

SERX

Swiss Economy Reputation Index

The Swiss Economy Reputation Index (SERX), which is currently made up of 157 private sector and state-related companies, shows on a consolidated basis how the public perception of the Swiss economy and its key sectors has developed over time.

4th Quarter 2020

Basel, January 8, 2021

Swiss Economy Reputation Index

Reputation of Swiss economy with strong recovery in the 4th quarter of 2020

- ❖ A significant recovery in the fourth quarter of 2020 concludes a year in which the climate of opinion towards the Swiss economy was exposed to extraordinary challenges and fluctuations due to the Corona crisis. The SERX gained 2.5 index points and now stands at 93.4 points.
- ❖ In the annual perspective, the SERX even improved by 3.3 index points, which was largely due to the improved reputation of the financial sector - and in particular the banks. Only in the third quarter a negative, mainly socially and morally charged perception prevailed. By contrast, in the first half of the year, the question of how exactly companies put their competencies at the service of society and with which activities they contribute to supporting Switzerland as a business location was predominantly assessed positively.
- ❖ This perspective, according to which the Swiss economy is fulfilling its locational responsibility, is also partly responsible for the reputation gains in the fourth quarter. In the context of the Corona crisis, the *«job miracle in Switzerland»* and corporate activities such as reserving half of the ZKB anniversary dividend for Corona consequences attracted positive attention.
- ❖ However, primarily responsible for the strong reputational gains in the 4th quarter are functional aspects, on the one

hand the positive stock market development from November onwards, and on the other hand the partly surprisingly good company results for the third quarter. In particular, the sectors of construction & real estate (*«revenues bubbling up as ever»*), technology (*«record chase»*) and luxury goods (*«Switzerland remains top in watches and jewellery»*) proved convincing.

- ❖ In the sector ranking, insurers were able to maintain their top position - after temporary sharp losses due to corona-related setbacks - thanks to quarterly reports that were also positive for the most part. Life science companies returned to second place, benefiting in particular from promising developments in cancer and corona research. The retail trade (*«job creators»*) also gained significantly in reputation.
- ❖ Losers at sector level were primarily the media companies, especially the SRG. In addition to the job cuts at group level, the cases of harassment at television in western Switzerland also had a negative impact on its reputation. The engineering sector also lost ground, but its overall reputation remained clearly positive. In addition to economic reasons such as a drop in sales and job cuts, the multi-million dollar settlement of a legal dispute (ABB), cyber attacks (Huber+Suhner) and criticism of Stadler Rail's CEO (*«Peter the Great: Spuhler puts his reputation on the line»*) had a negative impact.

SERX - Swiss Economy Reputation Index

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Due to its sedimented calculation method (Sedimented Reputation Index®) and the large assessment basis determined on a daily basis (an average of around 20,000 reputation-relevant public reports are calculated on a sedimented basis per day), SERX is a valid indicator of the public acceptance of the Swiss economy and its key sectors.

