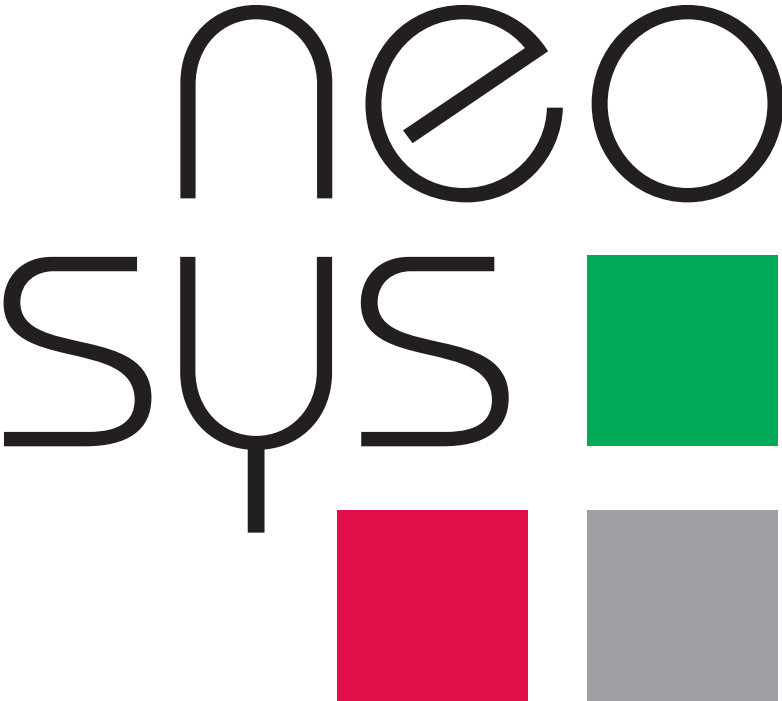


Sustainability Report 2018

Neosys AG



Neosys AG
Gerlafingen • Bern • Epalinges
April 2019

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120 hours
of further training per FTE

Gross sales of

3,6 million CHF in 2018

Wage ratio
(w/m) of 1.025

(adjusted for position)



The Gerlafingen site is

carbon-neutral

EBIT rate
of 8,6% in 2018

99% green
energy

at the Gerlafingen site

Foreword

G102-10, G102-11, G102-12, G102-14



Dear readers,

We're proud to present the Neosys AG annual report for 2018. We have enjoyed another successful financial year and are pleased to report on it in our usual way.

For the ninth successive year we have drafted our report in accordance with the GRI guidelines. GRI stands for 'Global Reporting Initiative', and the guidelines are aimed predominantly at larger multinational companies. However, they are also perfectly applicable to us as a small company, and have now been adopted as part of the Neosys standard procedures. In brief, preparing a "GRI-compliant" report means:

- reporting on that which is relevant to the company and of interest to its stakeholders;
- transparent, verifiable reporting;
- reporting that gives equal weight to strengths and weaknesses, better and worse aspects;
- concentration on sustainability measures and indicators.

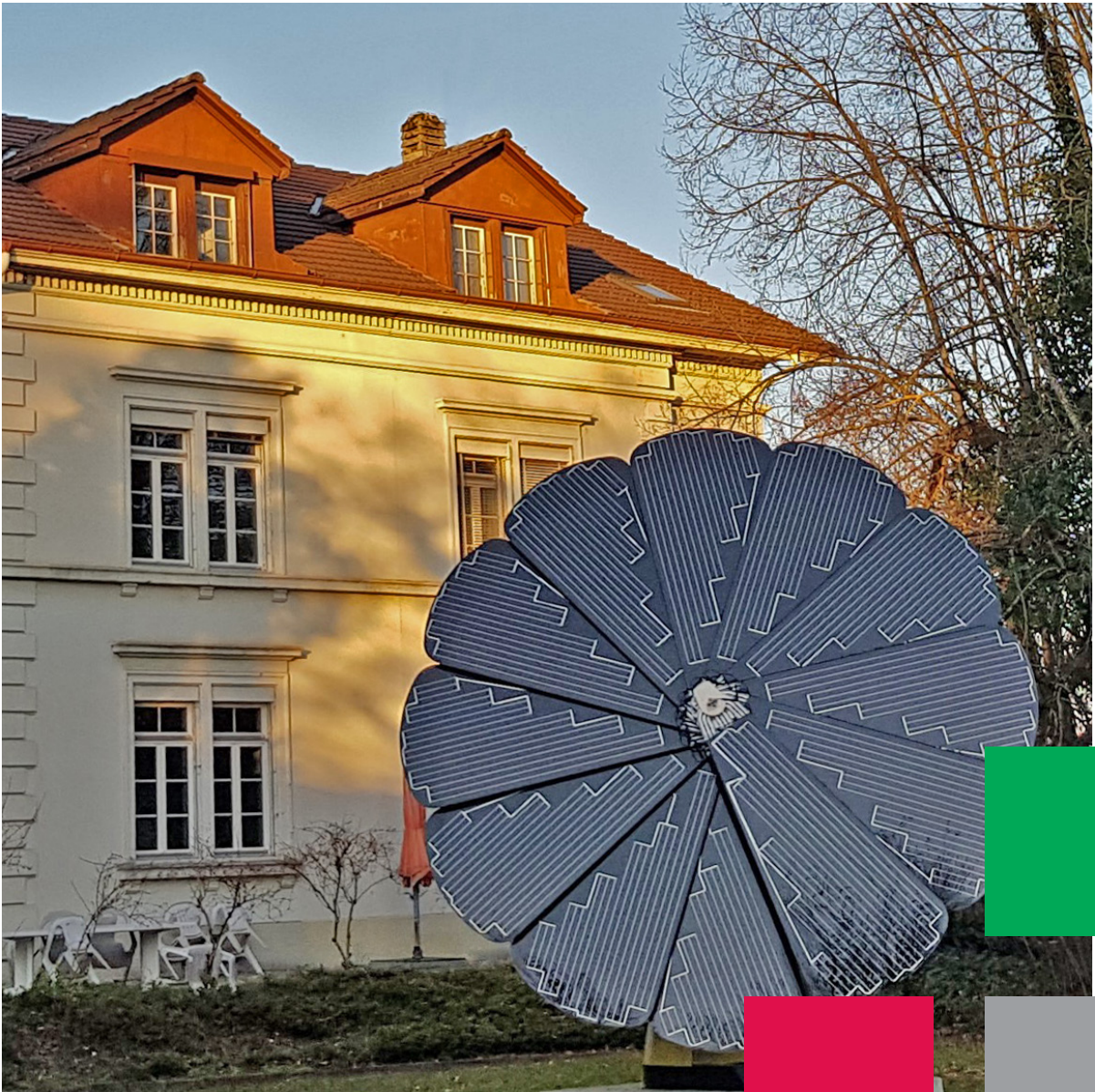
With the addition of an internal appendix, this report also acts as a management review report, which forms part of our management system procedures certified under ISO 9001:2015 and ISO 14001:2015. We seek to provide innovative reporting, focusing on global sustainability, on our own performance.

