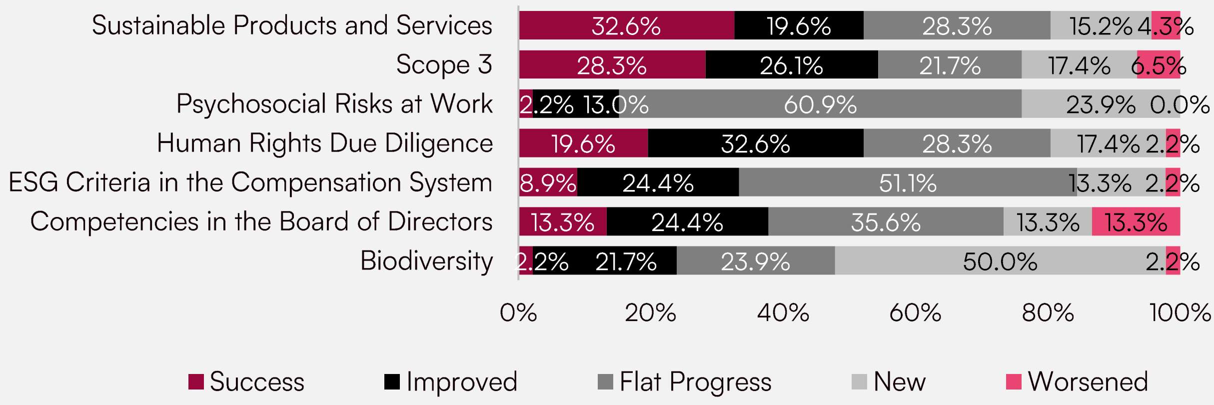



***Figure 15: Total Score Distribution 2025***

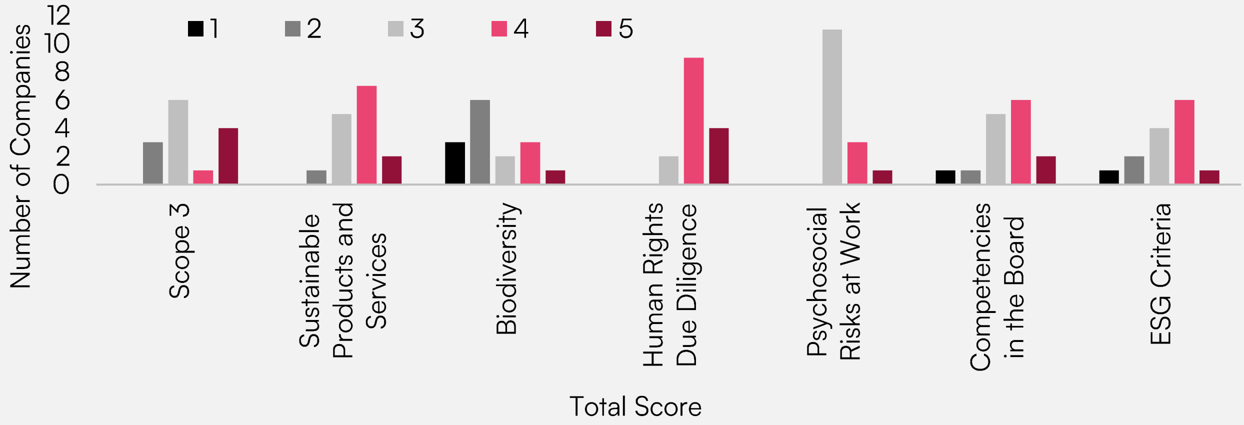
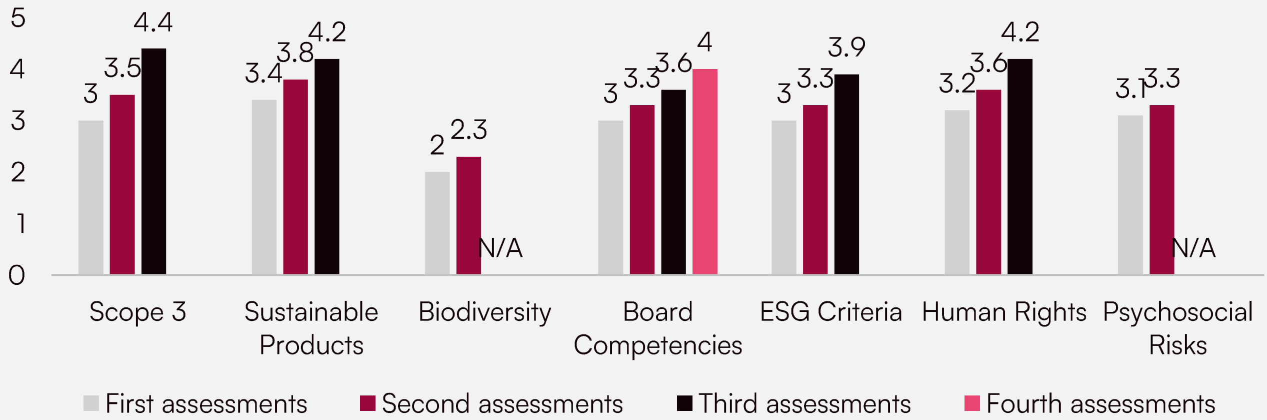



***Figure 16: Historical Development of Key Topics***



# Scope 3

## Brief Description

Greenhouse gas (GHG) emissions are categorized into direct and indirect emissions, depending on their origin and relationship to a company's operations. Scope 3 emissions encompass all indirect emissions that occur across the value chain, both upstream and downstream. These emissions arise from activities such as the production of purchased goods and services, business travel, financing activities, and the use of sold products. For many companies, Scope 3 emissions represent the largest share of their carbon footprint, significantly exceeding scope 1 and 2 emissions.

To address these emissions, frameworks like the Science-Based Targets initiative (SBTi) emphasize the need for companies to identify, measure, and reduce their value chain emissions. Companies can reduce Scope 3 emissions by collaborating with suppliers on decarbonization, transitioning to low-carbon logistics, and developing energy-efficient products. By addressing Scope 3 emissions, businesses can align with the Paris Agreement, reduce climate risks, and drive value chain-wide impact, demonstrating leadership in the transition to a low-carbon economy.

## Materiality

Scope 3 emissions represent a critical focus area for meeting the Paris Agreement's target, as they account for 75% of a company's total GHG emissions on average. The World Economic Forum's Global Risks Report 2025[1] identifies climate-related risks, such as extreme weather and biodiversity loss, and ecosystem collapse as the top two global threats. Together, these risks underscore the urgent need for companies to manage and disclose their full GHG footprints, including Scope 3 emissions.

Despite their significance, only 25% of Swiss companies in the Inrate universe set quantitative short- and long-term reduction targets for Scope 3 emissions. Nonetheless, 45% of Swiss companies provide a complete report or disclose information on material categories of their Scope 3 emissions. This limited level of target-setting highlights that progress on value-chain decarbonisation remains insufficient at a time when expectations are rising. The Net-Zero Asset Owner Alliance (NZAOA) urges companies to disclose at least their most material Scope 3 emissions and calls for stricter regulatory requirements.[2] Addressing these emissions mitigates risks tied to carbon-intensive supply chains, enhances regulatory compliance, and strengthens long-term economic resilience.

## Development 2025

In 2025, Scope 3 emissions remained a central topic across Inrate's engagement activities. The topic was addressed with 14 companies through Full Engagements, while an additional 13 companies were reached via email, video conference or on-site meetings as part of Light Engagements.

The majority of companies once again acknowledged the material relevance of Scope 3 emissions. In the 2025 assessment cycle, 12 of the 14 companies disclosed at least part of their Scope 3 emissions, with Bossard and Komax remaining the only companies not reporting the material portion of their Scope 3 data. Compared to the previous year, ten companies demonstrated measurable improvements, reflecting continued progress in data availability and management attention.

