

Zurich, 12 September 2019

Media release

Results zRating Study 2019 on Corporate Governance

Zürich, 12 September 2019 – Sunrise once again scores highest in this year's corporate governance ranking followed by Swisscom (81 points) and Lonza (78 points). Due to amendments to the Articles of Association, also induced by activist shareholders, and changes in practices, companies have improved their corporate governance.

For the eleventh time since 2009, the zRating Study on corporate governance in Swiss public companies has been published. zRating summarizes the situation regarding shareholders' rights in a company and draws attention to possible conflicts between shareholders and managers. zRating evaluates corporate governance holistically based on 62 criteria from the categories «Shareholders and Capital Structure», «Shareholders' Rights», «Composition Board of Directors/Management and Information Policy», and «Compensation and participation models». The criteria are weighted in a scoring model and evaluated with points. The total maximum of points is 100. 174 listed Swiss companies are analyzed based on Annual Reports 2018 and decisions at General Meetings 2019.

Further improvements through amendments to the Articles of Association

Once again Sunrise takes first place with 86 points. They had already gained a large lead thanks to amendments to the Articles of Association at the annual general meetings (AGM) in 2017 and 2018, and in 2019 Sunrise was also able to score in the new criteria. Second place went to Swisscom with 81 points and third place to Lonza with 78 points. This year, the boards of directors of Mobilezone, Peach Property and Starrag in particular proposed amendments to the Articles of Association that strengthened shareholders' participation rights. For example, the delisting authority has been delegated from the Board of Directors to the AGM. Today, the shareholders of seven companies can decide on delisting. We are also pleased to note that since we raised the issue of Board competencies in 2017, 18 companies have all the competencies we defined on the Board of Directors now. Furthermore, 25 companies have closed competence gaps this year.

Changes in practice and activist shareholders

The largest improvements in ranks and points were at OC Oerlikon (+54 ranks/+6 points), DKSH (+52 ranks/+7 points), Julius Baer (+50 ranks/+6 points) as well as GAM (+36 ranks/+9 points) and LafargeHolcim (+36 ranks/+9 points). These changes are due to improvements in corporate governance practices such as more competencies or a higher proportion of women on the Board of Directors, lower compensation or more transparency in general. In addition, the new criteria such as self-evaluation by the Board of Directors, ESG criteria in the remuneration system or minimum shareholdings and the new scorings such as the percentage of women on the Board of Directors (now 2 points) or the total CEO remuneration in CHF (new thresholds) have led to changes in the ranking.

In the case of Comet and Meyer Burger, shareholder proposals have also led to an improvement in the corporate governance rating of the companies (e.g. reduction of the threshold to request agenda items, publication of the annual report before the deadline for placing an item on the agenda). Christophe Volonté, Head of Corporate Governance at Inrate, comments: «Unless companies themselves ensure modern corporate governance and take into account the interests of minority shareholders, they run the risk of being forced to do so by activist shareholders».



Turbulent GM season and more critical shareholders

Activist shareholders have played an important role in the 2019 AGM season. In addition to Comet and Meyer Burger, ABB, HOCHDORF, Nestlé, Panalpina and Sunrise are also confronted with shareholders who have a different opinion on the strategic orientation of the companies. A striking number of changes proposed by shareholders have been implemented. At Comet and HOCHDORF, dissident board candidates have been elected. But it was not only activist shareholders who caused turbulence. Never before have there been more proposals by the Board that have received approval of less than 90 %. In addition, there were as many as twelve rejected Board proposals. At three companies (GAM, HOCHDORF and UBS) discharge has been denied.

SMI companies lead and CEO remuneration remains stable

SMI companies (67.6 points) outperform the SMI Mid companies (63.3 points) and the remaining SPI companies (57.1 points). The lead is 4.3 points (previous year: 2.2 points) over the SMI Mid companies and 10.5 points (previous year: 5.8 points) over the remaining SPI companies. CEO remuneration has hardly changed compared to the previous year. For all companies that we have covered since 2014, the total amount of CEO remuneration has even further declined. CEO remuneration at Nestlé (Ulf Schneider: CHF 9.8 million) and Novartis (Vas Narasimhan: CHF 9.9 million) remained below the 10 million threshold.

The zRating Study 2019 (in German only) can be ordered at <https://www.inrate.com/bestellung-zrating-studie-2019.htm>.

