

2012

Sustainability report
and COP of Neosys AG



Neosys AG

Gerlafingen - Bern – Lausanne

29 March 2013

Content

- 1 Foreword..... 3
- 2 Company..... 4
 - 2.1 An overview of Neosys..... 4
 - 2.2 Vision 5
 - 2.3 Importance of sustainability for Neosys AG 5
 - 2.4 Chronicle of the year 2012 6
 - 2.5 Developments – Impact – Opportunities..... 7
- 3 Economy 9
 - 3.1 Company success..... 9
 - 3.2 Customers.....11
 - 3.3 Suppliers12
 - 3.4 Innovation13
 - 3.5 Management system14
- 4 People and society15
 - 4.1 Corporate governance and stakeholders.....15
 - 4.2 Business practices (incl. corruption)16
 - 4.3 Employees17
 - 4.4 Sponsoring, charity activities, etc.18
- 5 Environment.....20
 - 5.1 Operations-related aspects20
 - 5.2 Product-related aspects22
- 6 Summary: Neosys 2012 in figures.....23
- 7 Appendices24
 - 7.1 Corporate profile24
 - 7.2 GRI Content Index and notes on the report25
 - 7.3 Legend.....27

1 Foreword

This is the third GRI-compliant annual report for Neosys AG. Adherence to the reporting principles of the Global Reporting Initiative (GRI) has proven its worth to us. The associated high degree of transparency with regard to important key performance indicators of our company – both in a commercial sense and with regard to social, societal and ecological performance – has had nothing but positive effects to date.

We continue to be convinced that a report of this kind makes sense for our company.

- It improves the quality of our own management by compelling us to regularly examine certain factors and performances and to confront ourselves with the various interests of the different stakeholder groups.
- It helps us to offer advice and support to companies who for a wide variety of reasons want to or have to draft a GRI-compliant annual report. For this advice to be as practically useful as possible, our advisers must be able to see things from the point of view of a GRI company. This is supported by our report.
- We are thoroughly convinced of the benefits of sustainability reporting, which is perfectly in line with our corporate vision. For this very reason, we are also a member of the UN Global Compact and seek to put our own principles into practice at all times. The GRI compliant report allows us to communicate on this progress and provide this information to the UNGC.

The report covers the financial year from 1.1.2012 until 31.12.2012. It is intended as a GRI report, as a management review report for our integrated management system as well as the Communication on Progress (COP) for the UN Global Compact. I would like to address our stakeholders directly and to emphasize:

I am pleased to confirm that Neosys reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

We wish you an enjoyable read and look forward to receiving your comments.

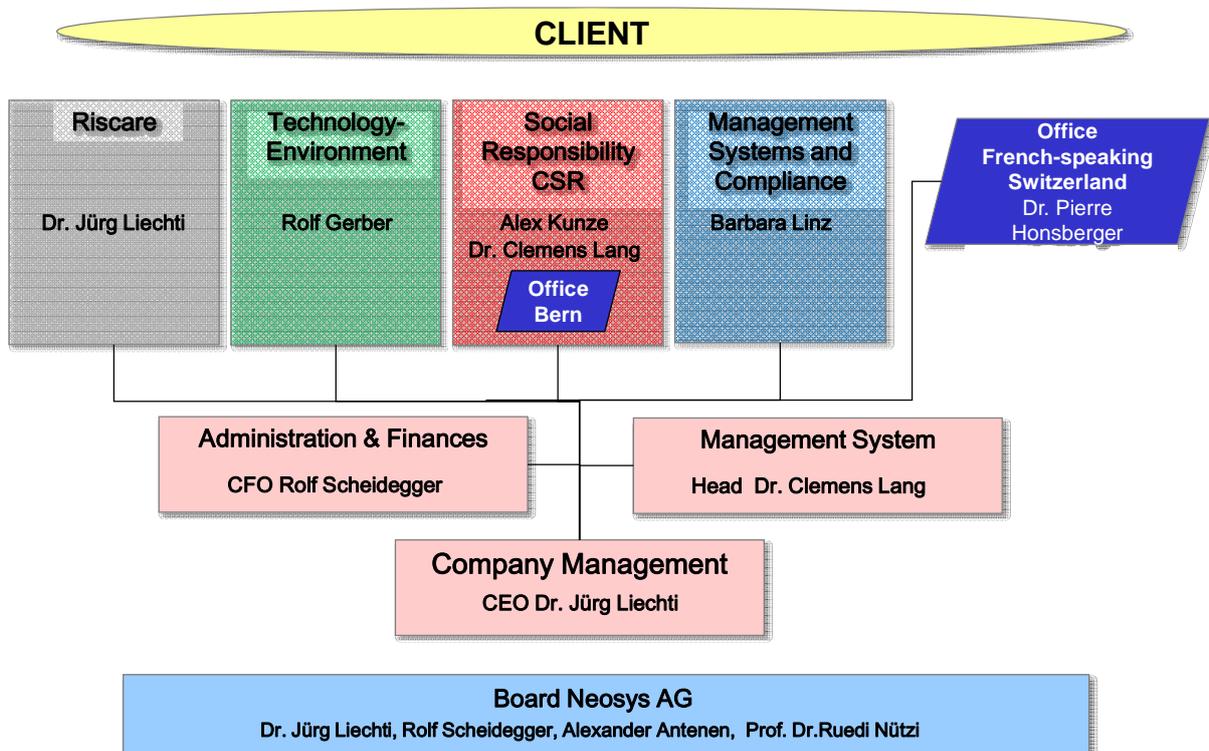
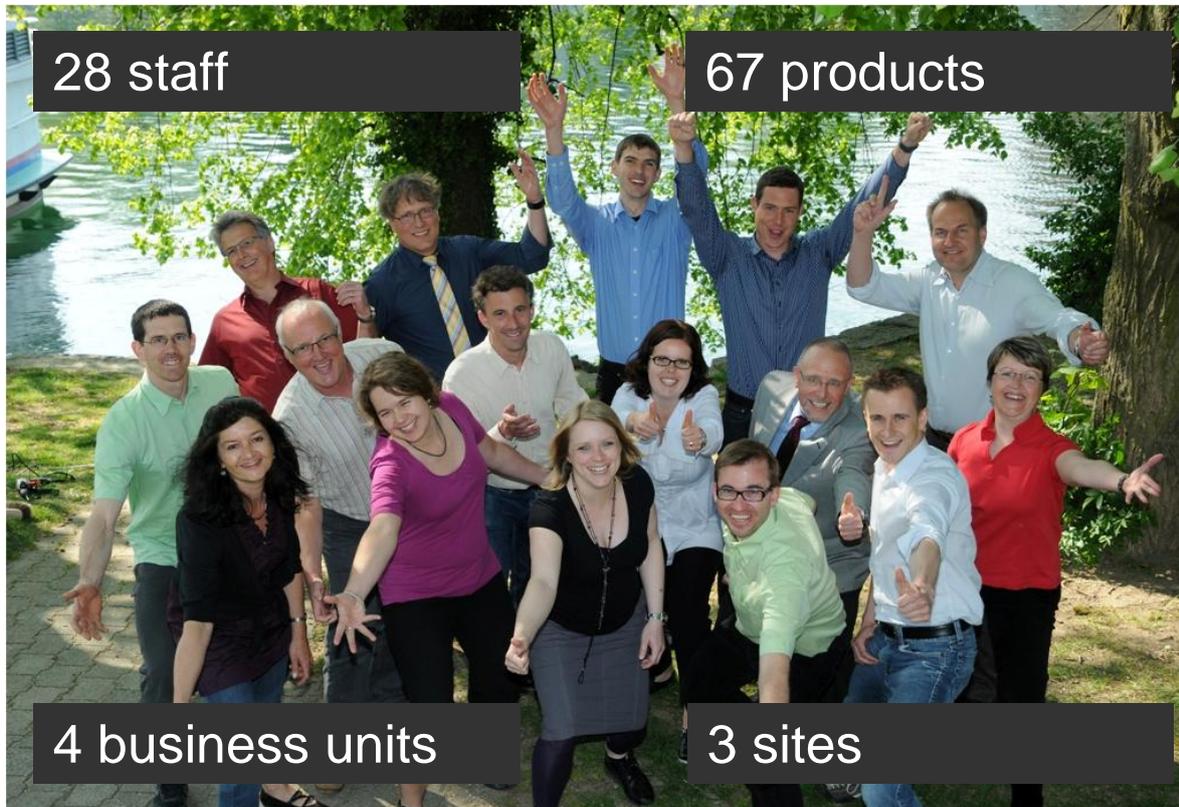


