

UN Global Compact Communication on Progress FY 2017

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.



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>New employees learn about the values and quality standards during their introduction to the company. 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 2017, p. 48</p>
<p>Principle 2: Business must make sure that they are not complicit in human rights abuses.</p>	<p>The code of conduct serves as a guideline for day-to-day work. It applies to all Belimo employees worldwide and establishes parameters for ethical business practices.</p> <p>When it comes to environmental and social standards, the Belimo Group is as demanding on its suppliers as it is on its own internal service providers.</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>The code of conduct for suppliers has been signed by more than 300 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. Such audits include a compliance assessment with the code of conduct.</p> <p>In FY 2017 no cases of violation have been registered.</p>	<p>-> Supplier Declaration, www.belimo.com</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, www.belimo.com</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 2017 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 2017 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 its employees regardless of the color of their skin, race, nationality, social origin, disability, sexual orientation, political or religious conviction, gender or age. An employment is purely based on professional knowledge and achievement.</p> <p>The company's workforce encompasses over 100 different nationalities and a wide range of different cultures. Belimo is particularly proud of its colleagues with disabilities, who achieve outstanding performance every day and support its manufacturing processes. They include members of the Swiss residential and employment center for people with restricted mobility (IWAZ, Switzerland), Sonnalde in the Zurcher Oberland region (Switzerland) and Ability Beyond in Danbury, CT (USA). The company's many years of cooperation with these organizations are a fixed part of corporate culture at Belimo, offering work to over 100 people.</p> <p>The production division in Hinwil has been running an additional pilot project with IWAZ employees. Since January 2017 the IWAZ employees assemble, check and package actuators on an assembly line in-house.</p> <p>Every three years a worldwide survey is conducted giving each employee the opportunity to respond on various topics. The fourth survey in 2017 confirmed the pleasing results from 2014, indicating a very high level of engagement. Detailed results will be analyzed by the individual teams around the world and used to implement corresponding actions.</p>	<p>-> Code of Conduct</p> <p>-> Annual Report 2017, p. 48</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 code of conduct and the supplier declaration.</p> <p>The company strives to use resources sparingly and to avoid the use of materials that place an unnecessary strain on the environment. Belimo is mindful of energy consumption; environmental protection is taken into account in compliance with legal and international standards.</p> <p>The Hinwil and U.S. sites adhere to the international environmental management system ISO 14001.</p> <p>As part of Belimo's internal management reporting environmental performance metrics for water, electricity, heating, and waste used in Danbury and Hinwil are communicated to the Group Executive Committee.</p> <p>The company has been a Carbon Disclosure Project (CDP) supporter since 2013 and has responded to the questionnaires since 2009.</p>	<p>-> Code of Conduct</p> <p>-> Annual Report 2017, p. 40</p>

<p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p>	<p>The premises are continually reviewed and technically modernized for comfort and energy efficiency.</p> <p>For example, the new training and show room in the old main building in Hinwil and the Europe group division office premises have been completely renovated. This includes the installation of Belimo Energy Valves™, zone valves and VAV solutions for the management of water and air flows. The site is gradually switching its lighting over to energy-saving LEDs. An analysis program evaluates environmental and facility data, providing the basis for optimization measures.</p> <p>Belimo has invested in a new photovoltaic system at the Hinwil site, covering a total area of 176 square meters.</p> <p>The new production, logistics and administration building in Danbury and the Sparks site have been built in compliance with sustainable construction standards and are certified with LEED gold. In 2017 Belimo Italy was awarded with a LEED gold certificate as well.</p>	<p>-> Annual Report 2017, p. 42</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 some 40% of CO2 emissions and 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 bubble-tight characterized control valve technology in water applications • Increasing plant efficiency by making smart use of actuator and sensor technology <p>For more details 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, www.belimo.com</p> <p>-> Annual Report 2017, p. 40 and p. 43ff.</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>