

PUBLICATION

# **SME Sustainability Guidebook**

Driving sustainability in four steps



**Global Compact**  
Network  
Switzerland & Liechtenstein

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# Disclaimer & Acknowledgments

## Disclaimer

The inclusion of company examples is intended strictly for learning purposes and does not constitute an endorsement of the individual companies. Unless otherwise indicated, the content is not intended to reflect the official positions, views or opinions of the UN Global Compact Network Switzerland and Liechtenstein (GCNSL) or the State Secretariat for Economic Affairs (SECO). The case studies do not make any assessment of whether the companies presented fully align with the Ten Principles of the United Nations Global Compact (UNGCG). The aim is rather to demonstrate the feasibility of sustainability management and to offer small and medium-sized enterprises (SMEs) suggestions for their own implementation.

## Acknowledgments

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Finally, we thank all colleagues who shared feedback and suggestions during the development process. Your input has been instrumental in making this guidebook a practical and meaningful tool.

## Imprint

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# Foreword



In business, some principles come and go, but sustainability is far more than a passing trend. For successful Swiss and Liechtenstein companies, it has always been a core value that shapes long-term success. As an entrepreneur, you know that true sustainability is possible only with a business model that creates value for both society and the environment. Building on this foundation, today's business landscape offers more opportunities than ever to take a targeted and holistic approach to sustainability.

Through its products, GWF has a significant impact on conserving valuable resources. It is of great importance for us to integrate sustainability into all our activities. As an SME, this poses a major challenge.

Therefore, we take pride in being part of the UN Global Compact, which enables us to tackle this challenge collectively with other SMEs and support fellow entrepreneurs on their path to sustainability. In the past years, the UN Global Compact has guided GWF on how to integrate relevant SDGs into our core business and set science-based climate targets.

This guidebook offers a framework and the most effective tools to help you turn commitment into action and grow your business responsibly into the future.



**Florian Strasser | CEO at GWF AG | Board Member at UN Global Compact Network Switzerland & Liechtenstein**

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Sustainability is a promise—one we make to our employees, customers, partners, society, and, not least, to future generations. Since the UN Global Compact was launched in 2000, its Ten Principles have served as a framework for responsible business conduct. Even back then, many small and medium-sized enterprises (SMEs) naturally operated with fairness, environmental awareness and a strong commitment to their communities—values that continue to shape our economy today.

However, today's reality is more complex. The climate crisis is intensifying, global social inequality is rising, legal requirements are tightening, customer expectations are growing, and global market pressures are increasing. These challenges demand more from us than ever before. This is precisely why we need entrepreneurs who are ready to lead—who see sustainability not as a burden, but as an opportunity.

This SME Guidebook is designed to support you on your journey toward sustainable business. Grounded in the Ten Principles of the UN Global Compact, it offers concrete, strategic, and practical guidance for day-to-day implementation. Because sustainability is not achieved through lofty promises, but through many smart, responsible decisions—made consistently, every day.



On behalf of the UN Global Compact Network Switzerland & Liechtenstein, I thank you for your commitment and your willingness to actively contribute to a more responsible economy. With your leadership, Swiss and Liechtenstein SMEs will continue to stand for quality, reliability, and sustainable success.

May you gain inspiration, energy and many rewarding moments on this journey.

**Alice Harbach-Forel | Head of Programmes at UN Global Compact Network Switzerland & Liechtenstein**

# Executive Summary

Sustainability is not just for big corporations: It is a business opportunity and resilience catalyst for SMEs. This guidebook shows how SMEs can integrate sustainability into their core business in ways that make sense financially and strategically. With practical business cases from Swiss SMEs, tools and templates, it helps SMEs start small, scale quickly, and turn sustainability into a competitive advantage. When executed effectively, it builds trust, opens new markets and future-proofs the business.

## Why sustainability matters for SMEs

- **Competitive edge:** Customers and partners increasingly prefer sustainable suppliers.
- **Stay compliant:** Regulations are increasing; even indirect compliance (through requests from customers that are affected by the respective regulations) is important.
- **Build your brand and attract talent:** Sustainability profile appeals to customers and employees alike.
- **Save costs and boost efficiency:** Benefit from reduced energy use, increased employee satisfaction and retention, and greater efficiency.
- **Unlock new markets:** Meet the growing demand for sustainable products and services.
- **Evolving environment:** Strengthen resilience across the value chain.
- **Innovation:** Sustainability drives the business model and product development innovation.

## Driving sustainability in four steps

### 1 Map your sustainability priorities

- Define your business purpose (the main drivers of your success).
- Map your value chain (from raw materials to disposal).
- Conduct a double materiality assessment: Identify risks & opportunities for your business & the positive/negative impacts that you have on society/the environment.
- Engage on the findings with stakeholders.
- Derive 3-5 top-priority topics.

#### Goal



Focus your efforts on the most important topics for your business and stakeholders

### 2 Define your sustainability strategy

- Estimate the business value potential (cost savings, new revenue, risk reduction).
- Set SMART (Specific, Measurable, Ambitious, Realistic, Time-bound) targets.
- Create an action plan for each target (who does what, when, & with what resources).
- Establish governance (assign responsibilities and create simple coordination rules).

#### Goal



Turn priorities into a clear, realistic, and measurable plan.

### 3 Integrate actions and interventions

- Engage all relevant departments early (procurement, HR, operations, marketing).
- Communicate the "why" and benefits to staff and partners.
- Adjust company policies (e.g., procurement standards, energy use, travel).
- Pilot new initiatives, learn from quick wins, and scale successful ones.

#### Goal



Embed sustainability into day-to-day operations and decisions.

### 4 Reporting and communications

- Collect data for your chosen key performance indicators (KPIs).
- Prepare an annual Communication on Progress (CoP), the UN Global Compact's accountability mechanism.
- Share results internally and externally (website, proposals, customer briefings).
- Consider external verification for added credibility.
- Iterate: Use feedback to refine your strategy and set new goals.

#### Goal



Show progress, build trust, and use results to grow your business.

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HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

## 1.1. The UN Global Compact Network: Commitment, principles and opportunities

The UN Global Compact Network Switzerland & Liechtenstein (GCNSL) is a business association and the official platform of the New York-based United Nations Global Compact. Its ambition is to accelerate and scale the global collective impact of the private sector by upholding the [Ten Principles of the UN Global Compact](#) and advancing the [Sustainable Development Goals \(SDGs\)](#) through ambitious, accountable companies. With more than 25'000 participants based in more than 160 countries, the UN Global Compact is the world's largest corporate sustainability initiative—uniting business for a better world.

The [GCNSL](#) offers participants a broad range of events, networking and guidance so that they can commit, assess, define, implement, measure and communicate sustainability efforts and responsible business practices.

### Leadership commitment and principles

Sustainability for SMEs starts with the value system and a principles-based approach to doing business. This requires [leadership commitment](#) to operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and along their entire value chain. The Ten Principles of the UN Global Compact can be found on the right.

It is important to acknowledge that good practices in one area do not offset harm in another. By incorporating the Ten Principles into strategies, policies and procedures, you are establishing a culture of integrity, and are setting the stage for long-term success. Enroll in this [Academy course](#) and take six actionable steps to embed the Ten Principles into your strategy and operations—even with limited time and resources. Our [Transformational Governance Tool](#) and our [framework for transformational governance](#) provides SMEs with guidance on strengthening business culture, ethics and performance.



To learn more about how to join and commit to the Ten Principles of the UN Global Compact, please visit [our website](#).

### The Ten Principles of the United Nations Global Compact

#### HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.

#### LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery

## Navigating Regulation as an SME

Navigating the evolving landscape of sustainability reporting and regulations can be complex and overwhelming. Beyond legal compliance, many investors, customers and society at large expect clear, credible ESG (Environmental, Social, and Governance) and sustainability disclosures, influencing buying decisions and trust.

SMEs that proactively embrace sustainability not only mitigate risks but also increase competitive advantages, attract responsible investments, and strengthen their market position. By turning compliance into an opportunity, businesses can drive long-term value and resilience.

As the regulatory landscape is continuously shifting, the GCNSL supports businesses by offering guidance through different formats and tools to understand and comply with national and international regulations. You can explore our latest resources on regulations on our [website](#). In addition, participants of the UNGC receive quarterly briefings on regulatory trends. Furthermore, our [ESG Regulations Navigator](#) helps you to quickly understand key requirements, applicability, and deadlines of current ESG regulations that may impact your business.



### Further tools & resources

- [Transformational Governance Tool](#): to engage with and apply the principles of transformational governance
- [ESG Regulations Navigator](#): Understand legal requirements
- [On-Demand Course](#): Future proofing your small and medium-sized enterprise

## Identifying opportunities with the Sustainable Development Goals (SDGs)

Once they have [committed to the UNGC Ten Principles](#) and steps towards integration have been initiated, SMEs can move on to Chapter 3.1. and map their sustainability priorities, for example according to the Sustainable Development Goals (SDGs) or other frameworks. As a global goals system, the SDGs provide a common language and a compass for the challenges of the 21st century (Chapter 1.2.). You can learn more about the SDGs [here](#). By developing and delivering innovative solutions to achieving the SDGs, companies will discover long-term growth opportunities and lower their risk profiles. Companies can use the SDGs as an overarching framework to shape, steer, communicate and report their strategies, goals and activities, allowing them to capitalize on a range of benefits (Chapter 3).