Content

Overview

Study Layout
Reputation Measurement
Company Selection

Swiss Economy

General Development
Real vs. Financial Economy
Functional vs. Social Reputation

Sector Comparison

Reputation Impact
Resonance Shift

Swiss Economy Reputation Index

Study Layout

| | | |
|-----------------------|---|--|
| Focus | The Swiss Economy Reputation Index (SERX), published quarterly by commsLAB AG, is based on content analysis, structuring and assessment of reputation-relevant public information on the most resonant Swiss commercial enterprises (agency reports, radio and TV reports, news articles of Swiss origin). | |
| Company selection | 157 companies from 18 sectors are currently being analyzed. | |
| Reputation relevance | Only public reports relevant to the company's reputation are encoded. Reporting is classified as reputation-relevant if a company is featured either in the title, in the lead or prominently in at least one section of the article. | |
| Model SRI® | The reporting data are calculated and indexed using the Sedimented Reputation Index® (SRI®) (starting point = 01/01/2008). The SRI® enables a unique combination of the effects of resonance and rating effects in a long-term context and serves to model the historically grown reputation anchored in public memory. | |
| | These ratings are based on a high-quality and powerful human coding, showing a significantly lower error rate and a significantly higher relevance than automated procedures. | |
| Strategic partner fög | Coverage is rated in collaboration with the Research Center for the Public Sphere and Society at the University of Zurich (<u>fög – Forschungszentrum Öffentlichkeit und Gesellschaft/University of Zurich</u>). As an independent body, the center safeguards rating consistency and impartiality. | |
| Database | Current database 4Q2020: Total database (01/2004 – 12/2020): Average sedimented resonance base (01/2004 - 12/2020): Current sedimented resonance base per 31/12/2020 | Coding of 3'997 reputation-relevant reports Coding of 188'749 reputation-relevant reports 19'164 reputation-relevant reports (daily basis) 32'012 reputation-relevant reports (daily basis) |
| Warranty Data | commsLAB/fög guarantees that data are up-to-date as of the indicated reference date. Due to reports only available after the publication date and subsequent corrections, the figures shown may vary slightly compared to the previous period. The same applies to adjustments in the selection of companies. Corresponding updates are carried out regularly and are included in the following publications. | |

Swiss Economy Reputation Index

Reputation Measurement

Sedimented Reputation Index® (SRI®)

The reporting data are calculated by using the Sedimented Reputation Index® (SRI®) developed by commsLAB AG and the fög - Research Center for the Public Sphere and Society at the University of Zurich. The SRI® models the historically grown reputation anchored in public memory and allows the presentation of long-term, sedimented reputation developments.

The SRI® combines in a unique manner the effects of resonance and reputation in a long-term perspective. It is calculated over time and takes into account—on a daily or weekly basis—the values of the previous period, weighted with a “forgetting” rate. The SRI® is expressed on a scale ranging from +100 (exclusively positive resonance) to –100 (exclusively negative resonance).

The methodology stems from the insight that reputation of an actor is defined not only by current events but also, to some extent and for a period of time, by past events that have attracted public attention. The SRI® takes account of the fact that, in the long run, major high-resonance events determine the reputation dynamics of organizations and companies.

The key point is that the initial value of a reputation value (SRI®) calculated on a daily or weekly basis can be based on a meaningful and stable starting value. This usually requires data over a period of twelve months. The presentation of the sedimented reputation values therefore starts on 01/01/2005.

SRI®-based impact procedure

The impact procedure focuses on the effect or significance of a particular unit under review (e.g. sector, company, positioning field, etc.) within a defined benchmark.

This allows, for example, to map the relative competitiveness advantages or disadvantages of individual companies in a defined sector along individual units of analysis.

To measure the Impact SRI® of Company A in a competitive situation (benchmarking), the relevant data of Company A is eliminated from the benchmark sample.

This allows to answer the question of how the benchmark reputation would change if Company A were not part of the benchmark or, conversely, what influence - or impact - that Company A actually exerts on the benchmark reputation.