Dr. Jürg Liechti
CEO and President of the Board of Directors

2 Company

2.1 An overview of Neosys

(see also corporate profile in appendix)



2.2 Vision

- Our interdisciplinary team covers a broad range of services related to environment, technology, safety, risk management, social responsibility and management systems.
- Our aim is the sustainable success of our customers. To achieve it, we combine technical know-how with management skills.
- We work in Switzerland and world-wide for businesses, authorities and organisations. We assess, consult, plan, model, measure and serve as independent trustees.
- Competence and objectivity are our highest goals. We are independent of manufacturers or service providers, bound only by statutory requirements, our ethical and professional standards, and the best interests of our clients.
- We develop and improve our services on a continuous basis. The exchange of experiences between our different specialists is a key factor here.
- We also continually improve our environmental performance and contribute to the protection of natural resources.
- Our corporate culture is defined by acceptance, respect and belief as well as by a common commitment to success. It links us across the complexity of our projects, collaborators and stakeholders. Our employees are empowered with a high level of responsibility.

2.3 Importance of sustainability for Neosys AG

Neosys AG sees itself as a service provider for the sustainability of its customers. By that we mean all aspects of ecological sustainability and a large number of social sustainability and economic sustainability aspects (in particular safety and risk analysis).

We are convinced that in the present environment of globalisation and rapid technological and economic development, it will be necessary in the long term to recognise and correct deficits in the ecological and social sphere and in safety. We align our efforts to this benefit. Our vision is that we are able to accompany our clients towards ecological and social sustainability and thus also contribute to their economic competitiveness and sustainability.

The benchmarks of sustainability that we want to convey to our customers also apply to ourselves. We are a member of the UN Global Compact Initiative. We operate a management system that is certified according to ISO 9001 and ISO 14001 and, as this report shows, we report in line with the GRI standard.

2.4 Chronicle of the year 2012

January 2012	Annual employee satisfaction survey undertaken by the Culture Group manager.
February 2012	Contacts established with FoqusQuality and cooperation in the area of energy management (ISO 50001) defined.
March 2012	In an evaluation of 158 SME reports from Germany, Austria and Switzerland (Ludwig Maximilians University, Munich), the first Neosys sustainability report reaches 20th place: the best sustainability report by a small Swiss company (< 50 employees).
April 2012	Neosys publishes its second GRI report.
10 April 2012	The recertification audit by SQS is successfully carried out.
April 2012	An MSC delegation visits the company UMCO in Hamburg, and cooperation on the further development of the legal database is discussed.
April 2012	Problems with the Vietnamese tax authorities mean that business activities in Vietnam have to be reorganised. Alternatives are sought for the office management in Hanoi.
1 May 2012	Michel Ackermann is appointed Risk Manager in the RisCare Business Unit. He is based in Epalinges, thereby expanding the Western Switzerland area.
3 May 2012	Company strategy retreat at the Roter Turm hotel in Solothurn.
21 May 2012	Appointment of Maria Bütikofer (MSc in Sustainable Development) to the MSC Business Unit.
29 May 2012	Neosys AG AGM.
July 2012	The dormant participation in FRISA SA is sold. A group of Western Swiss companies intends to inject new life into FRISA SA within a smaller area.
August 2012	The Hanoi office is officially closed.
August 2012	Enquiries are initiated into a change in the pension fund system (defined contributions).
24 August 2012	Neosys AG company trip to the Bernese Oberland.
September 2012	A well-attended customer event is held on the subject of energy management, organised together with FoqusQuality and Electrosuisse.
October 2012	The second floor, western section of the Neosys building in Gerlafingen is extended/renovated and Neosys moves in. A new server becomes operational at the same time.
October 2012	Neosys becomes an organisational stakeholder of the GRI.
November 2012	The second Neosys report achieves a good 45th place (fourth-best SME report) in the FHNW rating for the best-integrated company reports by Swiss companies.
December 2012	Neosys enters the UN Global Compact Swiss Network.
14 Dec. 2012	Christmas dinner, organised by the CSR Business Unit in Bern.

2.5 Developments – Impact – Opportunities

2012 was an unspectacular year for Neosys AG, without any major changes or problems. The situation in the RisCare (RC) and Management Systems + Compliance (MSC) Business Units was stable and positive. Activity in the Corporate Social Responsibility (CSR) Business Unit has been sustainably consolidated since the turnaround of 2011. The planned recovery of the capacities lost in 2011 has still not been achieved, but the Business Unit ended the period well above zero. The Technology-Environment (TU) Business Unit will remember 2012 for a series of failed acquisitions. Neosys participated in several large-scale, time-consuming tenders/bids without any positive outcomes, which meant a poor account balance for the Business Unit and led to negative results for the year. But developments since have indicated that this was the kind of fluctuation that can arise in this business. In the case of Neosys' foreign operations, unexpected problems with the Vietnamese authorities led to unbudgeted costs in the mid-four figure range. This made a substantial contribution to the somewhat weaker overall performance (EBIT) of Neosys AG. There has been a very unpleasant and unexpected tax dispute with the Canton of Solothurn. Reserves have had to be set aside to cover the disputed tax demands; these reserves have almost halved the final results for the year in comparison with the EBIT.

2012 was a year without any staff departures, but there were two new appointments and new strategic cooperation agreements, which enabled the target growth for the company to be comfortably achieved in 2012.