## SUSTAINABLE DEVELOPMENT GOALS



# 1.2.The 2030 Agenda as a framework for sustainable business practices in SMEs

*Author: Fabrice Burri, Senior Advisor, Sustainable Development Section, Federal Office for Spatial Development (ARE)*

The 2030 Agenda, with its 17 sustainable development goals, is a global roadmap for sustainable development that requires joint action by politicians, civil society, and the private sector.

Small and medium-sized enterprises (SMEs) play a key role in this, as they have a significant impact on value creation, employment, and innovation. Adopted in 2015 by 193 UN member states, the 2030 Agenda aims, among other things, to eradicate poverty, provide access to sustainable energy, and promote responsible consumption and production patterns.

Despite progress in health, energy access, social protection, and education, in 2025 only 35% of the 169 targets are on track; almost half are progressing too slowly, and 18% are regressing. This is due to—among other things—economic structures that do not take sustainability sufficiently into account. The Federal Government's [Strategy for Sustainable Development 2030](#) emphasizes the central role of companies in fulfilling their responsibilities in accordance with international standards.

## **SMEs as drivers of sustainable development**

Consumers, employees, and investors have growing expectations when it comes to sustainability. Sustainable business practices open up opportunities in this regard, including lowering energy and raw material costs, opening up new markets, and increasing the appeal to skilled workers. Targeted measures in the areas of modern corporate culture, equal pay, and a better work-life balance are suitable for the latter. Promoting sustainable supply chains with fair working conditions and environmental protection, for example, is a goal of SDG 12 (sustainable consumption and production). Finally, investments in research and development can drive innovation that also reduces poverty or promotes education and health.

## **Targeted support from the ARE toolbox**

Many SMEs lack resources, strategies, or a firm commitment to sustainability. What is needed are industry-specific goals, concrete measures and suitable instruments. This is where the [Toolbox Agenda 2030 for Companies](#) developed by the Federal Office for Spatial Development (ARE) comes in. It bundles existing tools and offers guidance, general and industry-specific goals, practical examples, relevant standards, and support and financing programs.

## **Working together for a sustainable future**

Successful implementation of the 2030 Agenda requires cooperation among all stakeholders. Through innovation, resource efficiency, and responsible business practices, companies can not only support the implementation of the 2030 Agenda, but also secure their long-term competitiveness. Switzerland has the potential to play a pioneering role. SDG 17 emphasizes that pooling resources and strengthening global partnerships are crucial for a sustainable economy.

# 1.3. Switzerland's CSR policy and government support measures for SMEs

Author: Alex Kunze, National Contact Point NCP for Responsible Business Conduct, State Secretariat for Economic Affairs (SECO)

The Federal Council pursues a comprehensive policy of corporate social responsibility (CSR)<sup>1</sup> that supports effective corporate commitment to sustainable development. The federal government plays an important role in creating framework conditions (e.g., binding legal requirements) and developing internationally coordinated standards (e.g., those of the OECD and the UN). It also supports and promotes the implementation of CSR by companies through practical instruments, e.g., for [carrying out due diligence](#). The Federal Council expects Swiss companies to comply with national regulations and internationally agreed CSR standards, regardless of where they operate. These include the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines) and the UN Guiding Principles on Business and Human Rights.

A key instrument for supporting SMEs is the federal [CSR portal](#). It serves as a virtual one-stop shop for companies seeking information on CSR requirements. The portal offers:

- Practical guidelines and information on events and current developments (e.g., federal media releases).
- Information on industry- and topic-specific tools (e.g., on corruption prevention, business and human rights, and the circular economy).
- Access to digital tools such as the [CSR Risk Check](#), which helps companies identify CSR risks for 400 products in more than 250 countries and territories, and the [Agenda 2030 Toolbox](#), which supports companies in implementing the United Nations Sustainable Development Goals.
- Information on regulatory developments, particularly in the EU (e.g., CSRD, CSDDD) and on Swiss legislation in the area of sustainability.

The [National Contact Point](#) (NCP) for responsible business conduct, which is based at SECO, is an important point of contact for companies, including SMEs and other stakeholders. It promotes the implementation of the OECD Guidelines and the OECD due diligence instruments in Switzerland, provides guidance to companies on human rights and environmental due diligence, and mediates conflicts between companies and their stakeholders. The NCP is accessible free of charge and supports companies in fulfilling their sustainability responsibilities in line with international standards.

Through targeted cooperation with associations, platforms and international organizations—such as the UN Global Compact Network Switzerland and Liechtenstein—the impact of CSR policy is strengthened and tailored to the needs of SMEs.

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<sup>1</sup> The Federal Council uses different terms such as Responsible Business Conduct (RBC), CSR, and Corporate Sustainability synonymously.

# The Business Case for Long-Term Value Creation

An SME's activities can have various impacts on the environment and society, both positively and negatively. For instance, an SME may emit greenhouse gases in its production process, which represents a negative environmental impact. Examples of positive impact are the employment opportunities that an SME provides, or positive health benefits of a product. There are various reasons for SMEs to actively manage their environmental and social impacts and integrate sustainability into their core business. Doing so is not only beneficial for the environment and society, but it also provides various benefits for SMEs. These benefits include, for example, increasing the company's competitiveness, compliance, positive reputation, talent attraction and retention, access to sustainable capital, improved efficiency and access to new markets.

## Competitive advantage

Integrating sustainability into the core business can provide a competitive advantage. For example, an increasing number of companies are committed to reducing their emissions to net zero by 2050 or earlier. To achieve their net zero targets, these companies not only need to decrease emissions from their own operations, but also from their external value chain. Therefore, these companies need emissions data from their suppliers and they are paying greater attention to their suppliers' emissions. Thus, they may consider their suppliers' emission profiles in their purchasing decisions. Offering high-quality emission data and products with a low emission profile provides a competitive advantage more and more often, as suppliers can actively contribute to the achievement of their customers' net zero commitments.

## Compliance

The number of sustainability-related regulations has been increasing substantially in the past years. For instance, in the European Union, the Corporate Sustainability Reporting Directive (CSRD) requires companies to publish a comprehensive report. In Switzerland, the amended Code of Obligations, for instance, requires companies to report on several sustainability matters. Although many Swiss SMEs are not directly affected by sustainability-related reporting regulations, they may still be impacted indirectly. An example of a regulation which potentially affects SMEs indirectly is the Corporate Sustainability Due Diligence Directive (CSRDD) in the European Union. This Directive requires companies to introduce comprehensive environmental and human rights due diligence processes along their supply chains. Companies affected by these regulations may require their suppliers to document their compliance with environmental and social standards.

## Efficiencies

Sustainability-related efforts have the potential to reduce operational costs for SMEs. For instance, reducing energy consumption not only allows a company to decrease its emissions, but also provides significant opportunities for cost savings. While increasing energy efficiency typically requires an upfront investment, it can significantly reduce operating costs, and can therefore pay off in the mid- to long-term.<sup>2</sup> Thus, investing in energy efficiency, for example, may have a direct positive financial impact for an SME. Similarly, designing products in a way that requires fewer input materials provides both environmental and financial benefits. On the one hand, an SME can reduce its purchasing costs, as it needs to source fewer materials. On the other hand, the amount of waste during the life cycle of a product decreases if a product requires less input materials.

<sup>2</sup> Solar Impulse Foundation / European Investment Bank. (n.d.). How SMEs can benefit from efficiency as a service to boost profits and cut emissions. <https://www.eib.org/en/stories/servitisation-energy-efficiency-sme>

## Reputation and talent attraction and retention

Public scrutiny on corporate sustainability practices is on the rise. Therefore, managing sustainability seamlessly can have a positive impact on a business's reputation. An improved reputation, in turn, can improve the brand value of a business. Conversely, sustainability-related scandals can significantly harm a business's image. According to the Financial Times (2023), sustainability-related factors impact an average of three percent of the brand value of a company.

Sustainability-related factors can also have a significant influence on talent attraction and retention. Given the current shortage of skilled workers in Switzerland (UZH, 2024)<sup>3</sup>, sustainability can be an important factor to attract and retain talented workers. Young generations in particular are paying closer attention to sustainability-related factors when selecting their employers. For instance, in a recent survey among representatives of Generation Z<sup>4</sup> in Switzerland, 44% indicated that they consider the sustainability performance of a company when selecting their employers.<sup>5</sup>

## Innovation and new market opportunities

Sustainability represents an important opportunity for SMEs to unlock new market opportunities. For instance, a recent study by Deloitte concluded that around two-thirds of consumers in Switzerland believe that companies should contribute to the country's sustainability efforts.<sup>6</sup> According to a study by PwC, 40% of consumers responded that they are willing to accept higher prices for sustainable products.<sup>7</sup> Thus, there are significant market opportunities to serve this demand for sustainable products, particularly among millennials.

Additionally, sustainability represents an important driver for innovation. For instance, the start-up Too Good to Go introduced a business model innovation based on sustainability. They created an app on which companies in the food industry can offer food products at a reduced price after normal business hours. In doing so, this start-up unlocked a whole new market and, at the same time, contributes to Switzerland's efforts to reduce food waste. According to the company, Too Good to Go has already helped to sell 21.3 million meals that would have otherwise potentially been disposed of. While these business cases benefit SMEs in particular, there are various other benefits for companies when integrating sustainability into core business processes that may be less relevant for SMEs. For instance, a company may benefit from better access to capital markets, as investors may consider sustainability factors for their investment decisions.

<sup>3</sup> Universität Zürich; Adecco Group Switzerland. (2024). Fachkräftemangel-Index Schweiz, Stellenmarkt-Monitor Schweiz. <https://www.stellenmarktmonitor.uzh.ch/de/indices/fachkraeftemangel.html>

<sup>4</sup> The generation loosely defined as people born around 1997 to 2012.

