Environment, social, and governance report (ESG)

SUSTAINABILITY REPORT 2022



Who we are



We design and build for a future worth living in.

As a leading engineering and design company, Gruner offers a comprehensive service portfolio for public- and private-sector clients. It advises and supports its customers in the business areas of Buildings, Infrastructure, and Energy – from strategic planning and commissioning through to the management and refurbishment of buildings and infrastructure. Expertise, knowledge, and experience gained in many years of involvement in complex construction projects set us apart. Gruner – all according to plan.

Dear Readers,

Gruner celebrated its 160th anniversary in 2022. And so it follows that sustainable management is in the company's DNA. Environmental issues are also firmly ingrained in Gruner's culture; we have been involved

in hydropower and other low-emission energy generation and distribution for over 100 years. And when it comes to infrastructure and building construction projects, the careful use of resources, innovative methods to avoid emissions or refurbishment instead of new construction have always been important to us. Very early on, in 1980 itself, Gruner had also established the "Environment and Ecology" department, which combined the services of environmental construction supervision or environmental concepts.

Of course, we do not want to and cannot

rest on our laurels. Construction is still one of the most emission-intensive industries in the world. And no one wants to deny that climate change is coming, and is already in full swing. Therefore, we not only accept our responsibility as a planning and engineering company in our projects, but also take ourselves to task by asking: How can we conserve resources as much as possible in our activities? How can we fulfil our duty of care as an employer? And how can we design our structures so that our actions are traceable and fair at all times? These are questions that we constantly ask in our daily work so that we can continue to develop sustainably and celebrate many more beautiful anniversaries.

In the last year, Gruner has taken further steps to become a more environmentally friendly, attractive and fair company. In 2022, Gruner implemented the following measures, among many others, to achieve its longterm goals:

- > All Gruner offices and sites are powered by green electricity, the ICT server farm is powered by its own photovoltaic system.
 > Gruner has doubled the number of e-vehicles in its
 - Gruner has doubled the number of e-vehicles in its ______ fleet.



OLIVIER AEBI CEO Gruner

> The Head of HR, Monica Schneider, has joined the Executive Board in order to better connect the HR issues with the other strategic initiatives.

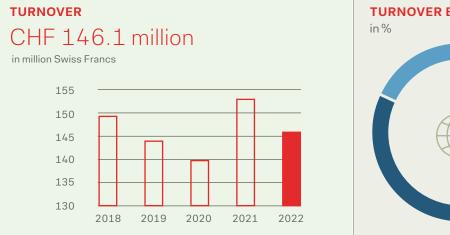
Our IMS (Integrated Management System) represents all our processes and thus summarises all the initiatives to improve Gruner, even in the areas of environment, social, risk management and quality. The system is currently being converted and expanded. Furthermore, in addition to the current ISO certifications 9001:2015 and 14001:2015, Gruner as a whole is striving for certification in

the area of occupational safety and health protection (ISO 45001:2018), which its individual divisions already have.

For some time now, Gruner has been reporting on ESG topics (Environment, Social, Governance) annually in a comprehensive, internal "management report". For the first time, a public sustainability report is now available for the reporting year 2022, which summarises the most important statements and findings. We hope that after reading it you will gain insight into our endeavours, while we can and want to exploit our potential even further. For once, the adage "Do good things and talk about them" seems more important to us than "Speech is silver, but silence is golden".

