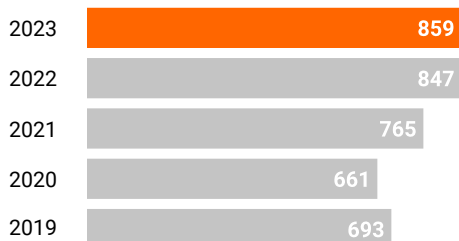


Key Figures

Net Sales

in CHF million

858.8



EBIT Margin

in % of net sales

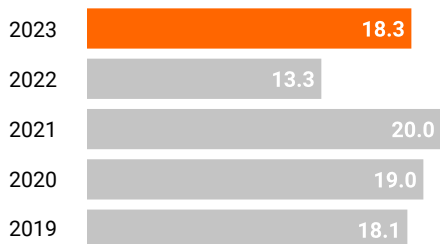
17.8



Operating Cash Flow

in % of net sales

18.3



Dividend per Share

in CHF

8.50



Earnings per Share (EPS)

in CHF

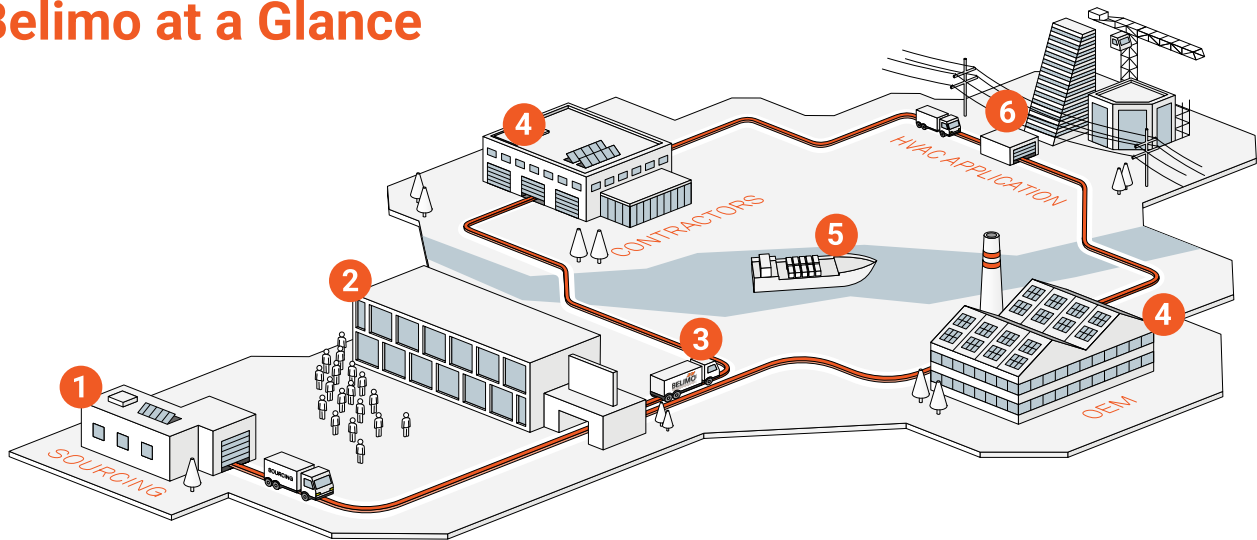
11.14

Number of Employees

FTEs as at December 31

2'260

Belimo at a Glance



1 Sourcing

To remain flexible and fully customer oriented, we outsource 88% of our production costs to suppliers. The remaining internal value added consists of 8% assembly and 4% logistics/ customization.

[Find out more](#)

2 Belimo

BELIMO Holding AG, the holding company of the Belimo Group, holds 29 subsidiaries. We innovate HVAC applications with field devices and as such employ more than 300 engineers in research and development.

[Find out more](#)

3 Logistics

Because our customers highly value short lead times, we maintain a two-step production process. We first produce our base actuators in two centralized assembly hubs with robust quality assurance. Next, we adapt orders to local market needs at nine customization centers. The proximity to our customers allows us to ship 80% of our portfolio within 48 hours.

[Find out more](#)

4 Customers

We serve two main customer groups in the heating, ventilation, and air-conditioning (HVAC) industry: Contractors, who account for approximately 55% of net sales, and Original Equipment Manufacturers (OEM) who account for the remaining 45%.

[Find out more](#)

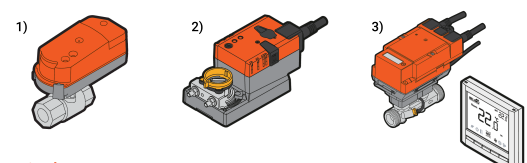
5 Market Regions

Our largest market region with 43.8% of net sales is EMEA, closely followed by the Americas with 43.5% and the faster-than-average growing Asia Pacific market region with 12.7% of net sales.

[Find out more](#)

6 Business Lines

Belimo is 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. With 48.6%, control valves (1) are the most substantial contributor to the topline, closely followed by damper actuators (2) with 47.1% of net sales. Sensors and meters (3) are quickly gaining traction and account for 4.3% of net sales.



[Find out more](#)

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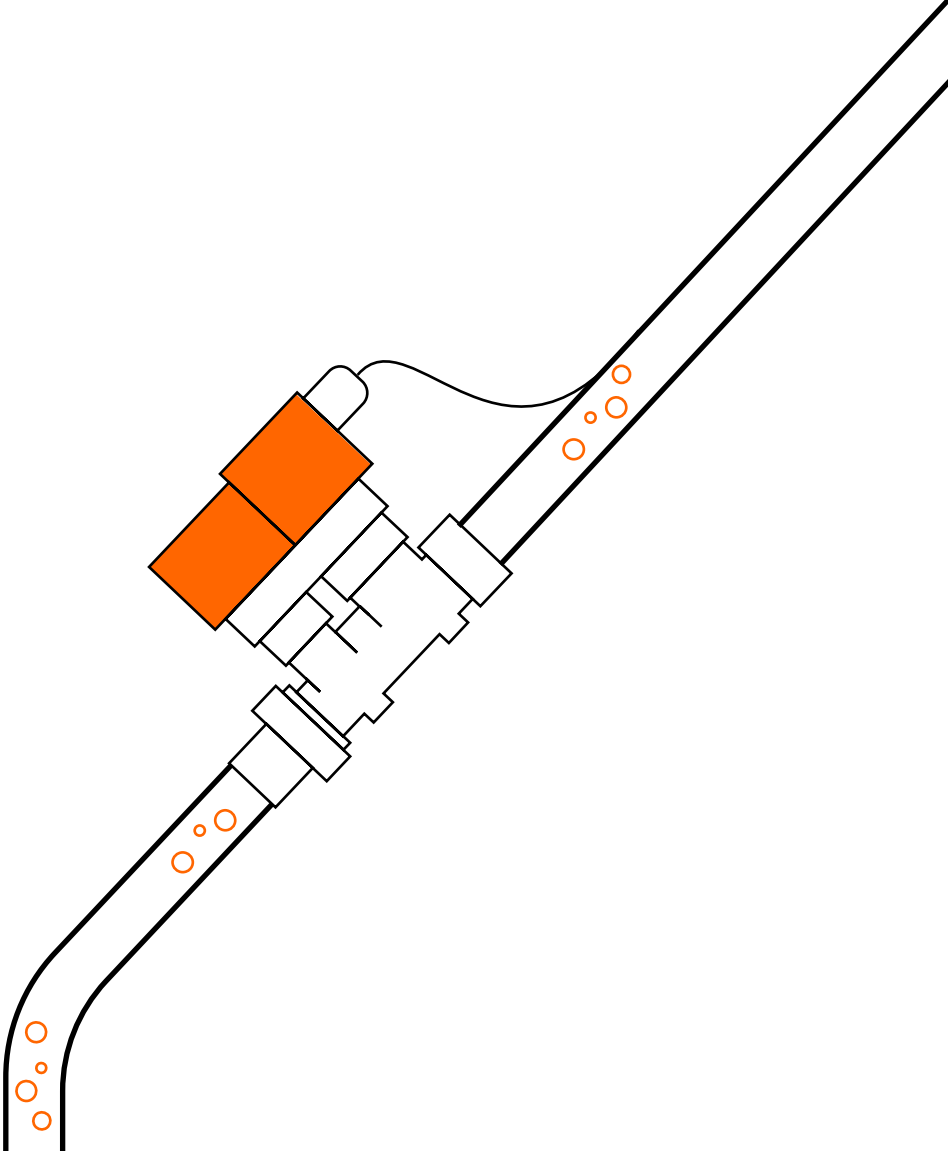
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Business Report





Patrick Burkhalter, Chairman of the Board of Directors (left), and Lars van der Haegen, CEO.

Dear Shareholders,

Belimo pursued its long-term growth and investment strategy unwaveringly and successfully throughout 2023. Thanks to our highly engaged employees and a strong network of suppliers, we were able to master the year's challenges exceptionally well. In line with the Group's strategy, we welcomed almost 100 additional new talents during the year under review. To sustain future business, CHF 76.0 million, equivalent to 8.9% of net sales, was invested in research and development, amongst other things for the most advanced platform for building automation field devices. A platform that will allow for a seamless design, installation, and commissioning experience across the product range offering, as the field devices will become more integrated and require consistent interfaces in the evolving building automation architecture.

The most significant challenges came from a demanding economic environment leading to a slowdown of business momentum in the construction industry. Nevertheless, Belimo saw net sales grow 7.2% in local currencies and 1.4% to CHF 858.8 million in Swiss francs. Earnings before interest and taxes (EBIT) amounted to CHF 152.5 million, and the EBIT margin was stable at 17.8%. Owing to a one-time tax effect of CHF 17.1 million, net income rose by 11.5% to CHF 136.8 million, and free cash flow came to CHF 135.9 million.

The positive findings of our annual employee survey affirmed our employees' dedication, with an impressive engagement score of 8.9 out of 10 and a remarkable participation rate of 90%, clearly demonstrating their strong engagement. Furthermore, the Making Our Values Visible campaign was implemented throughout the company to strengthen Belimo's unique culture. This initiative emphasizes the principles and practices that embody credibility culture, customer value, solution leadership, and operational excellence, the four core values that we see as pivotal to Belimo's continued growth and success.

In 2023, Belimo embarked on a new phase of its commitment to combating climate change, focusing on actively reducing its scope 1 to 3 greenhouse gas (GHG) emissions. The company initiated a comprehensive program to methodically identify and calculate its scope 3 emissions in accordance with the guidelines of the GHG Protocol.

In compliance with Swiss legislation, Belimo reports on environmental concerns, CO₂ objectives, social matters, employee-related issues, adherence to human rights, and anti-corruption efforts. Additionally, Belimo continues to uphold its dedication to the UN Global Compact and its initiatives. The 2023 financial year's Communication of Progress in line with the Global Reporting Initiative (GRI) is presented in this report.

The Board of Directors is proposing a dividend of CHF 8.50 per share at the 2024 Annual General Meeting on March 25, 2024. This is based on the closing price of CHF 463.80 on December 29, 2023, equivalent to a return of 1.8% per share.

On January 1, 2023, the revised Swiss Code of Obligations came into force. To both implement the requirements of the legal reform and take account of current best practices, the Board of Directors is submitting a proposal to the Annual General Meeting 2024 amending the Articles of Incorporation.

On behalf of the Board of Directors and the Executive Committee of BELIMO Holding AG, we would like to thank you, our esteemed shareholders, for your foresighted investment in a sustainable company.

Yours sincerely,



Patrick Burkhalter
Chairman of the Board of Directors



Lars van der Haegen
CEO

Belimo Pursues Its Growth Path in a Demanding Environment

Belimo achieved strong results and continued to deliver on its growth strategy despite complex economic conditions.

Thanks to its highly engaged employees and strong values, Belimo returned a remarkable performance in a year characterized by inflation trends, rising interest rates, and slowing business momentum in the construction industry. Overall, demand remained at a solid level during the reporting period, although business lost some impetus in mid-2023 before picking up again moderately towards the end of the year.

Despite the development of the markets and foreign exchange effects, sales grew, driven mainly by price increases. A specific highlight was the consistently strong contribution of control valve products across all regions. Overall, net sales grew 7.2% in local currencies and 1.4% to CHF 858.8 million in Swiss francs.

The Americas market region reported impressive results with a sales growth of 7.7% in local currencies. This follows an extraordinary previous year in which Belimo was able to gain significant market share due to delivery issues in the industry. This led to a substantial baseline effect, particularly in the second half year of 2022. EMEA achieved solid sales growth of 6.4% in local currencies. This performance was still impacted both directly and indirectly by the war in Ukraine, which had prompted Belimo to exit the Russian market in the first quarter of 2022. The Asia Pacific market region registered an increase in sales of 8.2% in local currencies. Belimo India, along with other regional subsidiaries, performed exceptionally well, compensating for the challenging circumstances in China.

Net Sales by Market Regions

in CHF 1'000	2023				2022			
	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies
EMEA	375'920	44%	2.2%	6.4%	367'902	43%	-2.0%	4.7%
Americas	373'813	44%	1.5%	7.7%	368'261	43%	26.4%	21.3%
Asia Pacific	109'053	13%	-1.5%	8.2%	110'737	13%	12.5%	11.4%
Total	858'785	100%	1.4%	7.2%	846'900	100%	10.7%	11.9%

¹⁾ in % of total net sales

The business line Control Valves could gain significant market share, posting growth of 12.0% in local currencies. This confirms Belimo's successful efforts as innovation leader in this application field. Additionally, Sensors and Meters gained further traction, registering an increase of 31.0% in local currencies. Damper Actuators, on the other hand, grew only slightly by 1.1% in local currencies. Destocking by original equipment manufacturer (OEM) customers and the slowed-down business momentum in the new construction industry adversely affected sales.

Net Sales by Business Lines

in CHF 1'000	2023				2022			
	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies
Damper Actuators	404'788	47%	-4.5%	1.1%	423'803	50%	4.6%	6.6%
Control Valves	417'490	49%	6.1%	12.0%	393'492	46%	16.2%	16.5%
Sensors and Meters	36'507	4%	23.3%	31.0%	29'605	3%	36.3%	38.5%
Total	858'785	100%	1.4%	7.2%	846'900	100%	10.7%	11.9%

¹⁾ in % of total net sales

Earnings before interest and taxes (EBIT) came to CHF 152.5 million in 2023 (2022: CHF 152.4 million). With an EBIT margin of 17.8% (2022: 18.0%), profitability was very robust. This was despite the demanding economic environment, inflation trends, and foreign exchange developments that were unfavorable for Belimo given that its main cost base is in Swiss francs. Material costs normalized after having increased in 2022, owing to supply disruptions, higher energy costs, and inflation.

As far as further expenditure is concerned, Belimo is committed to maintaining its strategic stability and thus mastering the global economic challenges without impairing its medium-term potential. Consequently, the Company increased its research and development expenses to CHF 76.0 million or 8.9% of net sales. In an effort to ensure the successful implementation of its key initiatives, Belimo welcomed almost 100 additional new talents to benefit from the five megatrends of energy efficiency, climate change, urbanization, safety in buildings, and digitization.

The Group achieved net income of CHF 136.8 million (2022: CHF 122.7 million). Earnings per share rose to CHF 11.14 (2022: CHF 9.99). Both figures were positively impacted by a one-time tax effect of CHF 17.1 million in 2023 absorbing a negative financial result of CHF 10.1 million driven by strong adverse foreign currency movements during 2023.

Operating cash flow increased to CHF 157.0 million (2022: CHF 112.9 million), positively affected by a decline in net working capital in the reporting period. In the previous year, net working capital was increased to maintain superior lead times in an environment of global supply chain shortages. Free cash flow amounted to CHF 135.9 million (2022: CHF 91.2 million), including a divestment of term deposits of CHF 25.0 million (2022: net divestment of CHF 35.0 million).

EMEA

The EMEA market region registered net sales of CHF 375.9 million in 2023. This corresponds to an increase of 6.4% in local currencies (2.2% in Swiss francs) compared to the previous year, mainly driven by the successful implementation of price increases. As the year progressed, the consequences of interest rate hikes and the war in Ukraine increasingly restricted avenues of growth within the European construction industry.

On the other hand, on the product side, Belimo's pressure-independent valves performed particularly well, seeing a rise in demand stemming among other things from an increasing focus on energy savings and substantial progress in the OEM business with data centers throughout the EMEA region. Belimo grew significantly in Italy and France, where it was able to exploit its excellent standing in Electronic Pressure-Independent Valves (EPIVs).

Owing to uncertainty concerning German energy regulations and subsidies for the replacement of fossil-fueled boilers, the market saw a considerable downturn in demand for biomass furnaces and heat pumps. This impacted the development of Belimo's sales in Germany, as well as in Austria and Poland, where the company does a considerable volume of business with biomass furnace manufacturers.

At the same time, construction activity in Saudi Arabia is picking up owing to Saudi Vision 2030, which is additionally boosting Belimo's business in the Middle East.

Americas

The Americas market region reported CHF 373.8 million in sales in 2023, corresponding to an increase of 7.7% in local currencies (1.5% in Swiss francs). This includes a price increase implemented in 2023, which contrasts with two bigger price increases enforced in 2022. The rise in the Federal Funds effective interest rate, which was unprecedented in the past two decades, had a negative impact on GDP and thus also on the financing of new construction projects. The heating, ventilation, and air conditioning (HVAC) market remained resilient despite less robust general economic growth.

Belimo was able to retain most of the market shares it had gained in the region during 2022, a year marked by the severe supply chain disruption experienced by competitors. This success was made possible by a high level of operational excellence and resulting fast lead times along with a sales force that provides outstanding customer value based on extensive HVAC application know-how. Additionally, specific product categories like pressure-independent control valves grew considerably, whereas business with damper actuators remained flat compared with the previous year.

The regulatory framework in the United States (i.e., the Inflation Reduction Act and local initiatives) also favored market engagement. Belimo's RetroFIT+ initiative has allowed the Group to support major projects earlier in the cycle than traditional sales channels, contributing to the advancement of the existing building market, which accounts for half of Belimo's sales in the Americas.

Asia Pacific

The Asia Pacific market region reported CHF 109.1 million in sales in 2023, corresponding to an increase of 8.2% in local currencies (-1.5% in Swiss francs). The HVAC market experienced a slowdown in China owing to liquidity issues and further economic challenges. India's HVAC business saw significant growth, driven by promising sectors such as data centers, infrastructure, and the pharmaceutical and hospitality sectors, coupled with a heightened emphasis on energy efficiency, indoor air quality, and eco-friendly certified buildings. The Southeast Asian market likewise grew, mainly fueled by new construction ventures, with growing interest in renovation and upgrades.

The Company managed to expand its market share considerably in India across all segments, especially in pressure-independent valves, sensors, and smart actuators with an integrated variable air volume and room controller (ZoneEase VAV). The performance of pressure-independent valves was largely driven by OEM business in the data center vertical. Belimo also recorded double-digit growth in Southeast Asia.

Belimo's CESIM House in Mumbai has received the prestigious ASHRAE Technology Award for Industrial Facilities in the region and a nomination for the global award. This accolade has proven to be an excellent way to educate the market.

Outlook

In 2024, the Group anticipates solid demand for its field devices in both new construction and the renovation of existing structures. Sales growth, measured in local currencies, is projected to be at the lower end of its guided growth corridor. Additionally, the EBIT margin is likely to be influenced by foreign exchange fluctuations and sustained high levels of research and development, along with ongoing investments in future advancements.

In the EMEA market region, Belimo believes that the economic downturn experienced in 2023 will persist and affect non-residential construction throughout 2024, with a rebound starting in 2025. Despite this, the HVAC market is expected to be in a better position, supported by demand for renovations and the implementation of the EU Energy Performance of Buildings Directive (EPBD) in Germany through the Building Energy Act. This new legislation is expected to enhance renovation efforts, an area where Belimo has already made significant inroads with its RetroFIT+ initiative. The company is well-placed to capitalize on the anticipated surge in the renovation sector, which is expected to result in an accumulation of retrofit projects.

In the Americas market region, the Group is anticipating moderate sales growth due to predictions of rather stable economic conditions and less opportunity to increase prices owing to lower prevailing inflation rates. Positive market share gains are expected, mainly driven by continued above-average market growth in control valves, sensors and meters, and opportunities arising from the RetroFIT+ initiative.

In the Asia Pacific market region, the Indian business is thriving and has promising prospects for 2024, partly thanks to the New Delhi airport project. Segments such as data centers, pharmaceuticals, hospitality, and infrastructure are expected to experience significant growth. In Southeast Asia, the Group predicts robust growth in the HVAC market in line with expectations of higher GDP growth. As for China, Belimo remains prudent regarding its growth targets. Nevertheless, the economic outlook for 2024 seems relatively stable, although projections of GDP growth have been marginally reduced.

The non-residential building market faces challenging investment decisions amid global economic uncertainty, signs of recession, and higher interest rates. Nevertheless, even if these higher rates slow new construction activity, refurbishment projects are expected to pick up, albeit with some delay. This potential shift presents Belimo with additional growth opportunities.

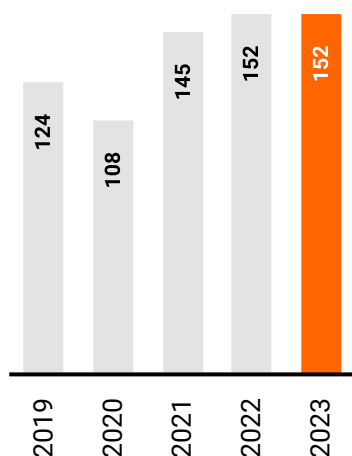
As the market leader in energy-efficient HVAC field devices, Belimo is strongly positioned to leverage these changes in the market. The ongoing urbanization and climate change trends are fueling demand for improved indoor air quality and energy efficiency in building automation, offering prospects for growth outpacing general GDP trends. The Group remains committed to its long-term growth strategy, continuing to invest in strategic initiatives and expanding its

capacity, mainly in the logistics area, leading to an elevated capital expenditure level in the coming years. Furthermore, the Company will continuously invest in training programs for its over 2`300 talents who live the Belimo values every day.

Financial Key Performance Indicators

Income Statement

Earnings Before Interest and Taxes (EBIT)

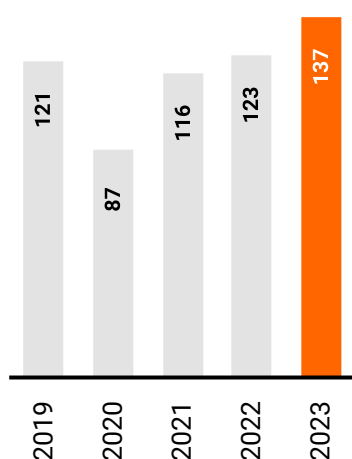


Earnings before interest and taxes (EBIT), in CHF million

Net sales growth in local currencies in the range of the 5-year average, combined with operational excellence resulted in an EBIT of CHF 152.5 million (2022: CHF 152.4 million) despite a continued challenging economic environment and unfavorable foreign exchange developments.

With an EBIT margin of 17.8% (2022: 18.0%), profitability was very robust, driven by consequent price increases and a normalization in material and freight costs. Implementation of the dedicated growth strategy measures with the associated investment in the workforce, and increased research and development expenses of 8.9% of net sales (2022: 7.3% of net sales) led to an overall higher cost base. In absolute terms, research and development expenses amount to CHF 76.0 million (2022: CHF 62.1 million). The Group achieved net income of CHF 136.8 million (2022: CHF 122.7 million). Earnings per share rose to CHF 11.14 (2022: CHF 9.99). Both figures were positively impacted by one-time tax effects of CHF 17.1 million.

Net Income

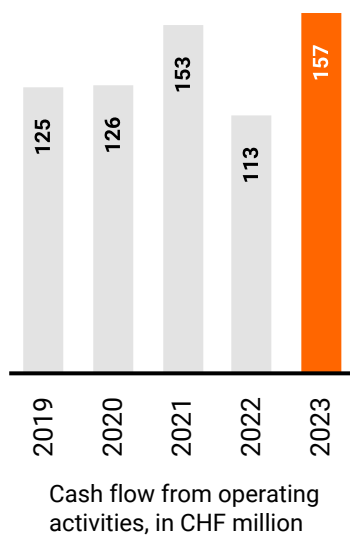


Net income, in CHF million

The overall income taxes amounted to CHF 5.6 million (2022: CHF 24.8 million). Financial result was negatively impacted by the strengthening of the Swiss franc, especially against the US dollar and euro, which led to a net foreign exchange loss of CHF 8.6 million (2022: CHF 4.6 million).

Cash Flow

Cash Flow From Operating Activities



Strong cash flow from operating activities with year-on-year growth of CHF 44.1 million to CHF 157.0 million. After a significant increase in net working capital in the previous year, particularly to maintain supply availability and superior lead times, inventory was continuously reduced in the current year.

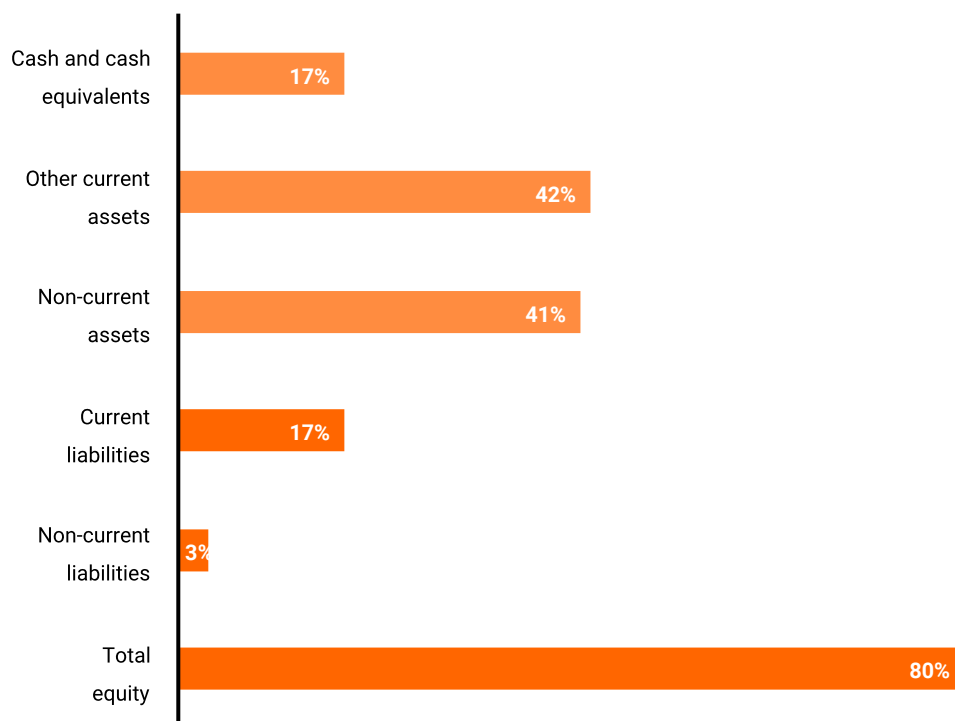
Cash flow used in investing activities of CHF 21.1 million (2022: CHF 21.7 million) included a divestment of term deposits of CHF 25.0 million (2022: net divestment of CHF 35.0 million). Capital expenditures in property, plant and equipment and intangible assets amounted to CHF 47.0 million (2022: CHF 54.7 million), containing expenditures related to the capacity expansion strategy.

As a result, free cash flow rose to CHF 135.9 million (2022: CHF 91.2 million).

Cash flow used in financing activities was CHF 108.7 million (2022: CHF 112.3 million). It contained the dividend payment of CHF 104.5 million (2022: CHF 104.5 million) to the shareholders of BELIMO Holding AG.

Balance Sheet

Balance Sheet as at December 31, 2023



Balance sheet as at December 31, 2023, in % of total assets

Total assets remained stable compared to previous year at CHF 662.0 million (2022: 672.0 million). Cash and cash equivalents grew from CHF 86.8 million to CHF 110.8 million, mainly due to the short-term investment in term deposits in previous year of CHF 25.0 million. Net working capital dropped by CHF 18.2 million year-on-year to CHF 241.9 million (2022: CHF 260.1 million).

The equity ratio remained at a very solid 80.1% (2022: 77.6%). Based on average equity, the return on equity (ROE) came to 26.0% (2022: 23.8%).

The Board of Directors is proposing a dividend of CHF 8.50 per share at the 2024 Annual General Meeting on March 25, 2024.

Growth Strategy and Innovation

The Group’s long-term growth strategy consists of the following six initiatives geared toward increasing customer value and advancing solution leadership.

Customer Value

RetroFIT+

Accelerate the renewal of the installed base (retrofit).

Grow Asia Pacific

Ensure market leadership in the world's fastest growing building market.

Digital Customer Experience

Innovate our customers’ experience.

Solution Leadership

Actuators and Valves

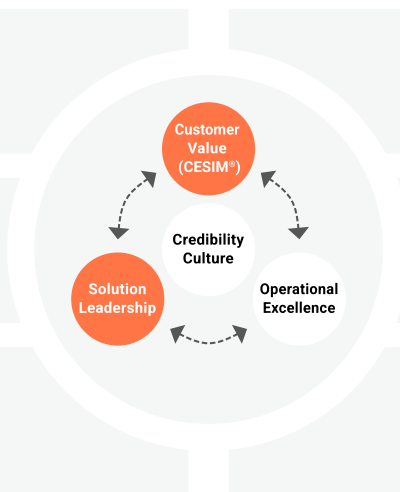
Grow business and expand market leadership.

Sensors and Meters

Expand range and increase market share.

Digital Ecosystem

Empower Belimo devices, create a consistent digital user experience, and enable seamless access to device data.



Customer Value

RetroFIT+

Only 2% of the world's buildings are newly constructed each year. This means that concentrating on existing buildings represents the most significant global opportunity for reducing greenhouse gas emissions and increasing energy efficiency. The rate of renovation will, however, need to be doubled if the ambitious climate targets stipulated by such initiatives as the European Green Deal are to be achieved. Upgrading existing buildings also requires highly experienced engineers and technicians, which limits overall output capacity. Consequently, this initiative intends to support customers in eliminating bottlenecks and streamlining processes.

One example of a RetroFIT+ project executed during the reporting period was the installation of Belimo Energy Valves™ completed in spring 2023 at Providence College's campus (Providence, Rhode Island, USA). The retrofit with Belimo Energy Valves™ allowed the school to meet their cooling needs with the existing chiller plant configuration, thus saving the cost of buying and installing a new chiller, amounting to an estimated USD 0.5 million to USD 1.0 million in savings.

Grow Asia Pacific

The aim of this initiative is to safeguard the Group's market leadership in the most rapidly expanding building market. Most decisive for the success of Belimo in Asia is its focus on China and India, the world's two most populous nations.

In China, Belimo purchased the existing Shanghai location to account for additional capacities and space for warehousing, customization, logistics, an experience center, and offices. The building will be increased from 8'000 to almost 19'000 square meters. In 2023, refurbishment of the building into a sustainable lighthouse project featuring the China Three Star and LEED Platinum certification has started. Furthermore, Belimo opened its 14th hub office in Zhengzhou this year as part of the accelerated growth strategy for China that was started in 2017. With this, the Company has substantial coverage of all the major economic regions and will now scale up on these hubs to support sales.

In India, the main pillars of the strategy are a focus on specific vertical markets such as data centers, pharma buildings, and hospitals' by building up the sales network for advising consulting engineers and end users, plus the expansion of local presence through the establishment of hub offices, especially in high-growth regions.

Digital Customer Experience

The Digital Customer Experience initiative is directed at enlisting a digitally adept generation of technicians and engineers as digital tools and interactions gain ground in the HVAC industry.

In 2023, Belimo started to implement a CPQ (Configure, Price, Quote) software to improve the quote-to-order process. Once implemented, it will strengthen the customer relationship management system. The main goal of the project is to improve the quality of quotes as one of the Company's main touchpoints to customers and prospects and be ready for the digital customer experience and process integration needs of all business partners. It will also offer insights into the quoting process to better make data-driven decisions.

To further drive the Digital Customer Experience initiative, BIM (Building Information Modeling) specialists were appointed in selected subsidiaries, which will further strengthen Belimo's capability to properly support customers who are in need of CAD and BIM files, be it single component files – where Belimo can assist with more than 100 different file formats – or entire Revit libraries.

Solution Leadership

Damper Actuators and Control Valves

The largest sales contribution in the growth plan for the period leading up to 2030 is expected to come from damper actuators and control valves. This expectation is underscored by a dedicated initiative for growing the business and expanding market leadership by leveraging the economies of scale that result from having the biggest share of the market. Over the next few years, Belimo will be making extraordinary investments in the fundamental renewal of its core platforms for both damper actuators and control valves, while at the same time fully integrating its sensors and meters product range. This will allow a seamless design, installation, and commissioning experience across the product range offering, as the field devices will become more integrated and require consistent interfaces in the evolving building automation architecture.

Sensors and Meters

While damper actuators and control valves control air and water flows, sensors are imperative for measuring temperature, relative humidity, pressure, air quality, and flows. By sending their variable readings to the Building Automation and Control System (BACS), sensors represent a critical link between the indoor environment and the HVAC system. They are imperative for optimizing indoor air conditions in the interest of comfort, health and safety and the overall system's energy efficiency.

Metering remained entirely separate from this world until Belimo launched its Thermal Energy Meter in 2021. This marked the first time that a harmonized flow and thermal energy meter brought together the worlds of certified thermal energy metering and comfort control, further reducing the operational energy consumption associated with comfort. It can be used standalone or combined with the Belimo Energy Valve™, enabling glycol measurement and tenant billing, thanks to its MID certification (Measuring Instruments Directive).

In the coming years, Belimo is focusing on further expanding its range of sensors and meters and increasing its market share.

Digital Ecosystem

In the coming years, most BACS will evolve into cloud-based and Building IoT (BIoT) systems. In light of these trends and the increasing interest of building operators in energy data and predictive maintenance, the digital connectivity of Belimo devices will be of increasing importance. A well-designed digital ecosystem will allow for a seamless integration, providing easy access to data from damper actuators, control valves, sensors and meters. With Belimo already recognized as the leader in this domain, leveraging platform capabilities, edge logic, and enabling seamless access to device data will all become a strong point of differentiation and a source of additional growth.

Corporate Governance

Introduction

BELIMO Holding AG issues this Corporate Governance Report at the highest corporate level of Belimo in accordance with the principles and regulations of the Swiss stock exchange SIX Swiss Exchange, in particular the Corporate Governance Directive and the Swiss Code of Best Practice published by *economiesuisse*. Unless stated otherwise, the data pertains to December 31, 2023.

The information contained in this Corporate Governance Report is based on the corporate organization, regulations, and [Articles of Incorporation](#), effective as of December 31, 2023.

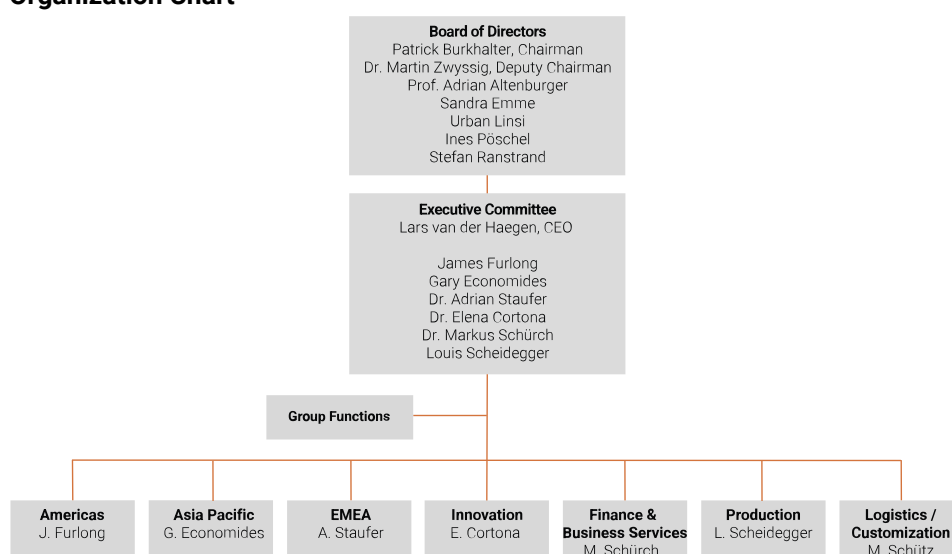
For some information, readers are referred to the [Financial Report 2023](#) and the [Remuneration Report 2023](#).

1 Group Structure and Shareholders

1.1 Group Structure

Belimo is organized according to its markets (EMEA, Americas, and Asia Pacific) and to its divisions (Innovation, Production, Logistics/Customization, Finance & Business Services). The Group Functions include Group Quality and Sustainability, Group Brand Management, and Group Strategy. The operational Group structure is shown in the organization chart below.

Organization Chart



BELIMO Holding AG, the holding company of the Belimo Group, is the only listed company included in the consolidation scope. The registered office of BELIMO Holding AG is in Hinwil (Switzerland). Belimo shares (ISIN CH1101098163) are listed on the Swiss stock exchange SIX Swiss Exchange.

As at December 31, 2023, the market capitalization is CHF 5'705 millions. With the exception of BELIMO Holding AG, no Group company held Belimo shares. The Belimo shares held by BELIMO Holding AG are shown in note [Treasury Shares](#) in the Financial Report 2023 of the BELIMO Holding AG.

All companies included in the consolidation scope of Belimo are presented in the [overview of companies in the Consolidated Financial Statement](#).

1.2 Significant Shareholders

As at December 31, 2023, the following shareholders disclosed more than 3% of the share capital of BELIMO Holding AG:

Shareholder	Number of shares ¹⁾	Ownership ¹⁾	Voting rights ²⁾
BlackRock, Inc.	568'770	4.62%	4.62%
The Capital Group Companies, Inc.	613'740	4.99%	4.99%
1832 Asset Management L.P.	530'304	4.31%	4.31%
Group Linsi	2'403'920	19.54%	19.51%

¹⁾ Based on the latest disclosure available.

²⁾ Maximum voting rights based on the Company's voting rights registration limits.

As at December 31, 2023, BELIMO Holding AG held 0.01% of the share capital.

For notification of disclosure of significant shareholdings (more than 3% of voting rights), please refer to the website of SIX Exchange Regulation (www.ser-ag.com).

1.3 Cross-Shareholdings

There are no cross-shareholdings with other companies.

2 Capital Structure

2.1 Share Capital

As at December 31, 2023, the ordinary share capital of BELIMO Holding AG totaled CHF 615'000. It is divided into 12'300'000 fully paid-up, registered shares, each with a nominal value of CHF 0.05.

The Company has no approved or conditional share capital.

2.2 Change in Equity / Capital

The shareholders' equity of BELIMO Holding AG has changed during the last three years as follows:

in CHF 1'000	2023	2022	2021
Shareholders' equity as at December 31	317'256	301'273	285'007

The Group maintains a share register, in which the names and addresses of owners and beneficial owners of shares are entered. Each share entered in the share register entitles the holder to one vote at the Annual General Meeting. In the event of a share capital increase, shareholders have a right of first refusal to subscribe to new shares in proportion to their existing shareholding and legal requirements. No capital increase or decrease was conducted in 2023.

2.3 Participation and Dividend-Rights Certificates

BELIMO Holding AG has issued neither participation nor dividend-rights certificates.

2.4 Limitation of Transferability and Nominee Registrations

Persons entered in the shareholders' register are recognized as voting shareholders. Buyers of shares or their beneficial owners must apply in writing to be entered in the share register. The entry in the register can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and his/her own account.

Based on the Company's voting rights registration limits, there are maximum voting rights of 5% of the total numbers of shares as shown in the commercial register. Shareholders exceeding 5% at the time this limitation was introduced shall continue to be registered with the number of shares actually held.

Legal entities and private partnerships related to one another as well as individuals, legal entities, and private partnerships acting jointly or in a coordinated manner shall be deemed as one person.

By application of regulations, the Board of Directors may define exceptions to the five-percent voting rights registration limit. For Group Linsi, a 19.51% registration limit has been defined.

2.5 Convertible Bonds and Options

BELIMO Holding AG has no outstanding convertible bonds or share options. No options are issued to employees.

3 Board of Directors

The Board of Directors is the most senior management body in the Group. It is empowered to make decisions with respect to all matters that are not reserved to the Annual General Meeting by law or in accordance with the [Articles of Incorporation](#), or that the Board has not delegated to another body by regulation or resolution.

3.1 Members of the Board

The Board of Directors of BELIMO Holding AG comprises a total of seven members as at December 31, 2023 (2022: six members). Ines Pöschel was elected as a new member of the Board of Directors at the 2023 Annual General Meeting. The Board comprises the following non-executive members:



Patrick Burkhalter

Chairman

Patrick Burkhalter (1962, Swiss citizen) was elected to the Board of Directors at the 2014 Annual General Meeting and was named Chairman of the Board at the 2019 Annual General Meeting. He is a member of the Audit Committee and of the Strategy Committee. From 1988 to 2018, Patrick Burkhalter held several positions at Ergon Informatik AG, Zurich (Switzerland). After starting his career as a software developer, he was appointed Chief Executive Officer and member of the Board of Directors of the company in 1992. From 2016 to 2018, he led the company as its Chairman. He holds a degree in business administration and computer science (lic. oec. publ.). Throughout his career, Patrick Burkhalter has accumulated relevant knowledge and expertise in IT, entrepreneurship, strategic development, and corporate governance.

Other Significant Mandates

Since 2019, he is a member of the Board of Directors of BELIMO Automation AG, Hinwil (Switzerland), a subsidiary of BELIMO Holding AG, Hinwil (Switzerland).



Dr. Martin Zwysig

Deputy Chairman

Dr. Martin Zwysig (1965, Swiss citizen) was first elected to the Board of Directors at the 2011 AGM. He is Deputy Chairman of the Board and a Member of the Audit Committee (Lead). Dr. Martin Zwysig was Divisional Controller at Sarna Kunststoff Holding AG, Sarnen (Switzerland) before becoming Senior Vice President Finance & Controlling of the EMS-EFTEC Group in Romanshorn (Switzerland) in 2001. From 2003 to 2008, he was Group CFO of Schaffner Holding AG, Luterbach (Switzerland) and subsequently Group CFO of Ascom Holding AG, Baar (Switzerland). In 2014, Dr. Martin Zwysig became Group CFO and Member of the Executive Board of Autoneum Holding AG, Winterthur (Switzerland). From April 2020 until June 2023, he was Chief Financial Officer of the REHAU Group with headquarters in Muri bei Bern (Switzerland). As of July 2023, Dr. Martin Zwysig took over as CFO of the BKW Group, Bern (Switzerland), and as a member of the Group Executive Board. Dr. Martin Zwysig holds a master's degree in Accounting & Finance and a doctorate in business administration from the University of St. Gallen (Switzerland).