Swiss Economy Reputation Index

Company Selection

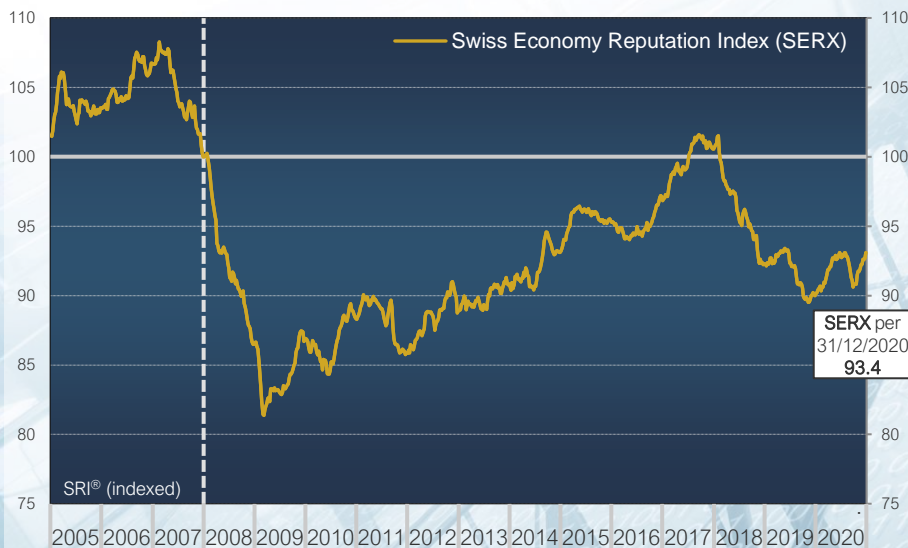
| Meta-Sector | Sectors (18) | Companies under review (157) |
|---------------------------|---|--|
| Other (1) | Health & Accident Insurers(9) | Concordia, CSS, Groupe Mutuel, Helsana, KPT, Sanitas, Suva, Swica, Visana |
| Financial Sector (3) | Global Banks (5) | Credit Suisse, Julius Bär, Partners Group, UBS, Vontobel |
| | Domestic Banks (30) | Bank Cler, all Cantonal Banks, Migrosbank, Postfinance, Raiffeisen, Valiant |
| Real Economy (14) | Insurers (10) | Allianz, Axa, Baloise, Helvetia, Mobiliar, NAG (until 2014), Swiss Life, Swiss Re, Vaudoise, Zurich |
| | Audit (4) | Deloitte, Ernst & Young, KPMG, Price Waterhouse Coopers |
| | Construction & Real Estate (9) | Allreal, Arbonia Forster Group, Geberit, LafargeHolcim, Implenla, PSP, Sika, SPS, Steiner AG |
| | Chemical Industry (6) | Ciba (until 2008), Clariant, Ems-Chemie, Givaudan, Lonza, Syngenta |
| | Retail (9) | Aldi, Coop, Dufry, Fenaco-Landi, Lidl, Migros, Manor, Valora, Volg |
| | Services & Technology (8) | Adecco, AMS, Dormakaba, Kudelski, Logitech SGS, SIX, Temenos |
| | Energy (3) | Alpiq, Axpo, BKW |
| | Life Science (17) | <i>PHARMA</i> : Johnson&Johnson, Novartis, Roche, Santhera, Serono (until 2006), Vifor. <i>BIOTECH</i> : Actelion, Basilea, Biogen, Idorsia. <i>MEDTECH</i> : Alcon, Nobel Biocare,, Sonova, Straumann, Synthes (until 2012), Tecan, Ypsomed |
| | Luxury Goods (3) | Richemont, Rolex, Swatch |
| | Engineering (16) | ABB, Bucher Industries, Bühler, Conzzeta, Dätwyler, Georg Fischer, Huber+Suhner, Interroll, Landis+Gyr, Oerlikon, Rieter, Schindler, Schweiter Technologies, SIG Combibloc, Stadler Rail, Sulzer |
| | Media (6) | Edipresse, Publigroupe, Ringier, SRG, Tamedia, NZZ Mediengruppe |
| | Food (5) | Aryzta, Barry Callebaut, Emmi, Lindt & Sprüngli, Nestlé |
| | Raw Material (8) | Glencore, Gunvor, Mercuria, Petroplus (until 2012), Trafigura, Transocean, Vitol, Xstrata (until 2014) |
| | Telecom (4) | Cablecom, Salt, Sunrise, Swisscom |
| Transport & Logistics (5) | Flughafen Zürich, Kühne & Nagel, Post, SBB, Swiss | |

Swiss Economy Reputation Index

Swiss Economy - General Development (as of 31/12/2020)

SERX Swiss Economy Reputation Index
SRI® indexed 2005 - 31/12/2020 (01/01/2008 = 100)

