



BELGICAST
WATER IS LIFE



Sustainability | 2023 Report





INTRODUCTION

It is an honour for us to present the sustainability report corresponding to the year 2023, the eleventh **BELGICAST** report since our inclusion in the United Nations "Global Compact" project.

BELGICAST are currently integrated into the AVK Group, world leader in the manufacturing of valves, hydrants, and top-quality solutions for water flow control. From our facilities in Spain, Portugal, and Italy, we offer long-lasting solutions to protect and supply water throughout the world. Our products are part infrastructures that are essential for human presence, and therefore the responsibility this implies can only be compared to the pride we feel when taking on this task. It is our way of striving to make the world a better place, to improve the living conditions of people through the development, installation, and maintenance of efficient water flow control solutions. This is our mission as a company, and we are fully conscious that it is linked to the Sustainable Development Goal N° 6 regarding the availability of water, sustainable management, and sanitation.

It is redundant to discuss constant change, however, for **BELGICAST** 2023 has been the paradigm year for change: We concluded the launch of our new valve, Infinity II, we have become part of the AVK Group, we have agreed to a joint strategy with our partner in Saudi Arabia, RAX, and we have started the work necessary to enlarge our factory in Toledo and transfer our headquarters to a new Production Plant in Lezama, exciting milestones that will see results in 2024, since the new Plant in Lezama is meant to become a great centre for excellence in the manufacturing of gate valves.

Nonetheless, in these very exciting times that **BELGICAST** are experiencing, we cannot forget that the world is living through a period of wars and conflicts. After overcoming Covid-19, the world has been shaken by tragedies causing death, destruction, exodus, and suffering. Our collaboration with UNICEF and UNHCR has become more necessary than ever before. On another hand, there is another severe issue that is relentlessly advancing, which is drought; we see its effects in our own environment and, in its mildest form, it has already caused significant food inflation.

And in this situation, in this social environment through which we live, all the initiatives that we have developed have three clear goals for continuous improvement: **Sustainability, Security** and **Efficiency**. An ambitious challenge within the reach of just a few, which we will face as a single Team.

Just like previous years, we formally communicate to our clients, our suppliers, our social environment, and all our colleagues, that **BELGICAST** are renewing their commitment to the United Nations Pact and its ten principles.

Joan Galtés
MD Commercial

Aitor Bernardo
MD Operations

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Corporate sustainability starts with a **BELGICAST** value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. **BELGICAST** enacts the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, **BELGICAST** are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Human Rights



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



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 of employment and occupation.

Environment



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



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



WE SUPPORT

OUR HISTORY

In 1957 **BELGICAST** started off as a valve manufacturer for the naval industry until the arrival of the oil crisis at the beginning of the 1980s, which led to the closure of many companies. At this point **BELGICAST** began to diversify its product range, focusing on a market that was largely unknown at the time, namely, water. As such, the soft sealing gate valve was created for the piping of drinking water. Thanks to its innovative design, **BELGICAST** has achieved many successes. The brand and its products have become well-known all over the world and in 1995 the firm joined the Tyco Group. On 1st October 2010 Tyco Waterworks becomes TALIS.

Following years of perfection and fine-tuning, the soft sealing gate valve is now an essential product for the piping of quality, safe and long-lasting water.

The full range of accessories is also noteworthy, including everything from universal flanges and couplings to tapping saddles, all available for the different types of piping.

The efforts made in the development of butterfly valves and check valves have enabled **BELGICAST** to become established in once-distant markets such as desalination or district cooling.

In 2023, **BELGICAST** is acquired jointly with Bayard by AVK Holding, Danish industrial group, market leader in Valves for the water industry.



1957

In 1957 **BELGICAST** started off as a valve manufacturer for the naval industry.



1980

In 1980 Created the soft sealing gate valve was created for the piping of drinking water.



1995

In 1995 the firm joined the Tyco Group.



2010

In 2010 Tyco Waterworks becomes TALIS.



