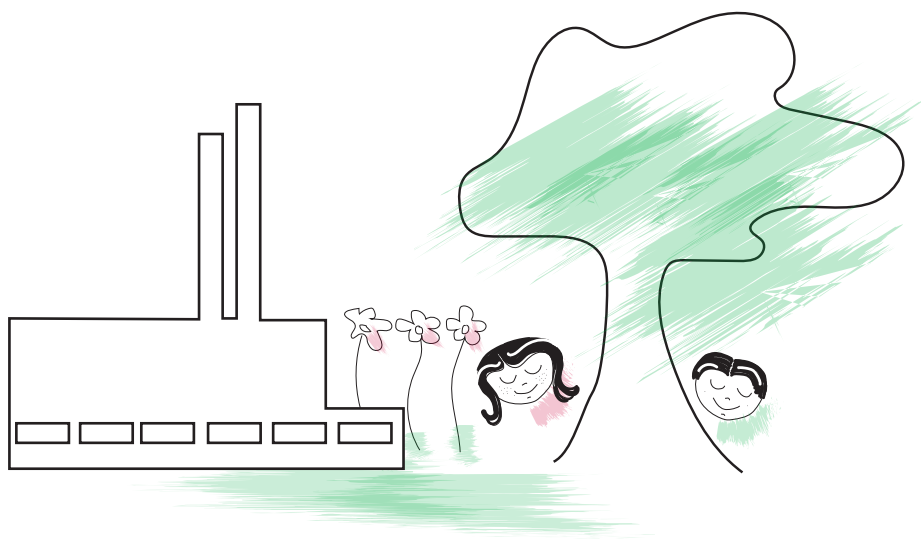


Sustainability Report & UNGC COP 2020

Neosys AG



Neosys AG
Gerlafingen • Bern • Epalinges
April 2021





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86 hours of
further training per FTE

Gross sales of

3,9 Mio CHF in 2020

Wage ratio
f/m 0.970
(adjusted for position)



The Gerlafingen site is
carbon-neutral

Ebit rate
of 5,8% in 2020

100% renewable
energy
at the Gerlafingen site

Foreword

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



Dear readers

Neosys aligns its strategies and operations with quality, health, safety and environmental standards. In 2010 we signed the United Nations Global Compact (UNGC) and joined the Swiss local network of the UNGC. By doing so, we became part of a network dedicated to jointly advance societal goals in the areas of human and labour rights, environment and anti-corruption.

As a small-sized consulting firm in the fields of sustainable development, we understand that our future success depends on a sustainable business model. Therefore, we want our product solutions to be part of a global economy that supports all people and the environment. The UNGC initiative provides a framework to achieve this goal.

Another financial year has come and gone. This annual report describes how things went for Neosys in 2020 and how we're doing relative to our targets and plans. For the eleventh successive year, we have drafted the report in accordance with the GRI ('Global Reporting Initiative') guidelines. Although these guidelines are aimed predominantly at larger multinational companies, we have had great success in using them as a small company too.

In brief, preparing an annual report that is 'GRI-compliant' 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.

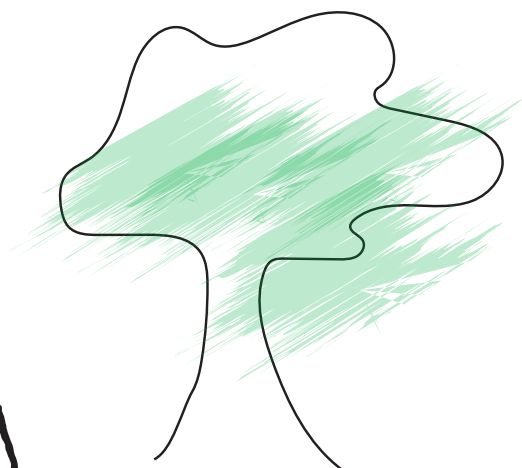
As our performance indicators show, we had a very successful 2020 despite the coronavirus pandemic. That was never something that could be taken for granted. Being temporarily unable to visit our customers, having to switch to virtual meetings and remote working, and various other adverse factors put a significant damper on our activities in the first half of the year. So it was very pleasing that in the second half of the year we were able to make up for almost all the backlog. That gives us reason to feel optimistic about the future and the development of our business, since it shows that with the right products/services and with motivated employees, we can achieve success even in times of crisis. The need for ecological, social and economic sustainability will ensure the continued existence of the market in which we operate.

