



CORPORATE  
SOCIAL  
RESPONSIBILITY  
REPORT  
2014



# PRESIDENT'S LETTER

Welcome,

I am pleased to provide you our fourth Corporate Social Responsibility report, hoping that it will be of your interest.

When we look back, we are proud of the path we have taken and of what we have achieved. But we still have much to do. New objectives and challenges every year. In improving our processes, in their efficiency and productivity, keeping our ongoing commitment at the forefront of our minds, working in parallel towards the improvement of the environmental, social, and economic sustainability of our company and of our environment.

We have undertaken an ambitious Global Improvement Action Plan for Tag Systems, which encompasses all our departments and that, in the medium term, will have a very positive impact on all our "stakeholders", with a particular emphasis on customer satisfaction and on the people who work for Tag Systems, and with Tag Systems.

We wish to offer our customers what they require, products and payment solutions based on the highest standards of quality and security, focussing on new technologies, and the new payment solutions they can propose. We want to offer them a global "end-to-end" service, based on professionalism, trust, flexibility and understanding.

Once again we renew our commitment to the Ten Principles of the United Nations' Global Compact and to the continuous improvement of sustainability.

I would like to encourage you to send us your suggestions, of whatever kind, either through our website or through your contact person in our organisation.

I thank you very much, for being by our side,

Joaquim Miró Castillo  
President

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# ABOUT US

## THE COMPANY



**TAG SYSTEMS SA** is an Andorran company created in 1999. The company began its activity as a manufacturer of plastic cards with the aim of selling its product in Europe and the rest of the world.

The company's 3,000 m<sup>2</sup> industrial plant, located in the Principality of Andorra, is equipped with the latest technology machinery in a high-security environment and with a production capacity of more than 50 million cards a year.

Today, **Tag Systems** is a group of companies that manufactures and distributes smart cards and offers a portfolio of services and solutions with which we meet all the necessities of our customers. Our proven experience has made us one of the leading smart card suppliers in Europe.

## CHRONOLOGICAL EVOLUTION

- 1999 – 2000** Tag Systems Andorra receives the certification to produce banking cards.
- 2002** Opening of the first company abroad, CardTag Spain in Barcelona, Spain, to concentrate on the Spanish market.
- 2003** Tag Systems Andorra equips its facilities to perform chip embedding (EMV) and personalisation.
- 2006** Tag Systems Andorra receives the CQM (Card Quality Management) MasterCard Quality Certificate.
- 2007** Opening of Tag Systems Finland Oy, in Helsinki – Finland.  
Opening of Tag Systems Poland sp. z o.o. in Warsaw, Poland.  
Tag Systems Andorra achieves the ISO 9001 quality certification.
- 2008** Tag Systems Andorra receives the Diners Club International certification.  
Opening of TSG Norway AS in Mo i Rana, Norway.
- 2009** Opening of Tag Systems Smart Solutions SL in Madrid, Spain.
- 2011** Tag Systems 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 achieves the ISO 14001 and OHSAS 18001 certifications, issued by the company Applus.  
Opening of Tag Systems Finland Oy Latvia in Riga – Latvia.  
Tag Systems Andorra receives the certification to manufacture Discover cards.
- 2013** Tag Systems sells Tag Systems Finland Oy and its subsidiary in Latvia.

# OUR SUBSIDIARIES AROUND THE WORLD

**Tag Systems** is a company with a majority of Andorran shareholders, with its headquarters and manufacturing plant located in the Principality of Andorra.