<sup>5</sup> NEOISO AG. (2021). Closing the gap between generations. NEOISO. <https://www.neoviso.ch/stories/nachhaltigkeit-und-die-gen-z>

<sup>6</sup> Deloitte Switzerland. (2024). 'Pulse of Switzerland': Swiss public calls on companies, the state and consumers to work harder to improve sustainability. Deloitte Switzerland. <https://www.deloitte.com/ch/de/about/press-room/swiss-public-calls-on-companies-the-state-and-consumers-to-work-harder-to-improve-sustainability.html>

<sup>7</sup> Strategy& (PwC). (2024). Feeding a growing Switzerland. Strategy&. <https://www.strategyand.pwc.com/ch/en/industries/consumer-markets/feeding-a-growing-switzerland.html>

# BATHCO

## Turning by-products into a blueprint for sustainable profitability

### Who is Bathco?

Bathco is a global leader in providing solutions for energy transition metals and minerals, with a distinct focus on aluminium and its raw materials. It engages in trading and upcycling these essential resources, supporting a circular economy, and supplying the necessary raw materials to key industries.

Bathco AG's journey began not with a grand vision of sustainability, but with a sharp eye for opportunity. Founded in 2008, Bathco started by upcycling bath materials, a by-product of aluminium smelting, transforming what was once considered waste into valuable resources. This business decision was initially driven by market demand and the potential for new revenue streams, rather than sustainability alone.

### Green metal business: Creating shared value

As the company matured, Bathco recognized the strategic importance of positioning itself as a sustainable provider. A few years ago, they executed their first green aluminium transaction—aluminium produced using renewable electricity—setting the course to become a global leader in low-carbon, sustainably produced aluminium under strict emissions thresholds.

Its model is designed to deliver “win-win-win” outcomes: Stakeholders benefit from new value creation, partners gain access to green markets, and the environment benefits from reduced waste and emissions. This evolution shows that sustainability and profitability are not mutually exclusive, but inherently linked.

“

**“We are not waiting for the transition. We are building it: Closing loops in Aluminium, scaling Green Aluminium trade, and making transparency standard, guided by the UN Global Compact.”**

Andreas Schwarz, CEO at BATHCO

### Technological innovation: Driving efficiency and impact

Innovation is at the heart of Bathco's strategy today. In partnership with MetSol, the technology arm within the Bathco Group, they are implementing APC+, a smart pot control system, at the Alucam Aluminium smelter in Cameroon. Fully financed by Bathco, the project aims to avoid up to 1 million tons of CO<sub>2</sub> emissions annually and enable the smelter to reach full capacity by the end of 2026. It also safeguards nearly 1'000 local jobs and strengthens regional economic and social resilience. By pairing hydroelectric power with cutting-edge efficiency technologies, Alucam is becoming a flagship example of green industrial transformation in Africa.

Bathco's evolution illustrates that integrating sustainability into business strategy is not just a responsibility, it is a powerful opportunity. From upcycling to green aluminium and advanced technologies, Bathco demonstrates that sustainable practices accelerate growth, reinforce leadership, and deliver lasting value for business and society. Sustainability and profitability are not trade-offs; together, they form the foundation of long-term success and global impact.

# 3

# Four Steps to Sustainable Business

Recognizing that a company's ability to integrate the Ten Principles of the UN Global Compact evolves over time and that there is no one-size-fits-all approach, the Global Compact Network Switzerland and Liechtenstein invites SMEs to follow an iterative and pragmatic process in four steps.<sup>8</sup>



The SME sustainability journey is inspired by multiple previous frameworks and publications.<sup>9</sup>

Once your SME commits to the UN Global Compact, your initial focus lies on steps 1 and 4: Identifying priorities and completing a first Communication on Progress (CoP). This helps to provide a good overview of your business model and associated impacts, risks and opportunities. These steps normally take around 6-12 months. Steps 2 and 3 can be started simultaneously or afterwards. While steps 1, 2 and 4 can be seen as reoccurring tasks with different cadences (yearly reporting or every four years for materiality), step 3 requires constant efforts throughout the year(s).

The following chapters describe each of the four steps with actionable resources and case studies from Swiss SMEs.

<sup>8</sup> The four steps are aligned with the internationally recognized six-step due diligence methodology from the OECD. You can learn more about these [here](#).

<sup>9</sup> United Nations Global Compact. (2010). Guide to Corporate Sustainability. United Nations Global Compact. <https://www.unglobalcompact.org/library/1151>

United Nations Global Compact Network UK. (2021). SDG Playbook for SMEs. United Nations Global Compact. <https://unglobalcompact.org/library/6152>

United Nations Global Compact, GRI, & WBCSD. (2015). SDG Compass: The guide for business action on the SDGs. United Nations Global Compact. <https://unglobalcompact.org/library/3101>

# 3.1. Mapping sustainability priorities

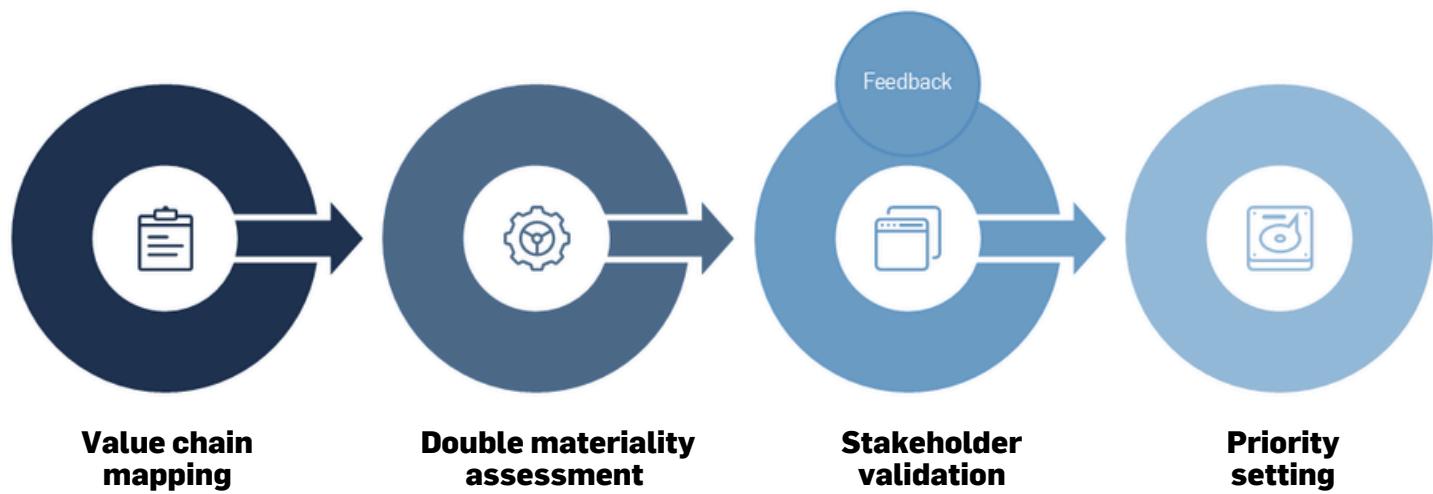


SMEs typically do not have unlimited resources to address sustainability challenges. This chapter helps you to identify where your efforts will have the greatest impact for your business and for society and the environment. By focusing on 3-5 key sustainability topics, you can maximize your return on investment while contributing meaningfully to global sustainability goals.

## Why map your impacts along your value chain?

- It shows the potential impacts, risks and opportunities for your business.
- Depending on your business model, biggest impacts, risks and opportunities might not lie within your direct operations but upstream (with your suppliers) or downstream (product use/disposal).
- A thoughtful value chain impact assessment can help you reduce risks and seize opportunities, enhance brand reputation, drive efficiency and allow you to access new markets (Chapter 2).

To define your sustainability priorities, four steps are suggested to SMEs: value chain mapping, double materiality assessment, stakeholder validation and priority setting.



### 3.1.1 Value chain mapping

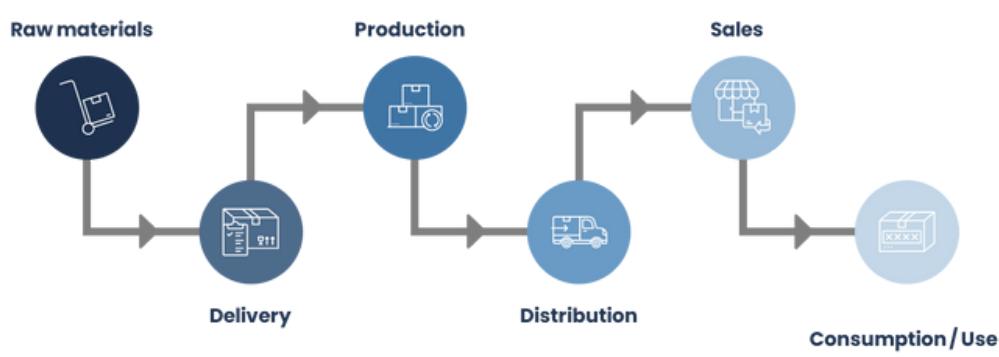
Not all sustainability topics will be equally material for your SME. Therefore, as a first step, conduct high-level mapping of your entire value chain. For a producing SME, the extended value chain may range from raw materials to product disposal. Some of the biggest sustainability impacts, risks and opportunities often lie upstream (with suppliers and subsuppliers) or downstream (product use and disposal). You can map your value chain following these three steps:

A) *Identify key components and processes:*

Raw material suppliers, manufacturing, logistics, warehousing, distribution, reusing and recycling, etc

B) *Visualize supply chain:*

Create a flowchart to map steps and connections (see sample chart on the right).



