

avenir analysis

## **Sustainably More Bureaucratic**

### **What the sustainability reporting requirements will cost Swiss companies**

**The Federal Council wants to adopt the extensive EU directive on sustainability reporting. According to a new analysis by Avenir Suisse, this would lead to significantly more bureaucracy and costs amounting to billions for Swiss companies. The fact that even the EU now has doubts about its own regulation should also prompt Switzerland to rethink.**

The EU is considered a pioneer when it comes to reporting obligations on environmental, social and governance (ESG) issues. It introduced these requirements for larger companies over ten years ago. Since then, it has continuously expanded them. In 2024, with the Corporate Sustainability Reporting Directive (CSRD), the disclosure requirements will be extended once again. This will also have an impact in Switzerland, both directly and indirectly.

#### **High costs, especially for SMEs**

As of 2028, Swiss companies that either have EU subsidiaries or are active as suppliers in EU supply chains will be affected first. In the analysis “Sustainably More Bureaucratic”, Michele Salvi and Philippe Güttinger calculated that these companies would have to spend around 680 million Swiss francs a year on reporting obligations – 550 million Swiss francs more than under current Swiss regulation. Around 70 percent of these additional costs are likely to be incurred by SMEs.

In the EU itself, criticism of this heavy administrative burden has been growing. In spring 2025, the EU Commission responded with the “Omnibus Initiative”, introducing higher thresholds, longer transition periods and greater flexibility in implementation. And Switzerland? In early 2024, the Federal Council initiated a consultation procedure regarding the alignment of Swiss regulation with the EU’s. However, this project was recently postponed until spring 2026 at the latest – good news, as aligning with EU regulation would come at a high cost.

If the Federal Council adopts EU regulation in its current form, the costs for Swiss companies could be significantly higher than if only Swiss companies operating in the EU were affected. According to Avenir Suisse calculations, the costs could rise to up to 1.7 billion Swiss francs per year – enough to filter the CO<sub>2</sub> emissions of public administrations in Switzerland out of the air using an expensive technology.

## Unclear benefits of stricter regulations

The Federal Council and Parliament would be well advised not to further expand reporting obligations in Switzerland. On the one hand, the new EU regulation – even if it is narrowed down – will already impose extensive obligations and higher costs on many Swiss companies. On the other hand, the debate in the EU shows that even Brussels is now questioning what ESG reports actually achieve.

Transparency in sustainability matters. But what truly counts is whether a measure improves the situation – not who can produce the thickest report. For years, one ESG revision has followed another, while assessing the actual benefits of these regulations has been neglected. Given the high costs, a thorough review is all the more necessary.

Michele Salvi, the main author of the study, recommends the following: *“Instead of adopting additional regulations, Switzerland should first evaluate its existing regulations. In this study, we were able to highlight the costs of the reporting obligation. The real test, however, lies in the benefits in reality – and here, the burden of proof rests with the regulator.”*

**avenir analysis:** “Sustainably More Bureaucratic”, Michele Salvi and Philippe Güttinger, available online in German and French from 18 August 2025 at 5.00 am at [avenir-suisse.ch/en/](https://avenir-suisse.ch/en/)

Part 1: What the EU reporting obligation costs Swiss companies

Part 2: What alignment with EU requirements costs Swiss companies

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