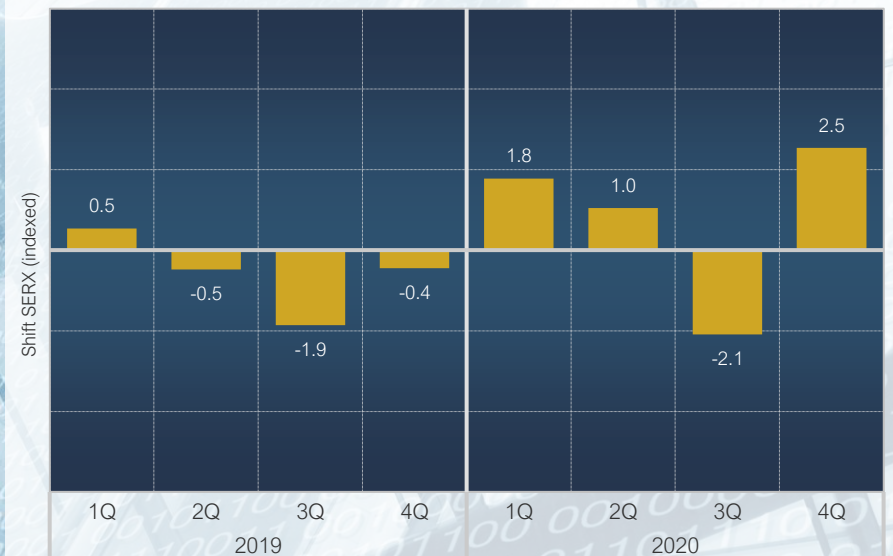
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The graph shows the indexed sedimented reputation development (SRI®) of SERX (golden curve). The reference point for the indexation is January 1, 2008. The SRI® models the historically grown reputation anchored in public memory.

SERX Shift per Quarter
1Q2019 - 4Q2020

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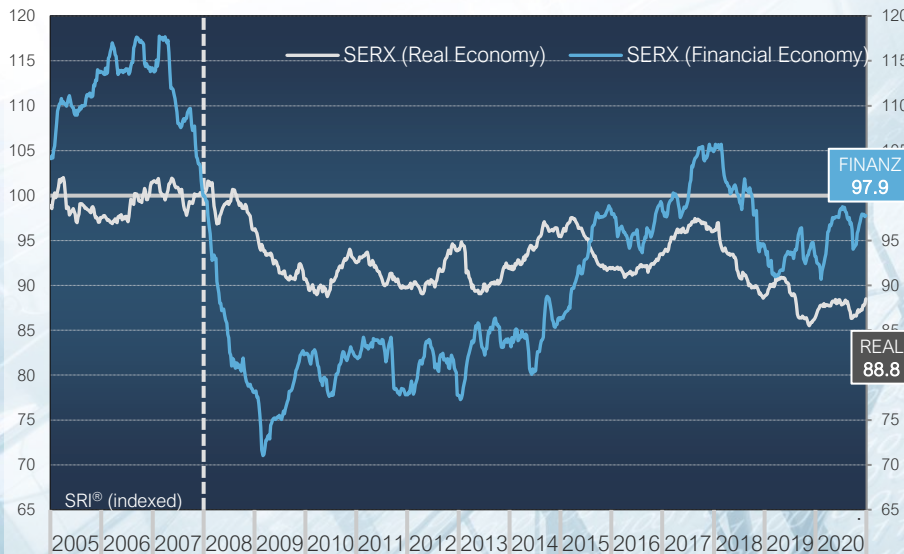
The graph shows the shift in the reputation of SERX according to SRI® per month.
Reading example: In the 4th quarter of 2020, SERX gained 2.5 SRI® index points.