We are certain that, in the face of the technical and economic development that we can expect in the future, it will still be necessary, for a long time to come, to recognise and tackle deficits in the ecological, social and security spheres, in order to ensure that our systems and organisations are sustainable. As the world becomes more transparent and communications more immediate and direct, it is increasingly difficult to conceal or put off these deficits. Forward-looking economic policies, an environmentally-friendly attitude towards resources and confidence-inspiring relations with all business partners and stakeholders are therefore competitive advantages that make a crucial difference.

We warmly invite you as a stakeholder in our company to join us in reviewing our activities and services during 2018. I would like to thank all our employees for their great dedication and our customers for their trust in us during the previous year!

Dr. Jürg Liechti

CEO and President of the Board of Directors, Neosys AG



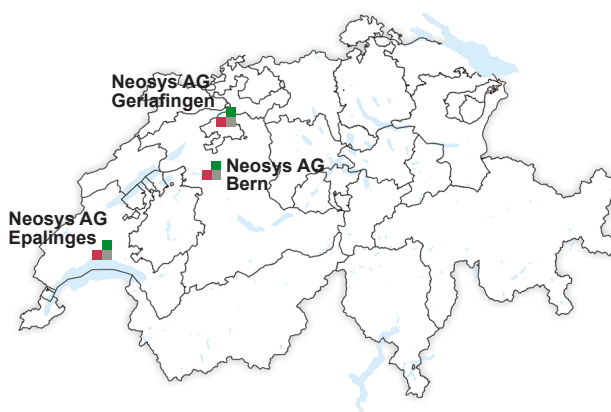
1 Our company in 2018



1.1 General overview

G102-1, G102-2, G102-3, G102-4, G102-5, G102-6, G102-7, G102-8

Neosys AG is a small engineering company and service provider with a focus on sustainability that currently employs around 30 people (including freelancers), making up a total of around 20 FTEs. In line with our mission statement we are a skilled team of experts from the environment, engineering, safety, risk management, social responsibility, management systems and legal services sectors that provides analyses, advice, plans, calculations, measuring, surveys and expert reports for companies, authorities and organisations in Switzerland and worldwide.



The company has its headquarters in Gerlafingen (Canton of Solothurn) and additional sites in Bern and in Epalinges near Lausanne. Neosys operates both throughout Switzerland and internationally, and we believe it makes sense to provide our services globally. It does not have a proactive strategy for expansion, but responds to opportunities for cooperation.

Developments – Impact – Opportunities: 2018 was a very successful year for our company overall. Both sales and profits (EBIT) exceeded budgetary expectations. By consolidating our workforce, we were also able to substantially reduce the previously high fluctuation rate. After a 'dip' in 2017, customer satisfaction once again met the usual high targets. Employee satisfaction also increased. A special contribution was made here by our legal services, which have once again seen double-figure growth rates. The development work on our online platform has resulted in a very attractive legal monitoring tool that allows us to meet the steadily rising demand for legal services. The good overall final figures are largely due to the positive developments in the legal services area.

The future market prospects of Neosys AG are very promising. The ever-growing importance of legal compliance combined with constant legislative changes in Switzerland opens up strong opportunities for further growth with our portfolio of legal services. We are proactively working on key future issues such as energy transition, environmental protection and the circular economy, which perfectly correspond to our strengths in terms of both knowledge and project experience. We have also developed a series of attractive niche products in areas such as chemical regulation and sustainable procurement.

Consequently, we feel ready for the future and look forward to the challenges that the coming years will bring.

1.2 Corporate structure and governance

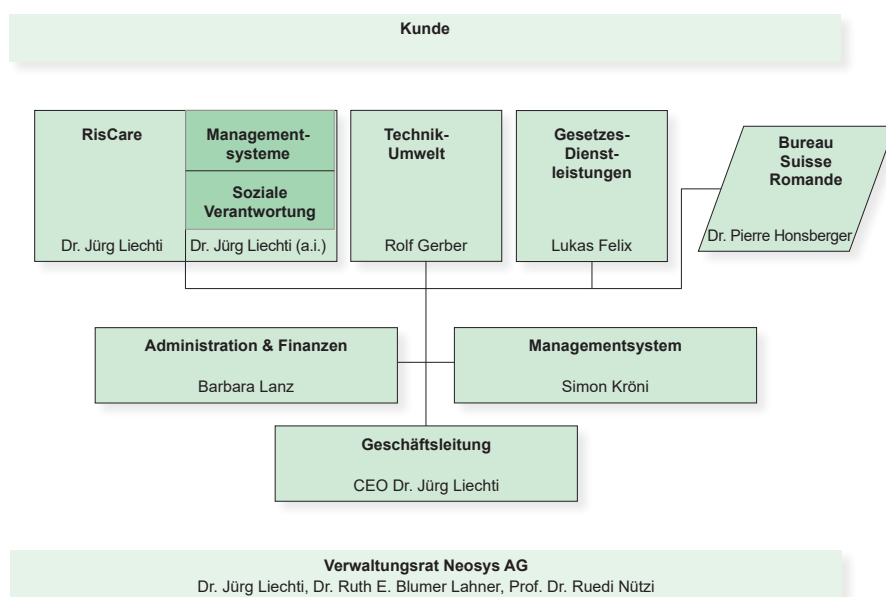
G102-18, G102-23, G102-24, G102-25, G102-30, G102-31, G102-32, G102-33, G102-34



Current status and indicators

Neosys is divided into three operative Business Units (BU): 'Legal Services', 'RisCare' and 'Technology-Environment'. The 'Management Systems' and 'Corporate Social Responsibility' areas are currently incorporated into the 'RisCare' business unit and are operating there temporarily.

