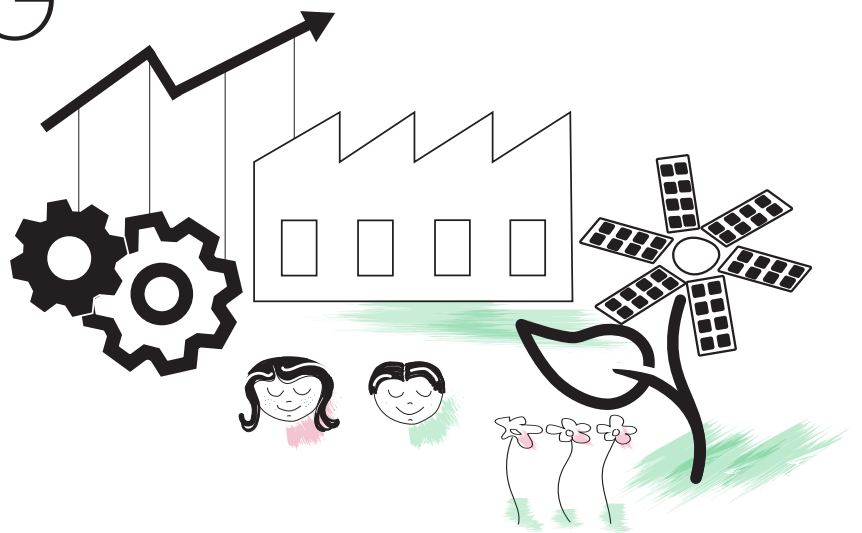
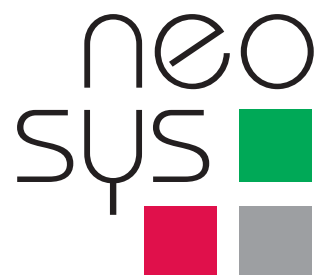


Sustainability Report & UNGC COP 2021

Neosys AG



Neosys AG
Gerlafingen • Bern • Epalinges
April 2022





Foreword	4
1 Our company in 2021	6
1.1 General overview	6
1.2 Corporate structure, culture and governance	7
2 Economy.....	10
2.1 The success of our company	10
2.2 Our customers.....	11
2.3 Our suppliers	13
2.4 Innovation.....	13
2.5 Management system	15
3 People and Society.....	18
3.1 Stakeholders	18
3.2 Business practices and anti-corruption	19
3.3 Our employees.....	20
3.4 Sponsoring, memberships, charitable activities	22
4 Environment	24
4.1 Operational aspects	24
4.2 Product-related aspects	26
5 Neosys at a glance	28
Notes on our report and GRI Index	29
Legend	30



62 hours of
further training per FTE

Gross sales of

4,5 million CHF in 2021

Wage ratio (f/m)
of 0.967

(adjusted for position)



The Gerlafingen site is
carbon-neutral

Ebit rate
of 14,3% in 2021

100% renewable
energy

at the Gerlafingen site

Foreword

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



Dear readers

Another financial year has come and gone. It is now our pleasure to inform you of how things went for Neosys in 2021 and how we're doing relative to our targets.

We have been drafting the report in accordance with the GRI (Global Reporting Initiative) guidelines since 2010. These guidelines are a sort of 'standard' for annual reports, and although they 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 what is relevant to the company and of interest to its stakeholders;
- transparent, verifiable reporting;
- reporting that gives equal weight to strengths and weaknesses, and to 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.

The year 2021 was an exceptionally successful one for us, as our figures show. This success was due in part to the generally good economic situation and, above all, the high demand for products that have kept us very busy in the recent past, such as legal compliance, CO₂ services, and dangerous goods safety. At the same time, internal factors also played a crucial role. In the 2020 'Covid year', we had a crash course in working from home and virtual working, and 2021 showed that these new ways of working can lead to increased efficiency if used correctly. We are convinced that, with the right products and services, and with motivated and well-trained employees, success is always possible. Our thanks for the company's excellent performance in 2021 go to all our employees for their great dedication and to our customers for their continued loyalty and the orders they placed.

We warmly invite you as a stakeholder in our company to join us in reviewing our activities and achievements in 2021.

Dr. Jürg Liechti

CEO and Chairman of the Board of Directors, Neosys AG

UNGC

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.



