



**CORPORATE  
SOCIAL RESPONSIBILITY  
REPORT  
2013**

# **PRESIDENT'S LETTER**

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To whom it may concern,

We present our third Corporate Social Responsibility report, which allows us to record the absolutely growing importance of the human, social and environmental values, as an intrinsic part of our business and future strategy.

Our will is to remain leaders in our industry, providing our customers the highest possible level of quality and service, based not only on economic criteria, but in the 10 precepts defined in the Global Compact of the United Nations.

Times are tough, but we are pleased that our company has not had to turn to geographical relocations or downsizing to be more competitive, on the contrary, we have increased by 6% the number of people working at TAG Systems, encouraging at the same time permanent hiring. Training is a pillar of our company, having increased by 7.5% the number of hours devoted to learning.

We are a European company that combines international vocation with local action, customer proximity, working method, culture, communication, offering a comprehensive and flexible service, and participating in highly innovative and people-oriented projects as the citizen card.

Sustainability and reducing the environmental impact of our production are key, we invest continuously to improve the treatment of waste and reduce as far as possible the consumption of energy resources.

If we want to be a successful company in the global environment in which we live, we must be clear about the principles and values we stand for and that we want to pass onto all agents interact with us.

We want to keep growing reasonably, protecting human rights, respecting the environment and complying with the highest level of personal and business ethics.

We want to keep on creating wealth in the most efficient manner possible.

We want to keep on growing and walking alongside the society.

Joaquim Miró Castillo  
President

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<b>4</b>	About Us
<b>5</b>	The Company
<b>7</b>	Our Subsidiaries
<b>8</b>	Organizational Structure
<b>9</b>	Activity Data
<b>10</b>	Qualifications & Certifications
<b>11</b>	Products & Services
<b>12</b>	Human Resources
<b>13</b>	Staff
<b>14</b>	Equal Opportunities
<b>15</b>	Health & Security
<b>17</b>	Training
<b>18</b>	Environment
<b>19</b>	Environmental Policy
<b>20</b>	Environmental Indicators
<b>22</b>	Customers & Suppliers
<b>23</b>	Customers
<b>24</b>	Suppliers
<b>25</b>	Global Compact
<b>26</b>	Support to Global Compact



# ABOUT US

## THE COMPANY

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**TAG Systems SA** is an Andorran company created in 1999. The company initiated its activity as a plastic card manufacturer with the intention of selling its product in Europe and all over the world.

The 3000 m<sup>2</sup> manufacturing plant of the company, located in the Principality of Andorra, is equipped with state of the art machinery in a high security environment with a production capacity of over 80 million cards per year.

Nowadays, **TAG Systems** is a group of companies, manufacturing and distributing smartcards. Our service portfolio covers all the needs of our customers. Our proven experience has made us one of the top suppliers of smartcards in Europe.



## FEW IMPORTANT DATES:

- 1999 – 2000** TAG Systems Andorra obtained the certification to produce Visa and MasterCard cards.
- 2002** Opening of the first overseas company, Card Tag Spain in Barcelona, Spain, to focus on the competitive Spanish market.
- 2003** TAG Systems Andorra obtains certification of Visa and MasterCard for EMV.
- 2006** TAG Systems Andorra obtains CQM (Card Quality Management) MasterCard Quality Certification.
- 2007** Opening of TAG Systems Finland Oy, in Helsinki – Finland.
- 2007** Opening of TAG Systems Poland sp. z o.o. in Warsaw, Poland.
- 2007** TAG Systems Andorra receives ISO 9001 Quality Certificate.
- 2008** TAG Systems Andorra obtains Diners Club International certification.
- 2008** Opening of TSG Norway AS in Mo i Rana, Norway.
- 2009** Opening of TAG Systems Smart Solutions SL in Madrid, Spain.
- 2011** TAG SYSEMS Andorra in collaboration with the Colombian company CADENA, begins its expansion into Latin America, with the creation of TAG CADENA SAS in Medellin.
- 2012** TAG Systems Andorra obtains ISO 14001 and OHSAS 18001 certification, issued by Applus.
- 2012** Opening of TAG Systems Finland Oy Latvia, in Riga – Latvia.
- 2012** TAG Systems Andorra obtains the certification for manufacturing Discover.
- 2013** TAG Systems sells Tag Systems Finland Oy and its branch in Latvia.

