

UN Global Compact COP 2016



INTRODUCTION



It is my pleasure to start this new report stating that we have given an important boost to our activity during the year 2016 on Social Responsibility.

This fourth CSR progress report will inform you about our team efforts within our multinational organization TALIS and, at the same time, local performances achieved by BELGICAST. Both the meanest action as the most ambitious and spectacular, are all welcome as part of the footprint of this company.

Indeed, we leave trace Our activity has effects that go beyond the economic sphere and enter the realm of the human, social, both locally and globally, in the environmental environment and in the context of a global market increasingly committed to principles of transparency and integrity. These traces answer the question of how we do our work? And being aware of this fact is essential for the performance of our project, moreover, it will also help us not lose focus of the long-term and wide-angle view.

For a company like BELGICAST, and for a multinational group as TALIS, who develop their activity giving the society the necessary tools for water control, the Corporate Social Responsibility is implicitly integrated into our reason for being, since we provide solutions throughout the world for the supply of drinking water, for treatment, desalination and for irrigation.

That is why, as in previous years, I take this introduction to communicate to our customers, our suppliers, our social environment and all our colleagues that BELGICAST, a brand of TALIS, renews its commitment to the United Nations Global Compact and its ten principles.

Best regards,

Ignacio Ispizua
Managing Director

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The constant irrigation of large agricultural areas is of immense importance for feeding the world's population.

The functional range of TALIS BELGICAST valves extends from obtaining the water from surface waterways, the ground water or specially installed water storage facilities to distributing the water to the spray-irrigation systems.

1) BELGICAST, TALIS: A GLOBAL PROJECT FOR A GLOBAL MARKET



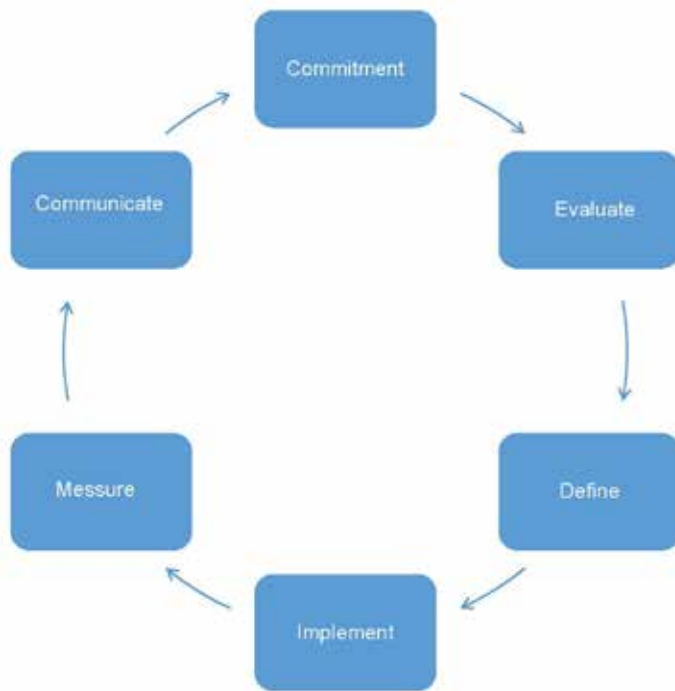
Nowadays projects become international and teams are formed with colleagues from different countries across TALIS units. A commercial agreement in Madrid can conclude a supply agreement to Egypt involving Spanish, German and French origin valves. Our products must be adapted to the needs and requirements of certification standards in different countries on different continents. We generate opportunities when we crossed the activity of our teams. We can share our ideas and experiences with other colleagues who may have similar challenges thousands of kilometers away through the TALIS intranet. Moreover, thanks to our internal magazine *TALIS Insight*, we share news, interviews with colleagues, different points of view. TALIS, with our nine strong brands, is global and unique. Together we are stronger.

CSR is the same. BELGICAST possibilities are local but coordinated with other brands of TALIS Group, the possibilities for action are multiplied together since our knowledge, our will and our abilities. This year, TALIS has started its activities in corporate social responsibility in a coordinated way.

2) THE PROCESS OF IMPLEMENTING THE CORPORATE SOCIAL RESPONSIBILITY (CSR) PLAN

BELGICAST is comprised of 165 employees. With an average age of 41 years, BELGICAST team has accumulated 15 years experience in the water sector.

The process of implementing the Corporate Social Responsibility Plan is based on the distribution of tasks, assigning goals, teamwork and feedback by way our indicators and audits. The evolution turns in 6 steps we represent below and defined in themselves. Steps by which we integrate CSR in the activity of the Company, based on a commitment to society and ourselves, which is based on the risk assessment of not doing so, drives us to define the objectives and implement tasks in different departments, measure our results and conclusions and communicate with transparency to our stakeholders.