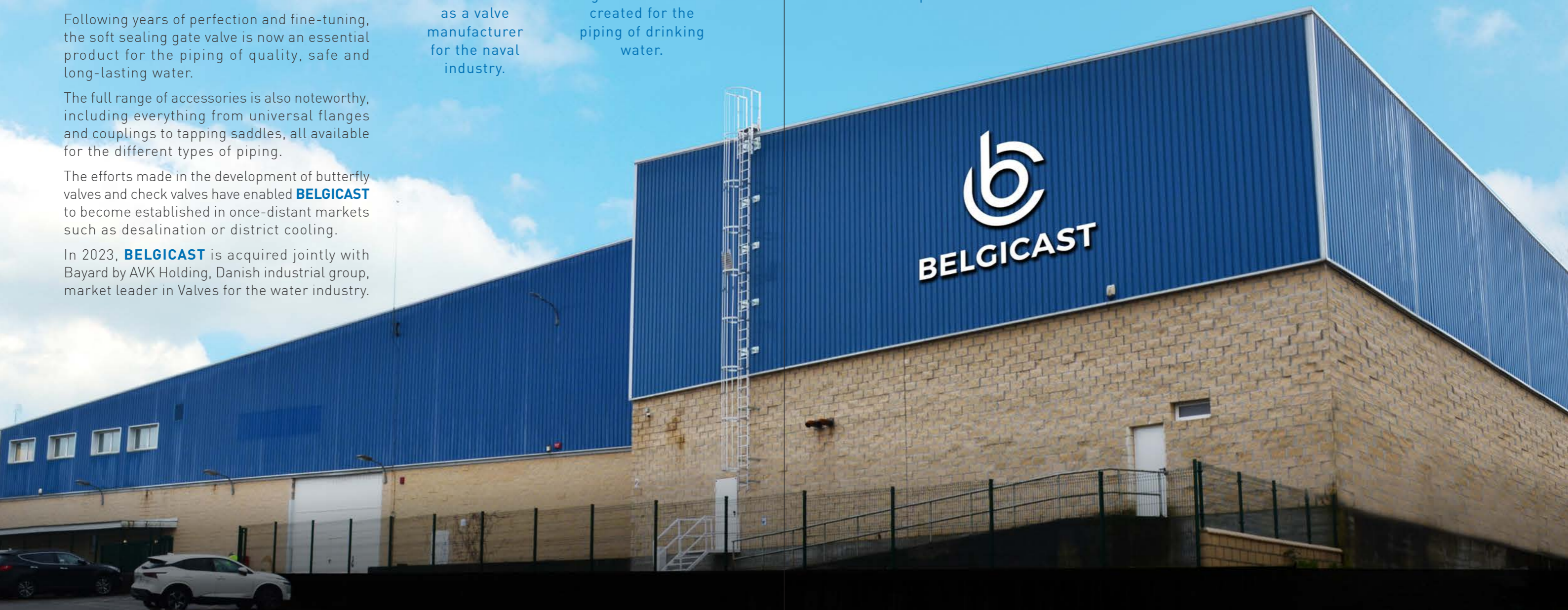
2023

In 2023, Belgicast is acquired by AVK Holding.



2024

New Factory in Lezama



MISSION AND VALUES

It is our purpose to **develop, manufacture and market products of a high-quality and with a long lifespan**. The products are used in vital infrastructure, including water supply, wastewater handling, energy supply, as well as a wide range of industrial applications that together contribute to sustainable development, the health of people and a better environment.



QUALITY WE STRIVE FOR QUALITY IN EVERYTHING

Quality is at the heart of everything we do. **Quality** is in every step of the process from initial idea to its execution. It is in our activities and our behaviour – both between colleagues and when dealing with customers and others we come across when performing our job. **Quality** is found in our products, processes, delivery, service, communication, and guidance. This approach to quality has created the foundation for our position as a market leader



INNOVATION WE INNOVATE TO MAKE A DIFFERENCE

Innovation is essential to **BELGICAST**. We focus on innovation and development of new and optimised products of high quality and with a long lifespan. With an innovative approach to the development and design of our products and solutions, we remain adaptive to current and future market demands. Through continuous monitoring and optimisation, we ensure that our products and solutions are always as efficient as possible. In addition, **BELGICAST** focuses on investments in new technologies and business areas that aim to contribute to sustainable development.