# OUR SUBSIDIARIES

**TAG Systems'** majority shareholders are Andorran, its headquarters and production plant are located in the Principality of Andorra.

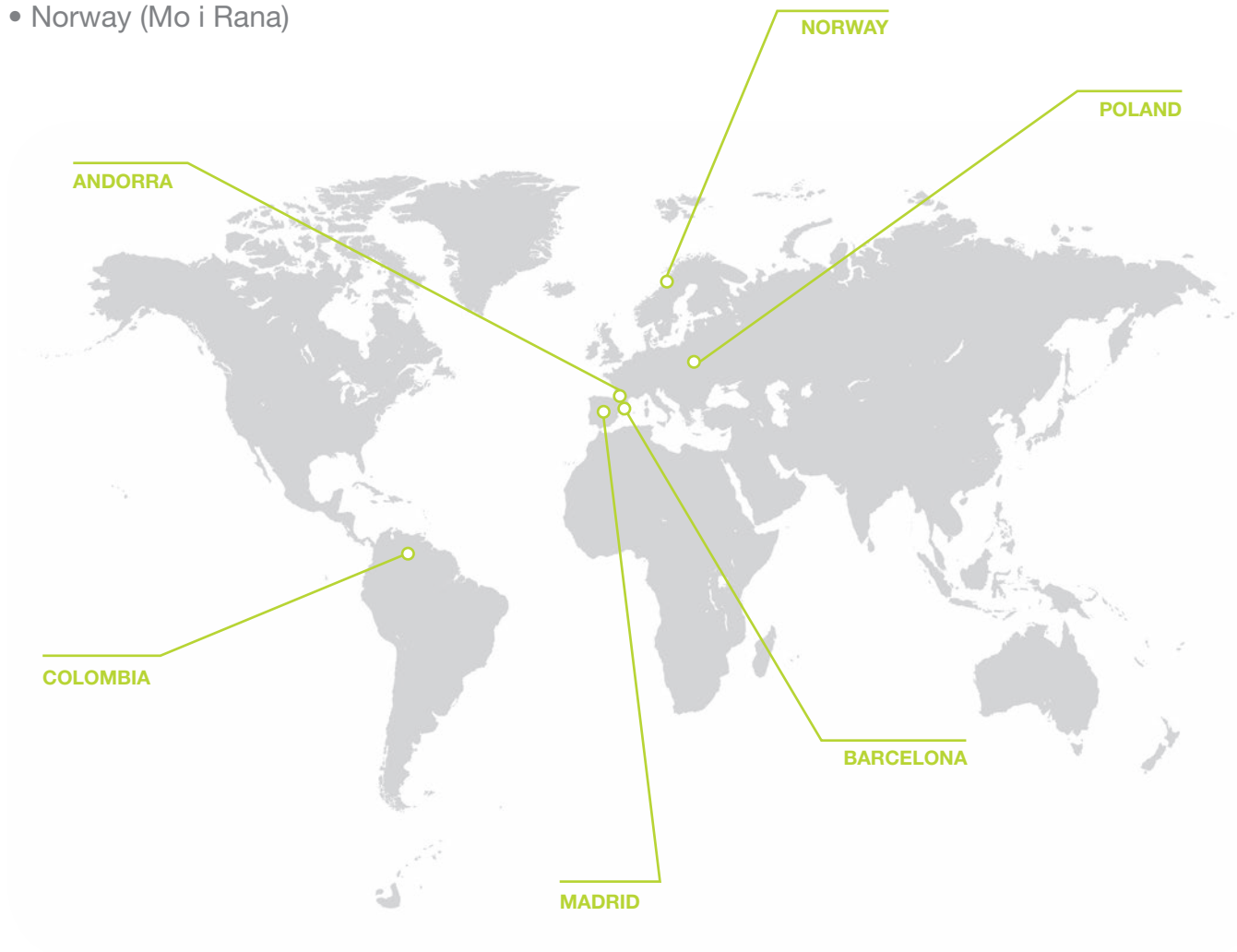
The process of expansion of the company continues, focusing our resources in countries in Europe where TAG Systems is not present and in South America.

