

UN Global Compact Communication on Progress FY 2015

Statement of continued support

Belimo is the global market leader in the development, production and marketing of actuator solutions for controlling heating, ventilation and air conditioning systems. Actuators, control valves and sensors make up the company's core business.

Belimo's aim is to be a trusted partner across the globe for its customers, offering them the added value they expect. Research and market-relevant innovation as well as rapid and customized execution are key. Commitment, credibility and reliability characterize our behavior.

Belimo delivers more than just products. We support our customers with innovative, efficient and energy-optimizing solutions and bring success to both our customers and ourselves. We are close to our customers throughout the world, we speak their language and we understand them. Everything we do gives them the reassurance that they have chosen the very best.

Belimo is firmly committed to sustainability, as reflected in our values. This commitment was further strengthened in 2013 with the signing of the United Nations Global Compact. In doing so, Belimo has undertaken to adopt, support and implement a range of principles within its sphere of influence from the areas of human rights, labor standards, environmental protection and the fight against corruption. These principles are consistent with the values and the code of conduct of Belimo.

I am pleased to confirm that Belimo reaffirms its support of the Ten Principles of the United Nations Global Compact. In our Communication on Progress we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our channels of communication.

A handwritten signature in black ink, appearing to read "Lars van der Haegen".

Lars van der Haegen
Chief Executive Officer

Summary of Policy, Actions and Outcomes

The table below summarizes the significant aspects related to the ten principles of the UN Global Compact. More information can be found in the referenced documents which are available for downloading at www.belimo.com.

HUMAN RIGHTS		
Principle	Policy, Actions and Outcomes	Reference
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>Belimo's values and code of conduct convey the company's key guiding principles and fundamental values. The United Nations Global Compact principles in the area of human rights, labor standards, environmental protection and the fight against corruption are consistent with the values and the code of conduct of Belimo. The principles are embedded in the Code of Conduct which serves as a day-to-day guideline.</p> <p>Belimo is determined to manage its business in compliance with high ethical standards and applicable law. Employees shall act accordingly.</p> <p>New employees learn about our values and culture during their introduction programs. The individual employee's long-term ability to internalize and put those values into practice is also part of the annual employee appraisal.</p>	<p>-> Annual Report 2015, p. 44</p>
<p>Principle 2: Business must make sure that they are not complicit in human rights abuses.</p>	<p>More than 80 percent of the costs of manufacturing comes from our suppliers, the bulk thereof being procured from Europe. So the main risk of human rights abuses may be brought into the equation via our suppliers.</p> <p>Belimo expects its suppliers to make a clear commitment to sustainability principles. In 2012 Belimo formulated a supplier code of conduct in the form of a binding self-declaration. By signing the supplier undertakes to comply with Belimo's "Code of Conduct – Conduct in the working environment" covering corruption, human rights, child labor, health and safety, and environmental protection.</p> <p>Until now the code of conduct for suppliers has been signed by more than hundred suppliers which equates to around 90 percent of the procurement volume.</p> <p>Belimo usually conducts about 30 audits per year, both new and existing suppliers are audited on site. Amongst others also compliance with the code of conduct is assessed. Apart from audits main suppliers are visited by Belimo employees, usually at least once a year.</p> <p>In FY 2015 no cases of violation have been registered.</p>	<p>-> Supplier Declaration</p>
LABOR STANDARDS		
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining.</p>	<p>Belimo recognizes employees' freedom of association. Members of employee organizations or unions are neither favored nor discriminated.</p>	<p>-> Code of Conduct</p>

