



HALLMARK CARDS PLC ETHICAL POLICY

ETHICAL PERFORMANCE & CODE OF CONDUCT

Hallmark Cards takes its ethical performance very seriously. In addition to the company's own code of conduct (which we ask all our suppliers to commit to) we as a supplier are required to comply with codes of conduct for many of our customers, as well as licensors.

We believe that the production of our products should be consistent with the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation Conventions,

Many of our retail customers are members of the **Ethical Trading Initiative** (ETI) which is an alliance of companies, non-governmental organisations (NGOs) and trade union organisations. The ETI exists to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions, and their ultimate goal is to ensure that the working conditions of workers producing for the UK market meet or exceed international labour standards. ETI members require suppliers such as Hallmark to comply with the ETI Base Code. Further details on the ETI can be obtained on their website (www.ethicaltrade.org/) or from the following address: Ethical Trading Initiative, LHBO4 Kennington Business Park, 1-3 Brixton Road, London SW9 6DE, UK

Modern Slavery Act 2015: We have agreed our approach to the Modern Slavery Act 2015 and have created a document Modern Slavery Policy 751 to show our commitment to developing a pro-active approach with regards to hidden labour exploitation.

REPORTING VIOLATIONS OR POTENTIAL VIOLATIONS

As a Hallmark employee, if you become aware of a violation of this policy or have a question about a possible violation, you must take appropriate steps to promptly bring the matter to the attention of Hallmark through any of the following channels:

- Your manager or another member of management;
- A Human Resources or Employee Relations representative; or
- A member of the Hallmark Internal Audit Department; or
- An attorney in the Hallmark Legal Department.

If you do not feel comfortable reporting the issue through the internal channels, report it through EthicsPoint (WWW.HallmarkEthics.com or 1-800-883-9103). EthicsPoint is a hotline hosted by NAVEX Global, an international organization, independent of Hallmark, which helps businesses deter unethical and illegal acts. EthicsPoint's internet site and toll-free phone number operate 24 hours a day, 7 days a week, and 365 days a year. You can report anonymously using either option but if you choose to remain anonymous, please provide sufficient information so the matter may be investigated and resolved. Please note that the toll-free phone option may not be available to all employees outside of the United States and Canada.

If a report is not made directly to the Hallmark Legal Department, the person to whom the report is made must immediately report the concern to the Hallmark Legal Department 001-816-274-5583.

All complaints will be treated confidentially to the extent practical for an effective resolution.

Individuals will not be disciplined or retaliated against for making a good faith complaint or for assisting in a complaint investigation. Reporting concerns in good faith means the report was truthful, sincere and complete to the best of the reporting person's knowledge. Any act of retaliation is a violation of the Policy and should be reported immediately to management or HR/ER, or through EthicsPoint (WWW.HallmarkEthics.com or 1-800-883-9103).

Providers or other third parties may report potential violations of this Policy or suspected instances of modern slavery to codeofconduct@hallmark.com.

Code of Conduct

The codes of conduct that we are committed to working to include the following requirements:

Note - The code of conduct details listed below relates to social responsibility, and are in addition to any other specific customer or contractual requirements.



1. EMPLOYMENT IS FREELY CHOSEN

- All employment must be strictly voluntary. Employers will never use involuntary or forced labor whether in the form of prison labor, indentured labor, bonded labor, or otherwise. Employers must not permit human trafficking or slave labor in the supply of materials, products or services.
- Employers, and the recruitment and agency labor firms they utilize, will never hold male or female employees' identity or travel documents (such as passports, identification cards, birth certificates, work VISAs etc.), require employees to make deposits, surrender land titles or their valuables, or charge them fees related to employment (for example, interview fees, testing and application fees, travel fees, documentation fees, etc.). Any cost related to workers' employment must be absorbed by the employer.
- Where required by law, labor contracts in the employee's native language will be provided and will clearly define the conditions of employment. If employees cannot read, terms and conditions must be explained to them.
- Migrant men and women shall have exactly the same entitlements as local employees.
- Women and men shall not be required to live in dormitories or supplier-owned housing.
- The movements of men and women, when not working, will not be restricted. Dormitories will not have curfews or unreasonable security policies.

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- Factories must respect the right of women and men to freely associate and should not interfere with the legal exercise of the right of free association.
- Suppliers shall allow forms of independent workers' representation, and these representatives shall be protected from retaliation.
- Men and women should have access to an anonymous, unbiased grievance mechanism to raise concerns. They should be allowed to express grievances without limitation or retaliation.

