

## Investor Statement for the introduction of comprehensive human rights and environmental due diligence legislation in Switzerland

We are a group of 23 global institutional investors with CHF 512 billion in assets under management. We believe that sustainable development is of the utmost importance for companies, their shareholders and their other stakeholders. For this reason, we encourage the companies in our investment portfolios to address material environmental, social and governance issues and to improve their respective practices. An increasing number of investors are sharing our view. According to a study by Swiss Sustainable Finance (SSF), the volume of sustainable investments in Switzerland stands at CHF 1660 billion<sup>1</sup>. The Swiss market is of great importance for us, and we have holdings in several companies listed in Switzerland.

The European Commission recently published its project to simplify corporate due diligence obligations for the European Union (Omnibus). Regardless of the outcome of this reform, a considerable gap remains between the current provisions in Switzerland<sup>2</sup> and those of the European Union. Therefore, we urge the Federal Council and the Members of Parliament to advance and develop comprehensive human rights and environmental due diligence legislation.

We call for comprehensive human rights and environmental due diligence legislation to be extended in Switzerland including the following elements:

- 1) Risk-based due diligence for human rights and environmental protection in accordance with international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These should cover all sectors and the entire value chain with both upstream and downstream actors, be risk-based and conducted on an ongoing basis.
- 2) An independent administrative enforcement authority with comprehensive competences, including injunctions (i.e. orders to cease or adopt certain conduct) and sanctions (incl. fines) by the competent national supervisory authority. Such sanctions are effective, dissuasive and proportionate.
- 3) Civil liability adapted to Swiss law for human rights or environmental damage that could have been prevented by appropriate due diligence. In case the company is liable, adequate compensation is provided to the victim(s) that suffered the damage.

Institutional investors also have a duty to conduct due diligence. We are responsible for assessing whether the operations of the companies in which we invest could have an adverse impact on human rights. If so, we have a duty to prevent and mitigate such impacts<sup>3</sup>. This has been described in detail in several international documents, e.g., the OECD Guide 'Responsible Business Conduct for Institutional Investors - Key Due Diligence Considerations under the OECD Guidelines for Multinational Enterprises' (2017)<sup>4</sup>.

As investors, we are convinced that an analysis of how a company deals with material human rights and environmental challenges leads to better informed investment decisions. Reputational damage and operational difficulties due to human rights abuse and environmental pollution in supply chains can have a significant negative financial impact on our portfolio companies. Comprehensive due diligence requirements are therefore good for companies, investors and the economy. This type of targeted regulation increases the robustness of companies' risk management processes, creates transparency and helps investors make better investment decisions.

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<sup>1</sup>[Swiss Sustainable Investment Market Study 2024](#), SSF p.17

<sup>2</sup>[Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour](#)

<sup>3</sup>[Why and how investors should act on human rights, PRI](#)

<sup>4</sup><https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

- Achmea Investment Management
- Alternative Bank Schweiz
- Boston Common Asset Management
- Cardano
- Domini Impact Investments
- Ecofi
- ESG-AM AG
- Ethius Invest
- Ethos Stiftung
- Forma Futura
- Future Group
- ING Investment Office
- Inyova AG
- Lannebo Kapitalförvaltning
- Missionary Oblates of Mary Immaculate OIP
- SDG Invest
- PeaceNexus Foundation
- Pensioenfonds Detailhandel
- Shareholders for Change
- Storebrand
- Sycomore AM
- Vancity Investment Management
- Zevin Asset Management