Further information :

Christophe Volonté, christophe.volonte@inrate.com



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 offers shareholder services with «zRating». Since 2011, zRating has been actively committed to improving corporate governance in Switzerland. Institutional investors are supported in exercising their shareholder rights with detailed corporate governance research and voting recommendations.

Overall Ranking

Cat. 1: Shareholders and Capital Structure (max. 25 points)

Cat. 2: Shareholders' Rights (max. 25 points)

Cat. 3: Composition Board of Directors / Management and Information Policy (max. 30 points)

Cat. 4: Compensation and Participation Models (max. 20 points)

Rank*	Company	Index	Industry	Score	Cat. 1	Cat. 2	Cat. 3	Cat. 4	2018	Δ
1	Sunrise Communications	SMI Mid	Telecommunications	86	22	23	25	16	87	-1
2	Swisscom	SMI	Telecommunications	81	20	15	28	18	76	5
3	Lonza Group	SMI	Health Care	78	19	18	26	15	77	1
4	LafargeHolcim	SMI	Industrials	76	22	19	23	12	67	9
5	GAM	SMI Mid	Financials	76	21	19	24	12	67	9
6	Givaudan	SMI	Basic Materials	75	21	17	23	14	71	4
7	Straumann	SMI Mid	Health Care	74	23	18	22	11	71	3
8	Orior	Ex SMI Expanded	Consumer Goods	74	21	17	26	10	78	-4
9	Adecco	SMI	Industrials	74	18	17	24	15	69	5
10	Geberit	SMI	Industrials	74	19	16	27	12	70	4
11	PSP Swiss Property	SMI Mid	Financials	73	23	19	15	16	77	-4
12	Burkhalter	Ex SMI Expanded	Industrials	72	23	24	18	7	81	-9
13	Schaffner	Ex SMI Expanded	Industrials	72	23	16	21	12	79	-7
14	mobilezone	Ex SMI Expanded	Consumer Services	71	20	21	18	12	72	-1
15	Sika	SMI	Industrials	71	18	16	20	17	68	3
16	Swiss Prime Site	SMI Mid	Financials	71	21	15	20	15	69	2
17	Zurich Insurance Group	SMI	Financials	71	16	15	28	12	68	3
18	Inficon	Ex SMI Expanded	Industrials	71	24	14	21	12	74	-3
19	Landis+Gyr	Ex SMI Expanded	Industrials	70	23	17	20	10	74	-4
20	Ascom	Ex SMI Expanded	Technology	70	20	17	24	9	77	-7
21	UBS	SMI	Financials	70	15	17	28	10	70	0
22	Vifor Pharma	SMI Mid	Health Care	70	22	16	19	13	69	1
23	Georg Fischer	SMI Mid	Industrials	70	17	11	27	15	65	5
24	Orell Füssli	Ex SMI Expanded	Consumer Services	69	22	17	20	10	72	-3
25	Komax	Ex SMI Expanded	Industrials	69	19	13	24	13	73	-4
26	Starrag Group	Ex SMI Expanded	Industrials	68	22	23	18	5	64	4
27	Valiant	Ex SMI Expanded	Financials	68	18	15	22	13	71	-3
28	Julius Bär	SMI	Financials	68	16	14	24	14	62	6
29	Sonova	SMI Mid	Health Care	68	21	10	28	9	69	-1
30	VZ Holding	Ex SMI Expanded	Financials	67	22	20	14	11	69	-2
31	SGS	SMI	Industrials	67	18	18	18	13	69	-2
32	Implenia	Ex SMI Expanded	Industrials	67	17	18	24	8	68	-1
33	Swiss Re	SMI	Financials	67	16	18	22	11	66	1
34	Clariant	SMI Mid	Basic Materials	67	21	17	16	13	66	1
35	Comet	Ex SMI Expanded	Industrials	67	20	17	19	11	68	-1
36	Valora	Ex SMI Expanded	Consumer Services	67	20	16	22	9	64	3