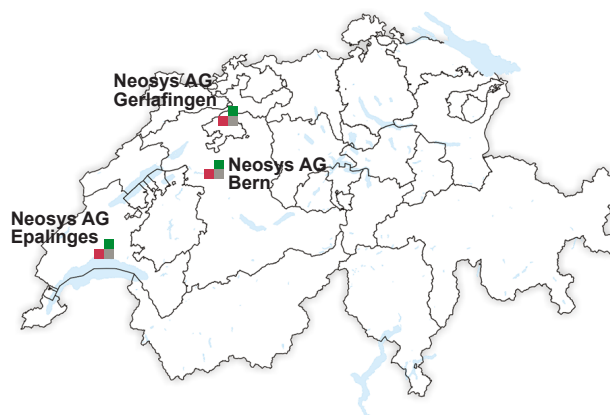
1 Our company in 2021

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 2021, making up a total of around 21 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: Healthy demand and the commitment shown by everyone led to a record result.

The ongoing Covid situation was handled well by all. Some events, such as the company outing or the Christmas dinner, could still be held and were extremely well received at a time when people were predominantly working from home; others were held digitally. Other processes such as invoice control and project modifications could be computerised and adapted for remote working, which improved controlling, quality and throughput time.

The staff fluctuation rate remained low compared to previous years. Customer satisfaction was kept at the desirable level of over 90%. Employee satisfaction remained at the previous high level. 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, although every area contributed positively to the result.

The future market prospects of Neosys AG are very promising. The vastly increased focus of authorities and markets 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, culture and governance

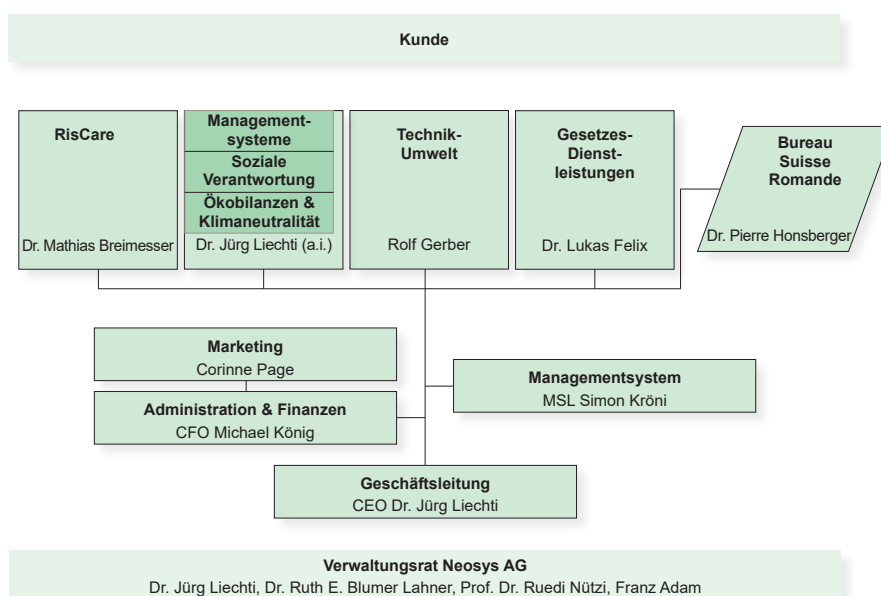
G102-18, G102-23, G102-24, G102-25, G102-30



Current status and indicators

Neosys is divided into three operative Business Units (BUs): 'Legal Services', 'RisCare' and 'Technology-Environment'. There are also currently three smaller business divisions, 'Management Systems', 'Corporate Social Responsibility' and 'Ecological Assessment and Climate Neutrality', that are being established or re-established. Until they reach a critical size, these are not independent Business Units, however. They are managed by the CEO in the interim.

Our organisational chart as a tree diagram:



In the 2021 reporting period, the Board of Directors at Neosys AG consisted 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 groups 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.

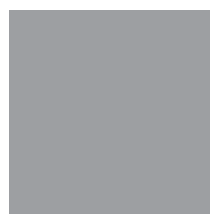
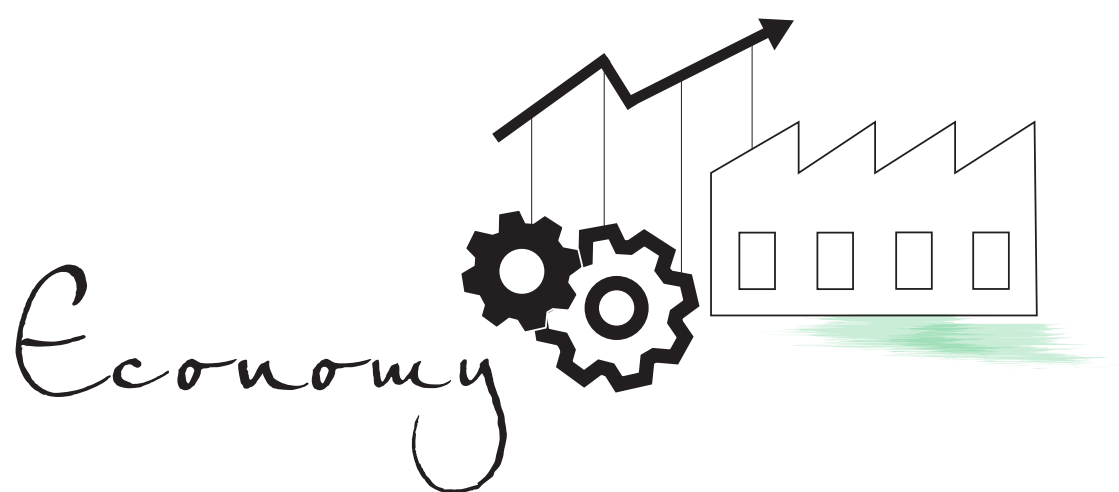
The strategy committee reviews the corporate strategy on an annual basis. It has a new composition every year, which is decided by the Board of Directors, and in which at least the Board of Directors and the company management are represented. This flexibility makes it possible to adapt the selection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



