



HALLMARK CARDS 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.

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, 8 Coldbath Square, London, EC1R 5HL.

Modern Slavery Act 2015: We have agreed our approach to the Modern Slavery Act 2015 and have created a document HMK102 Modern Slavery Policy to show our commitment to developing a pro-active approach with regards to hidden labour exploitation.

Reporting Modern Slavery –

Employees can notify their manager in the first instance or the HR department in accordance with the Whistleblowing policy as soon as possible if they have any reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future or have any concerns or suspicions relating to compliance with this policy.

If an employee wishes to make an anonymous report they can contact "The Network". The Network is an organisation, independent of Hallmark that helps businesses deter unethical and illegal acts, including business conduct violations. The Network's toll free (US) number operates 24 hours a day, seven days a week. The number is 1-800-241-5689. Callers can provide their name or remain anonymous

If a person, other than an employee, has any reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future or have any concerns or suspicions relating to compliance with this policy, they can notify the Compliance Manager, HR Department or 'The Network'.

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

There is no forced, prison, bonded, indentured or involuntary labour. Workers are not required to lodge "deposits" or leave their identity papers to be kept by their employer and are free to leave their employer after reasonable notice. Employers will not use recruitment companies that charge fees to the employee.

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

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively, to associate collectively in a lawful & peaceful manner without penalty or interference. The employer adopts an open attitude towards the activities of trade unions and their organisational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. WORKING CONDITIONS ARE SAFE AND HYGIENIC

A safe and hygienic working environment shall be provided, in compliance with all applicable laws and regulations, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Fire prevention equipment must be accessible, and workers shall receive regular and recorded health and safety training (including fire prevention and evacuation) and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The company observing the code shall assign responsibility for health and safety to a senior management representative. Manufacturers will ensure fire safety and adequate lighting and ventilation.

4. CHILD LABOUR SHALL NOT BE USED

There shall be no new recruitment of child labour. The term child refers to a person younger than 15 (or 14 where local law allows) or if higher, the local legal minimum age for employment or the age for completing compulsory education.

Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

Manufacturers employing young persons who do not fall within the definition of "children" will also comply with any laws and regulations applicable to such persons. Children and young persons under 18 shall not be employed at night or in hazardous conditions. These policies and procedures shall conform to the provisions of the relevant ILO standards.

5. LIVING WAGES ARE PAID

Wages and benefits paid for a standard working week meet, at a minimum (including trainees), national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. WORKING HOURS ARE NOT EXCESSIVE

Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.

In any event, workers shall not on a regular basis be required to work more than the lesser of

- On average, 60 hours (48 hours per week and 12 hours overtime) with at least one day off for every 7 day period or

- The limits on regular and overtime hours allowed by local law, or where local law does not limit the hours of work, the regular work week plus 12 hours overtime.

Overtime shall not exceed 12 hours per week on average, shall be voluntary, shall not be demanded on a regular basis and shall always be compensated at a premium rate, as is legally required, or at least a rate equal to the regular hourly compensation rate in accordance with contractual agreements.

7. NO DISCRIMINATION IS PRACTISED

There is no discrimination in hiring, compensation or benefits, access to training, promotion & advancement, termination or retirement based on race, caste, nationality, social or ethnic origin, religion, age, disability, gender, marital status, sexual orientation, physical or mental disability, union membership or political opinion / affiliation.

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. NO HARSH OR INHUMANE TREATMENT IS ALLOWED

Manufacturers will treat each employee with dignity and respect, and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse. Physical discipline, mental coercion, verbal abuse or other forms of intimidation shall be prohibited.

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 an 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.

Signed By: John Franey – Supply Chain Director