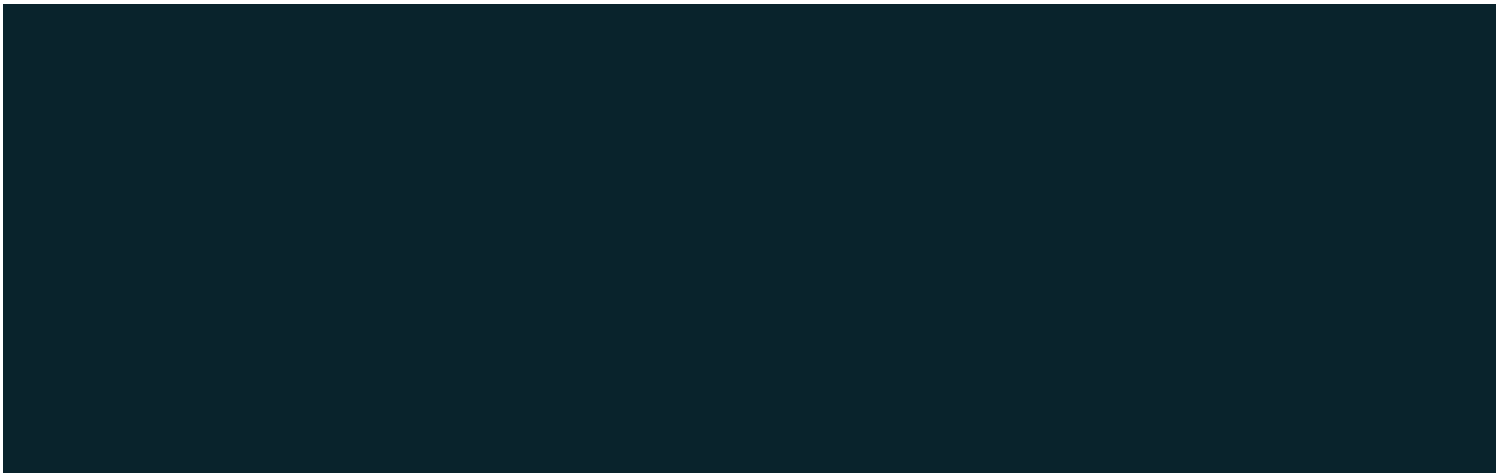




UN Global Compact Communication of Progress

February 2020 to February 2021



CEO Statement of support

To our Stakeholders,

This is our first Communication of Progress (CoP) to the UN Global Compact, and I am pleased to confirm that Tag continues its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual CoP, we describe our actions to continually improve the integration of the Global Compact's Ten Principles into our business strategy, culture and daily operations.

We have also integrated the Sustainable Development Goals (SDG) into our CSR Strategy with a special focus on Gender Equality (SDG 5) and Reduced Inequalities (SDG 10) through Tag's Diversity & Inclusion Council and Sustainable Consumption and Production (SDG12) and Climate Action (SDG13) through our Sustainable Procurement program.

In 2020 Tag continued to drive improvement in our Diversity & Inclusion globally. Our leadership is committed to creating an inclusive culture at Tag, focused on equity and the elimination of barriers to success of our employees. Some of the initiatives we have launched include:

- **D&I Council:** +70 members today working on D&I activities
- **Global DE&I Events Calendar** that includes events focused on creating awareness and celebrating diversity
- **Training:** We have launched a series of virtual training on Unconscious Bias in the Workplace
- **Established partnerships** with external agencies and networks that focus on promoting diversity and social equality

From a Sustainable Procurement perspective, we have achieved FSC certification, implemented Ecovadis supplier assessments, introduced renewable energy contracts and worked with our clients and suppliers to measure the carbon footprint of sourced materials. These activities resulted in our Ecovadis score increasing from a silver to a gold.

Yours sincerely,

David Kassler

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

Principle 2: Make sure that they are not complicit in human rights abuses

Tag respects and supports fundamental human rights and works to minimise the risk of human rights abuses. Tag's Code of Conduct sets out certain minimum standards in respect of the human rights of its employees, and our Supplier Code of Conduct sets out its minimum standards in respect of the human rights of suppliers' employees.

All Tag suppliers sign our Supplier Code of Conduct which sets out our expectations with regards to Anti-Bribery and Anti-Corruption, Child Labour, Forced Labour and Human Trafficking, Working Conditions, Transparency and Environment.

Tag use a combination of Ecovadis, Supplier Assurance Questionnaires and audits to monitor compliance with our Code of Conduct.

Measurable outcomes:

Tag's performance is monitored by Ecovadis and we increased our Ecovadis rating from Silver to Gold.

We monitor the performance of our suppliers via audits and a key Strategic Procurement metric for strategic sourcing is to ensure our strategic suppliers are audited, 82% were audited versus a target of 70%. Normally these audits are undertaken on site by Tag or 3rd parties however due to the covid-19 pandemic a proportion of these were completed remotely or using Ecovadis assessments.

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

As outlined in our Code of Conduct, Tag has an open attitude towards trade unions and respects Employee freedom of association with Employees having the right to join or form trade unions without discrimination.

Tag undertake audits of our suppliers, criteria include ensuring union membership or collective bargaining is allowed when not restricted by local law, we also ensure anti-discrimination policies cover union membership.

Measurable outcomes:

No instances of Suppliers restricting freedom of association were identified during supplier audits.

Principle 4: elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Tag's Code of Conduct clearly outlines that forced and child labour is unacceptable. All employees are trained in our Code of Conduct and this includes how to identify the signs of modern slavery and what to do about it if found. Our Modern Slavery Act Statement can be found on our website.