We warmly invite you as a stakeholder in our company to join us in reviewing our activities and services during 2020. 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

Our company



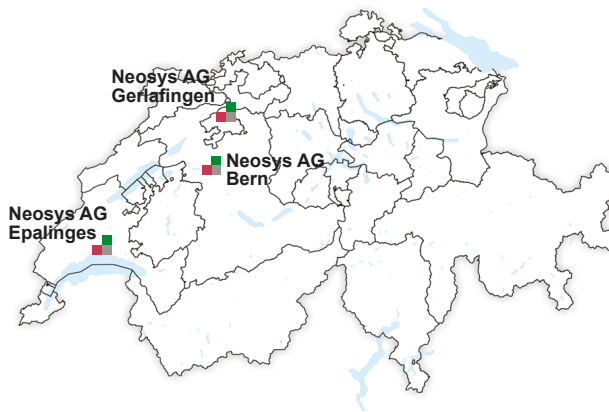
1 Our company in 2020

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 employed 31 people (including freelancers) in 2020, 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: The year started off with a number of challenges. Absences and a lack of productivity had a negative impact on our results. The coronavirus pandemic exacerbated the situation, since many customer visits could no longer go ahead.

Thanks to our collective efforts, in the second half of the year we were able to achieve positive results again, though we fell slightly short of the sales target. Given the pandemic and the fact that two new employees were still being trained, this is a highly satisfactory state of affairs. Some reserves were released in order to create a liquidity cushion for the uncertain situation created by the pandemic. This ultimately resulted in a strong, above-target increase in profits.

Despite the many challenges, we were able to make a lot of investments in infrastructure (staff room, printer room, stairwell), IT (Teams, switch to new mail server and ERP system) and marketing (planning for new website) without exceeding the budget.

The staff fluctuation rate was lower than in previous years. Customer satisfaction remained high at over 90%. Employee satisfaction scored better than in the previous year and is well above the target value.

A special contribution was made again by our legal services, where turnover increased again. Our online platform 'LexPlus' is 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 strong performance in the legal services area.

The future market prospects of Neosys AG are very promising. The vastly increased focus on the climate and energy sector is having a positive effect. We anticipate that our development efforts in the areas of the circular economy and corporate responsibility will also bear fruit in the medium term. In combination with the ever-growing importance of legal compliance and increasing demand in the areas of chemical and product regulation, we believe our prospects for further profitable growth remain intact. Consequently, we feel ready for the future and look forward to the developments in the coming years.

1.2 Corporate structure and governance

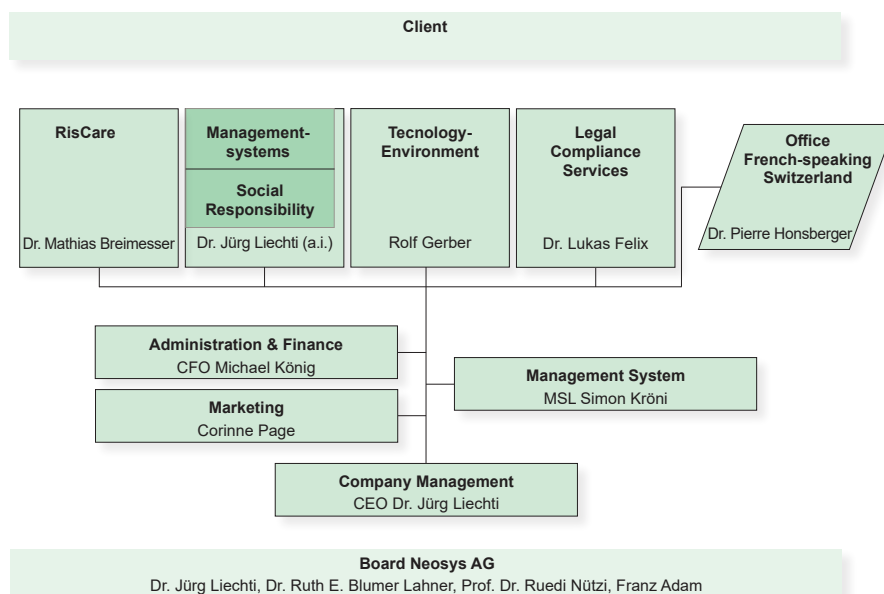
G102-18, G102-23, G102-24, G102-25, G102-30



Current status and indicators

Neosys is divided into three operative Business Units (BUs): 'Legal Services', 'RisCare' and 'Technology-Environment'. The 'Management Systems' and 'Corporate Social Responsibility' areas are currently not independent business units and are being temporarily managed by the CEO.

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.



In the 2020 reporting period, the Board of Directors at Neosys AG consisted again of four people, of whom one was a major shareholder and three 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, the CEO and the Director of Finance and Administration. The heads of the management system and culture group also participate in company management meetings on relevant agenda items.

The market meeting comprises all employees with project manager status and the marketing manager. It coordinates issues relating to product design, marketing and the corporate image.

The culture group is made up of staff representatives. It organises social events to foster a positive company culture. It also conducts annual employee satisfaction surveys and analyses the results.

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.