Further progress was observed in the area of Policies and Programs. In 2025, 13 of the 14 assessed companies had implemented programmes to reduce Scope 3 emissions, achieving at least three points in this KPI. In addition, four companies newly reached the Targets and Follow-up milestone by setting SBTi-verified net-zero targets, highlighting growing alignment with science-based pathways. However, the picture for external verification remains mixed. Six out of fourteen companies (43%) now have at least partial independent assurance of their climate data. While this represents an improvement compared to 27% in 2022 for a comparable peer group, it marks a decline from 50% in 2023 and 67% in 2024, suggesting a slowdown in recent uptake of external assurance.

Overall, Scope 3 emissions continue to represent a critical and complex challenge, particularly for smaller companies. While most organisations have initiated programmes and actions across their value chains, limited data availability, the complexity of Scope 3 accounting, and difficulties in defining meaningful reduction targets remain significant obstacles (average score: 2.7). Similarly, the relatively low level of independent assurance (average score: 2.6) highlights a persistent gap between current practices and evolving stakeholder expectations. Many companies stressed the importance of providing reliable and robust data, often choosing to invest additional time in developing accurate calculations rather than frequently revising methodologies. This reflects an ongoing tension between advancing disclosure practices and ensuring data reliability, which is likely to remain a key focus in future engagements.



1 https://www.weforum.org/publications/global-risks-report-2025/
2 https://www.unepfi.org/wordpress/wp-content/uploads/2024/12/NZAOA-Scope-3-discussion-paper_final.pdf?

# Overview Scope 3

## Status overview

| Ø Total Score 2025 | 3.4 of 5 |
|---|---|
| Milestones reached 2025 | 19 |
| Objectives reached 2025 | 4 |
| Objectives reached total | 10 |
| Objectives not reached yet | 25 |

## Milestone definition

> **Management Positioning**
>
> Scope 3 is a material issue for the company with detailed information disclosed

> **Policies and Programs**
>
> Company presents policies concerning Scope 3 emissions and effective programs which help to reduce Scope 3 emissions

> **Reporting of KPIs**
>
> All (or most) Scope 3 categories OR very relevant Scope 3 categories with some additional information

> **Targets and Follow-up**
>
> Net-zero GHG reduction target, verified by the Science Based Target initiative (SBTi)

> **External Verification**
>
> Scope 3 emissions are verified by a third-party verification company

## Example 2025: Sika

As part of the full engagement in 2019, greenhouse gas (GHG) emissions were identified as a material topic for Sika. At that time, Scope 3 reporting was incomplete, with the most significant categories, such as Purchased Goods and Services and Upstream Transportation and Distribution yet to be covered. Furthermore, Inrate highlighted the need for clear and realistic quantitative targets to be established. In addition, Inrate recommended that the company's Scope 3 inventory undergo an independent review to ensure accuracy and comprehensiveness.

In 2021, during a light engagement, Sika announced plans to expand data collection and define its key categories. Inrate welcomed these steps as an important move toward improving the company's emissions transparency.

During the full engagement meeting in 2022, the company had still not set specific targets but had clearly prioritized Scope 3 emissions. At the same time, it expressed a commitment to achieving net-zero emissions in line with SBTi 1.5 °C pathways, signalling a growing focus on climate action.

By the full engagement in 2025, Sika had made substantial progress. The company disclosed its material Scope 3 categories, whereby their total reported scope 3 emissions account for approximately 98% of its greenhouse gas footprint. It also set SBTi-verified targets, including a 30% reduction in Scope 3 emissions by 2032 and a net-zero target (90% reduction) by 2050. The company's GHG data and net-zero roadmap underwent limited assurance. With these achievements, the engagement target has been successfully met.

# Sustainable Products and Services

## Brief Description

Sustainable Products and Services play a central role in addressing sustainability challenges by reducing resource use, minimising waste and lowering negative environmental impacts. At the same time, they increasingly reflect social responsibility, for example through product accessibility, safety and responsible engagement with affected communities. As consumer expectations shift towards more environmentally and socially responsible offerings, sustainable products also become a key driver of market relevance, competitiveness and brand trust.

The scope for action and improvement in this area is broad. Enhancing the sustainability performance of products and services requires a life-cycle perspective, considering impacts from design and sourcing through use and end-of-life management. As a result, opportunities for more sustainable solutions are as diverse as the products and services themselves.

Key levers include eco-design, increased use of recycled or low-impact materials, improved durability, and enhanced recyclability. Sector-specific constraints, however, shape what is feasible in practice. In the pharmaceutical industry, for example, factors such as toxicity, degradability and safe disposal are critical, while strict regulatory requirements can limit flexibility in packaging redesign. By contrast, industries facing fewer regulatory constraints often have greater scope to implement innovative and more sustainable packaging and product solutions.

## Materiality

The development and promotion of Sustainable Products and Services are increasingly material from both a strategic and financial perspective. Beyond responding to growing consumer demand for environmentally responsible offerings, sustainable product strategies can open access to new markets, strengthen competitiveness and unlock efficiency gains. More fundamentally, they often require companies to adapt their business models and systematically integrate sustainability considerations into product design, sourcing and portfolio management.

As highlighted in the World Economic Forum's Circular Transformation of Industries 2025 report,[3] sustainable product strategies can unlock significant economic value by reducing material dependency, increasing operational resilience, and enabling new revenue streams. From a risk perspective, failing to address the footprint of products exposes companies to supply-chain disruptions, regulatory pressure and rising costs, while also posing reputational risks that may undermine long-term value creation.

In this context, integrating sustainability into products and services is not only an environmental consideration, but a core element of business resilience and future-proofing, particularly as industries transition away from linear production and consumption models.

## Development 2025

In 2025, the topic of Sustainable Products and Services was discussed with 15 companies as part of Full Engagements and eleven companies significantly improved their performance on this topic.

All companies now consider Sustainable Products and Services to be a material topic and have assigned responsibility for it at the highest management level. This marks a clear step forward in governance maturity and strategic anchoring.

The KPI Policies & Programs remains a strong area: 73% of companies have defined policies and programs that effectively address the topic, reflecting a solid overall performance.

A key improvement in 2025 is the significant progress in KPI Reporting. Two-thirds of companies (67%) now meet this milestone, up from 40% in 2024 and only 13% in 2022 (based on a comparable peer group). This increase is mirrored in higher average scores and shows that companies are strengthening their ability to monitor and communicate progress through measurable indicators.

However, important challenges remain. The setting and implementation of targets (Targets & Follow-up) continues to be one of the weakest areas, with an average score of 2.9 and only 20% of companies reaching the milestone — similar to previous years. Likewise, External Verification remains underdeveloped. Despite growing attention, the average score has declined slightly to 2.5, with only 20% of companies achieving the milestone, again in line with historical performance. These results highlight that while reporting structures are improving, the robustness and external credibility of sustainability claims still require greater focus.

3 https://www.weforum.org/publications/circular-transformation-of-industries-unlocking-economic-value/

# Overview Sustainable Products & Services

## Status overview

| Ø Total Score 2025 | 3.7 of 5 |
|---|---|
| Milestones reached 2025 | 15 |
| Objectives reached 2025 | 1 |
| Objectives reached total | 10 |
| Objectives not reached yet | 24 |

## Milestone definition

> **Management Positioning**

Sustainable Products and Services are a material issue for the company with detailed information disclosed

> **Policies and Programs**

Company presents policies and convincing programs concerning Sustainable Products and Services with detailed information

> **Reporting of KPIs**

Company-wide KPI related to sustainable products and services

> **Targets and Follow-up**

Company-wide quantitative targets and follow up related to Sustainable Products and Services

> **External Verification**

The reporting of Sustainable Products and Services is verified by a third-party verification company

## Example 2025: Komax

In 2022, during the full engagement meeting, sustainability within the product portfolio was not yet fully embedded in the company's governance structure. While some initial programs existed, including collaborations with suppliers and production partners, these initiatives were limited in scope. Inrate actively encouraged for greater transparency on product sustainability, especially through the definition and disclosure of relevant KPIs. Although early steps toward disclosure were evident, overall performance assessment remained low.