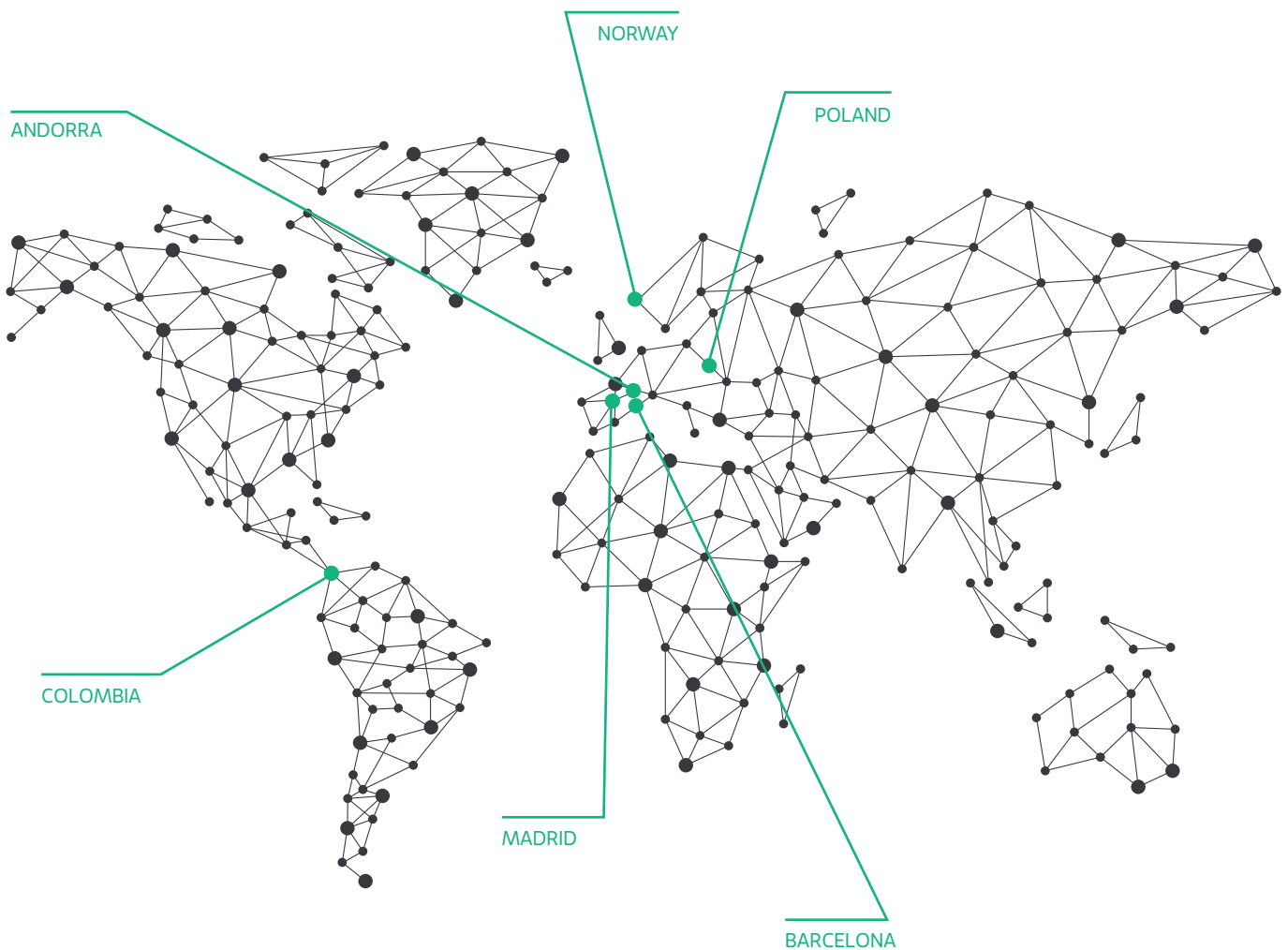
The company's process of expansion is continuing, focusing our resources on those places in Europe where currently we do not have a presence and in South America.