C) For each stage, create a list of key activities (product, services and internal processes) used:

Include (where possible) location (by country), industry and product. You can also add spend volumes to get an overview. It is normal to not know everything (yet) about each step. Blind spots can be examined as you progress on your sustainability journey. Please have a look at the table below as an example.

Value chain stage	Key activities	Country	Industry and product / service	Spend volumes	Sustainability topics
Raw materials	Material sourcing	Portugal	Agriculture, nuts	10,000 CHF	Child labour (risk), water (impact)
		Ghana	Mining, cobalt	10,000 CHF	Child labour (risk)
Manufacturing	Production processes	Switzerland	Production, assembly	Internal	CO2 emissions, water consumption (impact)
			Production, packaging	Internal	Plastic waste (impact)
Distribution	Transportation, storage	Switzerland	Logistics by car	Internal	CO2 emissions (impact)
Product use	Customer usage	Switzerland	To be examined	To be examined	Health benefits (opportunity)
End-of-life	Disposal, recycling	China	Waste management	To be examined	Circular economy (opportunity)

The [SDG Compass](#) can provide further guidance on the process of mapping your value chain.

### 3.1.2 Double materiality assessment

With your value chain in mind, a double materiality assessment will allow you to make informed decisions about where to focus your limited resources to find out where your investments can be used most effectively. Double materiality looks at sustainability from two perspectives: The outside-in (financial materiality) perspective determines which sustainability topic (risks or opportunities) are material because they affect your company's financial performance and long-term success. The inside-out (impact materiality) perspective identifies which sustainability topics (impacts) are material because your company's activities have positive or negative impacts on society and the environment.

For your double materiality assessment, you first identify which social, environmental and governance (ESG) topics are to be found in the value chain. For example, this can be done using a new column in the table above. You are now investigating at which stage of the value chain you expect specific positive and negative impacts, risks and opportunities to occur. Identify potentially relevant topics for each step in the value chain and rate their importance one by one. You can build on the [ESRS topic list](#) or the Global Reporting Initiative (GRI)<sup>10</sup> [Material Topics Guide](#) as a guidance for potentially material topics for detailed process guidance.



#### Tools to assess risks, impacts and opportunities in your supply chain

- [SME Compass](#) for supply chain management
- [CSR Risk Check](#) for product and material-specific risks and impacts
- [WISIT – WifOR Institute Sustainability Impact Tool - WifOR Institute](#) which combine spend data with country and industry risk databases

<sup>10</sup> The Global Reporting Initiative is an international independent standards organization that helps businesses, governments, and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption.

Secondly, participants of the UNGC can leverage the [Global Compact AI Materiality Tool](#) and its suggested process. The tool helps users identify key sustainability topics that are material to their business, industry, and value chain. By answering 17 questions, you receive a high-level double materiality assessment, suggesting a selection of the most important social, environmental, and governance topics. The tool also provides concrete action steps based on the double materiality assessment.



### For UNGC participants

Explore our [AI Materiality Tool](#) to identify key sustainability issues tailored to your business, industry, and value chain.

If you are working without the tool, you can conduct desk research and interviews to identify sustainability topics that are material for your business or industry. Based on your findings—either from the high-level scan with the help of the UNGC tool or desk research—you can create a matrix which ranks your key sustainability topics from low to high on two axes:

#### • Outside-in:

Opportunities and risks (y-axes) - Impact on your business (e.g., cost savings, risk reduction, growth opportunities, reputation risks, etc.)

Example	
+++	<ul style="list-style-type: none"> <li>▪ E1 – Climate Change</li> <li>▪ E2 – Pollution</li> <li>▪ E5 – Resource use and Circular Economy</li> <li>▪ S1 – Own workforce</li> </ul>
+	<ul style="list-style-type: none"> <li>▪ S2 – Workers in the value chain</li> <li>▪ S4 – Consumers and end-users</li> <li>▪ E3 Water and marine resources</li> <li>▪ E4 – Biodiversity and ecosystems</li> <li>▪ S3 – Affected communities</li> </ul>

#### Inside-out:

- Impact on society and environment (x-axes) - Positive or negative impact on society, the environment and other stakeholders (e.g., carbon emissions, water pollution, human rights impacts in the supply chain, waste, etc.)

Opportunities and risks (impacts on company)

Impacts on society and environment (impact of company)

### 3.1.3 Stakeholder validation

Consult your key stakeholders, such as customers, employees, suppliers, investors or community representatives, to validate your insights from the double materiality assessment. Ask them which sustainability topics your SME has the largest impact on and, conversely, which topics represent the largest risks and opportunities for your company. Consider using surveys or focus groups or leverage informal conversations. Compare and integrate your stakeholders' perspectives with your assessment from step 2.

### 3.1.4 Priority setting

Select the topics that appear in the top-right quadrant of your materiality matrix. These are the areas where your efforts will have the greatest impact. Each topic will typically fall into one of three categories:

**Opportunities** Topics that align with and strengthen your core business strategy and values. The most effective sustainability actions build on your competitive advantages rather than diverting from them.

**Risks** Topics that are most critical to your stakeholders or that pose significant risks to your business if not addressed.

**Impacts** Topics where your business activities have the greatest positive or negative effects on society and the environment.



# Implementation Checklist



## Immediate actions

- Conduct a value chain mapping session.  
.....
- Complete the Global Compact AI Materiality Tool assessment.  
.....
- Identify key internal and external stakeholders to engage.  
.....

## Short-term actions

- Refine and create the initial materiality matrix.  
.....
- Conduct an internal double materiality mapping workshop to validate the materiality matrix suggested by the tool.  
.....
- Review the matrix with external stakeholders through surveys or interviews.  
.....

## Medium-term actions

- Conduct a priority selection workshop to finalize the matrix.  
.....
- Document the final 3-5 sustainability priorities.  
.....
- Communicate material topics to key stakeholders.  
.....



With your sustainability priorities identified, you are ready to move to Chapter 3.2: Defining your sustainability strategy. Your priorities will become the foundation for setting specific targets and action plans.

**Remember:** This is an iterative process. Review and update your priorities regularly as your business evolves (organizational/operational structure) and new sustainability challenges emerge.

# CONTEXA

## Mapping priorities through double materiality: A strategic sustainability exercise

### Who is Contexa?

Contexa is the inventor of volumetric dosing for the fragrance and flavour (F&F) industry. It has been developing a unique dosing solution that meets F&F and Swiss quality standards for more than 25 years. Its devices are dedicated to both laboratories and industrial production. Its pioneering solution meets the simplification, flexibility and productivity requirements of tomorrow's industrial processes.

### Adopting the CSRD framework voluntarily

The creation of Contexa's first double materiality matrix marked a pivotal step in structuring its sustainability priorities with rigor and transparency. Although not directly subject to the Corporate Sustainability Reporting Directive (CSRD), Contexa chose to adopt its framework, recognizing it as the most comprehensive and widely accepted standard—especially among its CSRD-bound customers.

The initiative was launched following a strategic decision by top management to allocate a dedicated budget for a Geneva-based consultancy specializing in strategic sustainability advisory and responsible communications. The consultancy's guidance was instrumental throughout the process.



**"In our sector, precision and reliability are everything. Double materiality helps us apply that same rigor to sustainability—ensuring we build machines that not only perform, but also contribute to a more resilient future."**

Daniel Schüpbach, CEO at Contexa

### Engaging stakeholders through workshops and surveys

Contexa initiated a series of internal workshops to collaboratively map its value chain and identified 24 key sustainability topics, distributed across four pillars: Environment, Social, Governance, and Product. To complement this work, the company conducted an online survey targeting all stakeholders—including employees, customers, and supply chain partners—using a dedicated tool to ensure structured and reliable data collection. This approach provided valuable insights into which material topics should be prioritized.

### From IROs to the double materiality matrix

This foundational work led to the development of a comprehensive list of over one hundred IROs—Impacts, Risks, and Opportunities—relevant to Contexa's business. These IROs were then evaluated and weighed by internal specialists from different departments (such as HR, Supply Chain, Engineering) using a structured methodology, leading to the creation of our first Double Materiality matrix.



The resulting double materiality matrix provides a clear view of Contexta's sustainability priorities. While the six-month process was resource-intensive, it laid a solid foundation for informed decision-making and long-term value creation. Our next step will be the definition of our multi-year sustainability strategy.



## 3.2. Defining your sustainability strategy

In this phase, you develop your sustainability strategy. A successful sustainability strategy leverages your business expertise and is integrated into your business strategy. It helps you to reduce negative impacts, increase positive impacts, and manage risks and opportunities related to sustainability.

### Why define a sustainability strategy?

- Helps you prioritize your resources on the most material topics.
- Ensures that you have clear and credible targets that focus on your main impacts, risks and opportunities.
- Enables you to develop a clear plan on how to monitor and communicate your progress in achieving your targets.

#### 3.2.1 Business value

Your sustainability priorities (Chapter 3.1.) provide the basis for defining a credible and sustainable business strategy. As a first step of your sustainable business strategy, you should consider its business potential. Most commonly, sustainability topics impact the business positively through brand enhancement and trust, cost savings, risk and harm reduction, and increased sales (see Chapter 2). These aspects will benefit your internal business case to finance your investments in sustainability. Some sustainability topics might also lead to additional costs, but should also be prioritized if they are identified as a priority in Chapter 3.1. If you wish to learn more about how to build the business case, you can access our on-demand SME course [here](#) or follow this [guide](#).

