

Zurich, 16 September 2021

Press Release

Results of zRating Study 2021 on Corporate Governance

Zurich, 16 September 2021 - According to the new zRating study by Inrate, Lonza has the best corporate governance in Switzerland. Swisscom comes second and Orior is back on the podium. The biggest improvements were seen at Meier Tobler, Poenina, Coltene, SIG Combibloc and Swissquote.

The zRating study has been published for the thirteenth time since 2009. Inrate evaluates the corporate governance of Swiss public companies with a scoring model using 65 quantitative and qualitative criteria. In 2021, 171 listed Swiss companies were analysed based on their articles of incorporation, annual reports and decisions taken at general meetings (AGMs). A maximum of 100 points can be achieved in the four categories «Shareholders and capital structure», «Shareholders' participation rights», «Composition of Board of Directors (BoD)/Board of Management (BoM) and information policy» and «Compensation and participation models BoD/BoM». Inrate identifies potential corporate risks from the perspective of corporate governance that could affect the value of the company and therefore have a negative impact on minority shareholders.

In addition to the rating, in the study we look back at developments in corporate governance, present statistics on the voting results and voting recommendations of the past AGM season and discuss key themes. This year's key themes focused on sustainability.

Improvements in corporate governance

The highest scores are achieved by Lonza and Swisscom (both 81 points). Lonza achieves first place due to its higher score in the category «Shareholders' participation rights». The two companies were already on the podium in the previous year and were able to improve one rank after the delisting of Sunrise. Lonza has been in the top ranks since 2009. The last time Orior was among the top three was in 2014. The food company has improved its corporate governance, especially in the areas of «Composition of BoD/BoM and information policy» and «Compensation and participation models BoD/BoM». Orior thus climbed 11 ranks compared to the previous year. Meier Tobler (+15 points), Poenina (+13 points), Coltene (+12 points), SIG Combibloc (+10 points) and Swissquote (+9 points) also improved their scores. These companies have improved through changes to the articles of incorporation (e.g., limiting the size of the board and third-party mandates) and practices (e.g., closing competence gaps on the BoD, improving the compensation system, disclosing information on meeting attendance).

Second AGM season impacted by the coronavirus pandemic

The AGM season 2021 was again rather quiet. Except for the AGM of EMS Chemie, all AGMs were held without an audience. As in the previous year, the attendance rate hardly suffered from the prohibition of public participation and once again shareholders representing around 70 % of the share capital submitted their votes (2021: 70 %; 2020: 67 %; 2019: 67 %). However, practice also shows that the exchange with small shareholders is not necessarily highly valued. At 50 % of the companies, the AGM was reduced to count the votes without including the shareholders' participation (previous year: 88 %). Nevertheless, it must be noted that 47 % of the companies allowed questions to be addressed to the BoD (previous year: 7 %). Generally, the questions could be sent to the BoD in advance by email. Interroll, Leclanché and Sika are exemplary exceptions, which allowed shareholders to ask questions live at the AGM. Furthermore, 15 % of the companies provided a livestream or video message to reduce the feeling of "anonymity" (previous year: 7 %). At none of the AGMs was it possible to vote live.

Digitalisation and new company regulations will allow AGMs to be held not only physically, but also virtually and even in several locations. The technical setup must offer every shareholder participation rights. Christophe Volonté, Deputy CEO and Head of Active Ownership at Inrate, comments: «In order to get a good reflection of society, the corporate



leaders should be confronted with the opinion of the small shareholders at the AGMs. This is particularly important to involve them in the sustainability strategy».

It is also worth noting that there have been no shareholder proposals this season. Corona seems to have put activist investors into a certain lethargy. Discussions about executive salaries did not make much of a stir either. The CEO median salary has hardly changed compared to the previous year (2021: CHF 1'300'106, 2020: CHF 1'296'750) and is slightly lower than before the Corona virus pandemic (2019: CHF 1'376'625). It is worth mentioning that Credit Suisse once again withdrew remuneration proposals shortly before the AGM. These are certainly signs that the rights of shareholders have brought about a certain degree of discipline thanks to the «rip-off» initiative. At companies that paid out high remuneration despite Corona's influence, such as Dufry (CHF 5.7 million) and Valora (CHF 2.4 million), the remuneration reports were approved by shareholders with relatively low approval rates (63.7 % and 55.6 % respectively).