37	ABB	SMI	Industrials	67	20	16	20	11	67	0
38	Luzerner Kantonalbank	Ex SMI Expanded	Financials	67	21	15	18	13	70	-3
39	DKSH	Ex SMI Expanded	Industrials	67	23	13	21	10	60	7
40	Novartis	SMI	Health Care	67	19	10	26	12	62	5
41	Forbo	Ex SMI Expanded	Industrials	66	21	20	16	9	67	-1
42	Bergb. Engelberg-Tittlis	Ex SMI Expanded	Consumer Services	66	23	18	14	11	67	-1
43	APG	Ex SMI Expanded	Consumer Services	66	21	18	17	10	72	-6
44	Mikron	Ex SMI Expanded	Industrials	66	21	18	16	11	67	-1
45	Logitech	SMI Mid	Technology	66	17	17	23	9	63	3
46	Kardex	Ex SMI Expanded	Industrials	66	22	16	18	10	69	-3
47	Zur Rose	Ex SMI Expanded	Consumer Services	66	21	16	19	10	63	3
48	VAT Group	SMI Mid	Industrials	66	21	14	16	15	67	-1
49	HIAG Immobilien	Ex SMI Expanded	Financials	65	19	22	17	7	69	-4
50	Kühne + Nagel	SMI Mid	Industrials	65	19	20	19	7	65	0
51	Coltene	Ex SMI Expanded	Health Care	65	23	17	13	12	69	-4
52	Temenos	SMI Mid	Technology	65	18	17	22	8	66	-1
53	Calida	Ex SMI Expanded	Consumer Goods	65	22	15	21	7	65	0
54	Cembra Money Bank	Ex SMI Expanded	Financials	65	18	14	25	8	69	-4
55	Bachem	Ex SMI Expanded	Health Care	65	23	11	18	13	62	3
56	Burckhardt Compression	Ex SMI Expanded	Industrials	65	19	10	23	13	66	-1
57	OC Oerlikon	SMI Mid	Industrials	64	20	13	19	12	58	6
58	Emmi	Ex SMI Expanded	Consumer Goods	63	21	19	15	8	65	-2
59	Barry Callebaut	SMI Mid	Consumer Goods	63	19	19	18	7	64	-1
60	Swissquote	Ex SMI Expanded	Financials	63	21	17	17	8	70	-7
61	St.Galler Kantonalbank	Ex SMI Expanded	Financials	63	21	16	18	8	63	0
62	Credit Suisse	SMI	Financials	63	15	16	24	8	61	2
63	BCV	Ex SMI Expanded	Financials	63	22	15	18	8	61	2
64	Bucher	Ex SMI Expanded	Industrials	63	20	15	17	11	65	-2
65	Investis	Ex SMI Expanded	Financials	63	22	14	15	12	70	-7
66	Siegfried	Ex SMI Expanded	Health Care	63	18	14	22	9	64	-1
67	SFS	Ex SMI Expanded	Industrials	63	22	12	18	11	64	-1
68	Arbonia	Ex SMI Expanded	Industrials	62	22	18	13	9	69	-7
69	Cham Group	Ex SMI Expanded	Financials	62	22	16	13	11	65	-3
70	Flughafen Zürich	SMI Mid	Industrials	62	19	11	18	14	62	0
71	Romande Energie	Ex SMI Expanded	Utilities	61	22	19	12	8	63	-2
72	Roche	SMI	Health Care	61	13	19	21	8	58	3
73	Huber+Suhner	Ex SMI Expanded	Technology	61	21	14	16	10	67	-6
74	u-blox	Ex SMI Expanded	Technology	61	17	14	21	9	60	1
75	Swiss Life	SMI	Financials	61	13	14	21	13	59	2
76	Bell	Ex SMI Expanded	Consumer Goods	61	20	13	18	10	65	-4
77	JungfrauBahn	Ex SMI Expanded	Consumer Services	61	21	11	14	15	66	-5
78	Nestlé	SMI	Consumer Goods	61	18	11	22	10	59	2
79	Dufry	SMI Mid	Consumer Services	60	19	17	18	6	55	5