Ideally, your sustainability strategy is integrated into your company vision and strategy. A link of this kind ensures that the strategy focuses on the sustainability priorities where your business has the largest impacts, and addresses the biggest risks and opportunities. Additionally, creating a clear link between your sustainability strategy and your purpose will help to convince your key stakeholders, as they may already be familiar with your vision and strategy.

#### 3.2.2 Targets

In a second step, you define sustainability targets that focus on your sustainability priorities. For instance, if climate is one of your main sustainability priorities, you define targets that focus on reducing your emissions, within your company boundaries (Scope 1 + 2), along your value chain (Scope 3) or both, depending on where your emissions mainly occur. Your sustainability targets should be SMART (specific, measurable, ambitious, realistic and time-bound).

It is important that you define a number of targets that are manageable for your organization so that you can focus your resources (budget and human resources) and capacities on those sustainability topics on which you have the greatest leverage. Over time, you can add more targets to your strategy if you see the need, or if new sustainability issues arise that are material to your company. The targets should measure outcomes, not just the implementation of measures (e.g., not replacing 300 LED bulbs, but reducing energy consumption for lighting by 30%).

When developing the time frame for your targets, ensure that it covers a reasonable time horizon, both in terms of outcome but also in terms of accountabilities.



Setting SMART targets <sup>11</sup>

<sup>11</sup> Harvard Law School. (n.d.). Financial Goal Setting: SMART Goal. Harvard Law School.

The Federal Council uses different terms such as Responsible Business Conduct (RBC), CSR, and Corporate Sustainability synonymously.

For instance, you may increase your impact if you define 5-year targets rather than focusing on a one-year time horizon only. Similarly, try to avoid setting targets that span a time horizon that exceeds the expected tenure of your employees and management. For instance, setting stand-alone targets for a time horizon of 30 years may dilute accountabilities, as most employees will no longer be working for your company at that time and therefore do not feel accountable. To address this issue and increase accountability, define mid-term targets. For instance, if you set a 10-year emissions reduction target, you can introduce a 5-year mid-term target on which the company can focus.

To provide more structure to your strategy, you can group the different targets into categories. For example, you can create a category of environmental targets, such as emission or waste targets, and a category of social targets, such as targets related to human rights or health and safety. In doing so, you ensure that your strategy does not appear to be a loose collection of unrelated targets.

With the [Forward Faster](#)<sup>12</sup> initiative, the UN Global Compact has developed predefined targets for businesses across five areas (gender equality, climate action, living wage, water resilience, finance & investment): These five areas of action have been selected because they have the power to accelerate progress across all 17 Sustainable Development Goals. Keep in mind that your targets should be defined based on materiality and defined priorities. Business leaders can use the [SDG Ambition Benchmarks](#) as a resource to define targets and action plans to deliver on the SDGs (see the graphic on the right).

<sup>12</sup> Access the Forward Faster guides: <https://unglobalcompact.org/library/6146>



## Tools to help you define your sustainability strategy

- [Business case for sustainability](#): A publication on building the business case for sustainability
- [Setting goals](#): SDG Ambition Guide
- [Forward Faster](#): Five action areas to accelerate progress across all SDGs
- [On-Demand Course](#): Developing a Sustainability Strategy

### SDG Ambition Benchmarks

SDG IMPACT	SCOPE				
	Primary	Additional	Operations	Products & Services	Value Chain
<b>5 GENDER EQUALITY</b> 	1, 4, 8, 10, 16		■		
<b>6 CLEAN WATER AND SANITATION</b> 	11, 12, 13, 14, 17		■	■	■
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	1, 2, 3, 4, 5, 10, 13		■		■
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	6, 9, 11, 13, 14, 15		■		
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	3, 6, 9, 11, 13, 15, 17		■		■
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	6, 9, 11, 13, 14, 15, 17		■	■	■
<b>13 CLIMATE ACTION</b> 	3, 9, 12, 14, 15		■	■	■
<b>14 LIFE BELOW WATER</b> 	6, 9, 11, 12, 13, 15, 17		■	■	■
<b>15 LIFE ON LAND</b> 	3, 6, 9, 12, 13		■	■	■
<b>16 PEACE JUSTICE AND STRONG INSTITUTIONS</b> 	cross-cutting		■	■	■

SDG Ambition Guide, p. 13

### 3.2.3 Action plan

Third, for your sustainability strategy to be credible, define clear action plans on how to achieve your targets. For instance, if you set Scope 1 and 2 emission reduction targets, you can develop a clear plan on how these targets can be achieved. This ideally includes investment plans, for example, for replacing a heating system. Make sure that when defining an investment plan of this kind, you also consider the economic benefits that may emerge from these investments. If you invest in energy efficiency to achieve your emission reduction targets, these investments potentially reduce your energy costs over the long-term.

### 3.2.4 Governance

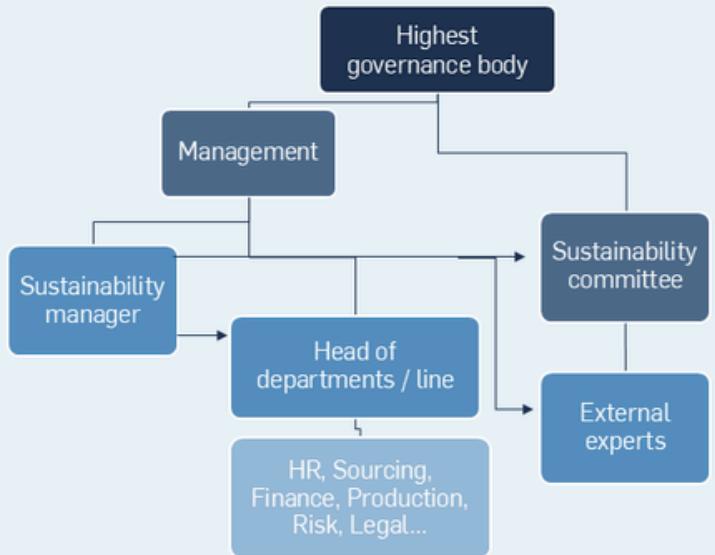
Finally, to ensure that you achieve your targets, it is important to have the right governance framework in place which clearly defines accountabilities for the achievement of your targets and sets basic rules. For example, the governance rules may define responsibilities at a specific site for the achievement of your targets. Good governance for SMEs helps align business with sustainability principles without creating unnecessary bureaucracy.

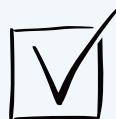
You can consider the following measures:

- Assign sustainability oversight, accountability and incentives to your leadership team.
- Designate specific team members responsible for implementation and controlling.
- Create simple coordination processes across departments (e.g., monthly check-ins).
- Establish channels to receive feedback from employees, customers, suppliers and other stakeholders (see Chapter 3.1.).
- Securing resource allocation and internal funding for action implementation and interventions.



#### Example





# Checklist to define your sustainability strategy



## Estimate business value

- Identify areas to save money through sustainability initiatives.
- Identify opportunities to generate new revenue streams and link sustainability directly to business outcomes.

## Set clear goals and metrics

- Define SMART goals (short, mid- and long-term).
- Establish financial KPIs (e.g., cost savings, ROI) and non-financial impact KPIs (e.g., reduced emissions, improved reputation).

## Action plan

- Define how to achieve the targets (measures, innovation, investments).

## Governance

- Assign sustainability oversight, accountability and incentives to your leadership team.
- Set up a clear management system, including definition of roles and responsibilities.

## Start small, scale fast

- Launch pilot projects to test initiatives and gather quick wins.
- Use early successes to attract internal support and funding/partnerships.



With your sustainability strategy defined, you are ready to move to Chapter 3.3: Integrating action and interventions. Your strategy will guide you through the implementation and change management.

**Remember:** This is an iterative process. Review and update your strategy regularly as your business evolves and new sustainability challenges emerge.

**Implementing a sustainability strategy****Who is HIAG?**

HIAG is a leading real estate company listed on the SIX Swiss Exchange with an investment property portfolio worth a total of around CHF 2.0 billion. Over 90% of the real estate is located in the core economic region in German-speaking and western Switzerland with a focus on commercial, industrial and residential properties.

**HIAG's business and sustainability strategy**

HIAG's business model covers the entire property value chain of portfolio/asset management, site development and transaction management. HIAG expand the portfolio through development projects and acquisitions, and thus secure stable rental income and a growing dividend base.