His areas of expertise are financial management, accounting, tax, and corporate governance.

Other Significant Mandates

He is a member of the Group Executive Board of BKW AG¹⁾, Bern (Switzerland), since 2023.

¹⁾ Listed company.



Prof. Adrian Altenburger

Member

Prof. Adrian Altenburger (1963, Swiss citizen) was first elected to the Board of Directors at the 2015 Annual General Meeting. He is a member of the Strategy Committee (Lead). From 1999 to 2015, he was Partner, a member of the Group Executive Committee, and a member of the Board of Directors of the engineering company Amstein + Walthert AG, Zurich (Switzerland). In 2015, he was appointed Professor at the Lucerne University of Applied Sciences, School of Engineering & Architecture, and Head of the Institute of Building Technology and Energy, Lucerne (Switzerland). From 2009 to 2022, he has served as Vice President and member of the Board of the SIA Swiss Society of Engineers and Architects (Zurich). He graduated as an HVAC engineer HTL and holds a master's degree in architecture from ETH Zurich (MAS Arch. ETH).

His field of expertise lies in energy and building technology engineering.

Other Significant Mandates

He is a member of the Board of Directors at Jobst Willers Engineering AG, Rheinfelden (Switzerland), since 2018, of the Energie Wasser Bern, Bern (Switzerland), since 2018, of the EKT Energiestiftung, Arbon (Switzerland), since 2022, of the SDEA Swiss Datacenter Efficiency Association, Bern (Switzerland), since 2020. Since 2021, he is Chairman of the SNV Swiss Association for Standardization, Winterthur (Switzerland) and since 2023 member of the DIN Presidial Board, Berlin (Germany).



Sandra Emme

Member

Sandra Emme (1972, Swiss and German citizen) was elected to the Board of Directors at the 2018 Annual General Meeting. She is a member of the Remuneration and Nomination Committee (Lead). Since 2011, she has held various positions at Google Switzerland GmbH, Zurich, most recently as Industry Leader for Cloud Enterprise in Global Business Development. She is a lecturer in Leading Digital Business Transformation at the IMD Business School, Lausanne (Switzerland). She holds a Master of Arts in business and international management from the University of Applied Sciences Bremen (Germany) and completed part of her studies at the Ecole Supérieure de Commerce, Marseilles (France). In 2015, she earned an advanced degree in Leading Digital Business Transformation from the IMD Business School. In 2023, she completed the ESG Designation Certificate for Board Members, a program designed by and for board members to achieve the highest standard of environmental, social, and governance (ESG) education.

Her fields of expertise are digital transformation strategy, international business development, and entrepreneurship.

Other Significant Mandates

She is a member of the Board of Directors of Zehnder Group¹⁾, Gränichen (Switzerland), since 2022. Since January 2021, she is a member of the Steering Committee of the digital innovation initiative digitalswitzerland.

¹⁾ Listed company.



Urban Linsi

Member

Urban Linsi (1974, Swiss citizen) was elected to the Board of Directors at the 2019 Annual General Meeting. He is a member of the Remuneration and Nomination Committee. Between 2009 and 2014, Urban Linsi worked for the architecture firm Linsi Delco, Uetikon am See (Switzerland) before joining Braune Roth AG, Ingenieurbüro für Akustik, Bauphysik und Lärmbekämpfung, Rorschacherberg (Switzerland) as a project manager. Urban Linsi completed an apprenticeship as a bricklayer and subsequently as a carpenter. Furthermore, he is a Technician TS-Holzbau and has completed various training programs in the field of energy and sustainable construction. Urban Linsi is a member of the anchor shareholder Group Linsi. As such, he acts as the representative of the Linsi family. His field of expertise lies in energy and building technology engineering.

Other Significant Mandates

Urban Linsi has been Chairman and Head of the Executive Committee of the U.W. Linsi Foundation, Staefa (Switzerland), since 2021.



Ines Pöschel

Member

Ines Pöschel (1968, Swiss citizen) was elected to the Board of Directors at the 2023 AGM. She is a member of the Audit Committee and the Remuneration and Nomination Committee. Since 2007, Ines Pöschel has been a lawyer and partner at Kellerhals Carrard in Zurich. From 2002 to 2007, she was a Senior Associate at Baer & Karrer AG in Zurich and from 1999 to 2002 a Senior Manager at Andersen Legal LLC in Zürich (Switzerland). She is specialized in capital markets law and regulations, and corporate law, with a focus on governance-related areas and business transactions. Ines Pöschel holds a degree in law from the University of Zurich (Switzerland) and was admitted to the bar in the canton of Zürich in 1996. In 2023, she completed the ESG Designation Certificate for Board Members, a program designed by and for board members to achieve the highest standard of environmental, social, and governance (ESG) education.

Other Significant Mandates

She has been a member of the Board of Directors of Alcon Inc.¹⁾, Fribourg (Switzerland), since 2019, of the dormakaba International Holding AG¹⁾, Rümlang (Switzerland), since 2023, and of the Graubündner Kantonalbank¹⁾, Chur (Switzerland), since 2018. She has been deputy chairman in the Lotti Latrous Foundation, Zurich (Switzerland), since 2014 and a member of the Swiss Federal Expert Commission for the Commercial Register, Bern (Switzerland), since 2016.

¹⁾ Listed company.



Stefan Ranstrand

Member

Stefan Ranstrand (1960, Swiss and Swedish citizen) was elected to the Board of Directors at the 2020 Annual General Meeting. He is a member of the Strategy Committee and of the Remuneration and Nomination Committee. Between 2009 and 2021, he was President and CEO of Tomra Systems ASA, Asker (Norway), which specializes in recycling solutions. During this time, Tomra became the market leader in food sorting and grading, following a dedicated mergers and acquisitions strategy, and the company's market capitalization grew from NOK 3.5 billion to NOK 76 billion. Prior to that, he worked in various executive positions for ABB Ltd. in China, Japan, Malaysia, Switzerland, and the Czech Republic. He holds a Master of Science degree in Industrial and Management Engineering from the University of Technology Darmstadt (Germany) and Linköping University (Sweden). His fields of expertise lie in leading a globally active listed industrial company and in matters relating to Asia Pacific. He is impact oriented with a focus on sustainable business and was awarded European CEO of the Year for Sustainable Businesses in 2018.

Other Significant Mandates

He is an advisor to the EQT AB Group¹⁾, Stockholm (Sweden), since 2022 and a member of the Board of Directors of Trescal S.A., Paris (France), since 2023.

¹⁾ Listed company.

3.2 Independence of Non-Executive Members

The Board of Directors consists of non-executive members only. This means that no member exercised an operational function for Belimo during the three financial years preceding the reporting period. The other members of the Board of Directors and the companies they represent have no material business relationships with the Group.

The members of the Board of Directors are required to order their personal and business affairs and take whatever measures necessary to ensure that conflicts of interest are avoided as far as possible. Should a conflict of interest nevertheless arise, the member concerned must inform the Chairman of the Board of Directors immediately. The members of the Board of Directors are obliged to abstain from negotiations in business that conflict with their own interests or with the interests of natural or legal persons closely associated with them.

In the reporting year, the Belimo Group purchased services from Google, Sandra Emme's employer, with a total order volume of CHF 0.7 million at arm's length conditions. Sandra Emme's independence has not been compromised.

3.3 Mandates / Permissible Activities outside the Belimo Group

No member of the Board of Directors may hold more than four additional mandates in the ultimate strategic management bodies or on the ultimate boards of listed companies that do not belong to Belimo. The Board of Directors may allow a maximum of two exceptions per member in specific cases.

3.4 Election and Term of Office

According to the [Articles of Incorporation](#), the Board of Directors is made up of at least three and no more than seven members. The Chairman and the other members of the Board are elected individually by the Annual General Meeting for a one-year term of office, which ends with the next ordinary Annual General Meeting. Upon reaching 70 years of age, members of the Board of Directors may be elected for a term of office one final time.

3.5 Internal Organization and Responsibilities

Pursuant to Swiss Corporate Law and the [Articles of Incorporation](#), the Board of Directors has the following non-transferable and inalienable duties:

- Overall management of the Company and the issuing of all necessary directives.
- Determination of the Company's organization.
- Organization of the accounting system, financial control, and financial planning systems.
- Approval of the corporate policy and strategy.
- Appointment and dismissal of persons entrusted with managing and representing the Company.
- Overall supervision of the persons entrusted with managing the Company, in particular with regard to compliance with the law, articles of incorporation, operational regulations, and directives.
- Compilation of the Annual Report, the Remuneration Report, preparation of the Annual General Meeting, as well as implementation of its resolutions.
- Notification to the Court in the event that the Company is overindebted.

The Board of Directors constitutes itself, subject to legal and statutory provisions. The Chairman and the Deputy Chairman of the Board of Directors, as well as the members of the Remuneration and Nomination Committee, are elected individually by the Annual General Meeting for a term of office of one year, which ends with the next ordinary Annual General Meeting. The Board of Directors designates a secretary, who does not need to be a member of the Board of Directors.

Allocation of Authority

The Board of Directors may entrust the preparation and execution of its resolutions or the supervision of business activities to committees. The Board of Directors has established three permanent committees during the year under review: the Audit Committee, the Remuneration and Nomination Committee, and the Strategy Committee. The Board of Directors has delegated operational management to the Executive Committee, headed by the Chief Executive Officer, in accordance with the [Articles of Incorporation](#) of BELIMO Holding AG and the organizational regulations (with the corporate schedule of responsibilities). The Chief Executive Officer is not a member of the Board of Directors. The Chairman of the Board of Directors, or, in his absence, the Deputy Chairman of the Board or a duly appointed member, calls the meetings and chairs the discussions.

Member	Audit Committee	Remuneration and Nomination Committee	Strategy Committee	Year joined
Patrick Burkhalter	Member		Member	2014
Dr. Martin Zwyssig	Lead			2011
Prof. Adrian Altenburger			Lead	2015
Sandra Emme		Lead		2018
Urban Linsi		Member		2019
Stefan Ranstrand		Member	Member	2020
Ines Pöschel	Member	Member		2023

Functioning and Attendance of Ordinary Board Meetings in 2023

The Board of Directors holds at least six ordinary meetings per year. Extraordinary meetings may be convened as and when required. Any Board member may submit a request for additional meetings to the Chairman, while stating the reasons.

The invitation, together with the detailed agenda and attachments, is normally distributed in writing to all participants one week prior to the date of the meeting. The agenda for meetings is drawn up by the Chairman in cooperation with the Chief Executive Officer. Board meetings may also be attended by members of the Executive Committee, while the other members of the Group Executive Board attend as necessary in connection with business matters concerning them.

The Board of directors makes decisions and conducts elections by a majority of the members present at the meeting. A majority of members must be present for the Board to pass a resolution, which may also be passed by video conference, conference calls or by circular resolutions. Subsequent to each meeting, the Board members receive a complete copy of the minutes.

The Board of Directors held eight ordinary meetings in 2023. The attendance was 100%. Each meeting took around 6.9 hours on average, for a total of 55 meeting hours. In addition to the formal Board and Committee meetings (see below), a number of informal meetings were held and the Board also attended a number of business meetings.

	Patrick Burkhalter, Chairman	Dr. Martin Zwysig, Deputy Chairman	Prof. Adrian Altenburger, Member	Sandra Emme, Member	Urban Linsi, Member	Stefan Ranstrand, Member	Ines Pöschel, Member ¹⁾
January 31, 2023	X	X	X	X	X	X	
February 17, 2023	X	X	X	X	X	X	
April 14, 2023	X	X	X	X	X	X	X
June 12, 2023	X	X	X	X	X	X	X
June 13, 2023	X	X	X	X	X	X	X
June 16, 2023	X	X	X	X	X	X	X
September 22, 2023	X	X	X	X	X	X	X
December 1, 2023	X	X	X	X	X	X	X

¹⁾ Ines Pöschel was elected to the Board of Directors at the 2023 Annual General Meeting.

Competencies – Board of Directors

The members of the Board of Directors possess comprehensive expertise in their respective areas of expertise. Together, they ensure that the Board of Directors cover all necessary competencies. The distribution of the most important competencies of the current members of the Board of Directors is shown below:

Distribution of the most important competencies

Executive Experience	6/7
Finance, Audit, and Risk Management	3/7
Compliance, Regulatory, and Legal	4/7
Capital Markets, M&A	3/7
Core Industry Experience (HVAC)	2/7
Transferable Expertise in Related Industries	4/7
Functional Experience	3/7
International Business Experience	4/7
Digitization, Technology	3/7
Strategy, Business Transformation	4/7
Human Resources, Compensation	3/7
Board Governance	4/7
Environmental, Social, and Governance	6/7
Anchor Shareholder Representative	1/7

3.6 Committees and their Functions

Besides the Remuneration and Nomination Committee, the Board of Directors appoints an Audit Committee and a Strategy Committee among its members in order to assist it in its duties. The committees fundamentally act as advisory and preparatory bodies and have no decision-making powers. Resolutions are passed by the Board as a whole. The members of the Remuneration and Nomination Committee are elected by the Annual General Meeting. The Chairmen and members of the other committees are elected by the Board of Directors. The committees meet regularly to develop recommendations for the Board of Directors and to prepare minutes of their meetings. Each Committee comprises at least one independent member of the Board. A member is considered as independent if he or she has never, or at least not for the past three years, been a member of the Executive Committee and has no, or only minimal, business relationship with the Company.

Audit Committee

The Audit Committee comprises at least two independent members of the Board of Directors. Based on their education or professional experience, all members of the committee have sufficient knowledge of finance and accounting.

The main duties of the Audit Committee are:

- Evaluation of the Annual Report, the annual and interim financial statements, the comprehensive audit report, and the audit reports for both the Belimo Group and BELIMO Holding AG, submission of motions to the Board of Directors.
- Evaluation of adherence to financial reporting standards within the Group.
- Selection of the audit firm to be proposed to the Annual General Meeting as statutory auditors, submission of motions to the Board of Directors.
- Approval of the audit plans of the statutory auditors.
- Evaluation of the performance, independence, and remuneration of the statutory auditors.
- Periodical review of the guidelines issued regarding ad hoc announcements and the avoidance of insider offenses.
- Review of the internal control system.
- Review of reports and updates from Internal Audit.
- Periodical review of the structure of the risk management system.
- Evaluation of key tax issues.
- Review of the report and of compliance with regard to environmental, social, and governance topics.

The Audit Committee held three meetings in 2023 with the Chief Executive Officer, Chief Financial Officer, and internal and external auditors. The attendance was 100%. The meetings took around 2.5 hours on average, for a total of meeting time of 7.5 hours in 2023.

	Dr. Martin Zwysig, Lead	Patrick Burkhalter, Member	Sandra Emme, Member ¹⁾	Ines Pöschel, Member ²⁾
February 17, 2023	X	X	X	
June 30, 2023	X	X		X
November 30, 2023	X	X		X

¹⁾ Sandra Emme was member of the Audit Committee until the constituent meeting of the members of the Board of Directors on April 14, 2023.

²⁾ Ines Pöschel was elected to the Board of Directors at the 2023 Annual General Meeting.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises at least two non-executive, independent members of the Board of Directors. The members of the Remuneration and Nomination Committee are elected individually by the Annual General Meeting for a term of office of one year until the next ordinary Annual General Meeting.

In 2023, the Committee held three meetings of approximately two and a half hours each. The participation rate for meetings in 2023 was 100%.

	Sandra Emme, Chair	Prof. Adrian Altenburger, Member ¹⁾	Urban Linsi, Member	Ines Pöschel, Member ²⁾	Stefan Ranstrand, Member ²⁾
February 14, 2023	X	X	X		
September 4, 2023	X		X	X	X
November 21, 2023	X		X	X	X

¹⁾ Prof. Adrian Altenburger was member of the Remuneration and Nomination Committee until the 2023 Annual General Meeting.

²⁾ Ines Pöschel and Stefan Ranstrand were elected as new members of the Remuneration and Nomination Committee at the 2023 Annual General Meeting.

Information on the duties of the Remuneration and Nomination Committee is disclosed in the [Remuneration Report 2023](#).

Strategy Committee

The Strategy Committee comprises at least two members of the Board of Directors.

The main duties of the Strategy Committee are:

- Assistance to the Board of Directors and the Executive Committee in the provision of insights and guidance regarding strategy matters.
- Facilitation of the Board in its review, discussion, and understanding of the Company's strategies and plans as developed by management.
- Consultation on key questions of corporate strategy and support of the strategic development of the Company.
- Assistance to the Executive Committee in the development and implementation of the Company's strategies (e.g., Growth Strategy, Strategy Map, Strategic Initiatives, Functional Strategies, and Sales & Marketing Strategies).

The Strategy Committee held two meetings in 2023. The attendance was 100%. Each meeting took 2.3 hours on average, for a total of four 4.6 hours in 2023.

	Prof. Adrian Altenburger, Lead	Patrick Burkhalter, Member	Stefan Ranstrand, Member
March 3, 2023	X	X	X
October 2, 2023	X	X	X

3.7 Allocation of Authority

The regulation of authority between the Board of Directors and the Executive Committee, which is headed by the Chief Executive Officer (CEO), is laid down in the organizational regulations (corporate schedule of responsibilities) of BELIMO Holding AG, in accordance with its [Articles of Incorporation](#).

The Board of Directors delegates operational business management to the CEO. The members of the Executive Committee report to the CEO. The CEO draws up strategic and financial planning and the budget with the Executive Committee and submits these to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately regarding any business transactions of fundamental importance.

3.8 Information and Control Instruments in Relation to the Executive Committee

Management Information System

The Board of Directors is integrated in the management information system of the Group at the appropriate level. At the end of each quarter, in addition to the monthly reporting, the Board of Directors receives commented, unaudited financial statements and the key figures of the Group. Furthermore, forecast figures are distributed quarterly, and at the end of the third quarter, the Board receives a detailed projection for the current year as well as the budget for the following year.

Risk Management Process

The Board of Directors is responsible for risk management, the Executive Committee for its operational implementation. A company-wide risk assessment is carried out annually, using a systematic risk management methodology. The assessment is based on group workshops and individual interviews and contains three phases: risk identification and evaluation, causes and action analysis, and implementation of the actions defined. The result of the risk assessment is discussed with and approved by the Board of Directors.

During a strategy workshop with the Executive Committee in the first half-year, the Board discusses the results of medium-term planning with respect to a period of five years as well as qualitative strategic targets.

Internal Audit

Internal auditing is an independent and objective auditing and advisory activity aimed at evaluating and improving the efficiency of corporate management, risk management, and internal controlling. It supports the Board of Directors and its Audit Committee in fulfilling their statutory and regulatory supervisory and controlling obligations. Internal Audit is responsible for planning and performing audits throughout the Group in compliance with professional auditing standards and possesses maximum independence. The audit reports agreed with the managements of the audited companies, or the responsible functions, are distributed to the Chairman of the Board of Directors, the Audit Committee, the responsible member of the Executive Committee, and the external auditors.

3.9 Gender Quota

At Annual General Meeting 2023, Ines Pöschel was elected as a new Board member. With her, the proportion of female Board members is increased to 29%. Belimo is striving to further increase this quota in the future. Belimo's culture supports this trend.

4 Executive Committee

The Executive Committee manages the operations and deals with all transactions that are of significant importance to the Group. Together with the other members of the Executive Committee, the Chief Executive Officer (CEO) is responsible for drawing up, implementing, and achieving the Group's corporate targets.

4.1 Members of the Executive Committee



Lars van der Haegen

Chief Executive Officer

Lars van der Haegen (1968, Swiss citizen) was appointed Chief Executive Officer and Head of the Executive Committee in July 2015. Prior to that, he held various management positions at Belimo: Head of Product Management Air Volume Control Europe from 2000 to 2002, Head of Product Management and Marketing at Belimo Americas in Danbury (Connecticut, USA) from 2003 to 2006, Managing Director of Belimo Italy from 2007 to 2010, and Head of Group Division Americas and member of the Executive Committee from 2011 to June 2015. Lars van der Haegen is a Building Technology Designer and holds in addition a Master of Business Administration (MBA) from Columbia Business School in New York (USA) and an MBA from London Business School (Great Britain).

Other Significant Mandates

He is a member of the Board of Directors of Schweiter Technologies AG¹⁾, Steinhausen (Switzerland), since 2020. He is a member of the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) since 2011, a member of the Doing Business in the USA chapter of the Swiss-American Chamber of Commerce, Zurich (Switzerland), since 2015, a member of CEO4Climate, an initiative of swisscleantech since 2022, and a member of the advisory board of the foundation >>venture>>, Zurich (Switzerland), since 2023.

¹⁾ Listed company.



Dr. Elena Cortona

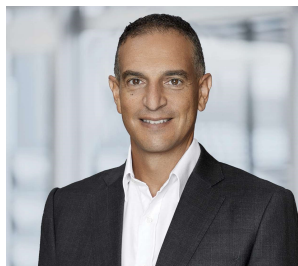
Chief Technology Officer

Dr. Elena Cortona (1970, Swiss and Italian citizen) was appointed Chief Technology Officer, Head of Group Division Innovation, as well as member of the Executive Committee in October 2020, effective June 2021. She has worked for the Schindler Group, Ebikon (Switzerland), in various positions since 2001; recently as Senior Vice President, Head of Digital Transformation in the CTO Division. Since October 2022, Dr. Elena Cortona is a member of the Innovation Council of Innosuisse, the innovation agency of the Swiss Confederation. She graduated in Mechanical Engineering from the Polytechnic University of Turin (Italy) and the RWTH Aachen (Germany). From 1996 to 2000, she completed her PhD in Mechanical Engineering at the Institute of Energy Technology (IET) at ETH Zurich (Switzerland).

Other Significant Mandates

She is a member of the Board of Directors of INTERROLL HOLDING AG¹⁾, Sant'Antonino (Switzerland), since 2019. She is a member of the Innovation Council of Innosuisse, Bern (Switzerland), since 2022.

¹⁾ Listed company.



Gary Economides

Head of Group Division Asia Pacific

Gary Economides (1970, Australian citizen) was appointed Head of Group Division Asia Pacific and member of the Executive Committee in November 2012. Prior to that, he was a product manager at Staefa Control System in Sydney (Australia) from 1994 to 1997, served in various management roles at Siemens Building Technologies in Hong Kong (China) from 1998 to 2005, and was Managing Director of Carel Asia in Hong Kong (China) from 2005 to 2009, and CEO of Carel Electronic in Suzhou (China) from 2009 to 2012. He holds a bachelor's degree in Mechanical Engineering from the University of Technology Sydney (Australia) and an MBA from the University of New South Wales, Australian Graduate School of Management in Hong Kong (China).



James W. Furlong

Head of Group Division Americas

James W. Furlong (1960, American citizen) was appointed Head of Group Division Americas and member of the Executive Committee in March 2016. Prior to that, he held management positions with the building equipment provider York International from 1991 to 1999 and with Baltimore Aircoil Company from 1999 to 2008. From 2008 to 2016, he was Vice President of Industrial Refrigeration at Johnson Controls. He holds a bachelor's degree in Chemical Engineering from Manhattan College (New York, USA), an MBA from Loyola University (Maryland, USA), and is a licensed Professional Engineer in the State of Connecticut (USA).



Louis Scheidegger

Head of Group Division Production

Louis Scheidegger (1966, Swiss citizen) has been Head of the Group Division Production since 2008 and was appointed member of the Executive Committee in March 2019. He joined Belimo in 1991 and studied electrical engineering at the Zurich University of Applied Sciences (ZHAW) in Winterthur (Switzerland). From 2001 to 2002, he attended the International Senior Management Program at the St. Gallen Business School (Switzerland) and from 2015 to 2016 the Asia Executive Certificate Program at the University of St. Gallen (Switzerland).



Dr. Markus Schürch

Chief Financial Officer

Dr. Markus Schürch (1971, Swiss citizen) was appointed member of the Executive Committee in September 2018 and Head of Group Division Finance and Business Services as well as Chief Financial Officer in January 2019. Prior to that, he worked at Landis+Gyr in Zug (Switzerland) in various positions from 2004 to 2018. Most recently, he served as Senior Vice President & CFO for the EMEA (Europe, Middle East & Africa) region of the company from 2012 to 2018. Before joining Landis+Gyr, he was engaged as a consultant and project manager at McKinsey in Zurich (Switzerland) from 1999 to 2004. Dr. Markus Schürch holds a doctorate and a master's degree in Chemical Engineering from ETH Zurich (Switzerland), Dr. sc. tech. ETH.

Other Significant Mandates

He has been chairman of the Board of Trustees of the pension fund of BELIMO Automation AG, Hinwil (Switzerland), since 2019.



Dr. Adrian Staufer

Head of Group Division EMEA

Dr. Adrian Staufer (1968, Swiss citizen) was appointed Head of Group Division EMEA (Europe, Middle East, Africa) and member of the Executive Committee in July 2021. On January 1, 2022, he took over the position from Lukas Eigenmann. He has worked for Belimo since November 1, 2016, initially as Business Development Manager Sensors. On January 1, 2019, he was appointed Head of Strategy and Brand Management and a member of the extended Executive Committee. From 1998 to 2011, he worked at Siemens Building Technologies in various positions, including leading the global Business Segment "OEM Air Conditioning & Refrigeration." From 2011 to 2016, he worked for Schindler Elevators in Ebikon (Switzerland), most recently as Vice President in Internet of Elevators & Escalators and Remote Services. Dr. Adrian Staufer holds degrees in Electrical Engineering (Bachelor's) and Industrial Engineering & Management (Master's) from ETH Zurich (Switzerland) as well as in Advanced Manufacturing Systems (Master) from Brunel University in London (United Kingdom). In addition, he completed his PhD in Innovation Management at ETH Zurich (Switzerland).

4.2 Duties and Responsibilities

The Executive Committee handles all transactions that are significantly important to Belimo.

The main duties of the Executive Committee are as follows:

- Development and implementation of the overall strategy and the overall budget.
- Design and implementation of the structures and systems necessary for the management of the Group.
- Optimal utilization of Group resources.
- Utilization of potential synergies present within the Group.
- Promotion of cooperation and communication within the Group.
- Preparation of motions that fall within the authority of the Board of Directors.
- Management of environmental, social, and governance topics (for additional information, refer to the [Materiality Overview](#)).

4.3 Permissible Activities outside the Group / Mandates

No member of the Executive Committee may hold more than two additional mandates in the ultimate strategic management bodies or on the ultimate Boards of listed companies that do not belong to the Group. The Board of Directors may allow a maximum of two exceptions per member in specific cases. The acceptance of a maximum of four mandates in the ultimate strategic management bodies or on the ultimate Boards of non-listed companies that do not belong to the Belimo Group is permissible for a member of the Executive Committee, if the member of the Executive Committee is not impaired in exercising his or her obligations to the Belimo Group.

4.4 Management Contracts

There are no management contracts with companies or individuals outside Belimo.

4.5 Gender Quota

The proportion of female Executive Committee members is 14%. Belimo is committed to increasing the proportion of women on the Executive Committee and in management.

5.1 Remuneration, Participations, and Loans

All information regarding remuneration of the Board of Directors and the Executive Committee of BELIMO Holding AG is provided in the [Remuneration Report 2023](#).

5.2 Shareholders' Participation Rights

Limitation of Voting Rights and Proxies

Each share entered in the share register on the date determined in advance by the Board of Directors entitles the holder to one vote at the Annual General Meeting.

Every shareholder may have his/her shares represented at the Annual General Meeting by a proxy appointed in writing or by the independent voter representative provided for by law. The proxy does not need to be a shareholder. The independent voter representative is elected by the Annual General Meeting for the term of office of one year, including the subsequent Annual General Meeting. The Board of Directors may issue procedural rules for participation, representation, and issuing instructions. Shareholders can appoint their proxy and issue instructions to the independent voter representative electronically. The independent voter representative is obliged to exercise the voting rights that he/she represents as per these instructions. The general instruction to vote in accordance with the Board of Directors is deemed to be a valid instruction for exercising the right to vote.

Quorum as per Articles of Incorporation

The Annual General Meeting resolves and elects with the absolute majority of votes cast, insofar as the law does not stipulate otherwise. If an absolute majority is not reached in a first election round, a relative majority shall be decisive in the second round. Resolutions based on article 704 of the Swiss Code of Obligations require at least two thirds of the votes represented and the absolute majority of the nominal values of the shares represented.

Convening the Annual General Meeting and Including Items on its Agenda

The Annual General Meeting is convened in accordance with the Swiss Code of Obligations by being announced once in the Swiss Official Gazette of Commerce, and, for information purposes, by written invitation to the registered shareholders. The requirements do not contain any rules that are in violation of statute. Voting shareholders representing shares with a nominal value exceeding CHF 10'000 may request the inclusion of an additional item in the agenda. Such requests shall be submitted in writing to the Chairman of the Board of Directors no later than 45 days prior to the Annual General Meeting.

Entry in the Share Register

For administrative reasons, the share register is closed for approximately ten days before the Annual General Meeting. In its invitation to the Annual General Meeting, the Board of Directors will announce the deadline for entry into the share register that is required for the right to vote and participate.

5.3 Change in Control and Defensive Measures

Obligation to Make an Offer to Buy Shares

The [Articles of Incorporation](#) do not contain any provisions with respect to opting out or opting up.

Change of Control Clauses

Information on change of control clauses for members of the Board of Directors and Executive Committee is available in the [Remuneration Report 2023](#).

5.4 Statutory Auditors

Duration of Mandate and Term of Office of the Lead Auditor

Ernst & Young AG (EY), Maagplatz 1, Zurich (Switzerland) has served as the auditor of the Group and the statutory auditor of BELIMO Holding AG since 2023. The statutory auditors are elected by the Annual General Meeting for one financial year. The lead auditor in charge since 2023 is Marco Casal. The rotation rhythm for the lead auditor corresponds to a maximum term of seven years in accordance with the legal requirements.

Audit Fees and Additional Fee

EY invoiced a total of CHF 0.50 million to Belimo in 2023 for services related to the audit of the financial statements of BELIMO Holding AG, the Group, and the Group companies audited by it. CHF 0.01 million additional fees were paid in 2023 to EY for other services, e.g. consulting and tax advice.

Information Instruments of External Auditors

Each year, at least one Audit Committee meeting takes place with the external auditors being present, at which the annual financial statements are discussed in addition to other matters. The comprehensive audit report from the external auditors forms the basis for the discussion of the audit proceedings and the annual financial statements. In the year under review, two meetings took place with the external auditors.

5.5 Information Policy

BELIMO Holding AG and the Group pursue an open, active, and transparent information policy. The priority is that all stakeholders – shareholders and analysts, customers, employees, suppliers, municipalities, and authorities – have an equal information basis and, therefore, an identical decision-making basis for interactions with the Company.

The Group Chief Financial Officer (CFO) and the Investor Relations Officer (IRO) are the designated contact persons for the capital market (shareholders, portfolio managers, and analysts). They regularly attend investor meetings, calls, conferences, and roadshows.

Dr. Markus Schürch, CFO
Brunnenbachstrasse 1
8340 Hinwil (Switzerland)

Phone +41 43 843 63 80
E-mail: ir@belimo.ch

Notices and communications of the Company are published in the Swiss Trade Gazette (Schweizerisches Handelsamtsblatt, as stipulated by the [Articles of Incorporation](#)). Additionally, printed letters of the annual and semi-annual results are sent to shareholders. The Annual Report, including an integrated sustainability report, is available on the Company's website at www.belimo.com/financial-reports. Media and analysts' conferences are held twice a year. The comprehensive financial agenda is available at: belimo.com/financial-calendar.

All published ad hoc and corporate news of Belimo can be downloaded at www.belimo.com/press-releases. Interested parties may subscribe to regular Belimo press releases available at www.belimo.com/subscribe in order to receive ad-hoc announcements or further information relating to the Company.

5.6 Trading Restrictions / Quiet Periods

Quiet periods generally start after closing (first half: on July 1st / full year: on January 1st) and end on the day of public announcement of the semi-annual/ annual financial results. Trading is authorized as of the day following the public announcement. Quiet periods apply to the members of the Board of Directors, the members of the Extended Executive Committee, including their respective staff members with access to insider information, and the members of the Global Finance Team. The day of public announcement of the annual and semi-annual financial results is published.

Remuneration Report

Dear Shareholders

I am honored to present the 2023 Remuneration Report on behalf of the Board of Directors and the Remuneration and Nomination Committee of Belimo Holding AG.

Belimo successfully pursued its long-term growth strategy in a year characterized by a demanding economic environment. Overall, net sales grew by 7.2% in local currencies and earnings before interest and taxes (EBIT) amounted to CHF 152.5 million, equivalent to an EBIT margin of 17.8%. Due to the general slowdown of business momentum in the industry, the business objectives were not fully achieved. Overall, the average target achievement was 95.6%.

This report comprehensively details the influence of our 2023 performance on the remuneration of the Executive Committee. It also affirms that the compensation awarded to both the Board of Directors and the Executive Committee adhered to the limits approved at the 2023 Annual General Meeting.

The Remuneration and Nomination Committee assiduously managed compensation-related topics throughout the year. This included reviewing and setting the Executive Committee's annual objectives, evaluating end-of-year performance, determining the remuneration for the Board and Executive Committee, and preparing for the say-on-pay votes at the Annual General Meeting.

A key initiative this year involved the Remuneration and Nomination Committee revising the Board's compensation guidelines to better align them with shareholder interests. If the proposed changes to the Articles of Incorporation are approved by the Annual General Meeting, effective from the 2024 Annual General Meeting, Board members will receive 40% of their annual board fee in Belimo shares, subject to a three-year selling restriction, with the overall fee level remaining constant.

Moreover, the Remuneration and Nomination Committee reviewed the remuneration structure and levels for the Executive Committee. Informed by the 2022 benchmark analysis, the committee opted for targeted adjustments to the incentive programs rather than base salaries, effective from 2024.

The Remuneration and Nomination Committee also decided to revise the compensation-related sections of the Articles of Incorporation to align with best practices and adopt a prospective approval rhythm. If approved, as of the 2024 Annual General Meeting, the Company will propose prospective votes on the maximum total remuneration for the Board of Directors from Annual General Meeting to Annual General Meeting and for the Executive Committee for the next financial year, as well as a retrospective consultative vote on the Remuneration Report. To transition into the new system, four proposals are submitted to the Annual General Meeting – two of them to transition out of the existing approval periods and two to transition into the new, fully prospective vote.



“Our efforts in increasing diversity in Belimo management are showing great results.”

Sandra Emme
Chairwoman of
the Remuneration
and Nomination
Committee

Our dedication to diversity was further highlighted by the election of Ines Pöschel to the Board in 2023, raising female representation to 29%. Our Belimo Leadership Accelerator program continues to enrich our diverse leadership pipeline.

In the Remuneration and Nomination Committee’s discussions with Executive Management, a new Human Resources strategy designed to further attract, develop, and retain top talent was reviewed, shaped, and recommended for approval. Additionally, to underscore the strategic importance of Human Resources to the future success of Belimo, from 2024, our Global Head of Human Resources will be repositioned as a direct report to the CEO, further supporting our growth trajectory.

We also reviewed our Board's skill set, with a special emphasis on diversity, equity, and inclusion, and core cultural values, aligning them with our growth strategy. Succession planning for the Executive Committee was a focal point of our December Board meeting.

We firmly believe that our robust governance and prudent remuneration policies are crucial for realizing our ambitious growth objectives. We extend our gratitude to you, our esteemed shareholders, for your continued insightful feedback and unwavering support. We trust you will find this report informative and valuable.

Sincerely



Sandra Emme

Chairwoman of the Remuneration and
Nomination Committee

About the Remuneration Report

The Remuneration Report contains an overview of information concerning remuneration governance, policies, and the remunerations awarded in the reporting year. It aims to provide all information relevant to our shareholders for making decisions regarding the remuneration of the Board of Directors and the Executive Committee at the Annual General Meeting 2024.

This report was prepared in accordance with the provisions of the Swiss Code of Obligations, the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange, and the Articles of Incorporation of BELIMO Holding AG.

Remuneration Governance

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises at least two non-executive, independent members of the Board of Directors, who are elected individually by the Annual General Meeting for a one-year term of office prior to the next Annual General Meeting.

At the Annual General Meeting 2023, Sandra Emme (Chair) and Urban Linsi were re-elected as members of the Remuneration and Nomination Committee. Additionally, Ines Pöschel and Stefan Ranstrand were elected as new members of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is assigned the following duties in support of the Board of Directors:

- Determination of the remuneration policy of the Company at the highest corporate level in accordance with the Articles of Incorporation.
- Preparation of motions to the Annual General Meeting related to the maximum amounts of remuneration of the governing bodies.
- Evaluation of the yearly target achievement of the Executive Committee members and determination of their remuneration within the limits approved by the Annual General Meeting.
- Submission of proposal on the amount of remuneration for the members of the Board of Directors within the limits approved by the Annual General Meeting.
- Review and submission of the proposed Remuneration Report to the Board of Directors.
- Performance of success planning and selection of suitable candidates for the Board of Directors and the Executive Committee.

In 2023, the Committee held three meetings of approximately two and a half hours each. The participation rate for meetings in 2023 was 100%.

	Sandra Emme, Chair	Prof. Adrian Altenburger, Member ¹⁾	Urban Linsi, Member	Ines Pöschel, Member ²⁾	Stefan Ranstrand, Member ²⁾
February 14, 2023	X	X	X		
September 4, 2023	X		X	X	X
November 21, 2023	X		X	X	X

¹⁾ Prof. Adrian Altenburger was member of the Remuneration and Nomination Committee until the 2023 Annual General Meeting.

²⁾ Ines Pöschel and Stefan Ranstrand were elected as new members of the Remuneration and Nomination Committee at the 2023 Annual General Meeting.

The February and November meetings of the Remuneration and Nomination Committee each address standard agenda items. In February, those are:

- Evaluation of the achievement of the qualitative targets of the previous fiscal year for the members of the Executive Committee.
- Determination of the bonus amounts for the members of the Executive Committee to be paid out in March.

In November, they are:

- Submission of the proposed amount of remuneration for the members of the Board of Directors for the following fiscal year.
- Submission of the proposed amount of remuneration for the members of the Executive Committee for the following fiscal year.
- Evaluation of the performance of the members of the Executive Committee.
- Determination of the bonus amounts for the members of the Executive Committee to be paid out in December.
- Submission of the proposed annual Remuneration Report to the Board of Directors.

The CEO and the Global Head of Human Resources are invited to attend the Committee meetings in an advisory capacity. The CEO and the Global Head of Human Resources do not attend the meeting when their own remuneration or performance is discussed.

The Chairwoman of the Remuneration and Nomination Committee informs the Board of Directors after each meeting of the activities of the Committee. The minutes of the meetings are available to all members of the Board of Directors.

Levels of Authority

The remuneration proposals and decisions are made on the basis of the following levels of authority:

Subject	CEO	Remuneration and Nomination Committee	Board of Directors	Annual General Meeting
Selection criteria and succession planning for the CEO and the members of the Board of Directors		Proposes	Approves	
Selection criteria and succession planning for other members of the Executive Committee	Proposes	Reviews	Approves	
Remuneration policies and guidelines, in line with the provisions of the Articles of Incorporation		Proposes	Approves	
Maximum remuneration amounts for the Board of Directors / the Executive Committee		Proposes	Reviews	Approves (binding vote)
Individual remuneration of the members of the Board of Directors		Proposes	Approves	
Individual remuneration of the CEO		Proposes	Approves	
Individual remuneration of the other members of the Executive Committee	Proposes	Reviews	Approves	
Performance objectives and assessment of the CEO		Proposes	Approves	
Performance objectives and assessment of the other members of the Executive Committee	Proposes	Reviews	Approves	
Remuneration Report		Proposes	Approves	Approves (consultative vote)

The Annual General Meeting votes with regard to the remuneration of the governing bodies:

- Prospective approval of the maximum total remuneration for the current financial year for the members of the Board of Directors and the Executive Committee. If the Annual General Meeting withholds its approval, the Board of Directors may submit new proposals for approval at the same Annual General Meeting. If the Board of Directors makes no new proposals or the Annual General Meeting declines the new proposals, the Board of Directors must convene a new General Meeting within a period of three months.
- Retrospective, consultative vote on the Remuneration Report for the financial year preceding the Annual General Meeting.

At the Annual General Meeting 2024, the Board of Directors will propose changes to the Articles of Incorporation, which include the following changes regarding the votes in relation to the remuneration of the governing bodies:

- Prospective approval of the maximum total remuneration for the year following the Annual General Meeting for the members of the Board of Directors.
- Prospective approval of the maximum remuneration for the fiscal year following the Annual General Meeting for the Executive Committee.

Remuneration Policy

General Principles

Belimo has established a transparent and long-term-oriented remuneration system. It ensures market-competitive and fair remuneration. All employees should feel valued for their work and benefit from the Company's success. They receive a fixed base salary and a variable remuneration, which consists of an annual cash bonus and, for our major subsidiaries, voluntary participation in the Employee Share Purchase Plan. The plan allows employees to purchase Company shares at preferential conditions and thus fosters the sense of ownership and the alignment with shareholders' interests.

Global Human Resources defines the minimum standards of employee remuneration throughout the Group. Together with regional and local Human Resources representatives, the managing directors of the subsidiaries are responsible for ensuring these requirements are met and that appropriate remuneration policies are implemented in accordance with local laws, regulations, cultures, and market conditions.

Belimo is committed to internal wage justice and equal pay. To guarantee the principles of wage justice and competitive pay, Belimo continually monitors its remuneration system throughout the Company. A global job evaluation methodology is applied to ensure consistency, and remuneration is regularly benchmarked against the market practice. The internal remuneration system is screened for potential gender pay gaps. In 2021, Belimo evaluated its Swiss entities' equal pay practices using the official "Logib" tool of the Swiss Confederation. This audited self-assessment identified no gender pay gap. In addition, the managing directors and Human Resources representatives of all subsidiaries are instructed to mitigate and identify any gender pay gaps during the annual salary adjustment process.