Yours,

Olivier Aebi



spatial planning

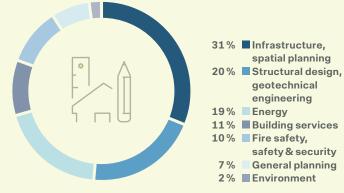
safety & security

General planning

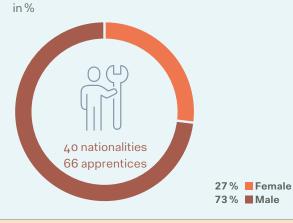
geotechnical

engineering





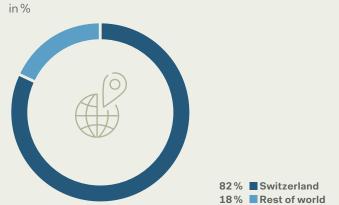




HEAT CONSUMPTION IN MWh -34% in 5 years

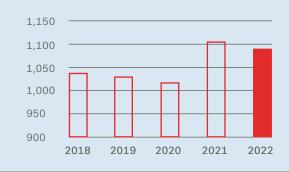


TURNOVER BY MARKET



EMPLOYEES

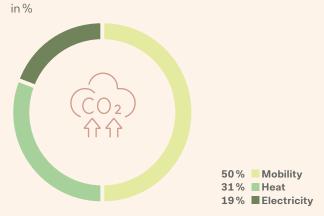




EMISSIONS IN T CO₂ -22% in 5 years



CO2 EMISSIONS BY ENERGY TYPE



4

Gruner's approach to responsible business

Gruner is a leading engineering and planning company owned by its founding families and employees, headquartered in Basel, Switzerland, providing a comprehensive range of services to private and public clients. In the business areas of building construction, infrastructure and energy, Gruner advises and supports its clients from strategic planning through commissioning to the management of buildings and infrastructure.

According to a report published in 2020 by the UN Environment Programme, the construction sector, i.e. the construction, operation and demolition of buildings and infrastructure, is responsible for almost 40 % of the global CO_2 emissions. In addition, the construction industry works on high consumption of non-renewable resources, which also affects energy production. Therefore, it is a driver of climate change. As a company active in this sector, Gruner therefore also has a social responsibility with regard to the environment and climate. Gruner's vision "Building and construction for a future worth living in" reflects the demands that the company places on itself and on its projects. Gruner promotes the use of sustainable materials, resource-conserving processes, efficient building technology and renovation, re-use and recycling in construction.

For decades, Gruner has also offered targeted environmental services inhouse. As a result, this know-how can be used in all kinds of projects. A particular strength is that everything Gruner develops conceptually can also be implemented in terms of planning. This distinguishes the company from pure environmental and sustainability consultancies. In addition, in 2021 Gruner established the "Sustainability Competence Centre", which brings together and strengthens the existing competences in sustainability and clarifies how they can be used in a project-specific manner. This is where expertise in sustainable planning and construction and the expertise for the development of innovative and sustainable energy solutions comes together, where there is a constant exchange of knowledge between people, and where contact persons are provided for all areas of sustainability. Our own innovative and new developments such as "Early Stage Design", "Gruner ReUse" or "sustbl", the latter of which will be launched on the market this year, deal specifically with sustainability in construction.

Gruner addresses the effects of construction on society, the economy and the environment in all areas. For example, Gruner is known worldwide for generating hydroelectric power with dams. On the one hand, this form of energy conversion is very long-term, i.e. sustainable, and CO_2 -neutral in operation. On the other hand, building a new dam changes the environment and can have negative effects on the local inhabitants and their surroundings. In order to find an appropriate and sustainable solution for all parties involved, sustainability must be considered and incorporated as an integral part of a project from the very beginning. Likewise, risks related to legal compliance or corruption are evaluated in detail in the assessment of new mandates and projects.

There are increasing demands from the clients as well. In particular, listed companies that own a large real estate portfolio must now meet sustainability criteria in order to obtain a good rating, which also has a positive effect on the share price and investor interest. We have the know-how to offer such clients solutions to reduce greenhouse gas emissions and grey energy consumption relating to construction. Basic conditions for ecological, economic and social behaviour can also be derived from environmental, competition and labour law. In the area of compliance, corporate social responsibility requires Gruner to meet the expectations of its stakeholders and society in general and to act in a sustainable manner.

And last but not least, Gruner is part of many engineering communities as well as a member of over 140 associations and federations. Through this networking, Gruner employees ensure exchange within and outside the industry and demonstrate their commitment to issues important to the company and to society in general. Gruner employees train the next generation at various universities, award prizes for outstanding theses and work in research.