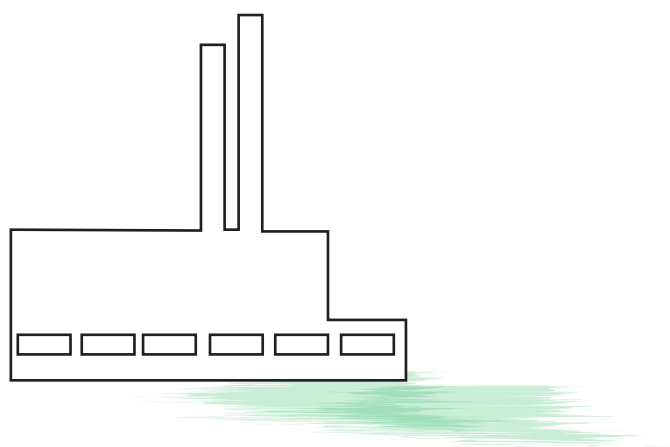
Assessment

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, marketing and working hours/work-place models.

Economy



2 Economy

2.1 The success of our company

G201-1, G201-3



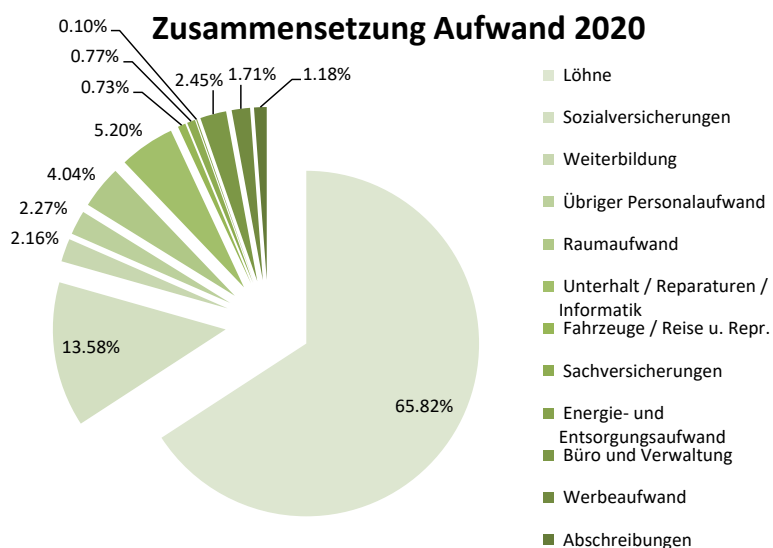
Current status and indicators

The **gross profit** (C1) ended the reporting year below the budgeted value, but still at a record level (see table below for the essential indicators). Overall, **EBIT** was 217 kCHF, equivalent to 74% of the budgeted figure. The **2020 operating result** was a record 371 kCHF, though this is attributable to the fact that contributions from the employer contribution reserve were released. This was done due to negative interest rates on the fund and the need to create a liquidity cushion in light of the coronavirus pandemic.

We didn't succeed in reaching the staff productivity target. At 1.45, it is below the average of recent years.

Indicator	Unit	2020	Target 2020	2019	2018
Gross sales, all of Neosys AG	kCHF	3'888	*	3'851	4'006
HR costs, all of Neosys AG	kCHF	3'012	✓	2'950	2'893
Gross profit (C1), BUs only	kCHF	3'740	✓	3'857	3'640
HR costs, BUs only	kCHF	2'572	*	2'578	2'366
EBIT before incentive	kCHF	217	✓	293	262
Operating result	kCHF	371	*	243	114
Cash Flow (EBITDA)	kCHF	258	✓	286	295
Dividends distributed	kCHF	68		98	94
EBIT rate of return	%	5.8%	✓	7.6%	7.2%
Staff productivity	---	1.45	✓	1.5	1.54

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 minor changes in the distribution of costs compared with the previous year.



Assessment

The financial parameters for the reporting period are all within a good range. Thanks to a stable staffing situation, we were able to achieve financial results largely in line with expectations.

Measures

- Continuing controlling with existing instruments.
- Continuing 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 and marketing as part of the strategic process.

2.2 Our customers

G413-1, G418-1



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. Since 2019, we have also been using an online tool to record customer satisfaction after project completion.



The rate of return of customer questionnaires sent out rose again slightly to 19%, following the sharp drop two years ago. One possible reason for the rather low response rate could be that a lot of surveys and newsletters are now sent out and our customers no longer pay attention to every email.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
Overall average customer satisfaction	%	92	✓	90	88.2
Overall average Customer satisfaction	% 'very good'	76.2	---	67.8	69
Average of criteria 1-8	%	93.9	*	90	90.2
Average of criteria 1-8	% 'very good'	81.7	---	72.4	72.3

Following a slight fall last year, in 2020 overall customer satisfaction rose sharply again and now stands at the very high figure of 92%. Pleasingly, satisfaction increased across almost all criteria. The price-performance ratio indicator remained stable and once again scored lowest out of all the criteria.

Assessment

The strong increase is very pleasing and shows that the Neosys project managers are perceived as competent and reliable experts. One reason may be the staff fluctuation in the last two years, which probably hit a record low. This meant that we could ensure customers always got to work with the same, experienced team members and project managers.

The price-performance ratio fluctuated within the expected range and should continue to be monitored.

Measures

- Maintain 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.
- Monitor pricing and related feedback from the market.