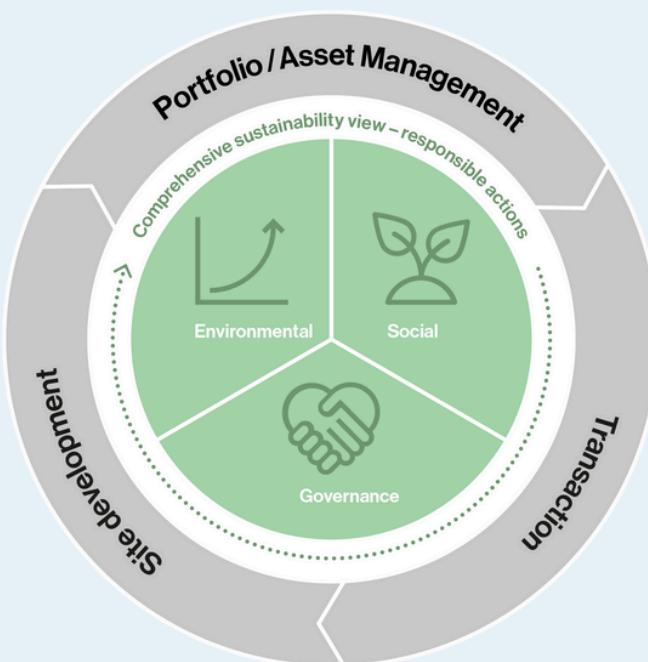
“

**“For HIAG, sustainability is not a trend, but a long-term investment principle. With our sustainability strategy, we strengthen the resilience of our portfolio and prepare ourselves for the demands of tomorrow.”**

Dr. Felix Grisard, Chairman of the Board of Directors at HIAG

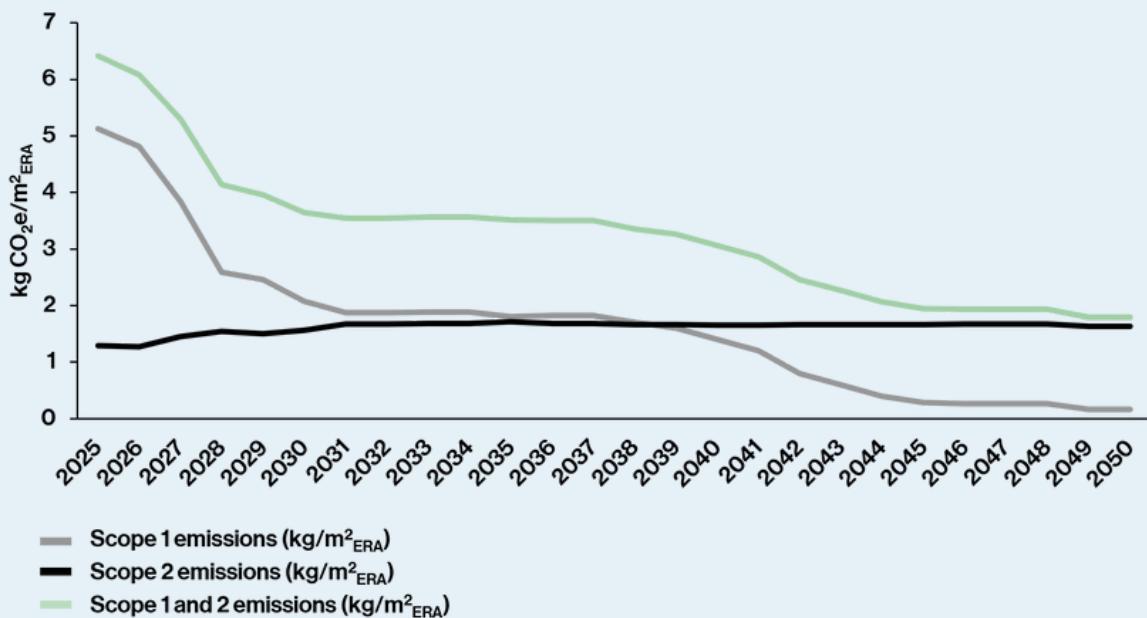
Based on its materiality assessment, HIAG developed a sustainability strategy that covers both social and environmental aspects that are material to the company. Building on its strategy, HIAG underscores the fact that continuous progress in its own sustainability performance helps to identify entrepreneurial opportunities and risks at an early stage and to create excellent living spaces. The following illustration visualizes the main elements of HIAG's sustainability strategy.

HIAG's sustainability strategy is embedded in the corporate strategy and includes clearly defined targets and responsibilities. It also encompasses accountability for the achievement of group targets, including:



1. Reduction of greenhouse gas emissions in the existing portfolio:
  - a) The Scope 1 emissions of the existing portfolio are to be reduced by 85% per  $\text{m}^2_{\text{EBF}}$  by 2035 based on the 2021 values.
  - b) The Scope 1 and 2 emissions of the existing portfolio are to be reduced by 65% per  $\text{m}^2_{\text{EBF}}$  by 2035 based on the 2021 values.
  - c) By 2050, the Scope 1 and 2 emissions of the existing portfolio are to be net 0  $\text{kg}/\text{m}^2_{\text{EBF}}$ .
2. Development of greenhouse gas emission thresholds for new construction projects by 2026. This should further promote climate-friendly construction methods and reduce greenhouse gas emissions during the construction phase (Scope 3.2).
3. Further development of the existing concept for the promotion of biodiversity by 2026.
4. Improvement in general employee satisfaction by the end of 2025, based on the survey conducted in 2023.
5. Implementation of a comprehensive package of measures to further strengthen employee health and improve occupational safety in the workplace under HIAG's control by 2026.
6. Implementation of a comprehensive package of measures to further improve tenant satisfaction by 2026.
7. By 2030, at least 30% of the properties in the existing portfolio will have a sustainability certificate.
8. Preparation of a position paper on the economically viable promotion of the circular economy by 2025.

HIAG measures its progress toward these targets. For its emission targets, the company developed a clear emission reduction pathway, which provides clarity on how the company wants to progress to the achievement of its emission reduction targets:



Reflecting the importance of sustainability, HIAG's sustainability strategy has been approved by the Board of Directors and is reviewed annually for potential optimization.

### 3.3 Integrating action and interventions



In this phase, you integrate action and interventions across your company and the value chain. The purpose of this section is to provide a collection of further resources to help you to progress on your sustainability strategy.

#### Why integrate action and interventions?

- Achieving sustainability targets typically requires action by various departments and therefore necessitates an integrated approach across the company.
- It is important to clearly communicate the purpose and benefits of your sustainability strategy to affected stakeholders as early as possible to secure their support.
- For your strategy to be credible, you need to show continuous action toward achieving your targets, which requires thorough implementation of changes and policies

Sustainability topics typically span various departments. For example, to achieve your emissions reduction targets, action by several departments will be required. Your local site management will have to assess the potential for reducing energy consumption, for example, through increased energy efficiency or replacement of heating systems. Your HR department can reevaluate your company's car policies to determine that replaced vehicles must be electric. Your procurement department can identify suppliers who are ensuring that their employees earn a living wage.

In order to successfully implement your sustainability strategy, it is important that all relevant stakeholders and departments understand the importance of the targets and how they can contribute to the achievement of these targets. To ensure the buy-in of all relevant stakeholders, make sure to clearly communicate the purpose and content of your strategy. For instance, you can organize an internal education meeting in which you present your strategy to a broader audience once it has been finalized. Clear communication is also important if the achievement of your targets requires organizational change. For instance, if you adapt a company policy in order to progress toward your targets, make sure that you clearly communicate to the affected stakeholders why this change is required and what the potential benefits of such a change are for them.

#### 3.3.1 SDG Ambition Integration Guide

The [UN SDG Ambition Integration Guide](#) provides a framework for embedding sustainability into core business, ensuring that companies not only set ambitious targets but also create actionable pathways to achieve them. It presents a structured, eight-step approach as seen on the right.

For each target, the [SDG Ambition Benchmark Reference Sheets](#) provide illustrative details regarding the steps to integrate each of the SDG Ambition Benchmarks into a company's business processes and the key design decisions required to engage the right technology or partners.

For example, if your material topics emphasize climate, you should start with measuring your greenhouse gas emissions and set targets which are ideally based on the science-based targets initiative (SBTi).



If your focus lies on human rights in your supply chain, you can follow the six core elements of human rights due diligence [here](#). For each area, the UN Global Compact Network Switzerland & Liechtenstein's [website](#) provides events, training, tools, guidelines, sharing and learning platforms.

The environment area covers climate, ocean, biodiversity, nature, water stewardship, and just transition. The social area covers human rights, labour and decent work, living wages, child labour, diversity, equity and inclusion. The governance area covers anti-corruption and transformational governance.

## UNGC Ten Principles

HUMAN RIGHTS    LABOUR    ENVIRONMENT    ANTI-CORRUPTION

**Environment**    **Social**    **Governance**

**Sustainable Development Goals**    **Sustainability Regulations & Reporting**

Click on each Focus Areas to explore guidebooks and tools based on your material topics and strategy or alternatively, access the overview [here](#).

 After starting to integrate interventions and actions, you are ready to move to Chapter 3.4: Reporting and communications. Your reporting will reflect your progress toward achieving your strategy and the effectiveness of your interventions.

**Remember:** This is an iterative process. Review and update your interventions and initiatives to evaluate whether they are yielding the desired measurable results.

# Choba Choba

## Integration of sustainability

### Who is Choba Choba?

Choba Choba is the first Swiss chocolate brand where cacao producers are co-owners, majority shareholders (64% in 2025), and sitting members of the Board of Directors of a private chocolate company. It operates as an impact-driven ecosystem, fully embracing the interdependence between the farmers' cooperative in the Peruvian Amazon (Cooperativa Agraria Cacaotera Choba Choba Ltda.) and the chocolate company in Switzerland (Choba Choba AG). The members and staff of the cooperative plant, harvest, ferment and dry the cacao while Choba Choba AG oversees the production and distribution of the cacao and chocolate products.

With its unique approach, Choba Choba fundamentally integrates sustainability into the structure of the company by defining a co-owned, integrated enterprise. Accordingly, sustainability is also integrated across functional roles at Choba Choba. For example, sustainability is considered in Choba Choba's operations, purchasing practices, and compliance. These are examples of functional roles that are all material to Choba Choba because they relate to the company's largest social and environmental impacts. Environmentally, these impacts mainly occur on the farms, which is why operations and compliance are material. Socially, fair purchasing practices including appropriate pricing mechanisms are material, as cacao farmers often suffer from economic disadvantages and challenges.