By the full engagement in 2025, the company had established a clearer position on sustainable products, underpinned by defined governance responsibilities at the Board level. Programs on eco-design and life-cycle assessments had been expanded, reflecting a more systematic integration of sustainability into product development. Disclosure practices also improved, with broader reporting on energy consumption, $CO_2$ reduction, and material use. Inrate regarded these actions as a meaningful effort to strengthen environmental reporting standards.

Progress was also observed in setting targets for recycling, renewable energy, and eco-design, although delays persisted in certain areas, particularly eco-design. External verification of disclosures, however, is still lacking. Overall, Inrate acknowledges the significant improvements made, while noting that important transparency gaps remain.

# Biodiversity

## Brief Description

Biodiversity refers to the variety of living organisms, ecosystems and genetic resources that support natural systems and human activity. Corporate activities can affect biodiversity directly through land use, resource extraction and pollution, as well as indirectly through supply chains and sourcing practices. Companies influence biodiversity outcomes through how they organise operations, manage sites, source raw materials and engage with suppliers. Key levers include avoiding or minimising ecosystem disturbance, preventing soil degradation, reducing pollution, and integrating biodiversity considerations into operational planning. Where impacts cannot be avoided, companies can contribute to positive outcomes through the restoration of degraded areas, responsible sourcing standards and improved traceability of raw materials. Addressing biodiversity therefore requires a systematic, site- and value-chain-aware approach that goes beyond isolated measures.

## Materiality

Biodiversity loss and ecosystem collapse are among the top two global risks identified in the World Economic Forum's (WEF) Global Risks Report 2025.[4] Biodiversity loss inevitably has severe implications for the environment, society, and economic activity, primarily through the destruction of natural capital caused by large-scale species extinction and ecosystem disruption. The WEF estimates that over 50% of global GDP is at risk if nature degradation is not reversed by 2030. The largest driver of biodiversity loss is land and sea use change, including deforestation and urbanization. The United Nations Environment Programme (UNEP)[5] highlights the global food system as the primary driver of biodiversity loss. Industries such as the food, materials (incl. mining) and energy sector are particularly exposed to biodiversity risks and impacts.

For businesses, biodiversity conservation is increasingly critical. Biodiversity loss disrupts supply chain stability and drives up costs for raw materials, creating financial and operational risks. Addressing these challenges goes beyond environmental stewardship and is essential for economic resilience and sustainability.

In response, the World Business Council for Sustainable Development (WBCSD)[6] recently launched the Nature Action Portal, a global resource designed to help companies translate sustainability ambitions into measurable action that contribute to halting and reversing nature loss by 2030. The Portal supports businesses across sectors in identifying their dependencies and impacts on nature, prioritising high-impact actions, and selecting relevant metrics and targets aligned with leading nature-related frameworks. By standardizing nature-related metrics and improving disclosure practices, the Portal aims to help companies manage nature-related risks and opportunities in a transparent, consistent, and comparable way.

For example, a food company could use the Portal to assess supply chain dependencies on water and soil health, identify areas where intervention is most critical, and set measurable targets—such as reducing water usage or sourcing from regenerative farms—to improve ecosystem outcomes while mitigating operational risks.

## Development 2025

In 2025, biodiversity was addressed in 15 Full and 11 Light Engagements, reflecting an expanded focus compared to previous years. In Inrate's assessment, ten of the 15 companies now explicitly acknowledge biodiversity within their sustainability or ESG frameworks. However, the level of maturity varies considerably. While several companies still refer to biodiversity only at a high level, three companies demonstrate a more advanced and material approach, with clearly assigned responsibilities at governance and management level, transparent disclosures, and the completion of a materiality or double materiality assessment covering the entire value chain.

With respect to policies and programs, progress is more widespread. Almost all companies (14) have implemented guidelines or initiatives aimed at reducing biodiversity impacts. Several companies, including Holcim, Swisscom, and BKW, have made substantial progress in this area, demonstrating concrete actions to manage and mitigate their impacts on ecosystems.

In contrast, progress remains limited in the areas of KPI reporting, targets, and external verification. Only Holcim achieved the full score in these dimensions, highlighting the ongoing challenge of translating policies into measurable, verifiable outcomes. For most companies, key challenges persist in assessing materiality along the value chain, improving data availability, and implementing external verification of disclosures.

Overall, from 2024 to 2025, there is clear advancement in awareness, governance, and program implementation related to biodiversity. At the same time, shortcomings in measurement, target-setting and transparency remain evident, highlighting areas for continued focus in the coming years.



4 https://www.weforum.org/publications/global-risks-report-2025/
5 https://www.unep.org/resources/publication/food-system-impacts-biodiversity-loss
6 https://www.wbcsd.org/news/wbcsd-launches-the-nature-action-portal-to-drive-business-action-and-accountability-on-nature/?

# Overview Biodiversity

## Status overview

| Ø Total Score 2025 | 2.5 of 5 |
|---|---|
| Milestones reached 2025 | 2 |
| Objectives reached 2025 | - |
| Objectives reached total | - |
| Objectives not reached yet | 22 |

## Milestone definition

> **Management Positioning**

**High Impact Industries:** Biodiversity is a material issue with clearly defined responsibilities, comprehensive disclosures, and assessment across the full value chain through a materiality process.
**Low Impact Industries:** Biodiversity responsibilities are defined within environmental or sustainability governance, and its relevance is assessed through a materiality process.

> **Policies and Programs**

**High Impact Industries:** The company presents biodiversity-related policies and/or programs aimed at preventing biodiversity loss and actively restoring degraded areas to their natural state.
**Low Impact Industries:** The company presents biodiversity-related policies that address at least three key drivers of biodiversity loss.

> **Reporting of KPIs**

Specific KPIs concerning biodiversity according to GRI 304

> **External Verification**

The reporting on biodiversity is verified by a third-party verification company

> **Targets and Follow-up**

Quantitative targets disclosed and follow up related to biodiversity

## Example 2025: Holcim

In 2022, during the light engagement exchange, the company demonstrated a commitment to biodiversity protection and introduced its Nature Strategy, with a particular focus on water and biodiversity. While programs for rehabilitation and biodiversity management plans were in place, details regarding their scope and specific objectives were limited. Initial quantitative disclosures were provided, including some partially externally verified data. Inrate highlighted the importance of establishing clear targets and measurable KPIs to strengthen accountability and track progress.

By the first full engagement in 2025, the company has established a comprehensive biodiversity management framework and developed strategic partnerships with IUCN, alongside active participation in the Taskforce on Nature-Related Financial Disclosures (TNFD). Policies and programs have been further enhanced, including projects for wetland protection and the promotion of nature-friendly building materials. The company has fully implemented the Biodiversity Impact and Risk Screening (BIRS) process and conducts annual monitoring of key biodiversity indicators. A target for freshwater, recognized by the Science-Based Targets Network (SBTN), represents leading industry practice. Key biodiversity metrics are now externally verified, and the biodiversity baseline has been validated by IUCN. These efforts make this company the first among the target companies to achieve the full score in the biodiversity topic.