Satisfied customers

Bruker Switzerland AG:

«For years, Neosys AG has been a highly capable business partner who helps us to proactively and effectively integrate health, safety and environment aspects into our processes. No matter the problem – checking legal compliance, conducting risk assessments, handling hazardous substances, ensuring the safety of machinery – they provide sustainable, practical solutions. The working relationship based on mutual engagement and trust makes it a pleasure doing business with them.»

Petra Weidmann
EHS Coordinator
Bruker Switzerland AG



2.3 Our suppliers

G102-9, G204-1, G308-1, G308-2, G407-1, G408-1, G409-1, 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, the reliability of our suppliers for IT services and communication is becoming increasingly important.

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. Three strategically important suppliers were reviewed in the reporting year.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
Reviewed suppliers/service partners	Number	3	-	2	1
Exclusion of suppliers	Number	0	-	0	0

For years we have been purchasing recycled paper and mostly organic produce for the fruit provided for employees' breaks.

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 local 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 have been informed of this code and asked to confirm their compliance by means of self-declaration.

Assessment

No problems were found with the suppliers that were reviewed.

Measures

- Continuation of periodic evaluation of the relevant suppliers.

2.4 Innovation

G102-2, G102-29, G203-1



Current status and indicators

After a significant increase in 2019, in 2020 there was a sharp decline in the working hours spent on innovation projects. An average of 33 hours per project was spent on seven active projects.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
Innovation projects handled (as at end of the reporting year)	Number	7	5	9	5
Working hours spent on innovation projects	Hrs	234.8	---	426.8	179.9

Assessment

Innovation is very important for Neosys, which sees itself as an 'opportunity taker', and it should therefore be continued at an appropriate level. As a small company, however, resources must also be used as efficiently and purposefully as possible.

Measures

- Continuing controlling as before to ensure that the available resources are used in a targeted and efficient manner and that resources are not dispersed over too many projects.
- Wrapping up unpromising innovation projects early.
- Review of criteria for launching innovation projects.

2.5 Management system

G103-1, G103-2, G103-3, G307-1, G416-2, G417-1, G417-2, G417-3, 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 April 2020, we successfully underwent a recertification audit by SQS.

Our own **legal compliance** is monitored using the same tool that we supply to our customers. The investigation in the spring of 2020 showed according to our own estimation that Neosys AG fully 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.
- 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.

People and society



3 People and society

3.1 Stakeholders

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



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 2019, all registered Neosys contacts were asked about their impressions and expectations of Neosys. The analysed feedback is primarily intended to help us gear our marketing and development activities to customers' needs. It also forms the basis for a discussion of strategic issues. A total of 125 persons took part in the survey.

Assessment

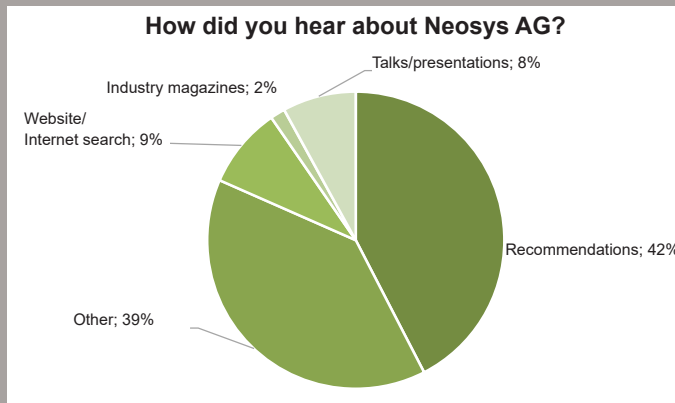
The stakeholder survey is a central instrument enabling us to compile our reports in accordance with the GRI standard, while also helping our company to obtain valuable feedback from our most important stakeholders. In 2019, a general survey was sent out. In 2021, another targeted survey tailored to our key stakeholders will be conducted.

Measures

- Modification and implementation of the stakeholder survey in 2021.
- Discussing the analysed feedback and incorporating it into the strategic process.

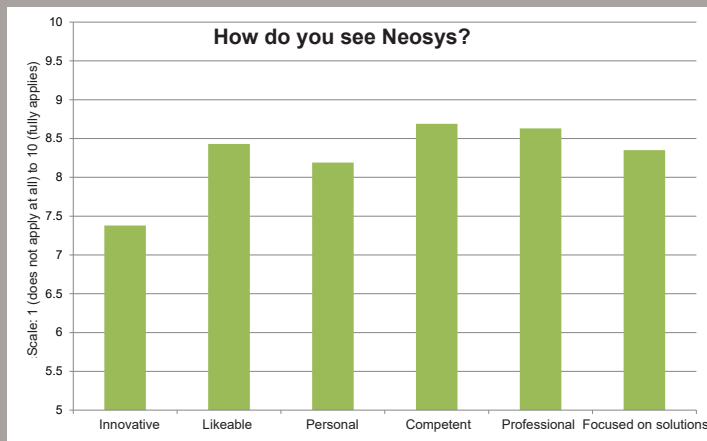
Stakeholder survey

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The feedback on the question of how people heard about Neosys is very informative. By far the most important factor is recommendations, followed by the Internet and talks/presentations. This demonstrates the importance of customer satisfaction and having a good relationship with our customers.

