

UN Global Compact COP 2017



INTRODUCTION

This is the fifth CSR progress report that we present and it is a great satisfaction for me to be able to report that we are beginning to see specific results.

BELGICAST, a TALIS Group company, carries out its activity providing society with the necessary tools for the water control, therefore Corporate Social Responsibility is implicitly integrated into is our reason for being, since we provide solutions worldwide for drinking water supplies, for its treatment, desalination or for irrigation. Regarding our own activity as manufacturers of valves for water distribution, we can highlight that we maintain our tendency to reduce the generation of dust paint, 20% this year despite buying 5% more paint, and we have also reduced the foundry kilograms required by our activity by 12% thanks to the development of the new Infinity design.

As for our worldwide presence, in this COP we will report the final conclusions of the "Just a Drop - TALIS" project, which we are glad to take part it and that we will detail in our section of the CEO-Water Mandate, in the development of the Environment principles.

Our activity is therefore linked to Sustainable Development Goal number 6 on clean water and sanitation.

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 Global Compact of the United Nations and its ten principles.

Kind regards,

The Management



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THE TEN PRINCIPLES: ACTIONS, BEST PRACTICES AND INDICATORS

- Human rights
- Labour
- Environment (CEO Water)
- Anticorruption

There is not enough water to go round, and yet it is one of our most essential resources.

At TALIS we strive to develop highly reliable solutions incorporating the smartest technologies available to improve network performance and save water resources. Beyond this commitment to the excellence of our products, we are also responsible for upholding the highest standards with regard to safety and respect for people and the environment.

This is how we can make the world a better place.



780 M

PEOPLE WORLDWIDE
CURRENTLY DO NOT
HAVE ACCESS TO
DRINKING WATER



80 %

OF WASTEWATER
ON THE PLANET
IS NOT RETREATED

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.

ODS 6

In 2015, the UN adopted the 2030 Agenda on Sustainable Development, an opportunity for countries and their societies to undertake a new path to improve life of all people, without leaving anyone behind. The Agenda has 17 Sustainable Development Goals, which range from the elimination of poverty to combating climate change, education, women's equality, the defense of the environment or the design of our cities. Here you have the link to know them all, for the time being we focus on number 6.



Goal 6: Ensure access to water and sanitation for all

Clean, accessible water for all is an essential part of the world we want to live in. There is sufficient fresh water on the planet to achieve this. But due to bad economics or poor infrastructure, every year millions of people, most of them children, die from diseases associated with inadequate water supply, sanitation and hygiene.

Water scarcity, poor water quality and inadequate sanitation negatively impact food security, livelihood choices and educational opportunities for poor families across the world. Drought afflicts some of the world's poorest countries, worsening hunger and malnutrition.

By 2050, at least one in four people is likely to live in a country affected by chronic or recurring shortages of fresh water.

Belgicast supports the 2030 Agenda Goals in the same way that, same as in previous years, recognizes, respects and promotes the Universal Declaration of Human Rights and encourages you to know them in its literal text of the United Nations:

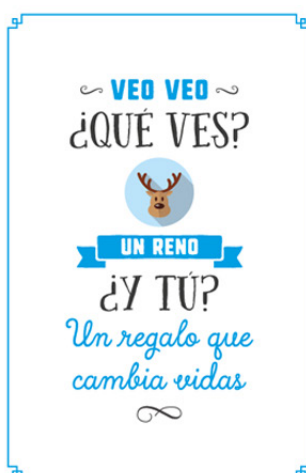
<https://www.un.org/en/documents/udhr/>

We continue to work with UNICEF in our Christmas campaign and on a daily basis we rely on the "Behargintza de Mungia", which is the employment and economic promotion agency of Mungia City Council that works with the Mungia Unemployment Assembly, for possible hiring. At 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.

These are actions that we develop from Belgicast. However, today we can highlight the Talis collaboration agreement with the NGO Just a Drop. Within the COP-Water, in Community engagement, we introduce the project and its results.

BELGICAST
BY TALIS

TALIS



En total, 663 millones de personas en todo el mundo siguen teniendo serios problemas para acceder al agua, en algunos lugares no hay ni una sola gota de agua apta para el consumo. Con este regalo, se pueden convertir 4-5 litros de agua sucia en agua potable por cada pastilla.

Muchas gracias por seguir confiando en nosotros. Otro año más donamos a UNICEF el importe del regalo en pastillas potabilizadoras.

En 2016, UNICEF contribuyó a que más de 28,8 millones de personas en situación de emergencia tuvieran acceso a agua potable.

Con este Regalo Azul, y gracias a ti, UNICEF suministrará agua potable a 816 niños durante un mes.

BELGICAST
BY TALIS

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 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. 5,98%. 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: 80,22% / Women: 19,78% 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 Code of Conduct
	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.

Belgicast and Talis are developing different programs aimed at improving communication with our employees, we try to extend the participation to every employee in all areas. Thus, as examples we can mention:

- 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.
- At the end of 2017 we are conducting an anonymous employee satisfaction survey throughout TALIS, in every factories and at every working place, in order to get to rise any issue that without the guaranteed anonymity could be hidden. The conclusions of the study will be shared with the staff, and the corrective actions that we will develop during the next year will be on the agenda of every business unit management, Belgicast among them.