We have represented our organisational chart in the form of a tree, with those who benefit from our company's services – the satisfied customers – at the top.



At the end of the 2018 reporting period, the Board of Directors at Neosys AG – following the retirement of one member – consisted of three people, of whom one was a major shareholder and two were external parties. As an SME not listed on the stock exchange, it is our policy for our Board of Directors to be composed firstly of the major shareholders responsible, and secondly of selected external individuals who can support Neosys with their network of contacts. The Chairman of the Board of Directors is the majority shareholder and also the CEO. This constellation results from the management buyout in 2006 and is intended to help stabilise the company. It is reviewed at regular intervals.

The company management consists of the heads of the Business Units (one is also the CEO) and the Director of Finance and Administration.

The market meeting comprises all employees with project manager status. It coordinates issues relating to product design, marketing and the corporate image. Based on a recommendation from the management review, in late 2018 the Neosys team brought a professional marketing specialist on board, who devotes her full attention to these issues and supports the project managers.

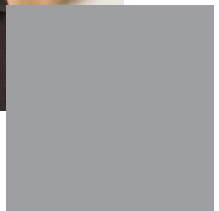
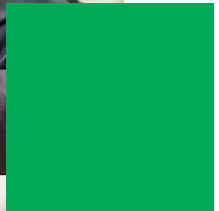
The strategy committee reviews the corporate strategy on an annual basis. It has a new composition every year, which is decided by the Board of Directors, and in which at least the Board of Directors and the company management are represented. This flexibility makes it possible to adapt the selection of participants to the current situation and to the form of the strategy meeting.

Assessment

The governance structure has proved itself to date, in that it has led to the continuous development of the company and its performance.

Measures

- Continuously checking the organisational structures and working hours/workplace models.



2 Economy



2.1 The success of our company

G201-1, G201-3

Current status and indicators

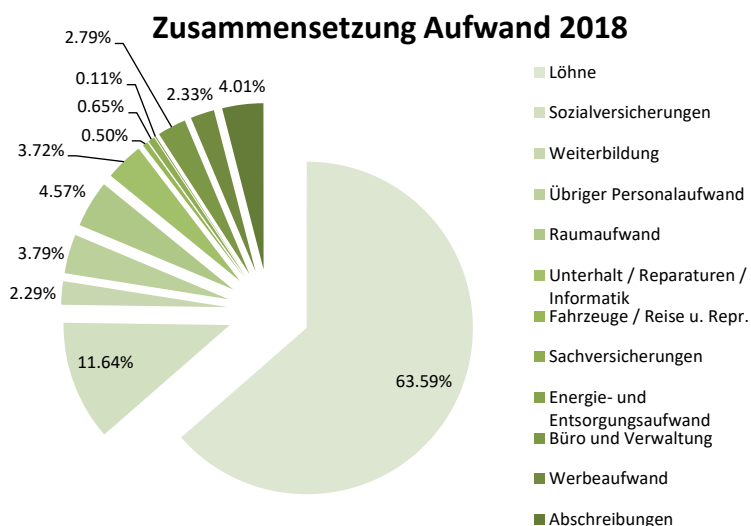
Growth in 2018 far outstripped expectations. In two BUs, demand was so great that we were able to take on more staff.

Despite the need to train the new employees, we very nearly reached our **staff productivity** target.

The **gross profit** (C1) ended the reporting year over the budgeted value (see table below for the essential indicators). Overall, our **operating profits** showed very positive values with 288 kCHF in 2018 and exceeded expectations. The **cash flow** was slightly below the budgeted value.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Gross sales, all of Neosys AG	kCHF	3601	*	3412	3327
HR costs, all of Neosys AG	kCHF	2585	✓	2435	2531
Gross profit (C1), BUs only	kCHF	3344	*	3155	3124
HR costs, BUs only	kCHF	2187	✓	1945	2175
EBIT	kCHF	288	*	238	82
Operating result	kCHF	94	✓	130	52
Cash flow	kCHF	221	✓	246	163
Dividends distributed	kCHF	94		98	26
EBIT rate of return	%	8.6%	*	7.3%	2.6%
Staff productivity	---	1.53	✓	1.57	1.44

The following graphic shows the breakdown of **costs**, as in previous years. As usual, over 80% are attributable to direct and indirect staff costs. Due to the predominance of staff costs at Neosys, the performance of the company depends on a good staff return, that is, a high offsetable utilisation of the existing staff capacities. There has been only a slight change in the distribution of costs compared with the previous year.



Assessment

The financial parameters for the reporting period are all within a good to very good range. Thanks to the huge commitment of all our employees we have achieved excellent results despite growth in staff numbers, substantially exceeding expectations.

Measures

- Continuing controlling with existing instruments.
- Continuing rapid provision of support for employees with low productivity.
- Continuation of training measures for new employees, with the aim of achieving good productivity and quality of work as quickly as possible.
- Critical analysis of the products as part of the strategic process. Systematic controlling of the product yield figures. Promotion of the products that are doing well.