## PRODUCTION AND/OR PERSONALIZATION AND COMMERCIALIZATION

- Andorra (Andorra la Vella)
- Spain (Madrid)
- Poland (Warsaw)
- Colombia (Medellin)

## COMMERCIAL OFFICES

- Spain (Barcelona)
- Norway (Mo i Rana)



# ORGANIZATIONAL STRUCTURE

**TAG Systems** has an international organizational structure, from which depend all the subsidiaries. In the case of TAG Systems Andorra (the biggest subsidiary) its structure is organized as follows:





# ACTIVITY DATA

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## PRODUCED CARDS

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23.000.000



## COUNTRIES WHERE WE SELL

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50



# QUALIFICATIONS & CERTIFICATIONS

## QUALITY PROGRAMS

- **CQM**  
MasterCard Card Quality Management



- **ISO 9001:2008**  
Quality Management System



- **ISO 14001:2004**  
Environmental Management System



- **OHSAS 18001:2007**  
Occupational Health and Safety System



# **PRODUCTS & SERVICES**

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## **1. SMART CARDS AND MAGNETIC STRIPE CARDS**

- Banking cards
- Health and insurance cards
- Identity cards
- Loyalty cards
- Membership cards

Experts in producing plastic cards with printing technique and special effects.

## **2. CHIP PLATFORMS**

- Contact Chip
- Dual Interface
- Contactless

## **3. PERSONALIZATION OF COMMERCIAL CARDS FOR THE DOMESTIC MARKET**

- Project for banking cards personalization center under evaluation

## **4. CONSULTANCY IN SMART CARDS PROJECTS**

## **5. OTHER PRODUCTS AND SERVICES**

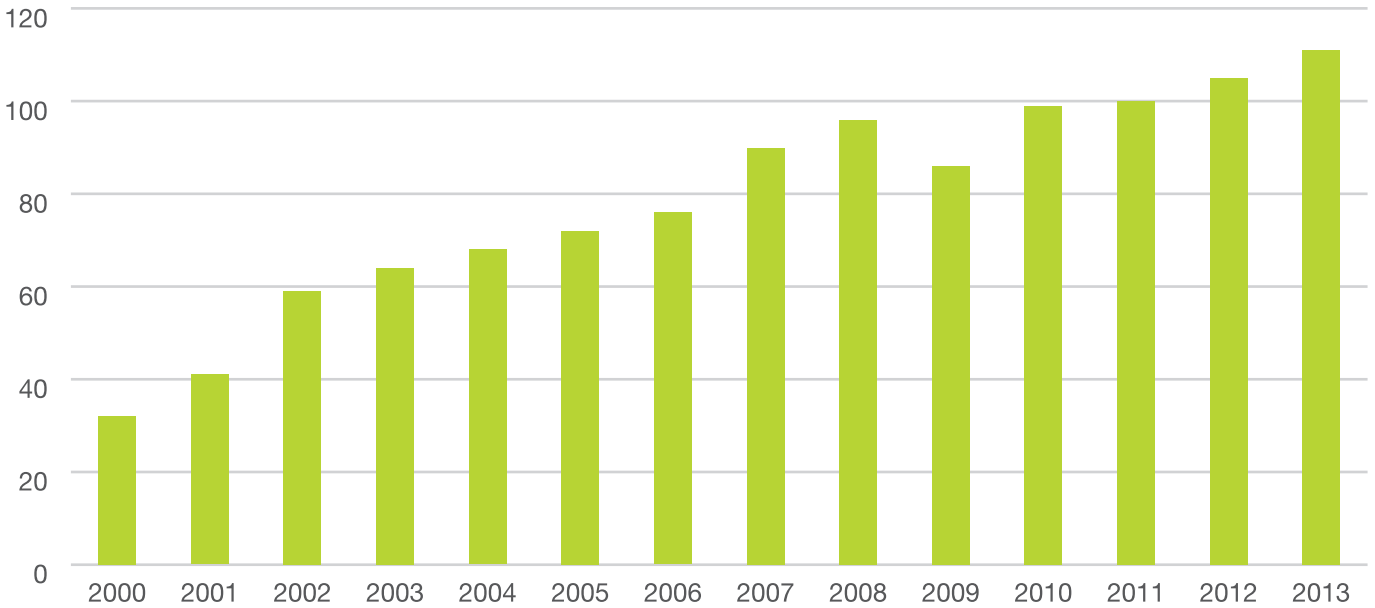
- “Stickers” MC
- Desktop personalization machines
- PKI developments