Sustainability as an inherent part of the strategy

Corporate communication is increasingly oriented towards sustainability topics. Transparency is the basis of good corporate governance. Company outsiders should be provided with a consistent picture of a company's business conduct in economic terms as well as in relation to corporate governance, the environment and society. Inrate advocates that credible and trustworthy sustainability reporting should set out how a company's products and services can satisfy societal and environmental demands. Sustainability must be an inherent part of the company's strategy; corresponding goals must be formulated, and management must be measured against them. This could reduce the risk of «greenwashing» and the isolation of management from shareholder pressure. «A convincing corporate governance is the foundation on top of which a good sustainability strategy can be implemented», says Volonté.

The zRating study 2021 can be ordered at <https://www.inrate.com/bestellung-zrating-studie.htm>.

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About Inrate

Inrate AG is the independent Swiss sustainability rating agency. Since 1990, it has been helping clients develop and successfully implement innovative sustainability solutions with profound sustainability knowledge and research solutions. Our ratings measure the impact a company's behaviour and products have on society and the environment, as well as its willingness and ability to tackle the challenges it faces.

Inrate also offers active ownership services. Since 2011, we have been actively involved in improving corporate governance in Switzerland. Institutional investors are supported in exercising their shareholder rights with detailed corporate governance research («zRating») and proxy voting reports. In addition, Inrate offers the opportunity to participate in the engagement process on sustainability issues through membership in the «Responsible Shareholder Group» (RSG).

Overall Ranking

Cat. 1: Shareholders and capital structure (max. 25 points)

Cat. 2: Shareholders' participation rights (max. 25 points)

Cat. 3: Composition of BoD/BoM and information policy (max. 30 points)

Cat. 4: Compensation and participation models BoD/BoM (max. 20 points)

Rank	Company	Index	Industry	Score	Cat. 1	Cat. 2	Cat. 3	Cat. 4	2020	Δ
1	Lonza Group	SMI	Healthcare	81	19	19	26	17	81	0
2	Swisscom	SMI	Other	81	20	14	29	18	81	0
3	Orior	Ex SMI Expanded	Consumer Goods	78	22	16	28	12	72	6
4	Poenina	Ex SMI Expanded	Industrial Company	76	23	23	21	9	63	13
5	Coltene	Ex SMI Expanded	Healthcare	75	25	22	16	12	63	12
6	Swiss Prime Site	SMIM	Real Estate	75	19	15	26	15	71	4
7	Vifor Pharma	SMIM	Healthcare	74	20	18	23	13	76	-2
8	SGS	SMI	Industrial Company	74	19	18	23	14	72	2
9	PSP Swiss Property	SMIM	Real Estate	74	21	17	19	17	74	0