Remuneration Benchmark Analysis

In the previous year, the Remuneration and Nomination Committee conducted a review and a benchmark analysis of the remuneration structure and levels of the Board of Directors and the Executive Committee functions. The study was conducted by a remuneration expert team of PricewaterhouseCoopers (PwC). Prior to the study, it was ensured that there was no conflict of interest on the part of PwC. The peer group of 23 stock-listed Swiss companies depicted below was selected by Belimo:

Peer Group			
Arbonia	Daetwyler	Huber + Suhner	Schweiter
Autoneum	dormakaba	Interroll	Sonova
BKW	Forbo	Kardex	Starrag
Bossard	Geberit	Komax	VAT
Bucher Industries	Georg Fischer	Landis + Gyr	Zehnder
Burckhardt Compression	Gurit	LEM	

The data obtained in this benchmarking analysis plus annually purchased market data has been used as a basis in this reporting period to adjust the total remuneration of the members of the Executive Committee.

Remuneration of the Board of Directors

To guarantee independence in executing their supervisory duties, the members of the Board of Directors receive a fixed remuneration that does not contain any performance-related component. The yearly fee amounts to gross CHF 254'000 for the Chairman, and gross CHF 124'000 for the other members of the Board of Directors. Each December, the fee is paid in cash for the current fiscal year.

At the Annual General Meeting 2024, Belimo will request that the Board of Director's fees be paid out 60% in cash and 40% in non-discounted shares restricted for a period of three years.

Furthermore, Board members receive a flat-rate allowance for expenses. Additional fees for Board members who took on special tasks may be paid as well.

The remuneration of the Board of Directors is subject to regular social security contributions and is not pensionable.

Remuneration of the Executive Committee

The remuneration of the Executive Committee includes the following elements:

Fixed Remuneration		Variable Remuneration	
Base Salary	Other Benefits	Annual Cash Incentive	Employee Share Purchase Plan
Social Security and Pension			

Fixed Remuneration

Base Salary

The base salary, paid in cash, is determined primarily based on the following factors:

- Market practice and competitiveness.
- Scope and complexity of the function.
- Profile of the individual (skills, experience of the individual in the function).

It is reviewed every year and may be adjusted with consideration of market developments.

Other Benefits

Other benefits include the private use of a company car according to local tax law or annual travelcards for public transportation.

Variable Remuneration

The variable remuneration is designed to reward the achievement of business objectives of the Group and its divisions, as well as the fulfillment of individual performance targets as defined within the Management by Objectives process, over a time period of one year.

In total, 60% of the variable remuneration is linked to financial key performance indicators and 40% to non-financial business objectives.

Design of variable remuneration

Key Performance Indicator	Purpose	CEO	Other members, Executive Committee
Sales growth of the Belimo Group	Measures Group sales growth	30%	15–20%
EBIT margin of the Belimo Group	Measures Group profitability	30%	15–20%
Regional sales growth	Measures regional sales growth	0%	0–30%
Cost ratio of the respective Group Division	Measures the profitability of the respective Group Division	0%	10–20%
Inventory to sales ratio	Measures efficient inventory management	0%	0–10%
Purchasing cost reduction	Measures the reduction of manufacturing costs through value engineering	0%	0–5%
Financial business objectives		60%	60%
Credibility culture	Strengthens our culture of trust, integrity, competence, and responsibility	16%	16%
Operational excellence	Promotes reliable delivery of highest-quality products	8%	8%
Solution leadership	Ensures innovation leadership in our markets	8%	8%
Customer value	Sharpens our focus on customer requirements for unique products and services	8%	8%
Non-financial business objectives		40%	40%

The financial key performance indicators include sales growth, EBIT margin, regional sales growth, and cost ratio targets. The annual targets are derived during the yearly budget process, taking into account the long-term growth strategy objectives as well as the actual and the forecasted results for the current fiscal year.

Non-financial business objectives are set at the beginning of the year. They are closely linked to the [Belimo value-creation model](#).

Each member of the Executive Committee is responsible for several objectives regarding the four values of Belimo. The objectives focus, for example, on project milestones, sustainability, product launches, engagement score, and operational improvements. They are generally cascaded in the organization to ensure a consistent focus of all employees on value creation for Belimo.

Up to 80% of the expected variable remuneration is paid out in December of the current fiscal year. The remaining portion is paid out in March of the following year, based on effective performance.

To align the interests of the Executive Committee with those of the shareholders of BELIMO Holding AG, the members of the Executive Committee are obliged to invest a certain percentage of the total variable remuneration in Belimo shares at preferential conditions via the Employee Share Purchase Plan. The minimal mandatory participation amounts to 40% of the variable remuneration amount paid out in December (which corresponds to 80% of the variable remuneration), with the option of voluntarily increasing participation to up to the entire amount of the variable remuneration paid out in December. The purchased shares are restricted for a three year period. This plan ensures a long-term commitment on the part of the Executive Committee in addition to a participation in the entrepreneurial risk.

Social Security and Pension

Pension benefits primarily include retirement and insurance plans that provide a reasonable level of income in case of retirement, death, and disability. The pension fund exceeds the minimum legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors', and Disability Pension Plans (BVG) and is in line with commensurate market practice.

Remuneration Mixes and Caps

At target, the variable remuneration for the CEO is between 88% and 104% of the base salary:

		Base salary	Variable remuneration	Total remuneration
At target	in % of base salary:	100%	88% to 104%	188% to 204%
	in % of total remuneration:	53% to 49%	47% to 51%	100%

If the targets are exceeded, the overall variable remuneration for the CEO is capped at 120% of the fixed remuneration.

		Base salary	Variable remuneration	Total remuneration
Maximum payout	in % of base salary:	100%	120%	220%
	in % of total remuneration:	45%	55%	100%

For the other members of the Executive Committee, the variable remuneration is between 72% and 79% of the base salary at target:

		Base salary	Variable remuneration	Total remuneration
At target	in % of base salary:	100%	72% to 92%	172% to 192%
	in % of total remuneration:	58% to 52%	42% to 48%	100%

If the targets are exceeded, the overall variable remuneration of the other members of the Executive Committee is capped at 100% of the fixed remuneration.

		Base salary	Variable remuneration	Total remuneration
Maximum payout	in % of base salary:	100%	100%	200%
	in % of total remuneration:	50%	50%	100%

We are convinced that our remuneration plans as described above are designed to support a long-term and sustainable focus on the growth and success of Belimo.

Contractual Terms

All members of the Executive Committee have permanent employment contracts with notice periods of a maximum of 12 months. Members of the Executive Committee are not entitled to any severance or change of control payments. Non-competition clauses are not part of the employment contracts.

Remuneration 2023

Board of Directors

This section is audited pursuant to Article 728a of the Swiss Code of Obligations.

Remuneration, Loans, and Credit Facilities

The members of the Board of Directors received a total remuneration of CHF 1.0 million in the year under review (2022: CHF 0.9 million). It consisted of a fixed remuneration, paid in cash, and included social security payments. Total remuneration increased in comparison to the prior year figures because Ines Pöschel joined as an additional Board member at the Annual General Meeting 2023.

in CHF 1'000 (gross), (audited)	2023			
	Fixed cash remuneration	Social security	Total fixed remuneration	Expense allowance
Patrick Burkhalter, Chairman	254	18	272	6
Dr. Martin Zwyssig, Deputy Chairman	124	9	133	6
Prof. Adrian Altenburger, Member	124	9	133	6
Sandra Emme, Member	124	9	133	6
Urban Linsi, Member	124	9	133	6
Ines Pöschel, Member ¹⁾	83	6	89	4
Stefan Ranstrand, Member	124	9	133	6
Total²⁾	957	71	1'027	40
Approved Remuneration by the Annual General Meeting 2023			1'400	

¹⁾ Ines Pöschel was elected to the Board of Directors at the 2023 Annual General Meeting.

²⁾ The remuneration is rounded to the nearest thousand. Due to rounding, amounts may not precisely add up to the totals provided.

in CHF 1'000 (gross), (audited)	2022			
	Fixed cash remuneration	Social security	Total fixed remuneration	Expense allowance
Patrick Burkhalter, Chairman	254	19	273	6
Dr. Martin Zwyssig, Deputy Chairman	124	9	133	6
Prof. Adrian Altenburger, Member	124	9	133	6
Sandra Emme, Member	124	9	133	6
Urban Linsi, Member	124	9	133	6
Stefan Ranstrand, Member	124	9	133	6
Total¹⁾	874	65	939	36
Approved Remuneration by the Annual General Meeting 2022			970	

¹⁾ The remuneration is rounded to the nearest thousand. Due to rounding, amounts may not precisely add up to the totals provided.

In 2023 and 2022, none of the members of the Board of Directors received any remuneration or loans from the Group other than those disclosed in this report. No allowances or loans were paid to related parties of the members of the Board of Directors, and no remuneration was assigned to former members or related parties.

As at December 31, 2023, no credits or loans were outstanding.

Participation Rights and Options on such Rights

No shares or options were granted to the members of the Board of Directors in the year under review.

As at December 31, 2023, the members of the Board of Directors (including related persons) owned the following numbers of shares of BELIMO Holding AG:

Number of shares, (audited)	December 31, 2023	December 31, 2022
Prof. Adrian Altenburger	1'000	1'000
Patrick Burkhalter	71'300	71'300
Sandra Emme	400	400
Urban Linsi ¹⁾	160'630	160'630
Ines Pöschel ²⁾	300	-
Stefan Ranstrand	325	325
Dr. Martin Zwyssig	500	500
Total	234'455	234'155

¹⁾ Urban Linsi is a member of the registered shareholder group Linsi, which holds a total of 2'400'000 voting shares.

²⁾ Joined the Board of Directors in 2023.

Activities in Other Undertakings

The following table lists the comparable functions with economic purpose of the members of the Board of Directors in other companies in accordance with article 734e and 626 of the Swiss Code of Obligations:

Other mandates, (audited)		Listed Company	Member of the Board of Directors	Member of the Executive Committee	Advisory Board or Other Member
Patrick Burkhalter, Chairman	BELIMO Automation AG ¹⁾		X		
Dr. Martin Zwyszig, Deputy Chairman	BKW AG	X		X ²⁾	
	Pension Fund Bernische Kraftwerke				X
	BKW group companies ³⁾		X		
Prof. Adrian Altenburger, Member	Energie Wasser Bern		X		
	J. Willers Engineering AG		X		
	Pasquale Baurealisation AG		X		X
	Artha AG		X		
	vyzn AG		X		
Sandra Emme, Member	Zehnder Group AG	X	X		
Urban Linsi, Member	Linsi Delco GmbH		X		
	La stizun GmbH		X		
Ines Pöschel, Member	Alcon Inc.	X	X		
	dormakaba International Holding AG	X	X		
	Graubündner Kantonalbank	X	X		
	Reichle Holding AG		X		
Stefan Ranstrand, Member	Trescal S.A.		X		
	EQT AB Group	X			X

¹⁾ Subsidiary of the BELIMO Holding AG.

²⁾ CFO BKW Group.

³⁾ BKW group companies: BKW Building Solutions AG, BKW Energie AG, BKW Management AG, BKW Engineering AG, BKW Netzbeteiligung AG, Kraftwerke Oberhasli AG, BKW Infra Services AG.

Executive Committee

This section is audited pursuant to Article 728a of the Swiss Code of Obligations.

Remuneration, Loans, and Credit Facilities

The members of the Executive Committee received a total remuneration of CHF 5.3 million in the year under review (2022: CHF 5.3 million). This consisted of a fixed remuneration of CHF 3.0 million (2022: CHF 2.9 million) and a variable remuneration of CHF 2.3 million (2022: CHF 2.5 million). The base salary and the amount of target variable remuneration for all members of the Executive Committee were increased in comparison to prior year figures. In 2023, the average target achievement was 95.6% (2022: 115.7%). The overall decrease in achieving targets was due to the lower achievement of the business objectives:

- Business objectives: The variable remuneration based on the economic performance of the Belimo Group reached 86% of the target bonus and was thus considerably below the 120% achievement of the previous year, with an EBIT margin of 17.8% (2022: 18.0%) and sales growth in local currencies of 7.2% (2022: 11.9%).
- Individual objectives: An average of 110% (2022: 109%) was achieved, based on individual progress with respect to strategic initiatives and personal goals. The average target achievement of the Executive Committee per Belimo value was: credibility culture 116%, operational excellence 109%, solution leadership 107%, and customer value 104%.

Performance Achievement 2023

Key Performance Indicator	Purpose	Achievement CEO	Average Achievement other members, Executive Committee
Sales growth of the Belimo Group	Measures Group sales growth	75%	75%
EBIT margin of the Belimo Group	Measures Group profitability	109%	109%
Regional sales growth	Measures regional sales growth	-	68%
Cost ratio of the respective Group Division	Measures the profitability of the respective Group Division	-	73%
Inventory to sales ratio	Measures efficient inventory management	-	128%
Purchasing cost reduction	Measures the reduction of manufacturing costs through value engineering	-	126%
Financial business objectives (weighted)		92%	85%
Credibility culture	Strengthens our culture of trust, integrity, competence, and responsibility	114%	117%
Operational excellence	Promotes reliable delivery of highest-quality products	106%	109%
Solution leadership	Ensures innovation leadership in our markets	100%	108%
Customer value	Sharpens our focus on customer requirements for unique products and services	105%	104%
Non-financial business objectives (weighted)		108%	111%

In 2023, the variable remuneration amounted to 90% of the fixed remuneration for the CEO and ranged from 73% to 77% of the fixed remuneration for the other Executive Committee members.

in CHF 1'000 (gross), (audited)	2023			Approved Remuneration by the Annual General Meeting 2023
	CEO	Other members, Executive Committee	Total	
Base salary	550	1'886	2'436	
Social security and pension	114	359	473	
Other benefits	10	59	69	
Total fixed remuneration¹⁾	673	2'304	2'977	3'600
Short-term cash incentive ²⁾	406	1'249	1'656	
Employee Share Purchase Plan	102	231	333	
Social security and pension	95	248	343	
Total variable remuneration¹⁾	603	1'728	2'332	3'500
Total¹⁾	1'277	4'032	5'309	7'100
Expense allowance	18	72	90	

¹⁾ The remuneration is rounded to the nearest thousand. Due to rounding, amounts may not precisely add up to the totals provided.

²⁾ Annual variable remuneration for 2023 paid in December 2023 and March 2024.

in CHF 1'000 (gross), (audited)	2022			Approved Remuneration by the 2022 Annual General Meeting
	CEO	Other members, Executive Committee	Total	
Base salary	520	1'811	2'331	
Social security and pension	109	355	464	
Other benefits	10	55	64	
Total fixed remuneration¹⁾	639	2'221	2'860	3'500
Short-term cash incentive ²⁾	463	1'368	1'831	
Employee Share Purchase Plan	68	231	300	
Social security and pension	98	248	345	
Total variable remuneration¹⁾	629	1'847	2'476	3'400
Total¹⁾	1'268	4'068	5'335	6'900
Expense allowance	18	72	90	

¹⁾ The remuneration is rounded to the nearest thousand. Due to rounding, amounts may not precisely add up to the totals provided.

²⁾ Annual variable remuneration for 2022 paid in December 2022 and March 2023.

In 2023 and 2022, the highest remuneration paid to a member of the Executive Committee was to Lars van der Haegen, CEO.

None of the Executive Committee members received any remuneration or loans from the Group other than those disclosed in this report. No allowances or loans were paid to related parties of the members of the Executive Committee. No remuneration was assigned to former members of the Executive Committee (2022: CHF 0.7 million). No remuneration was assigned to related parties.

As at December 31, 2023, no credits or loans were outstanding.

Participation Rights and Options on Such Rights

In 2023, 2'651 shares (2022: 2'776 shares) were purchased by the members of the Executive Committee under the Employee Share Purchase Plan. The market price of the BELIMO Holding AG share at the pre-defined purchase date was CHF 418.90 (2022: CHF 435.50).

Number of shares, (audited)	2023	2022
Lars van der Haegen	811	524
Other members of the Executive Committee	1'840	2'252
Total	2'651	2'776

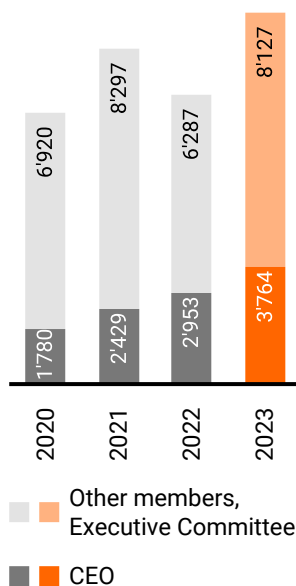
As at December 31, 2023, the members of the Executive Committee (including related persons) owned the following numbers of shares of BELIMO Holding AG:

Number of shares, (audited)	December 31, 2023	December 31, 2022
Dr. Elena Cortona ¹⁾	666	400
Gary Economides	1'899	1'309
James W. Furlong	2'108	1'882
Louis Scheidegger	1'576	1'364
Dr. Markus Schürch	1'091	797
Dr. Adrian Stauer	787	535
Lars van der Haegen	3'764	2'953
Total	11'891	9'240

¹⁾ Number of shares as at December 31, 2022 adjusted from 558 to 400.

In the periods following the inception of the Employee Share Purchase Plan, the number of shares held by the Executive Committee has developed as shown below. The decrease in 2022 was attributable to the personnel changes within the Executive Committee.

Shares Held by the Executive Committee



Number of shares held by the members of the Executive Committee as at December 31

Activities in Other Undertakings

The following table lists the comparable functions with economic purpose of the members of the Executive Committee in other companies in accordance with article 734e and 626 of the Swiss Code of Obligations:

Other mandates, (audited)	Listed Company	Member of the Board of Directors	Member of the Executive Committee	Advisory Board or Other Member
Lars van der Haegen	Schweiter Technologies AG	X	X	
Elena Cortona	INTERROLL HOLDING AG	X	X	
	Schuerch Investment AG		X	
Markus Schürch	Pension fund of BELIMO Automation AG			X

Gary Economides, Jim Furlong, Louis Scheidegger, and Adrian Stauffer have no other mandates with economic purpose.

To the General Meeting of
BELIMO Holding AG, Hinwil

Zurich, 1 March 2024

Report of the statutory auditor on the audit of the remuneration report



Opinion

We have audited the remuneration report of BELIMO Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the section Remuneration 2023 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the section Remuneration 2023 in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the

preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

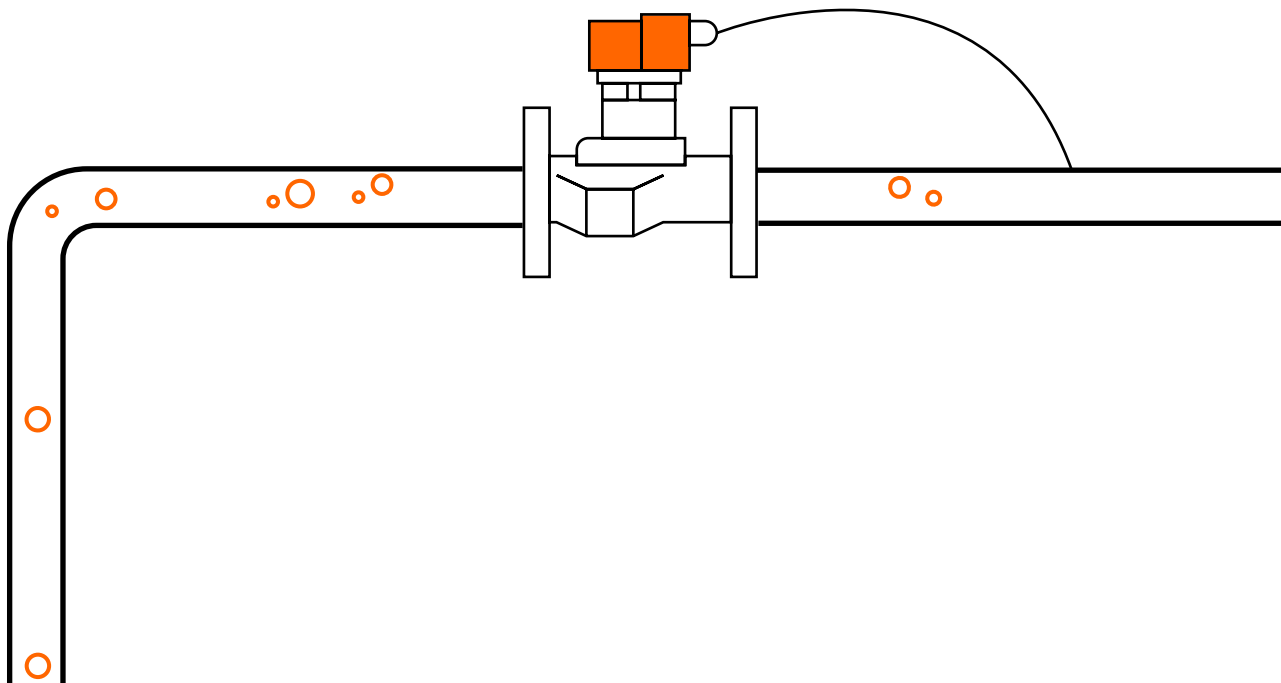
/s/ Marco Casal

Marco Casal
Licensed audit expert
(Auditor in charge)

/s/ Gianantonio Zanetti

Gianantonio Zanetti
Licensed audit expert

Sustain- ability Report



Introduction to Sustainability

At Belimo, we have made it our mission to create healthier, more comfortable indoor environments that consume less energy. Find out more on our impact on sustainability in this section of the report.

Heating, ventilation, and air-conditioning (HVAC) systems are designed to create comfort and a safe and healthy indoor environment. However, to accomplish this, these systems consume approximately 40% of all the energy used in buildings.

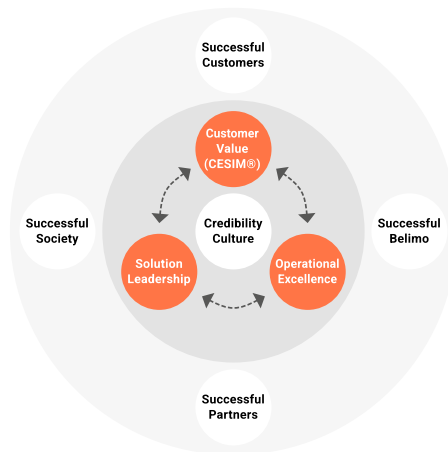
Building automation and control systems (BACS) not only optimize the parameters of indoor comfort but can also substantially reduce energy consumption.

In this section you can find out more about our positive impact on sustainable development, our goals as well as our materiality map.

Our Value-Creation Model

Our value-creation model is what enables us to deliver more value to customers than they expect, and more than others can offer.

The four pillars that ensure our customer’s success are credibility culture, customer value, solution leadership, and operational excellence.



Consistent implementation of these values enables success for Belimo, for its partners, and for society as a whole.

Credibility Culture

Credibility culture is at the heart of our value-creation model. Our culture is built on trust, integrity, competence, and responsibility. We support personal commitment, teamwork, cultural diversity, and the courage needed to take risks to inspire customers.

Customer Value (CESIM®)

We differentiate ourselves from our competitors through the high level of customer benefits our products and services provide. Added value for our customers is the measure for success.

Our customer-centric method for innovating building technology with damper actuators, control valves, sensors and meters, CESIM[®], gives rise to unique products and services. It ensures that the aspects of **C**omfort, **E**nergy Efficiency, **S**afety, **I**nstallation and **M**aintenance always remain the focus during product development.

Belimo is committed to customer-centric thinking and acting, and assures expert advice, high inventory availability, and reliable order processing. We work as a team with our customers, focusing on their success and understanding their wishes, needs, and challenges.

Solution Leadership

We see market-relevant innovation as one of the most important factors for our long-term success. The challenges of our customers and of new technology trends inspire us to develop groundbreaking solutions. We strive for market and technological leadership and invest in innovation, so that we can surprise the market with unique solutions.

We give full attention to heating, ventilation, and air-conditioning applications. We largely refrain from investing in material assets, while concentrating instead on developing our employees, products, markets, and quality standards. We diversify in depth, rather than breadth.

Operational Excellence

Through operational excellence, we ensure the reliable delivery of top-quality products. Our priorities are always clear – quality first, timeliness second, and cost third.

We continuously improve our operational processes and utilize economies of scale. We learn from our mistakes and see them as an opportunity to drive excellence. All employees are therefore encouraged to introduce improvements at any time to ensure top performance in operations.

We ourselves do only what others cannot do better. This allows us to spend more time focusing on what we do best, which means systematically investing in our own skills. This empowers us to deliver more value to our customers.

Our Answers to Megatrends

The following five megatrends account for structural growth drivers in the Belimo core markets: **energy efficiency, climate change, urbanization, safety in buildings, and digitization.**

Energy Efficiency: Smart Controls

As buildings currently consume 40% of the world's energy, with HVAC systems accounting in turn for 40% of that figure, smart control of HVAC systems has a significant impact on global energy efficiency.

According to EN ISO 52120-1:2022, smart building automation and controls systems (BACS) have a material impact on the energy efficiency of HVAC systems. They can save between 29% (Class C) and 55% (Class A) of energy consumption in comparison with systems without controls. Belimo field devices play a decisive role in achieving these savings. To calculate the energy savings they realize in applications, our field devices are used in different percentages in each class, resulting in a total weight savings of approximately 44%.

In most regions of the world, regulations increasingly support raising energy efficiency standards for HVAC equipment and encouraging energy-efficiency-driven building renovations. Here, Belimo field devices are making a difference.

Climate Change: Energy-Efficient HVAC Solutions

Climate change affects all of us. As our field devices help to reduce CO₂ emissions from buildings' HVAC systems, Belimo has a particularly strong commitment to helping limit global warming to less than 1.5° Celsius.

During the transition to a low-carbon economy, however, we will have to adjust to living on a warmer planet with more extreme heat. Already today, an estimated two thirds of the global energy consumption of HVAC systems is used for cooling applications and only one third for heating applications. A hotter global climate, in combination with continuously tighter building envelopes, means the shift of global energy demand from heating toward cooling will continue. Although better-insulated buildings lower the primary energy input, they also increase the need for ventilation, which is where Belimo field devices contribute to energy-efficient solutions.

Urbanization: Well-Being and Indoor Air Quality

As populations shift across the globe from rural to urban areas, more and more people are leading modern, urban lifestyles and are spending 90% of their time indoors. State-of-the-art building automation and reliable HVAC components are indispensable for satisfying increasing demands for pleasant room climates and healthy environments.

Safety in Buildings: Protecting Lives and Assets

Urbanization means more buildings on less land or smaller footprints with unusual designs, mixed use and increasing complexity. This poses new challenges for protecting lives and assets, making technical fire protection through motorized fire and smoke control dampers more important than ever before. At the same time, high-performance HVAC systems and proper humidification strategies are required to maintain a stable, safe, and healthy indoor air quality.

Digitization: Optimizing HVAC systems

Digitization in the building automation industry offers new powerful toolsets for analyzing and optimizing HVAC systems. The applications for smart performance devices are seemingly endless, whether they be in the form of data analytics, monitoring, predictive maintenance, ease of installation, or digital support during the commissioning and system integration phase.

Our Contribution to the SDGs

Belimo contributes directly to the UN's SDGs. By incorporating the UN Global Compact principles into strategies, policies, and procedures, Belimo upholds its primary responsibilities to humanity and to the planet itself, and sets the stage for the long-term success of our industry.



SDG 3: Good Health and Well-Being

Belimo contributes to [SDG 3 "Good Health and Well-Being"](#) by ensuring optimum indoor air quality and well-being in rooms. Its intelligent HVAC components control the major factors affecting room climate: temperature, humidity, air flow, CO₂, and VOCs. High-performance HVAC systems and proper humidification strategies are required to maintain stable and healthy indoor air quality. For ensuring optimum conditions, Belimo sensors serve as a critical link between the HVAC system and the zones it serves.



SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

Buildings and their HVAC systems play a critical role in the doubling of the global rate of improvement in energy efficiency stipulated by SDG target 7.3. An estimated 30% of all energy used in buildings is lost due to insufficiently controlled systems. By providing smart HVAC-controls, Belimo makes an active contribution to [SDG 7 "Ensure access to affordable, reliable, sustainable, and modern energy for all"](#).



SDG 8: Decent Work and Economic Growth

With its sustained economic growth and the continuous creation of new and attractive workplaces, Belimo contributes to [SDG 8 “Decent Work and Economic Growth.”](#) Other contributions include the empowerment of our employees, the fostering of their skills, and equal employment practices.



SDG 9: Industry, Innovation and Infrastructure

With respect to [SDG 9 “Industry, Innovation and Infrastructure”](#), Belimo sets standards in HVAC damper actuator, control valve, sensor and meter technologies. While the majority of Belimo field devices drive the energy efficiency of buildings, it is its fire and smoke actuators that contribute to their resilience.



SDG 11: Sustainable Cities and Communities

By 2050, two thirds of all humanity – 6.5 billion people – will live in cities. The megatrend of urbanization actively drives the number of people living and working indoors and, with it, the necessity of intelligently controlled HVAC systems – namely, Belimo applications. Concerning [SDG 11 “Sustainable Cities and Communities”](#), Belimo helps make cities more sustainable and safer by providing products such as the Belimo Energy Valve™ or a wide range of safety actuators for motorized fire dampers and smoke control dampers.



SDG 12: Responsible Consumption and Production

Belimo contributes to [SDG 12 “Responsible Consumption and Production”](#) by upholding sustainable procurement practices and localized sourcing, minimizing waste, and optimizing logistics through the modularization of its product ranges and by applying environmental management standards at its main production sites.



SDG 13: Climate Action

Buildings are responsible for 40% of worldwide energy consumption and for the climate changes caused by their CO₂ emissions. Of this, another 40% is consumed by HVAC systems. The application of Belimo products saves energy in HVAC systems in buildings, thereby creating measurable sustainability benefits and significantly contributing to [SDG 13 "Climate Action"](#).

Non-Financial Reporting in Accordance with the Swiss Code of Obligations

In accordance with Article 964a of the Swiss Code of Obligations (SCO), Swiss companies of public interest are legally required to report on environmental matters, CO₂ goals, social issues, employee-related issues, respect for human rights, and the combating of corruption. The report contains the information required to understand the business performance, the business result, the state of the undertaking, and the effects of company activity on these non-financial matters.

On March 1, 2024, the Board of Directors of BELIMO Holding AG approved the present sustainability report on non-financial matters of the Belimo Group for release. The report is submitted to a vote of the shareholders of BELIMO Holding AG at the Annual General Meeting to be held on March 25, 2024.

The sustainability report on non-financial matters is structured into the sections Sustainability Goals, Materiality Overview, and GRI Disclosures.

Our Sustainability Goals

Our sustainability goals propel us towards greater fulfilment of our purpose.

We are striving to decarbonize our entire value chain – including purchased goods, transportation, manufacturing, as well as operational use and disposal – in line with the latest climate science and international greenhouse gas (GHG) accounting standards.

In 2023, we began the next step of our journey towards addressing climate change by actively reducing the Company's scope 1 to 3 GHG emissions as part of our strategic development process. The main working items that started in 2023, and are continuing in 2024, include:

- Extension of existing **scope 1 and 2 GHG balance** from Hinwil and Danbury to all [subsidiaries](#) with production, logistics, and customization capabilities.
- A company-wide initiative to systematically identify and calculate **scope 3 emissions**, to the extent reasonably possible, following the requirements of the GHG Protocol.
- This first comprehensive **scope 1–3 GHG balance and analysis** of most relevant emission categories will contribute to defining science-based **GHG reduction targets**.

These projects and activities will allow Belimo to define a comprehensive climate strategy with specific long-term plans for decarbonizing its own business.

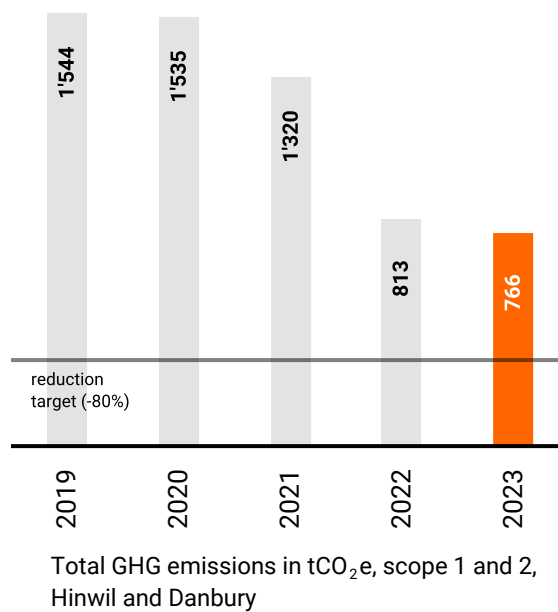
In the remainder of this section, we give an update on our existing goals that enable us to fulfill our purpose with ever-greater leverage.

Energy Efficient Own Buildings and Processes

Energy is a vital resource for our operations. We therefore pay particular attention to the energy efficiency of our buildings, and we continuously strive to reduce GHG emissions wherever possible. We aim to achieve an **80% reduction in the GHG emissions (scope 1 and 2) in our two main sites in Hinwil (Switzerland) and Danbury (United States) by 2025** (measured in CO₂e compared to 2019).

In 2023, we implemented additional energy efficiency measures in our Hinwil and Danbury facilities, which allowed us to further reduce consumption by 5.8% compared to 2022.

Our Goal Until 2025: Reducing Scope 1 and 2 GHG Emissions of Hinwil and Danbury Facilities by 80% compared to 2019 (baseline)



Optimize Logistics Footprint

Efficient logistics is a primary competitive advantage that Belimo offers to its customers. Our goal is to **optimize the GHG footprint of our transportation network** by striking a balance between environmental and total cost factors, while maintaining short lead times.

During the reporting period, Belimo calculated its 2021 and 2022 global transportation GHG footprints, which will now serve as the baseline for future optimization efforts. We have also implemented a multi-year transportation/logistics GHG reduction program in 2023, including:

- A further reduction in the use of air freight through continuous transportation mode optimization.
- The selection and continued use of transportation providers offering confirmed GHG reduction programs.
- Fill-ratio optimization to improve the density of products shipped, reducing the GHG footprint per container and truck movement.

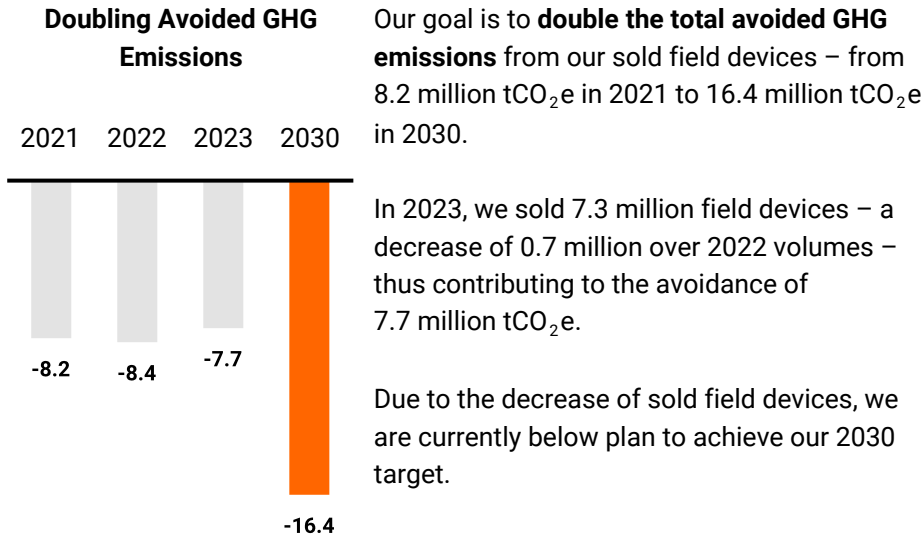
This program will further intensify in 2024 as we continuously seek to reduce our logistics GHG footprint. Find out more about how we are improving process efficiency and reducing short lead times under the material topic [Process Efficiency and Short Lead Times](#).

Energy in Operation and Application of Our Products

We aim to further reduce **energy consumption per field device**, both in standby and operational modes. However, we have reached the conclusion in recent years that further transparency is needed with respect to device efficiency in order to pinpoint optimal energy savings. We achieved another milestone in the fundamental renewal of our core platforms during the reporting period by incorporating energy consumption per field device into our development process requirements. The resulting new generation will be launched in the coming years.

According to the Belimo Impact Model, our most significant GHG footprint reductions are realized during the operational phase of our products. Our ambition is therefore to **increase the overall energy savings of our devices while in use** as well as improve the energy impact tracking of retrofit projects. Belimo has further ramped up its RetroFIT+ organization in 2023 to increase the renovation rate of existing buildings. Replacing underperforming field devices to improve the overall energy efficiency of existing HVAC systems allows us to minimize GHG footprints while simultaneously improving overall performance. We will continue to track the volume of products sold for future RetroFIT+ projects to monitor our energy-efficiency impact.

Doubling Avoided GHG Emissions with Our Products



We are striving to double the total avoided GHG emissions from our sold field devices by 2030 (compared to 2021 levels and measured in million tons of CO₂e)

Promoting Indoor Air Quality

In 2021, we committed ourselves to **promoting healthy indoor comfort** in our end customers’ buildings worldwide by increasing the sales of field devices with a positive impact on indoor air quality. Concentrating on retrofitting field devices into existing buildings represents the most significant opportunity for promoting healthy indoor comfort, as most new constructions are already designed with this in mind. To monitor the positive impact of our field devices on indoor air quality, we will track the volume of products sold into future RetroFIT+ projects. Sensors allow us to quantify our progress towards increasing indoor air quality and improving the health of building occupants. In the period under review, the business line sensors and meters gained further traction with growth of 31.0% in local currencies.

Credibility Culture

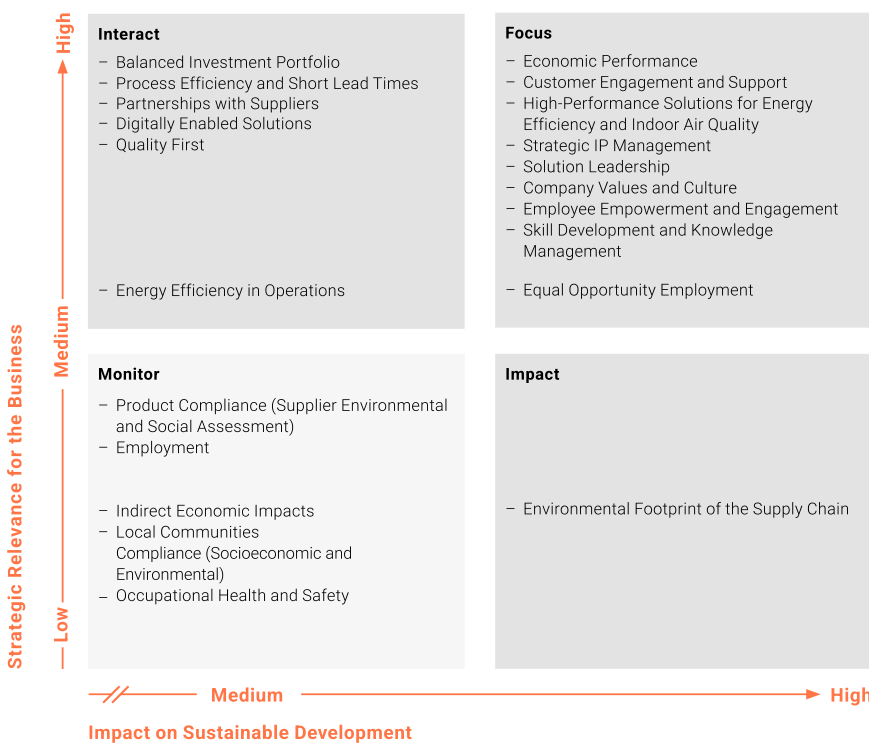
Our credibility culture is built on trust, integrity, competence, and responsibility. It represents a cornerstone of our value creation model, and the goal outlined in 2022 was implemented to **further advance our credibility culture**. In the period under review, the key performance indicators show that our credibility culture is moving in the right direction. The engagement score – the key performance indicator for gauging employee commitment – reached an outstanding value of 8.9 in the most recent 2023 survey (find more information under the material topic [Employee Empowerment and Engagement](#)). Meanwhile, employee turnover – another employee engagement indicator – reached a value of 8.0% in 2023 (compared to 8.4% in 2022).

Materiality Overview

Our materiality map determines what is most relevant for our business and outlines our positive impact on sustainable development.

By identifying and addressing all relevant topics for its business and for its positive impact on sustainable development, Belimo strengthens stakeholder relationships, monitors high-level opportunities, safeguards against risks, and maintains successful mid-term and long-term growth performance. The identification of these topics is also the basis for strategic corporate management and sustainability reporting.

Belimo Materiality Map



The materiality assessment was initiated as an industry and peer evaluation that was then developed in dialog with group management across the Company to single out relevant topics in accordance with three dimensions:

- Strategic relevance for the business.
- Impact on sustainable development.
- Relevance for key stakeholder groups.

This report focuses on the 16 dark-gray “Interact,” “Impact,” and “Focus” topics of the map, which, in accordance with the GRI Universal Standards Update 2021, now displays the material topics along the two axes of strategic relevance for the business and impact on sustainable development.

Outlook

In 2019, Belimo conducted the current materiality analysis, focusing on material topics that reflect the sustainability impacts of our operations and products along our entire value chain. To further align the sustainability strategy with stakeholder expectations, Belimo periodically reviews its materiality analysis. In 2024, we plan to conduct a new materiality analysis that will serve as the basis for the imminent strategy review.