3. WORKING CONDITIONS ARE SAFE AND HYGIENIC

- Employers must provide a safe and healthy work environment including proper lighting, temperature, ventilation, and access to potable water. The workplace shall be free of unreasonable hazards, including those that endanger men's and women's reproductive health and women who are pregnant or lactating.
- Women and men should have access to adequate medical assistance and facilities.
- Suppliers shall provide regular and recorded health and safety training to workers and management, including training related to exposures that could endanger men's and women's reproductive health and pregnancy or lactation.
- Where personal protective equipment is required for work, it must be in good condition and provided without charge to women and men.
- Fire prevention equipment must be accessible (in factory and dormitory facilities), and employers are responsible for conducting fire prevention and evacuation training and simulations.
- Dormitory housing should provide clean and adequate space for men and women with sanitary facilities and water supply.
- Restrooms must ensure privacy, be accessible to all, and be adequate for the population. Restrooms should be clean and available for all women and men.

4. CHILD LABOUR AND YOUNG WORKERS

Child labour

- Child labour is strictly prohibited. We prefer that no worker be under the age of 18
- Employers are prohibited from hiring individuals below the age for completing compulsory education or the legal minimum working age as defined by local or regional regulation.

Young Workers

- Young workers are defined as all individuals who meet the requirements of this code to be employed and who are under the age of 18. Young workers are a particularly vulnerable population who Hallmark believes require extra protections.
- Young workers will not be permitted to work night hours. Night hours are defined as 10 pm to 7 am (or an alternative period of not less than seven consecutive hours as defined by the competent authority).
- Young persons should not engage in work that could compromise their health, safety, moral integrity, or development.

5. LIVING WAGES ARE PAID

- Suppliers will not pay less than the minimum wage (including trainees) in accordance with local labor laws or the prevailing market rate, whichever is higher. Men and women will be fairly compensated to a similar standard for overtime work.
- Women and men shall receive equal compensation for work of equal value.
- Room and board, transportation, and other benefits will not be deducted from cash compensation in meeting or exceeding local salary standards. Other benefits, including sick leave, and maternity leave, must meet or exceed local laws and standards.
- Wages must be paid in accordance with local laws, and a detailed time slip must be provided to the male and female workers in a language they understand.

6. WORKING HOURS ARE NOT EXCESSIVE

- All overtime, as defined by local regulations or practice, will be strictly voluntary and will be duly compensated.
- Men and women will not be punished for refusing overtime.
- As a normal practice, the maximum number of working hours, including overtime, must not exceed 60 hours per week. Local government regulations will be followed if they require fewer than 60 hours per week.
- As a normal practice, men and women should receive a minimum of one day off in seven days.

7. NO DISCRIMINATION IS PRACTISED

- Employers must not discriminate in hiring and employment practices on grounds of age, race, color, national origin, sex, religion, pregnancy, physical or mental disability, genetics, sexual orientation, gender identity, veteran status, marital status, or any other legally-protected status.
- Women and men shall be given equal opportunity in all aspects of training and personal and professional development.
- Employers shall not require pregnancy tests nor discriminate in hiring based on pregnancy. Employers shall not dismiss employees due to pregnancy or child birth.

8. REGULAR EMPLOYMENT IS PROVIDED

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. HARASSMENT AND ABUSE

- Corporal punishment and physical or mental coercion are prohibited
- Every man and woman shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.
- No woman or man shall be subjected to sexual harassment, including unwelcome sexual advances, unwanted touching, lewd or suggestive remarks, or requests for sexual favors. Men and women shall be free from exposure to indecent pictures, posters, drawings or videos.
- Forced contraception is not allowed.



10. **PROTECTION OF THE ENVIRONMENT**

Manufacturers will comply with all applicable environmental laws and regulations.

Waste is minimised, and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place.

Paper & packaging - Undue and unnecessary use of materials is avoided, and recycled materials used whenever appropriate.

Conservation – processes and activities are monitored and modified as necessary to ensure that conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

Energy use - All production and delivery processes, including the use of heating, ventilation, lighting and IT systems and transportation are based on the need to maximise efficient energy use and to minimise harmful emissions.

All waste materials and production by-products should be disposed of properly and in an environmentally responsible manner.

Associated documents

Global modern slavery policy

Global supplier code of conduct policy

Whistle blowing policy

Child labour policy

Signed By: John Franey – Vice President Supply Chain

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