Some prominent developments have presented opportunities and risks for future business activities:

- The “energy transition” offers the opportunity to be much more active than previously in the fields of energy consultancy and energy management. Some interesting showcase projects were obtained for the products “ISO 50001” and “Operational Energy Management”; these show considerable potential for development.
- The failure of the international climate policy and the associated expiry of the Kyoto Protocol without a replacement has meant an abrupt end to our activities relating to CDM audits for SQS. This is a great loss, not least as it has meant losing a five-figure turnover. On the other hand, the new Swiss CO₂ Order offers opportunities to increase our activities in domestic climate-related projects.
- The TU and RC Business Units have a solid and attractive mix of products, which, however, are mainly aimed at industrial customers. The deindustrialisation of Switzerland is progressing despite all assertions to the contrary by politicians. Every year customers are lost or take their industrial activities abroad, and this represents a significant risk to Neosys.
- With the launch of the ‘MODULO’ product, a simple risk analysis at company level for SMEs, RisCare has made important progress in the area of non-technical risk services. The results of the RisCare Business Unit in 2013 will largely depend on the success or failure of this product.
- A milestone was reached in Management Systems: Neosys has been involved in more than 100 customer projects for establishing environmental and/or occupational safety management systems, 100% of which have been successfully certified from the outset – a

measure of success to which we remain committed in future. The essential challenge for the immediate future facing the MSC Business Unit is the continued development and distribution of the “legal services” product. This is also the highest turnover generator for Neosys, and thus crucial to the company’s overall performance.

- The continued development of the CSR products “sustainability strategy”, “ISO 26000” and “sustainable procurement” is encouraging. Successful involvement in organisations such as the SNV standards committees and IGöB, and cooperation with universities of applied sciences, has brought top-quality expertise to this Business Unit. In the course of both jobs for customers and implementation within our own company, the synergies between various management systems (ISO 14001, ISO 9001) and CSR standards (ISO 26000, GRI) have been demonstrated convincingly and implemented efficiently. It is a matter of achieving the breakthrough with the right instruments.
- Neosys’ commitment over many years to international cooperation has been successfully continued. By focussing clearly on the Swiss institutions for development cooperation, Neosys is proving a reliable partner for the SECO and the SDC. During the current year new cohesion fund projects have been initiated in Eastern Europe and North Africa – a reference point for similar activities in future.

3 Economy

3.1 Company success

Current status and indicators

The overview table shows the key indicator values. The net turnover (CM1) is CHF 94,000, or 3%, below the budgeted expectations. The reason for this lies partly in the loss of turnover in Vietnam. This loss is not real but on paper. Orders are still coming in there, but for tax reasons they have to be accounted for directly through individuals and not through companies. Also, the TU Business Unit has achieved substantially lower turnover than predicted. The reason for this lay in an unusual accumulation of resource-intensive, but ultimately unsuccessful, acquisition projects. The lower yields were in part, but not fully, compensated for by higher yields in the MSC Business Unit.

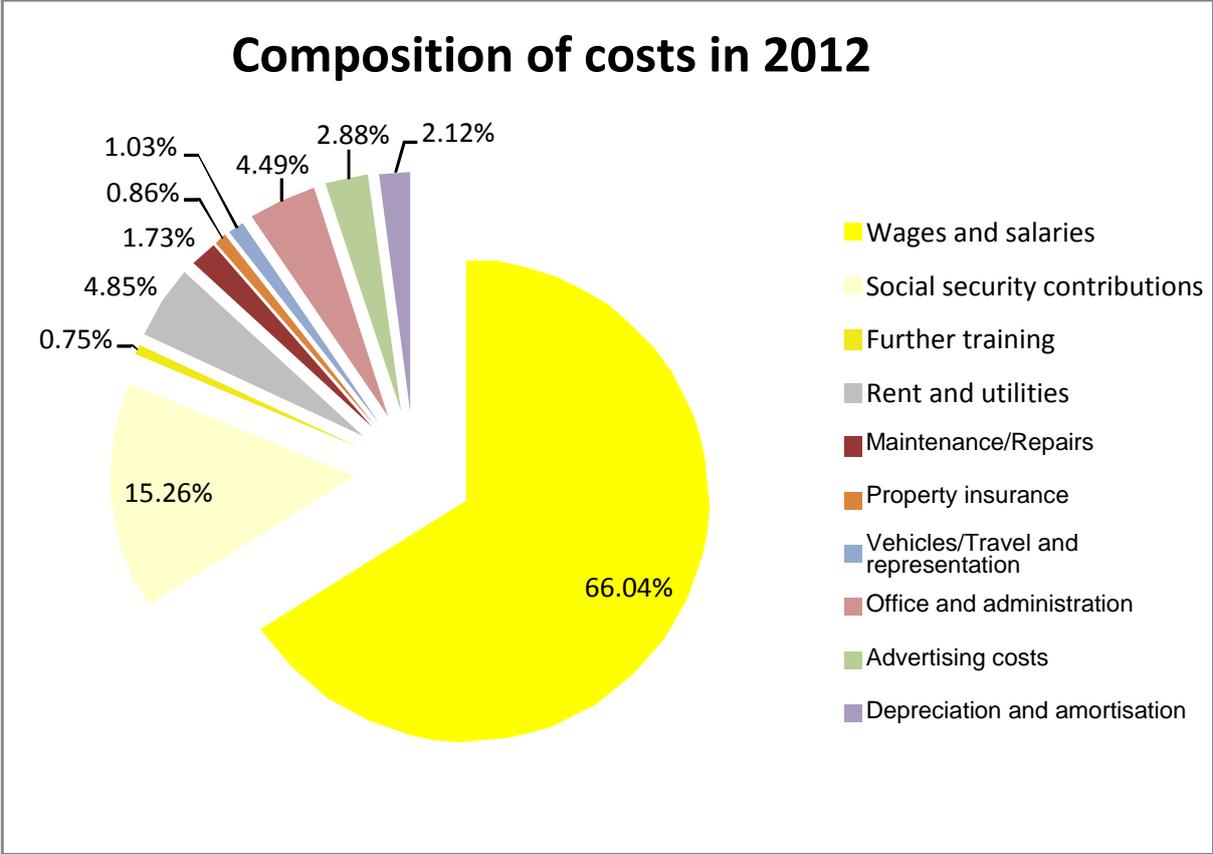
Despite the aforementioned turnover deficit the EBIT amounted to a satisfactory CHF 186,000, or 6.5% of the net turnover. This is above the lower acceptance level of 5.0%, but is clearly less than the previous year's figure (8.0%). Staff productivity was slightly reduced by comparison with the previous year (1.46), standing at 1.44. It is still well below the long-term reference value of 1.50. The reason for this lies in the aforementioned poor account balance (acquisition projects that cannot be offset). However it should be also pointed out that two new staff members have been familiarising themselves with the company. With completely new people the offset levels are logically lower.