GRI Content Index

Belimo has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

GRI Standard	Disclosure	Omission
GRI 1: Foundation 2021	GRI 1: Foundation 2021	
GRI 2: General Disclosures 2021	GRI 2: General Disclosures 2021	
The organization and its reporting practices		
GRI 2: General Disclosures 2021	2-1 Organizational details	
	2-2 Entities included in the organization's sustainability reporting	
	2-3 Reporting period, frequency and contact point	
	2-4 Restatements of information	
	2-5 External assurance	
Activities and workers		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	
	2-7 Employees	
	2-8 Workers who are not employees	
Governance		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	
	2-16 Communication of critical concerns	
	2-17 Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
2-20 Process to determine remuneration		
2-21 Annual total compensation ratio		

GRI Standard	Disclosure	Omission
Strategy, policies and practices		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	
Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	
	2-30 Collective bargaining agreements	
Materiality assessment and list of material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	
	3-2 List of material topics	
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
Customer Engagement and Support		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Partnership with Suppliers		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Process Efficiency and Short Lead Times		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Balanced Investment Portfolio		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Strategic IP Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Solution Leadership		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Quality First		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard	Disclosure	Omission
Energy Efficiency in Operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	
GRI 302: Energy 2016	302-3 Energy intensity	
High-Performance Solutions for Energy Efficiency and Indoor Air Quality		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	
Digitally Enabled Solutions		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Environmental Footprint of the Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 416: Customer Health and Safety 2016	416-1 Assessments of the health and safety impacts of product and service categories	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
Employee Empowerment and Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
GRI 403: Occupational Health and Safety	403-9 Work-related injuries	
Skill Development and Knowledge Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 404: Training and Education 2016	404-1 Average hours of training per year and employee	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	
Equal Opportunity Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
Company Values and Culture		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI 1: Reporting Principles

Belimo has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

The Group applied the reporting principles specified in GRI 1: Foundation 2021.

GRI 2: General Disclosures

The Organization and its Reporting Practices

2-1 Organizational Details

a) Legal Name

Belimo Group, also referred to as Belimo or the Group, with the ultimate parent company BELIMO Holding AG.

b) Nature of Ownership and Legal Form

The ultimate parent company, BELIMO Holding AG, is the only listed company within the Group. Its shares are publicly traded on the Swiss stock exchange SIX Swiss Exchange (ISIN CH1101098163).

c) Location of the Group's Headquarters

The Group has its headquarters in Hinwil (Switzerland).

d) Countries of Operation

BELIMO Holding AG held directly and indirectly the following subsidiaries:

Europe, Middle East & Africa

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Automation AG, Hinwil	P, D, L/ C, R&D	CH	CHF	500	500	100%	100%
BELIMO InnoVision AG, Hinwil	H	CH	CHF	3'500	3'500	100%	100%
BELIMO Stellantriebe Vertriebs GmbH, Stuttgart	D	DE	EUR	205	205	100%	100%
BELIMO Automation Deutschland GmbH, Großröhrsdorf	P, L/C, R&D	DE	EUR	50	50	100%	100%
BELIMO Automation Handelsgesellschaft m.b.H., Vienna	D	AT	EUR	36	36	100%	100%
BELIMO Silowniki S.A., Warsaw	D	PL	PLN	500	500	100%	100%
BELIMO Servomotoren B.V., Vaassen	D	NL	EUR	18	18	100%	100%
BELIMO Belgium BV, Grimbergen	D	BE	EUR	500	500	100%	100%
BELIMO Automation UK Ltd., Shepperton	D	GB	GBP	0.1	0.1	100%	100%
BELIMO Automation Norge AS, Oslo	D	NO	NOK	501	501	100%	100%
BELIMO Finland Oy, Vantaa	D	FI	EUR	100	100	100%	100%
BELIMO AB, Nacka	D	SE	SEK	1'000	1'000	100%	100%
BELIMO SARL, Courtry	D	FR	EUR	80	80	100%	100%
BELIMO Ibérica de Servomotores S.A., Madrid ¹⁾	D	ES	EUR	305	301	100%	100%
BELIMO Italia S.r.l., Grassobbio	D	IT	EUR	47	47	100%	100%
BEREVA S.r.l., Ora ²⁾	P, D, R&D	IT	EUR	1'330	1'330	89%	89%
BELIMO Automation FZE, Dubai	D	AE	USD	1'905	1'905	100%	100%
BELIMO Turkey Otomasyon A.Ş., Istanbul ¹⁾	D	TR	TRY	12'375	1'000	100%	100%

¹⁾ Capital increase in 2023

²⁾ Investment held by BELIMO InnoVision AG

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

Americas

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Aircontrols (USA), Inc., Danbury	D, H	US	USD	200	200	100%	100%
BELIMO Customization (USA), Inc., Danbury ¹⁾	P, L/C	US	USD	45	45	100%	100%
BELIMO Technology (USA), Inc., Danbury ¹⁾	R&D	US	USD	30	30	100%	100%
BELIMO Aircontrols (CAN), Inc., Mississauga	D	CA	CAD	95	95	100%	100%
BELIMO Sensors Inc., Dorval	P, R&D	CA	CAD	2'025	2'025	100%	100%
BELIMO Brasil – Montagens e Comércio de Automação Ltda., São Paulo	D	BR	BRL	10'372	10'372	100%	100%

¹⁾ Investment held by BELIMO Aircontrols (USA), Inc.

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

Asia Pacific

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Asia Pacific Limited, Hong Kong ¹⁾	D, L/C	HK	HKD	10	10	100%	100%
BELIMO Pacific Pty Ltd, Mulgrave, Melbourne ²⁾	D, L/C	AU	AUD	1'210	1'210	100%	100%
BELIMO Automation (Shanghai) Co., Ltd., Shanghai ³⁾	P, D, L/C, R&D	CN	CNY	50'320	20'320	100%	100%
BELIMO Automation India Private Limited, Mumbai	D, L/C	IN	INR	1'574	1'574	100%	100%
BELIMO Automation Malaysia SDN. BHD., Kuala Lumpur	D, L/C	MY	MYR	5'300	5'300	100%	100%

¹⁾ BELIMO Actuators Ltd. was renamed to BELIMO Asia Pacific Limited as at July 1, 2023.

²⁾ BELIMO Actuators Pty. Ltd. was renamed to BELIMO Pacific Pty Ltd as at December 12, 2023.

³⁾ Capital increase in 2023

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

2-2 Entities Included in the Organization's Sustainability Reporting

a) Entities Included in the Sustainability Reporting

Generally, all entities that the Group controlled during the reporting period were included in its sustainability report. Consequently, the same group of entities was covered as in the consolidated financial report.

b) Differences to the Reporting Scope of the Financial Reporting

Due to materiality reasons, the Group decided to limit the reporting scope for some sustainability disclosures. In this case, the limited scope is indicated in the respective sustainability topic.

c) Approach Used for Consolidating the Information

The sustainability disclosures of Belimo show the aggregated figures reported by each legal entity. Effects of non-controlling interest were neglected due to the current structure of the Group and materiality reasons. Entities that are acquired or sold during the course of the year are included in the reporting, effecting from the date on which control commences and excluded from the date on which control is lost.

2-3 Reporting Period, Frequency, and Contact Point

a) Reporting Period and Frequency of the Sustainability Reporting

The reporting period for BELIMO Holding AG and all of its subsidiaries is January 1, 2023, to December 31, 2023, for this sustainability report. The sustainability report is published once a year as an integrated part of the Annual Report.

b) Reporting Period and Frequency of the Financial Reporting

The reporting period for the financial reporting is the same as the reporting period of the sustainability reporting, covering the period January 1 to December 31 of a reporting year.

c) Publication Date of the Sustainability Report

This sustainability report is published on March 4, 2024.

d) Contact Point for Questions About the Report or Reported Information

The Group CFO is the designated contact person:

Dr. Markus Schürch, CFO
Brunnenbachstrasse 1
8340 Hinwil (Switzerland)
Phone +41 43 843 63 80
E-mail ir@belimo.ch

2-4 Restatements of Information

a) Restatements of Information from Previous Reporting Periods

The Group has not made material restatements of information disclosed in previous reporting periods.

2-5 External Assurance

a) External Assurance Practice

There is no external review of the sustainability reporting in its entirety, but individual processes, results, and statements are inspected by external parties.

- The consolidated financial statements and their notes are audited by an independent, external auditor.
- The Remuneration Report is audited by an independent, external auditor.
- Belimo continues to gain certifications pursuant to the international environmental management standard ISO 14001, quality management standard ISO 9001, and occupational health and safety management system standard ISO 45001. All sites also undergo regular audits by the Swiss Association for Quality and Management Systems (SQS) and the China Quality Certification Center (CQC) in China. In the period under review, Mumbai was newly certified according to ISO 9001.

Overview ISO Certifications at Belimo Sites	ISO 9001:2015	ISO 14001:2015	ISO 45001:2015
Hinwil	X	X	
Danbury	X	X	
Sparks	X	X	
Shanghai	X	X	X
Großröhrsdorf	X		
Mumbai	X		

Activities and Workers

2-6 Activities, Value Chain, and Other Business Relationships

a) Sectors Belimo is Active in

Belimo is 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. The focus of our core business is on damper actuators, control valves, sensors and meters.

According to the International Standard Industrial Classification of All Economic Activities (ISIC), our products belong to ISIC 265 – Manufacture of measuring, testing, navigating, and control equipment.

b) Value Chain Description

Belimo views its suppliers as key partners and as the most critical element of its asset-light model. The main part of the production costs is incurred within a network of suppliers, with Belimo focusing on final assembly, testing, and customizing of products.

The main procurement region is Europe, and most of the suppliers are certified according to ISO 9001 and ISO 14001.

About 8.0 million actuators are shipped every year by the subsidiaries located worldwide. Sales information by market region and by applications as well as information on geographic regions is disclosed in the segment reporting of the consolidated financial statements.

c) Other Relevant Business Relationships

Belimo has no other relevant business relationships (joint ventures and other entities directly linked to the organization's operations, products, or services) that are not described as part of its value chain under 2-6-b.

d) Significant Changes Compared to the Previous Reporting Period

There were no material changes in the activities, value chain, and other business relationships in the reporting year.

2-7 Employees

a) Number of Employees by Gender and by Region

FTEs	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Female	216	330	268	814	36.0%
Male	302	558	585	1'445	64.0%
Total	517	889	853	2'260	100.0%
As at December 31, 2022					
Female	213	359	245	816	37.7%
Male	282	532	534	1'347	62.3%
Total	494	890	779	2'163	100.0%

b) Number of Employees by Contract Type, Employment Type, and by Region

Employees by contract type:

FTEs by Contract Type	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Permanent	517	877	708	2'103	93.1%
Temporary	-	11	145	157	6.9%
Total	517	889	853	2'260	100.0%

As at December 31, 2022					
Permanent	494	841	634	1'969	91.0%
Temporary	-	50	145	195	9.0%
Total	494	890	779	2'163	100.0%

Employees by contract type and gender:

FTEs by Contract Type and Gender	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Permanent – Female	216	327	208	750	33.2%
Permanent – Male	302	551	500	1'353	59.9%
Temporary – Female	-	4	61	65	2.9%
Temporary – Male	-	8	85	92	4.1%
Total	517	889	853	2'260	100.0%

As at December 31, 2022					
Permanent – Female	213	320	184	717	33.1%
Permanent – Male	282	520	450	1'252	57.9%
Temporary – Female	-	39	61	99	4.6%
Temporary – Male	-	11	84	95	4.4%
Total	494	890	779	2'163	100.0%

Employees by employment type:

FTEs by Employment Type	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Full-time	517	680	808	2'005	88.7%
Part-time	1	209	45	255	11.3%
Total	517	889	853	2'260	100.0%
As at December 31, 2022					
Full-time	493	671	745	1'909	88.2%
Part-time	1	219	34	255	11.8%
Total	494	890	779	2'163	100.0%

Employees by employment type and gender:

FTEs by Employment Type and Gender	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Full-time – Female	215	211	233	659	29.2%
Full-time – Male	302	469	575	1'346	59.6%
Part-time – Female	1	119	35	155	6.9%
Part-time – Male	-	89	10	99	4.4%
Total	517	889	853	2'260	100.0%
As at December 31, 2022					
Full-time – Female	212	224	217	653	30.2%
Full-time – Male	281	447	528	1'256	58.0%
Part-time – Female	1	135	28	163	7.5%
Part-time – Male	1	85	6	92	4.2%
Total	494	890	779	2'163	100.0%

c) Methodologies and Assumptions Used to Compile Employee Data

Employee data disclosed in this section correspond to full-time equivalents (FTE) as at the end of the reporting period. An employee is an individual who is in an employment relationship with the organization according to national law or practice.

The definitions of permanent, temporary, full-time, and part-time employees differ between countries. The Group has employees in more than one country. Therefore, the definitions as per the national laws of the countries where the employees are based were used to calculate country-level data. The country-level data then was added up to calculate total numbers, disregarding differences in national legal definitions.

d) Contextual Information

Temporary employees cover production peaks or are engaged for temporary projects. In some regions and functions, it is a standard practice to offer a temporary contract to new employees before an offer of permanent employment is made.

Belimo does not employ non-guaranteed hours employees.

e) Significant Fluctuations in the Number of Employees

During the reporting period, no significant fluctuation took place.

2-8 Workers Who Are Not Employees**a) Workers Who Are Not Employees**

Belimo engages external workers to cover production peaks and closely collaborates with external engineers and consultants in research and development projects. Furthermore, the Group offers work opportunities for individuals with disabilities in several programs.

As at December 31, 2023, Belimo engaged 192 workers who are not employees.

b) Methodologies and Assumptions Used to Compile Data on Workers Who Are Not Employees

Workers disclosed in this section correspond to headcounts as at the end of the reporting period.

c) Significant Fluctuations in the Number of Workers Who Are Not Employees

There were no significant fluctuations in the number of workers who are not employees.

Governance

2-9 Governance Structure and Composition

a) Governance Structure Description

The Board of Directors of BELIMO Holding AG is the highest Governance Body of the Group. It determines the strategic objectives and the general resources for achieving these.

b) Committees of the Highest Governance Body Responsible for Decision-Making

The Board of Directors has established three committees: The Audit Committee, the Remuneration and Nomination Committee, as well as the Strategy Committee.

c) Composition of the Highest Governance Body

The Board of Directors of BELIMO Holding AG comprised a total of seven non-executive members as at December 31, 2023 (2022: six members).

Tenure, gender, competencies relevant to the impact on the organization, stakeholder representation of the board members as well as other significant positions and commitments, details about governance structure, the committees, and the composition of the highest governance body are disclosed in the [Corporate Governance Report](#).

For additional information, see [GRI 405-1](#).

2-10 Nomination and Selection of the Highest Governance Body

a) Nomination and Selection Processes for the Highest Governance Body

According to the [Articles of Incorporation](#) of BELIMO Holding AG, members of the Board of Directors are elected individually at the Annual General Meeting for a term of office of one year.

The Board of Directors constitutes itself, subject to legal and statutory provisions. The Chairman and the Deputy Chairman of the Board of Directors as well as the members of the Remuneration and Nomination Committee are elected individually at the Annual General Meeting for a term of office of one year, which ends with the next ordinary Annual General Meeting.

b) Criteria Used for Nominating and Selecting Highest Governance Body Members

The Group nominates new members of the Board of Directors in accordance with its Articles of Incorporation, the Swiss Code of Best Practice for Corporate Governance, published by economiesuisse, the regulation of the Swiss stock exchange, SIX Swiss Exchange, and the Swiss Code of Obligations.

Furthermore, the following main criteria are used:

- The candidate's qualifications, with consideration of the needs of the Company and the current members of the Board of Directors.
 - Diversity, to ensure diverse professional and personal backgrounds on the Board of Directors.
 - Personality, to nominate individuals of the highest character and integrity.
 - Independence, to ensure that candidates shall be free of any conflict of interest.
-

2-11 Chair of the Highest Governance Body**a) Chair of the Highest Governance Body**

The Board of Directors consists of non-executive members. This means that no member exercised an operational function for Belimo during the three financial years preceding the reporting period. The members of the Board of Directors and the companies they represent have no material business relationship with Belimo.

The Chairman of the Board of Directors, Patrick Burkhalter, is an independent, non-executive member of the Board of Directors, elected by the shareholders of BELIMO Holding AG.

b) Conflicts of Interest

The Group is not aware of any conflicts of interest.

2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts on the Economy, Environment, and People

a) Role of the Highest Governance Body and of Senior Executives in Developing, Approving, and Updating the Organization's Purpose, Mission Statements, Strategies, and Policies

The non-transferable responsibilities of the Board of Directors pursuant to the Swiss Code of Obligations and the Articles of Incorporation are disclosed in the [Corporate Governance Report](#) of the Group.

The Board of Directors determines the strategic objectives of the Group. It delegates operational business management to the Chief Executive Officer (CEO). The CEO draws up the strategic and financial planning and the budget with the Executive Committee. Before being approved, they are discussed with and challenged by the Board of Directors.

The highest body responsible for the corporate strategy regarding environmental, social, and governance topics is the Board of Directors of BELIMO Holding AG. At the same time, the Board of Director's Audit Committee is responsible for reporting and compliance with respect to environmental, social, and governance topics.

b) Role of the Highest Governance Body in Overseeing the Organization's Due Diligence and Other Processes to Identify and Manage the Organization's Impacts

At every board meeting, the CEO or CFO informs the Board of Directors about current business developments.

The Chairman of the Board of Directors maintains a close relationship with the CEO and is kept up to date by him on all transactions and issues that are of fundamental importance or that have wider implications.

c) Role of the Highest Governance Body in Reviewing the Effectiveness of the Organization's Processes

The Board of Directors has implemented a comprehensive system for monitoring and controlling risks associated with business activities. A company-wide risk assessment is carried out annually, using a systematic risk management methodology.

An independent audit firm has been proposed by the Audit Committee and assigned by Board of Directors to perform objective internal audit services in order to ensure compliance with applicable laws and internal directives and procedures.

2-13 Delegation of Responsibility for Managing Impacts on the Economy, Environment, and People

a) How the Highest Governance Body Delegates Responsibility for Managing the Organization's Impacts on the Economy, Environment, and People

The Board of Directors has assigned operational management to the Chief Executive Officer. The CEO is authorized to further delegate powers and responsibilities to specific members of the Executive Committee.

At the executive level, environmental, social, and governance topics are managed by the Executive Committee. They are supported by the Head of Group Division Logistics/Customization, the Global Head of Human Resources (both members of the Extended Executive Committee), the Head of Group Quality and Sustainability, and the Head of Sustainability. A Sustainability Program Team, comprised of representatives from all major departments at Belimo, assists them in operationalizing the respective initiatives.

b) Process and Frequency for Senior Executives or Other Employees to Report Back to the Highest Governance Body on the Management of the Organization's Impacts

The Board of Directors is integrated in the management information system at Belimo and receives monthly financial key figures and quarterly financial statements with commentary.

The Board of Directors holds at least six ordinary meetings per year. During each meeting, the Board of Directors receives an update regarding current business developments and major strategic initiatives, which also includes sustainability-related topics.

2-14 Role of the Highest Governance Body in Sustainability Reporting

a) Role of the Highest Governance Body in Sustainability Reporting

The sustainability reporting is reviewed and approved by the Board of Directors as part of the annual report of Belimo.

b) Explanation, if the Highest Governance Body is not Responsible for Reviewing and Approving the Sustainability Reporting

Not applicable.

2-15 Conflicts of Interest

a) Processes for the Highest Governance Body to Ensure that Conflicts of Interest Are Prevented and Mitigated

The members of the Board of Directors are required to organize their personal and business affairs and take whatever measures necessary to ensure that conflicts of interest are avoided to the greatest extent possible. Should a conflict of interest nevertheless arise, the member concerned must inform the Chairman of the Board of Directors immediately. Appropriate measures are being taken, which may reach as far as abstaining from a business discussion and decision.

The Board of Directors also complies with the Code of Conduct of Belimo, in which it is written that conflicts of interest are consciously avoided and that decision making is based on the well-being of the Company, not on personal interests.

b) Disclosure of Conflicts of Interest

We have not become aware of material conflicts of interest in either 2023 or the previous year.

2-16 Communication of Critical Concerns

a) Communication of Critical Concerns to the Highest Governance Body

The CEO reports regularly to the Board of Directors on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Chairman of the Board of Directors immediately regarding business transactions of fundamental importance and critical concerns.

b) Total Number and Nature of Critical Concerns that Were Communicated to the Highest Governance Body during the Reporting Period

In the 2023, no critical concerns relating to the Company's affairs were communicated to the Board of Directors (2022: none).

2-17 Collective Knowledge of the Highest Governance Body

a) Measures Taken to Advance the Collective Knowledge, Skills, and Experience of the Highest Governance Body on Sustainable Development

The Sustainability Steering Committee provides the Board of Directors with information regarding matters pertinent to the expansion of its collective expertise in the area of sustainable development.

The members of the Board of Directors cover a wide range of in-depth experience in sustainability. Amongst other efforts, two members of the board, Sandra Emme and Ines Pöschel, have completed in 2023 the ESG Designation Certificate for Board Members, a program designed by and for board members to achieve the highest standard of environmental, social, and governance (ESG) education.

2-18 Evaluation of the Performance of the Highest Governance Body

a) Processes for Evaluating the Performance of the Highest Governance Body in Overseeing the Management of the Organization's Impacts

The board continuously improves its effectiveness. In line with the recommendations in the Swiss Code of Best Practice for Corporate Governance published by *economiesuisse*, the Board of Directors conducts an annual self-evaluation of its work and that of its committees. The Board of Directors then discusses the results of the self-evaluation.

b) Frequency and Independence of the Evaluations

The self-evaluation is conducted once a year.

c) Actions Taken in Response to the Evaluations

In 2023, the Board of Directors again conducted the self-evaluation, the results of which were discussed and findings are being implemented.

2-19 Remuneration Policies

a) Remuneration Policies for Members of the Highest Governance Body and Senior Executives

Belimo publishes a detailed annual Remuneration Report that includes all relevant information concerning remuneration governance and policies, in addition to specifying the remuneration awarded in the reporting year.

b) Relation Between the Remuneration Policies for Members of the Highest Governance Body and Senior Executives and Their Objectives and Performance

To guarantee independence in executing their supervisory duties, the members of the Board of Directors receive a fixed remuneration that does not contain performance-related component. For the Executive Committee, 40% of the variable remuneration is linked to non-financial business objectives, which are set at the beginning of the year. They are linked to the Belimo value-creation model and include objectives related to sustainability.

2-20 Process to Determine Remuneration

a) Process for Designing the Remuneration Policies and for Determining Remuneration

The Remuneration and Nomination Committee oversees the process for determining remuneration and comprises at least two, currently four, non-executive, independent members of the Board of Directors.

The Remuneration and Nomination Committee is assigned the following duties in support of the Board of Directors:

- Determination of the remuneration policy of the Company at the highest corporate level in accordance with the Articles of Incorporation.
- Preparation of the motions to the Annual General Meeting related to the maximum amounts of remuneration of the governing bodies.
- Evaluation of the yearly target achievement of the Executive Committee members and determination of their remuneration within the limits approved by the Annual General Meeting.
- Submission of proposal for the amounts of remuneration for the members of the Board of Directors within the limits approved by the Annual General Meeting.
- Reviewal and submission of proposed Remuneration Report to the Board of Directors.
- Performance of success planning and selection of suitable candidates for the Board of Directors and the Executive Committee.

b) Results of Votes of Stakeholders (Including Shareholders) on Remuneration Policies and Proposals

The results of votes on remuneration policies and proposals during the Annual General Meeting 2023 of BELIMO Holding AG were as follows:

- The 2022 Remuneration Report has been adopted in a non-binding consultative vote by 94.89%.
- The fixed remuneration of the Board of Directors for the financial year 2023 has been approved by 98.46%.
- The fixed and variable remuneration of the Executive Committee for the financial year 2023 has been approved by 96.19%.

The election results of the members of the Remuneration and Nomination Committee were as follows:

- Sandra Emme (Lead) has been reelected by 91.65%.
- Urban Linsi has been reelected by 96.37%.
- Stefan Ranstrand has been elected by 98.10%.
- Ines Pöschel has been elected by 94.26%.

2-21 Annual Total Compensation Ratio**a) Annual Total Compensation Ratio**

In 2023, the ratio of the annual compensation paid to the highest-paid employee to the median annual compensation of all employees (excluding the highest-paid employee) based on the average full-time equivalents (FTEs) was for the entire Belimo group 15.07.

b) Annual Total Compensation Increase Ratio

As opposed to 2023, the annual compensation ratio has not been collected in 2022; therefore, the ratio of the percentage increase in annual total compensation cannot be determined.

c) Contextual Information

In 2023 and 2022, the highest remuneration paid was to Lars van der Haegen, CEO.

Strategy, Policies, and Practices

2-22 Statement on Sustainable Development

Strategy

a) Statement From the Highest Governance Body on Sustainable Development

Belimo firmly believes its entrepreneurial activity makes a meaningful contribution to society. Our ongoing commitment to supporting the UN Global Compact and its initiatives demonstrates this. With respect to their related principles in the four areas of human rights, labor, environment, and anticorruption, Belimo remains explicitly engaged in encouraging the development and diffusion of environmentally friendly technologies (Principal No. 9). The Communication of Progress for the financial year 2023 follows the Global Reporting Initiative (GRI) as presented in this report.

2-23 Policy Commitments

a) Policy Commitments for Responsible Business Conduct

Belimo is determined to manage its business in compliance with high ethical standards and applicable law. The Belimo Mission Statement has been supplemented by a Code of Conduct for the Belimo Group, on which all employees are required to attend a web-based training course. Furthermore, all suppliers are expected to sign the Supplier's Declaration, agreeing to comply with the Code of Conduct of the Belimo Group and to demand conformity with it from their own sub-suppliers as well.

b) Policy Commitment to Respect Human Rights

The Belimo Way to Cover Human Rights

Belimo has been a member of the UN Global Compact (UNGC) since 2013 and is committed to environmental protection, responsible working practices, human rights, and protection against corruption. The UNGC is the largest international initiative for responsible company management. As a trusted partner around the world, Belimo is actively involved in associations that sponsor research and formulate codes and standards. The strategic ambition of Belimo is to uphold and promote respect for human rights within the Group and to enable people's basic rights and freedoms throughout its value chain. The Company's culture is built on trust, integrity, competence, and responsibility. It supports personal commitment, the courage to take risks to inspire customers, teamwork, and cultural diversity. To achieve this cultural goal, the Company has zero tolerance for workplace violence and is committed to a work environment in which all individuals are treated with respect and dignity, free from all forms of unlawful discrimination, harassment, and retaliation. The Group ensures equal employment opportunity for all persons without discrimination based on ethnic background, religion, disability, skin color, race, nationality, sexual orientation, age, veteran status, gender, gender identity, gender expression, marital status, pregnancy, or any other basis prohibited under federal, state, or local law. Sexual

harassment, or harassment based on any personal characteristic prohibited by law, has no place in the work environment, and is strictly prohibited.

For additional information, see [406-1 Incidents of Discrimination and Corrective Actions Taken](#) and www.unglobalcompact.org > BELIMO Holding AG.

Child Labor and Conflict Minerals

As the global market leader in the development, production, and sales of field devices for the energy-efficient control of HVAC systems, Belimo recognizes the importance of ensuring ethical business practices, upholding human rights, and maintaining environmental standards across its supply chain. Belimo (along with all of its affiliates) has been a member of the United Nations Global Compact since 2013 and has been active in the areas of environmental protection, sustainable working conditions, human rights protection, and the fight against corruption. Belimo is therefore committed to ensuring that its supply chain is free from conflict minerals and child labor. As a trusted business partner to Belimo, our suppliers and partners are expected to read, understand, and adhere to the [Belimo Supplier Principles](#), agree to comply with numerous behavioral obligations, and to demand conformity from their own sub-suppliers. Belimo reserves the right to audit existing as well as newly selected suppliers, during which the Company verifies adherence to these principles. All measures implemented by Belimo in opposition to child labor and conflict minerals are described in the [Belimo Supply Chain Policy](#).

In December 2021, the Swiss Federal Council enacted the legislative amendments of the indirect counterproposal to the Responsible Business Initiative (RBI). Large Swiss companies are legally required to report on the environmental, social, labor, human rights, and anti-corruption risks of their activities. Companies whose activities present risks in the sensitive areas of child labor and minerals from conflict-affected areas must comply with special and more extensive due-diligence obligations. Since 2021, Belimo has been tracking its risks related to child labor in accordance with Swiss due-diligence requirements and has not identified any incidents in 2023. Risks related to conflict minerals were assessed as part of the annual due-diligence process and Belimo did not consider them to be critical for 2023. The Group complied with the applicable due-diligence obligations.

Anti-Corruption

Pursuing the Code of Conduct, Belimo is committed to maintaining the highest ethical standards and strongly enforces the integrity of its behavior wherever it operates. The Group's reputation significantly affects all of its business relationships, including those with government agencies, customers, other third parties, and member associations. In addition to the Code of Conduct, an "anti-bribery and anti-corruption policy" is mandatory for every employee and business partner. The policy is designed to ensure that directors, officers, and employees of Belimo, as well as third parties engaged in activities with or on behalf of Belimo, avoid corruption in all its possible forms, including, but not limited to, bribery of public officials, suppliers, and other third parties. Belimo has a clear set of competence regulations and the dual-control principle is applied in order to prevent corruption. Internal and external auditors also regularly check the books for any irregularities as part of the standard auditing process. The Code of Conduct and anti-bribery and anti-corruption policy are presented to every new joiner by the Executive Committee as part of the welcome events and training courses. Additionally, the anti-corruption guidelines are available to employees and are updated regularly. All employees are therefore provided with information as to what is permitted and what is not. Employees, suppliers, or third-party providers are encouraged to report any concerns using the Belimo Group's independently operated whistleblowing line "Integrity Channel," guaranteeing the anonymous and confidential reporting of incidents.

In the Company's Code of Conduct, Belimo is committed to conducting its business with integrity and condemning practices such as bribery and corruption. Belimo is not aware of any case of corruption, violations of regulations relating to product information, and sanctions for non-compliance with environmental or social legislation.

c) Links to Policy Commitments

See [Code of Conduct of the BELIMO Group](#), [Belimo Supplier Principles](#), and anti-bribery and anti-corruption policies (internal).

d) Level at Which Each of the Policy Commitments Was Approved

All policy commitments were approved by the Board of Directors.

e) Extent to Which the Policy Commitments Apply

All policy commitments apply to all of the Group's activities and business relationships equally. Belimo is fully committed to its Code of Conduct and will not tolerate any behavior contrary to its content.

f) Communication of Policy Commitments to Workers, Business Partners, and Other Relevant Parties

See a)

2-24 Embedding Policy Commitments

a) Embedding Policy Commitments

Compliance with the Code of Conduct of the Group is an integral part of the onboarding process. All employees are required to attend a training course. Those expected to interact with customers and suppliers are also required to participate in separate training on the Company's anti-bribery and anti-corruption policies.

2-25 Processes to Remediate Negative Impacts

a) Processes to Remediate Negative Impacts

Everybody has access to the globally accessible independent Belimo Integrity Channel, where grievances can be submitted anonymously.

All information on negative impacts is escalated to the Head of Global Human Resources and the General Counsel.

b) Approach to Identify and Address Grievances

Each grievance is reviewed, internally investigated, and responded to.

c) Other Processes in the Remediation of Negative Impacts

None.

d) Stakeholders Involved in the Design, Review, Operation, and Improvement of These Mechanisms

The main stakeholders are the Global Head of Human Resources, the General Counsel, and the members of the Executive Committee and the Board of Directors.

e) Tracking the Effectiveness of the Grievance Mechanisms

Each grievance is tracked in the Belimo Integrity Channel and must be closed in the system once resolved.

2-26 Mechanisms for Seeking Advice and Raising Concerns

a) Mechanisms for Seeking Advice and Raising Concerns on Implementing the Organization's Policies

Seeking advice on implementing our policies and practices for responsible business conduct in the organization's operations and business relationships is part of all our ongoing stakeholder engagement.

Employees are encouraged to report violations of the Code of Conduct or breaches of applicable law or ethical standards through the globally accessible Belimo Integrity Channel, where grievances can be submitted anonymously. This mechanism is operated by an external provider and is available around the clock seven days a week, in German, English, and Chinese.

2-27 Compliance with Laws and Regulations

a) Number of Significant Instances of Non-Compliance With Laws During the Reporting Period

In 2023, Belimo is not aware of any instances of non-compliance with laws and regulations for which fines or non-monetary sanctions were incurred (2022: none).

b) Total Number and Monetary Value of Fines for Instances of Non-Compliance With Laws

In 2023, Belimo is not aware of any fines for instances of non-compliance with laws and regulations (2022: none).

c) Significant Instances of Non-Compliance

In 2023, Belimo is not aware of any instances of non-compliance with laws and regulations (2022: none).

d) Determining Significant Instances of Non-Compliance

In 2023, Belimo is not aware of any instances of non-compliance with laws and regulations (2022: none).

2-28 Membership Associations

a) Membership Associations

Belimo has been a member of the UN Global Compact (UNGC) since 2013 and is committed to environmental protection, responsible working practices, human rights, and protection against corruption. The UNGC is the largest international initiative for responsible company management. As a trusted partner around the world, Belimo is actively involved in associations that sponsor research in and formulate codes and standards. A list of our affiliated organizations can be found [here](#).

Stakeholder Engagement

2-29 Approach to Stakeholder Engagement

a) Approach to Engaging with Stakeholders

The stakeholders listed below have been identified by the Executive Committee as important stakeholders in that they fulfill the following two criteria: the stakeholder group exerts a strong influence on the economic, environmental, or social performance of Belimo and the stakeholder group is strongly affected by the economic, environmental, or social performance of the Company.

Sustainability at Belimo is geared toward several stakeholder groups and aims to create added value for all of these groups. Meeting the interests of a stakeholder group, such as customers, must not be at the expense of other stakeholders, such as employees or local interest groups. Customers appreciate reliable and innovative application solutions and high product quality. Further strengths include consulting and service expertise throughout all customer relationship phases and partnership interactions with suppliers and consultants.

Capital Market

The Group CFO and the Investor Relations Officer are the designated contact persons for the capital market (shareholders, portfolio managers, and analysts). They regularly attend investor meetings, calls, conferences, and roadshows. An Annual Report, including a Remuneration Report, and a Semi-Annual Report are published each year. The Company also organizes at least one Conference for Media and Financial Analysts, an Annual General Meeting, and a Capital Markets Day during the same period.

Customers

The Belimo sales organization consists of outside sales managers, application consultants, training managers, inside sales technicians, customer service representatives, and product management. It ensures excellent customer service while securing in-depth application know-how on the part of the Belimo organization. Digital customer experience is provided by the website with webshop, online training events, application apps, technical support, customer hotline, mailings, interviews, and, most importantly, personal consultations through Belimo sales managers. All customer interactions are managed through a Customer Relationship Management tool.

Employees and Vulnerable Groups

Belimo regularly conducts management training on its corporate mission and values as well as semi-annual performance reviews for all employees, new employee orientations, and social and team-building events. To assess employee engagement, a group-wide employee survey is conducted every three years.

Suppliers

Initial contact takes place within the scope of the assessment procedure and implementation of the Code of Conduct for Suppliers, close collaboration in joint development projects. Approximately 10% of the supplier base is audited each year.

Municipalities and Authorities

Regular exchanges on topics such as taxes, working permits, and the development of production sites are held with municipalities and authorities.

2-30 Collective Bargaining Agreements**a) Percentage of Total Employees Covered by Collective Bargaining Agreements**

In total, 7.5% (2022: 7.5%) of all employees are covered by collective bargaining agreements.

b) Determining Working Conditions for Employees Not Covered by Collective Bargaining Agreements

For employees not covered by collective bargaining agreements, the working conditions and terms of employment are determined by local labor law regulations.

GRI 3: Material Topics

3-1 Process to Determine Material Topics

a) Process to Determine Material Topics

The materiality analysis forms the basis of the Belimo sustainability strategy. Topics are deemed material if they have a significant impact on people, the economy, and the environment.

Belimo determines relevant topics by means of a materiality assessment according to three dimensions: strategic relevance for the business, impact on sustainable development, and relevance for key stakeholder groups of Belimo. By identifying these topics and implementing the following steps to address these material topics, Belimo aims to strengthen its stakeholder relationships, monitor high-level opportunities, safeguard against risks, and maintain its successful mid- and long-term growth performance.

An overview of the topics identified in the process, which started with an industry and peer evaluation and was developed in dialogue with Group management across the Company, is provided in the resulting materiality map. A detailed description of the process is disclosed in the Materiality Overview.

b) Stakeholders and Experts Involved in the Process of Determining Material Topics

Belimo uses a broad context analysis to identify a list of potentially relevant topics, taking into account industry-specific circumstances and studies, reporting standards, and customer, employee, and investor expectations.

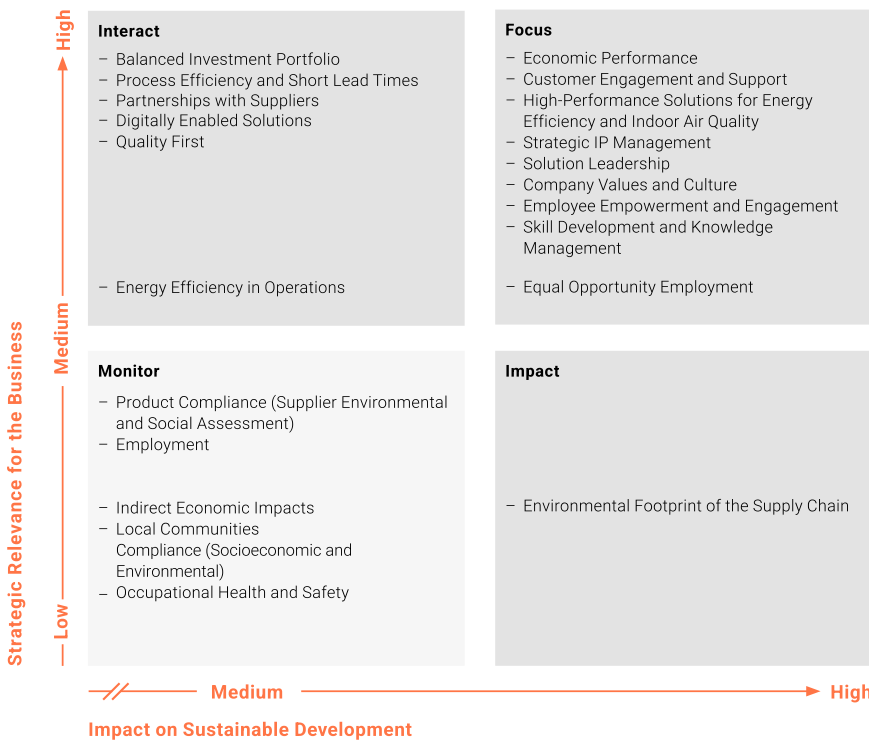
The resulting materiality map was set up internally by experts from various disciplines. Based on the material topics, a sustainability strategy and goals have been successively defined, and the sustainability reporting has been developed. For several years, the Group has been receiving support from an external consulting firm that specializes in sustainability strategy and reporting.

3-2 List of Material Topics

a) List of Material Topics

Belimo has identified the following 16 material topics, which are displayed in the dark-gray fields of the Belimo Materiality Map below:

Belimo Materiality Map



b) Changes to the List of Material Topics

The material topics remained unchanged compared to prior year.

Economic Topics

Economic Performance

3-3 Management of Material Topics

Why Is Economic Performance Important?

Successful economic performance is crucial for Belimo, as it enables us to create healthy indoor air and improve comfort while using less energy, both now and into the future. Delivering more value to our customers creates a virtuous cycle, leading to greater demand for products and more sales, boosting productivity and profitability.

What Is New in Economic Performance in 2023?

Belimo pursued its long-term growth and investment strategy unwaveringly and successfully throughout 2023. Thanks to our highly engaged employees and a strong network of suppliers, we were able to master the year's challenges exceptionally well. In line with the Group's strategy, we welcomed almost 100 additional new talents during the year under review. To sustain our future business, we also invested CHF 76.0 million, equivalent to 8.9% of our net sales, in research and development.

The most significant challenges came from a demanding economic environment leading to a slowdown of business momentum in the construction industry. For additional information, see [Direct Economic Value Generated and Distributed](#)

How Is Economic Performance Managed?

Belimo places significant importance on developing its niche and maintaining market leadership. The Company is committed to solving customer issues and safeguarding against competition by maintaining its leading market position in innovation and quality. It does this by focusing on organic growth and outsourcing manufacturing and services to those with greater expertise or more efficient economies of scale. Sustaining economic performance involves optimal use of available resources, as well as balancing growth and profitability. Sharing investment allocations between different business lines relies on the following processes: strategic planning (long-term), budgeting (annual), forecasting (during the year), and controlling actual returns and costs (continuous).

How Is Economic Performance Measured?

We track the following key performance indicators to measure our success in economic performance:

Sales

- Market volume and share by market region and business line.
- Sales growth by market region and business line.
- Price analysis by market region and business line.

Profitability

- Contribution margin analysis by market region and business line.
- Earnings before interest and taxes and net income development at Group level.
- Operating expenses by group division.

Cash flow

- Cash flow from operating activities.
- Free cash flow.
- Cash effective investments in property, plant, and equipment as well as in intangible assets.
- Dividend distribution.

Optimal use of capital

- Return on invested capital.
- Return on equity.
- Equity-to-fixed-asset ratio.
- Inventory period.

GRI 201: Economic Performance 2016 / 201-1**Direct Economic Value Generated and Distributed**

Net sales grew 7.2% in local currencies and 1.4%, to CHF 858.8 million, in Swiss francs in 2023. Earnings before interest and taxes (EBIT) came to CHF 152.5 million in 2023 (2022: CHF 152.4 million). With an EBIT margin of 17.8% (2022: 18.0%), profitability was very robust. This is despite the demanding economic environment, inflation trends, and foreign exchange developments that were unfavorable for Belimo given that its main cost base is in Swiss francs. Material costs normalized after having increased in 2022, owing to supply disruptions, higher energy costs, and inflation.

The Group achieved net income of CHF 136.8 million (2022: CHF 122.7 million). Earnings per share rose to CHF 11.14 (2022: CHF 9.99). Both figures were positively impacted by a one-time tax effect of CHF 17.1 million in 2023 absorbing a negative financial result of CHF 10.1 million driven by strong adverse foreign currency movements during 2023.