### Operations

Operationally, Choba Choba's farmers use practices such as restoring and enriching degraded soils, conserving and strengthening biodiversity, and boosting ecosystem services. They follow the principle of agroforestry, which intentionally integrates trees and shrubs into agricultural systems. This approach involves the strategic coexistence of cacao trees with shade trees, fruit trees, and legumes. This setup not only provides essential shade for cacao trees but also fosters organic matter production, improves soil fertility, reduces erosion risks, and creates additional income streams for farmers. Additionally, all Choba Choba farmers are fully committed to organic farming, strictly prohibiting the use of chemical inputs such as pesticides and synthetic fertilizers. In terms of emissions, Choba Choba conducted its first carbon evaluation in 2024, using Equipoise tools and the methodology championed by SME Climate Hub to estimate its emissions and footprint. This assessment revealed a total carbon footprint for the fiscal year 2024 of 194,522 kgCO<sub>2</sub>e (194.5 tons CO<sub>2</sub>e), with the majority stemming from Scope 3 emissions, including purchased goods and services (57.4%) and business travel (32.4%).

### Purchasing practices

In its purchasing practices, Choba Choba is dedicated to creating opportunities and fostering an enabling market environment that allows cacao farmers to thrive. Each December, the cooperative proposes cacao volumes for the upcoming harvest, and every year, Choba Choba commits to purchasing 100% of the first-grade organic cacao available. To support the cooperative, Choba Choba also provides advance payments, ensuring the farmers have the necessary working capital.

Choba Choba's price-setting mechanism is democratic and protects farmers from the volatility of global markets. It is based on a minimum guaranteed price that is 2.5 times higher than fair trade standards. This minimum farmgate price of PEN 20.00 (USD 5.40) was calculated and approved by the farmers to ensure a sufficient level of income to cover their families' basic needs, even in the event of price drops. When market prices are high, prices are adjusted accordingly.

## **Compliance**

In terms of compliance, a critical focus area is addressing the cadmium (Cd) content in cacao. Cadmium is a naturally occurring heavy metal found in soil, water, and air. Due to growing concerns about food safety, the European Union established Regulation (EU) No 488/2014, which sets strict maximum cadmium limits in chocolate and cacao derivatives, ranging from 0.10 to 0.80 ppm depending on the product type. To ensure compliance, Choba Choba rigorously analyzes cadmium levels in cacao shipments and chocolate products. Beyond compliance, Choba Choba actively collaborates with research partners to explore innovative solutions for reducing cadmium uptake in cacao trees, contributing to safer and more sustainable farming practices.



## 3.4 Reporting and communications

In this phase, your company develops the capacity to measure, monitor, and interpret progress towards your sustainability targets. Based on your selected material sustainability topics (Chapter 3.1.) and the defined strategy and targets (Chapter 3.2.), relevant data needs to be collected to measure the effectiveness of the actions (Chapter 3.3.) and the progress toward your targets. Reporting to stakeholders in a transparent manner is fundamental for SMEs committed to sustainability and your company's annual Communication on Progress (CoP) is a key component of your commitment to sustainable business and the UN Global Compact.

### Why report and communicate your progress towards internal & external stakeholders?

- Assess, monitor and demonstrate progress.
- By being transparent, you build trust, credibility and brand value with internal and external stakeholders.
- Grow and secure new business opportunities by offering potential customers relevant data.

#### 3.4.1 Data collection and reporting

A good starting point for new reporters is the annual [UN Global Compact Communication on Progress](#) (CoP). The CoP questionnaire guides you through the process step-by-step and will give you an overview of required data and information. It offers a relatively simple, principles-based structure that helps businesses align with globally recognized human rights, labor, environment, and anti-corruption standards without requiring extensive resources. The framework is flexible, allowing SMEs to expand their reporting as they grow. Additionally, participation in the CoP can enhance credibility and provide a basis for benchmarking results with industry peers.

To determine which sustainability topics to report on, you can leverage the sustainability priorities (Chapter 3.1.) and the targets defined as part of your sustainability strategy (Chapter 3.2.). For each sustainability target, you can collect the defined KPIs on a yearly basis or more frequently, if possible and useful. The following illustration provides an overview of what a roadmap to set up an initial sustainability report could look like:

Topic	Strategic objective	Timeline	Sample operative targets	Measures	Responsible	KPI	Resources
S1: Own workforce	We ensure a safe and healthy working environment.	2027	Reduce sick days by 10% in comparison with base year (2025) Reduce fluctuation to 8% Etc.	E.g. Establish occupational health management system, flexible working hours, no emails after 6 o'clock, access to consultations, sensitization (employees and management), protective equipment, etc.	xxx	Δ in %	xxx
E1: Climate Change	We are decoupling our growth from CO <sub>2</sub> emissions	2050	Net-zero emissions by 2050	Develop climate strategy, reduction path and transition plan	xxx	xxx	xxx
		2027	Reduction path and interim targets are defined and submitted to SBTi		xxx	tCO <sub>2</sub> eq	xxx

Based on Brugger & Partner (2025)

You might start your reporting efforts by using an Excel spreadsheet to collect, capture and consolidate the KPIs that you identified as part of step 2 (see Chapter 3.2). A first "As-is-Analysis" requires interviewing topic owners (production, maintenance, HR, purchasing, etc.) to assess the status-quo of your data gathering. You can leverage existing internal data management systems (e.g. from finance, material flows, HR, etc.) before using an external tool. A selection of tools—including a [free template for CO<sub>2</sub> Scope 1-3 reporting](#) — can be found on our [SME Sustainability Hub](#).

To collect the data, consider using a “bottom-up” approach. This means each location or department calculates its own performance data and shares it with the reporting lead—this can be as straightforward as sharing an Excel template showing the data on a yearly basis. For such an approach, it is important to provide clear guidance to the departments and sites that collect that data to ensure that the data is comparable and correct. If your company operates in more than one location, this information should be standardized and combined into a central report. Most companies find it helpful to involve departments such as finance, operations, procurement, and HR when collecting sustainability data, depending on the specific KPI you are planning to report on. Your finance department and other core actors defined in Chapter 3.2 (Governance) are crucial for your efforts to collect and consolidate sustainability data by leveraging reporting and consolidation expertise from financial accounting and other internal data sources.



## Further tools & resources

- [Sustainability Reporting for Exporting SMEs](#): This webinar recording on our Academy covers a roadmap for SMEs to navigate sustainability reporting
- [VSME Digital Template and XBRL Taxonomy \(EFRAF\)](#): A free ESG Reporting Excel Template for SMEs based on the Voluntary ESRS Standard for SMEs
- [Carbon Calculator](#)  
A free Excel Carbon Calculator (Scope 1-3) from BAFU (Swiss Government)

As your efforts grow and your requirements become more advanced, you may want to use a more sophisticated tool to collect, consolidate, and report sustainability data. This could mean working with your internal (or an external) IT team to set up automated systems that make gathering and sharing information more efficient for all involved stakeholders.

### 3.4.2 Communicating progress

When you prepare your first sustainability report, begin by collecting data about your current sustainability strategy, quantitative performance and main activities to drive progress toward your targets. The Communication on Progress (CoP) questionnaire provides a clear framework for this purpose. Over time, you might consider having a third party verify your data (assurance). This external verification is important because it gives stakeholders confidence that your reported sustainability data is reliable. Always maintain clear and consistent documentation of all data sources, methodologies, and assumptions used in your reporting. This will be especially important for external verification or audit of the report.

### Reporting frameworks: Quick overview for SMEs in Switzerland

Framework	What it is	Relevance for Swiss SMEs
CoP (UNGC)	Annual “Communication on Progress” for UN Global Compact members on human rights, labor, environment, anti-corruption.	Simple, principles-based; accessible entry point for SMEs wanting to show commitment without heavy reporting.
ESRS / VSME	EU Sustainability Reporting Standards (ESRS); VSME is a voluntary, simplified version for smaller firms.	Highly relevant if active in EU supply chains; provides structured data that large customers may request.
Global Reporting Initiative (GRI)	Global, widely used sustainability reporting framework covering environmental, social, and governance impacts.	Flexible and internationally recognized; can be resource-intensive unless applied in a simplified way.
ISO Standards (e.g., ISO 14001, ISO 26000)	International standards for environmental and social responsibility management.	Practical for improving processes and credibility; certification costs may be a barrier for small firms.



# The structure of a sustainability report

A sustainability report is often formatted with three parts.<sup>13</sup>

## 1. Introduction/executive statement:

- Motivation for reporting
- Relevance of sustainability to the business model / important impacts, risks and opportunities
- Strategy for addressing impacts, risks and opportunities

## 2. Materiality and strategy:

- Describe the procedure and key findings of the materiality assessment (Chapter 3.1.)
- Include a visual aid if you wish, for example in the form of a materiality matrix
- Outline your strategy or illustrate cornerstones (Chapter 3.2.)

## 3. For each material topic:

- Short description of topic and related key impacts, risks and opportunities
- Describe the management approach, policies and actions
- Targets and KPIs for the material topic
- Highlight key measures to drive progress (Chapter 3.3.)

## Outlook

At a more advanced stage, the company combines its sustainability performance data and future plans into its regular annual financial reports. This helps demonstrate a clear link between business performance and sustainability efforts. To harmonize the different sustainability metrics (tons, cases, m<sup>3</sup>, etc.) and account for these in the financial reporting, advanced companies utilize impact valuation to convert output indicators (e.g., tons of CO<sub>2</sub>) into monetized impacts (social cost of carbon). You can learn more about this from organizations such as the [Value Balancing Alliance](#) (VBA) or the [Capitals Coalition](#). Further reporting resources can be found on our [website](#).