RELIABILITY WE STRIVE TO BE CREDIBLE AND CONSISTENT

Reliability is crucial to us. We strive to be a reliable and credible company that creates long-lasting results and builds relationships with our employees, customers, and other stakeholders. Reliability is key, and it is important for us to document reliability and credibility as a company. We are proud to be certified according to the **ISO 9001** standard for quality management, to the **ISO 14001** for environmental management, **ISO 29001** for quality management within the oil and gas industry, **ISO 45001** which is an international standard for occupational health and safety management, and **ISO 50001** for energy management.



SUSTAINABILITY WE HAVE A LONG-TERM APPROACH

Sustainable development has always been key to our business, and we work with **sustainability** on multiple levels. From the beginning, we have had a strong focus on innovation and development of high-quality products with a long lifespan. At the same time, we continuously work to reduce our environmental and climate impact in the production of our products. We want to invest in innovative technologies and new business areas that contribute to the green transition.



CUSTOMER SERVICE WE STRIVE TO BE OUR CUSTOMERS' PREFERRED PARTNER

Customer service is important to us, as we measure our success through our customers' progress and satisfaction – not only with our products, but also with the way we manage their needs, enquiries, and requests. We believe in long-term partnerships and in being close to our market and always with our customers' needs at heart.



UN'S 17 SUSTAINABLE DEVELOPMENT GOALS

The **UN's 17 Sustainable Development Goals** (SDGs) are the framework for the global sustainable development efforts until 2030. The goals recognise that social, economic, and environmental development are closely interlinked, and that achieving sustainable development outcomes requires a common global effort. At **BELGICAST**, we are aware of our co-responsibility. SDGs 6 and 9 are particularly relevant to our business model, but we also work with other goals either at a strategic level or through decentralised activities, as outlined below.

Ensure healthy lives and promote well-being for all at all ages



Water influences health and quality of life to a great extent. By operating in the water and wastewater industry, we indirectly contribute to UN SDG 3, which is about ensuring healthy lives and promoting well-being. Water-related diseases are a major problem globally, and wastewater can contaminate drinking water sources.

Ensure availability and sustainable management of water and sanitation for all



Our product portfolio in the business unit **BELGICAST** is a direct extension of UN SDG 6 which aims to ensure that everyone has access to clean drinking water and sanitation and that this is managed sustainably.

Our valve solutions **help ensure clean drinking water in well-established water supply systems** by providing reliable, long-lasting, and dependable water management and helping to reduce water waste and energy consumption. AVK products and solutions are applied to various processes that aim to ensure responsible wastewater management and to avoid risks to the environment and health.

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



Sustainable energy is the core of SDG 7. This goal aims to ensure that by 2030, all people have access to affordable, reliable, sustainable, and modern energy. It specifies that the share of renewable energy in the global energy mix must be significantly increased by 2030. Our valves for wastewater treatment, biogas and hydroelectric energy production **contribute to a larger share of renewable energy**.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



We work with UN SDG 8, which is about decent jobs and economic growth. This means that **we must provide healthy and safe workplaces for our employees both in Spain and internationally** and respect their right to equal and fair working conditions.

We only want to co-operate with suppliers who guarantee compliance with human rights legislation and our ethical standard, the Code of Conduct.

SUSTAINABLE DEVELOPMENT GOALS

Ensure sustainable consumption and production patterns



UN SDG 12 is about responsible consumption and production. We support this goal by **conducting life cycle assessments and by identifying methods and processes that enable us to recycle materials from our factories**. We also apply large quantities of recycled materials in our production, both metals and plastics.

Take urgent action to combat climate change and its impacts



UN SDG 13 on climate action concerns reducing the increasing the global average temperature and strengthening resilience and adaptation to climate change.