Operating cash flow increased to CHF 157.0 million (2022: CHF 112.9 million), positively affected by a decline in net working capital in the reporting period. In previous year, net working capital has been increased to maintain superior lead times in an environment of global supply chain shortages. Free cash flow amounted to CHF 135.9 million (2022: CHF 91.2 million), including a divestment of term deposits of CHF 25.0 million (2022: net divestment of CHF 35.0 million).

The Board of Directors is proposing a dividend of CHF 8.50 per share at the 2024 Annual General Meeting on March 25, 2024. This is based on the closing price of CHF 463.80 on December 29, 2023, equivalent to a return of 1.8% per share.

Customer Engagement and Support

3-3 Management of Material Topics

Why Is Customer Engagement and Support Important?

The use of digital tools in the planning, design, and execution of projects for building automation and control systems is becoming increasingly predominant and changing the pattern of physical interactions. Belimo is investing in this field to maintain its competitive advantage of excellent customer support that caters to the needs of a digitally adept generation of customers, and to ensure a strong emotional bond with them.

What Is New in Customer Engagement and Support in 2023?

Belimo continued to increase the level of interaction with its customers, through innovative digital initiatives and more personal touchpoints. To achieve this goal, the Company has evolved its e-commerce strategy, and continued to improve and enhance its website navigation, simplifying product selection in its online store to allow for more transparent order tracking. Belimo has also continued to optimize its cloud-based customer relationship management (CRM) system by introducing a ticketing workflow, computer telephony, and a global quoting tool. This will help to increase customer engagement and support, while making it more user friendly for employees and increasing both daily use and adoption rates. Moreover, Belimo has further increased the number of sales engineers in 2023 to 476 – from 442 in 2022 – to better support its customers in the field.

How Is Customer Engagement and Support Managed?

Belimo focuses on the following tools and assets to ensure the consistency of its customer engagement:

- Key to a great digital customer experience is the integration of all different data streams – be it customer-facing data, device data, or production data – and the connection of all these data pools in a meaningful way.
- A strong, local sales team that offers expert engineering advice in the customer's language.
- A digital technical support service that allows customers to communicate easily with support engineers.
- A customer relationship management system that strives to integrate service, sales, technical support, and product and quality organization.
- A fully integrated and seamless global website with e-commerce.
- Efficient sizing, selection, and specification software paired with well-balanced training courses.
- Dedicated employees for continuous process improvement, training, quality assurance, and compliance with data protection regulations.
- Well-documented internal policies and procedures that help our employees to be aware of their responsibilities and of upstream and downstream value-creation processes.

How Is Customer Engagement and Support Measured?

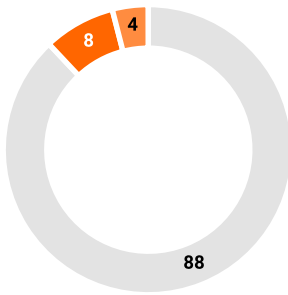
To measure customer satisfaction, Belimo conducts customer surveys, tracks material returns, and has implemented a customer-issue tracking system to assess its effectiveness in resolving customer problems. A key performance indicator for tracking the success of our e-commerce is the percentage of sales through our website and other digital channels.

Partnership with Suppliers

3-3 Management of Material Topics

Why Is Partnership with Suppliers Important?

Highly Externalized Production Costs



- Sourcing (Suppliers): 88%
- Assembly (Belimo): 8%
- Logistics/Customization (Belimo): 4%

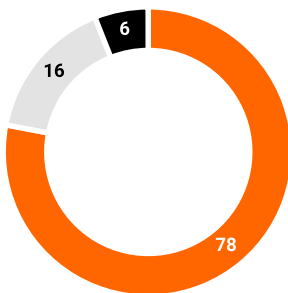
Split between internal and external value add, in percentage of total production costs in 2023

Belimo views its suppliers as key partners and the most critical element of its asset-light model (88% of production costs is outsourced, see graph on the left). They are critical to uphold the Company’s customer-oriented flexibility and deliver high-quality field devices that arrive on schedule. Especially in challenging times, these long-term partnerships are essential for high product availability.

Belimo suppliers are not only as providers of parts and assemblies, but key partners when developing specifications for products or services. They contribute significantly to the Company’s innovative capacity, as they help to fulfill end-users’ needs while cost-effectively meeting and exceeding mandates.

What Is New in Partnership with Suppliers in 2023?

Procurement by Region



- EMEA: 78%
- Asia Pacific: 16%
- Americas: 6%

Procurement volume by region, in percentage of total procurement volume in 2023

There were many operational challenges during the year under review, including material shortages in specific categories, reduced transportation capacity, and increased costs of materials, services, and transportation.

A critical project to reduce risk and make our supply chain even more resilient was initiated in 2023, further improving our global supply chain strategy (see graph on procurement volume by region on the left). A new concept regarding supplier contracts has also been rolled out to foster mutual relationship with our suppliers. Furthermore, we increased our capacity for supplier audits in 2023 by hiring additional experts in this field, further supporting our 412 suppliers in their development.

How Is Partnership with Suppliers Managed?

The main instruments for establishing new supplier relationships, and for evaluating existing ones, are audits, risk management, and category management. Suppliers are expected to grant Belimo full transparency to enable risk assessment. This can mean access to relevant financial records or evidence of adherence to standards, such as Belimo quality standards or safety standards, as well as showcasing the individual supplier's ability, availability, and capacity to work on projects.

Belimo strives for an active partnership with its suppliers' workforces, helping to develop their manufacturing processes to ensure long-term success. The ultimate ambition of the Company's supply chain strategy is to engage suppliers that mirror its culture and match its growth and thus to establish relationships characterized by trust and honesty. Once a collaboration has been established, Belimo looks primarily for suppliers that experience healthy profits, as this demonstrates their capability to innovate and invest in state-of-the-art, environmentally friendly technologies.

We audit around 10% of our suppliers every year, focusing on A, B, and special part suppliers (they are categorized on the basis of procurement volumes and/or their strategic importance). We take on between one and five new suppliers each year who are then subjected to initial audits, while at the same time gradually screening out non-compliant ones. Approximately 60% of our purchasing volume is sourced from suppliers with whom we have worked with for more than twenty years. On average, we have maintained relationships of more than ten years' standing with approximately two thirds of our suppliers.

How Is Partnership with Suppliers Measured?

To measure the success of how we manage the partnerships with our suppliers, we keep track of the following key performance indicators:

- Percentage of external production costs.
- Material expenses (including changes in inventories) in % of net sales.
- Threshold of Belimo sales for each supplier.
- Net sales per employee.
- Average duration of collaboration with a supplier.
- Number of supplier complaints (see Quality First).
- Number of audited suppliers per year (in % of total suppliers).
- Total number of suppliers.
- Procurement volume by main material groups.
- Procurement volume by region.
- Number of supplier-induced quality cases.
- Production cost ratios in final assembly, testing, and customization.

Process Efficiency and Short Lead Times

3-3 Management of Material Topics

Why Is Process Efficiency and Short Lead Times Important?

Frequent last-minute changes in planning, construction, installation, and commissioning are a significant challenge in the HVAC industry. Therefore, our customers highly value short lead times and reliable, on-time delivery. Short lead times are a primary competitive advantage of Belimo that result from super-efficient handling of all downstream processes. The continuing trend of direct, just-in-time shipments to installation sites further eliminates our customers' need to stock supplies and handle material, making them even more successful.

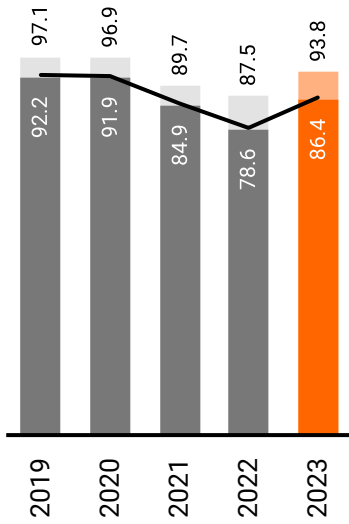
What is New in Process Efficiency and Short Lead Times in 2023?

During the period under review, Belimo continued to invest in logistics and customization capacities in its key locations in all three market regions.

Other projects in the period under review included:

- Implementation of the SAP Transportation Management module to continue improving the Company's industry-leading agile and responsive supply chain with the shortest possible lead times.
- Evaluation of partners to increase order visibility throughout the entire transportation chain. This will allow customers, subsidiaries, and customization centers to improve the tracking of orders, from the point of dispatch until delivery at the final location.
- Continued analysis of long-term global logistics and the customization footprint requirements, with the support of a digital twin to help plan and modify operations.
- Continuation of lean initiatives to drive process efficiency and general operational improvements.
- Broadening and optimizing the transportation sourcing strategy to focus on end-to-end visibility (supplier qualification, rationalization, leverage, etc.).
- Calculation of the transportation-related GHG footprint in accordance with the GLEC (Global Logistics Emissions Council) framework and the development of a global emissions reduction roadmap.

Global Delivery Performance



■ Last confirmed

■ First confirmed

— Trend line

On-time delivery performance, weighted data of all Belimo sites covering 100% of global deliveries

In 2023, the level and frequency of shipping – both air and sea – almost recovered to pre-COVID-19 levels. However, inflation continues to be the defining challenge in most of our main markets. This provides an opportunity for the Company to once again prove its operational excellence, and return its on-time delivery performance to pre-pandemic levels.

The global “first confirmed”-delivery percentage in the year under review was 86.4%, below the five-year average before the pandemic, but above the 2022 rate of 78.6% (see graph on the left).

How Are Process Efficiency and Short Lead Times Managed?

High flexibility and efficient processes are the basis for short lead times. The Group's set-up with nine customization centers around the world (see map below) allows for speedy deliveries because orders are adapted to local market needs, as close as possible to our customers. Customer proximity and process efficiency also minimize urgent international airfreight shipments and cut carbon emissions.



In the region, for the region: our global presence with nine Belimo logistics and customization hubs around the globe

A holistic understanding of the supply chain is key for short lead times and efficient end-to-end processes. Belimo therefore strongly focuses on continuous and proactive process improvements. Another crucial factor is the Company's far-sighted investment in logistics infrastructure, which has been continuously expanded over the last decade.

How Is Process Efficiency and Short Lead Times Measured?

Belimo tracks the following key performance indicators to gauge its global on-time delivery performance:

- First confirmed date: the delivery date initially promised after a customer places a sales order.
- Last confirmed date: the final confirmed date, adjusted to reflect an order that could not be fulfilled.
- On-time delivery of suppliers: the inbound delivery performance of distributors is tracked to help improve this aspect in the long run.
- Capacity and customer order backlog (open customer orders): this data is key for operational decision making and forms the basis for supplying transparent, reliable, and on-time information.
- Order cycle time: the process efficiency of all administrative and operational steps is measured to help identify possible task or project improvements.

Balanced Investment Portfolio

3-3 Management of Material Topics

Why Is Balanced Investment Portfolio Important?

Managing the portfolio in the interest of the Company's long-term success involves striking the right balance between investments in both existing and new portfolios. In its existing business, Belimo focuses on maintaining a broad, competitive, and differentiated product range and renewing selected sub-ranges at the end of their lifecycle. In its new business areas, Belimo aims to generate growth by developing unique and innovative products for existing customer groups. This will be, for example, through new sales approaches, extra marketing measures, or training.

What Is New in Balanced Investment Portfolio in 2023?

In the period under review, Belimo continued to expand its sales organization with Regional Application Specialists and Business Development Managers, who support our customers from the initial **RetroFIT+** project assessment all the way through to successful completion. Meanwhile, under the **Grow Asia Pacific** initiative, the Company continued to expand its market presence in China and particularly in India by increasing its sales and marketing resources. To further drive the **Digital Customer Experience** initiative, BIM (Building Information Modeling) specialists were appointed in all significant subsidiaries. Regarding the fundamental renewal of the core platforms for **Damper Actuators and Control Valves**, the Company reached another milestone in the product development process and is on track to launch the platforms in the coming years. Within its **Sensors and Meters** initiative, Belimo released BACnet and Modbus-compatible room sensors and room operating units. Lastly, the **Digital Ecosystem** also continued to grow with new collaborators joining.

How Is Balanced Investment Portfolio Managed?

A comprehensive annual strategy ensures that Belimo will strike this desired balance. The Markets and Innovation Committee, a formal team that is comprised of senior Belimo executives from the three sales regions, Product Management, Group Innovation, and Group Strategy, assesses and prioritizes projects to be released for development.

How Is Balanced Investment Portfolio Measured?

The key performance indicators of the different initiatives are tracked and discussed each quarter by the Executive Committee and the individual initiative manager. These generally include indicators for the:

- Dedicated headcounts.
- Sales growth per strategic growth initiative.

A key performance indicator per initiative is, for example:

- The number of collaborations in the Belimo Digital Ecosystem.

The following key performance indicators are examples of important operative figures that enable balanced allocations between investments in the different areas of the Company:

- Percentage of sales spent on research and development.
- Percentage of sales spent on marketing.
- Percentage of sales spent on training.
- Incremental sales of new products in their fifth year since market launch divided by net sales.

Strategic IP Management

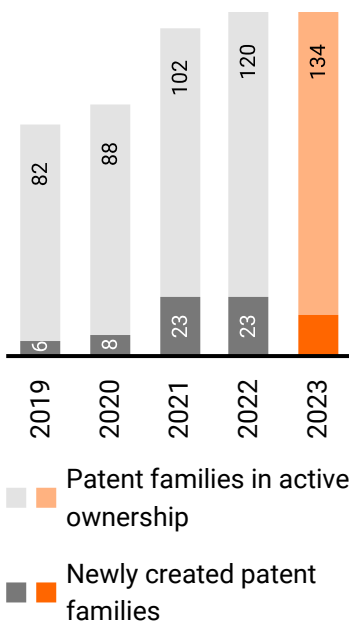
3-3 Management of Material Topics

Why Is Strategic IP Management Important?

The primary reason for pursuing strategic intellectual property (IP) management is to ensure that both Belimo and its customers have the right to use products developed by the Company (freedom to operate). Secondly, deploying strategic IP management helps protect essential elements in the customer journey, as well as technological advantages and subsequent innovation leadership. Continuously assessing the value of IP rights and the optimal use of service providers ensures cost-effective operation.

What Is New in Strategic IP Management in 2023?

Intellectual Property Overview



Belimo filed a slightly lower number of new patent applications in 2023 compared to the previous year, further strengthening its IP portfolio. In total, 16 new patent families were created, increasing the number in active ownership to 134 patent families.

Belimo also strengthened its IP protection in the year under review, covering the entire customer journey to ensure that customer groups have the freedom to operate.

Development of the number of patents of Belimo

How Is Strategic IP Managed?

Our strategic IP management team continuously monitors ongoing development projects in the search for new patents, mapping out and analyzing their status in each business line. In addition, new application or technology patents in the HVAC industry are regularly monitored to ensure freedom to operate and to stay up to date with any advancements in the market. This approach allows developers to focus primarily on their own roles. IP management also includes defining rules and dividing the work between development partners before a project is started. These aspects are well-documented in development and non-disclosure agreements. If required, Belimo evaluates the licensing of advanced technologies for its products. Additionally, IP management maintains a patent database for tracking and sharing relevant information.

Strategic IP management is especially relevant in the age of digitization. Belimo puts significant effort into monitoring activities in this field, as it is increasingly competing with IT companies that file for a vast number of patents. This field is another vital intellectual property area and Belimo has already filed several patent applications.

How Is Strategic IP Management Measured?

We track the following key performance indicators to assess our performance regarding the management of IP:

- Patent families in active ownership.
- Newly created patent families.
- Number of cross-licensing agreements as an indicator of friendly relationships between Belimo and other companies, especially competitors.
- Total intellectual property related litigation cost in Swiss francs.
- Number of patents in the field of digitization.
- Quality of patents in relation to the mid- and long-term needs of the business lines and the Company strategy (a qualitative key performance indicator that is measured through the feedback from business line leaders).

Solution Leadership

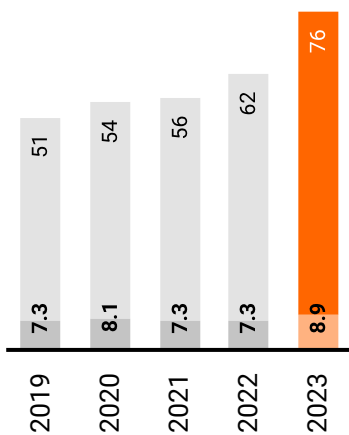
3-3 Management of Material Topics

Why Is Solution Leadership Important?

We strive for market and technological leadership. We invest substantially more than our competitors in innovation to surprise the market with unique solutions that offer more customer value in their applications. Our full attention is focused on heating, ventilation, and air-conditioning applications, with the mission to “Create Healthier Indoor Comfort with Less Energy.”

What is New in Solution Leadership in 2023?

Spending on Research and Development



Research and development costs, in CHF million (in light) and in percentage of net sales (in bold)

Investment in research and development is vital for maintaining successful solution leadership. A key performance indicator for this is the resources dedicated to research and development as a percentage of net sales. This share has remained stable at a rate of more than 7% over the last five years, amounting to 8.9% in 2023 (see graph on the left).

One of the key achievements in solution leadership in the period under review was reaching another milestone in the fundamental renewal of the core platforms for the majority of Belimo field devices. The Company also increased the number of employees in its three dedicated innovation hubs – Danbury in the Americas, Großröhrsdorf in EMEA, and Shanghai in Asia Pacific – making its research and development activities more international.

How Is Solution Leadership Managed?

We generally refrain from investing in material assets and instead concentrate on developing our employees, products, markets, and quality standards. We diversify in depth rather than in breadth. We see innovation as one of the most critical factors for long-term success. The challenges of our customers and of new technology trends inspire us to develop groundbreaking solutions. During the product creation process, our customer-centric method CESIM[®] ensures that the project team never loses sight of the primary purpose and customer benefit of a product. As part of CESIM[®], an array of customer segments, suppliers, and development partners become involved at an early stage. This allows us, together with our stakeholders, to find and verify innovative approaches and ideas.

How Is Solution Leadership Measured?

To gauge the success in solution leadership, we track the following key performance indicators:

- Resources dedicated to research and development as a percentage of net sales.
- Resources dedicated to research and development compared to competitors.
- Research and development investments in different segments compared to changes in sales or market share of the corresponding segments.
- Overall strategic development of the product range.
- The number of quality cases.
- Achievement of individual metrics at the dedicated stages, gates, and deliverables for every innovation project.
- Belimo maintains a “strategic products” reporting that tracks existing products’ sales and margin development for selected strategic, high-performance products. This report is sent to all managers and serves as a basis for management reviews.

Quality First

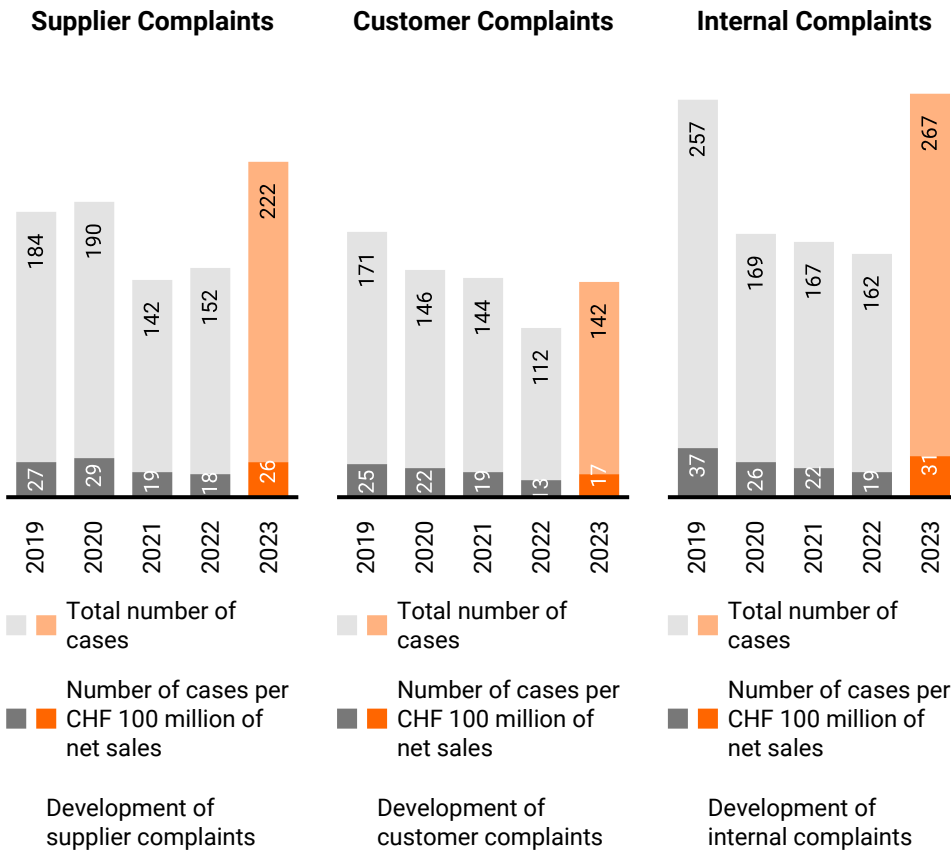
3-3 Management of Material Topics

Why Is Quality First Important?

As the global market leader in HVAC field devices, we provide our customers with more value and deliver higher-quality products with comparatively longer warranty periods. All Belimo employees are encouraged to assume their share of responsibility for safeguarding our Quality First standards.

What Is New in Quality First in 2023?

The Company's quality strategy and organization were further strengthened during the reporting period, with a concentration on scaling and streamlining global processes to support continued growth and increase transparency. Similarly, a globally uniform audit tool was introduced, which allows for easier tracking and sharing of results and key learnings. The management of product and operational requirements has been another area of focus, and a compliance expert role was created to support this. Furthermore, supplier quality engineering has been added to the product creation process to improve quality-related planning. The number of customer, supplier, and internal complaints in 2023 in each category in relation to net sales compared to the previous years is shown below:



How Is Quality First Managed?

We achieve the highest quality by sharing responsibility between all employees and are enforcing the quality first standard through workshops in all divisions. This ensures that everyone in the Company becomes an intrinsic part of the development cycle and, by raising awareness among our employees, we commit to living up to the strict quality standards that we have pledged. Belimo employees are encouraged to constantly seek new ways to improve operational excellence at every step of the value chain. If issues are discovered, an online form can be used to open an internal quality, environmental, or safety case. The input from these forms is analyzed and suitable action is subsequently taken.

How Is Quality First Measured?

We track several key performance indicators to evaluate the success of our Quality First approach, including:

- Total and relative number of supplier complaints.
- Total and relative number of customer complaints.
- Total and relative number of internal complaints.
- Total warranty expenses in CHF 1'000.
- Number of return merchandise authorizations (RMA).

Environmental Topics

Energy Efficiency in Operations

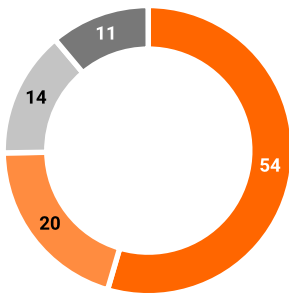
3-3 Management of Material Topics

Why Is Energy Efficiency in Operations Important?

As Belimo stands for energy-efficient HVAC field devices, its stakeholders expect the Company to run energy-efficient operations. With this in mind, Belimo focuses its efforts on reducing its environmental footprint where it considers itself most qualified and where it achieves the most significant impact – in its very own buildings.

What Is New in Energy Efficiency in Operations in 2023?

Energy Consumption Overview



- Electricity, renewable (purchased and in-house production): 54%
- Electricity, non-renewable (purchased): 20%
- Natural gas: 14%
- District heating: 11%

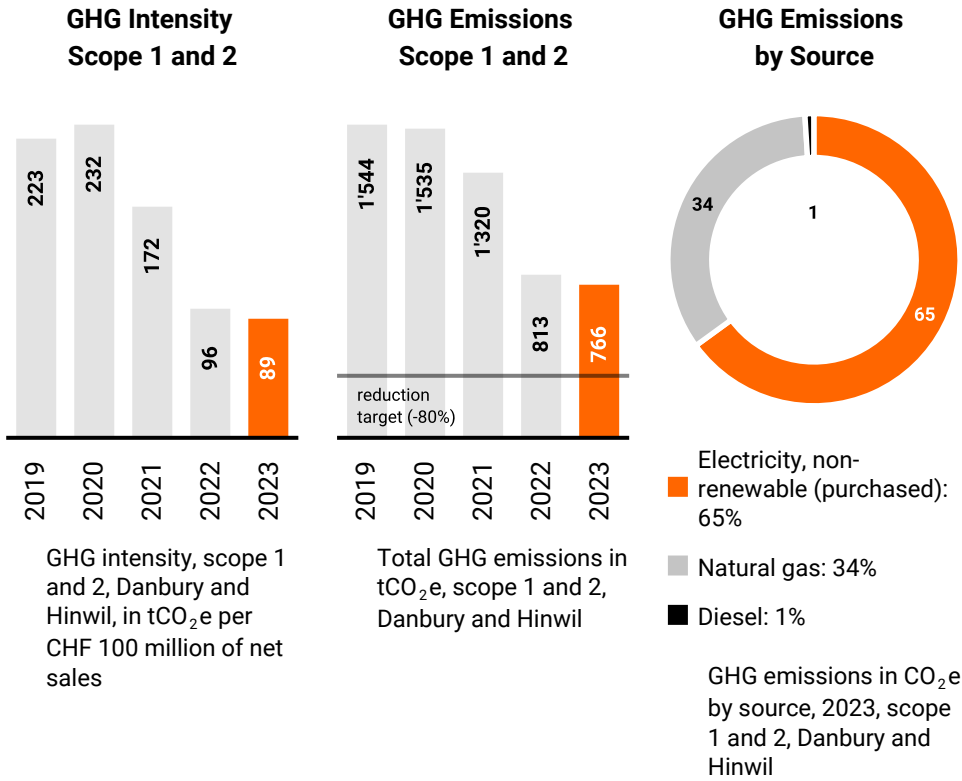
Energy consumption by source, Danbury and Hinwil, 2023 (calculation basis: Megawatt hours)

The trend towards adopting renewable energy sources continued in 2023, accounting for as much as 54% of total energy consumption (see graph on the left). To put this number into perspective: the two main Belimo sites – Danbury, Connecticut, USA and Hinwil, Switzerland – accounted for approximately 80% of total energy consumption.

Photovoltaic installations at various Belimo sites already contributed 11.1% or 1'029 megawatt hours (MWh) to total energy consumption, which is included in renewable electricity in the graph on the left:

Energy Production at Belimo in MWh	2023	2022	2021	2020
Photovoltaic electricity production	1'029	828	1'075	373

Regarding GHG emissions in scope 1 and 2, the Company’s reduction target is to achieve an 80% reduction of GHG emissions in its two main sites Hinwil and Danbury by 2025 (compared to 2019, see center graph below).



To achieve this reduction goal, Belimo has continued to drive technical, organizational, and behavioral energy-saving measures during the reporting period, which include, among others:

- **Technical measures** such as upgrading or replacing HVAC systems to more energy-efficient solutions at our Hinwil and Danbury sites, upgrading to modern LED lights, and installing electricity meters to allow more clarity where further savings could be achieved.
- **Organizational measures** such as the switch to renewable electricity.
- **Behavioral measures** are entered around an internal communications campaign to highlight every employee's contribution in response to the energy crisis in early 2023.

Combined, these initiatives led to an additional 5.8% reduction of GHG emissions in Belimo-owned buildings compared to 2022 (overall reduction of 50.4% compared to 2019). GHG intensity – measured in tCO₂e per CHF 100 million of net sales – has meanwhile decreased once again in 2023 due to more renewable electricity sources and the sales growth.

Emissions from Scope 3: Business Travel

Meanwhile, emissions from scope 3, business travel, increased to 315.7 tCO₂e of emissions per CHF 100 million of net sales:

Business Travel ¹⁾	2023	2022	2021	2020
Emissions caused by air travel of employees in tCO ₂ e per CHF 100 million of net sales	315.7	211.9	64.3	79.2

¹⁾ Disclosure includes employees of the sites Danbury (CT, USA) and Hinwil (Switzerland).

How Is Energy Efficiency in Operations Managed?

Belimo relies on its building management system that allows the Company to display, supervise, and collect data from its major sites. This ensures its premises are managed in the best possible manner and achieves transparency as to where all the different forms of energy are being used, including energy demand, recycling, and waste. The collection of this data therefore paves the way for the introduction of tailor-made, local energy-saving measures. Belimo also strives to continuously improve energy consumption and reduce waste in production in accordance with lean management principles by continually analyzing the energy used in production processes at its sites.

How Is Energy Efficiency in Operations Measured?

Belimo tracks the following key performance indicators to gauge the success of managing energy efficiency in operations:

- Number of ISO 14001, ISO 9001, and ISO 45001-certified Belimo sites.
- Passed audits by the Swiss Association for Quality and Management Systems (SQS) and the China Quality Certification Center (CQC) in China.
- Percentage of modern LED lighting in Belimo facilities.
- Energy sources (renewable/non-renewable).
- Total energy costs in CHF and energy costs in percent of net sales.

In-house energy production:

- Installed Megawatt Peak (MW_p) of photo-voltaic installations and its share of total energy consumption in Megawatt hours (MWh).

tCO₂e of emissions:

- Direct from owned or controlled sources – scope 1.
- Indirect from the generation of purchased energy – scope 2.
- Caused by air travel by employees – part of scope 3.

Energy and GHG intensity:

- Total energy consumption and GHG emissions per CHF 100 million of net sales.
- kWh and kgCO₂e per CHF 1'000 of net sales, per employee, and per actuator sold.

Recycling and disposal:

- Metric tons for recycling, incineration, and hazardous waste (electronics and separated materials).
- Cubic meters of wastewater.

GRI 302: Energy 2016 / 302-1 Energy Consumption within the Organization

Scope: Danbury and Hinwil; encompassing approximately 80% of total energy consumption within Belimo

Energy Consumption by Source in MWh (Scope 1 and 2) ¹⁾	Danbury (CT, USA)	Hinwil (Switzerland)	Total
2023			
Electricity, non-renewable (purchased)	1'891	-	1'891
Electricity, renewable (purchased and in-house production)	2'121	2'921	5'042
Natural gas	1'275	-	1'275
District heating	-	1'026	1'026
Diesel	29	-	29
Total	5'315	3'946	9'261
2022			
Electricity, non-renewable (purchased)	1'944	-	1'944
Electricity, renewable (purchased and in-house production)	2'005	3'330	5'336
Natural gas	1'407	-	1'407
District heating	-	1'003	1'003
Diesel	51	-	51
Total	5'407	4'333	9'741

¹⁾ Disclosure includes data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

Floor Area in m ² ¹⁾	Danbury (CT, USA)	Hinwil (Switzerland)	Total
2023			
Floor area of all buildings on site	20'493	35'360	55'853
2022			
Floor area of all buildings on site	18'263	35'360	53'623

¹⁾ Disclosure includes data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

Recycling and disposal in metric tons (unless indicated otherwise) ¹⁾	Danbury (CT, USA)	Hinwil (Switzerland)	Total
2023			
Recycling	362	295	657
Incineration	95	161	255
Hazardous waste (electronics, separated materials)	0	1	1
Wastewater, in m ³	3'854	6'266	10'120
2022			
Recycling	358	433	791
Incineration	77	184	261
Hazardous waste (electronics, separated materials)	-	2	2
Wastewater, in m ³	6'500	6'212	12'712

¹⁾ Disclosure includes data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

GRI 302: Energy 2016 / 302-3 Energy Intensity

Energy Intensity in kWh (Scope 1 and 2) ¹⁾	2023	2022
Energy intensity per CHF 1'000 Group net sales	10.78	11.50
Energy intensity per employee (average FTEs)	4'171.43	4'762.87
Energy intensity per actuator sold	1.27	1.22

¹⁾ Disclosure includes energy data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

High-Performance Solutions for Energy Efficiency and Indoor Air Quality

3-3 Management of Material Topics

Why Is High-Performance Solutions for Energy Efficiency and Indoor Air Quality Important?

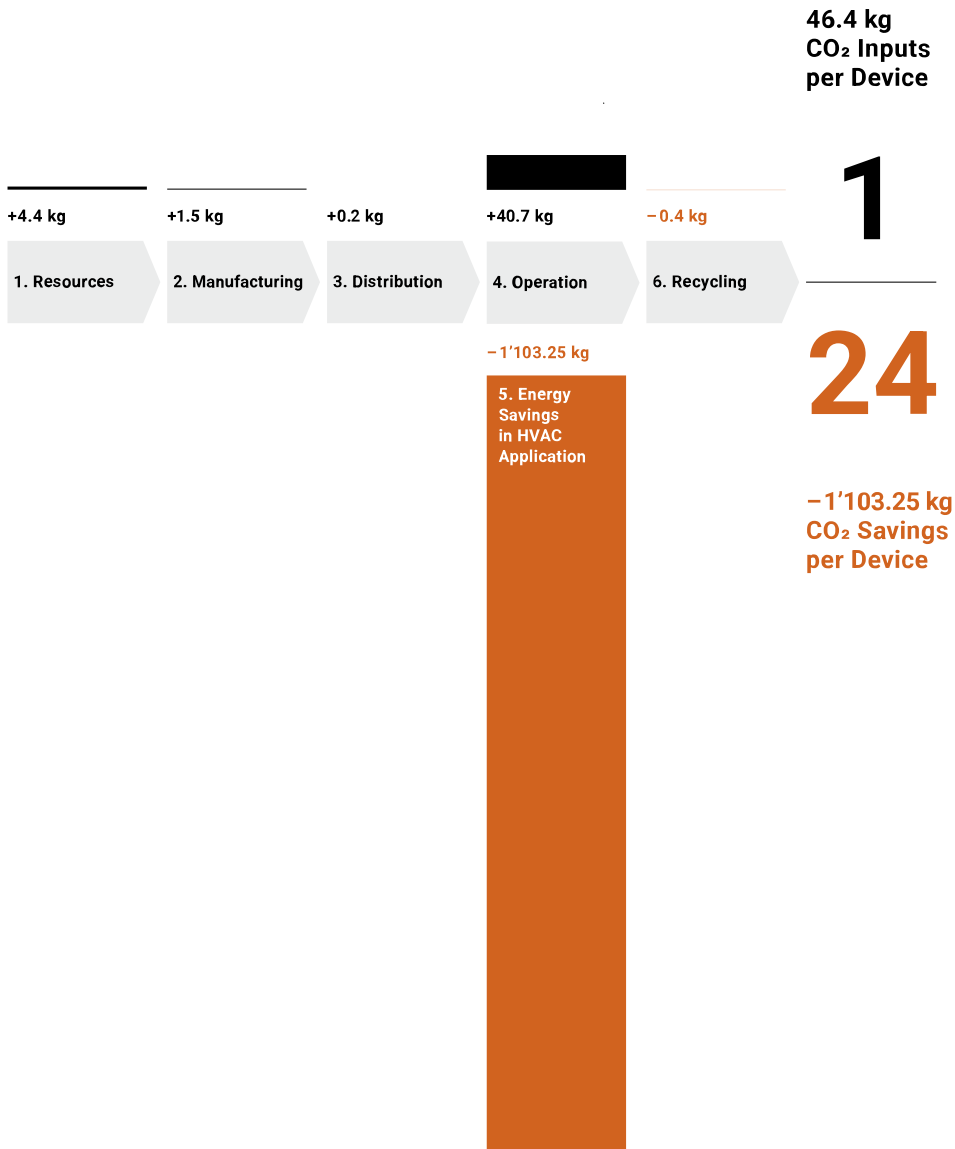
To quantify the energy leverage of its field devices and assess their impact over the entire lifecycle of a typical HVAC system, Belimo established an impact model in 2019. This allows us to better understand where energy optimizations in our value chain have the strongest leverage.

What Is New in High-Performance Solutions for Energy Efficiency and Indoor Air Quality in 2023?

The Company's field devices once again contributed to avoiding 7.7 million tons of CO₂e in 2023, calculated by the average savings of an air-side and a water-side actuator multiplied by the number of units shipped.

How Is High-Performance Solutions for Energy Efficiency and Indoor Air Quality Managed?

Belimo has structured its energy-impact model along six lifecycle steps:



Weighted average impacts of air-side and water-side field devices.

- Resources:** The model considers “gray” energy content included in materials used to build a typical field device (steel, copper, aluminum, plastics, electronics, and cardboard).
- Manufacturing:** Also considered in our model is the energy needed to manufacture, assemble, and test the field devices.
- Distribution:** The model considers the average amount of transportation energy needed to deliver a Belimo field device to the customer.

4. **Operation:** The model then calculates the energy a Belimo field device uses during operation, taking into account the energy used in standby mode and when it is actuated.
5. **Energy Savings in HVAC Application:** Even though typical HVAC systems operate much the same way around the world, significant variations arise due to differences between climate zones and power generation. Annual energy savings are therefore calculated based on the consumption of a typical HVAC system that operates with a global average heating and cooling load profile and with typical electrical power consumption.
6. **Recycling:** Belimo strives to minimize waste generated at the end of life of its products. This often coincides with the end of life of an entire HVAC system and is difficult to manage and track.

How Is High-Performance Solutions for Energy Efficiency and Indoor Air Quality Measured?

To quantify our impact, the following levers and assumptions are key:

- The assumed lifetime: In our model, a conservative service life of 15 years is assumed. The actual lifetime is often 20 years or longer, made possible by the high quality and reliability of components used in Belimo actuators.
- The total leverage: The ratio of the energy-saving impact of a Belimo device in the field compared to all input factors. For air-side field devices, this ratio is 21 and for water-side field devices 31, with a weighted average of 24.
- The weighted CO₂ impact of an air-side and water-side actuator: This figure (-1'103 kg CO₂e) multiplied by the number of actuators shipped per year equals the total avoided tCO₂e emissions of Belimo field devices.
- The applicable efficiency class of Belimo devices: Each efficiency class stipulated by EN ISO 52120-1:2022 exhibits a different energy savings factor during operation, ranging from 55% (A types) to 29% savings (C types). For its field devices, Belimo assumes a distribution of 30% A types, 60% B types, and 10% C types.

GRI 305: Emissions / 305-1 Direct (Scope 1) GHG Emissions, 305-2 Energy Indirect (Scope 2) GHG Emissions

GHG Emission by Source in tCO ₂ e (Scope 1 and 2) ¹⁾	Danbury (CT, USA)	Hinwil (Switzerland)	Total
2023			
Electricity, market-based	501	-	501
Natural gas	257	-	257
Diesel	8	-	8
Total	766	-	766
2022			
Electricity, market-based	515	-	515
Natural gas	284	-	284
Diesel	14	-	14
Total	813	-	813

¹⁾ Disclosure includes data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland). Calculation of emissions: Danbury 2022 and 2023 according to US EPA and Ecoinvent version 2.2. Hinwil 2022 and 2023 electricity purchased from European hydropower according to "Leitfaden Stromkennzeichnung des Bundesamtes für Energie (BFE)".

GHG Emission by Scope in tCO ₂ e ¹⁾	2023	2022
Scope 1: Direct emissions from owned or controlled sources	265	298
Scope 2 - market-based: Indirect emissions from the generation of purchased energy	501	515
Total	766	813

¹⁾ Disclosure includes data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

GRI 305: Emissions / 305-4 GHG Emissions Intensity

GHG Emissions Intensity in kgCO ₂ e (Scope 1 and 2) ¹⁾	2023	2022
GHG emissions intensity per CHF 1'000 Group net sales	0.89	0.96
GHG emissions intensity per employee (average FTEs)	345.05	397.49
GHG emissions intensity per actuator sold	0.10	0.10

¹⁾ Disclosure includes emission data for the sites in Danbury (CT, USA) and in Hinwil (Switzerland).

Digitally Enabled Solutions

3-3 Management of Material Topics

Why Is Digitally Enabled Solutions Important?

By providing simple and secure access to our digital ecosystem, we help our customers digitize their energy- and comfort-optimizing solutions and maximize the value of their installations. Efficient digitally supported workflows and quality checks create transparency and actionable insights that allow them to deliver more reliable solutions than ever. At the same time, data helps Belimo to understand changes in the device usage of the specific building and application trends, ensuring its field devices remain relevant and continue to provide value for its customers and theirs. Furthermore, supporting common network platforms and providing edge logic and valuable data are strong points of differentiation and a source of additional growth for the Company.

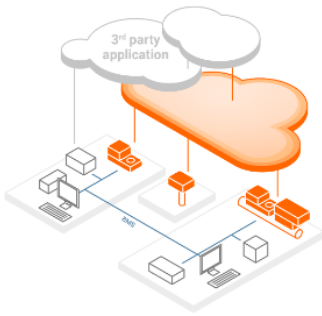
What Is New in Digitally Enabled Solutions in 2023?

During the period under review, the Belimo Digital Ecosystem improved in four areas:

- **Intelligence:** Enhancing the firmware that enables the intelligence of HVAC applications – such as demand-controlled ventilation – that runs on each of our digital devices.
- **Integration:** Enabling communication between our devices and other digital agents such as Building Automation and Control Systems and Building Internet of Things solutions.
- **Interaction:** Facilitating interactions between installers and our field devices through the Belimo Assistant App.
- **Insight:** Enabling valuable insights by integrating our field devices' digital twin.

The growth of the Belimo Digital Ecosystem and its applications during the reporting period is reflected by the increasing number of collaborators, which is currently at 30. To ensure the scalability of the Belimo Digital Ecosystem, all of the Company's devices are modular and standardized, which has many advantages. For example, standardizing the interfaces of our field devices makes it easier to comprehend their digital offerings, which helps users to take full advantage of all features.

How Is Digitally Enabled Solutions Managed?



Seamless integration of Belimo field devices – thanks to digital twins

The digital ecosystem enables the means to offer flexible and seamlessly available system integration and high-quality device data.

Belimo continues to increase the number of network- and cloud-capable devices that it offers and the number of devices that generate their own digital twins. Customers who own a Belimo Internet of Things device also own its digital twin and the data it collects. They can interact with it through the Belimo Cloud or an application program interface – which can be made of use by third-party applications – and aggregate the data collected by Belimo devices for a holistic building overview.

