

# Ecological awareness, social responsibility

We want to sustainably increase the value of the company for the benefit of our shareholders. We are committed to the environment and to the efficient use of resources.



Belimo is firmly committed to sustainability, as reflected in our mission statement. We have continuously moved forward with further development in the area of sustainability, making improvements based on multiple analyses of our company that were received in 2012. As a sign of recognition, Belimo has been allowed to use the SRI (Socially Responsible Investment) logo since then.

## Ecological awareness

### Environment and energy

The energy for heating the offices and production facilities in Hinwil comes from the neighboring waste incineration plant.

Belimo constructed the new “Longus” wing of the building in Hinwil and started using it ten years ago. Belimo is currently analyzing whether its comfort and energy efficiency still meet the strict internal guidelines. To this end the current status of the building was analyzed in collaboration with an external consultant. Based on this analysis possible measures and potential improvements will be derived.

In December 2011 Belimo purchased land close to the current location in Danbury (CT, USA) in order to construct the new American headquarters complying with the LEED standards for sustainable construction. Belimo is working towards Gold certification and has already obtained some initial points by disposing material from the existing building on the purchased land in an environmentally friendly way during its demolition.

Thanks to our expanded, globally integrated communication solution, we are using videoconferencing more and more. Given the extent of worldwide connections, this can substantially reduce traveling and thus CO<sub>2</sub> emissions as well.

### Innovation

Environmental thinking starts right with product design and development. We focus on sustainable and eco-efficient product development that looks at the entire product life cycle. This means minimal use of power and resources, low-impact waste disposal, the use of materials that generate low emissions in the event of fire and longer product life cycles through the use of modern technology. Optimizing existing products leads to some considerable savings in material and energy during the production process.

Our customers are involved early on in the development phase with a view to finding innovative approaches together and verifying promising ideas. We aim to secure an edge for our customers by providing them solutions that offer more comfort, greater energy efficiency and safety and require simpler installation and maintenance.

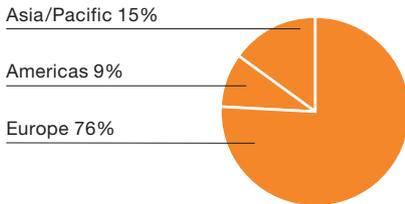
### Products

The high functionality of our products enables optimal performance of HVAC systems. The power consumption of the actuators is reduced by means of energy-optimizing algorithms.

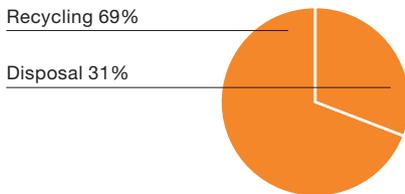
The following products and solutions promise higher value for customers coupled with lower energy consumption.

- **Optimized characterized control valve.** We were able to decrease the material used for the valve body during the process of introducing qualitative improvements. This saves energy during production and transportation.
- **Belimo Energy Valve™.** The simultaneous measurement of energy flows and optimization of the flow rate make it possible to reduce energy waste in the building.
- **Valve actuator with non-linear gears.** Thanks to new gear technology, a butterfly valve can be reliably operated using a smaller motor.

### Procurement in percent from



### Waste Management



– **Actuator with efficient stand-by mode.** Conventional electrical equipment is kept warm in stand-by mode as well, which means that electrical energy is converted into useless warmth. But our latest actuators prevent this thanks to modern engine technology with a high holding torque and intelligent shifting control.

### Materials

The materials used are carefully selected to ensure that as little damage as possible is caused to the environment. We do not use auxiliary materials such as solvents, resins, paints or lead at all, or only in very small quantities. We use as little packaging as possible and give priority to recyclable packaging film. All packaging is made of materials that are not harmful to the environment. We increasingly use reusable containers and cardboard instead of plastic packaging.

### Environmental directives

We adhere to the RoHS environmental directive, which prohibits the use of substances that are harmful to the environment. Compliance is implemented on the basis of a list of banned substances that is adapted to our products and their areas of application. In addition, our suppliers undertake not to use any of the banned substances in the parts they deliver.