## PRODUCTION AND/OR PERSONALISATION AND MARKETING CENTRES

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

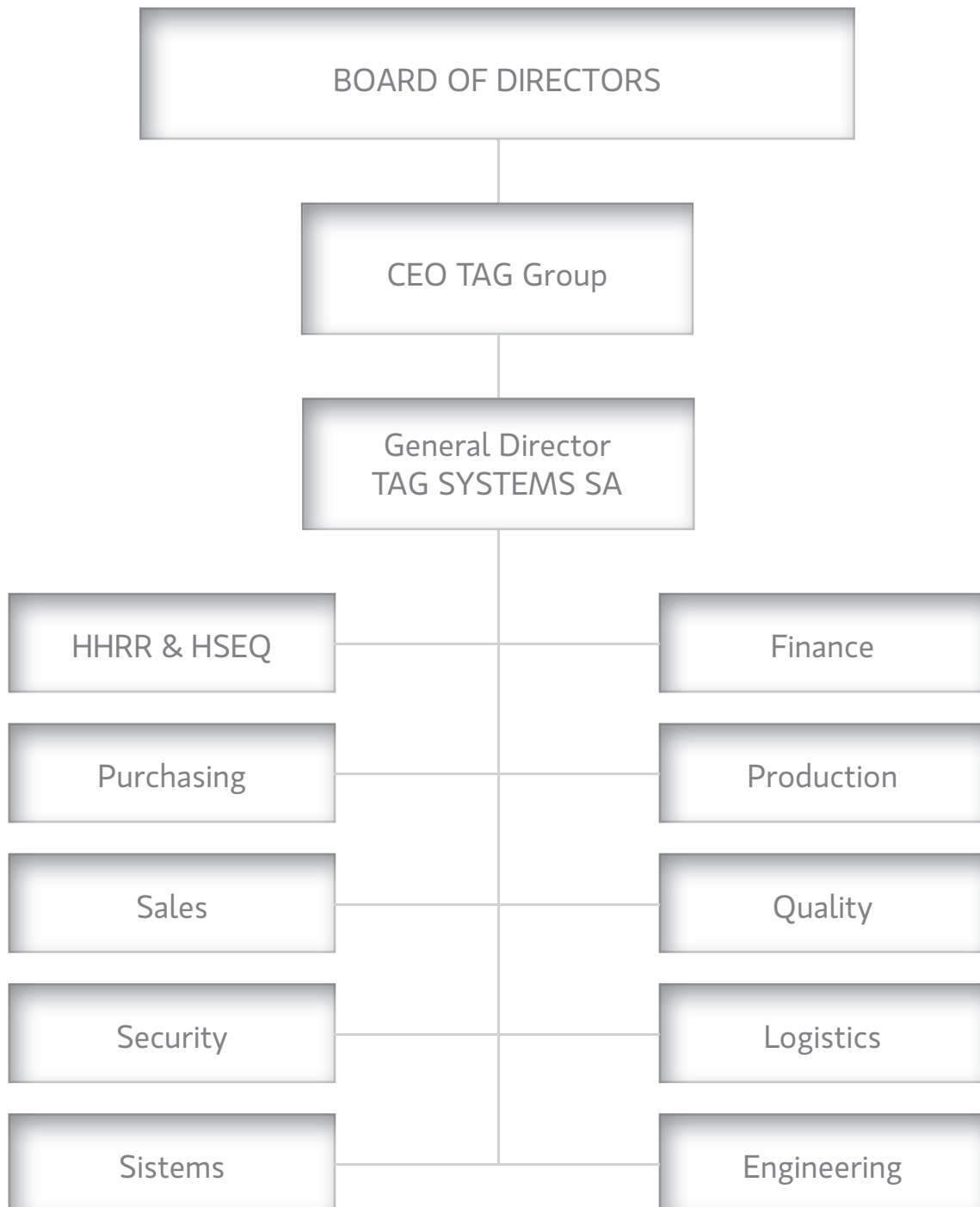
## COMMERCIAL OFFICES

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



# ORGANISATIONAL STRUCTURE

**Tag Systems** has an organisational structure at an international level on which all of its subsidiaries depend. In the case of **Tag Systems** Andorra (headquarters) its structure is organised as follows:

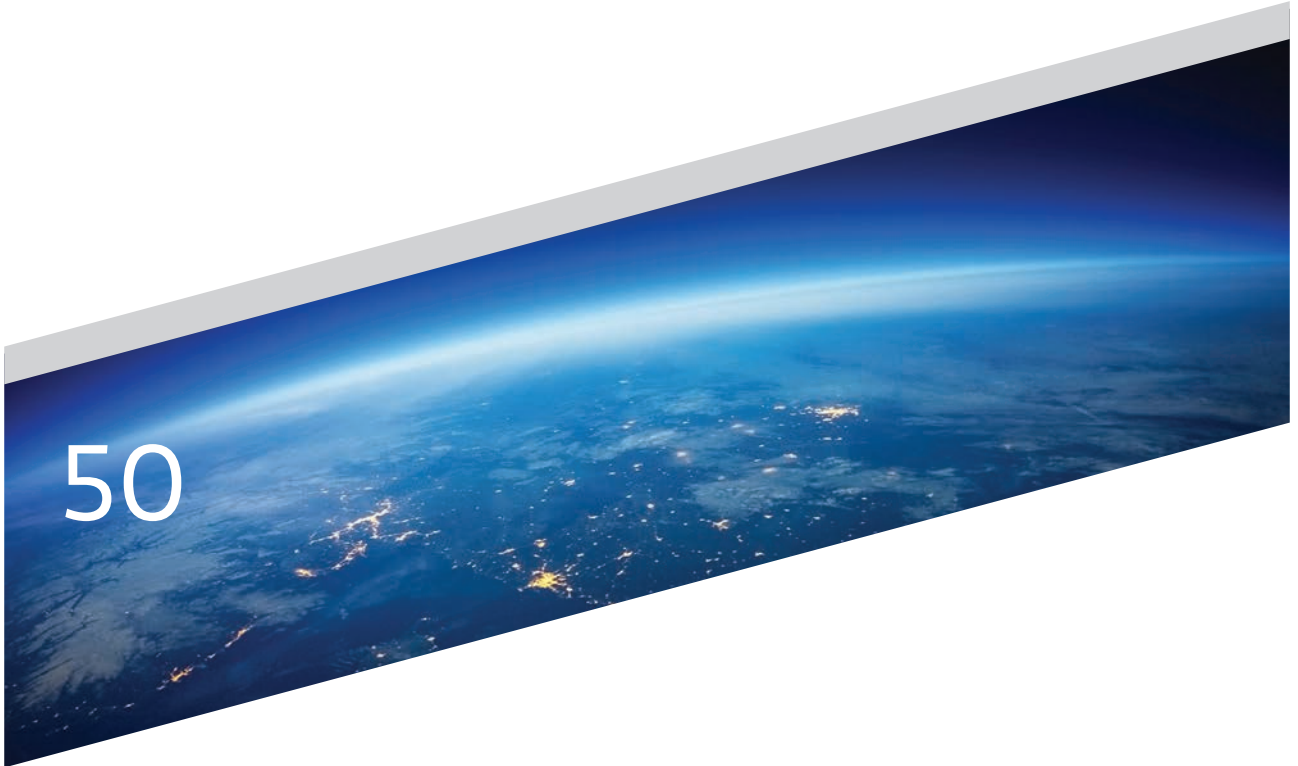




## ACTIVITY DATA



CARDS PRODUCED



COUNTRIES IN WHICH WE SELL

# QUALIFICATIONS AND CERTIFICATIONS

## QUALITY PROGRAMS

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- **CQM**  
MasterCard Card Quality Management



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



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



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



# PRODUCTS AND SERVICES

## 1. SMART CARDS AND MAGNETIC STRIPE CARDS

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

Experts in the production of plastic cards with special printing techniques and effects.

## 2. TECHNOLOGY

- Contact Chip
- Dual Interface
- Contactless

## 3. PERSONALISATION OF COMMERCIAL CARDS FOR THE DOMESTIC MARKET

- Banking cards personalisation centre project under evaluation

## 4. CONSULTANCY FOR SMART CARD PROJECTS

## 5. OTHER PRODUCTS AND SERVICES

- Desktop personalisation machines
- PKI Developments

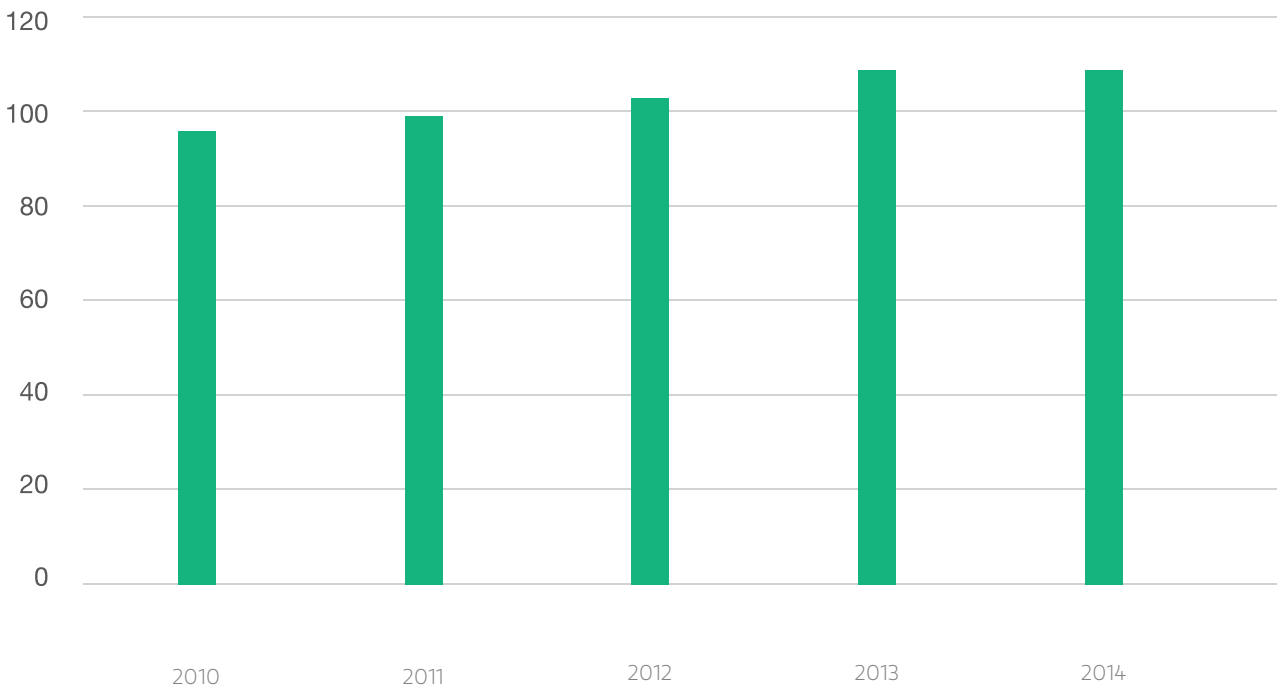


# **HUMANS RESOURCES**

# PERSONNEL

During 2014 the workforce of **TAG SYSTEMS SA** has remained stable with 112 employees.