# Human Rights Due Diligence

## Brief Description

We define Human Rights Due Diligence as the goal of avoiding negative impacts on people and society that are caused by a company itself or by actors in the upstream and downstream value chain. On an international level, the United Nations and the OECD have created a standardized framework which is already being implemented by leading companies. Some countries, such as France and Germany, have incorporated the topic into national legislation. Switzerland partially followed suit in 2022 with the adoption of the counterproposal to the "Responsible Business Initiative" ("Konzernverantwortungsinitiative"). Considering this, we find that 68% of Swiss companies (Inrate universe) have adopted a public policy to respect human rights. However, only 36% of Swiss companies conduct a thorough human rights impact assessment and only 6% report on the actual negative impacts identified and the remediation measures taken to address them.

## Materiality

The UN Guiding Principles Reporting Framework[7] highlights the risks for businesses and investors when a company does not actively strive to identify and mitigate potential human rights issues and negative impacts in their value chains and own operations. The social, environmental and economic impacts a company has on people can lead to serious business risks such as litigation and legal sanctions, reputational damage, disruption and delays to operations, increased costs of managing conflict and other losses in value to the business. Human rights due diligence is therefore not only a legal expectation, but also a powerful driver of financial performance, risk mitigation, and competitive advantage.

## Development 2025

In 2025, dialogues around this key topic were held with 15 companies. In addition, this topic was addressed in eleven light engagements. With an average of 4.1 out of 5 points, companies scored well on this topic this season. However, we found that the scores were driven by good results in the KPIs on human rights policies and on mitigation actions, while the KPIs on human rights impact assessments, corrective actions and remediation actions were less consistently reached.

We observed that companies tend to score well in the first step of the human rights due diligence management system, but less companies manage to properly implement the subsequent 4 steps recommended by the OECD. Indeed, all the companies had implemented a convincing human rights policy and governance framework, whereas only half had carried out a comprehensive human rights impact assessment. Furthermore, most companies are not reporting consistently and comprehensively on the effectiveness of measures and mitigation mechanisms in place to address high-risk issues (only four of the fifteen companies reached this milestone). Going one step further, we found that while most companies have grievance mechanisms in place for stakeholders to report human rights violations, very few companies actually disclose the grievances reported and the remediation actions adopted to address these. This might be related to the apprehension of companies about being criticized for admitting to human rights violations within their workforce or supply chains, but transparency is key to creating better accountability.

Overall, companies need to strengthen their efforts in terms of human rights due diligence processes. Human rights risks and impacts will vary based on the industry and countries of operation, and companies need to thoroughly understand the nuanced ways in which this topic applies to their activities. While 21 milestones have been reached this year, there remains progress to be seen, with only three companies out of fifteen having met the engagement goal for this topic this year.

7 https://www.ungpreporting.org/resources/salient-human-rights-issues/

# Overview Human Rights Due Diligence

## Status overview

| Ø Total Score 2025 | 4.1 of 5 |
|---|---|
| Milestones reached 2025 | 21 |
| Objectives reached 2025 | 3 |
| Objectives reached total | 5 |
| Objectives not reached yet | 29 |

## Milestone definition

> **Policy Commitment and Governance**

Human rights are a material issue, responsibilities are clear and there is a guideline for dealing with human rights

> **Human Rights Impact Assessment**

The company states that it conducts a Human Rights Impact Assessment and discloses further information

> **Actions to Mitigate and Avoid Impacts**

The company pursues a systematic approach to mitigate and avoid the negative impacts and implements various measures

> **Monitoring & Reporting**

The company conducts internal/external audits on the topic of human rights in the operations or in the supply chain, there is monitoring with regular status updates

> **Grievance and Remedy**

A grievance system is in place. Results of grievance complaints are disclosed with measures adopted to address them. Information about remedy is available if cases are open.

## Example 2025: Swisscom

Inrate first engaged with Swisscom on the topic of Human Rights Due Diligence in 2019 and then again in 2022. Back then, Swisscom already showed a strong commitment to the topic and had adopted a specific human rights policy, together with actions to mitigate and avoid negative impacts. However, we raised that comprehensive information on their human rights impact assessment was not available and the remedy procedure was not described.

When we engaged with them on this topic for the third time in 2025, we noticed considerable improvements. Swisscom implements the 5 steps of the human rights due diligence management system, as recommended by Inrate based on the OECD Guidelines. Furthermore, impact assessments are conducted, with information on most relevant human rights risks now being disclosed. We also found that the remedy procedure which was not clearly reported in 2019 and 2022 is now publicly available, with information on negative impacts and the relevant remediation measures taken.

As the engagement target has been reached, we will monitor progress over time and conduct a complete assessment for this topic in six years.

# Psychosocial Risks at Work

## Brief Description

In this key topic, we focus on the mental well-being of employees. Mental stress can lead to health impairments that impact society at large, but that also more specifically worsen outcomes within the workplace. Psychological risks relate to phenomena such as stress, monotony, burn-out, bore-out and presenteeism (i.e., the practice of working when the employee would have been entitled to take leave, due to illness, injury, etc.).

Social risks include group-related risks, which can manifest themselves through bullying, bossing, sexual harassment, or violence.

Until 2019, the thematic focus was only on the phenomenon of presenteeism. Since 2020, the topic has been engaged on more holistically.

## Materiality

According to the Federal Statistical Office's 2022 Swiss Health Survey[8] the depression rate (moderate, severe) has a worrying average value of 18% (even 29% for 15-24-year-old women), an increase compared to previous years. The Federal Office of Public Health (FOPH)[9] states that around 51% of IV pensions are due to psychological reasons and are the most common cause of disability.

The Mind Health Report 2025,[10] published by AXA and IPSOS, found that the workplace atmosphere has a notable influence on people's mental health outcomes. In their global survey including respondents from Switzerland, they found that 27% of the employees surveyed had been on sick leave due to mental health issues at least once in the last 12 months. The most common symptoms included fatigue and sleep disorders, physical symptoms, mood swings and increased irritability.

Unaddressed psychosocial risks in the workplace can lead to employees losing motivation, retreating socially, or increasing their consumption of alcohol and/or psychoactive substances. Employees who go to work with depression are less productive over a longer period of time. Others are even unable to go to work and need to take sick leave. AXA estimated that the impact of employees having to take sick leave due to mental health issues leads to a GDP loss for Switzerland of around CHF 17.3 billion per year (based on a calculation by the Centre for Economics and Business Research).

## Development 2025

In 2025, a dialogue was held with fifteen companies on this key topic. It was also addressed in fifteen light engagements. In general, companies recognize the materiality of mental well-being and psychosocial risks at work, and most companies implement some programs to improve the related outcomes within their workforce. However, absenteeism (average score: 3.6) continues to be tracked significantly more frequently and comprehensively than presenteeism (average score: 1.3), although the latter also leads to high long-term costs for companies. Awareness of the issue is growing among certain companies, but none of them publicly disclose how presenteeism is being addressed internally.

This year, 12 milestones were reached. Six out of fifteen companies now explicitly address psychosocial risks in their employee policies and five companies have not only implemented programs related to absenteeism (health & safety, mental well-being, physical health, etc.), but also published corresponding externally verified metrics. Furthermore, all companies addressed the issue of employee turnover and had some programs in place for talent management and/or employee engagement, but only four companies also externally verified the corresponding KPIs.

We encouraged companies to further address group-related risks such as bullying, bossing, sexual harassment, or violence in the workplace and publish externally verified information on incidents, processes and measures taken. While it can be intimidating for companies to publicly disclose instances of discrimination or harassment within their workforce, it is important to know that the processes around handling such instances can be more important than the number of cases itself. Companies that embrace increased transparency also make themselves more accountable to their employees and shareholders and may be better positioned to create a culture of trust within the workplace.