# **HUMAN RESOURCES**

During 2013 the staff of **TAG SYSTEMS SA** has increased by 6 persons, from 105 to 111 workers, including those hired for a third production shift for one of our departments.

**Staff evolution**



Our staff is stable and loyal to the company. The management of the company believes in permanent hiring, and that is why most workers have permanent contracts.

The loyalty of company’s staff is demonstrated year after year with the increase of the average time of seniority of the whole employees.



# EQUAL OPPORTUNITIES

**TAG Systems** encourages to have a diverse team and that is why the company guarantees equal opportunities and no discrimination on grounds of sex, nationality, gender, age or others.

The women who are part of **TAG Systems**, represent 66% of the total staff. More than half of the senior positions (directors and managers) are held by women. The salaries of our workers are always related to their job, regardless of the gender of the person who occupies it, ensuring equality and internal equity in the remuneration policy.

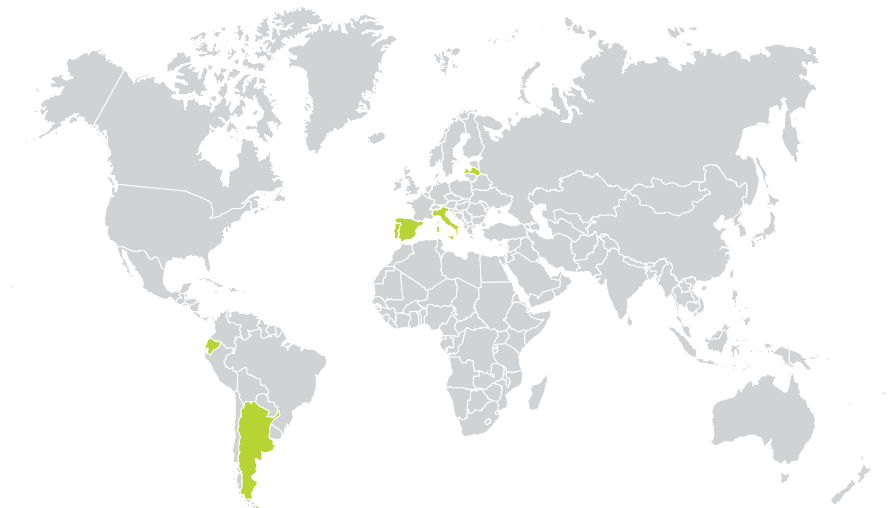


In regard to the age of our staff, despite being a young company with **an average age of 37 years**, **TAG Systems** values equally any employee regardless of its age. Our employees range from 17 to 65 years old.

Besides the employees from the subsidiaries, at the headquarters in Andorra, we have employees from **7** different nationalities.

## Nationalities in TAG Systems Andorra:

- Andorran
- Spanish
- Portuguese
- Argentinian
- Italian
- Ecuadorian
- Latvian



# HEALTH & SECURITY

For **TAG Systems** it is essential and fundamental to ensure health and safety for all its staff. The Health and Safety Committee of the company works to provide a safe and healthy work environment for all employees, meeting legal requirements and those imposed voluntarily (OHSAS 18001) in order to ensure the health of the employees.

