Global Paper Sourcing Policy

GENERAL STATEMENT OF DIRECTION

Hallmark and Crayola approach paper sourcing with the same care and thoughtfulness reflected in the products we carry. Across our production processes, we make choices consistent with this policy to help ensure that paper and wood products are sourced from responsibly managed forests, recycled materials, and/or other controlled sources. These practices support the protection of natural resources, so they remain available for future generations.

OUR GOAL

Our goal is for all paper, paperboard, and wood used in the core products we specify, manufacture, and purchase to come from known, responsibly managed sources that promote responsible forestry practices.

Globally, we will continue working to increase the use of paper, paperboard, and wood in our core products that are certified to credible standards and/or made with recycled materials.

SCOPE

This policy applies to all timber-related materials in product, packaging and advertising materials made by or for Hallmark Cards, Incorporated and its subsidiaries.

PREFERRED ENVIRONMENTAL IMPACTS

Hallmark and Crayola are committed to increasing the use of paper sourced from materials and practices that demonstrate preferred environmental attributes and responsible forestry. Preferred paper sources include recycled fiber and fiber from chain-of-custody certified sources.

- We continue to evaluate paper sources for opportunities to increase recycled fiber use, while considering paper quality, availability, and sound business requirements.
- We obtain the majority of our paper and wood fiber from sources certified by recognized, independent third-party certification bodies. Although we use multiple methods to verify certified content, chain-of-custody certification provides the best method of assurance.
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- When availability of certain certified or recycled fibers may become limited, we will continue to seek additional certified fiber sources that meet our quality, availability, and cost requirements.

RESPONSIBLE FORESTRY MANAGEMENT

Hallmark and Crayola consider multiple factors when evaluating whether paper and wood fiber are produced using responsible forestry management practices. This includes assessing whether the physical source of the timber is acceptable and well managed. To determine the source of timber used to make fiber materials, we may use practices such as chain-of-custody certification, site inspections, certification-status reviews, third-party audits, supplier questionnaires, interviews, and documentation reviews.

At a minimum, all paper must originate from verifiable legal sources and comply with applicable regulations, including but not limited to the EU Timber Regulation (EUTR), EU Deforestation Regulation (EUDR), and the Lacey Act.

UNACCEPTABLE SOURCES

A source is an “unacceptable source” where:

- The timber was harvested or traded in violation or circumvention of international laws, or the laws of the relevant country, state or province
- The timber originates from high conservation value forests as identified by credible scientific sources, except where the forest is certified under a credible certification system that ensures the high values are maintained
- The timber is “conflict timber” – timber whose trade drives violent armed conflict
- The timber was harvested or traded in a manner that violates internationally recognized human rights or Hallmark’s Code of Conduct standards
- The timber contains or was grown using genetically modified material
- The source of the timber is unknown

RESPONSIBLY MANAGED SOURCES

We expect our paper suppliers to use practices in the management of forests and in the production of paper that conserves our natural resources. Specifically, we expect the following:

- Recent conversion to plantations from natural forest only where there is demonstrated net social and environmental gain
- Maintenance and conservation of biological diversity
- Protection of soil quality, riparian zones and water quality
- Sustainable harvest levels
- Protection of endangered species
- Prompt reforestation
- Recognition of and protection of the rights of indigenous peoples

- Minimize chemical use in forestry management
- Elemental Chlorine Free (ECF) paper production

AREAS OF HEIGHTENED RESPONSIBILITY

Hallmark and Crayola recognize that paper from certain geographic areas and suppliers may carry an increased risk of fiber originating from unacceptable sources or from areas where responsible land management is in serious doubt. To address these risks, responsible paper sourcing may require additional due diligence to confirm that the paper meets our standards. We will continue to monitor suppliers for these risks and, when appropriate, apply heightened review of certifications and source documentation. We may exclude mills when current certifications or documentation are not adequate to demonstrate compliance with our standards.

APPENDIX 1

Areas of Heightened Responsibility

Geographic Area	Additional Steps to Ensure Paper Meets Our Standard
Indonesia	All fiber from Indonesia must be FSC® certified.
Suppliers	**Additional Steps to Ensure Paper Meets Our Standard**
Asia Pulp and Paper Company	No Asia Pulp and Paper Company product will be used in products or packaging, unless it is FSC® certified.

APPENDIX 2

Hallmark Cards, Inc. will adhere to the Hallmark Cards Inc. Deforestation Free Commitment.

Our Commitment

100% Deforestation & Conversion Free on:

- non-specialty roll wrap produced in North America by Hallmark by Dec 31, 2025
- sourced paper for greeting cards produced in North America by Hallmark by Dec 31, 2025
- greeting cards produced in North America by Hallmark by Dec 31, 2026
- wooden pencils by Crayola by Dec 31, 2025
- coloring books and construction paper by Crayola by Dec 31, 2025

Cut-off date of December 31, 2020