

Global Compact

Communication on Progress

2016



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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The 10 principles of the United Nations Global Compact

Human Rights principles

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2. Make sure that they are not complicit in human rights abuses

Labour principles

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. The elimination of all forms of forced and compulsory labour;

Principle 5. The effective abolition of child labour; and

Principle 6. The elimination of discrimination in respect to employment and occupation

Environmental principles

Principle 7. Businesses should support a precautionary approach to environmental challenges;

Principle 8. Undertake initiatives to promote greater environmental responsibility; and

Principle 9. Encourage the development and diffusion of environmentally friendly technologies;

Anti-corruption principles

Principle 10. Businesses should work against corruption in all its forms. Including extortion and bribery

UN Global Compact

The UN Global Compact supports companies to:

Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and

Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Statement of continued support

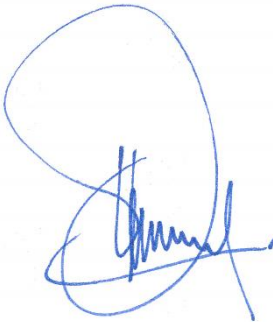
To our stakeholders:

I am pleased to confirm that Beschermde Werkplaats Zottegem vzw reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. This is a fundamental approach to us to respect all business partners and employees.

In this annual Communications on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

One of our main objectives is the constant satisfaction of our customers: the way to get this aim is a daily innovation and continuous improvement of our teams and a strengthening of our direct contacts with professional interlocutors, either customers or suppliers.

Yours sincerely,



Edward Valk

Managing Director

11th of March, 2017

About BWZ

Introduction

BWZ is a subcontractor providing specific services to customers who are active in mechanical engineering, the production of systems for payment technologies, medical applications, image technology and logistic applications.

BWZ offers his clients open tailored solutions with sustainable processes that guarantee reliable and lasting results, based on a responsible use of resources: people, materials, infrastructure, equipment, and capital.

Mission Statement

Being active in the social economy, BWZ wants to provide a specialized working environment for people with an employment disability with a view to adjusted employment meeting the needs of the individual.

We do so as a supply company within a reality of business economics, in which we provide to our customers an impeccable service and quality.

Vision Statement

The vision of BWZ aims at being - or becoming - a main and preferred partner of all its present and future stakeholders, with whom a reliable and sustainable relationship is created and maintained.

The organization incorporates this vision in its strategy, in its functioning and subsequently in the achievement of good and sustainable results.

The achievement of such results relates to the commitment of BWZ to perform well on quality, safety and health and environment.

BWZ implements this vision by providing a customer and service related approach, seeking to meet with flexible and maximum efforts the desires of the customers, but always in line with the principles of our Mission and Vision.

BWZ is committed to avoid or to minimize where possible the contamination and pollution of the environment and the waste of water, raw materials and energy, with the purpose of optimizing its impact on the environment.

BWZ is committed to provide a safe and healthy working environment for all employees, with the purpose of avoiding work accidents and assuring the safety and health of the workers.

BWZ informs and involves its employees in the structural consultation between the consultative body and the employee representation.

Strategy Statement

BWZ has the ambition to keep working on all aspects of the management that could influence the quality, the safety and health of its employees and the environment.

BWZ aims a flawless production and/or service in order to deliver products and/or services which meet completely to the specifications and quality requirements of the customers, including through intensive inspections in all processes and phases of production.

BWZ undertakes steps in a proactive way to prevent work accidents, through a structured approach and policy on prevention, with continuous focus on creating a safe and healthy working environment for all employees.

Assurance

All activities in BWZ are executed within an integrated management system for all risks related to Quality, Safety and Health and Environment, with the purpose of realizing (facilitate) and extending and refining (evolve) the vision and strategy.

This is a documented system, which complies with all stipulations of the standards ISO9001:2008, ISO14001:2004 and OHSAS 18001:2007.

BWZ has the ambition to work continuously on its performances with respect to quality, safety and health and environment. This includes the actual performances as well as the ones perceived (perception) by the customers and other interested parties.

To realize this, relevant and specific, measurable targets and/or indicators will be determined, which we will register and follow up on a regular basis.

BWZ commits itself at least to comply with the applicable legal requirements and with all other possible requirements or regulations to which the organization subscribes with respect to quality, safety and health and environment.

HUMAN RIGHTS principles

Principle 1. Businesses should be support and respect the protection of internationally proclaimed human rights; and

Principle 2. Make sure that they are not complicit in human rights abuses

Assessment, policy and targets

The Human Rights are obvious to us. We respect the Human Rights and will always endorse and maintain them.