10	Geberit	SMI	Industrial Company	74	20	16	26	12	73	1
11	Orell Füssli	Ex SMI Expanded	Consumer Service	73	23	18	22	10	75	-2
12	Holcim	SMI	Industrial Company	73	19	18	25	11	77	-4
13	ABB	SMI	Industrial Company	73	20	15	25	13	69	4
14	Georg Fischer	SMIM	Industrial Company	73	19	11	27	16	72	1
15	GAM	Ex SMI Expanded	Financial Services	72	22	18	24	8	71	1
16	Straumann	SMIM	Healthcare	72	22	16	22	12	71	1
17	Inficon	Ex SMI Expanded	Industrial Company	72	24	14	20	14	67	5
18	Schaffner	Ex SMI Expanded	Industrial Company	71	22	17	20	12	68	3
19	Clariant	SMIM	Raw Materials	71	22	17	17	15	70	1
20	Alcon	SMI	Healthcare	71	20	16	24	11	69	2
21	Givaudan	SMI	Raw Materials	71	20	14	24	13	73	-2
22	Burkhalter	Ex SMI Expanded	Industrial Company	70	24	22	17	7	72	-2
23	Swissquote	Ex SMI Expanded	Financial Services	70	21	20	22	7	61	9
24	APG	Ex SMI Expanded	Consumer Service	70	22	17	20	11	68	2
25	Adecco	SMIM	Industrial Company	70	18	16	26	10	76	-6
26	SIG Combibloc	SMIM	Industrial Company	70	20	15	25	10	60	10
27	Cembra Money Bank	SMIM	Financial Services	70	17	15	26	12	68	2
28	VAT Group	SMIM	Industrial Company	70	22	14	19	15	64	6
29	Sonova	SMIM	Healthcare	70	20	10	26	14	67	3
30	Landis+Gyr	Ex SMI Expanded	Industrial Company	69	20	17	21	11	72	-3
31	Siegfried	Ex SMI Expanded	Healthcare	69	18	17	23	11	69	0
32	Valora	Ex SMI Expanded	Consumer Service	69	18	16	25	10	70	-1
33	Mobimo	Ex SMI Expanded	Real Estate	69	19	15	25	10	61	8
34	Julius Bär	SMIM	Financial Services	69	16	15	26	12	69	0
35	Valiant	Ex SMI Expanded	Financial Services	69	18	14	25	12	68	1
36	Barry Callebaut	SMIM	Consumer Goods	68	21	17	19	11	65	3
37	Ascom	Ex SMI Expanded	Technology	68	19	17	23	9	70	-2
38	Mikron	Ex SMI Expanded	Industrial Company	68	21	16	19	12	66	2
39	Implenia	Ex SMI Expanded	Industrial Company	68	17	16	25	10	70	-2
40	Sika	SMI	Industrial Company	68	16	15	20	17	70	-2
41	Zurich Insurance Group	SMI	Financial Services	68	15	15	28	10	70	-2
42	Luzerner Kantonalbank	Ex SMI Expanded	Financial Services	68	21	13	22	12	68	0
43	Starrag Group	Ex SMI Expanded	Industrial Company	67	23	20	16	8	71	-4
44	Swiss Re	SMI	Financial Services	67	16	19	22	10	65	2
45	SoftwareONE	Ex SMI Expanded	Technology	67	21	15	23	8	67	0
46	Tecan	SMIM	Healthcare	67	19	15	22	11	62	5
47	UBS	SMI	Financial Services	67	15	15	28	9	67	0
48	Komax	Ex SMI Expanded	Industrial Company	67	17	12	26	12	67	0
49	Burckhardt Compression	Ex SMI Expanded	Industrial Company	67	19	10	25	13	63	4
50	HIAG Immobilien	Ex SMI Expanded	Real Estate	66	20	18	22	6	66	0
51	Forbo	Ex SMI Expanded	Industrial Company	66	20	18	16	12	69	-3
52	Credit Suisse	SMI	Financial Services	66	15	16	25	10	66	0
53	Medacta Group	Ex SMI Expanded	Healthcare	66	21	14	19	12	60	6
54	Galenica	SMIM	Consumer Service	66	15	10	24	17	61	5
55	Emmi	Ex SMI Expanded	Consumer Goods	65	22	18	18	7	61	4