<p>Principle 4: The elimination of all forms of forced and compulsory labor.</p>	<p>The Belimo code of conduct and the supplier declaration excludes implicitly all forms of forced and compulsory labor. In FY 2015 no cases of violation have been registered.</p>	<p>-> Code of Conduct</p>
<p>Principle 5: The effective abolition of child labor.</p>	<p>The Belimo code of conduct and the supplier declaration prohibits child labor. No employees are hired who have not yet reached the minimum age of 15 years. In FY 2015 no cases of violation have been registered.</p>	<p>-> Code of Conduct</p>
<p>Principle 6: Eliminate discrimination with respect to employment and occupation.</p>	<p>Belimo promotes equal opportunities and the equal treatment of employees regardless of gender or age. An employment is purely based on professional knowledge and achievement. The proportion of female employees working at the main sites in Hinwil (Switzerland) and Danbury (CT, USA) was 43%. In the U.S. headquarters location in Danbury, jobs are provided to more than 45 people with disabilities. Belimo received the "Business Leadership Award" for its long standing pioneer engagement with people with disabilities from the organization "Ability Beyond". The average length of service in Hinwil is eight years, a result of Belimo's efforts to offer its employees long-term prospects.</p>	<p>-> Code of Conduct -> Annual Report 2015, p. 43 -> Annual Report 2015, p. 43</p>
<p>ENVIRONMENT</p>		
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p>	<p>Environmental protection is embodied in the values, the Belimo code of conduct and the supplier declaration. We strive to use our resources sparingly and avoid the use of materials that place an unnecessary strain on the environment and are difficult to discard. We are mindful of energy consumption, environmental protection is taken into account in compliance with legal and international standards. The Hinwil site adheres to the international environmental management system ISO 14001. The United States sites were also certified in 2015. Belimo's internal reporting includes key performance figures for water, electricity, heating, and waste for the locations Danbury and Hinwil. Belimo has been a Carbon Disclosure Project (CDP) supporter since 2013 and has responded to the questionnaires since 2009.</p>	<p>-> Code of Conduct -> Annual Report 2015, p. 40</p>
<p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p>	<p>The premises in Hinwil are continually reviewed and adapted in regard to comfort and energy efficiency. Since 2014 there has been a tool in use for monitoring detailed environmental and energy key figures. The logistics expansion in Hinwil was built to meet the latest energy-saving criteria. All storage and retrieval equipment in the automated warehouse and all goods lifts feature energy recovery systems. The internal logistics conveyor belts are all individually controlled and shut down when not in use. The logistics expansion was additionally insulated so as to minimize temperature fluctuations caused by the cold ground water. In addition, seven charging points for electric cars that can be used by customers and employees are offered at the main building.</p>	<p>-> Annual Report 2015, p. 41</p>

	<p>The new production, logistics and administration building in Danbury has been built in compliance with the LEED standards for sustainable construction. The Sparks site has already been awarded gold certification, and Danbury is now aiming to achieve this as well.</p>	<p>-> Annual Report 2015, p. 42</p>
<p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We strive to design products that contribute to increased energy efficiency in our customer's applications.</p> <p>According to the U.S. Green Building Council (USGBC) buildings in the United States are responsible for 39% of CO2 emissions, and 40% of energy consumption. Belimo solutions enable optimal performance of HVAC facilities, thanks to the following features:</p> <ul style="list-style-type: none"> • Minimal power consumption • Prevention of circulation losses with seal-tight characterized control valve technology • Smart applications raise plant efficiency <p>Examples of how Belimo's innovative solutions contribute to efficiency are described in the annual report.</p> <p>The Federation of European Heating, Ventilation and Air Conditioning Associations, REHVA, is the leading European professional organization representing a network of more than 100,000 engineers from 27 European countries, whose mission is to develop and disseminate economical, energy efficient and healthy technology for mechanical services of building. Belimo is an active supporter and since 2014 a silver partner of REHVA.</p> <p>The "Umwelt Arena Spreitenbach" (Switzerland) realizes with the support of Belimo the world's first energy self-sufficient, purely solar-powered multi-family house that meets stringent environmental and energy standards and needs no external energy supply.</p> <p>The Swiss research and innovation building NEST (Next Evolution in Sustainable Building Technologies) is a joint project between industry, research and the public sector supported by Belimo. Therein, not only forms of living and working, but also the energy flows and utility engineering of tomorrow's houses are being researched.</p>	<p>-> Mission</p> <p>-> Annual Report 2015, p. 39</p> <p>-> Annual Report 2015, p. 40</p> <p>-> Annual Report 2015, p. 40</p>
<p>ANTI-CORRUPTION</p>		
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Corruption and bribery of any kind are not tolerated, nor is it permissible to become involved in such acts in any way, including any offers of illegal payments or similar gifts, for the purpose of influencing the decision making.</p> <p>In the reporting year Belimo has not been involved in any legal cases, rulings or other events related to corruption and bribery.</p>	<p>-> Code of Conduct</p>