8 https://www.bfs.admin.ch/bfs/en/home/news/whats-new.assetdetail.28625368.html

9 https://www.bfs.admin.ch/bfs/fr/home/statistiques/securite-sociale/assurances-sociales/ai.html

10 https://www.ipsos.com/de-ch/axa-mind-health-report-die-psychische-gesundheit-verschlechtert-sich-weltweit-weiter

# Overview Psychosocial Risks at Work

## Status overview

| Ø Total Score 2025 | 3.3 of 5 |
|---|---|
| Milestones reached 2025 | 12 |
| Objectives reached 2025 | 1 |
| Objectives reached total | 1 |
| Objectives not reached yet | 34 |

## Milestone definition

> **Policy Commitment**

Dealing with Psychosocial Risks is explicitly mentioned in a guideline and one authority is responsible for the topic

> **Absenteeism**

Programs implemented, external verification and/or certification of KPI monitoring

> **Presenteeism**

Programs implemented, external verification and/or certification of KPI monitoring

> **Employee Turnover**

Programs implemented, external verification and/or certification of KPI monitoring

> **Group Related Risks (Mobbing, Bossing, sexual harassment, violence)**

Programs implemented, external verification and/or certification of KPI monitoring

## Example 2025: Sika

We have been engaging with Sika on the topic of presenteeism since 2019 and on the broader topic of psychosocial risks since 2022, focusing in addition on the employee well-being metrics of mental health, absenteeism, employee turnover and other group-related risks (mobbing, harassment, discrimination, etc.). Back then, the KPIs related to absenteeism and employee turnover were not third-party verified and group-related risks were not addressed in depth.

During our engagement in 2025, we noticed considerable improvements on the topic of psychosocial risks. Sika now does not only track KPIs related to absenteeism and employee turnover, but also ensures that they are externally verified. In addition, clear KPIs for group-related risks have now been defined and verified, including disclosing both the number of sexual harassment cases and of discrimination cases, thus closing the gap that had been raised in 2022.

We would encourage Sika to further develop their approach to presenteeism. Furthermore, while the company has a policy available on labor issues for employees, we would welcome the adoption of a more specific guideline regarding psychosocial risks and mental well-being in the workplace.

# Competencies in the Board

## Brief Description

The Board of Directors serves as the principal governing body elected by investors, directly shaping corporate strategy and governance outcomes. This core topic focuses on assessing board composition through the lens of competencies and skill diversity, thereby extending beyond traditional metrics such as independence and gender diversity alone. Institutional investors recognize that effective board oversight depends fundamentally on having directors with relevant expertise and experience to navigate complex business challenges.

A competent and experienced board is essential for addressing the multifaceted challenges companies face in today's business environment. Skills diversity equips boards to evaluate strategy, manage risks, and provide effective oversight across operational, financial, and ESG dimensions, drawing on expertise across critical functional areas. Inrate has identified ten measurable competencies to evaluate boards and identify potential skill gaps that are relevant across most listed company boards:

1. **Industry experience** — Deep knowledge of sector-specific dynamics, competitive landscapes, and operational challenges
2. **CEO experience** — Broad strategic perspective and executive leadership credibility
3. **International experience** — Understanding of cross-border risks, regulatory environments, and global market dynamics
4. **Experience in emerging markets** — Expertise in navigating growth opportunities and risks in developing economies (only relevant for companies that operate in such markets)
5. **Financial knowledge** — Proficiency in financial reporting, capital structure, and investor relations
6. **Experience in M&A** — Track record in evaluating acquisition opportunities and managing corporate transactions
7. **Legal education** — Understanding of regulatory compliance, corporate law, and risk governance built through formal legal studies and/or qualifications
8. **Experience in digitalization** — Capability to oversee technology transformation and digital strategy
9. **Experience in listed companies** — Familiarity with public company requirements, compliance obligations, and investor expectations
10. **Experience in sustainability** — Knowledge of ESG risks, climate impacts, and sustainable value creation (new competence added in 2023, reflecting regulatory developments in non-financial disclosure requirements (e.g. OR 964a ff. OR)

To enable sound and transparent comparison across the companies we assess, the relevant professional and educational backgrounds supporting each competency must be evident from publicly available information, including board member CVs and biographical disclosures. We recognize that companies operate in diverse business contexts and therefore encourage boards to disclose which competencies they deem most material to their specific industry, strategy, and operating environment. However, Inrate's role as an independent proxy advisor, stewardship service and sustainability data provider requires the application of a consistent framework across all evaluated companies. The ten competencies therefore serve as a common reference point for comparison. We further encourage companies to enhance transparency by publishing a board skills matrix that clearly maps each director's competencies, enabling investors to quickly identify skill coverage, potential gaps, and the board's overall capability to address the company's strategic priorities.

## Materiality

Board competencies directly impact long-term value creation and investor protection. Research demonstrates that board members with specialized expertise in business, economics, or law positively influence firm financial performance, with board independence strengthening this relationship[11]. Boards with diverse professional backgrounds and relevant expertise are significantly more likely to identify and manage financial distress and risks across operational and strategic domains[12] . As regulatory frameworks tighten and business environments become more complex, particularly with respect to ESG risks and digital transformation, competent boards with cognitive diversity are essential for effective oversight and steering companies through rapid change. Institutional investors increasingly use board competency assessments as indicators of governance quality, recognizing that comprehensive skill coverage enables companies to anticipate and respond to industry-specific and systemic risks, thereby enhancing investor confidence and strengthening the foundation for sustainable value creation.

## Development 2025

Board competency coverage improved further in 2025, with notable gains in sustainability (now 31 % of companies have at least one director with sustainability expertise, up from 25 % in 2024 and 20 % in 2023) and digitalization, although significant gaps remain in both areas, as sustainability and digitalization continue to be the two least represented competencies on boards among the ten assessed. Sustainability experience is still missing on 69 % of boards, and 32 % of boards lack digitalization expertise, despite the growing importance of digital transformation and AI.



11 https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5283419
12 https://doi.org/10.5281/zenodo.13304559

# Development 2025

Legal education has improved but remains missing in about 25 % of companies, while financial knowledge, industry experience, and listed-company experience are fully covered across all boards. Newly appointed directors mainly bring financial, international, CEO, listed-company, and industry experience, whereas sustainability, digital, and legal skills remain underrepresented, suggesting that some vacancies are being filled to address specific gaps but not systematically across all competence areas.

In 2025, the topic of Competencies on the Board was discussed with a total of 93 companies across all three engagement types (direct discussions, Light Engagements, and Governance Light Engagements). None of the analyzed companies reached their defined competency targets in 2025, although overall board skill representation continued to improve, and sustainability and digitalization remain the least represented of the ten competencies. Disclosures on board skills have become more detailed, with skill matrices still the most common tool to illustrate which competencies individual board members contribute, thereby enhancing transparency for investors and enabling more robust comparisons between companies. Regular board self-evaluations, ideally combining internal and periodic external assessments, are increasingly important to critically review board composition, diversity, and competency gaps. Inrate has begun to apply stricter criteria for self-assessment processes on boards that require a clear description of evaluation processes and follow-up measures.

# Overview Competencies in the Board

## Status overview

| Ø Total Score 2025 | 3.5 of 5 |
|---|---|
| Milestones reached 2025 | 14 |
| Objectives reached 2025 | - |
| Objectives reached total | 5 |
| Objectives not reached yet | 33 |

## Milestone definition

> **Availability of Competencies**
>
> All competencies are available

> **Renewal Process**
>
> Mention & term limit

> **Balanced Composition**
>
> Below 0.8 according to Herfindahl-Index

> **Self-Assessment**
>
> Mention & description of process and/or follow-up measures

> **Alignment with Strategy**
>
> Mention of important competencies in invitation/CV & individual competencies/ matrix available

## Example 2025: BKW

We last conducted a Full Engagement with BKW in 2022, where the board was missing three competencies, lacked an overview of individual board member skills and a description of relevant competencies for the corporate strategy, and had no mention of a board renewal process or self-evaluation. During the Light Engagements in 2023 and 2024, Inrate emphasized the importance of sustainability expertise, which helped reduce missing competencies to two while improving reporting on individual board member competencies and the self-evaluation process.