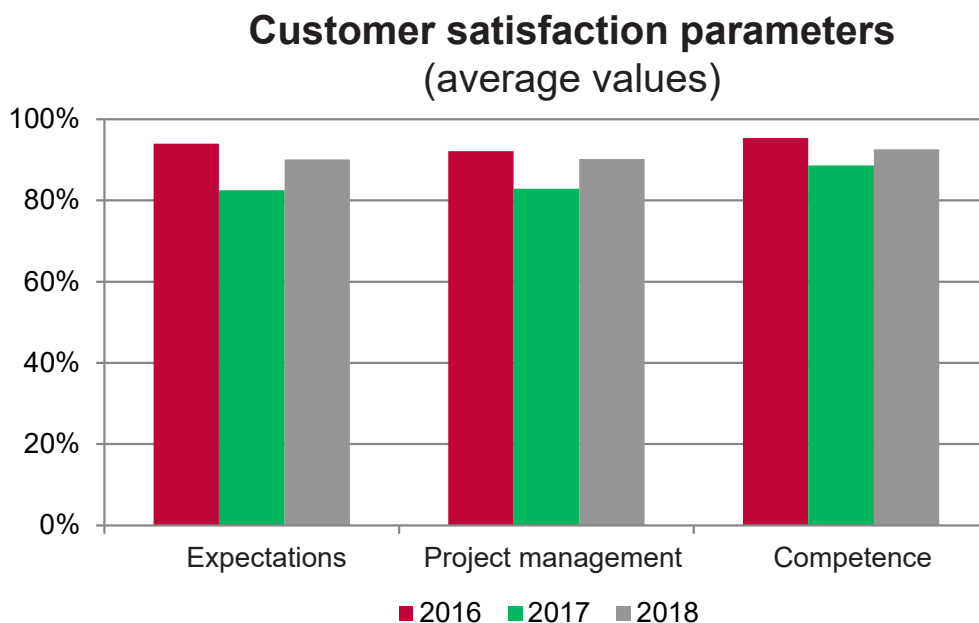
2.2 Our customers

G413-1, G413-2; G418-1, G419-1



Current status and indicators

Our **customers** include companies, authorities (departments and municipalities) and organisations (associations, international organisations, NGOs, etc.) in Switzerland and abroad. This means that for many years our customer base has included a broad range of sectors and industries. Neosys AG provides personal support and consulting services that are tailored to our customers and their requirements.



Our customer relations, strongly **characterised by personal contact**, have provided us with direct feedback about our customers' satisfaction with our work and the services we offer. In addition, we use a questionnaire to systematically obtain information on customer satisfaction, to enable us to continually improve.

The rate of return of **customer questionnaires** sent out has increased from 19.8% in the previous year to 24.4%. This may be due to the switch to emailing rather than posting the questionnaires, which makes it easier for customers to complete and return them.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Overall average customer satisfaction	%	89.2	✓ 90	82.6	91.4
Overall average customer satisfaction	% 'very good'	69	---	56.4	75.6
Average of criteria 1-8	%	90.3	* 90	83.8	93.5
Average of criteria 1-8	% 'very good'	72.3	---	57	81.2

Customer satisfaction picked up significantly across all criteria compared with last year, and is back on target.

Thanks to a lower fluctuation rate, we once again had a well-trained, experienced workforce.

In addition, the completion of the LexPlus development project and the already well-advanced migration of legal services customers from Excel to the online platform freed up staff for more targeted, intensive customer care than last year, which contributed to the increased customer satisfaction.

Assessment

The clear improvement meant we were able to narrowly meet the targets. As a provider of consulting services, customer satisfaction is of critical importance for us, and we need to make further improvements or at the very least maintain current satisfaction levels.

Measures

- Regular project management training to increase the competence of project managers and enable the rapid induction of new PMs.
- Regular and proactive discussion of complaints in the market and management meetings. Constant awareness-raising.

2.3 Our suppliers

G102-9; G308-1; G308-2; G414-1; G414-2



Current status and indicators

Supplier management is of relatively low overall importance to Neosys AG, as most of the value chain comes from the work of the employees and only very little is contributed by suppliers. Nevertheless, we do take the sustainability of our suppliers very seriously. Our suppliers are divided into three categories. Those categorised as relevant/strategically important partners are assessed at intervals of three years. A recommendation regarding a continuation of the partnership is made and any necessary measures are defined. One new supplier was reviewed in the reporting year.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Reviewed suppliers/service partners	Number	1	-	8	1
Exclusion of suppliers	Number	0	-	0	0

For years we have been purchasing recycled paper and 100% organic produce for the fruit provided for employees' breaks. The IT products used are sourced from an electronics company that is

a leader in the field of fair working conditions. In accordance with the Management Handbook, the (internal) **list of criteria** that relate to the sustainable acquisition of products is applied.

Neosys has defined a **code of conduct** that includes the locally valid environmental, work safety and occupational legislation, as well as the ILO core conventions and the payment of social security contributions and taxes. Our strategically important service partners and suppliers (categories A and B) have been informed of this code and asked to confirm their compliance by means of self-declaration.

Assessment

No problems were found with the supplier that was reviewed.

Measures

- Continuation of periodic evaluation of the relevant suppliers.

2.4 Innovation

G102-2; G102-29; G103-1, G103-2, G103-3, G416-2, G417-1, G417-2, G417-3



Current status and indicators

Following the completion of the labour-intensive innovation project to develop the online tool LexPlus in 2017, the working hours spent on innovation fell significantly in 2018. However, the number of different innovation projects increased. With six ongoing projects, we met our target.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Innovation projects handled (as at end of the year)	Number	6	5	3	5
Working hours spent on innovation projects	Hrs	179.7	---	827.0	1422.7

Assessment

The innovation process is still being utilised. The resources freed up by the completion of the big LexPlus innovation project could be invested in several smaller projects.

Measures

- Continuing controlling as before.

2.5 Management system

G103-2; G407-1; G408-1; G409-1; G410-1; G411-1; G412-1, G412-2, G412-3, G419-1



Current status and indicators

Neosys AG has an **integrated management system**. The company's quality management has been **ISO 9001**-certified since 1994. Shortly thereafter, the certification was expanded to include **ISO 14001**. The management system is expedient and is developed further on a regular basis. In 2017, the management system was successfully certified in accordance with the new standards ISO 9001:2015 and ISO 14001:2015. In May 2018, we successfully underwent a repeat audit by SQS in accordance with these standards.

Our own **legal compliance** is monitored using the same tool that we supply to our customers; since March 2015 this has been our LexPlus legal database. The investigation in the spring of 2018 showed according to our own estimation that Neosys AG complies with the legal requirements in the areas of the environment and safety.

There are **no proceedings** open against Neosys AG.