The operating profits are hugely lower than the EBIT, with a disappointing CHF 113,000, or just 55% of the budgeted value. The reason for this lies in special reserves set aside for potential tax demands. These demands are disputed, but the amount must nevertheless be placed in reserve as a precautionary measure. These reserves were also deducted from the cash flow, which means that this figure is also much lower than budgeted.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Gross sales, all of Neosys	kCHF	3,135		3,215	3,063
HR costs, all of Neosys	kCHF	2,247	2,200	2,280	2,193
Net sales (CM1), only Bus	kCHF	2,754	2,848	2,732	2,443
HR costs, only Bus	kCHF	1,906	1,916	1,929	1,847
EBIT	kCHF	186	214	226	113
Operating result	kCHF	113	204	222	113
Cash flow	kCHF	170	256	253	162
Dividends distributed	kCHF	62	---	74	38
EBIT rate of return	%	6.8	7.5	8.0	4.6
Staff productivity	-	1.44	1.49	1.46	1.32

The following graphic shows the breakdown of costs. Although Neosys has everything required for state-of-the-art working, and although investments have always been written off at the maximum rates permitted, the material costs barely account for a fifth of costs. The remaining 80% are direct or indirect HR costs. This makes clear that the costs are dominated

by staff costs and that the performance of the company depends on a good staff return, that is, a high offsetable utilisation of the existing staff capacities.



Assessment

After a rather difficult year, the operating profits were substantially below expectations. The net turnover and staff productivity are still below the budget values and further efforts are needed to move them into a positive range.

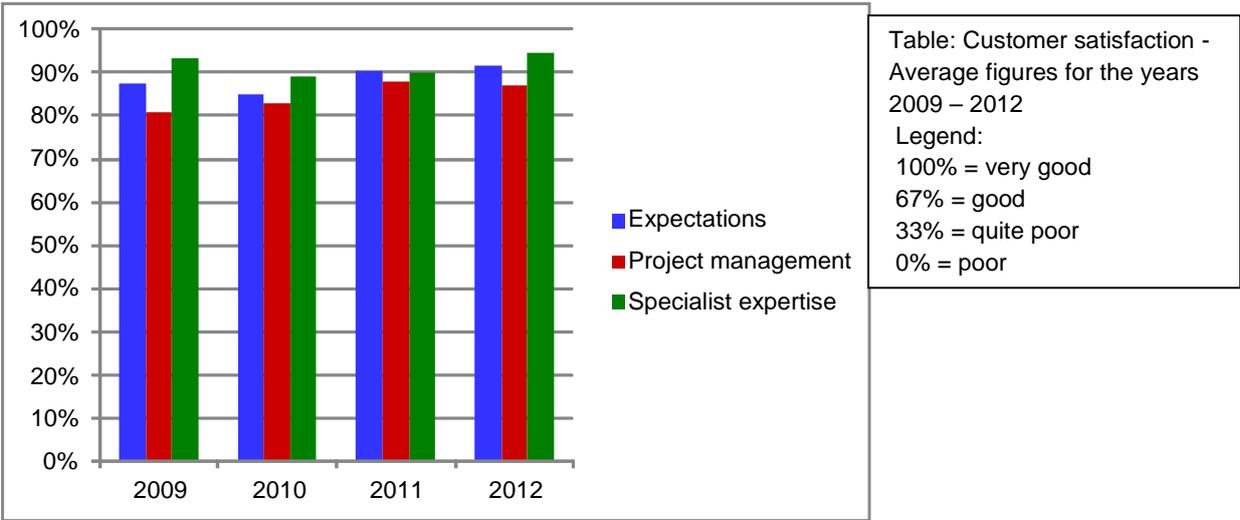
Measures

- Greater accountability through increasing the efficiency of non-productive activities
- No introduction of additional unproductive activities
- Further pay scale adjustments where possible
- Examination of the introduction of a new pension fund model with defined contributions (measure adopted from the previous year; still in the course of implementation)

3.2 Customers

Our customers are companies, authorities (departments and municipalities) and organisations (associations, international organisations, NGOs, etc.) in Switzerland and abroad. Our customer base has included a broad range of industries for many years. The trademark of Neosys is the provision of personal support and consulting services that are tailored to the clients and their requirements. Through personal contact, we receive direct feedback on customer satisfaction. We carry out systematic questionnaire-based customer satisfaction surveys.

Current status and indicators



The rate of questionnaires returned was 34% (157 questionnaires were sent out, 2011: 35%). 100% of the customers indicated that they would work with Neosys again or would recommend Neosys to others.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Complaints from customers	Number	1	0	0	0

Feedback received from customers concerned issues such as difficulties in making appointments, excessive costs and the availability of employees.

Assessment

Neosys has had a high degree of customer satisfaction for many years. This was further increased during the last year, with ratings of "very good" or "good" virtually across the board. The lowest rating, although for the most part still very good, is given to the project management (primarily adherence to deadlines and budget). Clients particularly appreciate our specialist expertise. This assessment again increased substantially during the year, indicating that the new, younger employees have been able to increase their specialist skills appropriately. The new, detailed customer satisfaction survey, introduced in early 2011, has proven its worth and has been accepted by customers.

The training on presentation techniques planned for 2012 was not carried out and is now planned as a measure for 2013.

The customer complaints registered were significant and instructive. They arose from misunderstandings between the services offered and customers' expectations, in some cases exacerbated by language difficulties. Lessons were learned, and the issues dealt with to the customers' satisfaction.

Measures

- Further monitoring of the trend
- Monthly assessment by the company management of the feedback from the questionnaire and any complaints
- Training courses on project and quality management, presentation techniques, etc.

3.3 Suppliers

Current status and indicators

Supplier management is of secondary importance for Neosys as most of the value chain comes from the work of the employees and only very little is contributed by suppliers. In the areas of IT, mobility, office material and laboratory services, there are important suppliers for operational functions. There are no negative incidents here. A service provider employed on the renovation of the premises was suspended due to defects. Neosys has defined a code of conduct that includes the locally valid environmental, occupational safety and occupational legislation, as well as the ILO core conventions and the payment of social security contributions and taxes. Service partners and suppliers with a purchase volume in excess of CHF 1000 per annum have been informed of this code and asked to confirm their compliance.

With regard to products, Neosys has purchased fair-trade coffee and recycled paper for many years. Since last year, a fruit basket of organic products has been in place. In addition, IT products are used from a company that is considered as a leading player with regard to fair working conditions. The list of criteria for the consideration of ecological and social aspects when buying products is applied. In the area of cleaning products, the change-over is still being implemented, as low consumption means that products still in stock are being used up.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Suppliers/Service partners who have been reviewed	%	45 %	50 %	0 %	0 %
Exclusion of suppliers	Number	1	---	0	0

Assessment

Supplier management is of secondary importance. We have been dealing for a long time with suppliers of certain products. The Code of Conduct was sent to the suppliers (those with a

purchase volume in excess of CHF 1000 per annum) and they were asked for a self-declaration; the response rate was 60% of those contacted.

