



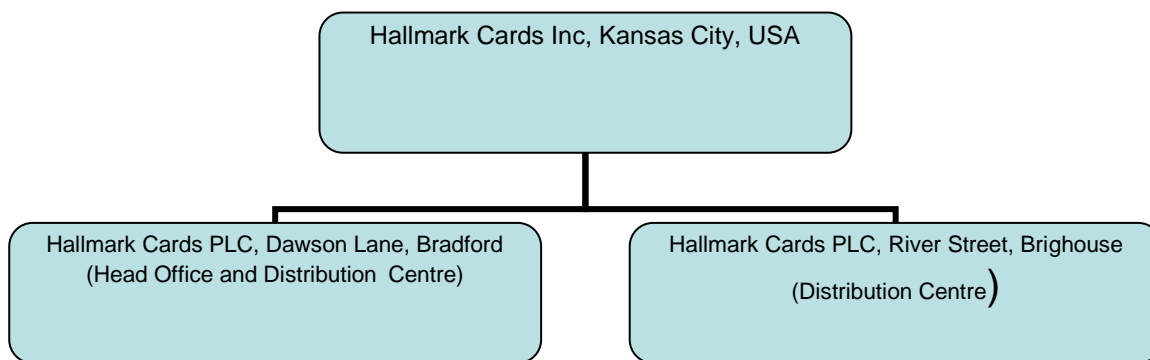
Hallmark Cards PLC Modern Slavery and Human Trafficking Statement 2017/18

Introduction

Hallmark Cards PLC is a market leader in the greetings product industry. For over 100 years innovation, creativity and putting great craftsmanship has been at the heart of everything we do. As a company we are passionate that each and every one of our products leaves its mark time after time; and that we maintain our careful stewardship of the environment we trade in from both a human and material perspective.

This is Hallmark's annual modern slavery and human trafficking statement. Its aim is to detail the ongoing commitment we have to ensuring that modern slavery and human trafficking is not taking place in our business and supply chains; and details the work we have carried out since our last statement to meet this commitment.

Hallmark Cards PLC (UK) Organisational Structure



How we manage the risk of modern slavery

Policies and Procedural Controls

Hallmark's Anti-Slavery and Trafficking Policy is used to set out our stance with respect to the prevention of modern slavery and in particular:

- The expectations that it has of its employees, the third parties with which it contracts (e.g. for the supply of labour, goods and services) and those operating within Hallmark's wider supply chain;
- The commitments that Hallmark itself makes to ensure that modern slavery is not taking place within the organisation or its supply chains.

This policy is reviewed at least annually and communicated to internal employees via our internal website; and is also available in the public domain via hallmark.co.uk.

Furthermore Hallmark has its Ethical Policy which outlines Hallmarks ethical code of compliance and expected ethical performance; and the employee Whistleblowing Policy.



We require suppliers to comply with our Ethical Policy, which is underpinned by the Ethical Trade Initiative (ETI) base code.

The Anti-Slavery and Trafficking Policy, Ethical Policy and Whistleblowing Policy all include reference to how employees or interested parties can report any issues or concerns. This includes reference to 'The Network'. Anyone may call The Network and report any concerns. Callers can remain anonymous if preferred. The Network is an organisation, independent of Hallmark, who helps businesses deter unethical and illegal acts, including business conduct violations. The Networks toll free (US) number operates 24 hours a day, seven days a week on 1-800-241-5689.

Hallmark contracts with suppliers for goods and services include the requirement that they must be compliant with Modern Day Slavery legislation within their own companies.

Due diligence activities around the risk of supply chain slavery

Hallmark is a member of the Supplier Ethical Data Exchange (SEDEX) and has annual ethical trade audits (SMETA) within its own facility.

We encourage our suppliers to be SEDEX members and to carry out annual semi-announced ethical trade audits. The use of ethical trade audits assist Hallmark in mitigating the risk of modern day slavery within our supply chain.