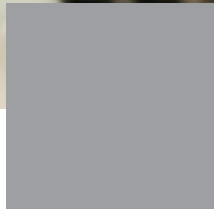
External communication takes the form of sustainability reporting in line with the Global Reporting Initiative (GRI) guidelines.

Assessment

The integrated management system has proven itself for the running of the company. It is generally well-accepted and is run efficiently. Combining the management system and the sustainability report also opens up numerous synergies for obtaining information and disseminating it to stakeholders internally (including the management itself) and externally.

Measures

- Maintenance and further development of the system. Successful completion of the compliance audit in May 2019.
- Carrying out at least two internal IMS training courses per year for all employees. Focus on critical areas for efficient work.
- Continuing induction training for new employees.
- Continuing to address pending QM list and customer complaints list under the agenda item 'Management system' at company management meetings.
- Aligning GRI report to the current version of the Global Reporting Initiative (GRI) guidelines.



3 People and society



3.1 Stakeholders

G102-18, G405-1

Current status and indicators

Neosys AG associates closely with numerous individuals and groups internally and externally. In 2010, we undertook a **general identification of our stakeholders** as part of our strategy development. Based on this, the management has been carrying out a more detailed analysis since then. For both Neosys overall and our individual Business Units, this showed a very complex pattern of different groups of stakeholders.

We seek to maintain an ongoing **dialogue** with all stakeholder groups. The instruments for this are included in our communication concept.

But for a true dialogue, we need feedback from the stakeholders under analysis. Many companies and stakeholders frequently only provide us with information, and communication is not the product of information alone, but also of feedback on the information provided.

Neosys believes it is vital to involve our stakeholders in our day-to-day business. With custom-developed online questionnaires and a special tool, we can easily and efficiently survey both external and internal stakeholders. This has now been developed into a Neosys service.

In 2018, all Neosys customers were asked about the services they were interested in or needed. The goals of the survey were to identify areas where there is demand for services and ways in which we can cater to this demand, so that we can precisely adapt our consulting services and product development to our customers' needs. A total of 125 customers took part in the survey, which provided us with extensive feedback and input. Based on the results of the survey, we can plan services and projects for 2019 that anticipate our customers' interests and needs.

Assessment

The stakeholder survey is a central instrument enabling us to compile our reports in accordance with the new GRI standards, while also helping our company to obtain valuable feedback from our most important stakeholders.

Measures

- Annual modification and implementation of the stakeholder survey.
- Incorporating the requirements found into the design of the annual report.

3.2 Business practices and anticorruption

G102-40, G102-42, G102-43, G102-44, G413-1



Current status and indicators

In accordance with our corporate values we seek to ensure **ethical conduct** towards all our partners and stakeholders. Because it is important to our credibility and identity, many aspects of ethical conduct have already been applied implicitly to date. Thus, for example, **complaints** and critical feedback from customers, neighbours, social groups, employees etc. are recorded in a list and pursued by the management system manager. In the 2018 reporting year, there were two cases of feedback that were officially classed as complaints. They concerned problems related to the switch of our legal services from Excel to the online tool LexPlus. The complaints were discussed with the customers concerned and measures were implemented to prevent these problems recurring in future.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Employees who were given anti-corruption training	% of people	48%	↔ 75%	68%	91%
Cases in which there was any suspected corruption	Number	0	---	0	0
Complaints from stakeholders with regard to environmental or social aspects	Number	2	---	0	0

At home, i.e. in Switzerland, we generally assess the **risks connected with corruption** as low. However, in the case of projects abroad we perceive an increased risk of being confronted with activities that could be described as corruption.

In order to be able to counter these, we formulated and adopted an in-house anticorruption policy in 2013, and integrated it into the provisions of the employment contracts; we also drew up specifications for the tender phase and order processing. This includes a description of the possible risk situations and the relevant preventive measures and procedures in cases of suspicion. The last anti-corruption training for our employees took place in 2016.

Potential risk situations or cases that could fall under the category of corruption are dealt with as an agenda item in the monthly management meetings and a list compiled. There were no cases of this kind in the 2018 reporting period.

Assessment

The customer complaints were linked to the switch of our legal services from Excel to the online tool LexPlus. Both problems were resolved in consultation with the customers.

The anticorruption policy introduced in 2013 provides a practical framework with regard to corruption and attempted illegal influence by third parties which may affect us in the course of our activities. The proportion of trained employees has dropped markedly compared to the previous year. This is explained by the growth in staff numbers in the reporting period and by the staff fluctuation in the previous year, as trained employees have left our company and the new employees have not yet received training.

Measures

- Regular awareness-raising among project managers of problems that can occur in connection with the switch to the online tool LexPlus.
- The aim is still for at least 75% of the workforce to receive anti-corruption training: training of new employees in the coming year.
- Maintaining the list for recording and pursuing situations that involve the risk of corruption.

3.3 Our employees

G102-16, G204-1, G205-1, G205-2, G205-3



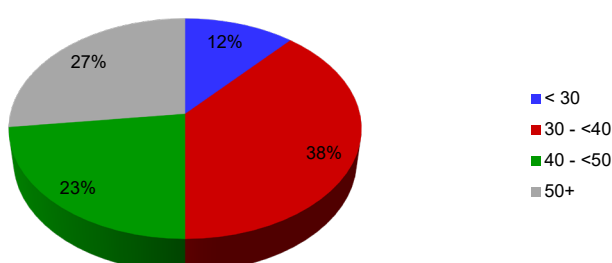
Current status and indicators

As at 31.12.2018, Neosys AG has **19.6 full-time equivalent posts (FTE)** with employment contracts in accordance with Swiss law (excluding ancillary staff). As at the reporting date these posts are divided between **26 people**. There are also non-time-limited cooperation agreements with six further people (freelancers). The number of **female employees** is 43% of the FTE, which represents a significant increase from the previous year. There was no substantial change to the proportion of women in management over the reporting year (21.6% of the FTE).