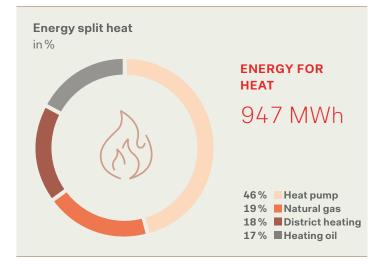
Becoming a role model

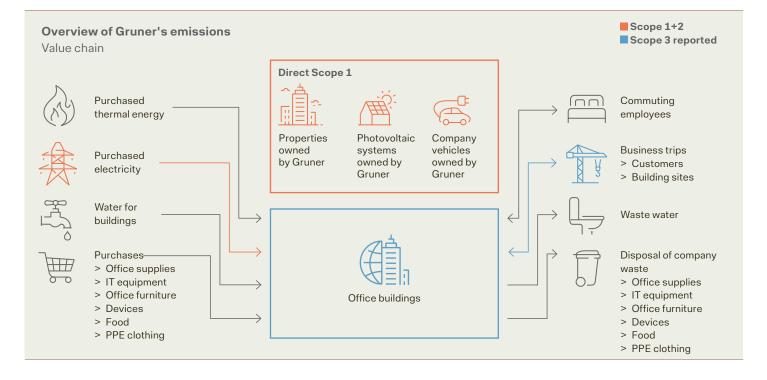
Gruner can have a big influence on the sustainability of the built environment with its services – as described earlier. However, Gruner also wants to be a role model as a company. In its processes, at all locations and in transport, Gruner is therefore continuously looking for ways to reduce emissions and conserve resources.

In 2022, the corona pandemic slowly abated in our main markets and the year 2022 can practically be considered "normal" again in terms of workplaces, home office and travel. In addition, the new locations in Zollikofen and Lucerne are included in the calculation. The consequences were a sharp increase in mobility and only slightly reduced electricity consumption. The space requirement per employee remains stable at around 17m². Around 20 % of the workplaces are not permanently occupied. With new work models as well as additional efforts to reduce mobility with combustion engines, Gruner will make further efforts to meet its overall social responsibility.

Heat

Heat consumption fell by 3.5% to 947 MWh, despite additional office space in Zollikofen and Lucerne being fully consolidated for the first time. The move in St. Gallen and the now fully included new premises in Renens have ensured big savings in consumption, in the case of Renens as much as 83%. Since only three buildings are owned by Gruner, the options to reduce consumption





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are limited. However, it is Gruner's strategy that new premises are always more resource-efficient in use (better insulation, no fossil heating, more efficient use of space, etc.) than the old ones. The heat consumption per workplace was reduced by 9.3%. Currently, 63% of the heat is generated by non-fossil, renewable energy sources. This figure was 57% in the previous year.

Power

Gruner consumed 806 MWh of electricity last year. This corresponds to a decrease of 1.7% compared to the previous year. Calculated per workplace, consumption fell by 7.7%. Thanks to the relocations in St. Gallen and Renens, Gruner now gets green electricity at all its sites. The photovoltaic systems in Köniz and Oberwil contribute to 6.1% of Gruner's electricity consumption. The solar panels on the roof of the Gruner building in Basel do not contribute to Gruner's consumption.

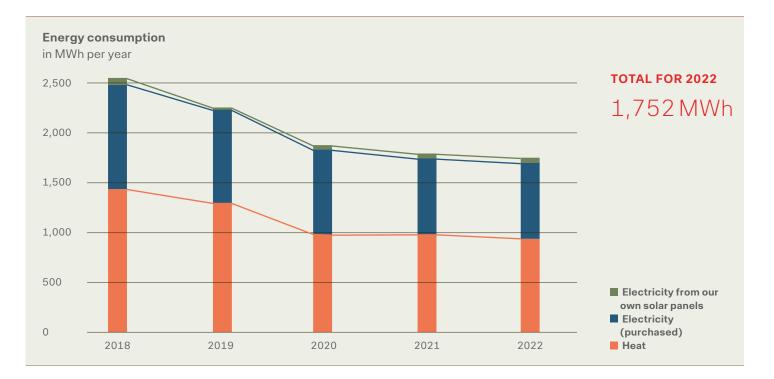
Various measures to save electricity have been introduced at the start of 2023. For example, the motion detectors in stairwells and warehouses will be set shorter wherever possible. At all locations, signs have been placed in the meeting rooms and kitchenettes to switch off lights, appliances, coffee machines, printers, etc. Currently, all workplaces are equipped with so-called "power-saving"

devices" to simply disconnect standby devices such as headphones, monitors, etc. from the power supply. The floor lamps in the offices in Switzerland are being renovated for energy efficiency, i.e. converted to LED.