All workers are represented by the Health and Safety Committee which consists of 5 persons from different departments of the company and with specific training in occupational risk prevention.

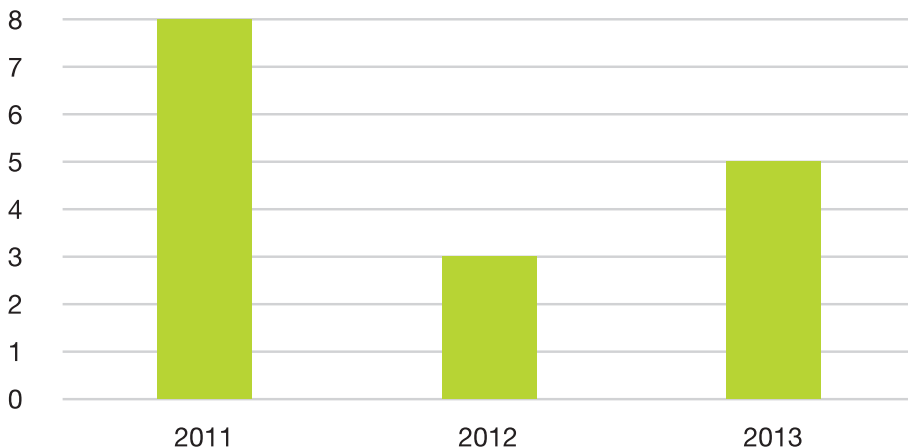
Regarding the Emergency Team, the company has a team of 10 persons trained in firefighting and first aid.



## ACCIDENTS AT WORK

During 2013 **TAG Systems** has registered a total of 5 accidents, none of them were serious. We have taken appropriate corrective action for all the cases.

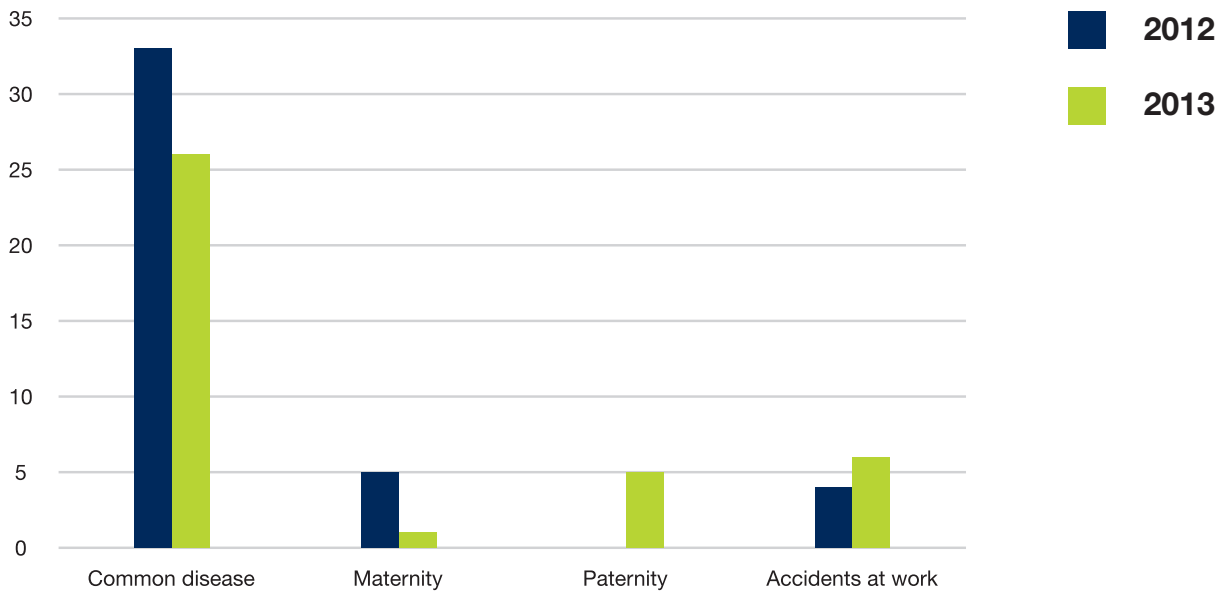
### Accidents at work per year



## MEDICAL LEAVE

As for the rest of the medical leave, most of them were caused by common diseases.