As a player in the water and wastewater industry, we contribute to this goal, as the consumption of water has an impact on energy consumption. The energy consumption for pumping water is reduced when **our valve solutions reduce water loss and the pressure management in the distribution network is efficiently handled**.

Within the energy sector, our valves can be part of the distribution of water for district heating, biogas production, hydroelectric energy, and conversion of wastewater into green energy. To adapt society to extreme rainfall, climate adaptation solutions for flooding are needed. This is another area where **BELGICAST** can contribute with valve solutions.

In addition, **we have developed an environmental and climate strategy with the primary aim of reducing CO₂ emissions** through energy reduction in the life cycle of our products and investing in green energy sources.

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development



We consider SDG 17 to be crucial for the success of the other sustainability goals. At **BELGICAST**, we want to be part of **creating a sustainable water and energy supply and build a community where circular economy plays a greater role**. Collaboration across local, national, and international organisations, authorities, industries, and professions is necessary, and this is what we do through partnerships.

DROUGHT

Drought is a constant, and ever more frequent threat. As a consequence of climate change, dry periods are expected to be increasingly intense and last longer. To this, we must add an increase in the use and consumption of water, which leads us to a scenario or real water scarcity or hydrologic drought.

At **BELGICAST**, we provide the best solutions to manage water efficiency, and thus save many litres of water.



WINTER OF 2024

Spain's water reserve is at

50.1%

of its capacity.



DROUGHT IN SPAIN

The drought has generated losses valued at

5,500 million €



SALT WATER

97% of the planet's water is salt.



SCARCITY

50%

Water scarcity affects half of the world's population.



POTABLE WATER

844 million people

lack a potable water service.



SANITATION

2,300 million people

have no basic sanitation service.

WHAT WE OFFER IN THE FACE OF THIS PANORAMA

BELGICAST are a valve manufacturer focused on the integral water cycle. Since the beginning, we have focused on the continuous improvement of our designs, **adapting the product to** existing or emerging **technologies**.

We have our own know-how, and our designs are conceived considering their correct application. Proof of this is that **we are a benchmark in the markets working on integral water cycle processes**, such as water distribution networks, managing the isolation and sealing of the network, managing sources and pressures for optimal consumption; and we are also a referent in isolation or security systems for unconventional water facilities, such as Seawater Desalinators using Inverse Osmosis or Reutilisation systems with micro- or ultra-filtration technologies, which require very specific valve characteristics, both in their life cycle and in the technology of the materials used.

Valves

BELGICAST design, conceive, manufacture, and put into operation their own mechanics for a wide variety of valves. Always focused on the sector of water as a fluid, we concentrate on our own know-how in: Gate valves, centric shaft butterfly valves, double-eccentricity butterfly valves, check valves, network control hydraulic valves, and pipe accessories.

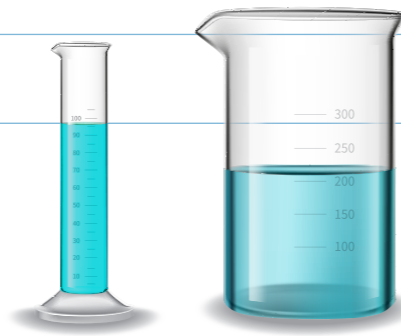
We are at the **vanguard of the design and manufacturing** of these technologies while considering the environment (Bisphenol-free in potable water network gates), in the recirculation of epoxy paint to minimise consumption, in the impact of our water footprint, and in CO₂.



Depuration

Depuration is a water treatment process in which **BELGICAST** have a strong presence due to its demanding component of concrete materials for its processes.

With the highest qualities, BELGICAST are present with knife gate valves, gate valves, ball check valves, and centric shaft valves.



Distribution

Water distribution through the low-pressure municipal networks allows us to reliably and safely provide potable water to any home the network reaches.