## Evolució personal



The workforce of **Tag Systems** is stable and loyal to the company. The Management of the company is committed to permanent contracts, and it is for this reason that the majority of workers have a contract of indeterminate duration.

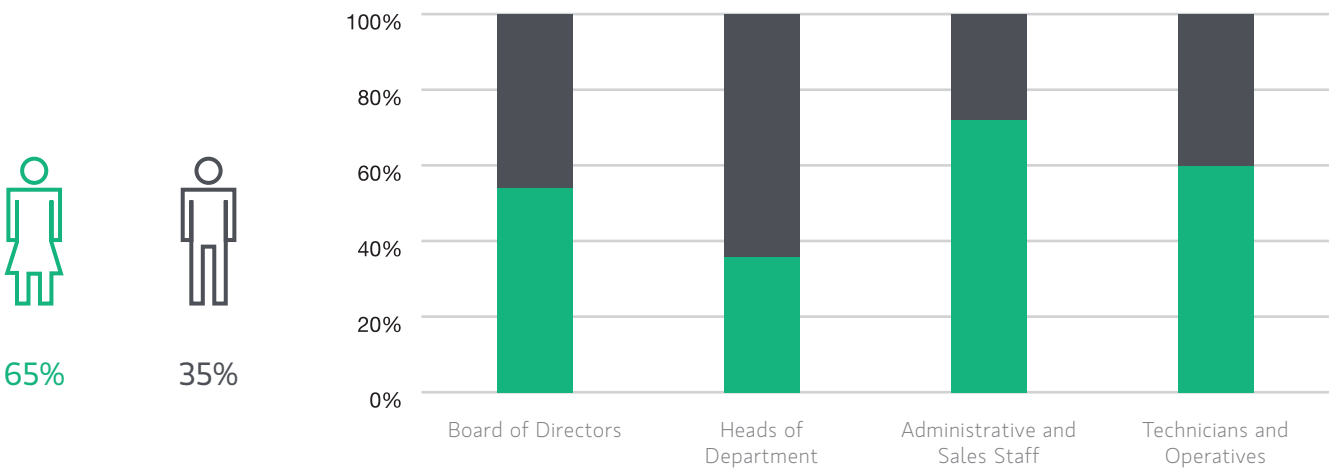
The loyalty of the workers of the company is evidenced year after year with the increase in the average number of years of service of all employees.



# EQUAL OPPORTUNITIES

**Tag Systems** encourages having a diverse team and for this reason the company guarantees equal opportunities and not discriminating for reasons of sex, nationality, gender, age or other reason.

Women who work for **Tag Systems** account for 65% of the total workforce. Half of the management positions (directors and managers) are occupied by women. The remuneration of our employees is always linked to their jobs, regardless of the gender of the person who occupies the position, ensuring equality and internal equity in the remuneration policy.



With regard to the age of our workers, despite being a young company with an average age of 37 years, **Tag Systems** values all employees regardless of their age, having staff members with ages ranging from 17 years (minor, apprenticeship and internship contracts) to 65 years old.

Apart from the employees of our subsidiaries, people from 7 different nationalities work at the headquarters of the company in Andorra.

## Nationalities in **Tag Systems** Andorra:

- Andorran
- Spanish
- Portuguese
- Argentinean
- Italian
- Ecuadorian
- Latvian



# HEALTH AND SAFETY

Ensuring the health and safety of the whole of its team is indispensable and fundamental for **Tag Systems**. That is why the company's Committee on Health and Safety works in order to provide a safe and healthy working environment for all its employees and, at the same time, to comply both with the legal requirements and those imposed voluntarily (OHSAS 18001) in order to ensure the health of our employees.