We have determined GRI indicators for monitoring in the four subjects in which the principles of the GGlobal Cmpact are grouped and have included, for efficiency reasons, the rates we report on ISO 14001 audit for Environment and OHSAS 18001 for Security. As an overall assessment, indicate that BELGICAST is audited annually as a company registered in RePro with the number 300200. These are the results of CSR, safety and environment in the last audit in January 2016.

Auditoría RePro
Results of the audit as of 20/01/2016
Auditor: Achilles South Europe, S.L.U.

Company area	Section score	Average
CSR	75,0%	5
Quality Management	69,6%	45
Occupational Risk Prevention	51,7%	5
Enviroment	79,5%	5
Technical Resources	83,3%	20
Human Resources	72,2%	20
Total Percentage Average	68,0%	Final score: 7,27

Average score suppliers	Section score
CSR	55,4%
Quality Management	58,1%
Occupational Risk Prevention	63,1%
Enviroment	60,0%
Technical Resources	76,1%
Human Resources	71,1%
Total Percentage Average	63,9%

3) THE TEN PRINCIPLES: ACTIONS, BEST PRACTICES, AND INDICATORS

Human Rights

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

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

As in previous years, BELGICAST recognises, respects, and promotes the Universal Declaration of Human Rights and encourages others to become familiar with the United Nations document:

<https://www.un.org/en/documents/udhr/>

In BELGICAST we are aware that it is not enough with clear statements but mere soundbites. Thus, TALIS and BELGICAST try to collaborate with the organizations involved and act effectively towards human rights.

For example, we have replaced the cost of Christmas gifts for customers for a contribution to UNICEF, we continue to work with the "Behargintza Mungia," which is the agency for employment and economic promotion of the City of Mungia, we monitor our suppliers to respect the rights humans.... These are just some examples of actions developed at BELGICAST. However, today we would like to highlight the collaboration agreement between TALIS and the NGO *Just a Drop*, we will go deeper into this agreement later on, within the COP-Water.



GRI Indicators- Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment. Of the top 40 suppliers of raw material (90% of the purchase volume) 82.5% includes human rights clauses.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. 100% of the employees carry out the training at the beginning of the employment relationship.
	HR4	Total number of incidents of discrimination and corrective actions taken.	There have been no incidents of discrimination.
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	BELGICAST recognizes freedom of association in its ethical guidelines
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	The minimum salary paid in BELGICAST is 198% of the minimum salary in Spain.
	LA4	Percentage of employees covered by collective bargaining agreements.	100%
	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	The safety table is formed by the management of the company, the EHS manager, the industrial manager, warehouse managers, HR manager and the representation of employees.
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender.	Absenteeism. 5,71%. No fatalities.
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Have not been performed.
	LA9	Health and safety topics covered in formal agreements with trade unions.	Every health and safety topic is treated with trade union. 100%
	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Percentage by gender: Men: 79% / Women: 21% Percentage by gender in management: Men: 82% / Female: 18%
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	In BELGICAST there is no wage gap between employees of the same gender category.
	SO5	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.
	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	All our product components are according to the water regulations in each country.
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	No incidents
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No complaints.	

GRI Indicators.- Human Rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment. observe the ILO principles and respect for the environment.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. 100% of the employees carry out the training at the beginning of the employment relationship.
	HR4	Total number of incidents of discrimination and corrective actions taken.	There have been no incidents of discrimination
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	BELGICAST recognizes freedom of association in its ethical guidelines
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable
	S05	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.



Labour

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

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

In BELGICAST we try to extend the participation of all workers in all areas. Thus, as examples include:

- Communication systems for proposals of improvement.
- The Intranet as a technical tool available to the employee to share knowledge.
- The quarterly magazine TALIS *Insight* for the entire group, including articles written by employees.
- The TALIS Award, with prizes for 35 employees of the group in levels bronze, silver and gold.
- The new figure of the Training Delegate, which gives the representation of BELGICAST employees the tool to participate in decision making process on training plans.
- Sales meeting with all the sale force of the TALIS Group, held this year in BELGICAST.



GRI Indicators- Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	LA4	Percentage of employees covered by collective bargaining agreements.	100%
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	BELGICAST applies, at least, the advance notice required by law.
	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. 100% of the employees carry out the training at the beginning of the employment relationship.
	HR4	Total number of incidents of discrimination and corrective actions taken.	There have been no incidents of discrimination
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	BELGICAST recognizes freedom of association in its ethical guidelines.
	SO5	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour;	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. 100% of the employees carry out the training at the beginning of the employment relationship.
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
	SO5	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development