2 Economy

2.1 The success of our company

G201-1, G201-3



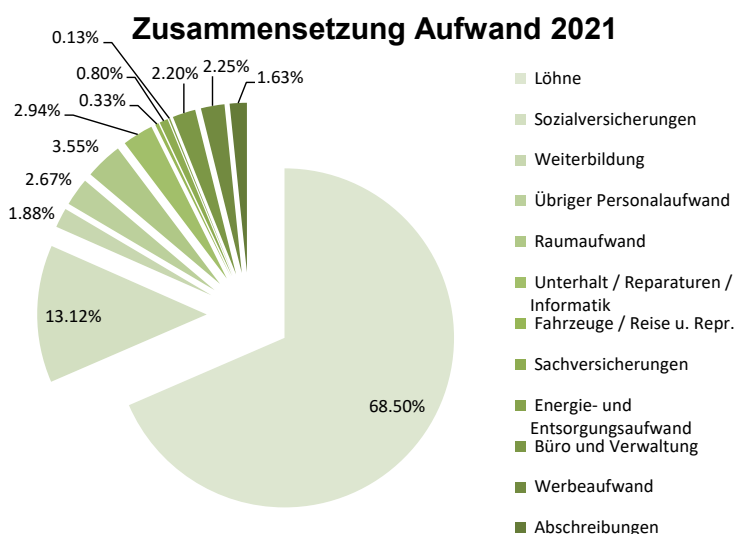
Current status and indicators

The **gross profit** (C1) ended the reporting year above the budgeted value, and again at a record level (see table below for the essential indicators). Overall, **EBIT** was 616 kCHF, equivalent to 158% of the budgeted figure. The **2021 operating result** of 337 kCHF was once again above the long-term average: this was due to the healthy order book, positive productivity and unchanging overhead costs.

The unchanged staff numbers made it possible to achieve the staff productivity target. At 1.59, it is above the average of recent years.

Indicator	Unit	2021	Target 2021	2020	2019
Gross sales, all of Neosys AG	kCHF	4'513	* 4'091	3'888	4'006
HR costs, all of Neosys AG	kCHF	3'372	✓ 3'059	3'012	2'893
Gross profit (C1), Bus only	kCHF	4'305	* 4'027	3'740	3'640
HR costs, Bus only	kCHF	2'703	* 2'617	2'572	2'366
EBIT before incentive	kCHF	616	* 390	217	262
Operating result	kCHF	337	* 343	371	114
Cash flow (EBITDA)	kCHF	680	* 454	258	295
Dividends distributed	kCHF	205		68	98
EBIT rate of return	%	14.3%	* 9.7%	5.8%	7.2%
Staff productivity	---	1.59	* 1.54	1.45	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 which exceeded 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 strengthening of marketing as part of the strategic process.