A second finding is that Neosys is not seen as especially innovative. While our professionalism, competence and likeability are rated highly, we scored lowest on innovation. Unfortunately, it is not clear from the feedback that was received how this rating could be improved.



The feedback that was received is now being analysed in depth and will be incorporated into our strategic process. Thanks to everyone who took part in the survey!

If you have feedback (positive or negative) at any other time, we'd love to hear it: info@neosys.ch.

3.2 Business practices and anti-corruption

G102-16, G102-44, G205-1, G205-2, G205-3, G206-1



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 2020 reporting year, there were no cases of feedback that were officially classed as complaints.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
Employees who were given anti-corruption training	% of staff	73%	✓ 75%	85%	48%
Cases in which there was any suspected corruption	Number	0	---	0	0
Complaints from stakeholders with regard to environmental or social aspects	Number	0	---	3	2

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 anti-corruption 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. In addition, anti-corruption training for our employees is conducted on a regular basis. No training programmes were conducted in 2020.

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 2020 reporting period.

Assessment

It is very welcome that no complaints were received from stakeholders, which is in line with the very good customer satisfaction figures for last year (see section 2.2 'Our customers').

The anti-corruption policy introduced in 2013 provides a practical framework with regard to corruption and attempted illegal influence by third parties. The proportion of trained employees fell slightly again despite the very low fluctuation rate.

Measures

- Maintaining the list for recording and pursuing situations that involve the risk of corruption.
- Planning anti-corruption training for 2021.

3.3 Our employees

G401-1, G401-2, G403-2, G404-1, G404-3, G405-1, G405-2, G406-1



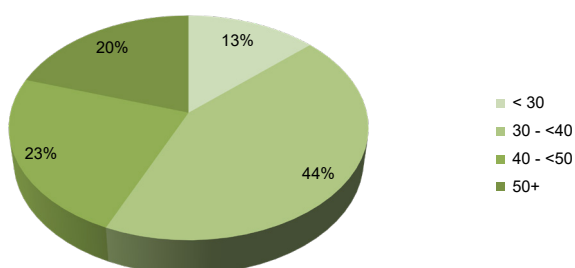
Current status and indicators

As at 31.12.2020, Neosys AG has **20.47 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 **30 people**. The number of **female employees** is 41.5% of the FTE, which represents a slight increase from the previous year.

Only one person left the company in 2020. The vacancy was quickly filled, and as a consequence **staff fluctuation** was pleasingly low, at 1.5%.

Indicator	Unit of measurement	2020	Target 2020	2019	2018	
Staff	FTE as at 31.12.	20.47	---	18.53	19.6	
Total percentage of women	% FTE	41.5	---	37.1	43	
Percentage of women in CM	% FTE	0	---	0	21.6	
Percentage of women on BoD	% per capita	25	---	33.3	33.3	
Wage spread	Ratio of highest to lowest wage	3.04	---	3.00	2.7	
Wage ratio women/men relative to pay bracket New indicator introduced in 2019		0.970	*	1.00	0.975	---
Wage ratio women/men PM1		n/a		1.00	1.12	1.08
Wage ratio women/men PM3		1.03	*	1.00	0.96	0.94
Wage ratio women/men PM4		0.872	✓	1.00	1.03	1.11
Fluctuation	% FTE (departures)	1.5%	*	<8	4.0	4.9
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)	%	2.5	---	1.1	0.82	
Average satisfaction	Scale 0-10	8.3	*	>7.00	7.9	8.51
Time spent on further training	Hrs / FTE*y	85.7	---	106.8	119.4	

Verhältnis Alterklassen 2020



The distribution of employees by **age** can be seen from the adjacent diagram. The age statistics have not changed significantly in comparison with the previous year: the percentage of 30 to 40-year-olds has increased from 32% in 2019 to 44%, and the proportion of those aged under 30 or over 50 has decreased.

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 compared to 2019 and now stands at 6.31 days per FTE per year. The high absence rate is due to an employee on reduced hours for health reasons suffering a relapse. This is the highest level in several years. However, this is still 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 questionnaire was completed by all employees. The overall satisfaction has increased (8.3) in comparison with the previous year (7.9). Many criteria were assessed as better than in the previous year; the target value of 7 was exceeded for all individual criteria.

The overall **wage spread** is 3.04, which is typical for a Swiss SME. It has increased slightly 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 2020, the deviations from ideal value 1 went in both directions, depending which function level is analysed. The 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.

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 fact that the **satisfaction level** has been sustained 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.

Measures

- Further detailed examination of the various responses to the employee questionnaire.

A new addition to the Neosys Corporate Social Responsibility team: Yannic Rütli is joining as department head.