In the Full Engagement 2025, only one competency gap remains—with sustainability now newly covered—and BKW has made significant progress by describing required competencies and assigning them to individual board members, detailing the board renewal process, and outlining the self-evaluation procedure. Overall, BKW has shown clear improvement across key areas during this period, with only one competency gap remaining, though further enhancements are needed to fully achieve the targets set by the RSG.

# ESG-Criteria in the Compensation System

## Brief Description

Incentives significantly influence the behavior of employees and managers (as shown in e.g., Pepper, 2020[13]; Blettner et al., 2023)[14]. Corporate decisions should take Environmental, Social, and Governance impacts into account. Remuneration systems should therefore link bonuses not only to financial metrics but also to measurable sustainability targets that align with corporate strategy.

An increasing number of investors are paying attention to sustainability into investment decisions and companies are increasingly recognizing ESG as material to corporate strategy. Well-designed compensation frameworks serve as an effective instrument for driving genuine ESG integration, signaling commitment publicly, and creating leverage for embedding sustainability across the organization. However, it is critical that ESG targets are material and relevant to the company's business context, measurable with clear baselines and achievement metrics, transparent in their weighting and contribution to overall compensation, and comprehensibly aligned with corporate strategy. These conditions distinguish significant integration from symbolic gestures.

## Materiality

ESG-Criteria in compensation systems create direct incentives for executives to prioritize sustainability alongside financial goals, fostering long-term value creation while mitigating environmental and social impacts. These mechanisms enable boards to steer management toward outcomes like Paris Agreement-aligned emissions targets, the promotion of employee health, or further development opportunities for the workforce. By integrating ESG in variable remuneraton, companies align executive accountability with stakeholder expectations and regulatory trends, potentially reducing short-term incentives and enhancing resilience.

## Development 2025

Since 2024, Inrate's analysis has shifted from simple present vs. not present to evaluating the quality and measurability of ESG criteria in compensation systems: fully disclosed with weighting and targets (2 points), disclosed but non-measurable (1 point), or absent (0 points), excluding vague references to “sustainability” in variable pay without KPIs, performance metrics, or implementation details.

Results show positive progress, with 62 % of SPI-listed companies now incorporating ESG criteria (vs. 17 % in 2019), reflecting growing recognition of ESG as a material topic to corporate governance, though quality remains heterogeneous, particularly among mid-caps where formal adoption often lacks substantive impact. The quality gap is clearly visible as only 31 of 100 companies with ESG criteria use measurable and transparent metrics. This methodology change from us aims at preventing greenwashing and emphasizes transparency to ensure incentive effectiveness.

In 2025, the topic of ESG-Criteria in the Compensation System was discussed with a total of 86 companies across all three engagement types (direct discussions, Light Engagements, and Governance Light Engagements). Swiss listed companies show increasing prevalence of ESG criteria in compensation systems from 2020 to 2025, with a clear upward trend led by Swiss Market Index (SMI) companies that pioneered early integration and set a market signal. SMI Mid companies and others (ex-SMI Expanded) followed with a delay but accelerated since 2023, confirming ESG's growing role in modern corporate governance—though adoption speed and depth vary by company size. A slight SMI dip reflects Kühne + Nagel's 2024 replacement of Credit Suisse (which had ESG criteria) and Inrate no longer recognizing Richemont's ESG criterion due to inadequate disclosure. SGA S.A. was able to reach the Engagement target this year for the core topic ESG-Criteria in the Compensation System.

13 https://eprints.lse.ac.uk/106145/
14 https://doi.org/10.1177/01492063231185401

# Overview ESG-Criteria in the Compensation System

## Status overview

| Ø Total Score 2025 | 3.3 of 5 |
|---|---|
| Milestones reached 2025 | 8 |
| Objectives reached 2025 | 1 |
| Objectives reached total | 4 |
| Objectives not reached yet | 35 |

## Milestone definition

> **Implementation**
> Mention and measurability of ESG Criteria in the Compensation System

> **Relevance**
> All material topics are or the criterion relates to a core concern of sustainable business activities

> **Long-term orientation**
> Long-term & minimum shareholding requirements

> **Transparency**
> Rating according to low, medium or high

> **Comprehensibility**
> Rating according to low, medium or high

## Example 2025: SGS S.A.

We last conducted a Full Engagement with SGS S.A. in 2020, where Inrate assessed the compensation model as long-term oriented but lacking transparency, with no ESG targets relevant to bonuses in the remuneration system. In the Full Engagement 2025, significant progress is evident: the Long-Term Incentive plans (PSUs) for management now incorporate ESG criteria alongside financial metrics, covering key areas such as women's share in leadership positions, greenhouse gas emissions (GHG), and workplace accident frequency. However, transparent disclosure of the overall ESG weighting within the LTI (e.g., whether it constitutes 10% or more) remains absent, highlighting the ongoing need for enhanced transparency emphasized in Inrate's refined methodology. Overall, SGS S.A. has shown clear improvement in integrating substantive ESG criteria into compensation, though further disclosure enhancements are needed to fully meet the quality standards for measurable and strategically weighted targets set by the RSG.

# Corporate Governance Assessment («zRating»)

## Brief Description

Inrate has created an evaluation model for a holistic assessment of corporate governance. The model comprises 68 quantitative and qualitative criteria with weightings of between 1 and 6 points, which are listed, defined and interpreted in a criteria catalogue. The criteria are divided into five categories. The list of criteria is based on the principles of proper corporate governance, legal principles and self-regulatory instruments. Each criterion represents a valid indicator with which a given situation can be assessed directly and as transparently as possible. The quality of corporate governance can be measured on a scale from 0 to 100 points. Data sources are the current articles of association, annual reports, and AGM resolutions.

## Materiality

The quality of corporate governance is a fundamental driver of long-term value creation and environmental and social performance. Companies with stronger governance structures, encompassing shareholder rights, board composition, and compensation incentives, generate measurable value through operational improvements and demonstrably better ESG outcomes (Acharya et al., 2010;[15] Cohen et al., 2022).[16] In this context, governance quality is material not only for financial returns but also for driving significant progress on environmental and social challenges.

## Development 2025

In 2025, discussions were held with a total of 100 companies on this core topic (15 as part of the Full Engagement and 25 as part of a Light Engagement).

**zRating 2025 Results Overview**

In the 2025 zRating, the top score reached 84 points (up from 82 last year), the lowest was 34 points (down from 35), and the average across companies was 65 points (up from 64). PSP Swiss Property claimed first place with 84 points, gaining 6 points overall through improvements in compensation models (lower CEO pay ratio to EBITDA, substantive ESG criteria), auditor exit rules, and sustainability reporting transparency, marking their first-ever number 1 position after consistently ranking in the top 15 for 10 years. VAT Group held second at 83 points (+2 from closing legal competency gaps and lower CEO pay), while Orell Füssli took third at 81 points (+5 net through better shareholder rights disclosures and board meeting transparency, despite a self-evaluation disclosure shortfall).

**Top Movers and Index Comparisons**

Strong climbers included R&S Group (+9 points, +66 ranks via board competency closure, independence, and women representation), BKW (+9 points, +55 ranks with compensation improvements including ESG criteria introduction), and Bucher (+5 points, +44 ranks through cash position disclosure and board refresh). Decliners were SoftwareONE (-91 ranks due to capital structure opacity and board independence drop to 0%), u-blox (-53 ranks from planned board shrinkage), and Interroll (-40 ranks with independence falling to 40%). SMI companies maintain a lead (1.9 points over SMI Mid, 7.3 over other SPI firms), with gaps slightly widening versus prior years.