Moving forward: With your sustainability reporting setup and on-going communication with stakeholders, you have finished your first reporting cycle. You are now ready to utilize your sustainability data to manage your impacts, risks and opportunities and for targeted stakeholder engagement (Chapter 3.1.), to refine your strategy (Chapter 3.2.) and to drive interventions (Chapter 3.3.) in an effective way.

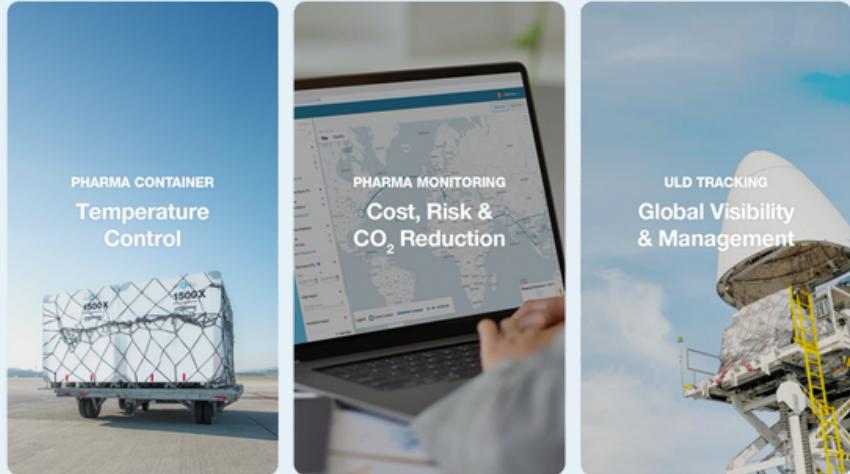
**Remember:** This is an iterative process. Improve your reporting practices as you are progressing and link your sustainability metrics to financial metrics.

# SkyCell

## Reporting and communicating on progress

### Who is Skycell?

SkyCell is a supply chain tech company on a mission to eliminate medicine loss and drive net-zero CO<sub>2</sub> emissions in pharma logistics. Skycell provides temperature-controlled pharma containers, pharma monitoring and Unit Load Device (ULD) tracking to provide global visibility, monitoring, and optimization pathways for global logistics.



### Why report?

Since SkyCell was founded in 2012, sustainability has always been a core value. However, until 2020, they lacked a regular way of communicating their progress. That year marked the beginning of their journey in annual sustainability reporting, driven by the need for clear, consistent messaging for internal and external stakeholders.

### Getting started

Starting any journey can feel overwhelming—especially in sustainability reporting. To “just get started,” SkyCell focused on the basics: engaging with key stakeholders, clarifying the purpose, and building internal awareness.

The first major step was conducting a materiality assessment in order to understand what topics were most important to SkyCell and where they could make the most impact. This revealed three strategic focus areas: Climate, Circularity, and Cooperation.

On the accounting front, instead of aiming for perfection, SkyCell began with simple spreadsheets and cross-departmental communication to collect data for the GHG (greenhouse gas) accounting.

SkyCell published the first report in spring 2021 for the 2020 financial year. While not perfect, it laid a strong foundation by defining the material topics and building internal momentum. Leveraging this, they joined the UNGC later that year and set near-term Science Based Targets via the SME route.

“

**“Sustainability engagement pays off: Those who view sustainability as a driver of innovation reduce costs, create markets, and gain a competitive edge.”**

Nico Ros, CTO at SkyCell

## Progress and impact

Each year has brought steady improvements: enhanced data collection, partial automation of GHG calculations, and increasingly ambitious CO<sub>2</sub> reduction projects. Over time, SkyCell has refined its language, strengthened its partnerships and aligned KPIs with the UN Sustainable Development Goals (SDGs). Earlier cross-departmental efforts identified shared motivators and have since enabled win-win projects. For example, the sustainability team partnered with the legal department to develop a “speak-up” hotline and policy—addressing litigation risk while strengthening governance and supporting employees. Similarly, SkyCell co-developed new sustainability-focused training modules with the People & Culture department.

The benefits are tangible. Annual reporting has enhanced the company’s ability to meet customer needs, demonstrate market competitiveness and attract talent. The sustainability report is routinely included in client information and requests for quotes—especially important, as many clients now also evaluate suppliers based on their sustainability performance.

In 2024, SkyCell earned the EcoVadis Platinum medal for the second consecutive year, placing it among the top 1% of sustainable companies globally. This respected, externally verified certification complements its sustainability report and strengthens its communication on environment, labour and human rights, ethics and sustainable procurement. Together with the sustainability report, this rating demonstrates the proactive engagement and streamlines the client response process.

## Key takeaways – learnings over the years

- 1. It takes teamwork.** Incorporate leadership early and engage with other departments to find the key drivers and highest priority items.
- 2. Start simple, improve continually.** Start with available data and work with assumptions. Note how you want to improve in the future, and always strive to do better.
- 3. Communication matters.** Collaborate early on with the marketing team. Plan a “launch” to boost visibility and engagement.
- 4. Celebrate collaboration.** Acknowledge and thank others for their time and contributions. Sustainability is a group effort, and no effort should go unnoticed.

Small and medium-sized enterprises are indispensable for achieving sustainable development. Their agility, close community ties and sector diversity mean that their collective impact is very significant. This guidebook demonstrates that integrating sustainability into core business processes is not an abstract task, but a doable, value-generating strategy. And the examples mentioned showcase how many SMEs in Switzerland have already reached a high level of progress.

By following the four-steps approach—mapping priorities, defining a strategy, integrating actions, and reporting progress—SMEs can take manageable, credible steps toward embedding sustainability in their operations. The case studies demonstrate that this journey can be as much about unlocking opportunities as it is about managing risks: developing new business, retaining talent, improving efficiency, and strengthening resilience.

Looking ahead, the business opportunity for SMEs is to move forward to sustained, measurable, positive results, creating added economic, social and ecological value through their products and services.

This requires:

- **Continuous iteration:** Regularly revisiting priorities, targets, and actions as markets, regulations and technologies evolve.
- **Scaling successes:** Building on early wins to deepen integration across products, services and supply chains.
- **Collaboration:** Use, and collaborate with, organisations and initiatives such as the UN Global Compact, peers, industry associations and customers to share resources, align standards, and amplify results.
- **Innovation mindset:** Treating sustainability not as compliance, but as a driver of product, service, and business model innovation.

The path is clear: Start with what matters most, embed sustainability into the business DNA and communicate openly about progress and challenges. In doing so, SMEs can not only contribute meaningfully to global goals but also strengthen their own long-term competitiveness and relevance in a rapidly changing world. The most successful SMEs will be those that view sustainability not as an obligation, but as a core part of their business identity.



# 5

# Further Tools and Resources

For the most recent tools and resources tailored to SMEs, please visit the UN Global Compact Network Switzerland & Liechtenstein's [SME Sustainability Hub](#) or [website](#).

## Tools and guides mentioned in this guidebook

In order of appearance

**Tool:** Transformational Governance Tool. UN Global Compact. <https://tgtool.unglobalcompact.org>

**Tool:** ESG Regulations Navigator. UN Global Compact. <https://esg-regulations-navigator-ch.vercel.app>

**Tool:** Toolbox Agenda 2030. Federal Office for Spatial Development ARE. <https://business.toolbox-agenda2030.ch>

**Tool:** CSR portal. State Secretariat for Economic Affairs (SECO). <http://www.csr.admin.ch>

**Guide:** SDG Compass. UN Global Compact. <https://unglobalcompact.org/library/3101>

**Tool:** SME Compass. Helpdesk on Business and Human Rights. <https://kompass.wirtschaft-entwicklung.de/en>

**Tool:** CSR Risk Check. State Secretariat for Economic Affairs (SECO). <https://www.mvorisicochecker.nl/ch-en>

**Tool:** Global Compact AI Materiality Tool. UN Global Compact. <https://www.globalcompact.ch/ai-materiality-tool>

**Guide:** SDG Ambition Guide. UN Global Compact. <https://unglobalcompact.org/library/5791>

**Guide:** SDG Integration Guide. UN Global Compact. <https://unglobalcompact.org/library/5789>

**Guide:** SDG Ambition Benchmark Reference Sheets. UN Global Compact. <https://unglobalcompact.org/library/5790>

**Tool:** Carbon Scope1-3 Excel Tool. Swiss Federal Office of Energy SFOE. <https://www.bfe.admin.ch/bfe/de/home/foerderung/dekarbonisierung/fahrplaene-netto-null.html>

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## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT



### HUMAN RIGHTS

- 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2** make sure that they are not complicit in human rights abuses.



### LABOUR

- 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4** the elimination of all forms of forced and compulsory labour;
- 5** the effective abolition of child labour; and
- 6** the elimination of discrimination in respect of employment and occupation.



### ENVIRONMENT

- 7** Businesses should support a precautionary approach to environmental challenges;
- 8** undertake initiatives to promote greater environmental responsibility; and
- 9** encourage the development and diffusion of environmentally friendly technologies.



### ANTI-CORRUPTION

- 10** Businesses should work against corruption in all its forms, including extortion and bribery

## ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with the Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 25'000 participating companies, 5 Regional Hubs, 62 Global Compact Local Networks covering 73 countries and 15 Country Managers establishing Networks in 34 other countries, the UN Global Compact is the world's largest corporate sustainability initiative—one Global Compact uniting business for a better world.

In 2015, the Country Network Switzerland & Liechtenstein was founded to support Swiss and Liechtenstein participants on a local level.

For more information, visit our website:  
[www.globalcompact.ch](http://www.globalcompact.ch)



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