Swiss Economy Reputation Index Real vs. Financial Economy (as of 31/12/2020)

SERX Real vs. Financial Economy

SRI® indexed 2005 - 31/12/2020 (01/01/2008 = 100)

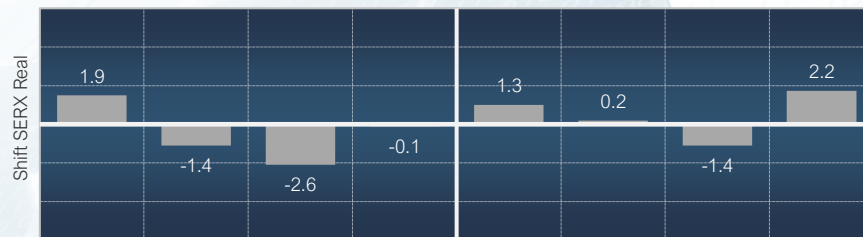
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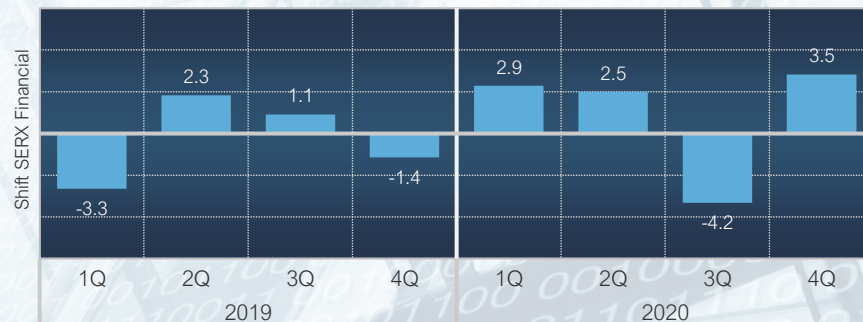
The graph shows the indexed sedimented reputation development (SRI®) of SERX for the meta-sectors real economy (grey curve) and financial economy (blue curve). The reference point for the indexation is January 1, 2008.

SERX Real Economy Shift per Quarter

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SERX Financial Economy Shift per Quarter



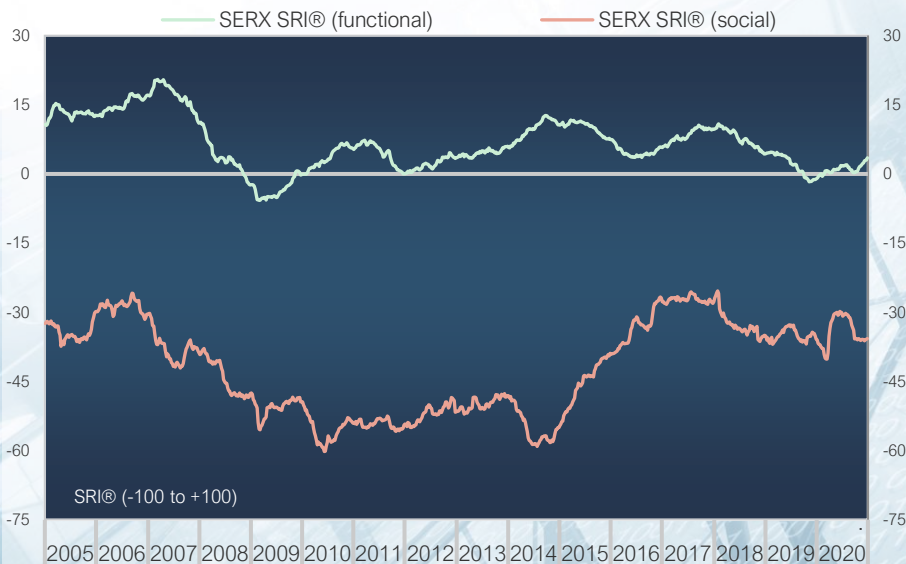
The graph shows the shift in the reputation of SERX according to SRI® per month.
Reading example: In the 4th quarter of 2020, SERX Financial Economy gained 3.5 index points.