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 Code of Conduct..
	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.

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
	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.
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 179,58. Rate of new employees: 15,01 ; Rate per gender: Men: 20,42 / Women: 1,26 ; 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: 80,22% / Women: 19,78% 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
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.	

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.

Belgicast is committed to the “CEO Water Mandate” since 2014, therefore, the report of our activities related to Principles 7,8 and 9 on Environment, we made through the

“COP-Water”

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

1) Direct operations

We manufacture valves. It may seem a simple product. However, nowadays, technology offers possibilities of water control that were difficult to imagine a few years ago. We will highlight SMART Solutions projects.

2) Supply chain

We involve our suppliers in the sustainability of water resources.

3) Collective action

In this year the Talis Group has signed a cooperation agreement with the NGO Just a Drop. We include the project report in this COP Water.

4) Public policy

Belgicast and Talis participate in the most important water exhibitions and maintain a live channel of communication with its Stakeholders through its newsletter “Get Connected”.

5) Community engagement

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

6) Transparency

The commitment to give clear accounts includes our involvement with regard to water resources, both in terms of consumption and measures adopted. Belgicast was the first company in its sector to adapt to ISO14001 and this year 2017 this approval has been renewed.

We highlight the following projects, which are already a reality:

JUST A DROP – SAFE WATER PROJECT

In April 2016, we asked our employees to vote in favour of a social project by the charitable organization Just a Drop, in which TALIS is involved as an entire group. At that time, TALIS staff members supported the project in Makueni County, Kenya, which TALIS has been promoting for over a year.

The aim of the project was to increase the availability and access to drinking water for 6,353 people.



Before the start of the project, the majority of the residents collected their water from a river that for most meant a walk of at least 3 kilometers a day and was also very polluted. The construction of two sand dams now provides clean water for more than 6,000 people, which is also available in the immediate vicinity (up to 500 meters).

In addition, the communities also received support to improve their hygiene knowledge and food production through the planting of drought-tolerant crops. Furthermore, agricultural training, exchange visits, terracing and tree planting training were conducted.

The communities are now able to grow their own food and have the opportunity to sell their harvest surplus and thus improve their income. The better water quality also contributes to an improved state of health for the people in Makueni County.

A few months after the training sessions, participants were visited to monitor and evaluate the expected improvements. These follow-up visits showed:

- 100% have an outhouse
- 62.8% operate water treatment
- 75% use homemade Tippy Taps (handwashing installations)
- 75% use plate stands

Although the one-year phase of the project was completed in July 2017, Just a Drop employees will continue to support the development for at least another seven years and will actively support the residents of Makueni County with advice and assistance.

Key Facts:

- 2 sand dams
- 6,353 people will get clean water
- 2,289 meters of terraces
- 2,892 planted trees

With the help of Just a Drop, in collaboration with TALIS, direct and sustainable improvements can be achieved. Falling poverty, direct access to water, sustainable agriculture, falling nutritional deficiencies and illnesses as well as better hygienic conditions are just a few of the positive effects.

Thank you for being part of the great project.





SMART SOLUTIONS

Given that our precious water resource is under increasing pressure due to population rises and the impact of climate change, it is time for the water sector to start investing in the future of the entire network to provide a sustainable service. The growing need to become more efficient and optimize the existing water network means there is now an increasing demand for new solutions – smart solutions.

Sharing ideas allows us, in TALIS, to be more creative and innovative to meet the requirements of customers and anticipate their needs. World environmental growing consciousness, specifically for water resource preservation, and technology evolution, has led to improve our offer in order to propose SMART SOLUTIONS for Non-Revenue Water (NRW) control and Asset Management.

- Today, TALIS Group is proud to give to his customers the opportunity to follow in real-time the use of fire hydrants thanks to their adaptation to IoT (Internet of Objects) wireless communication technology with its COPERNIC Sigfox® enabled module.
- In the same way, washing valves can today be equipped with TEMPO radio communicating module to evaluate the NRW drawn.
- MONECA prevents professionals to connect to fire hydrant which guarantees their full availability and assure total security of the water network thanks to its numerous functionalities like back flow preventer, smooth operation to avoid water hammer and full communication options for day to day survey, remote billing of real volume of waters withdrawn.

ANTICORRUPCIÓN:

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

This year we have updated our Code of Conduct and we have ensured its disclosure and knowledge. As always, the policy of zero tolerance with corruption, extortion and bribery is assumed within Talis, and therefore in Belgicast, and confidence in the integrity of our workforce is absolute.

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 compulsory.

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

The image is a complex graphic element for the 'Code of Conduct' document. It features a collage of various scenes: a scientist in a lab coat and mask, a young child smiling, a firefighter in full gear, a factory interior with blue equipment, and office workers in business attire. A large, semi-transparent white letter 'T' is overlaid on the left side of the collage. At the bottom right of the collage, the 'TALIS' logo is displayed above the words 'Code of Conduct' in a large, white, sans-serif font. Below this, in a smaller font, it reads 'TALIS INTEGRITY' and 'GLOBAL COMPLIANCE INSIDE'.



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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