

UN Global Compact COP 2015



INTRODUCTION



The business world is well aware of the benefits of being considered a responsible company. In fact, Corporate Social Responsibility is currently one of the topics of greatest interest in the business community, and it is increasingly becoming a distinctive feature and a competitive advantage, providing companies with better opportunities and recognition from the market. This, in turn, leads to countless benefits for employees and the community at large.

Thus, it is society itself that lends credence to our responsible behaviour or judges it non-existent or even detrimental. As such, the importance of Corporate Social Responsibility is not determined by experts but by society: the citizens and consumers, who are growing increasingly demanding. We are no longer only concerned with what the market provides, but how it provides it. We exclude those who disregard this factor, considering those who apply sustainable criteria to their products and services a more preferable option.

In order for the implementation of our Social Responsibility to progress, we must apply the same criteria as we do in business: an efficient use of resources, focus on results... The difference being that in this case, we are seeking more than financial gain. The tragedy that occurred in Nepal inspired people to take action in the face of major devastation around the world. And the CEO Water Mandate did not fail to respond when water facilities were destroyed in the territory affected by the earthquake. A responsible company cannot turn its back to the world in which it operates.

I would like to take this opportunity to inform our clients, suppliers, business community, and all of our colleagues that BELGICAST has renewed its commitment to the United Nations Compact and its ten principles.

The Management



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BELGICAST has been a member of the United Nations Global Compact since 2012 and supports this United Nations initiative which promotes compliance with the ten values based on human rights, labour standards, the environment and anti-corruption.

BELGICAST maintains its commitment to the United Nations, which is demonstrated through our recent adhesion to the CEO Water Mandate. This is a UN initiative that is designed to help companies develop, implement and communicate their water sustainability policies and practices.

BELGICAST: A COMPANY IN THE GLOBAL MARKET

In 2014, BELGICAST joined the CEO WATER MANDATE and our efforts were focused internally on our production processes. We began by revising our approach to water stewardship and our systems of minimum consumption.

Throughout 2015, we have devoted our attention and our efforts to environmental responsibility in our production processes, while simultaneously taking concrete strides toward the market, guided by the criteria of our contribution to society: BELGICAST provides water-control solutions and its activity is therefore intrinsically linked to its contribution to the development of a sustainable world. That's why BELGICAST is registered as a United Nations Global Marketplace supplier, offering various UN organisations (with projects underway around the world) our quality water-control products and systems. In addition, the Global Marketplace enables us to contact the different EPCs that are developing projects under the United Nations framework, and thus create new development opportunities.

 **BELGICAST**
BY TALIS



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

BELGICAST is comprised of 162 employees whose median age is 40, with 13 years of experience in the sector on average, and who are aware of the importance of maintaining a high degree of quality in our production processes. The implementation of the Corporate Social Responsibility Plan is based on the distribution of tasks, the assignment of goals, teamwork, and feedback by way of audits and indicators. In turn, the process of implementing the Plan is safeguarded and strengthened by information and transparency.

In addition to the publication of the annual COP on our website, we maintain a general Corporate Social Responsibility policy, to which we have added new initiatives like CEO WATER and membership in the Global Marketplace. The multinational's magazine, TALIS Insight, also includes the latest updates about our CSR activities in its quarterly features, available to all of our employees and stakeholders.

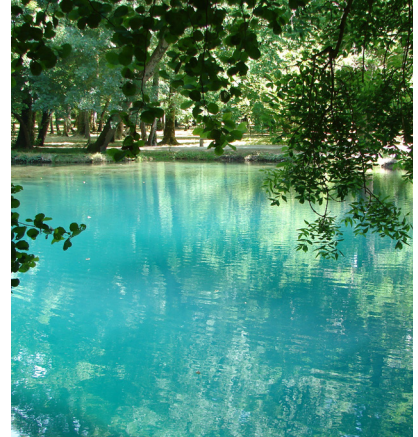
We have developed GRI indicators to track the four issues that comprise the Principles of the Compact, and for efficiency purposes, we have included the indices that we report in our ISO 14001 environmental audit and our OHSAS 18001 Health and Safety audit. As a means of general assessment, BELGICAST is audited annually as a RePro-registered company with number 300200. To follow are the results obtained in the areas of CSR, health and safety, and the environment from the last audit conducted in December 2014.

RePro Audit

Results of the audit as of 11/12/2014

Auditor: Achilles South Europe, S.L.U.

Company area	BELGICAST score	Average score RePro suppliers
CSR	75,00%	55,40%
Occupational Risk Prevention	65,50%	63,10%
Environment	76,90%	60,00%



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.

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/>

The right that most concerns companies is the right to work, established in article 23 of the Declaration.

BELGICAST maintains a direct relationship with the “Behargintza de Mungia,” an employment and economic development agency of the Mungia Town Council, and with the Mungia Association of Unemployed Persons (Asociación de Parados de Mungia).

At BELGICAST, we believe that dignified work must be safe work. To that end, the company’s management collaborates with employee representatives, meeting regularly to discuss safety and encouraging participation in the form of suggestions for improvement.

The BELGICAST Purchasing Department and the entire TALIS Group is committed to ensuring that its suppliers respect human rights. Any supplier that infringes upon these rights is ineligible to be a supplier for the TALIS Group on ethical grounds. But the reasons extend beyond social responsibility: such suppliers could not provide BELGICAST with the slightest guarantee of supply continuity in the medium or long term.

Similarly, agreements with suppliers include a clause mandating respect for the principles of the International Labour Organisation (issues addressed further in the “Labour Standards” and “Environment” sections to follow).



