

Federal Department of Justice and Police
(FDJP)

Attention to: MM. Adrian Tagmann and Va-
lerio Di Sauro

Geneva, September 10th, 2024

Dear Sirs,

We thank you for the consultation on implementation of CSRD into the Swiss code of obligations and hereby submit our position.

SUISSENÉGOCE, the Swiss Commodity Trading Association, represents the interests of commodity trading companies based in Switzerland active in agriculture, metals/minerals, and energy. We have been increasingly active in promoting Environmental, Social, and Governance (ESG) compliance and supporting sustainable practices within the industry, aligning with trends driven among other things by the EU.

Accordingly, **we endorse the harmonization of CO (Code of Obligations) dispositions with CSRD sustainability reporting requirements and scope**. As stated in the consultation, sustainability reporting will enhance transparency towards civil society and other stakeholders, improve access to sustainable financing and drive more sustainable corporate behaviors. Companies already consider sustainability reporting as a strategic tool, as they must provide sustainability-related data to banks. Moreover, this harmonization creates a level playing field in Switzerland.

Competitiveness, reporting/auditing costs and support for Swiss companies

SUISSENÉGOCE plays a crucial role in maintaining Switzerland's position as a key hub for international commodity trading, thereby contributing to the prosperity of our country and the competitiveness of its companies. However, **even though we support CSRD, its implementation will have major impact on Swiss companies**. Their competitiveness will be compromised as other economic hubs challenging Switzerland will not implement CSRD into their legislation.

As mentioned in the impact assessment, Swiss companies will face **considerable costs** (estimated at a total of 620 million CHF). Service providers estimate that sustainability reporting will cost CHF 40'000-350'000 and auditing CHF 70'000-500'000 per company. As acknowledged by the Federal Council in its responses to parliamentary interventions (including [24.3161 Ip. Burkart](#) and [23.4062 Po. Dittli](#)), SMEs will be heavily impacted. Furthermore, auditing and

reporting costs for multinationals are estimated at around 2 million CHF not including the expense of hiring additional staff members to comply with CSRD requirements.

The majority of SUISSENÉGOCE members fall within the scope of CSRD (EUR 150 million turnover in the EU/subsidiary in EU, 250 employees and 50 million EUR turnover in UE) due to high trade volume characteristic of commodity trading.

Considering these factors, **we demand supporting measures to maintain Swiss companies' competitiveness and preserve Switzerland's commodity trading hub status:**

- 1) Implement economic/fiscal incentives for reporting and auditing (e.g. tax deduction...)
- 2) Provide guidelines and video training for companies (technical support, software, digital tools, Swiss online reporting platform...)
- 3) Ensure mutual recognition between EU and Swiss standards
- 4) Establish a point of contact in the Swiss federal Administration for sustainability reporting

Mutual recognition of Swiss/EU standards: we call for rapid development of Swiss sustainability reporting standards equivalent to EU standards to avoid double reporting, especially as CSRD foresees mutual recognition of standards with third countries. Mutual recognition is essential for the predictability and standardization of reporting.

Verification of sustainability reporting: will the auditing report only assess the discrepancies between financial and sustainability reporting? Reliable verification is a key aspect of sustainability reporting and will contribute to its credibility for investors and consumers. Currently, the project does not define the scope of the audit between limited review and full audit. In order to limit the audit cost, we believe that the audit should be a limited review (negative assurance) and not a full audit.

Timing of report publication and approval: the current project requests that the report is published immediately after the approval of the financial statements by the General Assembly. (2 to 3 weeks). However, the General Assembly may take place only a few weeks after the year end due to financial considerations (e.g. dividend distribution). We therefore propose to clarify that the report should be approved and published within 6 months of the financial year end, this not necessarily at the same time as the financial statements.

We thank you again for the consultation and Mr. Gaël Coronel (gael.coronel@suissenegoce.ch, +41227152999) remains at your disposal in case of further questions.

Best Regards,



Florence Schurch
Secretary General