«After I graduated with a degree in energy and environmental engineering, Neosys gave me the opportunity to prove myself as a project manager, working in the area of legal services and management systems. That was already five whole years ago! Thanks to the knowledge I acquired and the regular training, I was promoted to product manager after just over three years. Getting to grips with this exciting new area was a steep learning curve. As I approached the end of my MAS in engineering management, I was promoted to head of CSR. I'd like to take this opportunity to thank all the customers I worked with as project and product manager. I'll still be there for you if you need support with socially responsible management, whether in the corporate or local government sector.»



Yannic Rütli
Hauptverantwortlicher CSR bei der Neosys AG

3.4 Sponsoring, memberships, charitable activities

G102-13, G415-1



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.

Spending in 2020 were in line with the long-term average. The largest part was again the Christmas donation, which went to the Pippilotta project in Hubersdorf, which provides bereavement support for children and young people. We make further donations in support of events by local associations and organisations.

Membership subscriptions rose to a record high in 2020.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
Sponsoring, donations	CHF	4'050	---	5'297	6'500
Membership subscriptions	CHF	23'743	---	19'880	22'611

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.

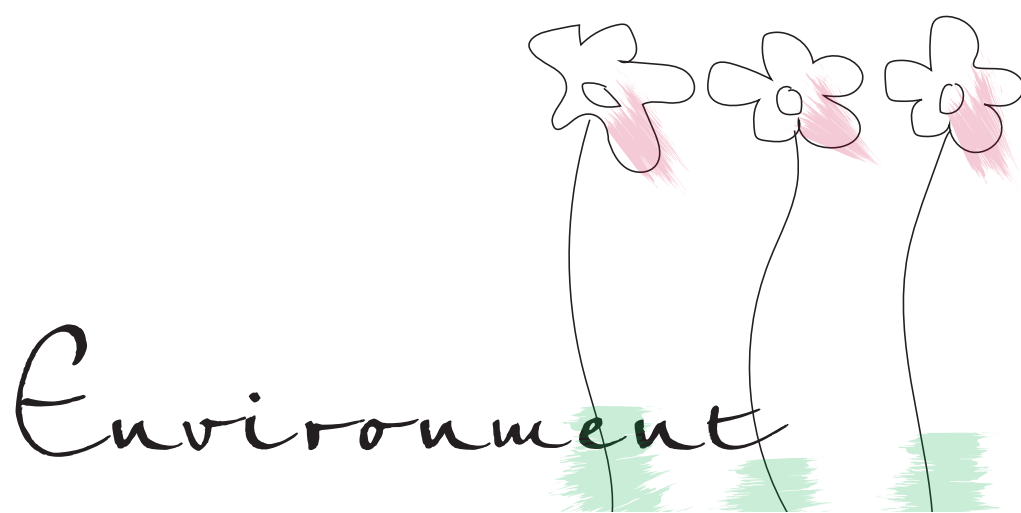
A number of our employees are active as volunteers for social issues (NGOs, politics, churches, professional associations, etc.). Neosys AG welcomes charitable and political activities by its employees. These are not supported financially or by granting work time off; however, any flexibility in working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

Assessment

Following above-average expenditure on sponsorship in previous years, spending fell back to a 'normal' level in 2020. Membership subscriptions were very high on a long-term comparison. 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.



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. Consequently, a key role is played by our environmental consulting services, which help customers to improve their environmental performance.

4.1 Operational aspects

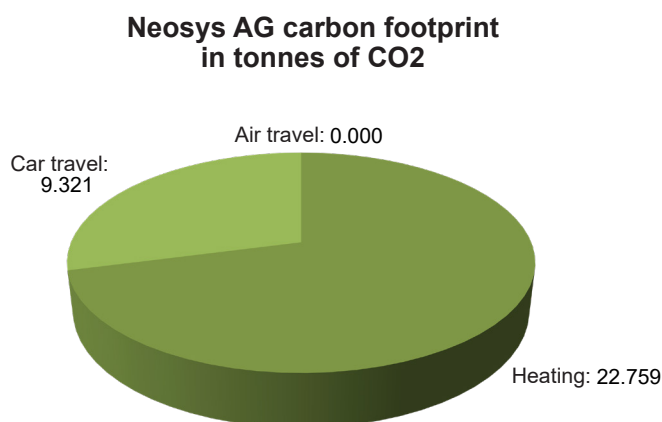
G301-1, G302-1, G302-2, G302-5, G303-1, G305-1, G305-2, G305-3, G305-5, G306-1, G306-2



Current status and indicators

The environmental indicators paint a positive picture compared with previous years. Of course, it should be borne in mind that due to coronavirus a lot of work was done from home and many customer visits had to be cancelled, so a fall in energy consumption and travel is only to be expected. We can't calculate what proportion of the reduction was due to coronavirus and what proportion would have happened anyway. One notable result that definitely can't be attributed to the pandemic is the development of the modal split (kilometres travelled by rail as a proportion of business travel), which could be increased from 70.1% to 74.5%, exceeding the target again.