We work with strategic suppliers to understand what level of ethical audits are taking place within their facility, and would draw on our own internal Supplier Code of Compliance teams to carry out internal supplier audits and progress suppliers to meet our internal Code of Conduct.

What have we done since our last statement -

- During 2018 we updated our Supplier Profile documentation. This document is completed by new suppliers and is risk assessed upon completion by our internal compliance team prior to any orders been placed; acting as a risk assessment and due diligence tool to ensure we are working with suppliers who can meet Hallmark's ethical, quality and environmental standards. The Supplier Profile requires a high level of information from a potential supplier and includes Hallmarks Ethical Code of Compliance, making specific reference to Modern Day Slavery and Human Rights.
- Introduced a risk based approach to evaluating suppliers ethical audit performance. To ensure we are continually monitoring the ethical performance of our strategic supply chain each ethical audit report is evaluated and given a risk based rating. This ensures we are focussing our improvement efforts in the most relevant areas.
- Ongoing training of all employees within high risk operational areas. Employees working in Supply Chain, Procurement and HR have commenced a re-awareness/training programme to ensure they are aware of what Modern Day slavery is and how they can identify it; alongside how they can report it. We have also extended this training out across our Operational base and included Senior Managers, Team leaders and Supervisors working

within our Distribution Centres. This is an ongoing initiative throughout 2018 and will continue to be extended as and when new employees join the company.

- Raised awareness of how to report Modern Day Slavery across our business. We wanted to ensure that our employees knew how to report modern slavery. Posters are displayed in areas where employees can view the information in private (such as on the back of restroom stall doors).
- We are introducing the use of awareness videos which are to be shown in staff canteen areas at regular intervals to ensure the content stays relevant and fresh. These videos highlight types of Modern Day slavery and provide information at the end of the video as to how employees can report this if seen.
- Our new employee induction programme now includes reference to the Hallmark Modern Day Slavery policy; ensuring new starters to the business are aware of our commitment to this area and how they can report any issues or concerns.
- During our 2018 Supplier Summit held in the Far East we invited a speaker from the Mekong Club to attend and give a talk on Modern Day Slavery to our major strategic suppliers. The Mekong Club's vision is to end modern slavery in Asia. They are acting as a catalyst for change by engaging, inspiring and supporting the private sector to fight against modern slavery. This talk was attended by our strategic suppliers based in Asia with the aim of highlighting the issue of modern day slavery.

Our UK temporary employee partner-

Within the UK we utilise the services of an employment agency to provide temporary labour across the year as required.

Our chosen partner has worked hard to ensure that modern slavery is not part of their operational chain. Senior personnel within the business attended Modern Slavery training. This training is then cascaded to all other staff as part of their corporate induction.

The business has streamlined their approach to recruitment with the aim of reducing the possibility of modern day slavery –

- Candidates are only interviewed on a one to one basis. No group interviews are allowed.
- Worker questionnaires are sent out annually. These questionnaires include questions recommended by Stronger Together (a multi stake holder business led initiative aiming to reduce modern slavery).
- Worker questionnaires are analysed by a dedicated Compliance team. If 'flags' are raised from the information provided further information is requested and if felt to be necessary findings would be escalated to the Gangmasters and Labour Abuse Authority.



- Worker interviews are carried out by the Compliance Team as part of internal audit. Again, any concerns would be escalated to the Ganagmasters and Labour Abuse Authority.
- Stronger Together posters are displayed in all branches and onsite operations; and Stronger Together leaflets are issued to all temporary workers as part of their new starter welcome email. This email also includes a link to the Stronger Together website.

Our chosen temporary labour provider won Most Effective Compliance Operation at the 2018 Recruiter Awards.

Our ongoing commitment

Hallmark will continue to raise awareness both internally; and with its supply partners to ensure the risks of Modern Day Slavery are recognised, managed and mitigated.

Signed by John Franey, Supply Chain Director