Indicator	Unit of measurement	2018	Target 2018	2017	2016	
Staff	FTE as at 31.12.	19.6	---	15.75	15.45	
Total percentage of women	% FTE	43	---	26.7	17.5	
Percentage of women in CM	% FTE	21.6	---	21.1	21.6	
Percentage of women on BoD	% per capita	28.6	---	25	25	
Wage spread	Ratio of highest to lowest wage	2.7		2.83	3.17	
Wage ratio women/men PM1		1.08	✓	1.00	1.06	0.99
Wage ratio women/men PM3		0.94	✓	1.00	0.99	0.87
Wage ratio women/men PM4		1.11		1.19	1.19	
Fluctuation	% FTE (departures)	4.9	*	<8	19.1	10.3
Occupational accidents/illnesses leading to absences	Number of cases	0	*	0	0	0
Absence rate (occup. accidents/illnesses)	%	0	*	0	0	0
Total absences (excluding approved absences and maternity/paternity leave)	%	0.82	---	0.55	4.13	
Overall satisfaction	Scale 0-10	8.51	*	7.00	7.80	6.97
Time spent on further training	Hrs / FTE*y	119.4	---	111.8	141	

Only a small number of employees left Neosys during the reporting year. As a consequence staff fluctuation was pleasingly low, at 4.9%.

Verhältnis Altersklassen 2018



The distribution of employees by age can be seen from the adjacent diagram. The age statistics have again changed in comparison with the previous year due to people leaving and joining the company: the percentage of those under 30 has decreased from 19% in 2017 to 11.5%, and the proportion of those aged over 40 has increased.

Occupational health and safety policy: Many Neosys employees are not just office workers, and often carry out their activities at customers' premises in a wide range of working environments – in foundries or power plants, at chemical works, scrap processors, building sites, etc. This gives rise to health risks, which were assessed by internal Neosys safety officers. The measures required to protect employees from work-related accidents or illnesses were determined, including the need for personal protective equipment. Periodic training courses and exchanges of experience are held

to enable employees to prepare themselves properly for site visits and to be aware of the risks at customers' premises.

The absence rate has risen again slightly since 2017 and now stands at 2.07 days per FTE per year. However, this is still significantly below the Swissmem industry benchmark of seven to eight days per year (2016 figures).

The **employee satisfaction questionnaire** was carried out with the new online survey tool. The overall satisfaction has again increased significantly (8.5) in comparison with the previous year (7.8). All the individual criteria were assessed as better than in the previous year and the target value of 7 was surpassed by a substantial margin. The questionnaire was completed by all employees.

Assessment

Neosys offers all of its employees **modern terms and conditions of employment** with opportunities for specialist and personal development, a good level of operational freedom and high delegation of responsibility.

The motivation of our employees is one of Neosys AG's most important resources. The increase in the **satisfaction level** to above the target value of 7 is very pleasing. As remarks and feedback received as part of the employee questionnaire always vary widely, it is important to continue to seek ongoing improvements. The evaluation of suggestions made as part of the survey or elsewhere is an important instrument here.

The overall **wage spread** is 2.7, which is typical for a Swiss SME. It has decreased again compared with the previous year. The salaries of male and female employees are not completely equal. The deviations from equality are investigated on a regular basis. In 2018, the deviations from ideal value 1 went in both directions, depending which function level is analysed. The excessive deviations for project manager categories 3 (m>f) and 4 (f>m) are determined by the aspects of age and experience of the employees in question and there is therefore no infringement of the pay equality law.

The absence rate went up slightly to 0.8% of **working hours**, but is still very low.

Measures

- Further detailed examination of the various responses to the employee questionnaire.
- The women/men wage ratio will now be recalculated taking account of age (based on wage bracket).

3.4 Sponsoring, memberships, charitable activities

G401-1, G403-2, G404-1, G405-1, G405-2, G406-1



Current status and indicators

It is part of the Neosys philosophy to be active in **local sponsoring** and to be a member of **industry and specialist organisations** relevant for our company.

Our sponsoring activities in 2018 were significantly higher than the previous year. The largest part was again the Christmas donation, which went to a social institution in the local area around the company headquarters and to an aid project in Bolivia. We make further donations in support of events by local associations and organisations.

Membership subscriptions have increased again after a drop last year, and are now at their highest level since we began measuring this indicator.

Indicator	Unit of measurement	2018	Target 2018	2017	2016
Sponsoring, donations	CHF	6500	---	4650	4600
Membership subscriptions	CHF	22611	---	20594	21108

In addition to financial contributions, Neosys AG is also active in a number of bodies which contribute to honing society's awareness of sustainability, and correspondingly in events without any reimbursement of expenses (e.g. the Swiss Association of Independent Safety and Security Engineers and Consultants [SSI]). We look on these as platforms for networking with other specialists, gaining new ideas and raising awareness of our company and its services to a wide range of potential cooperation partners and customers.

A number of our employees are active as volunteers for social issues (NGOs, politics, churches, professional associations, etc.). Neosys AG welcomes charitable and political activities by its employees. These are not supported financially or by granting work time off; however, any flexibility in working hours that this requires is granted.

Assessment

The sponsorship contributions in 2018 were significantly above the long-term average. Membership subscriptions went back up after a slight fall in 2017, reaching a new high. The maintenance of networks continues to be very important for the positioning of Neosys AG in the marketplace.

Measures

- Continued annual checks of cost/benefit balance of membership subscriptions.
- Checking with marketing that there is still leftover budget before making sponsorship agreements



4 Environment



Our **legal compliance** is regularly checked as part of the environmental management system. No failures to comply with the environmental legislation have been found.

The **main relevance** of our activities is on two levels. In terms of our own effect on the environment, the emphasis is above all on mobility, followed by the office infrastructure. The second level concerns our indirect effect, i.e. through the projects we carry out for our customers. These indirect (Scope 3) effects are difficult to measure. However, rough estimates (see example in 4.2) show that the indirect effects are probably around two orders of magnitude greater than our direct effects. A key role is played by our environmental consulting services, which help customers to improve their environmental performance.

