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UN GLOBAL COMPACT

COMMUNICATION OF PROGRESS

FEBRUARY 2021 TO FEBRUARY 2022



CEO STATEMENT OF SUPPORT

To our stakeholders,

This is our second 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.

In 2021 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:

- Mandatory Diversity and Inclusion Training
- Launched our Supplier Diversity Policy
- Launched enhanced, industry leading family friendly policies
- Introduced Paid Volunteering Leave and Birthday Leave for all employees
- Introduced 50/50 gender split into Leadership Development Programs

From an environmental perspective, we have

- Achieved ISO 14001 certification, POPAI Sustainability Standard, and increased the scope of our FSC certification
- Created grass roots "Green teams" in each of our regions
- Agreed joint sustainability strategies with several clients
- Set our Sustainability Strategy including our Net Zero 2030 target

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.

We comply with the UK Modern Slavery Act requirements, and our Modern Slavery Statement is available on our website.

Tag Code of Conduct training includes identification of the signs of Modern Slavery & how to report concerns.

We have an external, independent "Whistleblowing" hotline service called SeeHearSpeakUp, which our employees can use to report matters anonymously.

All recruitment is managed through formal processes by the HR team.

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. At the end of 2021, 60% of our strategic suppliers were covered by Ecovadis assessments with plans to roll out to all strategic suppliers during 2022.

Measurable outcomes:

Tag's performance is monitored by Ecovadis and maintained our Gold Ecovadis rating.

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, 90% were audited versus a target of 99%. 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.

No human rights abuses have been identified within Tag or our Supply Chain.

CoC training completed by 71% of staff

Anti-Harassment and Discrimination training 81% of employees



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.

Whilst there are no formal Collective Bargaining Agreements “Employee Resource Groups” were formed after an employee survey to focus on the following areas:

- Gender equality, gender pay gap & women in leadership
- Career development (training)
- Gender pay gap

These groups have resulted in a range of improvements for employees such as “Family friendly policies” (Maternity now up from 3 months to 6 months fully paid, and Paternity from 2 weeks to 4 weeks fully paid in the UK), 50/50 gender split on leadership development programs and employee assistance schemes and improved access to training for all employees.

Measurable outcomes:

Introduced training hours target: 1 hour per month

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.

A formal recruitment process is managed by the HR team and vetting checks including age verification and criminal record checks are carried out by all employees.

We do moving image and still photo shoots that occasionally include children, we have a safeguarding policy & controls in place to ensure their protection.

All employees are provided Code of Conduct training that includes identifying the signs of slave labour.

Any concerns can be raised by an employee via the confidential SeeHearSpeakUp hotline.

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.

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 71% of employees completed training in 2021.

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.

Tag's Diversity and Inclusion Policy is embedded into the organization.

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

Tag are a member of The Valuable 500 who help to drive change to make business more inclusive of people with disabilities.

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 71% of employees.

Audit: As per principle 1

Supplier diversity: We are currently measuring our baseline so we can set supplier diversity targets for 2022.

Principle 7: Businesses should support a precautionary approach to environmental changes

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Tag continues to focus on improving its environmental impacts as a global business. The Exco sponsored Sustainability Committee, continues to facilitate the delivery on:

- Sustainability Strategy with a key focus on renewable energy globally
- Monitor carbon emissions and drive initiatives to reduce consumption
- Report key sustainability metrics and opportunities to reduce environmental impact
- Track & rate supplier sustainability and work with suppliers to improve supply chain
- Launched the internal LEAF Awards - Leading Environmental Awareness and Focus to reward best practices internally.

In 2021 we widened our approach to improve our offices sustainability across the globe, and in October 2021, Tags London head office became ISO 14001 certified, as well as achieved Zero Waste to Landfill. We have a full programme in place to source consumable that only use recycled, fair trade and organic products as standard.





All environmental policies including policies relating to the supply chain have been issued and training has been provided for Tag employees. The Governance & Sustainability Team provide an awareness session for 500+ employees covering Governance, Social, Environmental and supply chain sustainability management. All new starters have induction training covering all sustainability aspects.

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

Three Global grass roots "Green Teams" has been formed across the regions to develop a sustainable culture and facilitate sustainable ideas and ways of working across the global business.

Employee engagement is important at Tag and so to keep our team abreast of the sustainability developments in either materials or the supply chain we publish an internal sustainability next letter.

Measurable outcomes:

In 2021, we committed to completing 99% of all suppliers audits due in year. We met our target in EMEA, exceeded it in APAC but fell slightly short in the US at 82%.

We remain FSC certified the UK, Poland, USA, China, Hong Kong and India and are looking to bring on Japan and Russia during 2022.

We achieved the POPAI Sustainability Standard (PSS) in 2021 and EcoVadis Gold Standard.

All our sites within the UK are running on electricity generated from 100% renewables, we continue to identify opportunities to roll this out across all regions and will be a specific focus for 2022/2023 to align with our new locations.

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. By developing a First Intent materials list we can help eradicate materials of concern such as PVC.

We continue to develop reporting tools for our business to show how to improve sustainability performance in specific area such as sourcing and creative production.

We have developed sustainability workshops for clients to baseline status, map out opportunity and deliver improvements.

In 2021 we updated our Supplier Assurance Questionnaire, Supplier Business reviews and supplier onboarding process to include additional sustainability criteria. We continue to increase our coverage of Ecovadis in our supply chain inclusive of energy, water and waste data.

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.

We have completed several carbon footprint assessments for our film shoots using the AdGreen tool.



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

Tag has a Risk and Compliance Function who maintain key policies and protocols in support of the company's zero tolerance to bribery and corruption. Annual mandatory training, communications and awareness alongside direct access to support from the Risk and Compliance Team places responsibility for compliance on all employees, across all regions.

There is a myriad of supporting processes including.

1. An online Conflicts of Interest declaration process, which is monitored and approved by the Risk and Compliance team.
2. A declaration and approval process for all Gifts and Hospitality (including sponsorships) which is monitored and approved by the Risk and Compliance team.
3. Annual mandatory, interactive on-line training on Anti Bribery & Corruption (ABC) including minimum pass rate question sets. This training module also includes annual employee declarations that attest to their understanding of policy and procedure, conflicts of interest etc.
4. An ongoing global communication and awareness programme which is presented under the banner of 'Do the Right Thing' with a range of topics including ABC.

In addition, Tag has an established Internal Audit function. This independent function conducts a wide range of internal audit reviews on business process, and this includes a focus audit on the subject of ABC. Tag also has a Risk and Compliance Forum who meet on a monthly basis to profile all risks in the business including ABC type risk exposures. This forum reviews and monitors all enterprise risks (including ABC), which are then reported to the Board on a quarterly basis as appropriate.

The Risk and Compliance function maintains the Risk Management Framework, which includes reference and coverage to ABC type risk exposures (Fraud and Corruption).

All employee education and training on ABC (and Code of Conduct) includes specific references to the Tag Whistleblowing hotline. This multi-language service operates 24/7 and any matter escalated to this service is managed in total confidence by the independent service provider who then anonymizes the declaration (unless otherwise agreed with the claimant). The matter is then relayed to the Risk and Compliance Manager who will initiate an appropriate investigation based on facts and circumstance.

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 suppliers sign Tag's Supplier Code of Conduct. 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

72% of staff have completed Anti-Corruption and Bribery training.