Swiss Economy Reputation Index

Functional vs. Social Reputation (as of 31/12/2020)

SERX Reputation Dimensions

SRI® 2005 - 31/12/2020

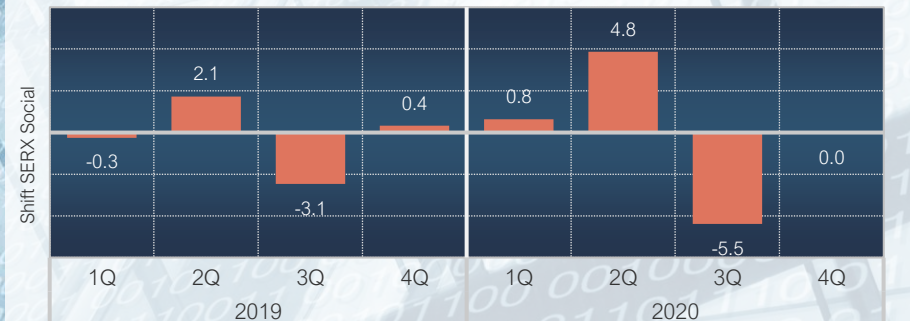


The graph shows the sedimented reputation development (SRI®) of SERX divided into functional (green curve) and social reputation (red curve). The SRI® is adjusted to a scale of +100 (exclusively positive response) to -100 (exclusively negative response).

SERX Functional Shift per Quarter



SERX Social Shift per Quarter



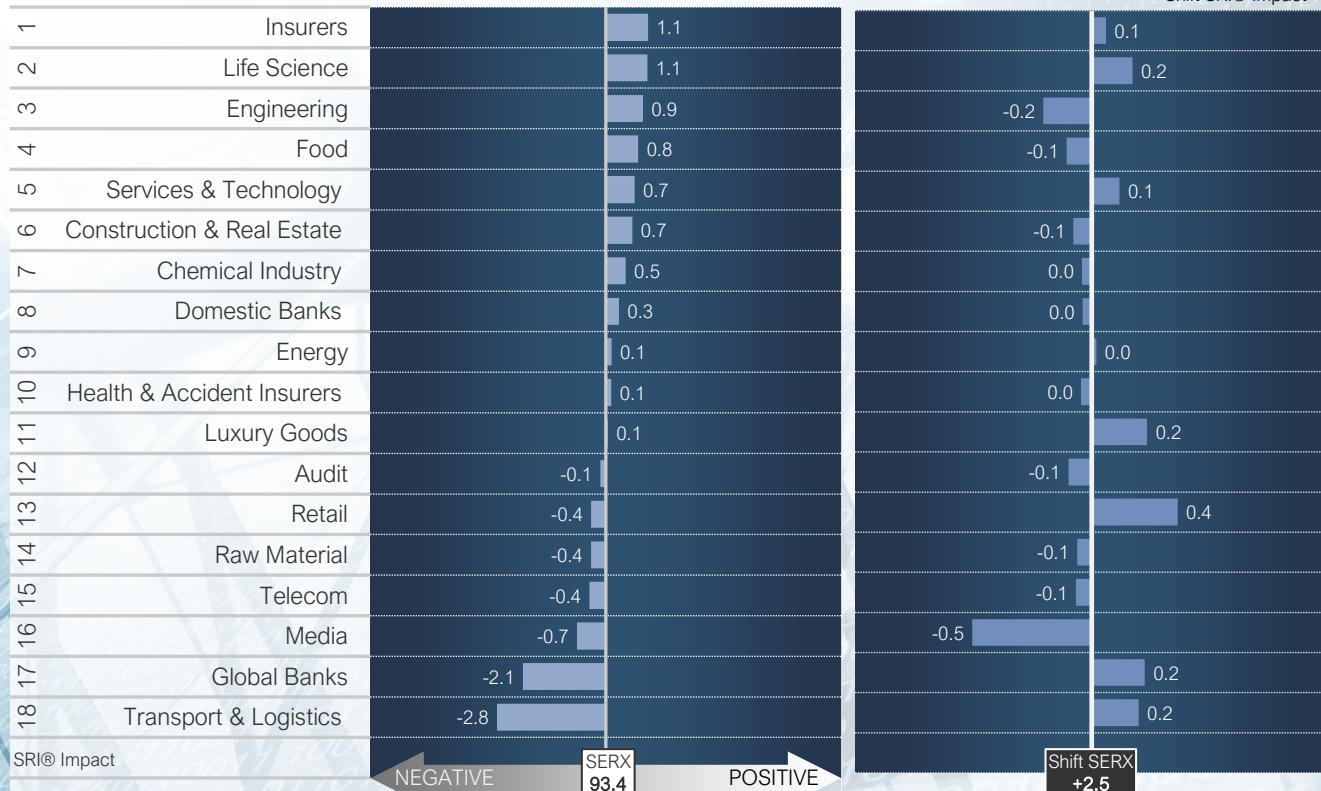
Functional or economic reputation is an indicator for economic success, specialist competence and plausible action with regard to organizational policy. Social reputation refers to the fulfilment of society standards.