These potable water distribution systems must have a **good manager that works with prestigious manufacturers with quality and regulation certifications**, and that certifies the use of materials apt for human consumption. **BELGICAST** pride

themselves in having certifications from almost all material classification and homologation centres for potable water in a plethora of countries. These are certifications that require going through multiple audits such as: **AENOR, ACS, WRAS, DGVW, GSK**.

BELGICAST go above and beyond, and have anticipated future regulations. **BELGICAST's gate valves are Bisphenol-A free**.



Desalination Processes

The desalination process has been in constant growth since the start of the 21st century. These processes need reliable products. They require special materials to handle the aggressivity of Seawater corrosion. Their special coatings and specific designs must offer indubitable reliability. And, in addition, they must reach the client in due time and manner.

Therefore, **BELGICAST have a project execution department focused on the client**. As a result of this work, **BELGICAST have positioned themselves as one of the leading manufacturers of valves for desalination** and can be present in the largest desalination infrastructures in the world, where we can find centric shaft butterfly isolation valves in the low-pressure network, or check valves in both high- and low-pressure Pump outflows.



ENVIRONMENT

Of course, **our products are focused on being efficient tools for water control**, and are therefore an essential piece in any hydrological plan or in any strategy proposed to face water scarcity. However, we must lead by example in our own processes.

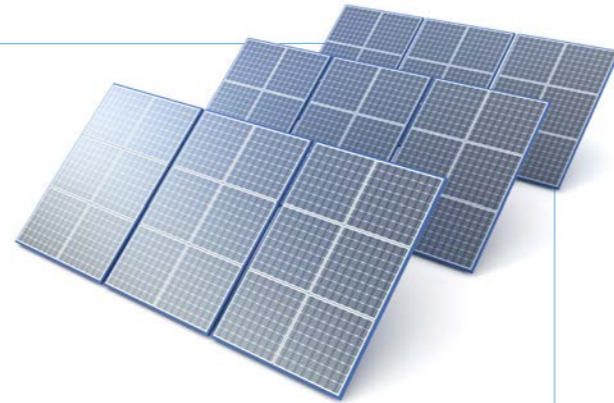
BELGICAST have put in place an ambitious Action Plan after completing their carbon footprint and water footprint calculation.

The actions that make up the plan are:

Solar Panels

880 panels installed on our Plant in Lezama and **120 panels** in Toledo. They are meant for self-consumption and account for **34% in energy savings** and a reduction of 151 tonnes of CO₂.

Projected for 2024: Together with our Plant in Toledo, we will install a solar power farm with **1,755 panels** for sale to the network. This will account for a compensation of **468.3 tonnes of CO₂**



Electrical energy with a 100% renewable and CO₂ neutral guarantee certificate of origin

The rest of the electricity we need has been purchased with a guaranteed green source. Additionally, we have generalised the use of **LED lights and sensor control systems** to turn them on and off.



Improvements in the new paint line

We have made investments for the automatization of our paint line and to improve the efficiency of the oven, with the installation of **infra-red panels** and a **reduction of burners**, which has led to a significant reduction in gas consumption (Scope 1).

All the paints we use are BPA labelling free.



Pluggable electrical and hybrid vehicles

We have incorporated 4 hybrid cars and one 100% electric car into our fleet. **Electrical charging points** have been installed at the Lezama and Toledo Plants.

