

ESG Update: The new Swiss National Action Plan on BHR, two constitutional initiatives, and the revision of the Swiss non-financial reporting regime

This year promises to be an important one for ESG in Switzerland, with a new Swiss National Action Plan on Business and Human Rights for 2024-2027, two constitutional sustainability initiatives and the result of the consultation process on the revision of the Swiss non-financial reporting regime. We take a closer look at these new developments.

Key take-away: *The fast pace of ESG developments in Switzerland means that Swiss companies are facing more and more local and foreign (EU) sustainability and human rights obligations. Getting to grips with the granular detail of the ESG obligations will anticipate the expectations of clients and any tough questions that arise.*

Swiss National Action Plan on Business and Human Rights 2024-2027

On 13 December 2024, the Swiss Federal Council adopted the new National Action Plan on Business and Human Rights for 2024-2027 (“**NAP**”). The updated NAP emphasises that incorporating human rights in Swiss undertakings’ business activities benefits society, the environment and the undertakings themselves. As summarised by the Swiss Federal Council:

“[i]t is crucial for all companies to respect human rights [...], to promote growth and sustainable development. By integrating human rights due diligence, companies will achieve numerous strategic advantages, such as an improved reputation, enhanced competitiveness and better market access, greater resilience, higher productivity and product quality, and increased appeal as employers.”

The Federal Council expects undertakings to carry out their activities in compliance with the UN Guiding Principles on Business and Human Rights (“**UNGPs**”), and to conduct human rights due diligence.

To this end, the new NAP builds on and updates the measures of the 2020-2023 NAP, with 10 new measures that aim to:

1. Implement the UNGPs in the digital space and new technologies;
2. Promote human rights due diligence in relation to the energy transition;
3. Raise BHR awareness in investment, financing and consultancy services;
4. Assist stakeholders in the sporting world – in particular international sports federations – to incorporate human rights into their governance and operations; and
5. Support the private sector to set up grievance mechanisms.

More information on the updated and new measures adopted is available [here](#).

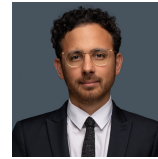
Authors



Sandrine Giroud
Partner
Geneva



Daniel Lucien Bühler
Partner
Zurich



Anton Vallélian
Counsel
Geneva



Christelle Comeche
Associate
Geneva

“Sustaining innovation and competitiveness and avoiding exposure in such a quickly evolving landscape will require Swiss undertakings to keep themselves fully informed and maintaining up-to-date sustainability strategy, organisation and processes.”

New Responsible Business Initiative

Four years ago, the first “Responsible Business Initiative” won the popular vote, but failed to secure a majority of cantons. This ultimately led to the entry into force of the Swiss Parliament’s counterproposal on 1 January 2022 (see our [24 May 2023 Insight](#)). Unsatisfied with the counterproposal, a coalition of over 90 civil organizations launched a new [Responsible Business Initiative](#) on 7 January 2025.

The initiative aims to introduce new due diligence obligations for companies in Switzerland, to ensure respect for human rights and environmental standards, both within Switzerland and in their operations abroad. These obligations are closely based on international standards and new rules adopted by the EU, aiming to align Swiss law with the European Corporate Sustainability Due Diligence Directive (“**CSDDD**”).

The proposed text also introduces civil liability for damages resulting from failure to uphold due diligence obligations. This mechanism aims to repair damages caused by the company’s own activities (or those of its controlled subsidiaries). Additionally, the initiative proposes establishing a governmental monitoring body that will both ensure compliance and impose remediation measures and sanctions in case of breach.

This new regime would apply to undertakings with at least 1,000 employees and a global turnover of at least CHF 450 million. In high-risk sectors, Swiss undertakings exceeding two of the following thresholds would also be covered:

- 250 employees;
- turnover of CHF 40 million; or
- balance sheet total of CHF 20 million.

The initiative committee had 18 months to collect 100,000 signatures so that its text be put to popular vote. It took them less than two weeks to reach that number.

Initiative for Environmental Responsibility

On 9 February 2025, the Swiss population will vote on a constitutional initiative entitled “*For a Responsible Economy that Respects Planetary Boundaries.*”

The text of the initiative is brief, but broad in scope. It calls for nature and its capacity for regeneration to be the limit for the use of resources by the national economy. This would require Swiss economic actors to use resources and emit pollutants “*only insofar as the natural foundations of life are preserved.*”

Effectively, this means Switzerland would need to drastically reduce its environmental impact within 10 years, to stop exceeding the planetary limits calculated for the Swiss population. The Federal Council and Parliament recommend rejecting the initiative, as it would – in their view – impose overly strict measures on the Swiss population, negatively impact Swiss undertakings and weaken Switzerland as a competitive international economic actor.^[1]

Consultation process to revise the Swiss non-financial reporting regime

On 26 June 2024, the Federal Council launched a consultation process to revise the Swiss non-financial reporting regime.^[2] Essentially, Switzerland shall closely align to the EU Corporate Sustainability Reporting Directive (“**CSRD**”). This will result in the number of subjected Swiss undertakings increasing from ca. 250 to 3,000+, with reporting being *de facto* based on the EU Standards (see our [18 July 2024 Insight](#)).

The result of the consultation process is expected to be published by the Federal Council early this year, but economiesuisse (one of the main umbrella organisations of the Swiss business sector) has already expressed limited support for the sustainability reporting revision, stressing the need for adjustments that would reflect Switzerland's unique economic context and reduce reliance on the EU's framework.[3] On its part, the Swiss Trade Union Federation backs the proposed legislative amendments, provided they align more closely with the European Sustainability Reporting Standards ("ESRS") by excluding the option for Swiss undertakings to choose between adhering to ESRS and narrower standards, such as the IFRS S1 and S2 Standards.[4]

This is just a taster of the 2025 ESG developments in Switzerland, since it promises to be a busy year. Sustaining innovation and competitiveness and avoiding exposure in such a quickly evolving landscape will require Swiss undertakings to keep themselves fully informed and maintaining up-to-date sustainability strategy, organisation and processes. Keeping a close eye on EU regulations – particularly the CSRD and CSDDD – is also essential.

LALIVE is a founding firm of the international Business and Human Rights Lawyers Association and a member of the United Nations Global Compact. Its ESG Focus Group assists companies in navigating these complex regulatory landscapes and achieving focused and efficient compliance with ESG rules, from governance to due diligence, allowing them to best capitalise on opportunities created by the green transition. Click [here](#) for more information on our ESG practice.

References

[1] For more information, see the Federal Council's release, available [here](#)

[2] For more information, see the Federal Council's release, available [here](#)

[3] For more information, see economiesuisse's statement, available [here](#)

[4] For more information, see the Swiss Trade Union Federation's statement, available [here](#)