Measures

- Re-send the self-declaration in respect of the Code of Conduct to those who have not responded.
- Continued application of the list of criteria in Purchasing
- Examine how and whether project partners abroad can be included

3.4 Innovation

Current status and indicators

There is an internal innovation process. New ideas for projects are reported by the employees and their status and progress discussed during the market meeting. At the end of 2012 there were 4 active innovation projects. No new ones were initiated, and one was completed in the course of the year.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Innovation projects handled (as at end of the year)	Number	4	4	5	8
Working hours spent on innovation projects	Hrs	49.3	---	9.23	91.5

Assessment

As part of the strategy for 2012 it was decided to promote innovation and set a minimum target of 1 development project per Business Unit (i.e. 4 for Neosys). This objective has just been achieved. The number of innovation projects fell last year, and the further development of existing projects occurred mainly within the scope of customer orders. One exception was a substantial legal services project. There is little excess capacity for development projects, except in connection with customer projects, if the workload from current projects is high. Last year, a measure decided upon was to check whether an indicator of the effectiveness and success of an innovation project can be developed. This measure was postponed to 2013.

Measures

- Check whether an indicator of the effectiveness and success of an innovation project can be developed.

3.5 Management system

Current status and indicators

Neosys AG has an integrated management system. The company's quality management has been ISO 9001-certified for many years. The management system is expedient and is regularly developed further. Instruments of the continuous improvement process are: customer surveys, employee surveys, internal audits, team meetings and improvement reports. In 2011 an EMS in accordance with ISO 14001 and sustainability reporting in accordance with the GRI were introduced.

Assessment

The integrated management system works well for day-to-day business; it is generally well-accepted and is run efficiently. The introduction of an EMS and sustainability reporting has proven successful. The two sustainability reports for 2010 and 2011 proved particularly successful. In an evaluation of 158 SME reports from Germany, Austria and Switzerland as part of a Master's thesis (Ludwig Maximilians University, Munich, March 2012), the Neosys sustainability report for 2010 reached 20th place, making it the best sustainability report by a small Swiss company (< 50 employees). With its report for 2011, Neosys achieved a good 45th place (fourth-best SME report) in the 2012 FHNW rating for the best-integrated company reports (including those by all major companies).

Customer satisfaction is still high.

Measures

- Continually check potential for improvement of the IMS
- Continue to use and improve existing instruments.
- Regular holding of training courses on administrative and content aspects of project management.
- Revision of the GRI report in line with Version 4 of the GRI standard, anticipated in 2013.

4 People and society

4.1 Corporate governance and stakeholders

Current status and indicators

The **Board of Directors** consists at present of four people, of whom two are major shareholders and two are external parties. In 2012 Prof. Dr. Ruedi Nützi of the University of Applied Sciences Northwestern Switzerland (FHNW) was elected as an external party to the Board of Directors. As an SME not listed on the stock exchange, it is our policy for the members of the Board of Directors to firstly be the major shareholders responsible and secondly selected external individuals who can support Neosys with their network of contacts. The Chairman of the Board of Directors is also the majority shareholder and 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 five divisional heads (one is also the CEO and two jointly head up a division) and the Director of Finance and Administration.

The **market meeting** which regulates the issues relating to product design, market development and the company presence has an important role to play in the management and organisation of the company. It comprises all employees with project manager status (excluding freelancers).

The **strategy committee** reviews the corporate strategy on an annual basis. It has a new composition every year and at least the Board of Directors and the company management are represented in it. The Board of Directors decides on the annual composition. This flexibility makes it possible to adapt the participants to the current situation and to the form of the strategic meeting according to the specific situation.

The most important stakeholders of Neosys are:

- a) Customers, i.e. private industry, public sector, international organisations
- b) Employees
- c) Suppliers, i.e. suppliers in the value chain, service providers to Neosys (banks, insurance companies, ...)
- d) Collaboration partners
- e) Media
- f) External market influencers
- g) Local community (neighbours, associations, municipality, canton)
- h) Competitors
- i) Nature and ecosystems

Assessment

The management processes have proven themselves to be effective. A systematic stakeholder analysis is still needed.

Measures

- No specific measures envisaged. The commitment to the GRI, however, will achieve enhanced awareness of this point

4.2 Business practices (incl. corruption)

Current status and indicators

Neosys is striving for ethical relationships with suppliers, customers, competitors, clients, beneficiaries, state organisations, employees and any other groups affected. As it is important for our credibility, many aspects have already of course been implicitly applied up to now. Complaints from customers, neighbours, society groups, employees, etc. are also taken up by the management system manager as required, and followed.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Employees who were given anti-corruption training	% of people	57%	50%	60%	0%
Cases in which there was any suspected corruption	Number	0	---	0	0
Complaints from stakeholders with regard to environmental or social aspects	Number	0	---	0	0

Assessment

On the domestic market, the risks of corruption can be rated as low. With projects abroad, there is an increased risk that the company could be confronted with it. A clear corporate policy, including integration into the provisions of the employment contracts, specifications for the tender phase and order processing, has not yet been formulated. This remains to be dealt with in 2013. A checklist for the recording and follow-up of situations where there is a risk of corruption has, however, been introduced.

At present we can see three potential risk situations:

- a) Avoiding conflicts of interest where Neosys acts both as certification auditor and consultant
- b) Dishonest conduct of project partners abroad, e.g. through nepotism, payment of intermediaries, etc.
- c) Possible exertion of influence in projects where Neosys pays out project funds for development projects on behalf of public authorities.

Potential risk situations of this kind are dealt with at company management meetings and followed up on the basis of the above list. The aforementioned processes should still be checked systematically for the integration of anti-corruption measures.

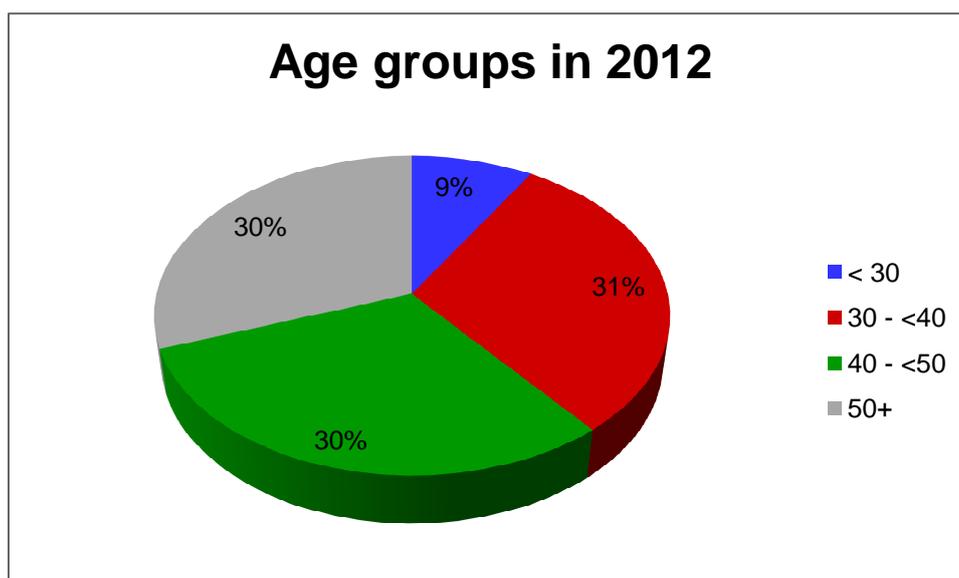
Measures

- Formulation of an explicit company policy regarding corruption and integration into the provisions of employment contracts and other processes.
- Provision of training on the subject of “Corruption”, so that at least 75% of the workforce are trained in this (new target).