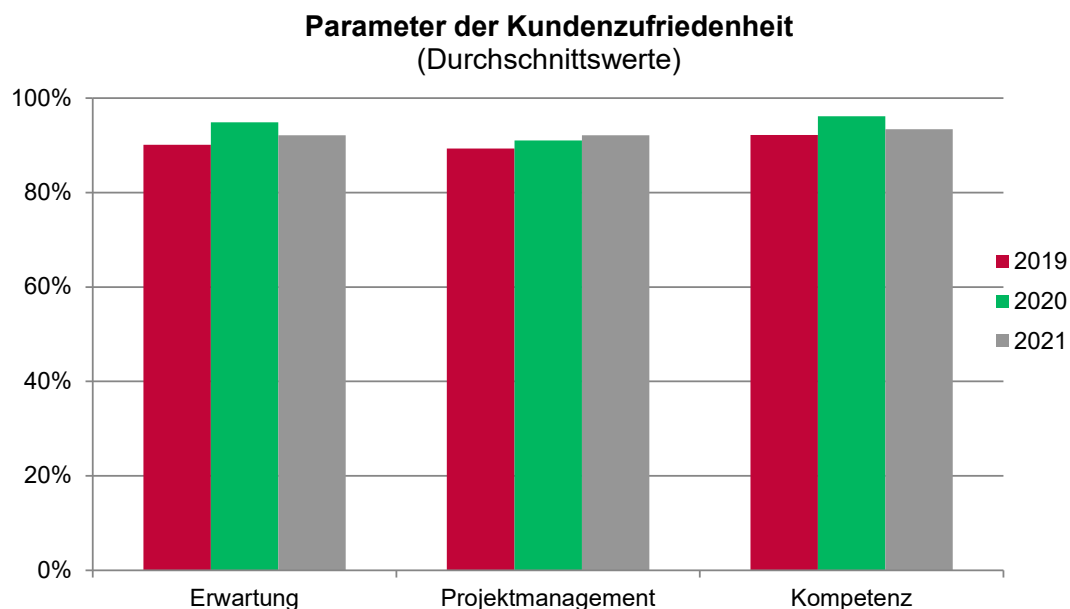
2.2 Our customers

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 has increased for the third year in a row and is now at 25.3%.

Indicator	Unit	2021	Target 2021	2020	2019	
Overall average customer satisfaction	%	89.5	✓	90	92	88.2
Overall average Customer satisfaction	% very good	64.1	---	76.2	67.8	
Average of criteria 1-8	%	92.3	*	90	93.9	90.2
Average of criteria 1-8	% very good	73	---	81.7	72.4	

After a significant increase last year, the overall satisfaction of our customers in 2021 is back at our long-term average. The price-performance ratio indicator is still at its lowest level. The question of whether the respondent would recommend Neosys to others showed the most significant decline.

Assessment

The additional assessment category in the survey form (now five categories rather than four) had a slightly negative effect on the key figures. The answers given to several questions were in the new neutral category, which led to a mathematical deterioration in the overall rating.

The price-performance ratio fluctuated within the expected range. In the coming years, a watchful eye will need to be kept on the decline in the willingness to recommend Neosys. The remaining indicators are in line with the long-term average 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

Municipality of Ittigen:

‘Environmental Management Systems standard ISO 14001:2015’ / ‘Sustainable Development’ / ‘Greenhouse Gas Emission Reduction Target 2030+’ – All these demanding and future-oriented topics require holistic, professionally sound support from an external source: NEOSYS AG Gerlafingen has been meeting these high standards for years.

Martin Pauli
Head of Environment,
Municipality of Ittigen



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 traditionally 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. In the meantime, however, our suppliers for IT services and communication have become very important and have consequently been ranked as strategic partners.

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. No assessment of strategically important suppliers was due in the reporting year.

Indicator	Unit	2021	Target 2021	2020	2019
Reviewed suppliers/service partners	Number	0	-	3	2
Exclusion of suppliers	Number	0	-	0	0

For years we have been purchasing recycled paper and 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 assessments were carried out in the reporting year. The assessment of two important partners is planned for the next reporting year.

Measures

- Continuation of periodic evaluation of the relevant suppliers

2.4 Innovation

G102-2, G102-29, G203-1



Current status and indicators

In 2021, despite eight active development projects, hardly any resources were invested in innovation. The time spent on all projects was a historically low 17.5 hours. The main reason for this was the record-high workload of all project leaders.

Indicator	Unit	2021	Target 2021	2020	2019
Innovation projects handled (as at end of the reporting year)	Number	8	* 5	7	9
Working hours spent on innovation projects	Hrs	17.5	---	234.8	426.8

Assessment

The historically low amount of invested time in the last reporting year is due to all project leaders having a very high workload of paid projects. Obviously, in such situations, direct customer needs are given priority. However, innovation is very important for Neosys, which sees itself as an 'opportunity taker', and it should therefore be continued at an appropriate level.

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.
- Creating sufficient capacities in the medium term to allow for enough innovation activities.
-

«We are pooling our resources in the Ecological Assessment and Climate Neutrality division»

Getting to grips with global climate change is one of the most important challenges of our time. Many companies have set themselves the goal of becoming climate neutral by the year xy. But what does that mean exactly? How should they go about it?

We are currently experiencing a boom in requests for assistance from companies, corporations, universities and municipalities on their way to climate neutrality. However, it is not only with regard to climate neutrality that we are seeing activity: more and more companies are also concerned about the ecological impact of their products or processes. Developers are increasingly looking at product life cycle assessments, carbon footprints or comparative process assessments, not least in order to remain competitive in the future. Adherence to (global) standards, which are currently developing rapidly, is extremely important, especially when companies are looking to communicate their commitment publicly or to customers.