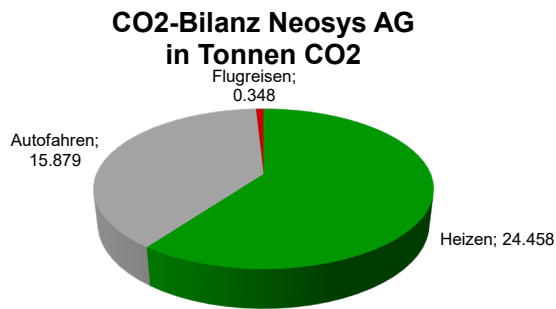
4.1 Operational aspects

G301-1, G302-1, G302-2, G302-5, G303-1, G305-1, G305-2, G305-3, G305-5, G306-1

Current status and indicators

The environmental indicators paint a mixed picture compared with previous years. Some of the reasons for this are clear, but some are not. Our **greenhouse gas balance** for 2018 is around 40.7 tonnes of CO₂. This represents around a 10% improvement over last year. One key contributing factor was the fact that almost no business flights were taken in 2018. A positive development was the sharp fall in CO₂ emissions per FTE. There was an absolute reduction in CO₂ emissions despite an increase in the number of employees, which can be explained by the fact that existing floor space in the offices was utilised more efficiently without increasing energy needs. Another positive development was the shift in the modal split towards rail, which was something that was actively promoted. The reduction in electricity consumption (both absolute and per FTE) is also very positive; measures to cut electricity use were also taken in 2018 (switch to LED lighting and installation of motion sensors).

Indicator	Unit of measurement	2018	Target 2018	2017	2016	
CO ₂ emissions, actual	t CO ₂	40.7	---	45.0	38.7	
CO ₂ emissions, compensated	%	100	*	100	100	
CO ₂ emissions per capita	t CO ₂ /FTE	2.25	---	2.90	2.26	
Kilometres by car	km/FTE	4'632	---	5'518	4'658	
Rail/car modal split	kmB/(kmA+kmB)	0.601	✓	> 0.63	0.556	0.630
Kilometres by air	km/FTE	76	---	574	0	
Waste generation	kg/FTE	59.1	---	81.8	140.9	
Electricity consumption	kWh/FTE	815	---	956	887	
Proportion of green energy	kWh _G /kWh _{TOT}	0.99	✓	1.000	0.93	1.000
Proportion of self-generated electricity	%	11.4	✓	14	12.0	10.7
Paper consumption	kg/FTE	23.4	↔	15	19.8	13.6
Water consumption	m ³ /FTE	4.0	---	5.7	9.2	



The three **sources of emissions**, ‘Heating’, ‘Car travel’ and ‘Air travel’ are compared in the following pie chart. All CO2 emissions attributable to Neosys are **compensated for** by the purchase of certificates from the Fair Recycling Foundation (Zurich). Our “attributable” CO2 emissions are therefore zero.

The **electricity consumption** for office operations and for rail travel is not calculated in the greenhouse gas footprint. This is due to the fact that we buy in electricity from 100% renewable sources and therefore do not offset the amount of approx. 29 g CO2/kWh calculated by the Federal Government for the Swiss electricity grid. The fact that the proportion of green energy was nonetheless only 99% rather than 100% is due to a procurement error (by the owner of one of our buildings), which was corrected in early 2018.

While there were substantial improvements in terms of waste generation and water consumption, we also recorded a clear rise (both absolute and per FTE) in paper consumption. The reasons for this are unclear, but it is possible that a change in the way paper consumption is measured is partially responsible. In the new financial year, we must attempt to reverse this rise.

The **self-generated electricity** indicator, recorded for the first time in 2016, decreased from 12.0% to 11.4%, even though the overall electricity consumption decreased slightly as planned. We thus failed to achieve the target figure of 14%. The main reason for this is the solar power system’s high fault rate. Steps have already been taken to improve the situation: the ‘flower’ is no longer folded up at night, which was the main cause of the faults and poor availability. As much as 84.5% of the electricity produced was used for our own consumption.

Assessment

The key figures in the area of the environment have shown a mostly positive development – due in no small part to the measures that we undertook. However, there is still scope for improvement (e.g. modal split, kilometres by car, CO2 emissions) and further action needs to be taken. The paper consumption target was clearly missed, giving rise to a new area where improvements are needed.

What was first seen as “teething problems” for the ‘SmartFlower’ system, and later developed into an ongoing problem (namely, the system’s mechanical instability), has since resulted in the supplier going insolvent. The system’s functionality can only be maintained by no longer folding it up each night. The actual payback time for the system is around 100 years, which is unsatisfactory.

Measures

- Promotion of rail travel and the electronic office.
- Continuing with CO2 compensation.
- Completion of the comprehensive installation of LED lighting.
- Analysing causes of increased paper consumption and devising/implementing countermeasures.
- Updating our environmental objectives as follows for 2019:
 - Maintenance of climate-neutral operation (attributable CO₂ emissions = 0)
 - Improve the transport mode split to a rail proportion > 65%
 - Reduce electricity use to < 800 kWh/FTE*y
 - Increase our self-generated electricity to > 14%
 - Reduce the specific paper consumption to < 20 kg/FTE

4.2 Product-related aspects

G203-2



Current status and indicators

Our direct, operations-related environmental impact – as indicated above – is quite low (office administration and business travel). However, we can indirectly achieve **positive environmental effects among our customers** by means of the services and advice we provide in the area of sustainability. Such effects are designated 'Scope 3 effects'. Particular significant levers among what we offer are:

- Introduction of environmental and energy management systems;
- Legacy consulting and redevelopment;
- Environmental technology (waste air, noise, NIR, etc.) and CO2 projects;
- Waste management;
- Energy management;
- Eco-balances.

There are no universally recognised guidelines for measuring these indirect effects and we can only estimate them qualitatively, but we believe they are very large relative to our direct environmental effects, as the example below shows.

Produkt: CO ₂ -Kompensationen, anhand eines Modellprojekts		
Effekt beim Kunden: CO ₂ -Minderung	t/a	2'000
Investition des Kunden	CHF	250'000
Kosten von Neosys beim Kunden	CHF	12'000
Anrechenbarer Effekt Scope 3	t/a	96
Umsatz Neosys im Produkt CO ₂	CHF/a	259'000
Scope 3-Wirkung CO ₂ des Produkts CO ₂	ta	2'072

Accordingly, the indirect effect of our product 'CO2 services' on our customers' CO2 emissions could well be two orders of magnitude greater than our own, direct CO2 emissions.