Mobility

Gruner promotes public transport and encourages employees to use it whenever possible. For example, employees in Switzerland receive a REKA voucher for this purpose. According to the SBB emissions report, Gruner prevented the emission of 118 tonnes of CO_2 in 2022. As a result, the fourth annual increase in a row. The emissions of its own vehicle fleet are to be reduced by further expanding e-mobility. Gruner procured more e-bikes in 2022 and more than doubled the number of e-cars to 11 from 5. Parallel to this, additional electric charging stations have been installed at major locations.

However, the absolute emission values increased in the reporting year. This is on the one hand due to the lifting of the Corona measures in a big way, and on the other hand due to a new calculation method. A total of 1.51 million km were registered in 2022 after 1.23 million km in the previous year, which corresponds to an increase of 23%.



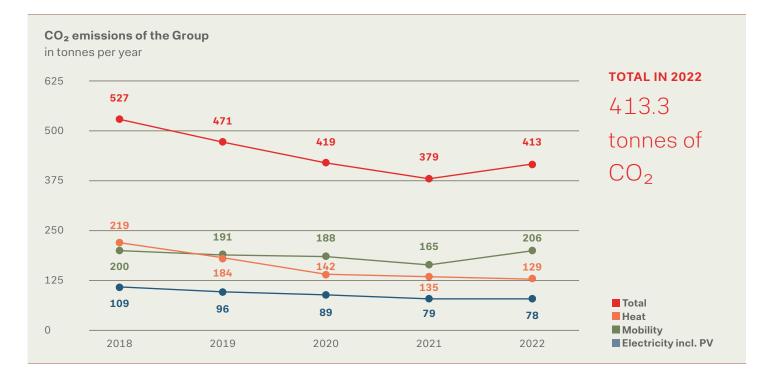
CO_2 emissions

Overall, CO_2 emissions increased by 9% to 413.3 tonnes in 2022. While emissions in transport increased by one fourth, they decreased by 4% in heat production and by 1% in electricity production.

Viewed over the last five years, the figures show the desired effect: CO_2 emissions fell by a total of 22% over this period. CO_2 emissions from heat production fell by 41% and those from electricity generation by 27% since 2018, while emissions from mobility increased by 3%. Despite the efforts made so far, Gruner is still facing a challenge here.

Further measures

Gruner initiated further small and big measures to permanently reduce its environmental impact. Waste is consistently separated in all office buildings. Packaging from suppliers is returned without exception and consumables are disposed of properly. Materials that are no longer used (furniture, computers, etc.) are consistently sold so that they can be put back into use.



The path to becoming an "Employer of Choice"

In line with its market position, strategy and ambition to meet the current and future demands of clients and construction, Gruner aims to position itself as an "Employer of Choice" – for new as well as for current employees. In 2022, two significant things happened. The Head of Human Resources, Monica Schneider, became a member of the Gruner Executive Board from January 2022. And the topic of employees has been one of Gruner's four strategic thrusts since June of last year. Various measures are currently being developed and implemented based on this thrust: from talent management and recruitment to the further development of employer branding. In addition, the training programme is currently being improved and expanded. In this way, Gruner is contributing to the well-being of its employees and positioning itself in the competition for the best specialists.

To increase the quota of women in the industry and in the company, Gruner supports various initiatives throughout Switzerland and promotes female employees individually. The "Future Women" initiative is being planned to better connect women at Gruner.

Gruner is clearly committed to creating a respectful working environment that ensures the protection of personal integrity and is free from discrimination, sexual harassment, violence and bullying. For this reason, a large-scale campaign was launched in 2022 with external support across all hierarchy levels to raise awareness of these issues. And clear processes have been defined for suspected cases. Only in an atmosphere characterised by respect and tolerance can employees develop freely.

In general, Gruner focuses on the well-being of its employees. For example, Gruner maintains an institutionalised partnership with the consulting firm MOVIS, which supports employees when needed. Gruner also provides platforms for individual sporting initiatives. And 80% of Gruner workplaces are equipped with height-adjustable desks for more movement and better ergonomics.

Occupational safety also plays a role in a company consulting in the construction industry. External consultants regularly review our comprehensive processes in this area. Flexible working can also contribute to well-being: Gruner maintains annual working hours and has generous home office and sabbatical arrangements.

