

Climate Policy

Target agreements: A successful model with ***an uncertain future***

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At a glance

- Since 2013, Swiss industry has been able to save over 1.2 million tons of CO2 thanks to voluntary target agreements, more than all households in Zurich produce each year.
- The target agreements promote efficient measures and technological innovations - but stricter requirements pose new challenges for energy-intensive companies and those with existing agreements.
- Only with simple, practicable rules will the model remain attractive and secure the path to net zero.

Last year, Swiss industry reduced its CO2 emissions by an additional 67,000 tons - significantly more than expected and a clear upward trend. Compared to 2013, Swiss companies saved a total of over 857,000 tons of CO2. This means they have not only achieved the targets, but significantly exceeded them: Overall, this means they have exceeded the target by 11.5 percentage points compared to the path agreed with the federal government. According to the federal government's greenhouse gas inventory, industry is the only sector that has consistently met or exceeded its climate targets. Today, Switzerland's manufacturing sector produces only half as many CO2 emissions as in 1990, while gross value added has doubled.

Target agreements work and the environment benefits

The target agreements are a voluntary climate protection instrument that has proven its worth in practice. Companies make a commitment to the federal government to reduce their CO2 emissions through economically viable measures. These range from increasing efficiency in production to investing in climate-friendly technologies and switching to renewable energies. In return, companies receive a refund of the CO2 incentive tax levied on fuels - provided they meet their targets. Although this reimbursement only covers part of the investment costs, the companies also save energy costs on an ongoing basis thanks to greater energy efficiency.

This creates a "win-win" solution: emissions are reduced where it is most efficient. At the same time, jobs are secured and Switzerland is strengthened as a production location. And the environment also benefits, as the target agreement system means that a lot of CO2 is not emitted in the first place.

New requirements call the model into question

In order to achieve the net-zero target, major efforts will still be required in the coming years. The target agreements have proven to be an effective instrument for motivating companies to take voluntary climate protection measures. However, the number of participating companies has fallen slightly for the first time: at the end of 2024, 4,715 companies were affiliated with the Energy Agency for Industry (EnAW) - 41 fewer than in the previous year. The main reasons for this are structural changes such as closures or mergers.

Since January 2025, however, the revised CO2 Ordinance has also introduced stricter requirements: Companies must achieve an annual reduction of 2.25 percent. The criteria for economically feasible measures have also been adjusted. This poses additional challenges, particularly for energy-intensive companies or those with an already high level of efficiency. In addition, it makes no sense in terms of climate policy if pioneers with high upfront investments have to adhere to the same reduction path as newcomers. These stricter requirements are not practicable and will result in some companies no longer concluding target agreements and probably also saving less CO2. It is therefore also crucial for climate protection that the target agreements remain attractive in the future.

Setting the right course to achieve climate targets

In order to continue the reduction successes of the past in the future, a forward-looking political framework is needed. After all, the path to net zero by 2050 is challenging and can only be taken together with industry. The target agreements have shown how this can be achieved: They combine effective emissions savings with safeguarding competitiveness and location quality. They motivate innovation, promote investment in modern technologies and at the same time strengthen awareness of climate protection and the personal responsibility of companies.

Ambitious climate protection must not be suffocated by administrative complexity. Clear, simple and practicable rules are needed instead of ever more detailed specifications - especially for small and medium-sized companies. This is the only way to keep the system attractive for companies and effective for the climate. Switzerland can play a pioneering role in climate protection if it can reconcile emissions reductions and the economy. If it fails to do so, a good example will quickly become a deterrent internationally.

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