56	Comet	Ex SMI Expanded	Industrial Company	65	19	16	18	12	67	-2
57	Investis	Ex SMI Expanded	Real Estate	65	21	15	17	12	66	-1
58	Logitech	SMIM	Technology	65	18	15	22	10	65	0
59	Banque Cantonale Vaudoise	Ex SMI Expanded	Financial Services	65	22	14	20	9	63	2
60	Romande Energie	Ex SMI Expanded	Supplier	64	21	18	17	8	61	3
61	Arbonia	Ex SMI Expanded	Industrial Company	64	24	17	15	8	65	-1
62	Calida	Ex SMI Expanded	Consumer Goods	64	22	15	22	5	66	-2
63	OC Oerlikon	SMIM	Industrial Company	64	22	13	18	11	65	-1
64	Kardex	Ex SMI Expanded	Industrial Company	64	22	13	17	12	65	-1
65	V-Zug	Ex SMI Expanded	Consumer Goods	64	23	12	21	8	neu	
66	Nestlé	SMI	Consumer Goods	64	18	12	24	10	63	1
67	VZ Holding	Ex SMI Expanded	Financial Services	63	22	18	12	11	67	-4
68	mobilezone	Ex SMI Expanded	Consumer Service	63	18	18	18	9	67	-4
69	DKSH	Ex SMI Expanded	Industrial Company	63	23	13	19	8	63	0
70	Huber+Suhner	Ex SMI Expanded	Technology	63	20	13	19	11	61	2
71	u-blox	Ex SMI Expanded	Technology	63	16	13	23	11	64	-1
72	Bell	Ex SMI Expanded	Consumer Goods	63	20	12	20	11	61	2
73	Bachem	Ex SMI Expanded	Healthcare	63	23	11	14	15	64	-1
74	SFS	Ex SMI Expanded	Industrial Company	63	22	11	19	11	61	2
75	Bâloise	SMIM	Financial Services	63	15	11	23	14	58	5
76	Novartis	SMI	Healthcare	63	18	10	25	10	63	0
77	Bossard	Ex SMI Expanded	Industrial Company	62	12	19	19	12	68	-6
78	Bergb. Engelberg-Titlis	Ex SMI Expanded	Consumer Service	62	22	17	12	11	65	-3
79	Meier Tobler	Ex SMI Expanded	Industrial Company	62	22	15	15	10	47	15
80	St.Galler Kantonalbank	Ex SMI Expanded	Financial Services	62	21	15	19	7	63	-1
81	Swiss Steel	Ex SMI Expanded	Raw Materials	62	20	15	20	7	60	2
82	Leonteq	Ex SMI Expanded	Financial Services	62	19	14	18	11	59	3
83	Roche	SMI	Healthcare	61	13	18	22	8	63	-2
84	Meyer Burger	Ex SMI Expanded	Industrial Company	61	20	16	21	4	62	-1
85	Kühne + Nagel	SMIM	Industrial Company	61	19	16	18	8	63	-2
86	Edisun	Ex SMI Expanded	Supplier	61	17	16	19	9	56	5
87	Autoneum	Ex SMI Expanded	Consumer Goods	61	20	15	15	11	61	0
88	Temenos	SMIM	Technology	61	19	15	21	6	65	-4
89	Swiss Life	SMI	Financial Services	61	13	13	21	14	61	0
90	BB Biotech	SMIM	Healthcare	61	19	12	22	8	62	-1
91	Belimo	Ex SMI Expanded	Industrial Company	61	21	9	21	10	57	4
92	Dufry	SMIM	Consumer Service	60	17	16	21	6	62	-2
93	dormakaba	Ex SMI Expanded	Industrial Company	60	17	15	19	9	54	6
94	Allreal	Ex SMI Expanded	Real Estate	60	17	15	17	11	61	-1
95	Sulzer	Ex SMI Expanded	Industrial Company	60	19	14	19	8	60	0
96	Vontobel	Ex SMI Expanded	Financial Services	60	17	14	22	7	58	2
97	Bucher	Ex SMI Expanded	Industrial Company	60	21	13	15	11	65	-5
98	Peach Property Group	Ex SMI Expanded	Real Estate	59	19	16	16	8	57	2
99	Feintool	Ex SMI Expanded	Industrial Company	59	21	14	12	12	56	3
100	Cicor	Ex SMI Expanded	Industrial Company	59	19	14	16	10	54	5
101	EMS-Chemie	SMIM	Raw Materials	59	22	12	16	9	58	1
102	Interroll	Ex SMI Expanded	Industrial Company	59	20	10	21	8	57	2
103	Sensirion	Ex SMI Expanded	Industrial Company	59	19	9	20	11	53	6
104	Flughafen Zürich	SMIM	Industrial Company	59	18	9	16	16	63	-4
105	Idorsia	Ex SMI Expanded	Healthcare	58	15	16	22	5	57	1
106	Rieter	Ex SMI Expanded	Industrial Company	58	18	13	17	10	55	3
107	Hypothekbank Lenzburg	Ex SMI Expanded	Financial Services	58	19	12	14	13	61	-3
108	Ypsomed	Ex SMI Expanded	Healthcare	58	21	8	19	10	55	3
109	Molecular Partners	Ex SMI Expanded	Healthcare	57	17	14	16	10	56	1
110	Adval Tech	Ex SMI Expanded	Industrial Company	57	21	12	10	14	54	3
111	Zuger Kantonalbank	Ex SMI Expanded	Financial Services	57	18	12	17	10	52	5
112	Dottikon ES	Ex SMI Expanded	Raw Materials	57	23	11	11	12	56	1
113	Bellevue	Ex SMI Expanded	Financial Services	57	23	10	17	7	53	4
114	JungfrauBahn	Ex SMI Expanded	Consumer Service	57	20	9	15	13	61	-4
115	Berner Kantonalbank	Ex SMI Expanded	Financial Services	57	20	4	21	12	58	-1
116	Richemont	SMI	Consumer Goods	56	11	17	19	9	53	3
117	Zur Rose	Ex SMI Expanded	Consumer Service	56	16	16	14	10	55	1
118	Züblin Immobilien	Ex SMI Expanded	Real Estate	56	18	15	11	12	55	1