Gruner bases its remuneration on established benchmarks and ensures fairness within the company using a standardised model. A report on potential pay differences between male and female employees is prepared annually and audited by the auditing company. Company contributions to social security and employee benefits far exceed the legal minimum, as do maternity and paternity leave. For maternity benefit, Gruner's pays 100 % of the last salary earned for four months. The legal requirement is 80 % of the last salary earned for 14 weeks. Fathers are entitled to 15 days paid paternity leave. They can take this leave for three weeks at a time or as individual days within six months after the birth of the child. The paternity benefit is 100 % of the salary earned before the birth. Legally, it would be 10 days with 80 % continued payment of wages.

Gruner wants to continue to improve in the social areas and conducts an employee survey every two years. In autumn 2022, the overall results were similar to those in 2020, with employees showing a very high sense of belonging and satisfaction in their respective business units. However, there is still potential in collaboration, the change process and strategy communication. After a strong growth phase, Gruner has been repositioning itself since 2019: a new management organisation, a modern shared ICT infrastructure and a new legal reorganisation. In this comprehensive change, employees can also rely on Gruner MAK (Employee Committee), which regularly discusses concerns of employees with the CEO and the Head of HR.

Gruner thrives on the skills of its employees. A comprehensive training and continued education concept is therefore also important. This starts with the personnel regulations, which provide for 3 training days per year per employee. Gruner also offers customised internal courses in the direct specialist area, for example project management or BIM courses. Gruner has generous support services for individual external professional development. Gruner has also introduced a standardized talent management process throughout the company. The aim is to promote existing employees and, wherever possible, to always find internal succession solutions.



Employee structure

31.12.2022	Unit	2020	2021	2022
Employee	Number	1'018	1'104	1'083
FTE	Number	884	963	947
Female employees	% (FTE)	26	27	27
Leadership positions	Number	115	103	91
Female leadership positions	%	3	10	13
Part-time (<80%)	%	16	16	17
Apprentices, trainees	Number	80	94	78
	%	9	10	8
Nationalities	Number	49	38	40
Hours of training for each employee	Number	15.2	16.5	19.2

Integrity in action

Gruner's success depends not only on the services it provides, but also to a large extent on the way in which the services are provided. The long-term perspective is important in the construction industry and trust is a key pillar for efficient and sustainable customer relationships and construction solutions. The prerequisite for ensuring the long-term success of the company is therefore the professional and personal integrity of the employees as well as clear foundations and processes

Code of Conduct

Gruner has a Code of Conduct that is binding for all Gruner employees and is based on the following three principles:

- > Professional integrity and quality of services
- > Respect for the law
- > Sustainable development

The "Code of Conduct" also includes instructions for action in the event of suspected misconduct, so that it can have an effect in everyday business.

As early as in the bidding process, project leaders are instructed to identify business risks, assess social and environmental consequences, and ensure ethical, legally compliant actions. And these tasks are subsequently, of course, part of the daily tasks during a project.

Risk management

Risk-based thinking and action is one of Gruner's core principles. Since the new audit requirements came into force on the 1st of January 2008, the company has combined its processes, rules and controls for compliance with guidelines and loss prevention under the umbrella of an internal control system (ICS). This was further developed in 2022 – and will be separated from the risk management process, which will be increasingly integrated into the core business from 2023.

The risks are structured into business environment risks, strategic risks, operational risks, environmental risks, social and societal risks, governance risks and financial risks. There is a continuous risk assessment based on defined criteria (impact, probability of occurrence) as well as ongoing control activities for the effect of the defined measures (risk map).

Our business has a strong local dimension. Therefore, risk management activities take place at all levels of the organisation. With a "top-down" and "bottom-up" approach, all business units identify the main risks to our business. Risks are identified and assessed according to their impact and likelihood. High risks are analysed in more detail and measures are defined to minimise their impact.

An annual summary report for the attention of the Gruner Board of Directors concludes the annual risk cycle. Risk and ICS-relevant processes are integrated into the Gruner management system and contribute to risk minimisation.





Gruner in Switzerland www.gruner.ch

Aarau, Appenzell, Basel, Berneck, Brugg, Degersheim, Flawil, Fribourg, Köniz, Luzern, Martigny, Oberwil BL, Renens VD, Rodersdorf, Roggwil TG, Stein AG, St. Gallen, Teufen, Wil SG, Zollikofen, Zug, Zurich



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Editor Design/typesetting Gruner Services Ltd Projektbüro Martin Tuch

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