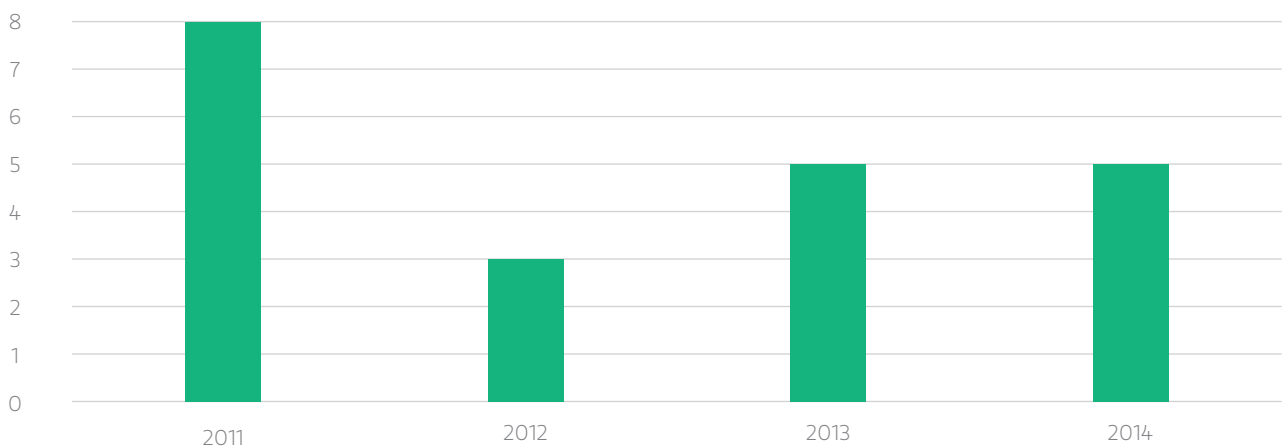
All employees are represented by the Committee on Health and Safety which is formed by five persons from different departments of the company and with specific training in the Prevention of Occupational Risks.

With regard to Emergency Teams, the company has a team of 10 people trained in fire fighting and first aid.

## WORKPLACE ACCIDENTS

During 2014, a total of 5 work-related accidents have been recorded at **Tag Systems**, none of these serious. Appropriate corrective measures have been taken in all cases.

### Number of accidents at work per year



# HEALTH AND SAFETY

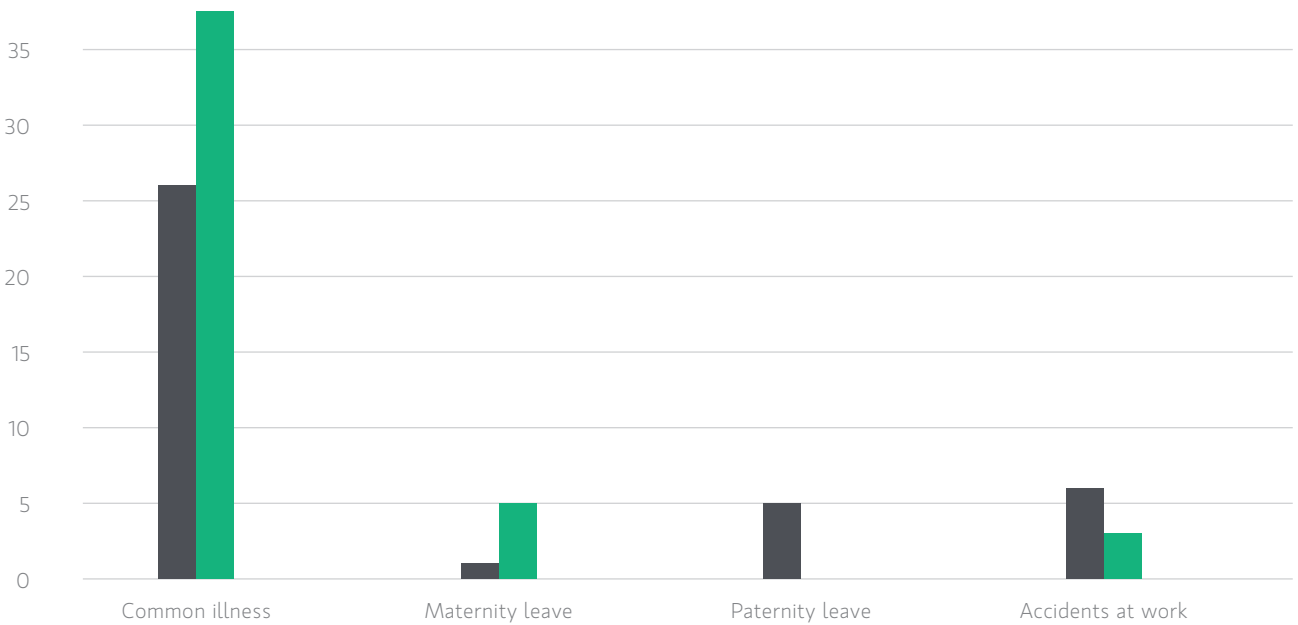


## SICK LEAVE

The rest of sick leaves, have mainly been caused by common illnesses.

