

Corporate Policies & Procedures



MODERN SLAVERY POLICY

Corporate Policy 751

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Category: Global Procurement and Human Resources

INTRODUCTION

Hallmark Cards, Incorporated believes that the products and services offered under the Hallmark, Crayola and other subsidiary brands should embody the high standards that are central to our beliefs and values: we believe in excellence in all that we do; we believe in high standards of ethics and strict compliance with the laws; we believe that our employees are our most valuable resource; and we believe how we create our products and services is just as important as their quality.

Our beliefs and values compel Hallmark's commitment to fight against modern slavery and a recognition that our practices should be consistent with the UN Guiding Principles on Business and Human Rights and the ILO Conventions.

DEFINITION

Modern Slavery is a term used to encompass slavery, servitude, forced and compulsory labor, bonded and child labor and human trafficking. Victims are coerced, deceived or forced into providing work or services. Human trafficking is where a person arranges or facilitates the travel of another person with a view to exploiting them. Modern Slavery is a crime and a violation of fundamental human rights. The victims of Modern Slavery are often unable or unwilling to challenge the treatment they are suffering. Examples of Modern Slavery may include:

- The hidden exploitation of job applicants or workers by third party individuals or gangs other than the employer or labor provider (including rogue individuals working within businesses without the knowledge of management).
- Exploitation through a variety of means for example, imposing a requirement on a worker to pay for work- finding services, withholding of travel papers, or the forced use of accommodation by workers.

SCOPE

This policy applies to Hallmark Cards, Incorporated and its subsidiaries and affiliates, and their officers, directors, employees (collectively “Hallmark”) and Hallmark’s third-party suppliers and service providers, contractors, agents, licensees, and recruitment, temporary staffing and employment agencies (collectively “Providers”).

POLICY

Hallmark strictly prohibits the use of Modern Slavery in its business and in the supply chains used to create our products and services and is committed to implementing systems and controls to accomplish this goal. Hallmark relies on its employees and those working on its behalf to take responsibility for the prevention, detection and reporting of Modern Slavery.

PROCEDURE

Hallmark expects all Hallmark employees and Providers to remain vigilant in identifying circumstances where there is a risk that Modern Slavery might be occurring in any part of the Hallmark’s business or in any of its Providers and to report any such circumstances in full and without delay.

Hallmark will, where reasonably practicable, contractually obligate its Providers to comply with terms that reflect the spirit and intention of this policy in their own businesses and in their own supply chains. Providers contractually obligated to follow Hallmark’s Code of Conduct satisfy this requirement through the inclusion of the Code of Conduct provisions under “Workplace Standards and Practices: Employment is Freely Chosen.”

For Hallmark employees, Hallmark will implement training and ongoing communication for relevant employees regarding Modern Slavery so that they know how to identify it in practice and how to respond.

For Hallmark employees responsible for recruiting, temporary staffing and employment agencies, Hallmark will educate such employees about Modern Slavery issues and risks. Hallmark’s recruiting, temporary staffing and employment agencies shall:

- provide information describing their program for preventing, discovering and reporting instances of Modern Slavery
- not require job applicants to pay any job finding fees and will not knowingly engage with any individual or organisation to source and supply workers without first seeking confirmation that workers are not being charged a work finding fee.

Hallmark will engage with external resources and stakeholders to gain a clearer understanding of how Modern Slavery operates in different contexts and the risks of Modern Slavery in the industries in which we operate.

Hallmark will assess and review the risk that Modern Slavery may be occurring in any part of its own business and in any of its Providers or supply chains. In light of any such risk assessments, it may conduct training, seek specific reassurances from its Providers and seek to carry out due

diligence or specific audits either itself or through third parties to satisfy itself that Modern Slavery is not occurring. Hallmark has a zero-tolerance policy for violations of this Modern Slavery Policy and every instance of non-compliance will be addressed. We aim to work with Providers to remediate incidents of non-compliance and improve conditions for individuals, but may terminate the relationship in response to deliberate, gross, or repeated violations or failure to take corrective action.

Hallmark is committed to reporting violations of this policy that have the potential to constitute criminal activity to appropriate legal authorities. All such reporting must be coordinated through the Hallmark Legal Division.

Compliance with this policy is mandatory. Failure to comply will result in disciplinary action, up to and including termination of employment for employees and cancellation of contracts for Providers.

RESPONSIBILITY FOR IMPLEMENTATION

Human Resources is responsible for implementing training on and awareness of this policy for relevant employees at the start of employment and at intervals sufficient to maintain organizational awareness and is responsible for overseeing compliance by recruiters.

Supply Chain is responsible for overseeing compliance by Providers and ensuring contractual obligations are in place where appropriate.

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 (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 (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.

Key Contact:

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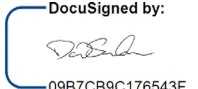
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Approvers:

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