Tag's Code of Conduct is integral to our supplier contracts and we mitigate the risk of modern slavery and child labour in our supply chain by use of Ecovadis and supplier onsite audits.

Tag employees receive online Code of Conduct Training which includes how to identify the signs of modern slavery.

Measurable outcomes:

Tag's performance is monitored by Ecovadis and we have a Gold rating.

We also measure the percentage of employees that have completed Code of Conduct training 54% of employees completed training in 2020.

No signs of child or slave labour were found during supplier onsite audits.

Principle 6: Elimination of discrimination in respect of employment and occupation

Tag has a D&I Council with 70 members and has created a Culture Committee focused on recognizing & celebrating the different cultures of our employees.

We have a suite of DE&I training that will be mandatory in 2021. Including but not limited to unconscious bias, anti-discrimination, and specific training for our managers and senior leaders on inclusive leadership.

Discrimination within our supply chain is evaluated by Ecovadis scorecards and our onsite audit program.

Tag use CVM to evaluate Supplier Diversity Certifications in the USA and we are currently mapping our APAC and EMEA supply chain.

Measurable outcomes:

Code of Conduct training has been completed by 54% of employees.

Audit: As per principle 1

Supplier diversity: We are currently measuring our baseline so we can set supplier diversity targets for 2021.

Principle 7: Businesses should support a precautionary approach to environmental changes**Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility**

Tag has an Exco sponsored Sustainability Committee, this is comprised of representatives from around the world across our business, ranging from sourcing and facilities to client services and marketing and meets regularly to:

- Define and develop our Sustainability Strategy
- Monitor carbon emissions and drive initiatives to reduce consumption
- Track other key sustainability metrics and finds ways to reduce environmental impact
- Track & rate supplier sustainability and work with suppliers to improve supply chain
- Refreshed our supplier audit program and commenced roll out to our Strategic Suppliers

Share good practices and training to enhance understanding of environmental aspects that we can affect change in, we do this with both clients and employees.

So far this year we have launched our Tag Safety, Health, Environmental and Quality (SHEQ), along with policies relating to Sustainable Construction and Refurbishment, Energy Monitoring and Reporting, Waste and Water Management and Sustainable Procurement. We have commenced the roll out of Ecovadis to our supply chain inclusive of energy, water and waste data from the supply chain.

We have recruited a dedicated Sustainable Sourcing Manager who is working with our clients to establish the carbon footprint of products we supply them and propose alternative more sustainable solutions.

We have developed, implemented and measured a closed loop supply chain for specific projects to aid clients in their sustainability ambitions.

A grass roots “Green Team” has also been formed to develop a sustainable culture and facilitate sustainable ideas and ways of working across the global business.

Measurable outcomes:

In 2020 we committed to auditing 70% of our strategic vendors within a 3-year cycle (2 years for those in high risk countries). We have been able to exceed our targets with 82% of strategic suppliers having audits completed.

Another key commitment was to extend our FSC certification to at least one site in mainland Europe, another in APAC and one in the Americas, we can report that we now hold FSC certification in the UK, Poland, USA, China, Hong Kong and India.

Having established baselines for electricity consumption we are now looking to reduce our global electrical consumption by 5% by the end of Q4 2021. All our sites within the UK are running on electricity generated from 100% renewables, this is something we anticipate rolling out in other regions.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Tag Sourcing work with our suppliers to develop more sustainable materials and constantly seek out new technologies from the market.

We have introduced several novel sustainable materials to our customers such as bagasse derived papers, pvc free floor graphics and replaced plastic-based cards with high performance paper-based alternatives.

We have introduced end to end supply chain sustainable solutions for packaging and for promotional activities for a client that utilises a closed loop system.

We can compare the carbon footprint of alternative materials and are developing a database to ensure that our teams can recommend the most sustainable materials to our clients.

Measurable outcomes:

We regularly calculate carbon emission savings on projects for our clients, which contribute to both Tag’s and our clients’ emissions reduction on Scope 3.

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

Tag has a zero tolerance to corruption in any form. The Tag Code of Conduct specifically references the position of Tag on Bribery and Corruption and clearly states that Tag will operate in compliance with international anti bribery standards and laws. The Tag Code of Conduct is further reinforced by the Tag Anti Bribery and Corruption Policy which provides specific guidance on subjects such as Conflicts of Interest, and Gifts and Hospitality. There are supporting processes including an independent Speak Up Help Line, on-line declarations for any Conflict of Interest, incident and hospitality disclosure as well as approval and monitoring protocols.

Tag also maintains a Risk and Compliance (R&C) Function and also an independent Internal Audit Function which collectively oversee,

support and review controls and governance. The R&C function also manages the annual mandatory training programme for all employees which includes dedicated modules on both Anti Bribery and Corruption and the Code of Conduct. The training is interactive and include minimum pass rate quizzes.

The finance and supporting systems used by Tag, are designed with corruption prevention controls including segregation of duty and access controls and there is a significant investment in education (mandatory training) around information security risk exposures e.g. Phishing.

In terms of supply chain and business development Tag exercise prudent care and consideration around corruption risk exposures. The Corruption Perception Index (<https://www.transparency.org/en/cpi>) is one of the risk assessment factors used to determine both client servicing and supplier appointment. All supplier's sign Tag's Code of Conduct and anti-bribery policies are reviewed during audits. Sanction's monitoring is also performed on an ongoing basis on client, vendor and employees' profiles using CSI Watchdog.

Measurable outcomes:

No evidence of bribery found during supplier audits.

No red flag exposures noted via Sanctions Monitoring

58% of staff have completed Anti-Corruption and Bribery training.