

UN Global Compact Communication on Progress FY 2016

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 fast and customized execution are key. Commitment, credibility and reliability characterize the company's behavior.

Belimo delivers more than just products. The company supports its customers with innovative, efficient and energy-optimizing solutions and brings success to both customers and itself. Belimo is close to its customers throughout the world, speaks their language and understands them. Everything Belimo does shall reinforce the customer's conviction that they have chosen the very best.

Belimo is firmly committed to sustainability, as reflected in its values and the code of conduct. This commitment was further strengthened 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. This Communication on Progress describes the company's actions to integrate the Global Compact and its principles into business strategy, culture and daily operations. Belimo is committed to share this information with its stakeholders using its channels of communication.

A handwritten signature in blue 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.

Principle	Policy, Actions and Outcomes	Reference
HUMAN RIGHTS		
<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.</p> <p>Belimo is determined to manage its business in compliance with high ethical standards and applicable law. Employees are expected to act accordingly.</p> <p>Thorough introduction programs ensure that new recruits are fully familiarized with the company's values and corporate culture. 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 2016, p. 42</p>
<p>Principle 2: Business must make sure that they are not complicit in human rights abuses.</p>	<p>More than 80 percent of product manufacturing costs at Belimo are incurred by a network of suppliers and partners, whereof the main portion is 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 the company's principles in the form of a binding self-declaration. By signing it the supplier undertakes to comply with Belimo's "Code of Conduct – Conduct in the working environment" which addresses corruption, human rights, child labor, health and safety, and environmental protection.</p> <p>In 2012 the code of conduct for suppliers was implemented and it 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. Among other audit tasks compliance with the code of conduct is assessed. In addition main suppliers are visited by Belimo employees regularly for business reasons, usually at least once a year.</p> <p>In FY 2016 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 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. A monitoring tool collects and tracks building-related environmental performance metrics providing the basis for optimization measures.</p> <p>The logistics expansion in Hinwil was built to meet the latest energy efficiency criteria. All storage and retrieval equipment in the automated warehouse and all equipment elevators feature energy recovery systems. The conveyors are individually controlled and stop when not in use. The logistics expansion was additionally insulated so as to minimize temperature fluctuations caused by the cold ground water.</p> <p>In addition, seven charging points for electric cars are available at the main building for both visitors and employees.</p> <p>The new production, logistics and administration building in Danbury and the Sparks site have been built in compliance with LEED gold standards for sustainable construction.</p>	<p>-> Annual Report 2016, p. 39</p>
<p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Belimo strives to design products that contribute to increased energy efficiency in its customer's applications.</p> <p>According to the U.S. Green Building Council buildings in the United States are responsible for 39% of CO2 emissions, and 40% of energy consumption. Belimo solutions enable the optimized operation of HVAC plants by offering the following features:</p> <ul style="list-style-type: none"> • Minimized power consumption by Belimo actuators for all applications • Preventing circulation losses thanks to seal-tight characterized control valve technology in water applications • Increasing plant efficiency by making smart use of actuator and sensor technology <p>For success stories about Belimo's innovative solutions reference is made to the annual report or www.belimo.com.</p> <p>Belimo actively participates to shape these changes and constantly further develops building technology. The company is an active member of numerous industry associations including REHVA (Federation of European Heating, Ventilation and Air Conditioning Associations) and ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers). These organizations are geared toward developing sustainable, energy-efficient building technology as well as corresponding standards.</p>	<p>-> Mission</p> <p>-> Annual Report 2016, p. 38</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 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>