Over the decades, Neosys has built up not only a broad range of expertise and experience in the energy sector, in environmental and greenhouse gas accounting and in the development and validation of CO₂ compensation projects, but also in-depth industry knowledge in many areas thanks to its broad, long-standing customer base. With the new 'Ecological Assessment and Climate Neutrality' division, we are pooling this knowledge and experience and, through lively internal debates, external training and participation in national and international initiatives, we are keeping pace with the times so that we can continue to give our customers valuable advice in this rapidly growing and constantly developing field.

Christine Wenk

Project manager, Neosys AG



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 2021, we very successfully underwent a surveillance 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 2021 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.

New product:

Net zero planning for businesses and organisations

The awareness of the need for climate protection and the Paris Agreement have triggered a large wave of companies and organisations who are planning their own climate neutrality. We support them with an individually tailored and coordinated service. Our customer portfolio in this area already includes a wide range of industries, from construction and chemical companies to service providers such as universities and local authorities.



The roadmap to net zero begins with a greenhouse gas balance, to determine which emissions currently exist and where they come from. This requires careful definition of the measurement boundaries. Particularly in the case of indirect emissions (Scope 3), the decision as to whether they should be included must be carefully considered. We then collect the necessary data and calculate the company's carbon footprint.

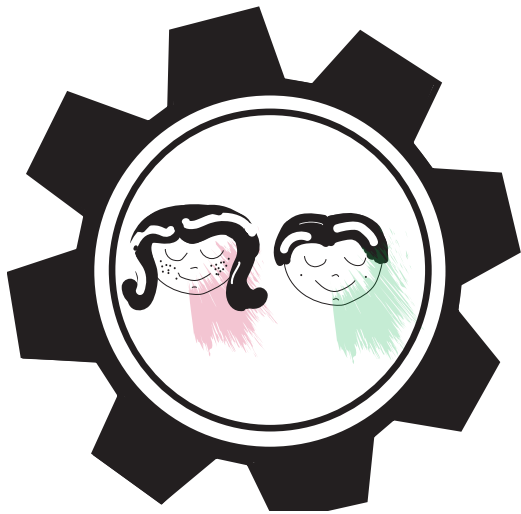
Once the calculation has been completed, measures are defined for how the various emissions can be reduced. These measures are then planned in terms of time and cost to produce a reduction plan for CO₂ emissions.

It is generally not possible to prevent all greenhouse gas emissions, so the remaining emissions must be offset to achieve net zero carbon. The decision as to what types of offset to include in the calculation is crucial for the quality of the roadmap and for the recognition it will receive from stakeholders.

Finally, the roadmap will need to be implemented continuously over many years. To do this, the company must be equipped with the appropriate instruments, such as an environmental management system or the inclusion of climate indicators in the company's control management.

Contact us for more information: christine.wenk@neosys.ch

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.

No systematic survey of our stakeholders was conducted in 2021. We receive continuous feedback in the course of our daily work or during project evaluations.

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 2022, another targeted survey tailored to our key stakeholders will be conducted.

We are always happy to receive feedback, praise or criticism: info@neosys.ch

Measures

- Modification and implementation of the stakeholder survey in 2022.
- Discussing the analysed feedback and incorporating it into the strategic process.

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 2021 reporting year, there was only one case of feedback that was officially classed as complaint. The complaint was discussed with the customer and an amicable solution was found.

Indicator	Unit	2021	Target 2021	2020	2019
Employees who were given anti-corruption training	% of staff	73%	✓ >75%	79%	85%
Cases in which there was any suspected corruption	Number		---	0	0
Complaints from stakeholders	Number	1	---	0	3

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 2021.

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 2021 reporting period.

Assessment

Receiving any customer complaint is disconcerting, but we were able to settle it amicably.

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 2022.

3.3 Our employees

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



Current status and indicators

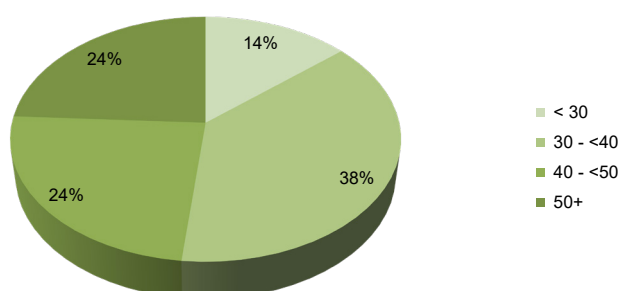
As at 31.12.2021, Neosys AG has **21.36 full-time equivalent posts (FTE)** with employment contracts in accordance with Swiss law (excluding ancillary staff). As at the reporting date these posts are divided between **29 people**. The number of **female employees** is 44.2% of the FTE, which represents a slight increase from the previous year.

Only one person left the company in 2021, in the category of internships. The vacancy was quickly filled, and as a consequence **staff fluctuation** was pleasingly low, at 1.5%.