4.3 Employees

Current status and indicators

As per 31.12.2012, Neosys provides 15.9 full-time jobs with employment contracts pursuant to Swiss law shared by 22 people plus collaboration agreements with 6 other individuals that are not fixed for a particular period of time. Neosys offers modern employment conditions with potential for development and a relatively large degree of operational freedom and delegation of responsibility. Further increases in the headcount are planned. The breakdown of the workforce by age and gender can be found in the diagram and table below.



Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
Workforce	FTE on 31.12.	15.9	---	15.2	15.7
Proportion of women among employees	% FTE	30.6	---	31.0	28.7
Proportion of women in the company management	% per capita	16.7	---	16.7	0
Proportion of women on the Board of Directors	% per capita	0		0	0
Wage spread	Ratio of highest to lowest wage	2.72	---	2.74	2.84
Wage ratio woman/man PL1		1.056	1	1.093	---
Wage ratio woman/man PL3		0.954	1	0.999	1.040
Wage ratio woman/man PL4		1.000	1	0.956	0.979
Fluctuation	% FTE (departures)	0	< 8	19.3	5.2
Occupational accidents/illnesses	Number of cases	0	0	0	Not calculated
Absence rate (occupational accidents/illnesses)	%	0	---	0	Not calculated
Total absences (excluding approved absences and maternity leave)	%	1.5	---	Not calculated	Not calculated
Overall satisfaction	Scale 0 to 10	6.93	> 7	7.3	7.1
Time spent on further training	Hrs / FTE*Y	67.9	---	88.2	64.9

In the past year employee fluctuation was zero. There were no departures, only new appointments.

One employee was on maternity leave during 2012. The person (intern) who temporarily took her place was able to remain in employment after her return.

Employee satisfaction fell over the last year. The reasons for this are being investigated in the responses to the employee survey.

Assessment

The satisfaction of our employees is an important resource. Attempts to satisfy specific requirements were made with the development of a further training and development plan, the refurbishment/extension of the office premises in Gerlafingen and the rearrangement of the bimonthly market meetings. However the possibilities remain limited and certain requirements, such as the question of location, cannot be changed. Greater consideration should definitely be given to employee satisfaction.

Salary equality between men and women is good and the wage spread is also low (< 3), which is typical for a Swiss SME.

Measures

- Intensive consideration of the responses from the employee survey.

4.4 Sponsoring, charity activities, etc.

Current status and indicators

It is part of our philosophy to be active in local sponsoring and to participate in all industry and specialist organisations relevant for our company. The annual budget for local sponsoring was not reached. On the other hand, employee contributions have increased by 8%. The reasons for this include membership of two new organisations: the GRI Organisational Stakeholder Network and the UN Global Compact Swiss Network.

Indicator	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Sponsoring, donations	CHF	3,700	4,500	4,450	4,550
Member contributions	CHF	16,149	---	14,948	10,942

In addition to financial contributions, Neosys AG is also active in a number of bodies and events without any reimbursement of expenses (e.g. ISO National Committee, the Interest Group for Ecological Purchasing [IGÖB] Office, Swiss Association of Independent Safety and Security Engineers and Consultants [SSI], Swiss Cleantech, etc.), which although they are advertising platforms also contribute to honing society's awareness of sustainability. Costs in this regard are not indicated separately. A number of 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. In 2012, one employee held a political office (mayor).

Assessment

The costs posted are around 10% of profits and therefore seem sufficient.

Measures

- Sponsoring as provided by the budget

5 Environment

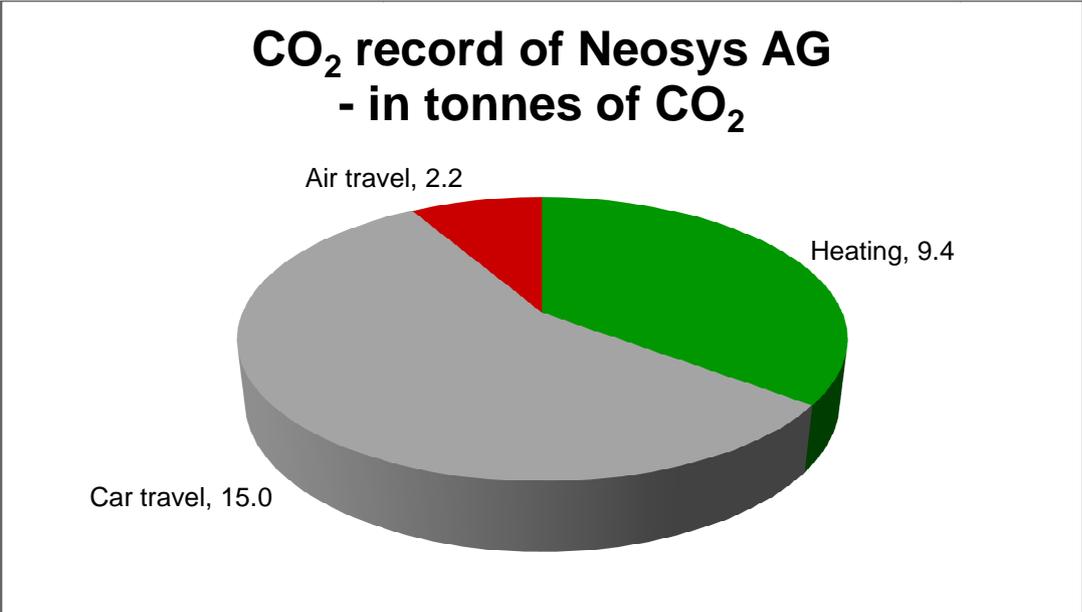
Since April 2011 Neosys AG has operated a certified environmental management system in accordance with ISO 14001. Environmental objectives for 2012 were specified and pursued accordingly. The environmental relevance was analysed for the first time in 2010 and is updated regularly. The company's legal compliance is also checked regularly. No failures to comply have been found.

5.1 Operations-related aspects

Current status and indicators

For 2012, the greenhouse gas footprint of Neosys AG is approx. 26.6 tonnes of CO₂, i.e. 35 tonnes, or 57%, less than the previous year. The comparison of the three source categories, heating, car use and air travel shows that emissions were reduced in all Business Units, but this is mainly due to fewer journeys by air (because of less activity abroad). The air travel undertaken by Neosys for SQS is neutralised (climate tickets) by SQS and not included in this statistic. The CO₂ emissions from car travel were also reduced by 5.3 to 15.0 tonnes CO₂. This is due to a deliberate travel policy which gives preference to rail journeys wherever possible. The reduction in emissions in connection with heating is not due to measures introduced, but to climatic conditions. It should be anticipated that this figure will increase in 2013, as there is a greater gross area to be heated.