119	Transocean	Ex SMI Expanded	Other	56	14	15	18	9	55	1
120	Walliser Kantonalbank	Ex SMI Expanded	Financial Services	56	22	14	11	9	58	-2
121	TX Group	Ex SMI Expanded	Consumer Service	56	22	12	14	8	55	1
122	Intershop	Ex SMI Expanded	Real Estate	56	20	12	14	10	53	3
123	LEM	Ex SMI Expanded	Industrial Company	56	22	11	19	4	61	-5
124	Klingelberg	Ex SMI Expanded	Industrial Company	56	17	11	19	9	56	0
125	MCH Group	Ex SMI Expanded	Industrial Company	55	19	16	14	6	52	3
126	Wartec Invest	Ex SMI Expanded	Real Estate	55	21	15	12	7	54	1
127	Aryzta	Ex SMI Expanded	Consumer Goods	55	14	15	18	8	47	8
128	CPH Chemie + Papier	Ex SMI Expanded	Raw Materials	55	22	10	14	9	56	-1
129	Partners Group	SMI	Financial Services	55	18	9	19	9	55	0
130	Helvetia	SMIM	Financial Services	55	16	9	18	12	56	-1
131	Stadler Rail	Ex SMI Expanded	Industrial Company	54	20	13	10	11	58	-4
132	HOCHDORF	Ex SMI Expanded	Consumer Goods	54	19	13	14	8	59	-5
133	Zehnder	Ex SMI Expanded	Industrial Company	54	12	13	17	12	54	0
134	IVF Hartmann	Ex SMI Expanded	Healthcare	54	20	12	13	9	56	-2
135	Schweiter Technologies	Ex SMI Expanded	Industrial Company	54	14	12	19	9	48	6
136	BKW	Ex SMI Expanded	Supplier	54	20	7	17	10	56	-2
137	Evolva	Ex SMI Expanded	Healthcare	53	16	15	10	12	51	2
138	Crealogix	Ex SMI Expanded	Technology	53	15	13	13	12	55	-2
139	Dätwyler	Ex SMI Expanded	Industrial Company	52	12	17	14	9	50	2
140	Basilea	Ex SMI Expanded	Healthcare	52	12	16	21	3	56	-4
141	ALSO	Ex SMI Expanded	Technology	52	18	13	16	5	50	2
142	Bobst	Ex SMI Expanded	Industrial Company	52	20	9	16	7	51	1
143	Medartis	Ex SMI Expanded	Healthcare	52	20	9	16	7	48	4
144	Glarner Kantonalbank	Ex SMI Expanded	Financial Services	52	17	9	18	8	52	0
145	Valartis Group	Ex SMI Expanded	Financial Services	51	20	14	8	9	49	2
146	Energiedienst	Ex SMI Expanded	Supplier	51	22	10	10	9	53	-2
147	Gurit	Ex SMI Expanded	Raw Materials	50	12	12	18	8	50	0
148	HBM Healthcare Invest.	Ex SMI Expanded	Financial Services	50	18	11	11	10	50	0
149	Metall Zug	Ex SMI Expanded	Consumer Goods	50	15	11	19	5	50	0
150	Schlatter	Ex SMI Expanded	Industrial Company	50	21	10	10	9	50	0
151	Bystronic	Ex SMI Expanded	Industrial Company	50	13	10	18	9	51	-1
152	Polyphor	Ex SMI Expanded	Healthcare	49	15	13	14	7	46	3
153	Plazza	Ex SMI Expanded	Real Estate	49	13	12	15	9	47	2
154	Zug Estates	Ex SMI Expanded	Real Estate	49	14	11	17	7	48	1
155	Santhera Pharmaceuticals	Ex SMI Expanded	Healthcare	48	12	16	14	6	45	3
156	EFG International	Ex SMI Expanded	Financial Services	48	11	16	16	5	48	0
157	Vaudoise Assurances	Ex SMI Expanded	Financial Services	48	14	14	15	5	45	3
158	Aevis Victoria	Ex SMI Expanded	Healthcare	48	14	14	12	8	49	-1
159	Leclanché	Ex SMI Expanded	Consumer Goods	48	16	10	16	6	45	3
160	Orascom	Ex SMI Expanded	Real Estate	47	15	15	10	7	53	-6
161	Vetropack	Ex SMI Expanded	Industrial Company	47	14	15	13	5	48	-1
162	Tornos	Ex SMI Expanded	Industrial Company	47	20	13	7	7	52	-5
163	Phoenix Mecano	Ex SMI Expanded	Industrial Company	45	12	12	12	9	46	-1
164	Schindler	SMIM	Industrial Company	45	14	7	17	7	43	2
165	Von Roll	Ex SMI Expanded	Industrial Company	43	8	13	14	8	43	0
166	Lindt & Sprüngli	SMIM	Consumer Goods	43	10	9	16	8	43	0
167	Carlo Gavazzi	Ex SMI Expanded	Industrial Company	42	9	15	11	7	41	1
168	Swatch Group	SMI	Consumer Goods	40	10	9	15	6	41	-1
169	WiseKey	Ex SMI Expanded	Technology	37	6	12	15	4	31	6
170	Kudelski	Ex SMI Expanded	Technology	35	8	13	9	5	36	-1
171	Tradition	Ex SMI Expanded	Financial Services	32	7	14	8	3	31	1

** If two companies have the same score, the company with the better score in the category «Shareholders' participation rights» followed by «Shareholders and capital structure» and «Composition of BoD/BoM and information policy» is ranked higher.

Score distribution 2021

(Average: 60.5 / Median: 61.0)