Belimo has been applying the international environmental management norm ISO 14001 through self-assessment. Our next step is to aim for the certification of this norm.

### Procurement

More than 85 percent of the added value in our products comes from our suppliers. That is why we place the same high demands on them as on ourselves, requiring them to conform to our environment and quality policies. The new code of conduct for

suppliers is being rolled out successively and certain aspects of it are checked during audits. Adherence to specifications is checked by our goods-in department by means of direct tests and by inspecting the requested test reports and declarations. We integrate our suppliers as early as possible in our product developments. The bulk of the supplies we use are procured in Europe. New and existing suppliers are regularly audited on site.

### Production and logistics

Through the transfer of knowledge and technology between our production locations we ensure safe, efficient and resource-saving production processes. Thanks to an optimized software download, with the same amount of production equipment we can produce more actuators centrally and finish them de-centrally on site according to each customer's needs. This saves resources along the entire logistics chain.

The regular review and adjustment of our logistics processes also takes environmental issues into consideration. We reduce transport mileage by means of collective shipments to the Swiss border, weekly collective transports and consolidated deliveries to customers. Regarding final assembly, we are now represented locally on almost all continents and thus we can substantially shorten transport routes to our customers. We are also minimizing energy consuming air freight on an ongoing basis.

### Recycling and disposal

Our waste is sent for recycling whenever possible. The internal collection points help to separate the waste and ensure its proper disposal. These measures enable us to recycle more than half of the waste produced. The remaining waste is sent to the nearby waste incineration plant. Disposal transportation is consolidated.

We treat each other with respect and stand up for each other.

## Social responsibility

### Corporate culture

In addition to the company mission statement, Belimo now also has a code of conduct. The Belimo values of trust and credibility also mean that employees get in touch with the appropriate contact person in the event of perceived violations of either applicable law or ethical standards. The code of conduct that was drawn up in 2011 concentrates on marketing and competitive practices as well as on dealings with suppliers. The principles of internal cooperation were added to it. Interactive training sessions are planned for next year to ensure that all employees are aware of these values and live them out. In addition, conduct in the working environment was also included in the code.

New employees learn about our 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.

Belimo gives assembly and packaging work to workshops for the disabled. In the US, we received the Business Leadership Award from the Ability Beyond Disability organization for the large number of disadvantaged people that we employ. The new building we are planning will give us the opportunity to create further jobs.

On the Day of Caring, employees in the US have the opportunity to spend one work day doing volunteer work benefitting the community.

Belimo supports various regional sporting and cultural events. The recently established internal FC Belimo soccer club also receives support. Its goal is to promote a spirit of camaraderie and community.

Belimo conducts one Bring Your Child to Work Day each year. This affords staff members' children the opportunity to accompany their parents at work for an entire day.

We provide advisory services free of charge for employees with personal or health problems.

### Sustainable personnel policy

We value cultural diversity and assist employees from other countries with their integration, for example by providing free German lessons. The high average length of service of eight years underlines the extent of employee loyalty and their identification with the company. The part-time working models are valued both by employees and the company itself. In Hinwil, around 30 percent of employees work on a part-time basis. We grant our male employees a paid paternity leave of five days.

Management is firmly committed to its production sites in Switzerland and the United States, as evidenced, for example, by the high level of investment in both locations.

Belimo works at all levels with a performance and behavioral appraisal system. This includes regular assessments of how far an employee's individual goals have been achieved, as well as a discussion of appraisals with employees and appropriate development measures. The system of remuneration lets employees participate in the company's success.

Internal information events are held on a regular basis. The special preparatory courses for employees nearing retirement are very popular.

In 2011 we conducted our second global employee survey. The results were very gratifying, as the so-called loyalty index rose above the already very good level of 2008. The survey

results from around the world were analyzed and then discussed with employees, resulting in over 150 possible improvements. Most of the measures that were given top priority have already been implemented. Further improvements are in the process of being implemented.