At their meeting in March 2013, the company management decided to buy MyClimate certificates to compensate not only for air travel, but also for all stated CO₂ emissions. This brings the Neosys AG 'chargeable' CO₂ emissions to zero.



The consumption of electricity for office operations and for rail travel is not calculated in the greenhouse gas footprint. This is in compliance with the method of calculation used by the

FOEN which uses the Swiss production mix, i.e. zero, for the emission factor of the Swiss grid electricity. The table of indicators below shows the further relevant values, and a comparison with the previous year. For indicator statements and objectives, the consumption is related to the number of posts.

Indicator	Unit of measurement	Actual 2012	Target 2012	Actual 2011	Actual 2010
CO ₂ emissions, actual	t CO ₂	26.6	---	61.6	77.5
CO ₂ emissions, compensated	t CO ₂	0	0		
CO ₂ emissions, actual	t CO ₂ /FTE	1.821	---	3.841	5.027
Road kilometres	km/FTE	4,981	---	6,009	7,053
Modal split rail/car	km _B /(km _A +km _B)	0.591	> 0.50	0.530	0.465
Air kilometres	km/FTE	417	---	8,718	11,348
Production of waste	kg/FTE	60.6	---	88.9	94.6
Power consumption	kWh/FTE	2,615	---	2,161	2,421
Proportion of green power	kWh ₀ /kWh _{tot}	0.497	0.50	0.374	0.391
Paper consumption	kg/FTE	34.6	---	2.3	39.6

Assessment

The CO₂ emission and car travel trends are pleasing. The underlying objective of achieving a rail/car transport mode split above 50% has been achieved. However, the electricity consumption per full-time post increased by 21%. This is linked to the extension of the office premises in Gerlafingen and the expansion of the server. As the changes to the electricity supply contracts relating to the supply of green electricity were delayed, the proportion of green electricity could no longer be increased, which means we just failed to meet the “more than 50% green electricity” environmental objective. The environmental objective of achieving a climate-neutral operation has been achieved by substantial real reductions and the purchase of compensatory certificates. Neosys came substantially closer to its higher-level objective of becoming a “1-tonne of CO₂” company with an average of 1.7 tonnes per FTE in the workplace. The further (real) reduction by 2.1 tonnes from the previous year represents good progress.

During the last year the measure of investigating/planning for in-house solar power production was decided upon. Enquiries were carried out accordingly, but no suitable solution has been found to date.

Measures

- The environmental objectives have been updated as follows for 2013:
 - ➔ Maintain climate-neutral operation (chargeable CO₂ emissions = 0)
 - by as high a proportion as possible of rail travel
 - by offsetting the remaining emissions (e.g. purchasing emissions certificates or climate tickets)
 - ➔ Keep the transport mode split at a rail proportion > 60%
 - ➔ Increase the green electricity proportion to 100%

- by changing the contract with AEK accordingly
- Continue to investigate/plan for in-house solar power production
- Publish the environmental objectives and ensure internal staff motivation

5.2 Product-related aspects

Actual status, assessment, measures

It is obvious for a consulting company dealing in sustainability, such as Neosys AG, that the direct internal environmental effects are much smaller than those caused indirectly via our services. The mandates that have a particularly great leverage here are:

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

It is, however, not possible to quantify these effects with any degree of precision as much depends on the customer. With regard to quality, our impact is all the greater the more and the bigger the mandates 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.

6 Summary: Neosys 2012 in figures

FINANCE	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Net sales (CM1), only BUs	kCHF	2,754	2,848	2,823	2,443
HR costs, only BUs	kCHF	1,906	1,916	1,929	1,847
EBIT	kCHF	186	214	226	113
Operating result	kCHF	113	204	222	113
Cash flow	kCHF	170	256	253	162
EBIT return	%	6.8	7.5	8.0	4.6
Staff productivity	-	1.44	1.49	1.46	1.32
QUALITY	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Complaints from customers	Number	1	0	0	0
Reviewed suppliers/service partners	%	45	50	0 %	---
Exclusion of suppliers	Number	1	---	0	0
Innovation projects	Number	4	4	5	8
Hours of work on innovation projects	Hrs/yr	49.3	---	9.3	91.5
EMPLOYEES	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Workforce	FTE 31.12.	15.85	---	15.2	15.7
Proportion of women among employees	% FTE	30.6	---	31.0	28.7
Proportion of women in the management	% FTE	15.4	---	15.4	0
Proportion of women on the Board	%	0	---	0	0
Wage spread	-	2.72	---	2.74	2.84
Wage ratio w/m PL1	-	1.056	1	1.093	1.040
Wage ratio w/m PL3	-	0.954	1	0.998	1.040
Wage ratio w/m PL4	-	1.000	1	0.956	0.979
Fluctuation	% FTE	0	< 8	19.3	5.2
Occupational accidents/illnesses	Number	0	0	0	Not calc.
Overall satisfaction	Scale 0-10	6.93	> 7	7.3	7.1
Time spent on further training	Hrs/FTE*Y	67.9	---	88.2	64.9
COMPANY	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Employees who attended anti-corruption training	%	57	50	60%	0
Cases of suspected corruption	Number	0	0	0	0
Complaints from stakeholders	Number	0	---	0	---
Sponsoring, donations	CHF	3700	4500	4450	4550
Member contributions	CHF	16149	---	14948	10942
ENVIRONMENT	Unit	Actual 2012	Target 2012	Actual 2011	Actual 2010
Road kilometres	km/FTE	4,981	---	6,009	7,053
Modal split rail/car	%	59.1	50.0	53.0	46.5
Air kilometres	km/FTE	417	---	8,718	11,348
CO ₂ emissions (excluding compensation)	t CO ₂ /FTE	1.821	---	3.841	5.027
Production of waste	kg/FTE	60.6	---	88.9	94.6
Power consumption	kWh/FTE	2,615	---	2,161	2,421
Proportion of green power	kWh _ö /kWh _{tot}	0.497	0.50	0.374	0.391
Paper consumption	kg/FTE	34.6	---	2.3	39.6

Colour code:

Good	Satisfactory ⇒ Monitor	Poor ⇒ Measures	Target value
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7 Appendices