We have been training a new commercial apprentice since August.

Indicator	Unit	2021	Target 2021	2020	2019
Staff	FTE as at 31.12.	21.36	---	20.47	18.53
Total percentage of women	% FTE	44.2	---	41.5	37.1
Percentage of women in CM	% FTE	0	---	0	0
Percentage of women on BoD	% per capita	25	---	25	33.3
Wage spread	Ratio of highest to lowest wage	3.33	---	3.04	3.00
Wage ratio women/men relative to pay bracket		0.967	✓	1.00	0.970
New indicator introduced in 2019					
Wage ratio f/m PM1		n/a	1.00	n/a	1.12
Wage ratio f/m PM3		1.02	*	1.00	1.03
Wage ratio f/m PM4		n/a	1.00	0.872	1.03
Fluctuation	% FTE (departures)	1.5%	*	<8	1.5%
Occupational accidents/illnesses leading to absences	Number of cases	0	*	0	0
Absence rate (occup. accidents/illnesses)	%	0	*	0	0
Total absences (excluding approved absences and maternity/paternity leave)	%	1.0	---	2.5	1.1
Average satisfaction	Scale 0-10	8.39	*	>7.00	8.3
Time spent on further training	Hrs / FTE*y	62	---	85.7	106.8

Verhältnis Alterklassen 2021



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 decreased from 44% in 2020 to 38%, the proportion of those aged under 30 has remained stable and the proportion of staff over 50 has slightly 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 decreased compared to 2020 and now stands at 1.0 days per FTE per year. This is the average level of the last few years, and is well below the Swissmem industry benchmark of seven to eight days per year (2016 figures).

The **employee satisfaction questionnaire** was carried out with the Cortec ERP software. The questionnaire was completed by almost all employees. The overall satisfaction has slightly increased (8.4) in comparison with the previous year (8.3). Many criteria were assessed as better than in the previous year; the target value of 7 was exceeded for almost all individual criteria.

The overall wage spread is 3.33, which is typical for a Swiss SME. It has increased slightly compared with the previous year. The salaries of male and female employees do not show any deviations that would indicate wage inequality. The deviations from equality are investigated on a regular basis. In 2021, the deviations from ideal value 1 went in both directions, depending on whether the effective wage or the deviation from the pay bracket was considered. The deviations for project manager categories 3 (m<>f) 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. In all other wage levels, there were only employees of one gender.

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.

Environment & energy

I was already onboard in January 1986 when the environmental department was spun off from the former Von Roll AG, and Dr. Graf AG was founded. Six of us moved into office space in the building that still houses Neosys AG today. All my colleagues from that time have long since retired. When Dr. Graf AG became Neosys AG in 2001, the then chairman of the Board of Directors called me the company's Methuselah. I admit that made me think ... Last year I celebrated my 35th anniversary with the company. It's unbelievable how quickly time has passed. The highlights? I particularly remember the various project assignments in the Philippines and Romania, where we successfully implemented federally financed air quality management projects under sometimes difficult circumstances. Above all, I appreciate the varied work and the great freedom that Neosys AG offers me – as well as the short commute.

Rolf Gerber

Member of the Executive Board of 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.

Expenditure on sponsorship in 2021 was in line with the long-term average. The largest part was again the Christmas donation, which went to the organisation Stiftung Discherheim in Solothurn. We make further donations in support of other associations and foundations mainly in the Solothurn area.

Membership subscriptions rose again to a record high in 2021.

Indicator	Unit	2021	Target 2021	2020	2019
Sponsoring, donations	CHF	5'400	---	4'050	5'297
Membership subscriptions	CHF	24'973	---	23'743	19'880

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, 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.

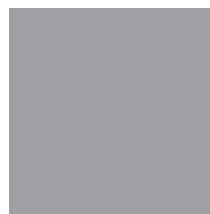
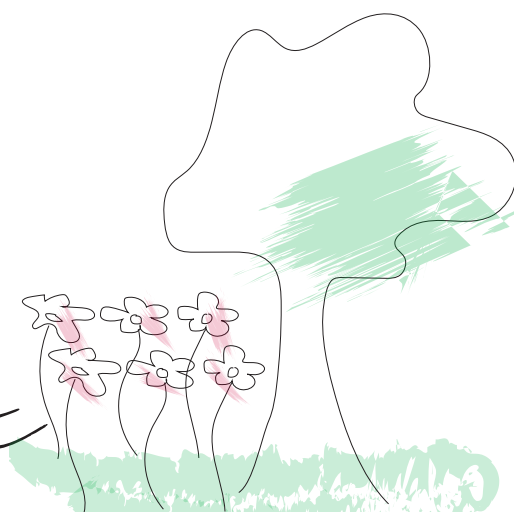
Assessment

Expenditure on sponsorship and donations has increased significantly compared to the previous year. Membership subscriptions have also increased again and have now reached a record high. Maintaining networks continues to be very important for the positioning of Neosys AG in the market.