Assessment

With regard to quality, our impact is all the greater the more and the bigger the projects we have with highly environmentally relevant clients. This situation is certainly satisfactory today. Our aim to increase this impact further goes hand in hand with our growth activities.

Measures

Develop and establish new, indirectly very effective products such as:

- Eco-balances for organisations/companies and products.
- Rating systems for investment funds.
- Ecological product declarations and life cycle analyses.



5 Neosys at a glance



FINANZEN	Masseinheit	2018	Ziel 2018	2017	2016
Nettoumsatz (DB1), nur BUs	kCHF	3344	* 3249	3155	3124
Personalkosten, nur BUs	kCHF	2187	* 2064	1945	2175
EBIT	kCHF	288	* 238	310	82
Betriebsergebnis	kCHF	94	130	99	52
Cash Flow	kCHF	221	✓ 246	221	163
EBIT – Rendite	%	8.6%	* 7.3	9.8	2.6
Personalproduktivität	-	1.53	✓ 1.57	1.62	1.44
QUALITÄT	Masseinheit	2018	Ziel 2018	2017	2016
Beschwerden von Kunden	Anzahl	2		0	0
Kundenzufriedenheit	Gewichtete %	89.2	* 90	82.6	91.4
Überprüfte Lieferanten / DL-Partner	Anzahl	1		8	1
Sperrungen von Lieferanten	Anzahl	0		0	0
Innovations-Projekte	Anzahl	6	✓ 5	3	5
Arbeitsstunden Innov.-Projekte	Std.	179.7		827.4	1422.7
MITARBEITENDE	Masseinheit	2018	Ziel 2018	2017	2016
Belegschaft	FTE 31.12.	19.50		15.75	15.45
Anteil Frauen gesamt	% FTE	43.0		26.7	17.5
Anteil Frauen in GL	% FTE	21.6		21.1	21.6
Anteil Frauen in VR	%	28.6		25	25
Lohnspanne	-	2.70		2.83	3.17
Lohnverhältnis w/m PL1	-	1.078	* 1.064	0.994	0.994
Lohnverhältnis w/m PL3	-	0.941	✓ 0.994	0.872	0.872
Lohnverhältnis w/m PL4	-	1.108	✓ 1.185	1.19	1.19
Fluktuation	% FTE	4.9	* < 8	19.1	10.3
Berufsunfälle/-krankheiten mit Ausfalltagen	Anzahl Fälle	0	* 0	0	0
Zufriedenheit insgesamt	Skala 0-10	8.51	* > 7	7.81	6.97
Weiterbildungszeit	Std./FTE	119		112	141
GESELLSCHAFT	Masseinheit	2018	Ziel 2018	2017	2016
Anti-Korruptions-geschulte MA	%	48	↔ > 75	68	91
Fälle von Korruptionsverdacht	Anzahl	0		0	0
Stakeholder-Reklamationen	Anzahl	0		0	0
Sponsoring, Spenden	CHF	6500		4650	4600
Mitgliederbeiträge	CHF	22611		20594	21108
ÖKOLOGIE	Masseinheit	2018	Ziel 2018	2017	2016
Auto-Kilometer	km/FTE	4632		5518	4658
Modal-Split Bahn/Auto	%	60.1	✓ > 63	55.6	63
Flug-Kilometer	km/FTE	76		574	0
CO ₂ -Ausstoss (ohne Kompensation)	t CO ₂ /FTE	2.249		2.903	2.259
Kehricht-Produktion	kg/FTE	59.1		81.8	140.9
Stromverbrauch	kWh/FTE	815		956	887
Ökostrom-Anteil	kWhÖ/kWh _{tot}	0.99	✓ 1	0.93	1
Strom-Eigenproduktion	%	11.4	↔ > 14	12	10.7
Papierverbrauch	kg/FTE	23.4	↔ < 15	19.8	13.6

Code zur Zielerreichung:

* gut	✓ genügend	↔ schlecht
- beobachten	→ Massnahmen	

Notes on our report and GRI Index

The present report covers the period from 1.1.2018 until 31.12.2018 and represents the ninth public sustainability report of Neosys AG. It relates to all departments and areas of activity of Neosys AG, and is repeated on an annual basis. The report was drawn up by an internal work group; the contact person is **Yannic Rütti**, yannic.ruetti@neosys.ch, **032/ 674 45 27**.

The report uses data from the Neosys AG management system and also represents the public part of the annual review of the Neosys AG management system, which has been approved by the company management.

Legend

A	Austria
AG	Aktiengesellschaft (joint-stock corporation)
BoD	Board of Directors
BU	Business Unit
C1	Contribution margin 1 (net profit)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CH	Switzerland
CHF	Swiss francs
CM	Company management
CO ₂	Carbon dioxide, the most significant greenhouse gas
CSR	Corporate Social Responsibility
D	Germany
EBIT	Earnings Before Interest and Taxes
EMS	Environmental Management System
ESG	Environment, social and governance; standards that take environmental, social and governance issues into account when assessing and rating companies
F	Female employee
FTE	Full-Time Equivalent
GHG	Greenhouse gas
GRI	Global Reporting Initiative – organisation that produces international guidelines for sustainability reporting
Hr	Hour
IGöB	Interest Group for Ecological Purchasing, Switzerland
ILO	International Labour Organisation
IMS	Integrated Management System
ISO 9001	International standard for quality management
ISO 14001	International standard for environmental management
ISO 45001	International standard for occupational health and safety
IT	Information Technology
kCHF	Thousand Swiss francs
kg	Kilogram
km	Kilometre
kWh	Kilowatt-hour
LS	Neosys Legal Services Business Unit
M	Male employee
MS	Management Systems
NGO	Non-Governmental Organisation
OHSAS 18001	'Occupational Health and Safety Assessment Series' standard for management systems
PM	Project manager
SME	Small and medium enterprise(s)
SSI	Swiss Association of Independent Safety and Security Engineers and Consultants
t	Tonne
y	Year