7.1 Corporate profile

1 Name	 Neosys AG
2 Brands, products, services	Analysing, consulting, planning, calculating, measuring and drawing up expert reports in the areas of environment, environmental technology, safety, risk management, social responsibility and management systems. The range of products can be viewed at http://www.neosys.ch/uebersicht-produkte.htm
3 Organisational structure	Organisational chart see under http://www.neosys.ch/uebersicht-organigramm.htm Offices in Gerlafingen, Bern and Epalinges (CH)
4 Headquarters	Gerlafingen (CH)
5 Countries in which the organisation is active	Neosys is fundamentally active in countries in which there are customer contracts. From a fiscal law perspective as a company and from a labour law perspective as an employer, Neosys is only active in Switzerland.
6 Ownership structure and legal form	Joint stock corporation under Swiss law. Four major and 5 minor shareholders solely from the company management and the workforce.
7 Markets	<ul style="list-style-type: none"> A Specialist environmental tasks for companies and official authorities, audits (CH) B Environmental technology, environmental engineering for industry and construction companies (CH, EU) C Technical safety and security consulting (CH) D CSR projects in international collaboration (Seco, SDC, ILO) (world) E Management system consulting (ISO 9/14/18/50001, etc.) and legal services (CH, D, A) F Company management, strategy consulting, risk management (CH) G Sustainable procurement and CSR standards (CH, EU, world)
8 Size	<p>Number of employees: As per 31.12.2012: 15.9 FTE spread across 22 people, plus 7 freelancers with an estimated effective capacity of 1.0 FTE</p> <p>Net sales (financial accounting): As per 2012: CHF 2.88 million</p> <p>Overall capitalisation: Balance sheet total in 2012: CHF 1.93 million, of which equity: CHF 1.31 million (67.9%)</p> <p>Breakdown of sales according to country/region: Mainly Switzerland (>90%). No detailed breakdown obtained in 2012</p> <p>Number of products/services offered: 69 pursuant to product overview</p>
9 Fundamental changes in the reporting year	None
10 Prizes received	None

7.2 GRI Content Index and notes on the report

The present report covers the period from 1.1.2012 until 31.12.2012. It represents the third public sustainability report of Neosys AG and incorporates all departments and areas of activity of Neosys AG. It will be repeated on an annual basis and corresponds to application level C of version 3.1 of the standard of the Global Reporting Initiative (GRI). Nevertheless, considerably more than the minimum number of indicators has been recorded and presented. The report has not been verified externally.

The contact person for this report is Clemens Lang, the head of the management system at Neosys AG, clemens.lang@neosys.ch, 031/351 98 66.

The report was drawn up by an internal work group. It also represents the public part of the internal management review of Neosys AG and has been approved by the company management. The allocation pursuant to GRI can be found in the following table (GRI Content Index). The status is Full, Partial or not applicable (N/A); all other indicators were not reported.

G3 Code (GRI)	Content	Status	Chapter	Comments
Profile				
1.1	Statement from the most senior decision-maker of the organisation	Full	1, 2,3	
1.2	Description of key impacts, risks and opportunities	Full	2.5	
2.1-2.10	Organisational profile	Full	7.1, 2.1	
3.1-3.12	Report profile, report scope and boundary, GRI Content Index	Full	7.2	The present table
3.13	Assurance	Full	7.2	No external verification envisaged
4.1-4.10	Corporate governance	Full	4.1	
4.11-4.13	Commitments to external initiatives	Full	2.3, 4.4	
4.14-4.17	Stakeholder engagement	Partial	4.1	
Economic performance indicators				
EC1	Direct economic value generated and distributed	Partial	3.1	
EC3	Coverage of the organisation's defined benefit plan obligations	Partial	3.1	
EC4	Significant financial assistance received from government	Partial	here	Neosys does not receive any subsidies, but it does receive contracts
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Partial	3.3, 4.2	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	Partial	4.4, here	For some associations, services are provided that are not offset but which have marketing potential.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Partial	5.2	With regard to environmental impact
Environmental performance indicators				
EN1	Materials used	Partial	5.1	
EN3, EN4	Energy consumption	Full	5.1	
EN6	Initiatives to optimise the energy used in services	Full	5.1	
EN8	Total water withdrawal by source	N/A	here	Water is only used for sanitation purposes.
EN16, 17	Total direct and indirect greenhouse gas emissions	Full	5.1	
EN18	Initiatives to reduce greenhouse gas emissions	Full	5.1	Greenhouse gas carbon offsets planned
EN21	Total water discharge by quality and destination	Partial	here	Only waste water from sanitation facilities
EN22	Total weight of waste by type and disposal method	Partial	here	Household waste in waste incineration, paper/PET to recycling, electronic goods are returned to retail
EN26	Initiatives to mitigate environmental impacts of products and services	Partial	5.1	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Full	here	No fines or non-conformities, review as part of the EMS

EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	Partial	5.1	
Social performance indicators				
Working practices and fair employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Full	4.3	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region	Full	4.3	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Partial	here	No employment contracts for a limited period of time, with the exception of internships. Benefits do not relate to the type of work, but to the function. Thus, for example, management employees are given a company car or a first-class season ticket, employees a half-fare railcard.
LA4	Percentage of employees covered by collective bargaining agreements	N/A	here	There are no relevant collective bargaining agreements
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Full	4.3, here	No occupational accidents or illnesses
LA10	Average hours of training per year per employee by gender and by employee category	Full	4.3	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Partial	here	All employees receive a review on a regular basis
LA13	Composition of governance bodies and breakdown of employees	Partial	4.1, 4.3	
LA14	Ratio of basic salary and remuneration of women to men by employee category	Full	4.3	
Human rights				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, actions taken	Full	3.3	
HR4	Total number of incidents of discrimination and corrective actions taken	Full	4.3, here	Statements on pay equality, no incidents
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk	N/A		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour	N/A		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour	N/A		
Social				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Partial	4.1	
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	Full	4.2	
SO4	Actions taken in response to incidents of corruption	Partial	4.2	
SO5	Public policy positions and participation in public policy development and lobbying	Partial	here	The company as such is not politically active. Individual employees are active in various parties
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions	Full	here	There are no donations
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Full	here	There are no legal proceedings with regard to anti-competitive behaviour
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Full	here	No fines or penalties
Product liability				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Full	3.2	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Partial	3.2	Customer data are only forwarded with the customer's consent. Sensitive data are saved so that they are inaccessible even internally.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Full	Here	No fines

7.3 Legend

AD	Administration
BU	Business Unit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO ₂	Carbon dioxide, the most significant greenhouse gas
CSR	Corporate Social Responsibility
DB1	Contribution margin 1 (net profit)
EBIT	Earnings Before Interest and Taxes
EMS	Environmental Management System
FOEN	Swiss Federal Office for the Environment
FHNW	University of Applied Sciences and Arts Northwestern Switzerland
FTE	Full Time Equivalent
GRI	Global Reporting Initiative, the international standard for sustainability reporting
IGöB	Interest Group for Sustainable Procurement
ILO	International Labour Organisation
IMS	Integrated Management System
ISO 9001	International standard for quality management
ISO 14001	International standard for environmental management
MgmtSys, MS	Management System(s)
MSC	Management Systems and Compliance
NGO	Non-Governmental Organisation
NIR	Non-Ionising Radiation
PM	Project Manager
RC	RisCare
SAQ	Swiss Association for Quality
SDC	Swiss Agency for Development and Cooperation
Seco	Swiss State Secretariat for Economic Affairs
SME	Small and medium enterprises
SNV	Swiss Association for Standardisation
SQS	Swiss Association for Quality and Management Systems
SSI	Swiss Association of Independent Safety and Security Engineers and Consultants
TU	Technology-Environment
UNGC	UN Global Compact, an initiative of the United Nations in the areas of human rights, working conditions, the environment, anti-corruption