Subject matter experts are focused on this topic, ensuring the Company remains the global leader in HVAC systems. It is crucial not only to offer the best products in traditional uses, but also to become a digital enabler of HVAC applications. For this purpose, Belimo supports all popular technologies and protocols and keeps pace with market trends.

How Is Digitally Enabled Solutions Measured?

We track the following key performance indicators to help measure the success of our management performance with respect to digitally enabled solutions:

- The number of external companies integrating the Belimo digital ecosystem in their solutions.
- The number of field devices that synchronized with their digital twin at least once in operation.
- The increase in sales of connected devices.

Environmental Footprint of the Supply Chain

3-3 Management of Material Topics

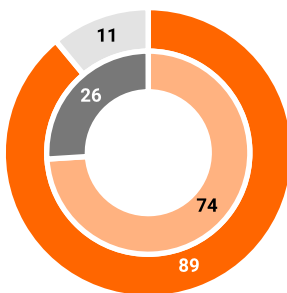
Why Is the Environmental Footprint of the Supply Chain Important?

Upstream suppliers are mission critical to the business model, the sustainability mission, and the Quality First values at Belimo. While pollution impacts the environment and violates our ethical standards, resource efficiency and waste reduction lower costs, which is another reason why we go to great lengths to minimize the environmental impact of our upstream supply chain.

What Is New in Environmental Footprint of the Supply Chain in 2023?

Belimo continued to implement its new global supply chain strategy in the period under review, centered around a key project focusing on the reduction of GHG along its entire supply chain. Also in 2023, Belimo was able to increase purchasing volumes with ISO 14001 and 9001 certified suppliers, reaching current volumes of 74% and 89%, respectively (see graph on the left below). Belimo also started tracking the coverage with occupational health and safety management systems – certified to ISO 45001:2018 – in its supply chain.

ISO-Certified Suppliers



■ ISO 9001 certified: 89%

■ Not ISO 9001 certified: 11%

■ ISO 14001 certified: 74%

■ Not ISO 14001 certified: 26%

Procurement volume from ISO-certified suppliers 2023, as percentage of total procurement volume

EcoVadis Silver Medal



In 2023, Belimo was again awarded the EcoVadis silver medal

Belimo was again awarded a silver medal by EcoVadis in 2023, with an overall score of 60/100, in recognition of its sustainability achievements. In 2023, the Company shared its EcoVadis scorecard a total of 51 times, which leads to a total of 77 shared EcoVadis scorecards. Almost all companies involved in procurement have signed the [Belimo Supplier Principles](#), which prohibit gross violations of environmental laws. All A-suppliers have signed the principles, and only suppliers with small to medium-sized volumes did not sign.

How Is the Environmental Footprint of the Supply Chain Managed?

When it comes to ecological, social, and government standards, we make the same demands of our suppliers as we do of our internal service providers. Our sustainability and social responsibility principles regarding suppliers are set out in the [Belimo Supply Chain Policy](#). All suppliers are expected to sign the Belimo Supplier Principles, to comply, and to demand conformity from their sub-suppliers as well. Due diligence helps to mitigate the risks from flawed supplier practices. Contract management is one instrument for holding third parties accountable, and both selected new and existing suppliers must undergo regular process audits, during which we verify their adherence to the Belimo Supplier Principles.

How Is the Environmental Footprint of the Supply Chain Measured?

To gauge the success of managing the environmental footprint of the supply chain, we adduce the following key performance indicators:

- Procurement volume from Belimo Supplier Principles signatories (in % of total procurement volume).
- Procurement volume from ISO 14001, ISO 9001, and ISO 45001-certified suppliers (in % of total procurement volume).
- Number of shared EcoVadis scorecards and our overall EcoVadis score.

**GRI 416: Customer Health and Safety 2016 / 416-1
Assessments of the Health and Safety Impacts of
Product and Service Categories**

Belimo strives to avoid the use of materials that place an unnecessary strain on the environment and are difficult to discard. It is our goal to avoid the use of critical substances that pose a risk to the environment and to people's health and safety.

The Group Quality & Sustainability organization is responsible for product compliance with guidelines and regulations that govern the use of critical substances and conflict minerals in our products. These guidelines and regulations address the requirements of EU-RoHS, EU-REACH including reporting to ECHA's SCIP database, California Prop 65, Conflict Minerals reporting, amongst others. The ever-increasing volume of requirements that govern the industry is continuously analyzed, and the findings flow into processes and products. Regulations of banned or reportable substances are covered in the Belimo list of hazardous substances, which is an integral part of the supplier agreement provided to the suppliers, and with which suppliers must ensure compliance.

**GRI 416: Customer Health and Safety 2016 / 416-2
Incidents of Non-Compliance Concerning the
Health and Safety Impacts of Products and
Services**

Belimo also relies on industry-accepted tools, such as FMEA (Failure Mode and Effect Analysis), and an in-depth risk analysis during the design process. Furthermore, all Belimo products undergo first-article inspection and series testing before distribution.

Legal and compliance matters concerning customer health and safety are listed in the Belimo requirement specifications. The Group is not aware of any health and safety incidents of its products. It is therefore considered that the Belimo requirement specifications are appropriate and are complied with.

Social Topics

Employee Empowerment and Engagement

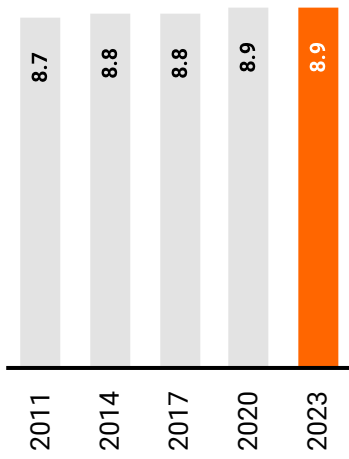
3-3 Management of Material Topics

Why Is Employee Empowerment and Engagement Important?

Belimo sees the engagement of its employees as a competitive advantage and believes that employee satisfaction leads directly to customer happiness. An empowered and engaged workforce is essential to market success, as it maintains a high level of customer support and innovative leadership. Employees are empowered through a high level of autonomy and responsibility in the decision-making processes for their specific organizational tasks.

What Is New in Employee Empowerment and Engagement in 2023?

Employee Engagement



Development of employee engagement on a scale from 1 (lowest rating) to 10 (highest rating)

The employee engagement score is a pivotal key performance indicator for gauging staff commitment, which is obtained through a survey conducted every three years. It achieved an outstanding score of 8.9 (see graph on the left) in the period under review, with an excellent participation rate of 90% (1'978 out of 2'198 employees), further demonstrating the high level of employee commitment.

Another key performance indicator in assessing employee engagement is staff turnover, which averaged 8.0% in 2023, down from 8.4% in 2022.

In the 2023 survey, employees were asked questions anonymously on central workplace subjects, including job content, structures, processes, collaboration, the Executive Committee, dealing with change, line managers, employee promotion, and remuneration. The subject areas that achieved the highest agreement overall at 8.9 included:

- **Team collaboration**, which reflects a good feedback culture through helping each other when work is difficult, as well as being able to speak one's mind freely and openly express criticism.
- **Customer orientation**, focusing on customer-oriented behavior, and placing the utmost importance on knowing their needs and expectations, which is one of our values.

- **Direct manager and supervisors**, including attributes such as openness, honesty, and living company values.

How Is Employee Empowerment and Engagement Managed?

For Belimo, Employee Empowerment and Engagement begins with transparent communication and a culture of trust. Creating a trusting work environment, where employees can thrive and unleash their full potential, is a primary aspiration of our Company. Belimo regularly conducts management training on its corporate mission and values to ensure that employees remain empowered and engaged. Managers are trained to foster participation in a trial-and-error culture and to align their decision-making process with the mission and values of Belimo. It is an essential responsibility of managers across all levels to act as role models, to represent the values of the Company, and to lead by example. Belimo also regularly supports social and team-building events.

How Is Employee Empowerment and Engagement Measured?

Key performance indicators closely linked to Employee Empowerment and Engagement are engagement scores, employee tenure, turnover, and absenteeism rates. Currently, we report the engagement score and global employee turnover rates. We plan however to add global tenure to our reporting in the future.

Engagement Score

- The leading indicator for assessing employee engagement is the “engagement score.” It is obtained through a group-wide employee survey conducted every three years. Employees are polled anonymously regarding central workplace subjects and individual teams analyze the results to implement corrective measures.

Employee Tenure

- The amount of time an employee has been employed by Belimo or the average amount of time that all current employees have been employed by the Company.

Employee Turnover

- Belimo defines employee turnover as terminations by employees (all reasons) or by the Company (inadequate performance), not including departures of apprentices or temporary employees, retirements, deaths, or terminations by the employer due to economic reasons.

GRI 401: Employment 2016 / 401-1 New Employee Hires and Employee Turnover

New Hires (Headcount)	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
2023					
Female	25	41	50	116	33.0%
Male	57	86	93	236	67.0%
Total	82	127	143	352	100.0%
< 30 years	30	32	41	103	29.3%
30 – 50 years	38	75	89	202	57.4%
> 50 years	14	20	13	47	13.4%
Total	82	127	143	352	100.0%
2022					
Female	58	100	71	229	45.3%
Male	74	91	111	276	54.7%
Total	132	191	182	505	100.0%
< 30 years	57	63	46	166	32.9%
30 – 50 years	58	103	113	274	54.3%
> 50 years	17	25	23	65	12.9%
Total	132	191	182	505	100.0%

Employee Turnover (Headcount)	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
2023					
Female	22	22	28	72	39.1%
Male	37	35	40	112	60.9%
Total	59	57	68	184	100.0%
< 30 years	22	14	11	47	25.5%
30 – 50 years	18	31	48	97	52.7%
> 50 years	19	12	9	40	21.7%
Total	59	57	68	184	100.0%
2022					
Female	23	29	27	79	43.9%
Male	22	37	42	101	56.1%
Total	45	66	69	180	100.0%
< 30 years	15	7	12	34	18.9%
30 – 50 years	17	45	49	111	61.7%
> 50 years	13	14	8	35	19.4%
Total	45	66	69	180	100.0%

GRI 403: Occupational Health and Safety 2018 / 403-9 Work-Related Injuries

The safety of our employees is of the highest priority for Belimo. A safe and healthy work environment not only safeguards our employees from accidents and injuries, but it also enhances the well-being and the morale at the workplace. In addition to that, not only our employees are protected, but the secure workplace also contributes to long-term organizational success and sustainability.

To improve on our safety culture and enhance the well-being of our employees, Belimo has decided to implement an ISO 45001 Management System on a group level. The integration of ISO 45001 into our current ISO 9001 and ISO 14001 Management System will mean that we will build a robust framework for hazard identification, risk assessment, and control measures, as well as promoting employee involvement and compliance.

A vital way to measure our success in safety and security is setting and measuring goals and targets. One of these targets is the Lost-Time Incident Frequency Rate (LTIFR). The LTIFR reflects the number of incidents that resulted in lost workdays per two hundred thousand hours worked. By tracking our performance on LTIFR, we get an indication of the safety of our work environment. It also enables us to compare our performance with the performance of companies with a similar risk level.

Belimo actively wants to improve on its LTIFR performance and thus demonstrate our commitment to prioritizing the health and safety of our employees. In addition to that, improving on LTIFR performance will also lead to an increase in productivity and efficiency.

Looking at the LTIFR for 2023, we unfortunately see an increase in our LTIFR. Therefore, it is vital for us that we improve in this field. Improving LTIFR is not just a statistical goal for us; it is a commitment to the well-being of our employees. A safe work environment safeguards our employees and promotes productivity, satisfaction, and the overall success of our company.

Lost-Time Incident Frequency Rate (per 200'000 working hours) ¹⁾	2023	2022
Lost-time incident frequency rate	3.05	2.42

¹⁾ Disclosure includes data for all P, L/C sites (excl. BELIMO Sensors Inc., Dorval and BEREVA S.r.l., Ora)

Skill Development and Knowledge Management

3-3 Management of Material Topics

Why Is Skill Development and Knowledge Management Important?

Knowledgeable and properly trained employees are critical for providing customer value, operational excellence, and solution leadership. Belimo supports its employees in developing individual specialist expertise. Acquiring the necessary knowledge ensures that they are fully proficient in their tasks and responsibilities. Effectively managing skill development and knowledge also supports our whole workforce in its continuous life-long learning journey.

What Is New in Skill Development and Knowledge Management in 2023?

To further develop skills and knowledge, Belimo has introduced new online and instructor-led programs to provide blended learning environments for employees. Following the success of the Leadership by Personality workshop in 2022 – a three-day course aimed at managers, with a focus on Company values, strategies, and leadership – an additional workshop is currently being designed for 2024, which will focus on company culture.

The Belimo Leadership Accelerator program launched in 2021, combining internal workshops with an external training program, continued in 2023 with four individuals from the three market regions. The program helps participants to further develop their leadership skills, while providing Belimo with a pipeline of internal candidates for leadership roles:

Development of the Belimo Leadership Accelerator	2023	2022	2021
Belimo Leadership Accelerator participants per year	4	4	8

How Is Skill Development and Knowledge Management Managed?

Deliberate management of skill development ensures employees receive the training necessary for succeeding in their roles. Belimo deploys a global training organization with local teams to streamline its educational functions for customers and employees. The Company also provides e-learning content to employees and enables tracking of training and certifications.

Belimo works at all levels with performance and behavioral appraisal systems. These include regular status reports on the achievement of individual goals and employee performance. Personal development planning is outlined and discussed at regular employee reviews, while comprehensive global and local induction programs ensure that new employees are efficiently onboarded and fully grasp their work and the corporate culture at Belimo.

Employee personal development is strongly supported, and Belimo managers regularly complete training courses on leadership skills. All managers complete our three-day “Leadership by Personality” course. This course is conducted in all three market regions and focuses on our Company values, culture, and strategy as well as on the enhancement of leadership skills.

Belimo offers career path planning for managers and specialists and provides financial support for further individual education. Courses for improving employee skills and helping them in their careers include:

- **Methodical Competency:** Methodical experience includes general knowledge with cross-discipline importance. It comprises the ability to apply the specific learning and working methods necessary for the acquisition and development of expertise. Belimo offers a wide range of courses for developing such abilities, for example, presentation skills, project management, workshop leadership and moderation, introduction to HVAC and building technology, etc.
- **Social Competency:** Social competencies are key for succeeding in the working environment, as social skills are the basis for working together smoothly. These include fostering empathy, teamwork, and communication readiness. Courses offered to employees cover, for example, effective communication, negotiation and conflict management, intercultural competences, and language classes.
- **Leadership Skills:** Belimo understands leadership skills as the abilities of individuals to help oversee processes, to guide initiatives and projects, and to steer their team members towards the achievement of goals and customer expectations. In addition to the global leadership course “Leadership by Personality,” which is scheduled at regular intervals, other offerings include, for example, the essence of leadership, succeeding as a supervisor, change management, health promotion, or “The Seven Habits of Highly Effective People.”
- **Code of Conduct:** As a binding guideline for legally compliant and ethically responsible conduct, the Code of Conduct and the anti-bribery and anti-corruption policies define the principles of internal cooperation, conduct in the working environment, and dealings with customers, suppliers, competitors, and other stakeholders. It provides employees, managers, and the Executive Committee with a framework for orientation and raises awareness of legal risks in everyday working life. All employees are regularly trained on the contents via web-based training courses and are required to comply with the principles set out therein. New employees are familiarized with the Code of Conduct during the onboarding process.
- **Transition Assistance Programs:** In Hinwil (Switzerland), courses are offered as preparation for retirement. Also, Belimo occasionally offers outplacement services in cases where the employer terminates the working relationship.

How Is Skill Development and Knowledge Management Measured?

The following tools are employed to decide which employees should receive training:

- Employee appraisal.
- Competency matrices for assembly workers.
- Career paths.
- Career development plans.

To gauge the success of our approach to skill development and knowledge management, the following key performance indicators are tracked:

- Average hours of training per employee.
- Number of leadership accelerator program alumni.
- Number of "Leadership by Personality" course alumni.
- Expenses for internal and external courses.
- Feedback forms collected after each training session.
- Employee survey results on the topics of skills development and knowledge management.
- Percentage of employees receiving regular performance and career development reviews.
- Percentage of employees who attended the web-based Code of Conduct training course.

**GRI 404: Training and Education 2016 / 404-1
Average Hours of Training per Year and Employee**

Hours of Training	2023	2022	2021	2020
Average hours of training per FTE	31	32	30	26

**GRI 404: Training and Education 2016 / 404-2
Programs for Upgrading Employee Skills and
Transition Assistance Programs**

To further strengthen the topic of skill development and knowledge management, a new global Head of Learning and Development was hired during the reporting period. In addition, the Company has continued to introduce new online and instructor-led programs to provide varied learning environments for employees. Belimo offers career path planning for managers and specialists and provides financial support for further individual education.

**GRI 404: Training and Education 2016 / 404-3
Percentage of Employees Receiving Regular
Performance and Career Development Reviews**

In total, 100% of employees receive regular performance and career development reviews. Belimo works at all levels with performance and behavioral appraisal systems. These include regular status reports on the achievement of individual goals and employee performance.

Equal Opportunity Employment

3-3 Management of Material Topics

Why Is Equal Opportunity Employment Important?

Being a reliable partner that always bases its actions on the highest level of integrity requires cultural diversity, equal treatment for employees, and the prevention of discrimination. Belimo believes that the workforce should reflect the diversity of the population, as a variety of perspectives strengthens the Company's knowledge base and offers a competitive advantage. In short: we believe that our success is only possible thanks to the diversity of our team and the inclusivity of our work culture.

What Is New in Equal Opportunity Employment in 2023?

At the management level – excluding the Executive Committee – the number of females increased by 17 to 18.9%. Belimo is currently developing a training program for managers to minimize bias in hiring and promotion processes. The proportion of women at the executive remained unchanged at 14.3% during the reporting period. At the board level, however, the number increased from 16.7% to 28.6% during the reporting period. In the future, the Company intends to further increase diversity at the board level where qualification is equal.

Diversity of Governance Bodies and Employees as at December 31 (Headcount)	2023	2022	2021	2020
All Employees				
Female	37.1%	38.8%	38.2%	37.2%
Male	62.9%	61.2%	61.8%	62.8%
Employees with Management Functions				
Female	18.9%	17.9%	16.7%	15.2%
Male	81.1%	82.1%	83.3%	84.8%
Executive Committee				
Female	14.3%	14.3%	14.3%	0.0%
Male	85.7%	85.7%	85.7%	100.0%
Board of Directors				
Female	28.6%	16.7%	16.7%	16.7%
Male	71.4%	83.3%	83.3%	83.3%

Belimo actively employs people with physical or mental disabilities, and is involved in various programs that help gainfully employ individuals with impairments. In 2023, 60 individuals with disabilities worked for Belimo under disability employment programs. Furthermore, a new pilot project was initiated with four employees of Werkheim Uster, an institution that supports people with cognitive disabilities. In the future, Belimo intends to increase employment opportunities for persons with disabilities.

Disability Employment Programs (Headcount)	2023	2022	2021	2020
Individuals with disabilities working for Belimo in the context of disability employment programs as at December 31	60	89	85	70

Belimo employees are encouraged to report breaches of our Code of Conduct through the globally accessible [Belimo Integrity Channel](#). No case has been reported during the year under review.

How Is Equal Opportunity Employment Managed?

Belimo is committed to creating a work environment in which all individuals are treated with respect and dignity and are free from all forms of discrimination and harassment. The Company's mission statement has been supplemented by a Code of Conduct that is the subject of a web-based training course, which all employees of Belimo are obliged to attend. Those expected to interact with customers and suppliers are also required to participate in an additional training course on the Company's anti-bribery and anti-corruption policies.

How Is Equal Opportunity Employment Measured?

Belimo further improves its performance as an equal opportunity employer by tracking key performance indicators such as:

Number, type, and severity of cases reported through the Belimo Integrity Channel:

- Corruption, bribery, or conflicts of interest.
- Violations of free competition.
- Violations of environmental, health, and safety regulations.
- Violations of export or import regulations.
- Violations of Company rules and the Code of Conduct.
- Invoicing and balancing of accounts.
- Fraud, breach of trust, embezzlement, or theft.

Gender-related regulations and indicators:

- Compliance with the requirements of the Swiss Code of Best Practice for Corporate Governance with respect to gender benchmarks for the Board of Directors and Executive Committee of listed companies (percentage of women at the Executive Committee and Board of Directors level).
- Percentage of employees of each gender.
- Percentage of women in management positions.
- Percentage of women at Board of Directors level.
- Percentage of women at Executive Committee level.

Equal pay – equal work:

- The Company continually monitors its remuneration system to guarantee the principles of wage justice and competitive pay.
- Salaries and bonus payments are benchmarked against the market and adjusted as required.
- The internal remuneration system is screened for potential gender pay gaps, particularly during the annual salary adjustment process.
- The Swiss entities' equal pay practices are evaluated using the official "Logib" tool of the Swiss Confederation.

Inclusion and diversity:

- The number of individuals with disabilities working for Belimo in the context of disability employment programs.
- Percentage of employees of each gender.
- Percentage of women in management positions.

Others:

- Age of employees.
- Results of employee surveys.
- Percentage of employees who attended the web-based training Code of Conduct course.
- Percentage of employees with customer and supplier interactions who have participated in the web-based anti-bribery and anti-corruption policy training.

**GRI 405: Diversity and Equal Opportunity 2016 /
405-1 Diversity of Governance Bodies and
Employees**

Headcount without Management Functions	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Female	196	323	201	720	46.6%
Male	249	220	357	826	53.4%
Total	445	543	558	1'546	100.0%
< 30 years	86	72	82	240	15.5%
30 – 50 years	200	311	366	877	56.7%
> 50 years	159	160	110	429	27.7%
Total	445	543	558	1'546	100.0%
As at December 31, 2022					
Female	194	364	182	740	49.2%
Male	237	203	323	763	50.8%
Total	431	567	505	1'503	100.0%
< 30 years	83	93	67	243	16.2%
30 – 50 years	188	310	336	834	55.5%
> 50 years	160	164	102	426	28.3%
Total	431	567	505	1'503	100.0%

Headcount with Management Functions	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Female	20	50	80	150	18.9%
Male	52	361	229	642	81.1%
Total	72	411	309	792	100.0%
< 30 years	-	2	8	10	1.3%
30 – 50 years	34	274	210	518	65.4%
> 50 years	38	135	91	264	33.3%
Total	72	411	309	792	100.0%
As at December 31, 2022					
Female	19	43	71	133	17.9%
Male	44	355	213	612	82.1%
Total	63	398	284	745	100.0%
< 30 years	1	3	12	16	2.1%
30 – 50 years	28	248	190	466	62.6%
> 50 years	34	147	82	263	35.3%
Total	63	398	284	745	100.0%
Executive Committee (Headcount)					
As at December 31, 2023					
Female	-	1	-	1	14.3%
Male	1	4	1	6	85.7%
Total	1	5	1	7	100.0%
< 30 years	-	-	-	-	0.0%
30 – 50 years	-	-	-	-	0.0%
> 50 years	1	5	1	7	100.0%
Total	1	5	1	7	100.0%
As at December 31, 2022					
Female	-	1	-	1	14.3%
Male	1	4	1	6	85.7%
Total	1	5	1	7	100.0%
< 30 years	-	-	-	-	0.0%
30 – 50 years	-	-	-	-	0.0%
> 50 years	1	5	1	7	100.0%
Total	1	5	1	7	100.0%

Board of Directors (Headcount)	Danbury (CT, USA)	Hinwil (Switzerland)	Other locations	Total	Share
As at December 31, 2023					
Female	-	2	-	2	28.6%
Male	-	5	-	5	71.4%
Total	-	7	-	7	100.0%
< 30 years	-	-	-	-	0.0%
30 – 50 years	-	1	-	1	14.3%
> 50 years	-	6	-	6	85.7%
Total	-	7	-	7	100.0%
As at December 31, 2022					
Female	-	1	-	1	16.7%
Male	-	5	-	5	83.3%
Total	-	6	-	6	100.0%
< 30 years	-	-	-	-	0.0%
30 – 50 years	-	1	-	1	16.7%
> 50 years	-	5	-	5	83.3%
Total	-	6	-	6	100.0%

GRI 406: Non-Discrimination 2016 / 406-1

Incidents of Discrimination and Corrective Actions Taken

In 2023, a female employee from a subsidiary approached Human Resources at headquarters with the accusation that she was being discriminated against due to her pregnancy. The employee wanted to leave the company and demanded financial compensation. The employee has in the meantime left the company with mutual consent. An internal investigation did not substantiate this allegation. The case is closed.

Furthermore, a former employee filed a claim of discrimination with a commission on Human Rights and Opportunities. This claim is under review with the agency.

In 2022, a group of employees brought possible discriminatory behavior of a manager to the attention of the Belimo headquarters via letter. The case was carefully evaluated, interviews with all involved employees were held, culture and teamwork workshops were organized, and the manager received extensive coaching. In the meantime, the case has been closed. In the global employee survey in 2023, the subsidiary even delivered one of the best results in terms of supervisor behavior, cooperation, and culture.

Company Values and Culture

3-3 Management of Material Topics

Why Is Company Values and Culture Important?

We strongly believe that an excellent corporate culture forms the foundation of a virtuous circle that benefits all stakeholders. Customer loyalty starts with a well-defined purpose and substantial investment of an organization. For Belimo, that purpose is to make an impact through the development, production, and sales of field devices for energy-efficient control of heating, ventilation, and air-conditioning systems. We express this with CESIM®, our customer-centric method for innovating building technology with damper actuators, control valves, sensors and meters.

The Company's internal service quality is critical for maintaining its competitive advantage. It unites seamless processes with training and a Quality First attitude. Belimo believes that this forms the foundation upon which employee loyalty can thrive. A more advanced professional experience within the Company leads to better overall employee performance. The better the professional expertise of its employees, the better the Company's external service quality. This includes excellent outside/inside sales and technical support, fast and reliable logistics, and efficient handling of quality issues. This leads to outstanding customer service and increased customer satisfaction, positioning the brand ahead of its competitors. However, the goal of Belimo is not only to have satisfied customers but also to provide superior customer value by exceeding their expectations. When this becomes the norm, true customer loyalty is sure to follow.

Our culture is built on trust, integrity, competence, and responsibility, while supporting personal commitment, teamwork, cultural diversity, and the courage to take risks to inspire customers. Customers pay a premium for a flawless experience, which leads to a higher demand and increased efficiency through operational excellence on the supply side and, ultimately, above-average profitability.

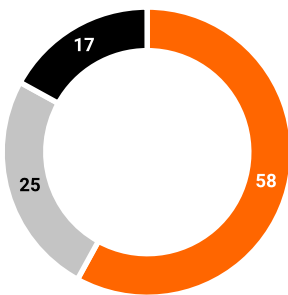
What Is New in Company Values and Culture in 2023?

A unique company culture is key to Belimo's position as the market leader in the development, production, and sales of field devices for the energy-efficient control of heating, ventilation and air-conditioning systems.

In 2023, a group-wide initiative "Making Our Values Visible" was launched to strengthen the unique Belimo culture. In a process lasting several months, various internal stakeholders established principles and habits that define our four values: credibility culture, customer value, solution leadership and operational excellence.

The principles and habits give our employees a tangible guidance on how to act, lead, and make decisions in the best interests of Belimo. The framework aims to foster alignment, clarity, consistency, and accountability among all employees. The roll-out of the new framework has already been initiated in 2023 with several information events, and dedicated leadership and employee workshops are planned for 2024.

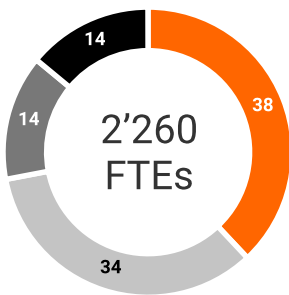
Employees by Region



- EMEA: 58%
- Americas: 25%
- Asia Pacific: 17%

Employees by region, FTEs as at December 31, 2023

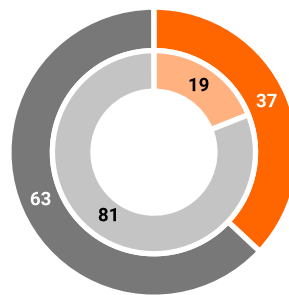
Employees by Function



- Assembly, logistics: 38%
- Sales, marketing, distribution: 34%
- Research, development: 14%
- Administration, management: 14%

Employees by function, FTEs as at December 31, 2023

Employees by Gender



- Belimo Group**
- Female: 37%
- Male: 63%
- Employees with Management Functions (Incl. Executive Committee)**
- Female: 19%
- Male: 81%

Employees by gender, headcount as at December 31, 2023

During the year under review, Belimo continued to hire additional personnel – bringing the total number of employees to 2'345 (Headcount) – in line with the Company's growth strategy. Most of these new hires were in assembly and logistics (see center graph above), supporting the Company's ambitions to double customization capacities in the following years. Positions in sales, marketing, and distribution were also filled to support growth, as well as in administration and management.

Full time equivalents (FTEs) grew the most in Asia Pacific, which matched with the Grow Asia Pacific initiative (see graph on the left side above). The Company has also diversified, assessed by gender as well as age, cultural background, and skills – and the various initiatives to promote diversity that have come to fruition. The proportion of female employees in management positions increased from 18% in 2022 to 19% in 2023. A growing company will always undergo tremendous change, representing both a challenge and an opportunity to its values and culture. Belimo strengthened its culture in 2023 by solidifying its values and outlining clear targets for the future. These will be taught in the third Leadership by Personality workshop series, and the Company also plans to train culture ambassadors on a global basis.

How Is Company Values and Culture Managed?

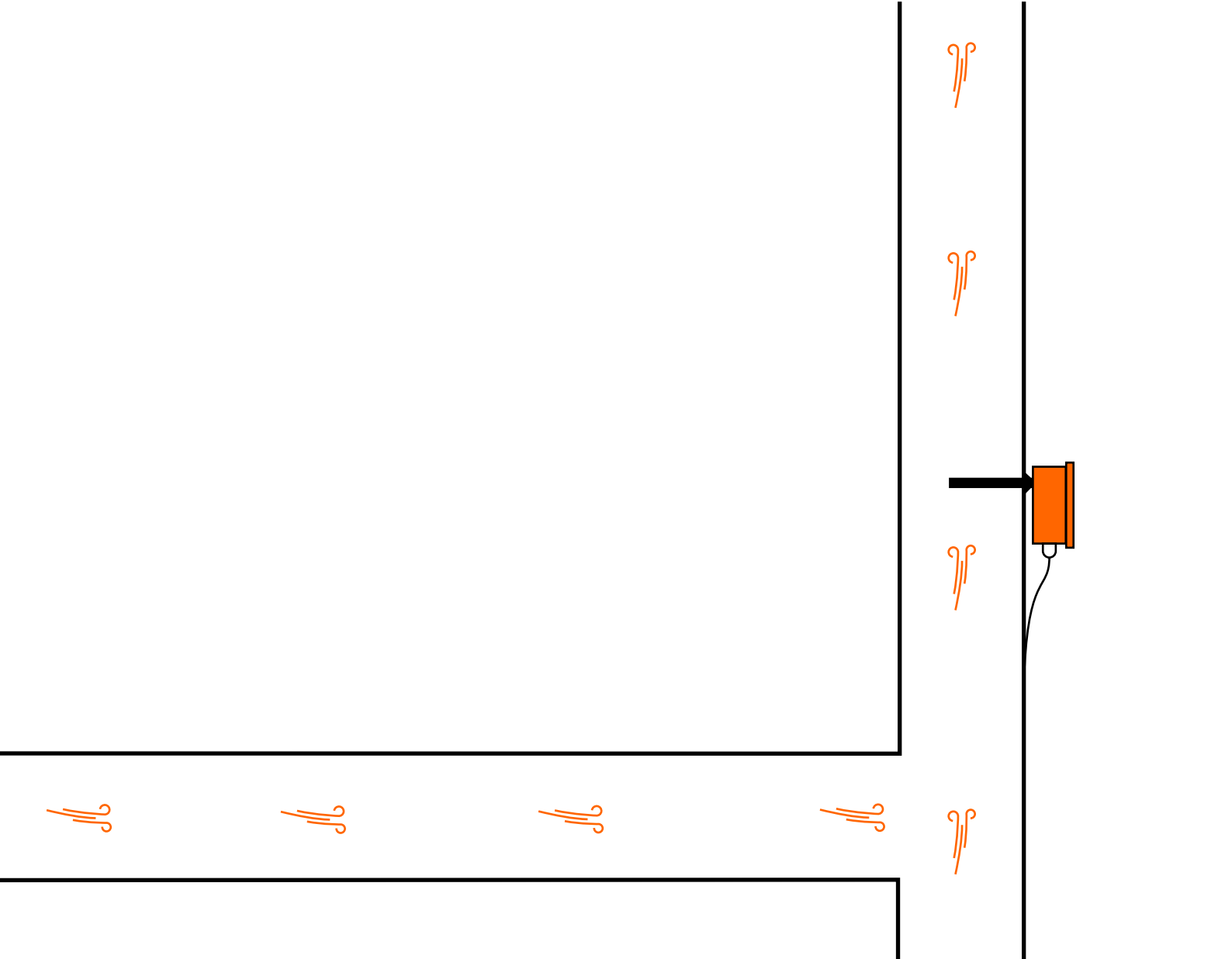
The principles for interacting with internal and external stakeholders are outlined in our Mission, Values, and Code of Conduct, and CESIM®. They must be followed in accordance with the Belimo management model. New employees learn about our values and quality standards during induction. Leadership training and ongoing internal communication of our vision, mission, and values are also vital to the continuous improvement of the company culture. By ensuring that all employees thoroughly understand the Company's values and culture, they are empowered to provide optimal contributions. Given that every company also relies on its external stakeholders, these cultural aspects do not stop at an organization's borders. Therefore, it is equally important for Belimo to promote a great company culture with all its customers, suppliers, and other parties.

How Is Company Values and Culture Measured?

We track the following key performance indicators to evaluate our success in maintaining our Company Values and Culture:

- Employee tenure and turnover.
- Engagement score.
- Results of employee surveys and feedback from new employees. Each department evaluates survey results and generates an improvement plan, which is monitored by Human Resources.
- The ability of each employee to put the Company's values into practice is assessed by the annual employee performance appraisal interview.

Financial Report



Consolidated Income Statement

in CHF 1'000	Note	2023	% ¹⁾	2022	% ¹⁾
Net sales	1.1	858'785	100.0	846'900	100.0
Material expenses		-327'852	-38.2	-364'353	-43.0
Changes in inventories		-10'958	-1.3	24'621	2.9
Personnel expenses	1.2	-242'493	-28.2	-232'502	-27.5
Other operating expenses	1.3	-96'941	-11.3	-92'919	-11.0
Other operating income	1.3	7'771	0.9	7'286	0.9
Earnings before interest, taxes, depreciation, and amortization (EBITDA)		188'312	21.9	189'033	22.3
Depreciation of property, plant and equipment	2.3	-28'474	-3.3	-28'827	-3.4
Amortization of intangible assets	2.4	-7'372	-0.9	-7'843	-0.9
Earnings before interest and taxes (EBIT)		152'466	17.8	152'363	18.0
Financial income	3.4	796	0.1	1'064	0.1
Financial expenses	3.4	-2'293	-0.3	-1'287	-0.2
Net foreign exchange loss	3.4	-8'556	-1.0	-4'631	-0.5
Financial result		-10'053	-1.2	-4'854	-0.6
Earnings before taxes (EBT)		142'413	16.6	147'509	17.4
Income taxes	5.1	-5'568	-0.6	-24'811	-2.9
Net income		136'845	15.9	122'698	14.5
Attributable to shareholders of BELIMO Holding AG		136'963	15.9	122'797	14.5
Attributable to non-controlling interests		-118	-	-99	-
Earnings per share (EPS) in CHF	3.5	11.14		9.99	

There are no options or other instruments that could have a dilutive effect.

¹⁾ In % of net sales

Alternative Performance Measures are described [here](#).

Consolidated Statement of Comprehensive Income

in CHF 1'000	Note	2023	2022
Net income		136'845	122'698
Currency translation adjustment		-19'026	-6'009
Tax effect	5.1	846	253
Items that may be reclassified to the income statement		-18'180	-5'756
Remeasurement of post-employment benefits	1.2	-6'794	-2'293
Fair value changes of equity instruments at FVOCI	3.2	-249	-
Tax effect	5.1	1'373	448
Items that will not be reclassified to the income statement		-5'670	-1'845
Other comprehensive income, net of tax		-23'849	-7'601
Total comprehensive income		112'996	115'098
Attributable to shareholders of BELIMO Holding AG		113'115	115'206
Attributable to non-controlling interests		-120	-108

Consolidated Balance Sheet

in CHF 1'000	Note	December 31, 2023	December 31, 2022
Cash and cash equivalents	3.1	110'833	86'780
Trade receivables	2.1	111'015	110'418
Inventories	2.1	152'517	176'098
Other current assets	2.2	11'822	13'414
Current financial assets	3.3	1'956	26'305
Current tax assets		1'662	1'034
Current assets		389'806	414'048
Property, plant and equipment	2.3	223'274	217'007
Intangible assets	2.4	23'367	22'340
Non-current financial assets	3.3	5'890	6'801
Deferred tax assets	5.1	19'652	11'787
Non-current assets		272'183	257'935
Assets		661'989	671'983
Trade payables		21'635	26'390
Other current liabilities	2.2	71'282	77'286
Current financial liabilities	3.3	3'814	3'495
Current provisions	2.5	7'365	6'855
Current tax liabilities		9'210	19'611
Current liabilities		113'306	133'637
Non-current financial liabilities	3.3	11'008	7'977
Non-current provisions	2.5	862	930
Non-current employee benefit liabilities	1.2	5'539	5'168
Deferred tax liabilities	5.1	785	2'514
Non-current liabilities		18'194	16'589
Liabilities		131'500	150'226
Equity attributable to shareholders of BELIMO Holding AG	3.5	530'631	521'828
Equity attributable to non-controlling interests		-142	-71
Total equity		530'489	521'757
Liabilities and equity		661'989	671'983

Consolidated Statement of Changes in Equity

in CHF 1'000	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Attributable to shareholders of BELIMO Holding AG	Attributable to non- controlling interests	Total equity
As at January 1, 2022	615	-606	24'113	-15'999	503'176	511'299	37	511'336
Net income					122'797	122'797	-99	122'698
Other comprehensive income, net of tax				-5'746	-1'846	-7'592	-9	-7'601
Total comprehensive income				-5'746	120'952	115'206	-108	115'098
Purchase of treasury shares		-4'072				-4'072	-	-4'072
Treasury shares awarded for share-based payments		4'126	-200			3'927	-	3'927
Dividends					-104'531	-104'531	-	-104'531
As at December 31, 2022	615	-552	23'913	-21'745	519'597	521'828	-71	521'757
Net income					136'963	136'963	-118	136'845
Other comprehensive income, net of tax				-18'378	-5'469	-23'847	-2	-23'849
Total comprehensive income				-18'378	131'494	113'115	-120	112'996
Equity contribution by non-controlling interests						-	49	49
Purchase of treasury shares		-3'582				-3'582	-	-3'582
Treasury shares awarded for share-based payments		3'661	148			3'809	-	3'809
Dividends					-104'539	-104'539	-	-104'539
As at December 31, 2023	615	-473	24'061	-40'124	546'551	530'631	-142	530'489

Consolidated Statement of Cash Flows

in CHF 1'000	Note	2023	2022
Net income		136'845	122'698
Income taxes	5.1	5'568	24'811
Interest result	3.4	1'319	467
Depreciation of property, plant and equipment	2.3	28'474	28'827
Amortization of intangible assets	2.4	7'372	7'843
Gain on sale of property, plant and equipment	2.3	-282	-288
Non-cash items non-current employee benefits	1.2	-6'202	-2'426
Other non-cash items		-860	-39
Expenses for share-based payments	1.2	1'294	1'172
Deferred compensation share-based payments	1.2	1'991	2'074
Change in net working capital	2.1	2'591	-67'972
Change in other current assets and liabilities	2.2	3'487	14'180
Change in provisions	2.5	459	-2'674
Income taxes paid		-25'089	-15'814
Cash flow from operating activities		156'966	112'861
Investments in property, plant and equipment	2.3	-38'343	-42'689
Investments in intangible assets	2.4	-8'700	-12'008
Purchase of financial assets ¹⁾	3.3	-107	-27'812
Proceeds from sale of property, plant and equipment		379	266
Proceeds from sale of financial assets ¹⁾	3.3	25'392	60'453
Interest received	3.4	295	133
Cash flow from investing activities		-21'084	-21'658
Purchase of treasury shares	3.5	-3'582	-4'072
Dividends paid	3.5	-104'539	-104'531
Interest paid	3.3	-1'265	-527
Repayment of financial borrowings	3.3	-59'707	-
Repayment of lease liabilities	3.3	-3'824	-3'840
Proceeds from cash contribution share-based payments	1.2	538	661
Proceeds from financial borrowings	3.3	63'669	-
Equity contribution by non-controlling interests		49	-
Cash flow from financing activities		-108'662	-112'309
Currency translation adjustment in respect of cash and cash equivalents		-3'166	-1'521
Change in cash and cash equivalents		24'054	-22'628
Cash and cash equivalents at beginning of period		86'780	109'408
Cash and cash equivalents at end of period	3.1	110'833	86'780

¹⁾ CHF 25.0 million in term deposits with maturities of more than three months from the date of acquisition were divested in the reporting period (2022: investment of CHF 25.0 million and divestment of CHF 60.0 million in term deposits).

Notes to the Consolidated Financial Statements

General

Corporate Information

The Belimo Group (hereinafter referred to as “Belimo” or “the Group”) is 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. The focus of the core business is on damper actuators, control valves, sensors and meters. The shares of BELIMO Holding AG have been listed on the SIX Swiss Exchange since 1995. The registered office is in Hinwil (Switzerland).

Basis of Preparation

The consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with Swiss law.

The reporting date for BELIMO Holding AG, all its subsidiaries, and for these consolidated financial statements is December 31, 2023. The consolidated financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount. The consolidated financial statements are prepared on the historical cost basis, unless a standard or interpretation prescribes another measurement basis for a particular caption, in which case this is explicitly stated in the accounting policies. The consolidated financial statements are published exclusively in English.