80	Tecan	Ex SMI Expanded	Health Care	60	19	16	19	6	61	-1
81	Schmolz+Bickenbach	Ex SMI Expanded	Basic Materials	60	18	16	17	9	62	-2
82	Meyer Burger	Ex SMI Expanded	Industrials	60	16	14	21	9	63	-3
83	EMS-Chemie	SMI Mid	Basic Materials	60	20	13	19	8	60	0
84	Helvetia	SMI Mid	Financials	60	18	11	19	12	55	5
85	Galenica	Ex SMI Expanded	Consumer Services	60	15	10	21	14	55	5
86	Walliser Kantonalbank	Ex SMI Expanded	Financials	59	23	18	9	9	neu	
87	LEM	Ex SMI Expanded	Industrials	59	23	14	17	5	60	-1
88	Hypo Lenzburg	Ex SMI Expanded	Financials	59	17	13	15	14	60	-1
89	SIG Combibloc	Ex SMI Expanded	Industrials	59	17	10	22	10	neu	
90	Allreal	Ex SMI Expanded	Financials	58	18	17	13	10	63	-5
91	Evolva	Ex SMI Expanded	Health Care	58	17	16	14	11	65	-7
92	Tamedia	Ex SMI Expanded	Consumer Services	58	22	15	15	6	63	-5
93	Feintool	Ex SMI Expanded	Industrials	58	21	15	11	11	61	-3
94	Sulzer	Ex SMI Expanded	Industrials	58	19	15	17	7	59	-1
95	Crealogix	Ex SMI Expanded	Technology	58	19	15	14	10	neu	
96	Idorsia	Ex SMI Expanded	Health Care	58	16	15	21	6	59	-1
97	Mobimo	Ex SMI Expanded	Financials	58	18	14	15	11	64	-6
98	Rieter	Ex SMI Expanded	Industrials	58	21	13	13	11	59	-1
99	Transocean	Ex SMI Expanded	Oil & Gas	57	17	15	17	8	52	5
100	Leonteq	Ex SMI Expanded	Financials	57	20	14	17	6	60	-3
101	Bellevue	Ex SMI Expanded	Financials	57	22	13	17	5	56	1
102	BB Biotech	SMI Mid	Health Care	57	19	13	18	7	67	-10
103	Interroll	Ex SMI Expanded	Industrials	57	21	11	17	8	53	4
104	CPH Chemie + Papier	Ex SMI Expanded	Basic Materials	57	22	9	19	7	62	-5
105	Fundamenta Real Estate	Ex SMI Expanded	Financials	56	22	16	10	8	neu	
106	Bossard	Ex SMI Expanded	Industrials	56	13	16	18	9	57	-1
107	Aryzta	SMI Mid	Consumer Goods	56	16	15	15	10	58	-2
108	Autoneum	Ex SMI Expanded	Consumer Goods	56	21	13	12	10	61	-5
109	Intershop	Ex SMI Expanded	Financials	56	20	13	11	12	56	0
110	Glarner Kantonalbank	Ex SMI Expanded	Financials	56	18	13	16	9	59	-3
111	Vontobel	Ex SMI Expanded	Financials	56	17	13	19	7	59	-3
112	Orascom	Ex SMI Expanded	Financials	55	17	18	10	10	60	-5
113	Dätwyler	Ex SMI Expanded	Industrials	55	13	17	15	10	57	-2
114	Poenina	Ex SMI Expanded	Industrials	55	21	16	11	7	62	-7
115	Züblin Immobilien	Ex SMI Expanded	Financials	55	17	16	13	9	58	-3
116	Private Equity Holding	Ex SMI Expanded	Financials	55	16	14	9	16	54	1
117	IVF Hartmann	Ex SMI Expanded	Health Care	55	20	12	17	6	58	-3
118	HOCHDORF	Ex SMI Expanded	Consumer Goods	55	16	12	14	13	65	-10
119	BKW	Ex SMI Expanded	Utilities	55	20	11	15	9	60	-5
120	Bâloise	SMI Mid	Financials	55	15	10	16	14	60	-5
121	Berner Kantonalbank	Ex SMI Expanded	Financials	55	20	8	16	11	59	-4
122	Partners Group	SMI Mid	Financials	55	19	8	20	8	53	2