GRI Indicators- Labour Standards

Principle 5: Businesses should uphold the effective abolition of child labour.	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. 100% of the employees carry out the training at the beginning of the employment relationship.
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable
	SO5	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Total number employees 176.33. Rate of new employees: 17.01 ; Rate per gender: Men: 21.55 / Women: 1.27 ; Rate per region: Mungia: 19.03 / Madrid: 0 / Toledo: 7,36 / Gojain: 8,57 ;
	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Percentage by gender: Men: 79% / Women: 21% Percentage by gender in management: Men: 82% / Female: 18%
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	In BELGICAST there is no wage gap between employees of the same gender category.
	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	BELGICAST includes in their purchase contracts the mandatory to observe the ILO principles and respect for the environment.
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Every new customer of TALIS (BELGICAST) must sign the certification of anti-corruption included in the business relationship contract.
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BELGICAST participates in the training of TALIS Group on Ethics Guide, principle and values. During this year is running a campaign specific training on the prevention of corruption, monopoly and conflict of interest. The campaign, which started last year, was aimed at 100% of the workforce procurement, sales and administration.
	HR4	Total number of incidents of discrimination and corrective actions taken.	There have been no incidents of discrimination
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not applicable
SO5	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.	





Environment:

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

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

In fiscal year 2014, BELGICAST joined the “CEO Water Mandate,” and subsequently integrated Principles 6, 7, and 8, relating to the “Environment.”

“COP-Water”

The “CEO WATER MANDATE” is a commitment to action based on six core elements:

1) Direct operations

Our main task is to producing valves. Each valve must be pressure tested with water. Being responsible and efficient with water consumption is an inexcusable duty. To do this, our hydraulic test machine uses a water supply system in closed circuit which ensures minimal consumption, thus we have achieved to get more than 150 valves average tested per liter of water consumed.

Moreover, we have replaced Halide lighting by LED lighting which, regulates its intensity depending on the brightness of the day, representing an optimization of energy.

2) Supply chain

Our Purchasing Department makes the efforts to get our suppliers involved in the sustainability of water resources. Every supply contract agreement between any supplier and TALIS-BELGICAST includes the declaration of respect for the principles of the ILO and environmental respect. Our suppliers are included in our list of stakeholders, and receive timely information on our progress reports.

3) Collective action:

This year the TALIS Group has signed a cooperation agreement with the NGO *Just a Drop*. Each year TALIS will provide 50,000 euros to finance a water supply project in the third world. Through our TALIS *Insight* magazine, the CEO of the group, Dr. Ansgar Noon, launched a proposal to the entire workforce to chose the project in which we should intervene. The result was Kenya. Thanks to “*Just a Drop*” and the TALIS support, both financial as providing water control materials, two dams to supply drinking water to 3,650 people, who were deprived of it, will be built. In addition, construction will be linked to a program of true sustainable agriculture and community development. TALIS will report in detail on the development of this project and its final results.

4) Public policy

As every two years, BELGICAST TALIS have participated in the SMAGUA water exhibition, and also int the Singapore International Water Week. We found very interesting possibilities as an information resource and development offered by these channels of participation.

5) Community engagement

As in previous years, we maintain contacts with Euskalit, Basque Foundation for Excellence, which is a partner of BELGICAST. In Euskalit we share experiences and knowledge to contribute to the competitiveness and sustainable development.

In addition, our local community institutions can count on advice from our technicians for any problems or before any doubt as to the water distribution network.

6) Transparency

The commitment to give clear accounts includes our involvement with regard to water resources, both in consumption and measures taken. BELGICAST was the first company in its sector to conform to the ISO14001.



Anti-corruption:

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

The policy of zero tolerance on corruption, extortion and bribery is assumed within TALIS, and therefore BELGICAST, and confidence in the integrity of our staff is absolute.

However, as in previous years, we are aware that hidden risk situations may appear in complicated contexts and difficult to detect. To achieve this, we maintain our system whereby our staff, especially the new additions, are trained to detect the risks of being involved in corrupt practices in the development of their professional activity. In addition, any doubt, we have the advice of our Compliance Department of TALIS. These courses are compulsorily.

Finally, we take this opportunity to thank our new customers signing corruption clauses that request to maintain responsible commercial relationship.

GRI Indicators- Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	S02	Percentage and total number of business units analyzed for risks related to corruption.	All our sales offices are included in the TALIS anti-corruption training program.
	S03	Percentage of employees trained in organization’s anti-corruption policies and procedures.	100% of the administration staff included in the program.
	S04	Actions taken in response to incidents of corruption.	There have been no corruption incidents
	S05	Public policy positions and participation in public policy development and lobbying.	BELGICAST takes no stand on public policy or engages in Lobbying. BELGICAST is Euskalit cooperation partner, the Basque Foundation for Excellence, whose mission is to share ideas and experiences contribute to competitiveness and sustainable development.
	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No financial contributions to political parties or related institutions performed





www.talis-group.com

TALIS is the undisputed Number One for water transport and water flow control. TALIS has the best solutions available in the fields of water and energy management as well as for industrial and comunal applications. We have numerous products for comprehensive solutions for the whole water cycle – from hydrants, butterfly valves and knife gate valves through to needle valves. Our experience, innovative technology, global expertise and individual consultation processes form the basis for developing long-term solutions for the efficient treatment of the vitally important resource “water”.



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