Our **greenhouse gas balance** for 2020 is around 32.1 tonnes of CO₂, equivalent to 1.575 tonnes per FTE and around 20% below the previous year. One factor that definitely helped was that no flights were taken in 2020. Three sources of emissions contribute to the gross carbon footprint: heating, car travel and air travel. These are shown in the pie chart below. Net greenhouse gas emissions are zero, in line with our target, since Neosys offsets all CO₂ emissions with emission reduction certificates.



Electricity consumption was also reduced by around 15% in 2020, from 815 to 696 kWh/FTE. However, we assume that part of these savings are offset by increased consumption at our employees' homes. Measures started in 2018 (switching to LED lighting and installation of motion sensors) were interrupted in 2020 when we switched floors in the west wing of the building. In addition, some of the motion sensors are unusable because they react to sound. These problems are set to be resolved, and the measures to cut electricity use will be continued. 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 proportion of green energy met the 100% target in 2020.

The one consumption indicator to rise very sharply was **waste generation** (from 54 to 90 kg/FTE). This was due to work to clear out the cellar, which generated a lot of material that required disposal. While water consumption remained more or less constant, **paper consumption** dropped significantly. We achieved a figure of 8.6 kg paper/FTE, surpassing the target of 15 kg /FTE. Again, this may be due in part to the coronavirus pandemic.

The **self-generated electricity** indicator (degree of self-sufficiency), recorded for the first time in 2016, could be increased from 11.2% to 13.5%. SmartFlower production rose again by almost 7%, and overall electricity consumption decreased at the same time, resulting in a marked rise in the proportion of self-generated electricity. As much as 86.8% of the electricity produced was again used for our own consumption.

Indicator	Unit of measurement	2020	Target 2020	2019	2018
CO ₂ emissions, actual	t CO ₂	32.1	---	39.9	40.7
CO ₂ emissions, compensated	%	100	*	100	100
CO ₂ emissions per capita	t CO ₂ /FTE	1.58	---	2.07	2.25
Kilometres by car	km/FTE	2'383	---	3'410	4'632
Rail/car modal split	kmB/(kmA+kmB)	0.745	*	> 0.70	0.701
Kilometres by air	km/FTE	0	---	944	76
Waste generation	kg/FTE	90.1	---	53.7	59.1
Electricity consumption	kWh/FTE	696	*	<800	815
Proportion of green energy	kWh _G /kWh _{tot}	1.000	*	1.000	0.99
Proportion of self-generated electricity (degree of self-sufficiency)	%	13.5	*	<11.2	11.4
Paper consumption	kg/FTE	8.6	*	<15	23.4
Water consumption	m ³ /FTE	4.2	---	4.5	4.0

Assessment

The key figures in the area of the environment have developed positively, due in large part to the measures we have taken and which are set to be continued. We need to consider how to increase in-house generation of carbon-neutral electricity, and complete the long-discussed switch to electric company vehicles.

Measures

- Promotion of low-carbon travel and the electronic office.
- Continuing with CO₂ compensation.
- Completion of the comprehensive installation of LED lighting.
- Thinning (in line with regulations) the bushes that are casting shade on the SmartFlower.
- Updating our environmental objectives as follows for 2021:
 - Maintenance of climate-neutral operation (attributable CO₂ emissions = 0)
 - Maintenance of modal split at > 75%
 - Reduce electricity use to < 800 kWh/FTE*y
 - Making plans to increase self-generated electricity and switch to electric vehicles
 - Reduce the specific paper consumption to < 10 kg/FTE

Eco-reporting for SMEs

Growing awareness of climate and sustainability issues means that in the medium term even SMEs will no longer be able to ignore them. End customers are increasingly willing to pay more for sustainable production, so that ethical working conditions and minimal resource consumption are rewarded by consumers.

Many SMEs are aware of this, and are investing and implementing measures accordingly. However, collecting environmental data can be a lot of work, and the cost of bringing environmental specialists on board is a barrier to smaller companies.

That's where our new product 'Öko Treuhand' comes in. It automatically integrates eco-reporting into financial accounting. The ERP system that we use integrates economic and ecological requirements. When goods flows are entered into a company's accounts, the environmental impacts and CO₂ emissions of bought and sold products are calculated and analysed too, which saves a lot of time.

We help with planning and implementing the system. By supplementing fiduciary services with a sustainability perspective, we become a one-stop shop for environmental and business management.

*Get in touch for more details: michael.koenig@neosys.ch
www.oekotreuhand.ch*



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.

Product: carbon offsetting, based on model project		
Impact on customer: CO ₂ reduction	t/y	2'000
Investment by customer	CHF	250'000
Cost of Neosys services for customer	CHF	15'000
Attributable scope 3 effect	t/y	120
Neosys sales of CO ₂ product	CHF/y	370'000
Scope 3 effect of CO ₂ product	t/y	2'960

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.
- Advising on circular economy.