Measures

- Continued annual checks of cost/benefit balance of membership subscriptions.

Environment



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

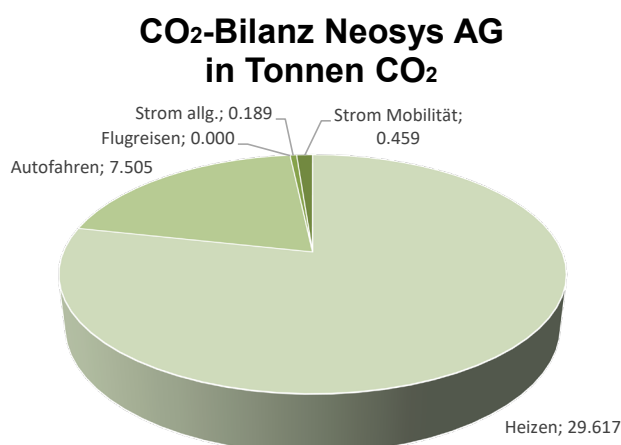
G301-1, G302-1, G302-2, G302-5, G303-1, G305-1, G305-2, G305-3, G305-5, G306-1, G306-2



Current status and indicators

The environmental indicators are predominantly in the green. This is particularly gratifying because, after the 2020 'Covid year', it was feared that indicators such as electricity consumption or the number of kilometres driven would go up again. However, this has not been the case: while electricity consumption has remained stable at a low level, car kilometres have actually gone down by another 15%. At the same time, train kilometres have decreased by a much larger amount, meaning that the new modal split target (75%) was missed by a substantial margin. An important advance in terms of transport was the acquisition of the first electrically powered company vehicle in summer 2021. The electrification of the company vehicle fleet is under way and will lead to a decrease in CO₂ emissions.

Our **carbon footprint** for 2021 is around 37.8 tonnes of CO₂, which is around 18% worse than the previous year (32.1 tonnes). The main reason for this is climate based: in 2021, there were 15% more heating degree days than in 2020, which led to an increase in CO₂ emissions from the heating system (which we as tenants cannot influence) from 22 to 29 tonnes. This figure is also overestimated, however, as the naturopathic practice on the ground floor also runs through our meter and has not been factored out. Another reason for the increase in the carbon footprint is that the Scope 2 emissions of the electricity consumed are now also included.



The new CO₂ balance is shown in the pie chart above. The inclusion of Scope 2 electricity emissions does not change much at the moment but, in light of the electrification of the company fleet, it is im-

portant to include them to have as complete a balance as possible. As planned, net greenhouse gas emissions are zero, since all Neosys' CO₂ emissions are offset by the purchase of emission reduction certificates.

Electricity consumption was kept practically constant in 2021 (703 kWh/FTE, previous year 696). On the one hand, 'new' electricity consumption by cars is now included in this consumption – even when these cars are charged off the premises. On the other hand, errors such as unusable motion detectors have been eliminated. What is very positive is the increased production of our 'own' solar power from the SmartFlower. The action taken in spring to cut back the shade-casting bushes was very successful and has led to the SmartFlower now covering over 15% of our electricity needs with around 1,940 kWh (the previous year it was around 1,720). Of the power produced, 89.6% was used for our own consumption. The green electricity proportion of the electricity we bought in was also maintained at the required 100% in 2021.

The other environmental indicators show a satisfactory, positive picture, with targets met. **Waste production** went back down from the unprecedented level recorded in 2020 to our long-term average (60 kg/FTE, vs. 90 in the previous year). **Water consumption** rose slightly to 5.0 m³/FTE, although this is probably due to the consumption of the naturopathic practice in the same building, which also runs on our meter. **Paper consumption** was kept at approximately the same low level as the previous year and below the new (stricter) target of 10 kg/FTE.

Indicator	Unit	2021		Target 2021	2020	2019
CO ₂ emissions, actual	t CO ₂	37.8		---	32.1	39.9
CO ₂ emissions, compensated	%	100	*	100	100	100
CO ₂ emissions per capita	t CO ₂ /FTE	1.85		---	1.58	2.07
Kilometres by car	km/FTE	2'033		---	2'383	3'410
Rail/car modal split	kmB/(kmA+kmB)	0.646	↗	> 0.70	0.745	0.701
Kilometres by air	km/FTE	0		---	0	944
Waste generation	kg/FTE	68.5		---	90.1	53.7
Electricity consumption	kWh/FTE	703	*	<800	696	815
Proportion of green energy	kWh _g /kWh _{tot}	1.000	*	1.000	1.000	1.000
Proportion of self-generated electricity (degree of self-sufficiency)	%	15.3	*	>13.5	13.5	11.2
Paper consumption	kg/FTE	9.4	*	<10	8.6	18.0
Water consumption	m ³ /FTE	5.0		---	4.2	4.5

Assessment

With the exception of the modal split, the environmental indicators were maintained at a very good level. Efforts in this area should be continued. This particularly applies to the switch to electric vehicles and the production of self-generated electricity.