15 https://doi.org/10.1093/rfs/hhs117
16 https://onlinelibrary.wiley.com/doi/full/10.1111/1475-679X.12481

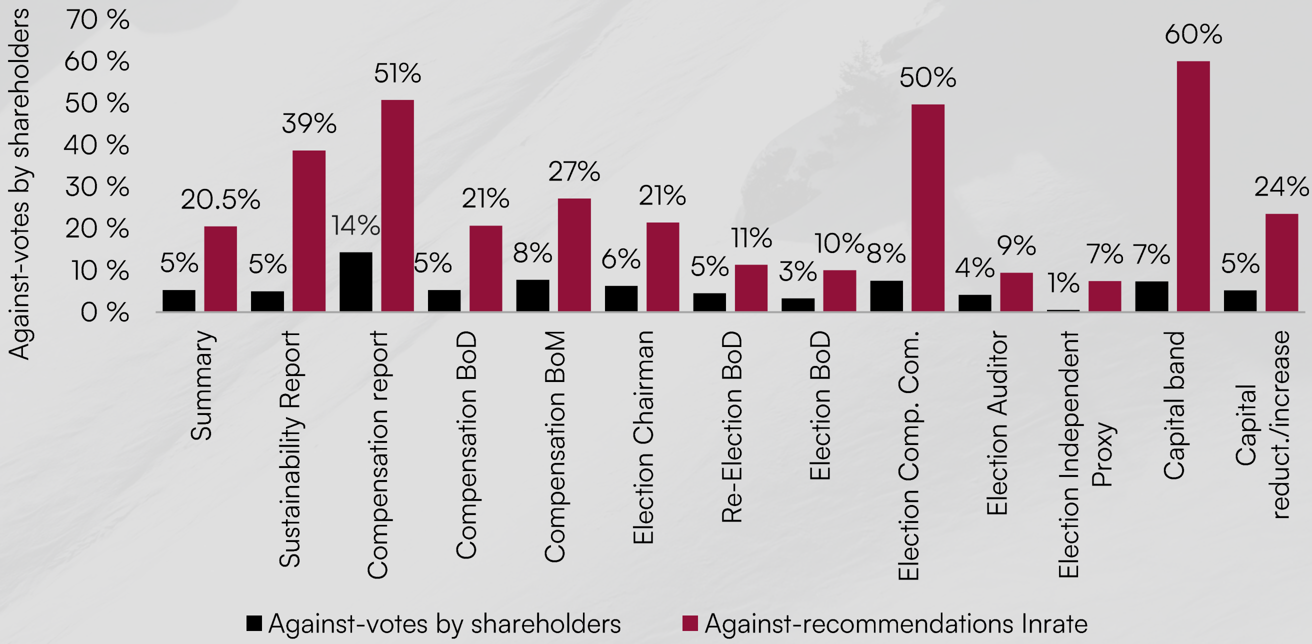
# Rejected Agenda Items

In 2025, Inrate voted on over 3,300 agenda items across around 200 ordinary and extraordinary general meetings (mostly in-person, with six held virtually), achieving an average attendance of 70% and 20.3 items per meeting. Inrate recommended voting against 20.4% of all agenda items this year, consistent with prior years and positioning Inrate midway between its peers Ethos and Institutional Shareholder Services (ISS) in terms of opposition frequency.

18% of all agenda items received approval below 90%, 6% fell below 80%, and 1.3% failed to reach 70%. A total of 12 items were rejected (compared to 15 in 2024), predominantly shareholder proposals which historically face challenging approval paths. The lowest approval rates were recorded on two shareholder proposals at IVF Hartmann, both receiving approximately 5% support.

We drew companies' attention to these rejected applications in 15 Full Engagements, 25 Light Engagements and 60 Governance Light Engagements. Despite a critical review, there are also companies this year for which we have not rejected any proposals with 20 of a total of 162 companies (e.g. ABB, Swiss Prime Site).

***Figure 17: Rejections of Inrate vs. shareholder against votes total by agenda item category***



# Controversies

Inrate applies a structured methodology to systematically identify, assess and address controversial business practices as part of its engagement activities (for further details, refer to Inrate's Engagement Policy). In contrast to earlier years marked by singular, large-scale incidents, 2025 did not feature controversies of comparable magnitude, but rather a number of company-specific cases requiring targeted follow-up and clarification.

During the 2025 engagement season, controversies were addressed with four companies, either as part of Full Engagements or through Light Engagement follow-ups. The topics covered allegations related to corruption and integrity, supplier treatment and payment practices, risk management failures, and ethical standards in research activities.

In several cases, companies provided detailed responses outlining corrective measures, governance improvements and internal investigations. These included enhancements to integrity frameworks and internal controls, changes to business models aimed at reducing risk exposure, as well as externally mandated or independently reviewed investigations. In one instance, the company primarily defended the allegations, emphasising compliance with legal requirements and disputing the allegations raised in public reporting.

Across all cases, Inrate used the engagement dialogue to seek greater transparency, accountability and lessons learned, with a particular focus on whether identified shortcomings had led to structural changes that reduce the likelihood of recurrence.

Further details on the individual cases and company responses are available to members of the Responsible Shareholder Group (RSG) via Inrate's online platform.

# Outlook

As part of the continued refinement of our engagement framework, Inrate will adjust selected KPIs to reflect evolving expectations and data maturity. At the same time, experience shows that, achieving meaningful progress requires consistent, long-term engagement, as significant potential for improvement remains across all key areas. Maintaining a focus on these topics continues to be essential for effectively engaging with decision-makers at target companies.

The KPI on presenteeism, which has been addressed since 2015 as an engagement topic and, from 2019 onwards, as part of the topic Psychosocial Risks at Work, will be discontinued. While the issue remains relevant, experience has shown that measurability and comparability remain a challenge. Following a review and after an open discussion with the members, Inrate concluded that this KPI should be replaced by a more material and practicable indicator.

A key development going forward is the further strengthening of the RSG's escalation framework. Building on discussions with RSG members and evolving stewardship best practices, Inrate will introduce a more structured escalation strategy from 2026 onwards to support engagement efforts where progress has been limited and to enhance accountability and effectiveness.

Finally, Inrate continues to explore selective enhancements to its engagement offering, including opportunities beyond the domestic market. Any further steps will be taken in a measured manner and communicated once sufficiently advanced.

Overall, the focus remains on deepening engagement quality, strengthening outcomes and reinforcing the credibility of active ownership as a core pillar of responsible investment.

# Appendix: Target Company Universe

In the last five years, Full Engagements were conducted with 46 companies (see Table 3). “Standard” and “Exclusive” members of the Responsible Shareholder Group can monitor the progress against the Engagement targets in detail by accessing the Engagement online platform with their client user account at zrating.inrate.com.