Legal Services

«The Neosys Legal Services (LS) division helps Swiss companies to achieve and maintain legal compliance. With a focus on occupational safety and environment issues, the LS team advises customers on legal requirements and lets them know about any relevant legislative changes.

Since Swiss environmental law is closely tied to EU law and many Swiss businesses trade in the EU zone, changes in environmental legislation at EU level are of great interest to our customers.

The LS division caters to this growing interest. For instance, we've expanded the content of the REACH newsletter in recent years, as well as updating the layout. LS also increasingly offers support and advice concerning changes in EU legislation, e.g. regarding the launch of the new SCIP database for products containing SVHCs, something which poses new challenges for EU manufacturers. The LS/Neosys consultancy services focus in particular on what changes in EU legislation mean for Swiss businesses.»

Mareike Trauerstein

Legal Services (LS) Project Manager at Neosys AG



Neosys at a glance



5 Neosys at a glance



FINANZEN	Masseinheit	2020	Ziel 2020	2019	2018
Nettoumsatz (DB1), nur BUs	kCHF	3'740	✓	3'857	3'640
Personalkosten, nur BUs	kCHF	2'572	*	2'578	2'366
EBIT	kCHF	217	✓	293	262
Betriebsergebnis	kCHF	371	*	243	114
Cash Flow (EBITDA)	kCHF	258	✓	286	295
EBIT – Rendite	%	5.8%	✓	7.6%	7.2%
Personalproduktivität	-	1.45	✓	1.50	1.54
QUALITÄT	Masseinheit	2020	Ziel 2020	2019	2018
Beschwerden von Kunden	Anzahl	0	*	0	3
Kundenzufriedenheit	Gewichtete %	92.0	*	90	88.2
Überprüfte Lieferanten / DL-Partner	Anzahl	3		2	1
Sperrungen von Lieferanten	Anzahl	0		0	0
Innovations-Projekte	Anzahl	7	*	5	9
Arbeitsstunden Innov.-Projekte	Std.	234.8		426.8	179.7
MITARBEITENDE	Masseinheit	2020	Ziel 2020	2019	2018
Belegschaft	FTE 31.12.	20.47		18.53	19.50
Anteil Frauen gesamt	% FTE	41.5		37.1	43.0
Anteil Frauen in GL	% FTE	0.0		0	21.6
Anteil Frauen in VR	%	25.0		33.3	33.3
Lohnspanne	-	3.04		3.00	2.70
Lohnverhältnis w/m rel. zu Lohnband	-	0.970	*	1.00	0.975
Fluktuation	% FTE	1.5	*	< 8	4.0
Berufsunfälle/-krankheiten mit Ausfalltagen	Anzahl Fälle	0	*	0	0
Zufriedenheit insgesamt	Skala 0-10	8.3	*	> 7	7.9
Weiterbildungszeit	Std./FTE	86		107	119
GESELLSCHAFT	Masseinheit	2020	Ziel 2020	2019	2018
Anti-Korruptions-geschulte MA	%	73	✓	> 75	85
Fälle von Korruptionsverdacht	Anzahl	0		0	0
Stakeholder-Reklamationen	Anzahl	0		3	0
Sponsoring, Spenden	CHF	4'050		5'297	6'500
Mitgliederbeiträge	CHF	23'743		19'880	22'611
ÖKOLOGIE	Masseinheit	2020	Ziel 2020	2019	2018
Auto-Kilometer	km/FTE	2'383		3'410	4'632
Modal-Split Bahn/Auto	%	74.5	*	> 70	70.1
Flug-Kilometer	km/FTE	0		944	76
CO ₂ -Ausstoss (ohne Kompensation)	t CO ₂ /FTE	1.575		2.070	2.249
Kehricht-Produktion	kg/FTE	90.1		53.7	59.1
Stromverbrauch	kWh/FTE	696	*	< 800	815
Ökostrom-Anteil	kWhÖ/kWh _{tot}	1.00	*	1	1.00
Strom-Eigenproduktion (Autarkiegrad)	%	13.5	*	> 11.2	11.2
Papierverbrauch	kg/FTE	8.6	*	< 15	18.0

Code zur Zielerreichung:

* gut	✓ genügend	↘ schlecht
- beobachten	→ Massnahmen	

Notes on our report and GRI Index

The present report covers the period from 1.1.2020 until 31.12.2020 and represents the eleventh 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 numbers under the chapter headings show which GRI standards were applied in that chapter. The report was drawn up by an internal work group; the contact person is Yannic Rütli, 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

AG	<i>Aktiengesellschaft</i> (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
f	Female employee
FTE	Full Time Equivalent
GHG	Greenhouse gas
GRI	Global Reporting Initiative – organisation that produces international guidelines for sustainability reporting
Hr	Hour
IMS	Integrated Management System
ISO 9001	International standard for quality management
ISO 14001	International standard for environmental
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
PM	Project manager
SME	Small and medium enterprise(s)
SSI	Swiss Association of Independent Safety and Security Engineers and Consultants
t	Tonne
y	Year

personal - competent -
sustainable



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