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 188,38% 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. 3,11%. 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.

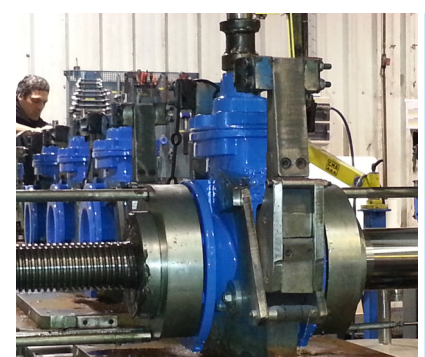
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

BELGICAST supports freedom of association and recognises the right to collective bargaining. Both the representatives of the company and of the employees operate under the principle of good faith, approaching accords with an attitude of understanding. At BELGICAST, we hope to continue to reach agreements regardless of how the economic situation affects us.

Employee participation, whether direct or through Employee Representatives, is essential to attain our goals, as is transparency. At TALIS, we are developing an Intranet that will enable our staff to access information of interest at all times, from projects under development to applicable policies and procedures, including the variable remuneration policy and the Bonus Plan.

In addition, as we mentioned in the previous section, our suppliers operate according to the principles of the International Labour Organisation. As such, clause 12 of our agreements includes the following:

- Freedom of association and the right to collective bargaining.
- The elimination of all forms of forced and compulsory labour.
- The eradication of child labour.
- The abolition of employment discrimination.



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
	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 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	
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.

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 manufacturing process concludes with a hydraulic test of all valves. This is a crucial control measure that ensures the efficacy of the valves as water-control elements. The valves are filled with water and subjected to pressure to verify the absence of leaks. Because it is imperative to act responsibly and effectively when consuming water, our hydraulic testing machine uses a closed-loop water supply system that ensures minimum consumption. As a result, we have managed to achieve an average of more than 150 valves subjected to testing per litre of water consumed.

2) Supply chain

We encourage our suppliers to engage in sustainable water-resource practices. Our relationships with suppliers include actions aimed at promoting the idea of the project.



BELGICAST endorses the “CEO Water Mandate” integrating the six key areas into our action guidelines.

3) Collective action:

BELGICAST provides technical solutions to the problems of water distribution and treatment and may participate in joint projects with other entities. We are open to all types of collaboration that focus on joint research and the development of further benefits for our products and our distribution, treatment, and/or desalination systems.

4) Public policy

This year, we have found the possibilities offered by the International Desalination Association (IDA) very interesting as a source of information and development on issues related to water desalination and recycling.

Our participation in the primary water fairs is one of the most effective ways to raise public awareness about the importance of sustainability.

5) Community engagement

We continue to maintain agreements with Euskalit, the Basque Foundation for Excellence, with which we are a collaborating partner, sharing experience and expertise in an effort to contribute to competitiveness and sustainable development.

In addition, the institutions in our local community can seek the advice of our technicians about any problems and concerns relating to the water distribution network.

6) Transparency

The commitment to provide clear accounts includes our involvement with respect to water resources in terms of consumption and the measures implemented. BELGICAST was the first company in its sector to comply with ISO 14001.



Anti-corruption:

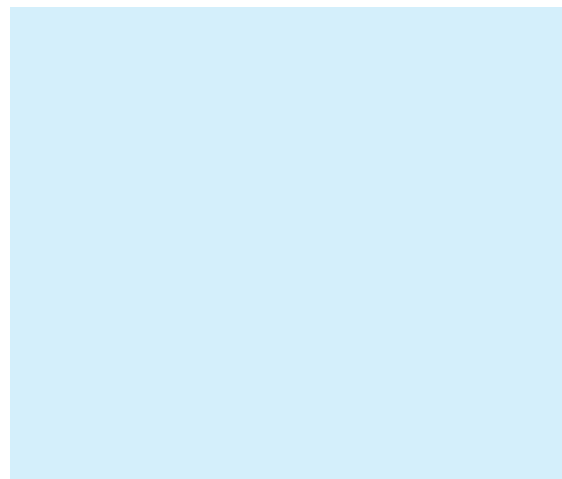
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

TALIS maintains a zero-tolerance policy on corruption, extortion, and bribery. We have the utmost confidence in the integrity of our employees. However, we are aware that situations of risk are not always easy to detect. Therefore, we have developed a system whereby our members of staff, particularly new hires, receive the training necessary to identify the risks of becoming involved in corrupt practices in the course of their professional activities. In the event that concerns arise, we also rely on the counsel of the TALIS Compliance Department.

Lastly, we ask all new clients to sign anti-corruption clauses in order to maintain responsible commercial relationships.

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





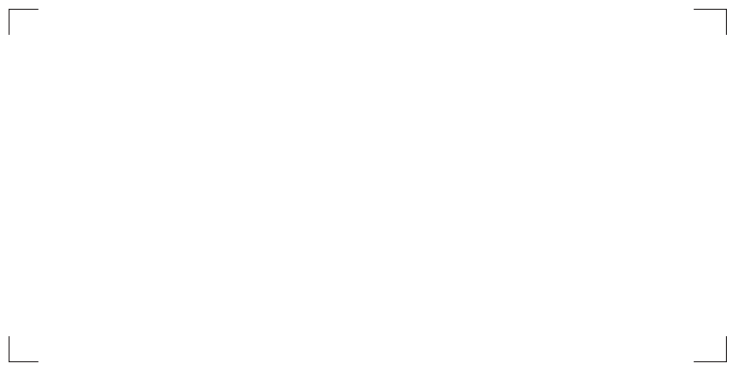
www.talis-group.com

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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