Sector Comparison

Reputation Impact Sectors as of 31/12/2020

SERX Reputation Impact per Sector on Overall Reputation Swiss Economy as of 31/12/2020

Shift Impact 4Q2020 Shift to 30/09/2020



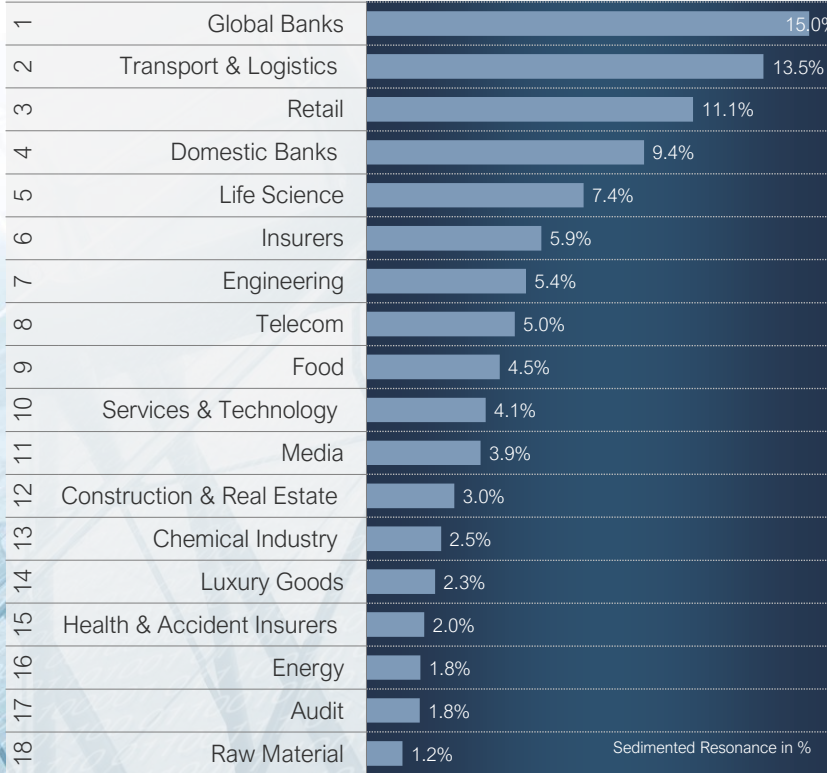
The sector reputation impact shows what impact an individual sector has on the reputation of the Swiss economy as a whole and is therefore a valid indicator of the effective reputation of individual sectors in the Swiss public.

Reading aid: Without the 'Transport & Logistics' sector, the Swiss Economy Reputation Index would be 2.8 index points higher than the current 93.4 (left chart). The impact of this sector improved in 4Q2020 (+0.2 - right chart).