Amount of sick leaves per year and its causes

■ 2013 ■ 2014





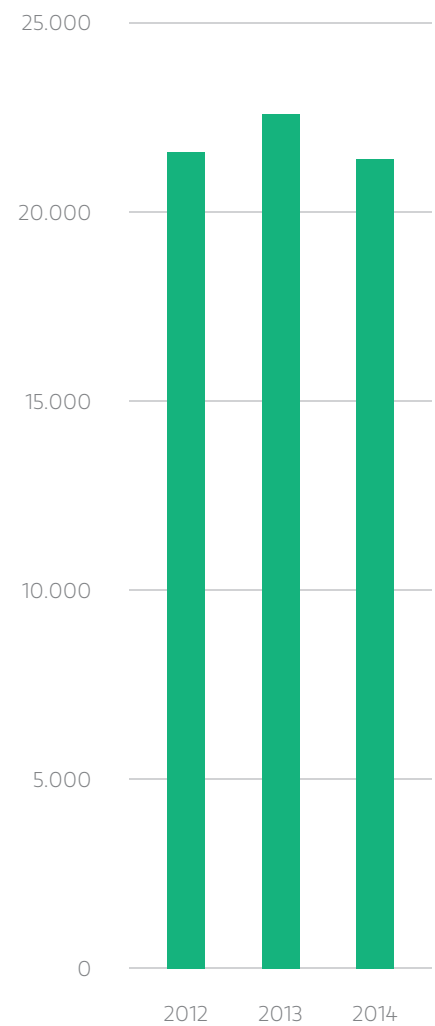
# TRAINING

**Tag Systems** gives great importance to the training and professional growth of its employees, and for this reason, a large part of its budget is allocated to education and development.

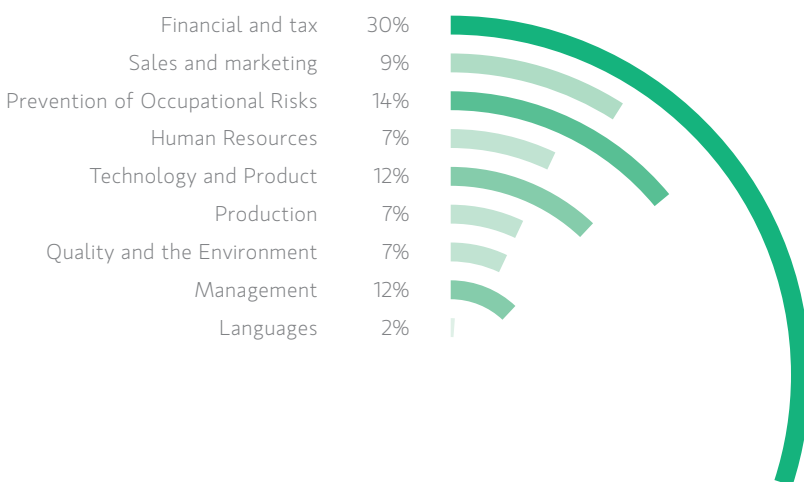
100% of the workforce of Tag Systems has received some kind of training. The investment allocated for this item has been kept in the line with recent years.



Investment in training per year



Types of training





# ENVIRONMENT

# ENVIRONMENTAL POLICY



At **Tag Systems**, we consider that sustainable development criteria have to be integrated into the practice of our activities in order to ensure a proper management of resources and the protection of the environment. It is for this reason that in 2012 the company certified its site in Andorra la Vella with ISO 14001.

**Tag Systems** is committed to respecting the natural environment, a commitment that goes beyond its legal obligations and which is specified in and attested by an environmental management system integrated into its activities.

For this reason, **Tag Systems** takes into account the following principles which are part of our integrated management policy:





- We apply environmental and energy-saving criteria in our processes, we have a rational use of all the natural resources that we have and we strive to reduce emissions and waste management.
- We comply with the environmental and energy legislation, as well as other commitments made on a voluntary basis.
- We provide training and allocate the necessary resources so that our employees actively participate in the achievement of environmental objectives.
- We make efforts to continuously improve our integrated management system, which allows us to improve its effectiveness and at the same time be more efficient.