Significant Judgment, Estimates, and Assumptions

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards is dependent upon estimates and assumptions being made in applying the accounting policies, for which management can exercise a certain degree of judgment. If such estimates and assumptions made in good faith by management at the time at which the financial statements are prepared subsequently differ from the actual circumstances, the original estimates and assumptions will be adjusted accordingly in the reporting period during which the circumstances change. The areas involving significant estimates, assumptions, or judgments are:

- Non-current Employee Benefits ([Note 1.2](#))
- Property, Plant and Equipment ([Note 2.3](#))
- Intangible Assets ([Note 2.4](#))
- Provisions, Contingent Liabilities ([Note 2.5](#))
- Financial Assets and Liabilities ([Note 3.3](#))
- Income Taxes ([Note 5.1](#))

Changes in Presentation

As of this annual report, other current assets and current financial assets are shown as two separate line items. This change in presentation has been applied retrospectively with no financial impact on EBIT, net income, or equity.

Changes in Accounting Policies

The adoption of the amended IFRS Accounting Standards, which became effective in 2023, did not materially affect the consolidated financial statements of the Group. The Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at December 31, 2023. Further details are described in note [Income Taxes](#).

Several new and revised IFRS Accounting Standards and interpretations become effective on January 1, 2024, or later and earlier application is permitted. Belimo has not early adopted these standards. The expected impact of these standards and interpretations on the consolidated financial statements of Belimo is disclosed at the bottom of the following table:

	Effective date	Planned application
Non-current Liabilities with Covenants (Amendments to IAS 1), and Classification of Liabilities as Current or Non-current (Amendments to IAS 1) ¹⁾	01.01.2024	2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) ¹⁾	01.01.2024	2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) ¹⁾	01.01.2024	2024
Lack of Exchangeability (Amendments to IAS 21) ¹⁾	01.01.2025	2025

¹⁾ No or no significant impact is expected on the consolidated financial statements of Belimo.

Net sales development compared to the previous year in the market regions was as follows:

in CHF 1'000	2023				2022			
	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies
EMEA	375'920	44%	2.2%	6.4%	367'902	43%	-2.0%	4.7%
Americas	373'813	44%	1.5%	7.7%	368'261	43%	26.4%	21.3%
Asia Pacific	109'053	13%	-1.5%	8.2%	110'737	13%	12.5%	11.4%
Total	858'785	100%	1.4%	7.2%	846'900	100%	10.7%	11.9%

¹⁾ in % of total net sales

Overall, movements in exchange rates had an effect of -5.8 percentage points on net sales growth (2022: -1.2 percentage points). Approximately 39% of net sales were denominated in US dollar, 29% in euro, 6% in Swiss franc, and 26% in other currencies (2022: 39% in US dollar, 28% in euro, 7% in Swiss franc, and 26% in other currencies).

Net sales by business lines were as follows:

in CHF 1'000	2023				2022			
	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies	Net sales	% ¹⁾	Growth in CHF	Growth in local currencies
Damper Actuators	404'788	47%	-4.5%	1.1%	423'803	50%	4.6%	6.6%
Control Valves	417'490	49%	6.1%	12.0%	393'492	46%	16.2%	16.5%
Sensors and Meters	36'507	4%	23.3%	31.0%	29'605	3%	36.3%	38.5%
Total	858'785	100%	1.4%	7.2%	846'900	100%	10.7%	11.9%

¹⁾ in % of total net sales

The following table shows information on geographic regions:

in CHF 1'000	Net sales to third parties				Property, plant and equipment, intangible assets			
	2023	% ¹⁾	2022	% ¹⁾	December 31, 2023	% ²⁾	December 31, 2022	% ²⁾
Germany	82'310	10%	78'235	9%	17'471	7%	16'233	7%
Central Eastern Europe	59'565	7%	58'472	7%	327	-	175	-
Italy	29'256	3%	26'869	3%	1'453	1%	1'791	1%
France	27'517	3%	25'175	3%	1'351	1%	489	-
Switzerland	24'878	3%	25'656	3%	139'011	56%	129'561	54%
Others	152'393	18%	153'494	18%	7'822	3%	9'274	4%
EMEA	375'920	44%	367'902	43%	167'434	68%	157'524	66%
USA	294'374	34%	290'308	34%	50'147	20%	53'088	22%
Canada	67'957	8%	66'034	8%	1'826	1%	2'222	1%
Others	11'481	1%	11'919	1%	41	-	71	-
Americas	373'813	44%	368'261	43%	52'013	21%	55'382	23%
China	48'309	6%	54'983	6%	15'358	6%	14'068	6%
Others	60'743	7%	55'755	7%	11'836	5%	12'374	5%
Asia Pacific	109'053	13%	110'737	13%	27'194	11%	26'442	11%
Total	858'785	100%	846'900	100%	246'641	100%	239'348	100%

¹⁾ in % of total net sales

²⁾ in % of total property, plant and equipment and intangible assets

General Information about the Segments

Belimo develops, produces, and distributes innovative damper actuator, control valve, and sensor and meter solutions for heating, ventilation, and air-conditioning systems. All products are made from comparable materials and manufactured using similar processes.

The Group has four reportable operating segments, which constitute its strategic divisions. With a view to maintaining a market presence near its customers, the three geographical strategic Group divisions “EMEA”, “Americas”, and “Asia Pacific” are run by regional managers. The organization of the strategic Group division “Shared Services” is subdivided and managed mainly centrally as a cost center by the Swiss company. No sales are therefore allocated to this segment.

The activities of the reportable segments are as follows:

- **EMEA, Americas, Asia Pacific:** Distribution and sale of Belimo products in the respective market region.
- **Shared Services:** Research and development activities, production, logistics, customizing, the functions finance and administration, group strategy and group brand management as well as the expenses for the Executive Committee, and the Board of Directors.

The performance of the geographic segments is measured using the cost-sales ratio (operating expenses, depreciation, and amortization as a percentage of sales). Material expenses cannot be reliably allocated to the segments due to the Group’s principal structure. As a result of the group-wide application of a principal structure, the central production and sales company in Switzerland is the main risk carrier. The opportunities and risks of the sales companies are limited to their local market risk.

Regarding segment assets, only trade receivables, property, plant and equipment as well as intangible assets are allocated. Liabilities are only reported in full in the internal financial reporting and are not allocated to the reportable segments.

Accounting Policies - Segment Reporting

The reportable operating segments are determined using the management approach, which means that external segment reporting is based on the Group's internal organization and management structure, as well as the internal financial reporting to the Chief Operating Decision Maker – the Board of Directors of BELIMO Holding AG.

Accounting Policies - Revenue Recognition

Sales are measured net of sales tax, credits for returns, and discounts, and are recognized when control of the goods transfers to the customer. Due to the current business model, the performance obligations are satisfied at a point in time. Generally, sales are recognized upon shipment or upon delivery, as defined in the general terms and conditions and in compliance with generally accepted incoterms. Performance obligations in contracts with customers have a duration of one year or less. Warranty conditions provide a customer solely with assurance that the related product complies with agreed-upon specifications. Consequently, the accounting for the warranty is in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets. Payment terms are adapted to local market conditions. For the majority of revenue, payment terms of 1 to 60 days are applied.

1.2 Personnel Expenses

As at December 31, 2023, Belimo had 2'260 (2022: 2'163) full-time equivalent employees, of whom 889 (2022: 890) were located in Switzerland.

in CHF 1'000	2023	2022
Wages and salaries	-191'005	-177'721
Expenses for share-based payments	-1'294	-1'172
Social security contributions	-26'907	-24'471
Defined benefit expenses	-5'707	-9'180
Defined contribution expenses	-6'023	-5'920
Other personnel expenses	-11'557	-14'037
Total	-242'493	-232'502

Other personnel expenses comprised costs of staff recruitment, training and development as well as company events and external staff costs.

Share-Based Payments

The employee share purchase plan granted eligible employees in Switzerland, Germany, Canada, the United States, Hong Kong, and China the option of purchasing Belimo shares up to a maximum of 20% of their variable remuneration or between one and ten shares. For the members of the Executive Committee, the mandatory contribution to the employee share purchase plan amounted to 40% of the variable remuneration paid in December 2023, with the option to voluntarily further participate up to 100% of the variable remuneration paid in December 2023. The employee share purchase plan did not change compared to the previous year.

The relevant parameter for share-based payments were as follows:

		2023	2022
Number of shares granted	Number	8'665	8'972
Share price at grant date	in CHF	441.20	435.50
Fair value of share-based payment element at grant date	in CHF	147.97	130.65
Cash contribution share-based payments	in CHF 1'000	538	661
Deferred compensation share-based payments ¹⁾	in CHF 1'000	1'991	2'074
Total contribution by employees	in CHF 1'000	2'529	2'735
Expenses for share-based payments	in CHF 1'000	1'294	1'172

¹⁾ Employee contribution settled through salary deductions, treated in the cash flow statement as non-cash transaction.

Accounting Policies - Share-Based Payments

The share purchase plan gives the employees of Belimo (including members of the Executive Committee) an opportunity to purchase shares of BELIMO Holding AG at preferential conditions. These shares are subject to a restriction period of three years.

The share-based payment transactions are classified as equity-settled share-based payments in accordance with IFRS 2. The cost of equity-settled transactions is measured with reference to the fair value at the date on which they are granted. The fair value is determined indirectly, based on observable market prices of the shares of BELIMO Holding AG, reduced by the contribution of the employee. Upon transfer of the shares, the employee will have full shareholder rights (including voting and dividend rights) and as such, the restriction period has no impact on the fair value. The fair value is not subsequently re-measured after the grant date. The purchase price per share shall generally be equivalent to 70% of the lower of the average closing price one month before the purchase date or the closing price at the purchase date of BELIMO Holding AG shares at the SIX Swiss Exchange.

The shares are granted with the final approval of the execution of the share-based payment transactions by the Board of Directors close before or at the purchase date. The Board of Directors may amend, suspend, or terminate the employee share purchase plan at any time in any respect the Board of Directors deems necessary or advisable. No purchase rights may be granted under the employee share purchase plan while the employee share purchase plan is suspended or after it is terminated. The plan includes a vesting condition (service condition between the grant date and the purchase date), but no option features.

Non-Current Employee Benefits

Non-current employee benefits contain post-employment benefits and other long-term employee benefits. The only significant post-employment defined benefit plan exists in Switzerland. The employees in Switzerland are insured under the Belimo pension plan against the risks of old age, death, and disability. Other long-term employee benefits mainly include jubilee provisions.

in CHF 1'000	December 31, 2023	December 31, 2022
Other long-term employee benefits	5'539	5'168
Non-current employee benefit liabilities	5'539	5'168

Pension Plan

Swiss pension schemes are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), and their implementing regulations. The BVG defines the minimum and maximum insured salary, the minimum retirement credits, as well as the interest rate applied to these credits and the conversion rate. Based on these legal provisions and the plan structure, the employer is exposed to actuarial risks such as investment risk, interest rate risk and the risk of disability, as well as the risk of longevity. The employee and employer contributions are defined by the Board of Trustees of the foundation. In the event of statutory underfunding, measures for its elimination must be taken. Possible measures could be an adjustment to the conversion rate or restructuring contributions from both the employer and the employees.

The Swiss pension plan is organized via an autonomous foundation. The plan is classified as a defined benefit plan in accordance with IAS 19 and as a defined contribution plan in accordance with the BVG. The most senior management body is the Board of Trustees, which is composed of an equal number of employee and employer representatives. It is legally obliged to act in the interests of the plan participants. The Board of Trustees is responsible for defining the investment strategy, effecting changes to the post-employment benefit plan regulations, and determining the funding of pension plan benefits. The investment strategy is reviewed at least once a year.

Employer contributions to the pension scheme are defined in the applicable regulations as a fixed percentage of the insured salaries and include both savings and risk components. Retirement benefits are determined based on the retirement savings capital held at the time of retirement. The insured individual can choose between a lifelong annuity and a lump sum payment. The annuity is calculated by multiplying the retirement savings capital by the conversion rate as defined in the regulations. The annual retirement contributions and interest thereon are credited to the retirement savings capital. When employees leave the Company, their retirement savings capital is transferred to the pension scheme of the new employer or to a vested benefits account.

Development

The movements in the net defined benefit asset/liability were as follows:

in CHF 1'000	2023				2022			
	Defined benefit obligations	Fair value of plan assets	Asset ceiling	Net defined benefit asset/(liability)	Defined benefit obligations	Fair value of plan assets	Asset ceiling	Net defined benefit asset/(liability)
As at January 1	-286'531	320'094	-33'565	-	-327'061	362'997	-35'936	-
Movements included in the income statement								
Current service costs	-5'707			-5'707	-9'180			-9'180
Interest result (net)	-6'712	7'562	-772	78	-1'170	1'300	-126	4
Total movements included in the income statement	-12'419	7'562	-772	-5'629	-10'351	1'300	-126	-9'176
Movements included in other comprehensive income								
Change in financial assumptions	-30'416			-30'416	73'604			73'604
Experience adjustments	1'033			1'033	-17'110			-17'110
Return on plan assets (excluding interest income)		18'184		18'184		-61'284		-61'284
Change in asset ceiling (excluding interest expense)			4'404	4'404			2'497	2'497
Total movements included in other comprehensive income	-29'382	18'184	4'404	-6'794	56'494	-61'284	2'497	-2'293
Other movements								
Employer contributions		12'424		12'424		11'469		11'469
Employee contributions	-9'044	9'044		-	-8'332	8'332		-
Benefits paid from plan assets	4'099	-4'099		-	2'719	-2'719		-
Total other movements	-4'945	17'369	-	12'424	-5'613	17'082	-	11'469
As at December 31	-333'277	363'209	-29'933	-	-286'531	320'094	-33'565	-

In 2023, the return on plan assets (including interest income) of CHF 25.7 million (2022: CHF -60.0 million), an actuarial loss on the defined benefit obligation of CHF -29.4 million (2022: gain of CHF 56.5 million), as well as other movements of CHF -0.1 million (2022: CHF 1.1 million) led to a total surplus of CHF 29.9 million (2022: surplus of CHF 33.6 million). The asset ceiling, being the economic benefits available in the form of reduction in future contribution to the Swiss pension plan, was zero in the reporting period (2022: zero). Therefore, the surplus was not recognized as a non-current asset as at December 31, 2023 and 2022.

There were no significant unfunded plans in the reporting period (2022: none).

The weighted average duration of the defined benefit obligations is 12.9 years (2022: 12.0 years). The expected employer contributions for 2024 amount to CHF 12.4 million.

Investment Portfolio

The major categories of plan assets were as follows:

	December 31, 2023	December 31, 2022
Bonds	40.4%	39.9%
Shares	35.0%	35.3%
Real estate	23.8%	24.0%
Cash and cash equivalents	0.7%	0.8%
Total	100.0%	100.0%

The shares and bonds have quoted market prices on an active market. Real estate includes listed real estate funds and an investment in a Swiss real estate investment foundation. The investment strategy ensures the availability of liquidity at all times. The Group does not use any pension scheme assets.

Actuarial Assumptions and Sensitivity Analysis

The following principal actuarial assumptions were applied:

	December 31, 2023	December 31, 2022
Discount rate	1.50%	2.30%
Interest rate used in projecting retirement benefits	1.50%	1.50%
Expected salary increases	1.50%	1.50%
Mortality tables	BVG 2020 GT-CMI ¹⁾	BVG 2020 GT-CMI ¹⁾
Long-term rate of mortality improvement	1.25%	1.25%
Life expectancy as at age of 65 in years:		
Active employees (female/male)	26.58/25.07	25.21/23.46
Pensioners (female/male)	24.59/22.82	23.55/21.83

¹⁾ Continuous Mortality Investigation Model (CMI)

The following sensitivity analysis shows the impact of a reasonably possible change in the principal actuarial assumptions on the present value of the defined benefit obligations at the reporting date. Each change was analyzed separately. Interdependencies were not considered.

	December 31, 2023	December 31, 2022
Increase (+)/decrease (-) of the present value of defined benefit obligations		
Discount rate		
Increase by 50 basis points ¹⁾	-6.0%	-2.2%
Decrease by 50 basis points ¹⁾	6.8%	3.0%
Interest rate used in projecting retirement benefits		
Increase by 50 basis points ¹⁾	2.5%	1.2%
Decrease by 50 basis points ¹⁾	-2.4%	-1.1%
Expected salary increases		
Increase by 50 basis points	0.6%	0.5%
Decrease by 50 basis points	-0.6%	-0.8%
Life expectancy		
Increase by 1 year	1.9%	1.6%
Decrease by 1 year	-1.9%	-1.7%

¹⁾ Previous year increase/decrease by 25 basis points

Management Assumptions and Estimates

The determination of post-employment retirement benefit obligations requires an estimation of the future service periods, the development of future salaries and pensions, interest accruing on the employee savings accounts, the timing of contractual pension benefit payments, and the employees' share of the funding shortfall. This evaluation is made based on prior experience and anticipated future trends. Anticipated future payments are discounted with the yields of Swiss franc-denominated corporate bonds from domestic and foreign issuers quoted on the Swiss Exchange with an AAA or AA rating. The discount rates match the anticipated payment maturities of the liabilities.

Accounting Policies - Non-Current Employee Benefits

The present value of the defined benefit obligations and the fair value of the plan assets are determined annually by independent actuaries for each plan and are recognized as a net defined benefit asset/liability. The present values of the defined benefit obligations are calculated using the projected unit credit method.

Defined benefit costs recognized in the income statement include current service costs (service costs in the reporting period), past service costs (gains/losses from plan amendments and curtailments), and gains/losses on settlements. The net interest result (multiplication of the net defined benefit asset/liability and the effect of the asset ceiling with the discount rate) is recognized in the financial result. Remeasurement of the net defined benefit asset/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (excluding interest), are recognized in other comprehensive income and are not reclassified subsequently to the income statement. Asset surpluses are considered only to the extent of possible future reimbursement or reduction of contributions in accordance with IFRIC 14.

1.3 Other Operating Income / Expenses

in CHF 1'000	2023	2022
Travel and representation	-10'471	-8'733
Rental and maintenance	-8'450	-7'310
Consulting	-15'994	-16'094
Marketing	-9'003	-9'531
IT	-12'251	-10'307
External research and development	-22'185	-16'345
Freight and packaging material	-7'638	-14'550
Warranty	-2'593	-2'486
Miscellaneous expenses	-8'356	-7'564
Total other operating expenses	-96'941	-92'919
Own work capitalized	5'829	5'019
Other income	1'942	2'267
Total other operating income	7'771	7'286
Total	-89'170	-85'633

Research and development costs of CHF 76.0 million (2022: CHF 62.1 million) were mainly included in personnel and in external research and development expenses, of which CHF 5.8 million (2022: CHF 5.0 million) were capitalized. Miscellaneous expenses include expenses for insurance, office supplies as well as net changes in allowances for doubtful trade receivables.

Other income included government subsidies in the amount of CHF 0.1 million (2022: CHF 0.6 million).

2 Operating Assets and Liabilities

This chapter discloses information on the movement in net working capital and other current assets and liabilities as well as in significant non-current tangible and intangible assets, including leasing. In addition, it outlines the changes in provisions and contingent liabilities.

2.1 Net Working Capital

Trade Receivables

The following table shows the receivables by market region. There were no cluster risks. The receivables in the market region Americas related mainly to the United States.

in CHF 1'000	December 31, 2023	December 31, 2022
EMEA	44'472	42'201
Americas	49'841	49'817
Asia Pacific	16'702	18'400
Total trade receivables (net)	111'015	110'418

in CHF 1'000	December 31, 2023	December 31, 2022
Trade receivables	113'876	113'422
Allowance	-2'861	-3'004
Total trade receivables (net)	111'015	110'418

The aging and allowance of trade receivables were as follows:

in CHF 1'000	December 31, 2023			December 31, 2022	
	Default rate	Gross	Allowance	Gross	Allowance
Not due	0.5%	87'481	-438	86'067	-441
Overdue 1 to 30 days	3.0%	18'863	-566	19'256	-578
Overdue 31 to 60 days	5.0%	3'510	-176	4'313	-215
Overdue 61 to 180 days	10.0%	2'600	-260	2'240	-224
Overdue > 180 days	100.0%	276	-276	-	-
Total trade receivables measured using the provision matrix		112'730	-1'715	111'876	-1'458
Individual allowances	100.0%	1'146	-1'146	1'546	-1'546
Total		113'876	-2'861	113'422	-3'004

The movements in allowance for doubtful trade receivables were as follows:

in CHF 1'000	2023	2022
As at January 1	-3'004	-1'812
Increase	-369	-1'530
Utilization	103	151
Reversals	245	120
Translation differences	164	67
As at December 31	-2'861	-3'004

Accounting Policies - Trade Receivables

Trade receivables are initially recognized at the transaction price. Belimo holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost. Loss allowances are always measured at an amount equal to lifetime expected credit losses. The Group uses a provision matrix to determine the expected credit loss. The loss rates are based on actual credit loss experience during recent years, amended by current conditions and the Group's view of economic conditions. Individual allowances are recognized for specifically identified trade receivables with objective default evidence. The gross carrying amount of trade receivable assets is written off when the Group has no reasonable expectations of recovering financial assets in their entirety or a portion thereof.

Inventories

in CHF 1'000	December 31, 2023	December 31, 2022
Raw materials and consumables	80'879	93'502
Work in progress	551	536
Finished goods	71'087	82'060
Total inventories (net)	152'517	176'098
Allowance on raw materials and consumables	-6'041	-5'722
Allowance on finished goods	-9'377	-8'085
Total allowance	-15'418	-13'808

The allowance amounted to CHF 15.4 million or 9.2% of the gross value of inventories (2022: CHF 13.8 million or 7.3%).

Accounting Policies - Inventories

Inventories are measured at the lower of cost and net realizable value. The costs comprise all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the expected average selling price less the expected costs of completion and the estimated costs necessary to make the sale.

Purchased inventories are measured at weighted average acquisition cost, internally generated products at cost of production. These latter costs include direct material and production costs, and directly attributable overhead expenses. The overhead production expenses are calculated on the basis of normal capacity of production facilities. Based on a range analysis, items with a slow rate of turnover are written down by 20% to 100%.

2.2 Other Current Assets and Liabilities

Other current assets were as follows:

in CHF 1'000	December 31, 2023	December 31, 2022
Non-income tax receivables	5'030	7'120
Advance payments and deferred expenses	5'217	5'433
Other receivables	1'575	860
Total	11'822	13'414

The impairment assessment in the reporting period and previous year showed no need for an adjustment.

Other current liabilities were as follows:

in CHF 1'000	December 31, 2023	December 31, 2022
Liabilities to employees	21'676	25'027
Accrued volume rebates to customers	17'171	17'426
Non-income tax payables	6'686	7'205
Social security liabilities	6'181	6'091
Other liabilities and accrued expenses	19'568	21'537
Total	71'282	77'286

Accounting Policies - Other Current Assets and Liabilities

Other current assets and liabilities are measured at amortized cost. Other current assets are subject to the impairment requirements of IFRS 9.

2.3 Property, Plant and Equipment

in CHF 1'000	Land, buildings	Tools, machinery	Furniture, fixtures, movable equipment	Advance payments, assets under con- struction	Total
Costs					
As at January 1, 2022	227'295	135'221	29'226	26'388	418'130
Additions	15'567	6'970	4'575	20'989	48'101
Disposals	-2'238	-1'214	-1'541	-	-4'992
Reclassifications	24'853	2'886	646	-28'385	-
Translation differences	-2'658	-196	-677	-397	-3'927
As at December 31, 2022	262'820	143'667	32'229	18'595	457'312
Additions	10'653	8'394	5'022	20'758	44'827
Disposals	-3'949	-421	-1'974	-	-6'344
Reclassifications	9'755	7'493	431	-17'680	-
Translation differences	-11'463	-2'919	-1'945	-820	-17'147
As at December 31, 2023	267'816	156'215	33'763	20'854	478'647
Accumulated depreciation					
As at January 1, 2022	-88'677	-108'417	-20'290		-217'383
Depreciation	-13'279	-11'167	-4'381		-28'827
Disposals	2'238	1'264	1'511		5'012
Translation differences	385	130	380		894
As at December 31, 2022	-99'334	-118'190	-22'781		-240'304
Depreciation	-13'155	-11'155	-4'163		-28'474
Disposals	3'929	420	1'898		6'247
Translation differences	3'673	2'187	1'297		7'158
As at December 31, 2023	-104'887	-126'737	-23'749		-255'373
Carrying amounts					
As at January 1, 2022	138'619	26'804	8'936	26'388	200'747
As at December 31, 2022	163'486	25'477	9'448	18'595	217'007
As at December 31, 2023	162'929	29'477	10'014	20'854	223'274

The additions consisted of:

in CHF 1'000	2023	2022
Cash effective investments in property, plant and equipment	38'343	42'689
Non-cash effective additions to the right-of-use-assets	5'505	4'379
Net change in deferred consideration for investments	980	1'032
Total additions	44'827	48'101

The impairment assessment in the reporting period and previous year showed no need for an adjustment. The sale of property, plant and equipment resulted in a gain of CHF 0.3 million (2022: gain of CHF 0.3 million).

Commitments for investments in property, plant and equipment amounted to CHF 24.5 million (2022: CHF 19.1 million), of which CHF 11.9 million (2022: CHF 7.3 million) was in relation to building extension projects in EMEA and Asia Pacific.

Additional Disclosures Leased Property, Plant and Equipment

in CHF 1'000	2023			2022		
	Land, buildings	Furniture, fixtures, movable equipment	Total	Land, buildings	Furniture, fixtures, movable equipment	Total
Additions to the right-of-use assets	4'339	1'166	5'505	3'504	979	4'483
Depreciation	-3'272	-761	-4'033	-3'246	-823	-4'069
Net carrying amount as at December 31	16'328	1'424	17'752	16'850	1'121	17'971

The total cash outflow for lease payments was as follows:

in CHF 1'000	2023	2022
Repayment of lease liabilities	-3'824	-3'840
Interest paid for lease liabilities	-342	-326
Payments for short-term leases	-908	-564
Payments for leases of low-value assets	-13	-19
Total	-5'087	-4'749

The portfolio of short-term leases and leases of low-value assets to which Belimo was committed at the end of the reporting period is similar to the portfolio of the reporting period. The contractual maturities of the lease liabilities are disclosed in note [Financial Risk Management](#).

Management Assumptions and Estimates

Management estimates the useful economic lives and residual values of buildings, tools, and machinery as well as furniture, fixtures, and movable equipment on the basis of the anticipated period over which economic benefits will accrue to the Company from the use of the assets. Useful economic lives are reviewed annually on the basis of historical data and forecast expectations concerning future technological developments, economic and legal changes, as well as further external factors.

Accounting Policies - Owned Property, Plant and Equipment

Owned property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Significant parts of an item of property, plant and equipment with different useful lives are accounted for separately. Subsequent expenditure is capitalized if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure for maintenance and repair is recognized in the income statement. Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, or over the shorter lease term.

The estimated useful lives applied by the Group are as follows:

	Useful life
Land, buildings	
Land	Unlimited
Buildings (components with different useful lives)	10 - 60 years
Tools, machinery	
Transportation equipment, tools and machinery, workshop and warehouse facilities	5 - 9 years
Tools at suppliers and testing equipment	3 - 5 years
Furniture, fixtures, and movable equipment	
Furniture and fixtures	2 - 8 years
Leasehold improvements	5 - 10 years
Motor vehicles, office machinery, and IT equipment	2 - 5 years

If there is any impairment indication at the reporting date, the recoverable amount is determined. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. To determine the value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. An impairment loss is recognized in the income statement, if the carrying amount of an asset or of the cash-generating unit to which the asset belongs exceeds the recoverable amount.

Accounting Policies - Leased Property, Plant and Equipment

Belimo assesses whether a contract is or contains a lease at the inception of the contract. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets are measured at cost, including the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct costs, any restoration costs, and less any incentives received. Lease liabilities are initially measured at the present value of the lease payments, discounted by using the incremental borrowing rate.

The incremental borrowing rates used for the measurement of the right-of-use asset and the lease liability have been defined, based on a base rate depending on the currency and maturity of the underlying lease contract, as well as on a risk premium, taking into account the Company and asset-specific risks.

In accordance with IFRS 16, Belimo does not recognize short-term leases with a lease period of 12 months or less and leases of low-value assets on the balance sheet.

The right-of-use assets are depreciated from the commencement dates to the earlier of the end of the useful lives or the end of the lease terms.

Land and buildings: The Group leases land and buildings for its office and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Typically, leases are made for a fixed period of 1 -10 years and may include extension options.

Furniture, fixtures, movables equipment: The major part refers to leased cars as well as to office equipment, with a contract duration of 3 years on average.

Management judgment: Management judgment is required to define if an extension option is reasonably certain to be exercised.

2.4 Intangible Assets

in CHF 1'000	Software	Customer relationships	Internally generated intangible assets	Patents, trademarks, technology, and other rights	Advance payments, assets under construction	Total
Costs						
As at January 1, 2022	39'466	8'159	5'766	1'052	1'162	55'606
Additions	1'748	-	2'931	4'117	3'232	12'027
Disposals	-2'025	-	-1'071	-	-	-3'096
Reclassifications	1'361	-	1'378	-	-2'739	-
Translation differences	24	-811	-	-	-	-786
As at December 31, 2022	40'574	7'348	9'004	5'169	1'656	63'751
Additions	1'323	-	-	-	7'298	8'620
Disposals	-	-	-1'372	-	-	-1'372
Reclassifications	1'551	-	903	-	-2'454	-
Translation differences	-322	-459	-	-	-	-781
As at December 31, 2023	43'126	6'889	8'535	5'169	6'499	70'218
Accumulated amortization						
As at January 1, 2022	-31'513	-3'441	-2'041	-115		-37'111
Amortization	-6'015	-928	-680	-219		-7'843
Disposals	2'025	-	1'071	-		3'096
Translation differences	-22	468	-	-		447
As at December 31, 2022	-35'524	-3'901	-1'651	-335		-41'411
Amortization	-4'007	-831	-1'742	-791		-7'372
Disposals	-	-	1'372	-		1'372
Translation differences	302	258	-	-		559
As at December 31, 2023	-39'230	-4'475	-2'021	-1'126		-46'851
Carrying amounts						
As at January 1, 2022	7'953	4'718	3'725	937	1'162	18'495
As at December 31, 2022	5'049	3'447	7'353	4'834	1'656	22'340
As at December 31, 2023	3'896	2'415	6'514	4'043	6'499	23'367

As at December 31, 2023, CHF 5.6 million (2022: CHF 0.7 million) of internally generated intangible assets (presented under "assets under construction") were not yet available for use and have not yet been amortized.

The additions consisted of:

in CHF 1'000	2023	2022
Cash effective investments in intangible assets	8'700	12'008
Net change in deferred consideration for investments	-80	19
Total additions	8'620	12'027

The impairment assessment in the reporting period and previous year showed no need for an adjustment.

Commitments for investments in intangible assets amounted to CHF 1.3 million (2022: CHF 1.7 million).

Management Assumptions and Estimates

Management estimates the useful economic lives and residual values of intangible assets based on the anticipated period over which economic benefits will accrue to the Company from the use of the assets. Useful economic lives are reviewed annually based on historical and forecast expectations concerning future technological developments, economic and legal changes as well as further external factors.

Accounting Policies - Intangible Assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure in intangible assets is capitalized if it increases the future economic benefits embodied in the specific asset to which it relates. They are amortized on a straight-line basis over their estimated useful lives from the time at which they become available for use.

The estimated useful lives applied by the Group are as follows:

	Useful life
Intangible assets	
Software	2 - 5 years
Customer relationships	3 - 10 years
Internally generated intangible assets	5 - 8 years
Patents, trademarks, technology, and other rights	3 - 10 years

If there is any impairment indication at the reporting date, the recoverable amount is determined. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. To determine the value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. An impairment loss is recognized in the income statement, if the carrying amount of an asset or of the cash-generating unit to which the asset belongs exceeds the recoverable amount.

Internally generated intangible assets include capitalized development costs. Development costs incurred to obtain new or substantially improved products and processes are capitalized if the resulting products and processes are technically and commercially feasible and if it is probable that they will generate future economic benefits. In addition, the Group must intend and have sufficient resources available to complete the development and to use or sell the asset.

Development costs previously recognized as expenses are not recognized as assets in subsequent periods. Capitalized development costs of projects that have not yet been completed are not amortized but subject to an annual impairment test. Research costs incurred to gain new basic or technological knowledge and understanding are recognized in the income statement.

2.5 Provisions and Contingent Liabilities

in CHF 1'000	2023			2022		
	Warranties	Others	Total	Warranties	Others	Total
As at January 1	5'100	2'685	7'785	5'652	4'804	10'457
Increase	2'405	3'973	6'378	2'846	4'192	7'038
Utilization	-2'405	-2'308	-4'713	-2'996	-5'623	-8'619
Reversals	-186	-1'020	-1'206	-402	-692	-1'094
Translation differences	-	-17	-17	-	3	3
As at December 31	4'914	3'313	8'227	5'100	2'685	7'785
of which current provisions	4'052	3'313	7'365	4'170	2'685	6'855
of which non-current provisions	862	-	862	930	-	930

Provisions for warranties were calculated considering experienced returns in the past as well as current sales developments. They generally cover product and replacement costs for a warranty period of five years. Product liability incidents with property, plant and equipment damages were considered separately on a case-by-case basis.

Other provisions mainly included expected costs for non-income tax risks and for legal litigations.

As at December 31, 2023 and 2022, there were no contingent liabilities.

Management Assumptions and Estimates

In the course of its ordinary operating activities, Belimo provides warranties to its customers for which a provision is recognized. The amount recognized as provision is the best estimate required to settle the present obligation at the reporting date. This measurement involves various management assumptions and estimates. The assessment is challenged annually and may change in the following year depending on the future changes in warranty processes.

Accounting Policies - Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation because of a past event, an outflow of resources embodying economic benefits is probable, and the amount of the obligation can be reliably estimated. They are discounted if the effect is material. Provisions are measured at the reporting date, based on the best estimate of the future outflow of economic benefits. Depending on the development and outcome of the events, claims may arise that are lower or higher than the recognized provision. The actual payments may therefore differ from the provisions.

Contingent liabilities are disclosed when the Group has a present obligation because of a past event, but the outflow of resources embodying economic benefits is not probable, or the amount of the obligation cannot be measured with sufficient reliability.

3 Capital and Financial Risk Management

This chapter sets out the capital structure and the financial risks to which Belimo is exposed. Furthermore, it describes how the cash management is made to cover the liquidity risk and which financial liabilities Belimo has to consider for its operational business. A solid capital structure enables Belimo to offer an appropriate dividend.

3.1 Cash and Cash Equivalents

in CHF 1'000	December 31, 2023	December 31, 2022
Cash	60'833	86'780
Cash equivalents	50'000	-
Total	110'833	86'780

Cash consists of demand deposits and cash on hand. Cash equivalents include term deposits with a maturity of three months or less from the date of acquisition. The impairment assessment in the reporting period and previous year showed no need for an adjustment.

Accounting Policies - Cash and Cash Equivalents

Cash and cash equivalents are measured at amortized cost. They are also subject to the impairment requirements of IFRS 9.

3.2 Financial Risk Management

Due to the nature of its activities, Belimo is exposed to several financial risks such as credit risk, liquidity risk, foreign currency risk, and interest rate risk.

Risk management policies are established to identify and to analyze the risks to which the Group is exposed, to define appropriate limits, to establish controls, and to monitor the risks and compliance. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and in the Group's activities. The identified risks and measures to minimize them are presented below:

Risk	Source	Risk mitigation
Credit risk	Through its operational business, Belimo is exposed to the risk of financial loss if a customer or a counterparty fails to meet its contractual obligations. The credit risk mainly arises from cash and cash equivalents, trade receivables, term deposits, and derivative financial instruments.	High standards on financial institutes to cooperate with, as well as analyzing the credit worthiness of counterparties taking into account a variety of factors such as credit ratings or payment history.
Liquidity risk	Liquidity risks result from difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	Aim to always have sufficient liquidity and unused credit lines available. Centrally managed liquidity by Group Treasury and various principles to ensure adequate liquidity for subsidiaries on short notice.
Foreign currency risk	Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.	Achieve natural hedging by matching cash inflows and outflows in a specific currency as far as possible as well as facilitating risk management by using forward contracts.
Interest rate risk	Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Belimo has no material exposure to the interest rate risk.

Credit Risk

Belimo invests its cash and cash equivalents worldwide in deposit accounts held mainly with major, creditworthy financial institutions headquartered in Switzerland, Germany, and the United Kingdom. These deposits generally have terms of less than three months. Term deposits that have a maturity of more than three months from the date of acquisition are only held with major, creditworthy financial institutions headquartered in Switzerland and Germany. Transactions involving derivative financial instruments are traded with a limited number of major financial institutions.

The credit risk from trade receivables is limited, since the Group's customer base is broad and spread over a variety of geographical areas. Credit risk is mainly influenced by the specific characteristics of each individual customer. The risk assessment includes an analysis of the creditworthiness, taking into account a variety of factors such as credit ratings or payment history. Credit limits are set according to regional aspects. Certain new customers are supplied only against payment in advance. The maximum default risk is the carrying amount of the individual assets as at the reporting date (see table in chapter Categories of Financial Instruments below). There are no guarantees or similar obligations that could lead to an increase in risk beyond the carrying amounts.

Liquidity Risk

At the reporting date, the contractual maturities of the undiscounted financial liabilities were as follows:

in CHF 1'000	Less than 1 year	1–5 years	More than 5 years	Total
As at December 31, 2023				
Trade payables	21'635	-	-	21'635
Bank loans	276	1'830	1'861	3'966
Lease liabilities	3'463	6'670	1'204	11'337
Other financial liabilities	-	138	-	138
Other liabilities qualifying as financial instruments	36'739	-	-	36'739
Derivative financial instruments	112	-	-	112
Total	62'225	8'637	3'065	73'927
As at December 31, 2022				
Trade payables	26'390	-	-	26'390
Bank loans	290	819	-	1'109
Lease liabilities	3'265	5'507	1'591	10'363
Other financial liabilities	-	688	-	688
Other liabilities qualifying as financial instruments	38'732	-	-	38'732
Derivative financial instruments	231	-	-	231
Total	68'909	7'014	1'591	77'514

Liquidity is centrally managed and controlled by Group Treasury. The subsidiaries are adequately financed by intercompany loans to meet their ongoing commitments.

Belimo can draw down loans at fixed or floating rates for various terms, based on its short and medium-term liquidity needs. Belimo aims to preserve maximum flexibility in its liquidity planning through flexible use of the general credit lines and by staggering the maturity dates of the individual amounts. Belimo has CHF 100.0 million of committed credit lines (not used as at December 31, 2023). In the previous year, the total amount of CHF 100.0 million of committed credit lines and CHF 20.0 million of uncommitted credit lines were available (not used as at December 31, 2022).

Foreign Currency Risk

The following table shows the main foreign exchange risk exposure for financial instruments with a currency that differs from the functional currency of the Group company holding them.

in CHF 1'000	December 31, 2023			December 31, 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
CAD	6'332	-251	6'081	6'907	-290	6'616
CHF	852	-11'353	-10'501	456	-12'687	-12'231
EUR	28'470	-16'728	11'742	27'493	-17'402	10'090
GBP	3'180	-178	3'002	1'943	-101	1'841
PLN	4'510	-27	4'483	6'626	-44	6'582
USD	47'711	-7'017	40'694	61'402	-6'387	55'015
Other	13'967	-906	13'061	16'814	-577	16'237
Total	105'021	-36'460	68'561	121'640	-37'489	84'151

The currency-related sensitivity of these financial instruments is shown in the following table:

in CHF 1'000	December 31, 2023			December 31, 2022		
		Exchange		Exchange		
		gain	loss	gain	loss	
CAD	-/+ 5%	197	-197	-/+ 5%	177	-177
CHF	-/+ 5%	525	-525	-/+ 5%	612	-612
EUR	+/- 5%	328	-328	+/- 5%	505	-505
GBP	-/+ 5%	35	-35	-/+ 5%	107	-107
PLN	-/+ 5%	50	-50	+/- 5%	80	-80
USD	-/+ 5%	232	-232	+/- 5%	1'375	-1'375
Other	+/- 5%	407	-407	+/- 5%	551	-551
Total		1'774	-1'774		3'406	-3'406

This analysis assumes that all other variables are held constant and takes into account hedging transactions. The same assumptions were applied in the previous year.

At the reporting date, the following currency forward instruments were held, whereas foreign currency forward contracts selling foreign currencies are disclosed as positive figures and contracts buying foreign currencies as negative figures:

in CHF 1'000	December 31, 2023	December 31, 2022
Face values		
in CAD	10'283	10'447
in EUR	5'279	-
in GBP	3'804	4'014
in PLN	5'496	4'833
in USD	46'934	28'396
Other	4'931	5'254
Total	76'727	52'944
Fair values		
positive	1'914	1'305
negative	-112	-231
Total	1'802	1'074

In order to limit the foreign exchange risk, Belimo primarily aims to achieve natural hedging by matching cash inflows and outflows in a specific currency as far as possible. Belimo has centralized its foreign exchange management in Switzerland. Within EMEA, invoices between Group companies are mainly denominated in the currency of the company receiving the invoice. Other subsidiaries of Belimo hedge their currency risk through other intercompany transactions, thus ensuring efficient risk management as currency flows can be offset within the Group as far as possible. Its net currency positions are hedged on a rolling basis by the Swiss companies, usually by entering into forward contracts.

Interest Rate Risk

The interest-bearing financial assets and liabilities held by the Group mainly relate to cash, cash equivalents, term deposits, and lease liabilities. Belimo therefore has no material exposure to an interest rate risk.