***Table 3: Target Company Universe***

| Company | Index | 2025 | Company | Index | 2025 | Company | Index | 2025 |
|---|---|---|---|---|---|---|---|---|
| ABB | SMI | Light | Georg Fischer | SMIM | Light | Siegfried | Ex SMI Expanded | Full |
| Adecco | SMIM | Light | Givaudan | SMI | Light | Sika | SMI | Full |
| Alcon | SMI | Light | HIAG Immobilien | Ex SMI Expanded | Full | Stadler Rail | Ex SMI Expanded | Light |
| Arbonia | Ex SMI Expanded | Light | Holcim | SMI | Full | Swatch Group | SMIM | 2026 |
| Bachem | Ex SMI Expanded | Full | Implenia | Ex SMI Expanded | Light | Swiss Life | SMI | Light |
| Baloise | SMIM | Light | Interroll | Ex SMI Expanded | Full | Swiss Re | SMI | Light |
| Barry Callebaut | SMIM | | Julius Bär | SMIM | Light | Swisscom | SMI | Full |
| Belimo | SMIM | Light | Komax | Ex SMI Expanded | Full | u-blox | Ex SMI Expanded | *De-listing announced* |
| BKW | Ex SMI Expanded | Full | Landis+Gyr | Ex SMI Expanded | Light | UBS | SMI | Declined |
| Bossard | Ex SMI Expanded | Full | Lonza Group | SMI | Light | Valiant | Ex SMI Expanded | Light |
| Bystronic | Ex SMI Expanded | | Nestlé | SMI | Light | Vontobel | Ex SMI Expanded | Light |
| Calida | Ex SMI Expanded | Full | Novartis | SMI | Full | VZ Holding | Ex SMI Expanded | Full |
| Clariant | SMIM | 2026 | Partners Group | SMI | Light | Zehnder | Ex SMI Expanded | Light |
| Emmi | Ex SMI Expanded | Light | PSP Swiss Property | SMIM | Light | Zurich Insurance Group | SMI | Light |
| Galenica | SMIM | Light | Roche | SMI | Light | | | |
| Geberit | SMI | Full | SGS | SMIM | Full | | | |

# Appendix: Reporting Guidelines

*Table 4: Reference to Swiss Stewardship Code*

| Principle and description | Inrate Reference |
|---|---|
| **Principle 1:** Governance<br>Consistent with their fiduciary duty to clients, investors and service providers integrate stewardship into their investment management and/or working models with the objective of creating long-term value for clients and other stakeholders. Board leadership, appropriate oversight as well as regular review of governance practices are essential. | • Inrate Participants, p. 17<br>• Engagement Policy: Team & Governance, p. 4 |
| **Principle 2:** Stewardship Policies<br>Investors and service providers develop effective stewardship policies which reflect the principles for effective stewardship and are aligned with their goals and values. | • Engagement Policy |
| **Principle 3:** Voting | • Not applicable |
| **Principle 4:** Engagement/ Individual Engagement<br>Investors and service providers engage in an active dialogue with investee entities with the aim of generating long-term financial and societal value and of reaching positive and long-term sustainable outcomes. Where necessary, investors collaborate with other investors to increase engagement outcomes. Other stakeholders may be a partner in collaborative engagements as they provide know-how, research and in some cases also specific administrative services to asset managers and asset owners. Where possible and relevant, investors should aim at engaging directly or indirectly in an active dialogue with relevant public stakeholders and policymakers on issues that affect sustainable investment. | • Engagement Approach and Process & Engagement Activities, p. 12-21<br>• Definition KPIs and expected outcomes, p. 23-40<br>• Engagement Policy: Definition engaged investee companies, p. 7<br>• Definition methods of engagement, p.14-15; Engagement Policy: p.3<br>• Definition engagement topics p. 13<br>• With whom do we engage at investee company, p.19 |
| **Principle 5:** Escalation<br>Investors and service providers, where necessary, escalate their stewardship activities to encourage investee entities towards generating long-term financial, environmental and societal value and towards reaching positive and long-term sustainable outcomes. | • Engagement Policy: p. 7 |
| **Principle 6:** Monitoring of Investee Entities<br>Investors and service providers regularly monitor investee entities to track, assess and review the effectiveness of their stewardship activities. | • Inrate considers latest publicly available information, data and information of our internal resources (yearly updated ESG Impact Rating and related data and yearly updated Corporate Governance Assessment ("zRating") to prepare for the engagement exchanges.<br>• Target companies (see p. 44) are monitored and contacted on a yearly basis as part of Inrate's engagement activities. |
| **Principle 7:** Delegation of Stewardship Activities | • Not applicable for Inrate as service provider. |
| **Principle 8**: Conflicts of Interest<br>Investors and service providers manage conflicts of interest in the best interests of their clients. They assess their investment activities and the interests of their clients to detect and suitably handle actual or potential conflicts of interest, disclosing these conflicts along with the measures taken to mitigate them. | • Engagement Policy: Conflict of Interest, p. 4 |
| **Principle 9:** Transparency and Reporting<br>Investors and service providers disclose and report their stewardship policies and activities to their clients and beneficiaries in a way that demonstrates effective fulfilment of their duties. | • Engagement Policy: Transparency and reporting, p. 5 |

# Appendix: Mapping Engagement Topics Across Inrate's Product Portfolio

*Table 5: Links between core topics and references to other Inrate products*

| Reference Core Topics | ESG Impact Rating | zRating Criteria | SDG Goals |
|---|---|---|---|
| Scope 3 Emissions | 11 Indicators | • 4.12 ESG-Criteria in the Compensation System<br>• 5.1 ESG Impact Rating<br>• 5.4 Information about CO2-targets | • Goal 13: Climate Action<br>• Goal 14: Life below Water<br>• Goal 15: Life on Land |
| Sustainable Products and Services | 18 Indicators | • 4.12 ESG-Criteria in the Compensation System<br>• 5.1 ESG Impact Rating | • Goal 6: Clean Water and Sanitation<br>• Goal 9: Industry, Innovation and Infrastructure<br>• Goal 12: Responsible Consumption and Production<br>• Goal 14: Life below Water<br>• Goal 15: Life on Land |
| Biodiversity | 13 Indicators | • 5.1 ESG Impact Rating | • Goal 14: Life below Water<br>• Goal 15: Life on Land |
| Human Rights Due Diligence | 17 Indicators | • 4.12 ESG-Criteria in the Compensation System<br>• 5.1 ESG Impact Rating<br>• 5.2 Involvement in controversies<br>• 5.3 Directive on human rights | • Goal 3: Good Health and Well- being<br>• Goal 4: Quality Education<br>• Goal 5: Gender Equality<br>• Goal 8: Decent Work and Economic Growth<br>• Goal 10: Reduced Inequality<br>• Goal 16: Peace, Justice and Strong Institutions |
| Psychosocial Risks at Work | 13 Indicators | • 4.12 ESG-Criteria in the Compensation System<br>• 5.1 ESG Impact Rating<br>• 5.7 Whistle-blower reporting office | • Goal 3: Good Health and Well- being<br>• Goal 16: Peace, Justice and Strong Institutions |
| Competencies in the Board | - | • 3.2 Competencies in the Board of Directors<br>• 3.13 Self-evaluation of the Board of Directors<br>• 3.14 Term limits for the Board of Directors | • Goal 17: Partnership for the Goals |
| ESG Criteria in the Compensation System | 1 Indicator | • 4.12 ESG-Criteria in the Compensation System<br>• 4.13 Minimum shareholding requirements<br>• 4.14 Long-term orientation of the compensation system<br>• 4.16 Transparency<br>• 4.17 Comprehensibility | • Goal 12: Responsible Consumption and Production |

inrate

ESG to the Core: Since 1991

www.inrate.com

Inrate is a provider of Sustainability Data, ESG Impact Ratings, and Active Ownership services, supporting financial institutions in applying an 'impact lens' to sustainable finance. The contemporary responsible investor needs data that supports a variety of use cases and stands up to scrutiny. Inrate scales the highest quality and standards and deep granularity to a universe of 10,000 issuers, allowing portfolio/fund managers, research, and structured product teams to make confident decisions.

info@inrate.com

## Global Offices


### Zurich

Inrate AG
Binzstrasse 23
CH-8045 Zürich
Tel. +41 58 344 00 00

### Geneva

Inrate SA
Rue de Berne 10
CH-1201 Genève
Tel. +41 58 344 00 00

### London

Inrate AG
8 Devonshire Square,
London, EC2M 4PL
Tel. +41 58 344 00 00


## Partners

INFRAS

DENKEN
ÜBER
MORGEN

## Memberships

Sustainable Finance Geneva

Swiss Sustainable Finance

PRI Principles for Responsible Investment

EASRA

FNG Forum Nachhaltige Geldanlagen

UKSIF