Number of medical leaves per year and causes

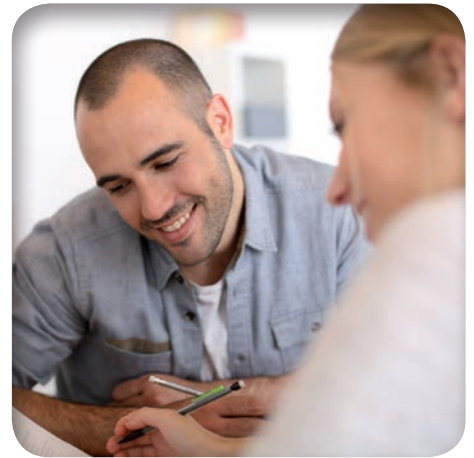




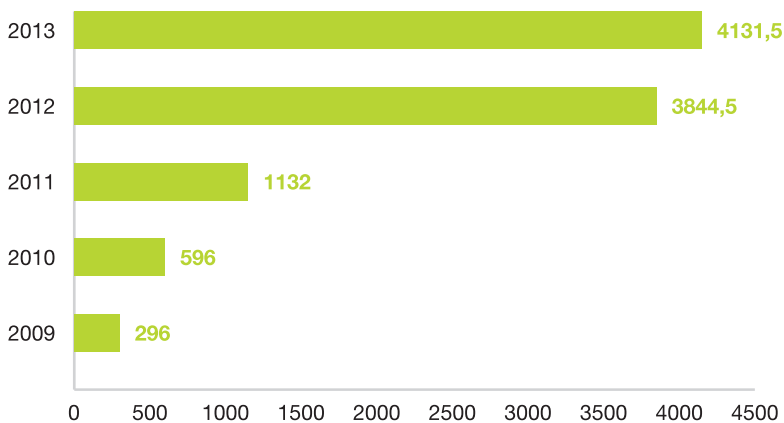
# TRAINING

**TAG Systems** strongly believes in providing training and professional development for all its employees, and that is the reason why each year **TAG Systems** assigns an important part of its budget to training and development.

During 2013, our company invested a total of 4.131,5 hours in training, increasing the hours invested in 2012. Part of this increase is due to Occupational Health and Safety trainings in which all employees have actively participated, also to the investment in “in company” English courses.



## Hours of training





# ENVIRONMENT



In **TAG Systems** we consider that the development of our activity, must integrate sustainable development criteria to ensure proper management of resources and protection of the environment, that is why in 2012 the company certified its center of Andorra la Vella with ISO 14001.

Our compromise with environmental respect goes beyond our legal obligations and focuses in a environmental management system integrated into its activities.




**TAG Systems** considers the following principles, as part of its integrated management policy:

- Application of environmental and energy saving criteria in our processes, making rational use of natural resources and reducing residues and emissions.
- Fulfillment of environmental and energy laws, as well as other commitments voluntarily acquired.
- Training and providing the necessary resources to our employees to actively take part in the accomplishment of environmental objectives.
- Development of a continuous improvement effort in our integrated management system, which allows us to improve its performance and at the same time to be more efficient.

# ENVIRONMENTAL INDICATORS

## MANAGEMENT OF ENERGY RESOURCES AND CONSUMPTION

One of the annual objectives of the company is the monitoring of energy data and consumption, in order to improve each year by being more effective and trying to minimize the environmental impact and the associated costs.

