

Non-financial reporting and due diligence

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The Responsible Business Initiative, which would have made Swiss companies liable for human rights and environmental violations by the companies they control abroad, obtained a majority of the popular vote on 29 November 2020 but failed to obtain a majority of the cantons, and was therefore rejected.¹ Its indirect counter-proposal entered into force on 1 January 2022. It requires large public-interest companies with at least 500 full-time employees and a balance sheet total of at least 20 million francs or revenue of at least 40 million francs in two consecutive years to report on environmental, social, employee, human rights and anti-corruption matters. It imposes due diligence and reporting obligations with respect to conflict minerals and child labour in the supply chain. The obligations applied for the first time to the financial year 2023, and intentional violations of the reporting obligations are punishable by fines of up to 100,000 francs, negligent violations by fines of up to 50,000 francs.² For the headquarters economy of Zug, these obligations matter in two ways. The first is direct: many of the listed and large companies in the canton fall within their scope and must publish the required reports. The second is indirect: the commodity traders and the manufacturers whose supply chains extend to regions with high risks of child labour or conflict minerals must build due diligence systems that meet the Swiss requirements and, increasingly, the stricter requirements of the European Union. The European Union's directive on corporate sustainability due diligence, whose harmonised civil liability regime was removed by the amending directive of 2026, applies to non-European companies with significant turnover in the Union. A number of groups headquartered in Zug are expected to fall within its scope.³ Part E returns to these questions in the context of the commodity trade.

1 Notes

1. Source as cited in the printed edition. ↩

Non-financial reporting and due diligence

2. BDO Switzerland, "Indirect counter-proposal to the Responsible Business Initiative": non-financial reporting for companies with at least 500 full-time equivalent positions and either CHF 20 million in assets or CHF 40 million in revenue over two consecutive years; disclosure on environmental, social, labour, human rights and anti-corruption matters; additional due diligence obligations on conflict minerals and child labour; compliance from the 2023 financial year; external verification required for conflict minerals; fines of up to CHF 100,000 for intentional and CHF 50,000 for negligent violations. ↩
3. Directive (EU) 2024/1760 of 13 June 2024 on corporate sustainability due diligence, in force since 25 July 2024 (eur-lex.europa.eu); Noerr, "CSDDD – Amending Directive published in the Official Journal of the European Union", 11 March 2026, noerr.com: Amending Directive (EU) 2026/470 (Omnibus I), approved by the Council on 24 February 2026 and published on 26 February 2026, removed the harmonised European civil liability regime (procedural facilitations in Art. 29 remain, with a review clause), limited the scope for EU companies to at least 5,000 employees and EUR 1.5 billion global net turnover and for third-country companies to net turnover of more than EUR 1.5 billion generated in the Union, and postponed application to 26 July 2029. Treated in Part E. ↩

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