Some of the most important Human Rights, but not limited to, are freedom of religion, freedom of speech, non-discrimination, a safe and healthy work environment, equal pay for equal work, freedom of association and education.

We owe our success to our people. To hold on to this success we aim to keep the work environment a safe place where everybody respects each other, where everybody is equal and where there are always good opportunities for personal development.

BWZ works together with many business partners, mainly in Europe and to some limited extend also worldwide. We aim to cooperate with partners, suppliers and other stakeholders who support our principles. BWZ and its board of directors believe it is important to stimulate good behaviour to others by setting the right example.

Assurance

The 10 principles of the UN Global Compact are supported and emphasised in:

- The internal BWZ Code of Conduct:

This Code of Conduct is part of our employee handbook, which is established with the union representatives of the employees and handed out to all BWZ employees.

- Supplier Code of Conduct and CSR Declaration:

The Supplier receives the BWZ Code of Conduct for Suppliers and is asked to sign the adjoining CSR Declaration.

Employees can report incidents involving Human Rights to our HR department, supervisor or confident. The HR manager reports to the Management Team in the weekly MT-meeting. Records are kept of all incidents.

Infringements of the rules, violation of laws and regulations and violation of privacy rights are not acceptable and will result in disciplinary actions by the management.

Education

BWZ provides internships for students and workplaces for trainees in collaboration with educational institutions. All our facilities and production lines can be visited by stakeholders on request. Tours for interested parties such as schools are given on a regular base.

Open days are organised and we support initiatives to get young people interested in technology and science.

We have Personal Development Plans for all employees, in order to track on an individual level the progress and needs in education. Being well educated is important on several levels: job satisfaction, job security, career possibilities, opportunities to grow, improve yourself and trigger creativity.

Additionally there is a standard annual education plan for the collective trainings.

Social accountability

As a social profit organisation our main mission is the employment of disabled people and at present 85% of our workforce are people with disabilities.

Summary main new developments and targets Human Rights 2016 – 2020

- Introduced a Code of Conduct in 2016;
- Introduced a Suppliers' Code of Conduct in 2016;
- No incidents regarding human rights were reported in 2016;
- Target: Improve awareness within the supply chain based on current level of compliance.

LABOUR principles

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. The elimination of all forms of forced and compulsory labour;

Principle 5. The effective abolition of child labour; and

Principle 6. The elimination of discrimination in respect to employment and occupation

Assessment, policy and targets

BWZ is against any discrimination and/or exploitation of vulnerable people. We acknowledge diversity as a prime factor for a good working atmosphere; it is shown in the number of employees with a migration background, different sexual orientation and disabilities. Everybody has equal opportunities. We as BWZ aim to keep the work environment a safe place where everybody respects each other, everybody is equal and where personal development is encouraged.

At BWZ the safety, health and welfare of our employees is just as important as the other organisational goals. Assuring proper working conditions is a joint responsibility of management, supervisors and employees. The OHSAS management system is integrated in the quality and environmental management systems.

All rights and responsibilities of the employees are written down in the employee handbook.

Assurance

Good communication is the key to a good work environment, is very important for achieving the best business results and is crucial for the productivity of the employees. BWZ has many channels of communication within the company. Some examples are:

- Monthly Employee Councils with workers representatives;
- Emails;
- Information screens;
- Team meetings;
- Informal and formal meetings;
- Periodic canteen meetings with all the employees;
- Job control meetings;

BWZ is a company with an open and informal communication structure. If anyone has any questions they always can be asked. If there are any issues in relation to labour everybody can, and should, inform their supervisor, HR or the confident/counsellor. BWZ has also employees with specialised knowledge about health and safety aspects, for supporting and advising the management and employees, and to identify and fulfil legal requirements.

At BWZ there is a confident/counsellor for the employees which they can consult. If necessary there is also an independent confident to handle complaints of sexual intimidation, discrimination, aggression, harassment, violence or any other unacceptable behaviour.

Within BWZ there are also employee councils representing the employees. All employees have the right to stand candidate for election and have the right to vote for the employee council candidates. Access for union members is granted by national laws. It is mandatory for the management to inform the employee council and ask advice or approval for subjects related to occupational health, safety and social aspects.

Incidents and opportunities for improvement can be reported to our HR department. The HR manager reports to the Managing Director in the weekly meeting. Records are kept of all incidents. Our HR department oversees the principles in our day-to-day behaviour and processes.