	2011	2012	2013
 Electricity consumption (MWh)	604,97	703,53	788,68
 Water consumption (m <sup>3</sup> )	8.214	8.399	9.789
 Diesel consumption (litres)	13.424	13.143	10.000
 Paper consumption (kg)	1.080	888	804



Not all energy resources' consumption can be reduced annually, since many of them are directly related to the production process, however much importance is given to raise awareness to the staff for the rational use of resources. If possible, we make technical investments in our installations in order to be more efficient in the use of these resources.

# ENVIRONMENTAL INDICATORS

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## RESIDUE MANAGEMENT

Our company is registered at the Environmental Department of the Government of Andorra, as a producer of residues (PRP-0029/11), a document certifying that all the residues produced by the company are treated correctly, according to existing laws.

Plastic is the main raw material consumed by **TAG Systems**, used in the card manufacturing process. However, throughout the production process, and also during other services offered by our company, other waste is generated, being also collected and properly treated.

## RESIDUE

Since 2011, **TAG Systems** has an internal procedure for residue collection, with the intention that all the employees of the company actively participate in.

There are collection points in different parts of the company to ease the process.

	2011 data june-december	2012	2013
Paper (kg)	658	1.170	1.145
Lightweight containers (kg)	526	936	916
Batteries (kg)	No data available	39	27
Toners (kg)	10	49	24
Fluorescent lights (units)	No data available	11	29
Waste (kg)	528	1.091	1.145



# **CUSTOMERS & SUPPLIERS**

## CUSTOMERS

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The quality of our products is a very important matter in our company, we believe that quality is not controlled, is produced.

For this reason, TAG Systems has many quality checks along the different production stages in order to ensure a maximum quality level during all the manufacturing process.

Quality checks are based on different regulations and standards specifying the requirements for the plastic card manufacturing.

Our base is the CQM program (Card Quality Management), based on some of the following rules and specifications:

- ISO/IEC 7810
- ISO/IEC 7811-1, ISO/IEC 7811-2, ISO/IEC 7811-6
- ISO/IEC 7816-1, ISO/IEC 7816-2, ISO/IEC 7816-3
- ISO/IEC 10373-1, ISO/IEC 10373-2, ISO/IEC 10373-3
- Controls of Chip hardware functionality with terminals, according to EMV regulations.
- Design requirements according to the manual of different card payment brands.

Our Quality Control Department inspects all finished cards following ISO AQL (Acceptance Quality Level) sampling table.



We aim for a constant search for improvement to satisfy our customer's needs. For this reason, when we receive a claim, a complete correcting process is engaged. All necessary corrective and preventive actions are undertaken to correct the problem and avoid it in the future.



# SUPPLIERS

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**TAG Systems** is very concerned on the materials used in the card production. The best raw materials are selected after a strict qualification.

When raw materials reach our plant, they are submitted to different incoming goods control where their suitability is determined. Owing to these incoming controls we have achieved an increase on final product quality, as when defective raw materials are detected, those are automatically discarded, and therefore, potential production issues are avoided from the very beginning.

In addition to this, TAG Systems does not only prioritize the quality of raw materials, we also value positively those suppliers manufacturing with a smaller environmental impact. One of our requirements when evaluating new potential suppliers is that they have environmental management systems in place.







# **GLOBAL COMPACT**

# SUPPORT TO GLOBAL COMPACT

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**TAG Systems'** Corporate Social Responsibility Report describes the measures adopted by the company on the basis of UN Global Compact Ten Principles we have been supporting since 2011.



## HUMANS RIGHTS

**TAG Systems** respects human rights in every one of its activities and values very positively the adherence of its partners, suppliers and customers to the World Pact or other declarations respecting this principle.

## LABOUR STANDARDS

**TAG Systems** respects all principles and regulations related to labor rights, both national and international.

Policies for non labor discrimination of any kind are enforced at **TAG Systems**, all kinds of forced labor are rejected as well as any other kind of work undermining any human or labor right.

## ENVIRONMENT

We evaluate the impact and the environmental effect of our company and we manage the environmental hazards prevention, being this on of the points on the company's policies.

## ANTICORRUPTION

**TAG Systems** rejects all those activities with signs of corruption, including extortion and bribery.



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