### **Training, personal and career development**

We help employees develop their specialist knowledge. With thorough induction programs, Belimo makes sure that new recruits are familiarized fully with their tasks and responsibilities and the corporate culture. We provide financial and other support to employees for their personal development. Time spent abroad at one of the company's other locations is an opportunity for professional and personal development and brings added value for the company. Managers regularly complete training courses on leadership issues.

Further education for new managers at the Hinwil location was reconceptualized. In addition to the topic of understanding how to lead, the core points of the training program include communication, conflict management, group dynamics, and health promotion. Experienced managers attended a seminar focusing on change management.

A new training program was also introduced for managers in the US. Follow-up courses promote the further development and solidification of leadership qualities.

Belimo now offers a career as a professional specialist, in addition to the managerial career with personnel responsibility. The two career tracks are treated equally. Professional specialists can prepare for future career steps with pre-defined development plans.

### **Encouraging new talent**

We help young talent to develop and offer training programs in six professional areas. In difficult economic times, trainees with good performance reviews can stay with us for at least another six months after completing their traineeships to gain professional experience.

Each year, there is an excursion supported by Belimo and organized by the trainees. In addition, there is an annual parents' evening at which either a member of the Group Executive Committee or a Group Division Head as well as the trainees' mentors receive the trainees and their parents. The parents get to know everyone and are provided with insights into the company and their children's work. The trainees have the opportunity to present their traineeship project.

To ensure that the young people receive the best possible support, the mentors attend training sessions regularly.

### **Health and safety**

All employees are aware of the possible dangers in their jobs and know how to prevent accidents. The first aid team has been trained in appropriate procedure in the event of electrical accidents. There are emergency instructions posted in sensitive areas, and first aid kits are available for accidents. All production employees in Hinwil and Danbury received new safety shoes.

All assembly and logistics workplaces in the US were examined and substantial investments in safe and ergonomic workplaces were made.

Special efforts for emergency management were made in Hinwil. A newly developed safety concept and checklists define the procedure to follow in the event of an emergency. The

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revised evacuation plan and the knowledge and equipment of evacuation assistants were successfully tested as part of a surprise drill.

There has been an ongoing implementation of pending items from audits in the area of fire protection and workplace safety.

The BelimoVital impulse program promotes occupational health. It includes targeted relaxation and strengthening exercises, training in workplace ergonomics, flu-prevention measures, organized exercise activities, and presentations on specific subjects.

The popularity of the Bike to Work campaign in Hinwil was very impressive, setting a new record with about 90 participants biking 17,800 kilometers. In the US, those taking part in the King of the Hill Marathon completed a pre-defined route individually or in teams. Belimo provides financial support for these campaigns. These extensive offerings are intended to help improve the satisfaction, health, and motivation of employees and to reduce absenteeism.

## Key figures 2010–2012

### Locations Hinwil (Switzerland) and Danbury (CT, USA)

	Unit	2012	2011	2010
<b>Key personnel figures</b>				
Number of employees (average)		916	878	838
Female employees	as % of number of employees	47	47	50
FTEs (average)		854	821	780
Days off due to sickness				
	absences as % of total working days	2.9	3.5	3.2
Accident rate (occupational/non-occupational)				
	absences as % of total working days	0.3	0.3	0.5
<b>Environmental indicators</b>				
Number of actuators produced	in million items	4.8	4.6	4.3
<b>Utilization</b>				
Paper (A4, A3 sheet) only office				
Copiers/printers	kg per FTE	13.9	15.2	13.0
Buildings and total energy consumption				
Electricity	MWh	4 275	4 383	3 812
Heat energy				
District heating (own building)	MWh	1 199	986	1 159
Gas	MWh	1 040	924	814
Mains water	m <sup>3</sup>	8 486	8 098	9 144
<b>Recycling and disposal</b>				
Waste for recycling	t	377	353	370
Waste for incineration	t	116	108	104
Remaining waste	t	70	96	91
Hazardous waste (electronics, separated materials)	t	32	28	29
Sanitary water	m <sup>3</sup>	8 486	8 098	9 144