Measures

- Promotion of low-carbon travel and the electronic office.
- Continuing with CO₂ compensation.
- Updating our environmental objectives for 2022 as follows:
 - Conversion of own climate gas balance to a form compatible with the science-based targets
 - Maintenance of climate-neutral operation (attributable CO₂ emissions = 0)
 - Modal split back to > 75%
 - Maintenance of electricity use at < 800 kWh/FTE*y
 - Increasing self-generated electricity through additional PV capacity
 - Continuation of the switch to electric vehicles
 - Maintenance of specific paper consumption at < 10 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.

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.



Neosys at a glance



5 Neosys at a glance

FINANZEN	Unit	2021	Ziel 2021	2020	2019
Nettoumsatz (DB1), nur BUs	kCHF	4'305	*	4'027	3'740
Personalkosten, nur BUs	kCHF	2'703	✓	2'617	2'366
EBIT	kCHF	616	*	390	262
Betriebsergebnis	kCHF	337	*	343	114
Cash Flow (EBITDA)	kCHF	680	*	454	295
EBIT – Rendite	%	14.3	*	9.7	7.2
Personalproduktivität	-	1.59	*	1.54	1.54
QUALITÄT	Unit	2021	Ziel 2021	2020	2019
Beschwerden von Kunden	Anzahl	1	✓	0	3
Kundenzufriedenheit	Gewichtete %	89.5	✓	90	92.0
Überprüfte Lieferanten / DL-Partner	Anzahl	0		3	2
Sperrungen von Lieferanten	Anzahl	0		0	0
Innovations-Projekte	Anzahl	8	*	5	7
Arbeitsstunden Innov.-Projekte	Std.	17.5		234.8	426.8
MITARBEITENDE	Unit	2021	Ziel 2021	2020	2019
Belegschaft	FTE 31.12.	21.36		20.47	18.53
Anteil Frauen gesamt	% FTE	44.2		41.5	37.1
Anteil Frauen in GL	% FTE	0		0	0
Anteil Frauen in VR	%	25		25.0	33.3
Lohnspanne	-	3.33		3.04	3.00
Lohnverhältnis w/m rel. zu Lohnband	-	0.967	✓	1.0	0.970
Fluktuation	% FTE	1.47	*	< 8	1.5
Berufsunfälle/-krankheiten mit Ausfalltagen	Anzahl Fälle	0	*	0	0
Zufriedenheit insgesamt	Skala 0-10	8.39	*	> 7	8.3
Weiterbildungszeit	Std./FTE	62		86	107
GESELLSCHAFT	Unit	2021	Ziel 2021	2020	2019
Anti-Korruptions-geschulte MA	%	73	✓	> 75	73
Fälle von Korruptionsverdacht	Anzahl	0		0	0
Stakeholder-Reklamationen	Anzahl	1		0	3
Sponsoring, Spenden	CHF	5'400		4'050	5'297
Mitgliederbeiträge	CHF	24'973		23'743	19'880
ÖKOLOGIE	Unit	2021	Ziel 2021	2020	2019
Auto-Kilometer	km/FTE	2'033		2'383	3'410
Modal-Split Bahn/Auto	%	64.6	↔	> 75	74.5
Flug-Kilometer	km/FTE	0		0	944
CO ₂ -Ausstoss (ohne Kompensation)	t CO ₂ /FTE	1.848		1.575	2.070
Kehricht-Produktion	kg/FTE	68.5		90.1	53.7
Stromverbrauch	kWh/FTE	703	*	< 800	696
Ökostrom-Anteil	kWhÖ/kWh _{tot}	1.00	*	1.00	1.00
Strom-Eigenproduktion (Autarkiegrad)	%	15.3	*	> 13.5	13.5
Papierverbrauch	kg/FTE	9.4	*	< 10	8.6

Code zur Zielerreichung:

*	gut	✓	genügend	↔	schlecht
-	beobachten	→	Massnahmen		

Notes on our report and GRI Index

The present report covers the period from 1.1.2021 until 31.12.2021 and represents the twelfth 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 Simon Kröni, simon.kroeni@neosys.ch.

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



Neosys AG
Privatstrasse 10
4563 Gerlafingen

Tel. +41 32 674 45 11
info@neosys.ch
www.neosys.ch