123	Peach Property Group	Ex SMI Expanded	Financials	54	14	19	14	7	51	3
124	Edisun	Ex SMI Expanded	Utilities	54	17	16	12	9	58	-4
125	dormakaba	SMI Mid	Industrials	54	16	14	15	9	53	1
126	Molecular Partners	Ex SMI Expanded	Health Care	54	16	14	14	10	58	-4
127	Adval Tech	Ex SMI Expanded	Industrials	54	19	12	10	13	55	-1
128	HBM Healthcare	Ex SMI Expanded	Financials	54	20	11	13	10	58	-4
129	Belimo	Ex SMI Expanded	Industrials	54	22	10	14	8	63	-9
130	Bobst	Ex SMI Expanded	Industrials	54	20	10	16	8	58	-4
131	Zuger Kantonalbank	Ex SMI Expanded	Financials	53	12	15	16	10	54	-1
132	Cicor	Ex SMI Expanded	Industrials	53	17	13	14	9	57	-4
133	Zehnder	Ex SMI Expanded	Industrials	53	12	13	14	14	54	-1
134	Schlatter	Ex SMI Expanded	Industrials	53	22	12	11	8	56	-3
135	Panalpina	Ex SMI Expanded	Industrials	53	18	12	15	8	55	-2
136	Ypsomed	Ex SMI Expanded	Health Care	53	21	9	13	10	60	-7
137	Klingelberg	Ex SMI Expanded	Industrials	53	17	9	18	9	neu	
138	Sensirion	Ex SMI Expanded	Industrials	53	17	8	17	11	neu	
139	Richemont	SMI	Consumer Goods	52	11	19	17	5	54	-2
140	Tornos	Ex SMI Expanded	Industrials	52	24	16	7	5	57	-5
141	Vaudoise Assurances	Ex SMI Expanded	Financials	52	15	16	16	5	49	3
142	MCH Group	Ex SMI Expanded	Industrials	52	18	14	12	8	55	-3
143	Dotikon ES	Ex SMI Expanded	Basic Materials	52	23	13	5	11	52	0
144	Medartis	Ex SMI Expanded	Health Care	52	20	9	15	8	neu	
145	Aevis Victoria	Ex SMI Expanded	Health Care	51	14	18	11	8	53	-2
146	EFG International	Ex SMI Expanded	Financials	51	11	16	17	7	55	-4
147	Wartek Invest	Ex SMI Expanded	Financials	51	18	15	11	7	59	-8
148	Polyphor	Ex SMI Expanded	Health Care	51	18	14	11	8	neu	
149	Energiedienst	Ex SMI Expanded	Utilities	51	19	12	12	8	56	-5
150	Basilea	Ex SMI Expanded	Health Care	50	13	17	18	2	52	-2
151	Valartis Group	Ex SMI Expanded	Financials	50	20	14	8	8	54	-4
152	Metall Zug	Ex SMI Expanded	Consumer Goods	50	15	11	20	4	47	3
153	ALSO	Ex SMI Expanded	Technology	49	20	13	12	4	53	-4
154	Leclanché	Ex SMI Expanded	Consumer Goods	49	13	13	18	5	50	-1
155	Meier Tobler	Ex SMI Expanded	Industrials	49	21	11	9	8	56	-7
156	Santhera Pharmaceuticals	Ex SMI Expanded	Health Care	48	14	14	14	6	46	2
157	Gurit	Ex SMI Expanded	Basic Materials	48	12	13	14	9	51	-3
158	Conzzeta	Ex SMI Expanded	Industrials	48	13	9	17	9	52	-4
159	Vetropack	Ex SMI Expanded	Industrials	47	12	14	14	7	51	-4
160	Swatch Group	SMI	Consumer Goods	47	10	13	19	5	48	-1
161	Phoenix Mecano	Ex SMI Expanded	Industrials	47	13	12	15	7	51	-4
162	Alpiq	Ex SMI Expanded	Utilities	46	20	14	8	4	50	-4
163	Zug Estates	Ex SMI Expanded	Financials	46	14	12	14	6	52	-6
164	Plazza	Ex SMI Expanded	Financials	46	13	12	13	8	49	-3
165	Schweiter Technologys	Ex SMI Expanded	Industrials	46	14	11	14	7	54	-8

166	Kudelski	Ex SMI Expanded	Technology	44	9	17	13	5	44	0
167	Carlo Gavazzi	Ex SMI Expanded	Industrials	44	9	15	13	7	48	-4
168	Von Roll	Ex SMI Expanded	Industrials	43	9	14	11	9	40	3
169	Lindt & Sprüngli	SMI Mid	Consumer Goods	41	12	9	15	5	44	-3
170	Schindler	SMI Mid	Industrials	41	14	6	15	6	38	3
171	Spice Private Equity	Ex SMI Expanded	Financials	39	13	12	10	4	44	-5
172	WISeKey	Ex SMI Expanded	Technology	34	2	12	14	6	34	0
173	Tradition	Ex SMI Expanded	Financials	33	7	13	9	4	32	1
174	Pargesa	Ex SMI Expanded	Financials	31	8	10	11	2	31	0

*If two companies have the same score, the company with the better score in the «Shareholders' rights» category, followed by «Shareholders and capital structure» and «Composition Board of Directors/management and information policy» is better classified.

Score distribution 2019

(Mean: 59.2 / Median: 59.0)