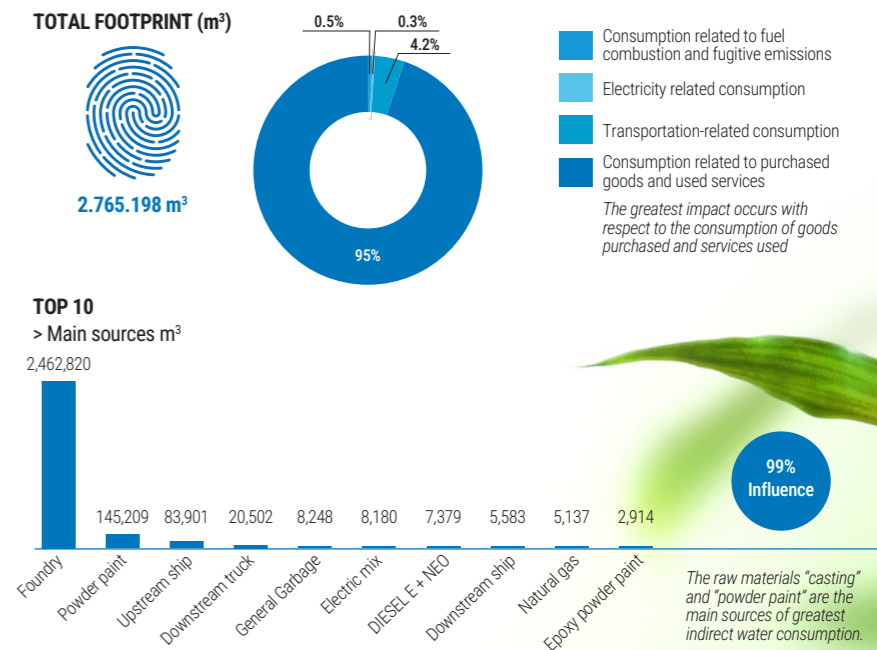
With the objective set, to change the vehicle fleet, from fossil fuel to electric.



Water Footprint Calculation

The Water Footprint of the Lezama Plant has been calculated and the Toledo Plant is underway.

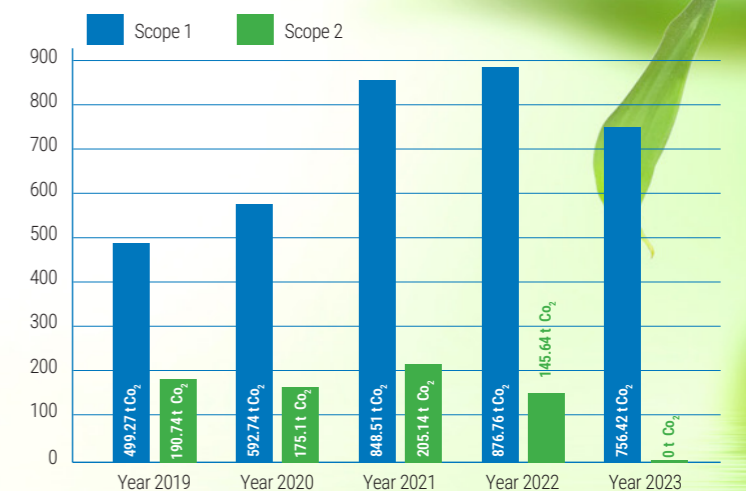
All our valves are tested to ensure correct operation. We use a **closed water circuit** in hydraulic tests to **reduce consumption**.



Carbon Footprint

All these measures have allowed us to reach 0 tonnes of CO₂ in electricity consumption (Scope 2) and a reduction of 256 tonnes of CO₂ in 2023.

Our goal in 2027 would be to achieve CO₂ neutrality.



SOCIAL

BELGICAST particularly value its social aspect, both towards our teams and towards the society in which we live, understanding the latter in a local as well as global manner. Above all, we are 144 people, with our differences and different points of view, but **sharing a common project**.

BELGICAST want to reciprocate its staff's commitment with the best possible workplace and with a **fair, equitable, and respectful** employment relationship.



100% of BELGICAST staff work full time, except for personnel who has requested reduced hours.



100% of the staff on open-term contracts.



100% of the staff with participation in the profits.



22% of rEbitda destined to bonuses for personnel in fy23.



Collective negotiation since 2006. Agreed solutions.



We seek new measures for work-life balance.



We closely monitor for the appearance of any salary gaps.



Collaborations with UNHCR and UNICEF, Food Bank.



ZERO PAPER CONSUMPTION

With the goal of zero paper consumption, we have carried out a project to digitize invoices and delivery notes. Through a program, invoice information is automatically sifted and stored digitally in our PR.