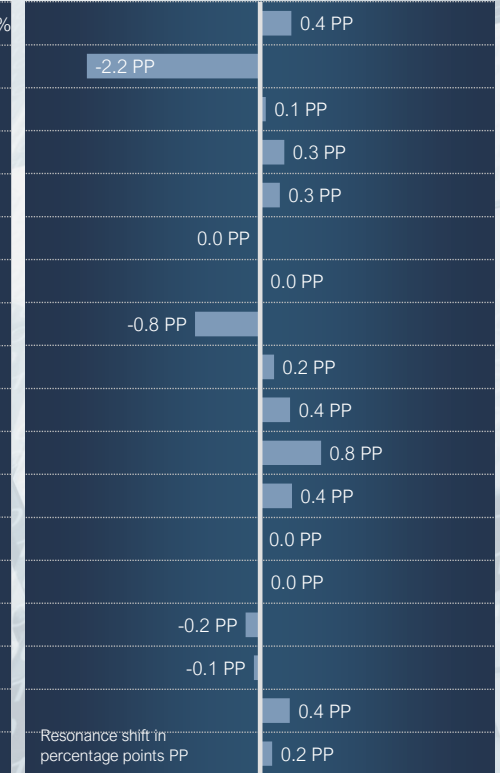
Sector Comparison

Resonance Shift Sectors as of 31/12/2020

Sectors Media Response
Shares in % as of 31/12/2020



Shift in PP 4Q2020
Shift to 30/09/2020



The left chart shows the breakdown of media attention (sedimented resonance) for the individual sectors as of the reporting date. Reading aid: The 'Transport & Logistics' sector generates 13.5% of the media attention in the leading media examined in the context of reporting on the Swiss economy.

The right chart shows the shift in sedimented resonance in percentage points compared to the previous period. Reading aid: The share of the 'Transport & Logistics' sector has fallen by -2.2 percentage points compared with the previous period.

About Us Contacts

commsLAB AG

 Malzgasse 7A / CH-4052 Basel
 Zentrale: +41 61 205 25 70

info@commslab.com / www.commslab.com

commslab

Profile Research & Management

commsLAB AG is a research-based consulting boutique founded in 2004. We support private companies, nonprofit and political organizations with concrete decision criteria for a long-term profile-compliant and value-adding positioning

Based on an empirical, scientifically sound data basis, we point out concrete opportunities for action whether and where the public appearance of your organization needs to be corrected or whether and where fundamental strategic course corrections need to be done.

In the areas of reputation and issue monitoring, we work closely with our long-term strategic partner, the fög - Research Center for the Public Sphere and Society at the University of Zurich. More details: <https://www.foeg.uzh.ch/>

Together with fög, commsLAB guarantees an independent approach that is recognized in international communication research. This includes a methodology that is committed to strict quality standards and consistently integrates state-of-the-art scientific findings.

Contact Person
Function / Background

 Daniel Künstle
*Owner & Senior
 Consultant*

+41 61 205 25 71

Over 25 years of professional experience in the field of reputation management. Ten years of which as Group Spokesman and Head of Corporate Reputation Analysis at SBC/UBS (1994-2004) as well as Chief of Staff at FOPI/FINMA (2004-2008).

 Mario Schranz
Senior Consultant

+41 61 205 25 74

Over 20 years of experience in the implementation of scientifically based reputation and issue management processes in business and politics. Many years thereof as head of fög/UZH.

 Angelo Gisler
Senior Consultant

+41 61 205 25 73

Over 15 years of experience at the interface of scientific (fög/University of Zurich) and practical (commsLAB) reputation research in business and politics.

 Oscar Villiger
Head of Data Analysis

+41 61 205 25 72

B.A. in Economics UZH with focus on Banking & Finance and over ten years of experience in software development (Java, Python) and data analysis (Pandas, R, SQL).