Categories of Financial Instruments

The following tables summarize all financial instruments classified by categories according to IFRS 9:

in CHF 1'000	Carrying amounts	
	December 31, 2023	December 31, 2022
Financial assets held to collect measured at amortized cost		
Cash and cash equivalents	110'833	86'780
Term deposits	-	25'000
Trade receivables	111'015	110'418
Other receivables	1'575	860
Other financial assets	1'312	1'626
Total	224'736	224'684
Financial assets measured at fair value through OCI		
Investments ¹⁾³⁾	2'524	2'774
Total	2'524	2'774
Financial assets measured at fair value through profit and loss		
Investments ¹⁾³⁾	2'095	2'401
Derivative financial instruments ²⁾	1'914	1'305
Total	4'009	3'705
Financial liabilities measured at amortized cost		
Trade payables	21'635	26'390
Bank loans	3'966	1'109
Lease liabilities	10'606	9'675
Other financial liabilities	138	688
Other liabilities and accrued expenses qualifying as financial instruments	36'739	38'732
Total	73'084	76'595
Financial liabilities measured at fair value through profit and loss		
Derivative financial instruments ²⁾	112	231
Total	112	231

¹⁾ Measured at fair values that are calculated based on factors that are not observable market data (level 3).

²⁾ Measured at fair values that are calculated based on observable market data (level 2).

³⁾ Investments are presented within "non-current financial assets" in the primary statement.

The derivative financial instruments as at December 31, 2023, mature in 179 days or less (2022: 179 days or less).

The unquoted equity instrument measured at fair value through OCI is allocated to level 3 and relates to an immaterial investment in an innovative start-up in the heating, ventilation, and air-conditioning systems sector. It was designated as investment at fair value through OCI because this equity instrument represents an investment that the Group intends to hold over the long term for strategic purposes.

The investment measured at fair value through profit and loss allocated to level 3 belongs to a simple agreement for future equity in a start-up in the heating, ventilation, and air-conditioning systems sector.

In 2023 and 2022, there were no transfers between the fair value hierarchical levels.

The Group did not perform any quantitative sensitivity analysis as at December 31, 2023 and 2022 for the financial instruments measured at fair value, as they are considered to be immaterial.

Accounting Policies - Categories of Financial Instruments

For financial assets and financial liabilities not measured at fair value in the table above (excluding lease liabilities), the carrying amount is a reasonable approximation of fair value. In accordance with IFRS Accounting Standards, the fair value of the lease liabilities is neither calculated nor disclosed.

Fair values are allocated to one of the following three hierarchical levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than level 1 quoted prices that are directly or indirectly observable
- Level 3: factors that are not based on observable market data

The fair value of derivatives financial instruments is determined based on input factors observed directly or indirectly on the market (level 2). The fair value of these instruments is based on forward exchange rates; the positive fair values are included in current financial assets, the negative fair values in current financial liabilities. The changes in fair values recognized in the income statement are included in the financial result.

The fair value measurement of investments in start-up entities are based on non-observable market data, therefore allocated to hierarchy level 3.

Capital Management

Belimo aims to maintain an equity ratio that is in line with its strategy and that will remain stable over time to secure the confidence of investors, creditors, and other market players, and to strengthen the future development of its business activities. This entails refinancing that is adapted to the asset structure, and an equity-to-liability ratio that is adequate to the level of risk.

The Board of Directors monitors the shareholder structure and the return on equity. Belimo strives for a diversified and international shareholder base. The return on equity was 26.0% as at December 31, 2023 (2022: 23.8%). The Board of Directors strives to pay a stable or increasing dividend per share, but it may diverge from this policy depending on business development, corporate financing needs, general economic conditions as well as legal and contractual constraints. The Board of Directors of BELIMO Holding AG will propose a dividend of CHF 8.50 at the Annual General Meeting 2024, which results in a payout ratio of 76.3% (2022: 85.1%).

Belimo can buy or sell treasury shares on the market. Its current holdings of treasury shares are not earmarked for any specific purpose and can be sold on the market at any time.

The Alternative Performance Measures are described [here](#).

3.3 Financial Assets and Liabilities

Financial Assets

in CHF 1'000	December 31, 2023	December 31, 2022
Term deposits	-	25'000
Derivative financial instruments	1'914	1'305
Investments	4'619	5'174
Other financial assets	1'312	1'626
Total	7'846	33'106
of which current financial assets	1'956	26'305
of which non-current financial assets	5'890	6'801

Term deposits consist of bank deposits with maturities of more than three but less than twelve months from the date of acquisition. Other financial assets primarily comprise deposits relating to lease agreements for the business premises of various Group companies as well as loans to finance Belimo distribution companies. Investments comprise an immaterial investment as well as a simple agreement for future equity in innovative start-ups in the heating, ventilation, and air-conditioning systems sector. In 2023, an immaterial valuation allowance has been recognized (2022: immaterial valuation allowance).

Financial Liabilities

in CHF 1'000	December 31, 2023	December 31, 2022
Bank loans	3'966	1'109
Lease liabilities	10'606	9'675
Derivative financial instruments	112	-
Other financial liabilities	138	688
Total	14'822	11'473
of which current financial liabilities	3'814	3'495
of which non-current financial liabilities	11'008	7'977

The changes in financial liabilities were as follows:

in CHF 1'000	2023	2022
As at January 1	11'473	10'768
Interest paid financial borrowings	-596	-18
Interest paid lease liabilities	-342	-326
Repayment of financial borrowings	-59'707	-
Repayment of lease liabilities	-3'824	-3'840
Proceeds from financial borrowings	63'669	-
Cash flow from financing activities	-800	-4'183
Non-cash effective movements lease liabilities	5'505	4'377
Other non-cash effective movements	-1'229	214
Deferred payments for investments in property, plant and equipment	-	404
Interest expenses financial borrowings	626	51
Interest expenses lease liabilities	342	326
Translation differences	-1'093	-484
Non-cash effective movements	4'150	4'888
As at December 31	14'822	11'473

Interest paid not related to financial liabilities and therefore not included in the table above amounted to CHF 0.3 million (2022: CHF 0.2 million).

Management Assumptions and Estimates

Management judgment is required to determine the lease liabilities. Further details regarding lease accounting are described in note [Property, Plant and Equipment](#).

Accounting Policies - Financial Assets

Financial assets are measured at amortized costs, with the exception of investments held at fair value through other comprehensive income as well as investments held at fair value through profit and loss. Derivative financial instruments are measured at fair value through profit and loss with any changes therein recognized in the financial result. Financial assets measured at amortized costs are subject to the impairment requirements of IFRS 9.

Accounting Policies - Financial Liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit and loss. Lease liabilities are initially measured at the present value of the lease payments. Derivative financial instruments are measured at fair value through profit and loss with any changes therein recognized in the financial result.

3.4 Financial Result

in CHF 1'000	2023	2022
Interest income	373	137
Net gain from derivative financial instruments	422	927
Financial income	796	1'064
Interest expenses	-1'693	-604
Other financial expenses	-600	-683
Financial expenses	-2'293	-1'287
Net foreign exchange loss	-8'556	-4'631
Total	-10'053	-4'854

Accounting Policies - Financial Result

The financial result is composed primarily of interest expenses on borrowings and lease liabilities, interest income, foreign exchange gains and losses, bank charges, as well as gains and losses on derivative financial instruments. Interest income and expenses are recognized in accordance with the effective interest method.

3.5 Shareholder's Equity and Earnings per Share

As per the resolution of the Annual General Meeting of BELIMO Holding AG held on March 27, 2023, a dividend of CHF 8.50 per registered share (2022: CHF 8.50) was paid out on March 31, 2023. In total, a dividend payment of CHF 104.5 million (2022: CHF 104.5 million) was made.

		2023	2022
Net income attributable to shareholders of BELIMO Holding AG	in CHF 1'000	136'963	122'797
Average outstanding shares	Number	12'298'145	12'297'527
Dividend proposed per registered share ¹⁾	in CHF	8.50	8.50
Total dividend proposed ¹⁾	in CHF 1'000	104'550	104'550
Earnings per share (EPS)	in CHF	11.14	9.99

¹⁾ Proposed by the Board of Directors to the Annual General Meeting

The average number of outstanding shares is calculated based on the number of shares issued, less the average number of treasury shares held.

Share Capital

		December 31, 2023	December 31, 2022
Par value per share	in CHF	0.05	0.05
Outstanding shares	Number	12'298'908	12'298'743
Treasury shares	Number	1'092	1'257
Total registered shares	Number	12'300'000	12'300'000

The share capital of BELIMO Holding AG consists of one class of voting rights.

Treasury Shares

Number of shares	2023	2022
As at January 1	1'257	1'128
Purchases of treasury shares	8'500	9'101
Treasury shares awarded for share-based payments	-8'665	-8'972
As at December 31	1'092	1'257

Reserves and Retained Earnings

in CHF 1'000	December 31, 2023	December 31, 2022
Currency translation adjustment	-40'675	-22'498
Financial assets at FVOCI	551	752
Total other reserves	-40'124	-21'745
Capital reserves	24'061	23'913
Retained earnings	546'551	519'597
Total	530'489	521'765

Accounting Policies - Shareholder's Equity

Shares are a component of equity, as they are not redeemable and there is no dividend guarantee. Treasury shares are recorded as a deduction from equity. Capital reserves correspond to premiums from capital increases, and the gains or losses from treasury share sales as well as from share-based payment awards. Other reserves contain the accumulated foreign exchange differences arising from the translation of the financial statements of foreign Group companies and intercompany loans that form part of a net investment in a foreign operation, as well as the accumulated fair value changes of investments measured at fair value through other comprehensive income (FVOCI). Retained earnings include the remeasurement of the post-employment benefits, as well as remeasurement of share-based payment transactions, and accumulated retained earnings of prior periods.

4 Corporate Structure

This chapter sets out details of the Group structure of Belimo. In addition, it outlines material changes in the Group structure and the corresponding impact on the consolidated financial statements.

4.1 Subsidiaries

BELIMO Holding AG held directly and indirectly the following subsidiaries:

Europe, Middle East & Africa

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Automation AG, Hinwil	P, D, L/ C, R&D	CH	CHF	500	500	100%	100%
BELIMO InnoVision AG, Hinwil	H	CH	CHF	3'500	3'500	100%	100%
BELIMO Stellantriebe Vertriebs GmbH, Stuttgart	D	DE	EUR	205	205	100%	100%
BELIMO Automation Deutschland GmbH, Großröhrsdorf	P, L/C, R&D	DE	EUR	50	50	100%	100%
BELIMO Automation Handelsgesellschaft m.b.H., Vienna	D	AT	EUR	36	36	100%	100%
BELIMO Silowniki S.A., Warsaw	D	PL	PLN	500	500	100%	100%
BELIMO Servomotoren B.V., Vaassen	D	NL	EUR	18	18	100%	100%
BELIMO Belgium BV, Grimbergen	D	BE	EUR	500	500	100%	100%
BELIMO Automation UK Ltd., Shepperton	D	GB	GBP	0.1	0.1	100%	100%
BELIMO Automation Norge AS, Oslo	D	NO	NOK	501	501	100%	100%
BELIMO Finland Oy, Vantaa	D	FI	EUR	100	100	100%	100%
BELIMO AB, Nacka	D	SE	SEK	1'000	1'000	100%	100%
BELIMO SARL, Courtry	D	FR	EUR	80	80	100%	100%
BELIMO Ibérica de Servomotores S.A., Madrid ¹⁾	D	ES	EUR	305	301	100%	100%
BELIMO Italia S.r.l., Grassobbio	D	IT	EUR	47	47	100%	100%
BEREVA S.r.l., Ora ²⁾	P, D, R&D	IT	EUR	1'330	1'330	89%	89%
BELIMO Automation FZE, Dubai	D	AE	USD	1'905	1'905	100%	100%
BELIMO Turkey Otomasyon A.Ş., Istanbul ¹⁾	D	TR	TRY	12'375	1'000	100%	100%

¹⁾ Capital increase in 2023

²⁾ Investment held by BELIMO InnoVision AG

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

Americas

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Aircontrols (USA), Inc., Danbury	D, H	US	USD	200	200	100%	100%
BELIMO Customization (USA), Inc., Danbury ¹⁾	P, L/C	US	USD	45	45	100%	100%
BELIMO Technology (USA), Inc., Danbury ¹⁾	R&D	US	USD	30	30	100%	100%
BELIMO Aircontrols (CAN), Inc., Mississauga	D	CA	CAD	95	95	100%	100%
BELIMO Sensors Inc., Dorval	P, R&D	CA	CAD	2'025	2'025	100%	100%
BELIMO Brasil – Montagens e Comércio de Automação Ltda., São Paulo	D	BR	BRL	10'372	10'372	100%	100%

¹⁾ Investment held by BELIMO Aircontrols (USA), Inc.

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

Asia Pacific

Company, place of incorporation	Activities	Country	Currency	Share Capital in '000		Group interest	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
BELIMO Asia Pacific Limited, Hong Kong ¹⁾	D, L/C	HK	HKD	10	10	100%	100%
BELIMO Pacific Pty Ltd, Mulgrave, Melbourne ²⁾	D, L/C	AU	AUD	1'210	1'210	100%	100%
BELIMO Automation (Shanghai) Co., Ltd., Shanghai ³⁾	P, D, L/C, R&D	CN	CNY	50'320	20'320	100%	100%
BELIMO Automation India Private Limited, Mumbai	D, L/C	IN	INR	1'574	1'574	100%	100%
BELIMO Automation Malaysia SDN. BHD., Kuala Lumpur	D, L/C	MY	MYR	5'300	5'300	100%	100%

¹⁾ BELIMO Actuators Ltd. was renamed to BELIMO Asia Pacific Limited as at July 1, 2023.

²⁾ BELIMO Actuators Pty. Ltd. was renamed to BELIMO Pacific Pty Ltd as at December 12, 2023.

³⁾ Capital increase in 2023

H = Holding company

P = Production

D = Distribution

L/C = Logistics and customization

R&D = Research and development

Accounting Policies - Consolidation

Scope of Consolidation

The consolidated financial statements include all companies (subsidiaries) that are controlled either directly or indirectly by BELIMO Holding AG. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the company and is able to affect those returns through its power over the company. Subsidiaries that are acquired or sold during the course of the year are consolidated with effect from the date on which control commences and deconsolidated with a gain or loss included in the income statement from the date on which control is lost.

Eliminations

Assets, liabilities, income, and expenses are recognized on a 100% basis using the full consolidation method. Intercompany income and expenses and intercompany receivables and payables are eliminated. Any unrealized profits arising from intercompany transactions are eliminated, affecting net income. Unrealized losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

4.2 Changes to the Scope of Consolidation

There were no changes to the scope of consolidation in 2023 and 2022.

4.3 Currency Translation

in CHF	Year-end rates		Average rates	
	2023	2022	2023	2022
CAD	0.63	0.68	0.67	0.74
CNY	0.12	0.13	0.13	0.14
EUR	0.93	0.98	0.98	1.01
PLN	0.21	0.21	0.21	0.22
USD	0.84	0.92	0.90	0.95

The subsidiary BELIMO Turkey Otomasyon A.Ş. (Istanbul), with functional currency in Turkish lira, was affected by the hyper-inflationary economy as at December 31, 2023 and 2022. The assessment of the accounting implication of IAS 29 Financial Reporting in Hyperinflationary Economies showed no material impact on the consolidated financial statements in both years.

Accounting Policies - Currency Translation

Group Companies

Financial statements of foreign operations are translated into Swiss francs as follows: for the balance sheet (excluding equity), at the exchange rates at the reporting date; for the income statement, the statement of comprehensive income and the statement of cash flows, at the average exchange rate. Any translation differences arising from the translation of the balance sheets, income statements and the statements of comprehensive income are recognized in other comprehensive income with no effect on the consolidated income statement. This also applies to loans that are part of a net investment in a foreign operation. At the date of the loss of control over a foreign operation, the associated cumulative exchange differences are reclassified to the income statement.

Transactions in Foreign Currency

Transactions in a foreign currency are translated into the functional currency at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Any foreign currency gains or losses resulting from transactions and from the translation of balance sheet items denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the date of the transaction.

5 Other Information

This chapter details information that is not already disclosed in other parts of the report. For instance, it includes disclosures regarding income taxes, and related parties.

5.1 Income Taxes

in CHF 1'000	2023	2022
Current income taxes	-14'356	-25'603
Deferred taxes	8'788	792
Income tax recognized	-5'568	-24'811
in CHF 1'000	2023	2022
Income before taxes	142'413	147'509
Expected tax expenses	-28'834	-27'668
	applicable tax rate	20.2%
		18.8%
Non-deductible expenses	-981	-1'145
Tax-exempt income	6'147	4'181
Adjustments from previous years	10'585	1'136
Non-reclaimable withholding taxes	-129	-169
Effect of companies with mixed tax rates	1'404	-1'398
Change in tax rate	-	-29
Change in tax valuation adjustment on temporary differences	6'576	-
Other	-335	280
Income tax recognized	-5'568	-24'811
	effective tax rate	3.9%
		16.8%

In the reporting period, cumulated one-time effects of CHF 17.1 million led to an effective tax rate of 3.9% (2022: 16.8%).

As Belimo operates in several jurisdictions, the applicable tax rate is computed as the weighted average of the applicable tax rate per jurisdiction. The applicable tax rate increased by +1.4 percentage points in the reporting period (2022: -0.8 percentage points). There were no major changes in the structure of Belimo Group that impacted the applicable tax rate in 2023 and 2022.

In accordance with the Swiss federal law on the tax reform and AHV financing (TRAF), the Canton of Zurich, where Belimo is headquartered, introduced certain provisions in the cantonal tax laws (e.g. patent box, additional research, and development deductions) including transitional measures. Based on these transitional measures, in the balance sheet, deferred tax assets on intangible assets of CHF 28.2 million were recognized as at December 31, 2023 (2022: CHF 19.8 million). The increase of the deferred tax assets resulted from a change in the planned application of the patent box. This change directly impacts the transitional measures and the valuation of deferred tax assets. Consequently, an amount of CHF 6.6 million is resulting from the tax valuation adjustment on temporary differences and an additional amount of CHF 10.6 million could be recognized and is disclosed as adjustments from previous years, and deferred tax assets relating to temporary differences of CHF 6.8 million (2022: CHF 13.3 million) are not recognized.

Tax-exempt income includes additional research and development deductions of CHF 4.0 million (2022: CHF 3.6 million) and patent box deduction of CHF 1.8 million because of Belimo's strong research and development base in Switzerland. Some Group companies are taxed at different rates, depending on the source of income. The effect of these mixed tax rates is presented as a separate item in the reconciliation above.

Deferred Taxes

in CHF 1'000	December 31, 2023			December 31, 2022		
	Deferred tax			Deferred tax		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Receivables	358	-3'599	-3'241	447	-3'104	-2'656
Inventories	5'487	-5'003	484	4'932	-5'892	-961
Property, plant and equipment	838	-9'149	-8'311	241	-8'664	-8'423
Intangible assets	1'901	-3'233	-1'332	1'153	-2'537	-1'384
Intangible assets from tax reforms	28'163	-	28'163	19'818	-	19'818
Other assets	36	-302	-265	25	-370	-345
Non-current employee benefits	-	-11	-11	-	-	-
Current liabilities	1'007	-181	826	1'041	-137	904
Non-current financial liabilities	853	-2	852	926	-78	848
Tax loss carryforwards and tax credits	1'704	-	1'704	1'472	-	1'472
Total (gross)	40'347	-21'480	18'866	30'055	-20'781	9'273
Set-off of tax	-20'695	20'695	-	-18'268	18'268	-
Total (net)	19'652	-785	18'866	11'787	-2'514	9'273

In the reporting period and in the previous year, the Group did not consider temporary differences resulting from investments in Group companies because it controls the dividend policy of its subsidiaries while all subsidiaries are directly or indirectly owned by the Swiss Holding where the deduction for income from subsidiaries is applicable. Due to the deduction, there is no significant tax effect from dividend payments.

In 2023 deferred tax assets relating to tax losses and credits amounting to CHF 1.0 million are not recognized (2022: CHF 0.8 million). At the reporting date, deferred tax assets of CHF 1.8 million (2022: CHF 1.7 million) are recognized for Group companies that incurred losses supported by taxable temporary differences and expected future profitability.

The following table summarizes the movements in the net deferred tax position:

in CHF 1'000	2023	2022
As at January 1	9'273	8'240
Recognized in the income statement	8'788	792
Recognized in other comprehensive income	1'436	419
Translation differences	-631	-179
As at December 31	18'866	9'273

Deferred tax assets on tax loss carryforwards and tax credits as well as loss carryforwards not recognized expire as follows:

in CHF 1'000	Expiry in 1–5 years	Expiry after 5 years	No expiry	December 31, 2023	December 31, 2022
Deferred tax assets on tax loss carryforwards and tax credits	83	616	1'005	1'704	1'472
Tax loss carryforwards not recognized	-	954	-	954	255

In the current year, no tax loss carryforwards not recognized in the previous year have been recognized (2022: CHF 0.5 million).

International Tax Reforms - Pillar Two Model Rules

In Switzerland and various other jurisdictions in which Belimo operates, the Global Anti-Base Erosion Rules (GloBE - Pillar Two) were enacted as per December 31, 2023. Being in the scope of the enacted legislation, Belimo applied the exception to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. However, the legislation was enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at December 31, 2023. The potential exposure, if any, to Pillar Two income taxes cannot be reasonably determined. The Group expects to be in a position to report the potential exposure in its next interim financial statements for the period ending June 30, 2024.

Management Assumptions and Estimates

Estimates are required to determine the total assets and liabilities for current and deferred taxes. There are transactions and calculations for which the final tax assessment is uncertain by the end of the reporting period, e.g., the final step-up amount. Where the actual outcome of final tax assessments or tax audits of such matters differs from the amounts that were initially recognized, such differences may materially impact the income tax and deferred tax positions in the period in which such a determination is made.

Accounting Policies - Taxes

Income taxes

Income taxes include current and deferred income taxes. Income taxes are recognized in the income statement unless they relate to an item that is recognized in other comprehensive income or directly in equity.

Current income taxes are determined with regard to taxable profit, based on the tax rates in force as at the reporting date, including tax expenses for previous periods.

Deferred taxes

Deferred taxes are calculated using the balance sheet liability method on all temporary differences between the tax basis and the group value carrying amounts. No deferred taxes are recognized for the following temporary differences: initial recognition of assets or liabilities in a transaction that neither affects taxable nor accounting profit and investments in subsidiaries if it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets, including the tax benefits from deductible tax loss carryforwards, are recognized only if it is probable that the temporary differences or loss carryforwards can be offset against future taxable profits.

5.2 Related Parties

In 2023 and 2022, the total booked compensation for the Board of Directors and Executive Committee was as follows:

in CHF 1'000	2023	2022
Salaries and other short-term employee benefits	5'117	5'100
Post-employment benefits	887	874
Expenses for share-based payments	333	300
Total	6'336	6'274

Further information regarding compensation and investments of the Board of Directors and Executive Committee is disclosed in the [Remuneration Report 2023](#).

Transactions between Belimo and the pension funds are detailed in [Personnel Expenses](#).

In 2023 and 2022, there were no further material related party transactions.

5.3 Events after the Reporting Date

On March 1, 2024, the Board of Directors of BELIMO Holding AG approved the present consolidated financial statements for release. As of this date, no material events after the reporting date have occurred. The consolidated financial statements are subject to approval by the shareholders of BELIMO Holding AG at the Annual General Meeting to be held on March 25, 2024.

To the General Meeting of
BELIMO Holding AG, Hinwil

Zurich, 1 March 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of BELIMO Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these

matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

Revenue Recognition

Risk Total consolidated net sales for the financial year 2023 amounted to CHF 858.8 million (2022: CHF 846.9 million).
As stated in *Note 1.1 Segment Reporting / Revenue Recognition* sales are measured net of sales tax and are recognized when control of the goods transfers to the customer.
The Group's performance is assessed, amongst other KPI, based on annual net sales and its growth year-over-year. The expectations and the targets set by the Group could create potential pressure on Management to achieve the expectations and targets. The risk for revenue being recognized in the incorrect period presents a key audit matter due to those financial significant of net sales of the consolidated financial statements.

Our audit response We obtained an understanding of the Group's policies, processes, controls and method regarding revenue recognition. During the audit we performed walkthroughs to analyze the process established to determine revenue recognition and the appropriate application of the accounting policies. We performed, on a sample basis, the following audit procedures:

- We tested the occurrence and timing of revenue recognition by comparing individual sales transaction to the delivery documents, including incoterms and the underlying invoices.
- We tested how the revenue has trended over the year using analytical methods. Additionally, we identified transactions that deviated from the standard process for further investigation and validated existence and accuracy of this population.

Furthermore, we validated the appropriateness and completeness of the related disclosures in Note 1.1 of the consolidated financial statements.

Our audit procedures did not lead to any reservations concerning revenue recognition.



Other matter

The consolidated financial statements for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 3 March 2023.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the section Remuneration 2023 in the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Marco Casal

Marco Casal
Licensed audit expert
(Auditor in charge)

/s/ Gianantonio Zanetti

Gianantonio Zanetti
Licensed audit expert

Financial Statements of BELIMO Holding AG

Income Statement

in CHF 1'000	Note	2023	2022
Dividend income		109'917	111'587
License fees		11'500	12'500
Other financial income	1.1	10'352	6'066
Reversal impairment loss on investments		1'927	-
Total income		133'697	130'152
Financial expenses	1.1	-9'088	-5'188
Operating expenses		-2'879	-3'050
Direct taxes		-1'286	-1'172
Total expenses		-13'253	-9'409
Net income		120'444	120'743

Balance Sheet

in CHF 1'000	Note	December 31, 2023	December 31, 2022
Cash and cash equivalents		4'292	10'356
Other current receivables – Group companies		52'665	25'050
Other current receivables – Third parties		218	20
Accrued income and prepaid expenses		33	58
Current assets		57'208	35'484
Financial assets – Group companies		173'668	186'443
Investments	1.2	87'547	81'526
Non-current assets		261'215	267'969
Assets		318'423	303'453
Other current liabilities – Group companies		-	1'056
Other current liabilities – Third parties		198	316
Deferred income and accrued expenses		968	708
Current provisions		-	100
Current liabilities		1'166	2'180
Liabilities		1'166	2'180
Share capital		615	615
Legal capital reserves		9'164	9'164
Legal retained earnings		580	580
Treasury shares	1.3	-473	-552
Balance carried forward		186'926	170'722
Net income		120'444	120'743
Shareholders' equity		317'256	301'273
Liabilities and shareholders' equity		318'423	303'453

Accounting Policies

General Information

The financial statements of BELIMO Holding AG, Hinwil (Switzerland), have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations. While the consolidated financial statements provide information regarding the economic situation of the Group as a whole, the information contained in these financial statements refers solely to the parent company. These financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided.

Non-Current Assets

Non-current assets include long-term loans and investments in group companies. Loans denominated in foreign currencies are translated at the rate at the reporting date, whereby unrealized losses are fully recognized, and unrealized gains are only recorded to the extent of previous losses. Investments in group companies are accounted for at acquisition cost less valuation allowances, as required.

Treasury Shares

At the acquisition date, treasury shares are recognized at acquisition cost and deducted from shareholders' equity. In case of a resale, the gain or loss is recognized in the income statement as other financial income or financial expenses.

Foregoing a Statement of Cash Flows, Management Report, and Additional Disclosures in the Notes

As BELIMO Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS[®] Accounting Standards), it has decided to refrain from presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a statement of cash flows and a management report in accordance with the law.

1 Information on Items in the Income Statement and Balance Sheet

1.1 Other Financial Income and Financial Expenses

Other financial income contained intercompany interest of CHF 10.1 million (2022: CHF 6.1 million). Financial expenses included net foreign exchange losses of CHF 9.0 million (2022: loss of CHF 4.7 million).

1.2 Investments

Information on the investments directly and indirectly controlled by BELIMO Holding AG is given in the [list of group companies](#) in the Annual Report. Ownership interests equal voting rights.

1.3 Treasury Shares

	2023		2022	
	Number of shares	Value in CHF '000	Number of shares	Value in CHF '000
As at January 1	1'257	552	1'128	606
Purchase	8'500	3'582	9'101	4'072
Awarded for (group) share-based payments	-8'665	-3'661	-8'972	-4'126
As at December 31	1'092	473	1'257	552

Awards for Group share-based payments are made on behalf of the respective Group companies. These Group companies cover all costs.

In the reporting year, the average transaction price of the treasury shares purchased was CHF 421.45 (2022: CHF 447.42) and the average transaction price of the treasury shares awarded for share-based payments CHF 441.20 (2022: CHF 435.50).

2 Other Information

2.1 Full-Time Equivalents

BELIMO Holding AG does not have any employees.

2.2 Contingent Liabilities and Collaterals for Third-Party Liabilities

There were no contingent liabilities as at December 31, 2023 and 2022.

The Company is part of the Belimo value-added tax group in Switzerland and is jointly and severally liable for its value-added tax liabilities to the tax authorities.

As at December 31, 2023, BELIMO Holding AG has issued a guarantee to certain banks in respect of credit facilities granted to one subsidiary in the amount of CHF 100.0 million (2022: CHF 100.0 million). The credit lines were not used as at December 31, 2023 and 2022.

2.3 Events after the Reporting Date

On March 1, 2024, the Board of Directors of BELIMO Holding AG approved the present annual financial statements for release. As of this date, no material events after the reporting date have occurred. The financial statements are subject to approval by the shareholders of BELIMO Holding AG at the Annual General Meeting to be held on March 25, 2024.

Appropriation of Available Earnings

in CHF 1'000	2023	2022
Retained earnings brought forward	186'916	170'703
Dividends on treasury shares not distributed ¹⁾	11	19
Net income for the year	120'444	120'743
Retained earnings available to Annual General Meeting	307'370	291'466
Dividend of CHF 8.50 per share (2022: CHF 8.50 per share) proposed by the Board of Directors ²⁾	-104'550	-104'550
Balance carried forward	202'820	186'916

¹⁾ The amount of CHF 104.6 million proposed to be distributed as dividend for 2022 was reduced by CHF 10'684.50 due to 1'257 treasury shares held by BELIMO Holding AG at the dividend payment date 2023 (2022: CHF 18'946.50 due to 2'229 treasury shares).

²⁾ Shares held by BELIMO Holding AG at the time of dividend distribution are not entitled to dividends.

The Board of Directors proposes to the 2024 Annual General Meeting a dividend of CHF 8.50 per share (2022: CHF 8.50 per share). The dividend is expected to be paid on April 2, 2024.

To the General Meeting of
BELIMO Holding AG, Hinwil

Zurich, 1 March 2024

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of BELIMO Holding AG (the Company), which comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

We have determined that there are no key audit matters to communicate in our report.



Other matter

The financial statements for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 3 March 2023.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the section Remuneration 2023 in the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Marco Casal

Marco Casal
Licensed audit expert
(Auditor in charge)

/s/ Gianantonio Zanetti

Gianantonio Zanetti
Licensed audit expert

Information for Investors

	2023	2022	2021	2020	2019
Share capital					
Number of registered shares as at December 31	12'300'000	12'300'000	12'300'000	12'300'000	12'300'000
Average number of outstanding shares	12'298'145	12'297'527	12'298'556	12'298'480	12'298'860
Information per average outstanding share					
Earnings, in CHF	11.1	10.0	9.4	7.1	9.9
Cash flow from operating activities, in CHF	12.8	9.2	12.4	10.2	10.2
Earnings before interest and taxes (EBIT), in CHF	12.4	12.4	11.8	8.8	10.1
Equity attributable to shareholders of BELIMO Holding AG as at December 31, in CHF	43.1	42.4	41.6	39.8	41.3
Information per registered share					
Dividend, in CHF (as proposed by the Board of Directors for next year)	8.50	8.50	8.50	7.50	7.50
Return on dividend as at December 31, in %	1.8%	1.9%	1.5%	2.0%	2.1%
Payout ratio, in % of net income attributable to shareholders of BELIMO Holding AG	76.3%	85.1%	90.4%	106.4%	76.1%
Price-earnings ratio as at December 31	41.6	44.0	61.6	54.5	37.0
Stock market prices in CHF					
High	514	580	580	405	365
Low	376	317	328	234	197
Year-end	464	440	580	384	365
Market capitalization in CHF million					
High	6'322	7'134	7'134	4'975	4'490
Low	4'620	3'899	4'028	2'875	2'417
Year-end	5'705	5'412	7'134	4'723	4'483
In % of equity attributable to shareholders of BELIMO Holding AG as at December 31	1'075%	1'037%	1'395%	965%	884%
Average daily trading volume					
In number of shares	16'100	17'755	12'728	20'934	18'700

Alternative Performance Measures are described [here](#).

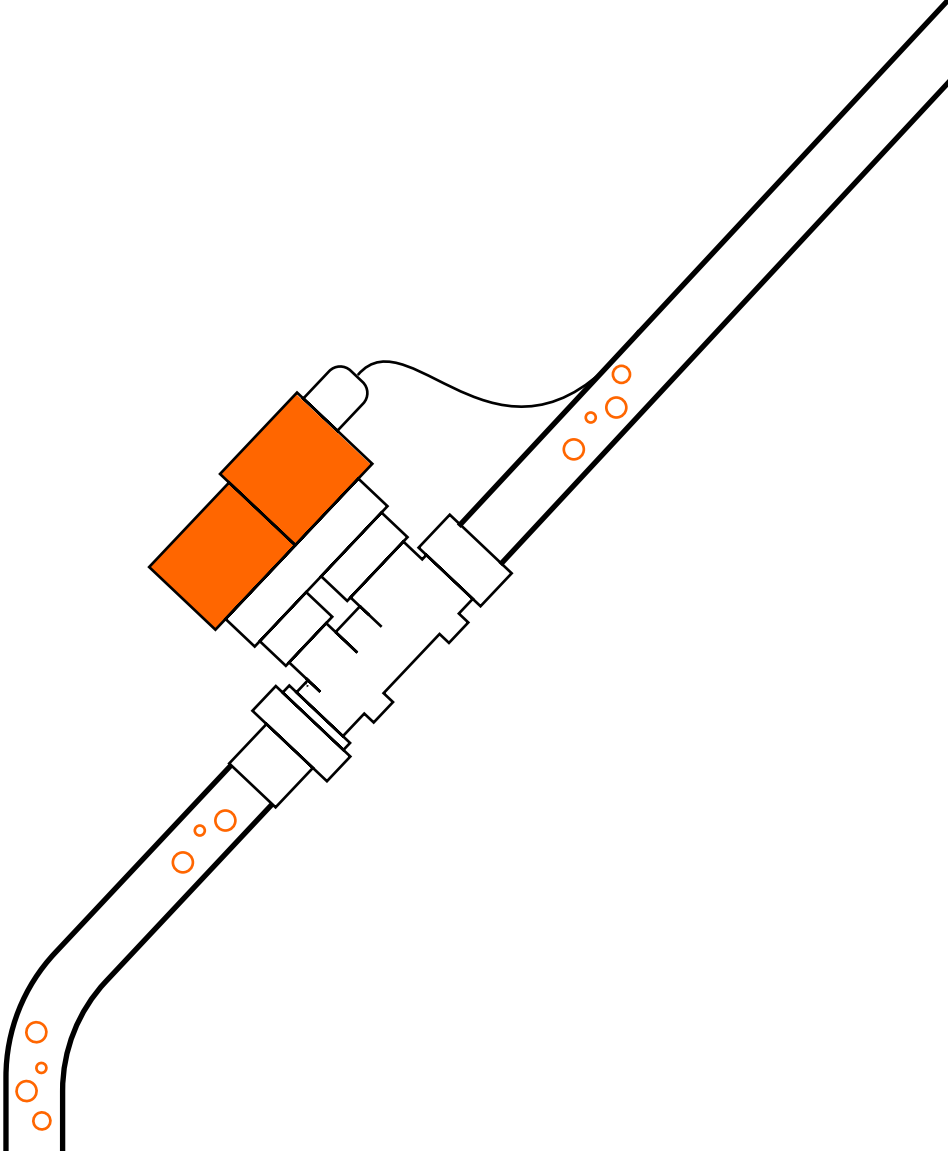
Five-Year Summary

in CHF 1'000 (unless indicated otherwise)	2023	2022	2021	2020	2019
Net sales					
EMEA	375'920	367'902	375'556	322'285	328'777
Americas	373'813	368'261	291'387	253'875	272'849
Asia Pacific	109'053	110'737	98'400	85'067	91'054
Group	858'785	846'900	765'343	661'226	692'680
Growth in local currencies, in %	7.2%	11.9%	16.6%	0.0%	9.2%
Growth in CHF, in %	1.4%	10.7%	15.7%	-4.5%	7.8%
Income statement					
Net sales	858'785	846'900	765'343	661'226	692'680
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	188'312	189'033	178'395	139'337	154'224
Earnings before interest and taxes (EBIT)	152'466	152'363	145'363	108'065	123'869
Net income	136'845	122'698	115'504	86'641	121'103
EBIT margin, in %	17.8%	18.0%	19.0%	16.3%	17.9%
Return on equity (ROE), in %	26.0%	23.8%	23.1%	17.4%	25.6%
Return on invested capital (ROIC), in %	26.6%	24.9%	26.0%	24.7%	27.8%
Cash flow					
Cash flow from operating activities	156'966	112'861	153'049	125'668	125'400
Cash flow from investing activities	-21'084	-21'658	-107'505	-32'394	-41'549
Free cash flow	135'882	91'202	45'544	93'274	83'852
Cash flow from financing activities	-108'662	-112'309	-101'238	-98'614	-65'860
Dividends paid	-104'539	-104'531	-92'243	-92'241	-61'494
Free cash flow, in % of net sales	15.8%	10.8%	6.0%	14.1%	12.1%
Balance sheet					
Total assets	661'989	671'983	642'671	583'458	602'002
Total liabilities	131'500	150'226	131'335	94'195	94'658
Total equity	530'489	521'757	511'336	489'263	507'344
Equity ratio, in %	80.1%	77.6%	79.6%	83.9%	84.3%

in CHF 1'000 (unless indicated otherwise)	2023	2022	2021	2020	2019
Cash conversion cycle					
Days sales outstanding (DSO), in days	55	55	53	53	55
Inventory period (DIO), in days	188	180	148	159	145
Employees					
Female full-time equivalents, in total numbers	814	816	712	655	653
Male full-time equivalents, in total numbers	1'445	1'347	1'209	1'171	1'136
Net sales per full-time equivalents (yearly average)	387	414	412	363	405
Greenhouse Gas Emissions (GHG)					
Total GHG emissions in tCO ₂ e	766	813	1'320	1'535	1'544
GHG intensity in tCO ₂ e per CHF 100 million of net sales	89	96	172	232	223

Alternative Performance Measures are described [here](#).

Appendix



Legal Notice

This report contains comments relating to future developments that are based on assumptions and estimates of BELIMO Holding AG. Although the Company assumes the expectations of these forward-looking statements to be realistic, they contain risks. These can lead to the actual results being significantly different from the forward-looking statements.

Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this report including, among others:

- Changes in the economic and business environment.
- Exchange rate and interest rate changes.
- The introduction of competing products.
- Inadequate acceptance of new products or services.
- Changes in the business strategy.

BELIMO Holding AG neither plans nor commits itself to keep these forward-looking statements up to date.

Credits

Concept/Editing

BELIMO Holding AG, Hinwil (Switzerland)

Design/Realization

NeidhartSchön AG, Zurich (Switzerland)

Photography

André Gutzwiller, Wila (Switzerland)

Florian Bilger, Freiburg (Germany)

Ksenia Puchina, Padua (Italy)

Remo Neuhaus, Bern (Switzerland)

This Annual Report 2023 was published on March 4, 2024. German translations of selected sections are available; the English version is binding.

Financial Agenda

Annual General Meeting 2024	March 25, 2024
Dividend Payment	April 2, 2024
Publication of Semiannual Report 2024	July 22, 2024
Publication of Sales 2024	January 20, 2025
Publication of Annual Report 2024 / Media and Financial Analysts Conference	February 24, 2025
Annual General Meeting 2025	March 24, 2025

The comprehensive financial agenda is available at: belimo.com/financial-calendar.

Alternative Performance Measures

Free cash flow = Cash flow from operating activities + Cash flow from investing activities

Net liquidity = Cash and cash equivalents + Current financial assets - Current financial liabilities - Non-current financial liabilities

Net working capital = Trade receivables + Inventories - Trade payables

Days sales outstanding (DSO) = Quarterly average of gross trade receivables for the past 4 quarters / Net sales for the past 4 quarters * 360

Days inventory outstanding, Inventory period (DIO) = Quarterly average of gross inventories for the past 4 quarters / Material expenses including changes in inventories for the past 4 quarters * 360

Material expenses incl. changes in inventories = Material expenses including changes in stock of finished goods and work in progress

Earnings before interest, taxes, depreciation, and amortization (EBITDA) = Net sales - Material expenses +/- Changes in inventories - Personnel expenses - Other operating expenses + Other operating income

Earnings before interest and taxes (EBIT) = Net sales - Material expenses +/- Changes in inventories - Personnel expenses - Other operating expenses + Other operating income - Depreciation and amortization

Compound annual growth rate (CAGR) net sales, 5 years = $(\text{Net sales actual year} / \text{Net sales 5 years ago})^{(1/5)} - 1$

Quick ratio = $(\text{Cash and cash equivalents} + \text{Current receivables}) / \text{Current liabilities}$

Payout ratio = $(\text{Dividend} + \text{Nominal share capital repayment}) / \text{Net income attributable to shareholders of BELIMO Holding AG}$

Equity-to-fixed-assets ratio = $(\text{Non-current liabilities} + \text{Total equity}) / \text{Non-current assets}$

Equity ratio = $\text{Total equity} / \text{Assets}$

Return on equity (ROE) = $\text{Net income} / \text{average total equity as at December 31 and December 31 of previous year}$

Return on invested capital (ROIC) = $\text{Operating income (EBIT)} / (\text{Assets} - \text{Cash and cash equivalents} + \text{Trade payables})$

Return on dividend = Dividend / Stock market price as at December 31

Price-earnings ratio (P/E ratio) = Stock market price as at December 31 / Earnings per share (EPS)

Total shareholder return = (Stock market price as at end of period - Stock market price as at beginning of period + Paid dividend) / Stock market price as at beginning of period)

Total shareholder return, 5 years = (Stock market price as at end of period - Stock market price as at beginning of 5-year period + Paid dividends of last 5-year period) / Stock market price as at beginning of 5-year period)

Research and development in percent of net sales = Expenses of the Innovation division excluding effects of capitalized development costs (capitalization and amortization) and excluding costs of litigation divided by net sales

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