The taskforce Health and Safety, existing of Management, HR, QSHE and a member of the employee council meet regularly to discuss open issues, incidents, accidents and the input of employees and stakeholders to improve the work environment, safety-, health- and social aspects. Minutes of the meeting are taken, actions defined, implemented and evaluated. Results of safety audits are lead back to the Management Review, actions and new goals are being set.

Infringements of the safety rules, violation of laws and regulations, are not acceptable and will result in disciplinary actions by the management.

Key Performance Indicators



Figures: Frequency and Seriousness of Labour Accidents, 2015 and 2016 figures, compared with the average Rate in our specific sector.

Summary main new developments and targets Labour 2016 - 2020

- Joined the UN Global Compact in 2016;
- Introduced a Code of Conduct in 2016;
- Introduced a Suppliers' Code of Conduct in 2016;
- New Explosion Safety document for BWZ NL in 2016;
- Feasibility study in 2017 to start preparations to obtain an ISO 45001 certification before December 2020;
- Completion end 2016 of the construction of new offices, production facility and warehouse.

ENVIRONMENTAL principles

Principle 7. Businesses should support a precautionary approach to environmental challenges;

Principle 8. Undertake initiatives to promote greater environmental responsibility; and

Principle 9. Encourage the development and diffusion of environmentally friendly technologies;

Assessment, policy and targets

BWZ and its board of directors are committed to protect the environment and act as responsible corporate citizens. BWZ aims to have as little impact as possible with our products and processes on the environment.

At BWZ caring for the environment is just as important as the other organisational goals. Our focus on the environment is fully implemented in our operational processes.

Employees are aware of the importance of working in accordance with the requirements and desires of our stakeholders and are informed of the relevant legal requirements and regulations. At BWZ, we are committed to limiting waste streams, energy management and reducing emissions.

We try to create awareness amongst our suppliers and other business partners with our Suppliers' Code of Conduct.

Assurance

BWZ values the environment and is certified for the ISO14001 – environmental management system. Periodic there are internal audits and audits by external experts, customers and local authorities. The Quality & Environmental department monitors the impact of all aspects on the environment. Incidents can be reported to the Q&E department directly.

Every year BWZ has to report to the national authorities all aspects related to waste management (costs related to waste disposal and the amount of waste produced) and energy consumption.

Results of audits are lead back to the Management Review were actions and new targets are being set.

Infringements of the rules, violation of laws and regulations, are not acceptable and will result in disciplinary actions by the management.

Summary main new developments and goals environment 2016 - 2020

- Introduced a Code of Conduct in 2016;
- Introduced a Suppliers' Code of Conduct in 2016;
- No main environmental accidents happened in 2016;
- Feasibility study starts in 2018 for placing additional rooftop solar panels;
- Energy received from our current solar panels are CO₂-neutral and resulting in a direct reduction of ca. 96 tons CO₂/ year;
- No environmental calamities occurred that required immediate action or had to be reported to the authorities.

ANTI – CORRUPTION principles

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, policy and targets

BWZ does not accept any form of corruption, bribery or extortion. In the Code of Conduct is written down that BWZ has a *zero tolerance policy* on corruption.

BWZ prohibits the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement to or from any person or company by any individual employee, in order to gain any commercial, personal or contractual advantage.

Assurance

The Code of Conduct BWZ describes the responsibilities of the employees regarding anti-corruption and what the consequences are when they don't take their responsibility. In the Suppliers Code of Conduct we emphasise BWZ will not do any business with suppliers, partners of other companies whom don't respect the 10 principles of the UN Global Compact.

Our financial statement and corresponding processes and policies are independently audited by independent accountants resulting in a financial statement report.

Our actions are completely transparent. All payments are done by bank transfers.

There have been no known cases of corruption in the line of work over the course of the organisation's existence.

If an employee notices any form of corruption or they strongly suspect any form of corruption, bribery or extortion, the employee needs to inform their team supervisor or management.

Infringements of the rules, such as passive and active corruption and violation of laws and regulations, are not acceptable and will result in disciplinary actions by the management.

Summary main new developments and goals anti-corruption 2016 - 2020

- Introduced a Code of Conduct in 2016;
- Introduced a Suppliers' Code of Conduct in 2016;
- No issues regarding corruption, bribery or extortion were reported in 2016;
- Target: Maintain current level of compliance.

Legal notice

Document drafted by FIN Department, BWZ vzw
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