On the other hand, on the occasion of the transfer of the offices to the new Lezama Plant, and with the participation of the **BELGICAST** staff, our office staff carried out an office **5s project with the objective of Zero Paper**. More than 5,000 kg of paper were destroyed using certified data protection procedures. Today the tables in our office look much nicer.



480 kgs
Paper with
confidential contents



4,755 kgs
NON-Confidential paper

ESG KEY FIGURES 2023

ENVIRONMENTAL DATA	UNIT	RESULT 2022	RESULT 2023	CHANGE %	DESCRIPTION
CO ₂ e, Scope 1	Tonnes	876.76	756.42	-13.73%	Direct emissions from burning of e.g., natural gas, oil and petrol
CO ₂ e, Scope 2	Tonnes	145.64	0	-100.00%	Indirect emissions from purchase of energy, e.g., electricity
Electricity consumption	kw/h	1,193,296.00	834,526.36	-30.07%	Electrical consumption of machinery and factory and office lighting
Gas consumption	kw/h	4,518,096.42	3,874,126.28	-14.25%	Painting ovens and heating
Water consumption	m ³	1,103	1,024	-7.16%	Water consumption (Hidraulic Testing + showers and drinking water consumption)

SOCIAL	UNIT	RESULT 2022	RESULT 2023	CHANGE %	DESCRIPTION
Employees	Headcount	152	143	-5.92%	Total employees
Severity Rate	LTISR	0.6	0.38	-36.67%	Number of days lost due to accident per 1.000 hours divided by total number of hours
Lost Time Injury	LTI	25.34	15.06	-40.57%	Number of accidents per million hours
Permanent contracts	%	95%	100%	5.26%	Labor contractual relationship

GOVERNANCE	UNIT	RESULT 2022	RESULT 2023	CHANGE %	DESCRIPTION
Complaints	Nº	0	0	0.00%	Complaints or incidents because discrimination
Gender GAP	%	-2.72	-0.72	-73.53%	Average of differences regarding levels

GOVERNANCE

BELGICAST have implemented a **Code of Conduct for Suppliers** that describes the minimum requirements that apply to all commercial relationships between **BELGICAST** and its suppliers. These requirements are based on the principles of the United Nations World Pact, pertinent International Labour Organization agreements, and **BELGICAST's** internal values and norms. From our Suppliers to the final product.

Data protection

All types of entities that work with us, or any person that interacts with **BELGICAST** can be sure that their data will be managed **securely, solely**. And exclusively with the purpose for which it was shared. **BELGICAST** is certified in compliance with the Ley Protección de Datos [Data Protection Law].



Our processes

Our commitment with the **environment**, with the **safety** of our **personnel** and with our **clients** are materialised in work procedures, in technical instructions, in control inspections, and finally in external audits.



ISO 14001

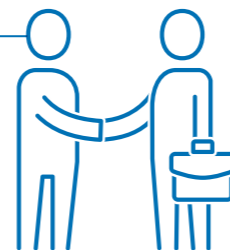
ISO 45001

ISO 9001



Our clients

They are, in the end, the true protagonists. **Listening to them and focusing our efforts on their needs** are the best guarantee for our sustainability as a business. Our end clients create the infrastructures necessary so that when we turn on a tap, something so simple, water can flow out.



LINKS

At **BELGICAST** we believe in teamwork..



Message from the United Nations Secretary General, António Guterres, before the Intergovernmental Panel of Experts on Climate Change:
<https://www.un.org/sg/es/content/sg/statement/2023-03-20/secretary-generals-video-message-for-press-conference-launch-the-synthesis-report-of-the-intergovernmental-panel-climate-change>



If you would like to find out about some of our UNHCR projects related to water, we invite you to visit this link:
<https://eacnur.org/es/labor/areas-de-trabajo/agua>



BELGICAST support, respect, and promote the Universal Declaration on Human Rights, and encourage you to familiarise yourself with them in their literal text from the United Nations:
<https://www.un.org/es/documents/udhr/>



We support the UN Global Compact project since 2012. Follow this link to find out about its principles:
<https://www.pactomundial.org/que-puedes-hacer-tu/diez-principios/>





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