# ENVIRONMENTAL INDICATORS

## MANAGEMENT OF ENERGY RESOURCES AND CONSUMPTION

One of the objectives of the company is to monitor the figures of energy and consumption of processes, with the aim of improving year after year, becoming more efficient and trying to minimise the environmental impact of the company and the associated costs.



|  | 2012   | 2013   | 2014   |
|--|--------|--------|--------|
|  <b>Electrical energy consumption (MWh)</b> | 703,53 | 788,68 | 844,23 |
|  <b>Water consumption (m3)</b>              | 8.399  | 9.789  | 6.433  |
|  <b>Diesel consumption (litres)</b>         | 13.143 | 10.000 | 13.850 |
|  <b>Paper consumption (kg)</b>              | 888    | 804    | 989    |

Not all of the consumption of energy resources can be reduced annually as many are directly linked to the production process, but we make emphasis to raise staff awareness and sensibility to the use of resources, and, when possible, technical investments are made in our facilities in order to be more efficient in the use of these resources.

# ENVIRONMENTAL INDICATORS

## WASTE MANAGEMENT

**Tag Systems** is registered with the Department of Environment of the Government of Andorra as a producer of waste (PRP-0029/11), a document that certifies that all the waste produced by the company is treated properly and in accordance with the legislation in force.

The main raw material used by **Tag Systems** is the plastic, used in the manufacture of both banking and commercial cards. However, during the production process as well as through the other services provided by the company, other waste is created which is also collected and treated properly.

## WASTE

Since 2011, **Tag Systems** has had an internal procedure of selective waste collection, with the aim that all employees of the company actively participate in it.

There are collection points in different parts of the company in order to facilitate the process as much as possible.

|                             | 2012  | 2013  | 2014  |
|-----------------------------|-------|-------|-------|
| Paper (kg)                  | 1.170 | 1.145 | 1.093 |
| Lightweight containers (kg) | 936   | 916   | 954   |
| Batteries (kg)              | 39    | 27    | 41    |
| Toner cartridges (kg)       | 49    | 24    | 22    |
| Fluorescent lights (units)  | 11    | 29    | 13    |
| Rubbish (kg)                | 1.091 | 1.145 | 1.147 |



# **PRODUCT QUALITY AND SUPPLIERS**

# ■ PRODUCT QUALITY



The quality of our products is a very important topic for the company and we start from the principle that quality is not controlled, it is produced.

For this reason, Tag Systems has numerous integrated quality control points along the different stages of production, ensuring the highest level of quality throughout the manufacturing process.

The quality control points are based on different regulations and standards that define the requirements for the manufacture of plastic cards.

Starting from the CQM (Card Quality Management) programme based on some of the following regulations and requirements:

- 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
- Interoperability of the chip with terminals according to EMV specifications
- Design Requirements according to the manuals of the different payment schemes

The Quality Control Department inspects all finished products in accordance with the ISO AQL (Acceptance Quality Level) sampling table.

At Tag Systems we seek the continuous improvement of our processes with the aim of satisfying the needs of our customers. For this reason, when we receive a complaint, a process of complaint management starts under which all the necessary preventive and corrective actions are taken to correct the problem and to avoid it in the future.

## SUPPLIERS

**Tag Systems** cares greatly about the materials with which it makes its cards, that is why we select the best raw materials through a strict approval process.

Each time that goods are received at our facilities, they are subject to entrance controls in order to determine their conformity. Due to these entrance controls, an increase in the Quality level has been achieved since, if any of the raw materials that we use in the production of the cards are defective, it is detected immediately thus preventing potential problems in production.

In addition, **Tag Systems** not only prioritises the quality of the raw materials it purchases, but also takes into account those suppliers who, at the time of manufacturing their products, create a lower environmental impact, the fact of having implemented environmental management systems being one of the requirements in the evaluation of suppliers.







# **GLOBAL COMPACT**

# SUPPORT TO THE GLOBAL COMPACT

The Corporate Social Responsibility Report of **Tag Systems** describes the actions taken by the company based on the Ten Principles of the Global Compact of the United Nations that the company has been supporting since 2011.



## HUMAN RIGHTS

**Tag Systems** respects the human rights of the people in all its activities and positively values its partners, suppliers and customers adhering to the Global Compact or other declarations that respect this principle.

## EMPLOYMENT STANDARDS

Our company respects all rules and principles related to employment rights both locally and internationally.

**Tag Systems** has implemented policies of non-discrimination in the workplace for any reason and rejects any form of forced labour and other types of work that violate any employment law and/or human right.

## ENVIRONMENT

We evaluate the environmental effect and the impact that our business has and manage the prevention of environmental risks, this being one of the points of our company's policy.

## ANTI-CORRUPTION

At **Tag Systems**, we will reject any activity which shows evidence of corruption in any and all of its forms, including extortion and bribery.

**tag** systems

**TAG SYSTEMS SA**

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