



## Supply Chain Policy

### Introduction

As the global market leader in the development, production, and sales of field devices for the energy-efficient control of heating, ventilation and air-conditioning systems, Belimo Group («Belimo») recognizes the importance of ensuring ethical business practices, upholding human rights, and maintaining environmental standards across its supply chain.

Since 2013, Belimo including all its affiliates, is a member of the United Nations Global Compact, being active in the areas of environmental protection, sustainable working conditions, human rights protection, and fight corruption. The UN Global Compact is the world largest initiative for sustainable business management. This policy outlines our commitment to sourcing materials responsibly, representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. It also sets out the actions we will take to ensure that our suppliers and partners comply with these standards.

### Our role in the supply chain

Belimo recognizes that our supply chain activities have a broad impact beyond our own operations into those of our suppliers. We are committed to ensuring that our supply chain is free from conflict minerals and child labour and adhere to the Swiss regulations, set forth in Articles 964j et seq. of the Swiss Code of Obligations («CO») and the respective Due Diligence and Transparency Ordinance («DDTrO»).

Our groupwide Belimo Supplier Principles underlines the expectations towards our suppliers and sets the basis for responsible sourcing. Above all, it safeguards the human rights of our suppliers' employees and of the employees of its suppliers. As a trusted business partner to Belimo, our suppliers and partners are expected to read, understand, and adhere to the Belimo Supplier Principles, agreeing to comply with numerous behavioural obligations, and to demand conformity from their own sub-suppliers. Our Supply Chain Policy is an integral part of our business and incorporated into our Belimo Supplier Principles as well as other contracts and agreements with business partners. We reserve the right to audit existing as well as newly selected suppliers, during which we verify the adherence to our principles. Our suppliers must ensure that they have access to the latest version of our Supply Chain Policy, which is available on our corporate website.

Belimo's business conduct is closely guided by the *OECD Due Diligence Guidance for Responsible Business Conduct* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. In addition, we appreciate the efforts of human rights organisations and value the guidelines of the *ILO Minimum Age Convention (No. 138)*, the *ILO Worst Forms of Child Labour Convention (No. 182)* and, wherever possible, integrate recommendations from the *ILO-IOE Child Labour Guidance Tool for Business* and the *UN Guiding Principles on Business and Human Rights*.

## Our Commitment

Belimo is committed to sourcing materials from suppliers who share our commitment to work towards a responsible and conflict free supply chain in regard of conflict minerals and child labour. In support of this policy:

- Belimo will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
  - i. any forms of child labour<sup>1</sup> (The term «child» refers to any person employed under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country);
  - ii. any forms of forced or compulsory labour, which means work or service exacted from any person under the menace of penalty, and for which said person has not offered himself voluntarily (appropriate compensation must be ensured as well as payment of the statutory national minimum wage, locally stipulated maximum working hours shall be observed);
  - iii. any forms of torture, cruel, inhuman and degrading treatment;
  - iv. any other gross human rights violations and abuses such as sexual violence, psychological duress, personal harassment or discriminating conduct;
  - v. corruption and bribery of any kind in the supply chain.
- Belimo shall be entitled to cancel existing supply agreements or issued orders in writing and without notice if a reasonable risk has been identified that Belimo is sourcing from, or linked to, any party committing serious abuses as defined above.
- Belimo may request a written report from its suppliers, describing the measures they have taken to ensure they comply with the principles and requirements defined by Belimo.
- Belimo expects suppliers to grant full transparency to enable risk assessment and audits. This can mean access to relevant evidence of adherence to standards, such as Belimo quality and safety standards.
- Belimo requires suppliers to disclose the origin and sources of the raw materials used by them upon request and to take reasonable effort to exclude the use of raw materials affected by embargoes, trade sanctions or other import restrictions.
- Belimo conducts regular supplier audits and on-site inspections, screening for non-compliant behaviour in the supply chain. Audits involve assessing the suppliers' compliance with Belimo's

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<sup>1</sup> ILO Minimum Age Convention (No. 138), ILO Worst Forms of Child Labour Convention (No. 182)

defined ethical business practices, including child labour and conflict minerals queried thematically and situationally, as well as environmental standards.

- Belimo regularly screens and ranks all suppliers along the criteria defined in the UNICEF Children's Rights in the Workplace Index for child labour (and anti-corruption) risk and annually maps them in a material risk matrix. In addition, Belimo engages technology to monitor, manage and mitigate supply chain risks.
- Belimo expects its suppliers to report any unethical business practices or a breach of our Belimo Supplier Principles via our email reporting channel. Alternatively, employees, suppliers or third-party providers can report any concerns using the Belimo Group's independently operated whistleblowing line «Integrity Channel», guaranteeing the anonymous and confidential processing of reported incidents.
- In case we identify a reasonable risk described above in our supply chain, Belimo reserves the right to take appropriate actions including and up to termination of cooperation.

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