

RESOLUTIONS OF THE DIRECTORS

OF

CARLTON CARDS LIMITED  
(the "**Corporation**")

WHEREAS the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") came into force on January 1, 2024;

WHEREAS the Act requires, among other things, that the Corporation, on or before May 31 of each year, report to the Minister of Public Safety and Emergency Preparedness (the "**Minister**") about the measures such corporation has taken during its previous financial year to address and prevent forced and child labour in its supply chains during its previous fiscal year (a "**Report**");

WHEREAS subsection 11(4)(a) of the Act requires that the Corporation's Report be approved by the Board of Directors;

WHEREAS in accordance with section 13 of the Act, the Corporation must (i) make the Report available to the public, including by publishing it in a prominent place on its website and (ii) provide the Report to its shareholder, along with its annual financial statements.

WHEREAS, the Board of Directors is hereby provided a copy of the 2024 Report of the Corporation, attached hereto as **Schedule A**.

RESOLVED:

THAT the Report be and is hereby authorized, approved and ratified by the Board of Directors;

THAT the execution of the Report on behalf of the Corporation by the Directors of the Corporation in accordance with subsection 11(5) of the Act, is hereby authorized, approved and ratified;

THAT the submission of the Report to the Minister on behalf of the Corporation, the posting of the Report on the Corporation's website and the delivery of the Report to the Corporation's shareholder, is hereby authorized and approved; and

THAT the proper officers or directors of the Corporation and each of them are hereby authorized and directed in the name of and on behalf of the Corporation to take all such action, do all such things, enter into, execute, affix the common seal of the Corporation and to deliver or cause to be delivered all such documents, agreement and writings, as may be necessary or advisable for the purposes and intent of the above resolutions.

\* \* \* \* \*

Each of the foregoing resolutions is hereby consented to by all the directors of the Corporation pursuant to the *Canada Business Corporations* on May 26, 2025.

Signed by:  
  
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\_\_\_\_\_  
Paul Werynski

Signed by:  
  
04636FE207574A9...  
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Robert D. Tyler

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\_\_\_\_\_  
Christopher W. Haffke



## Schedule A

### Carlton Cards Limited Supply Chains Act Statement 2024

#### Introduction

Carlton Cards Limited's ("CCL") has prepared this statement (the "**Statement**") being submitted pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ended December 31, 2024 (the "**Reporting Period**"). This is a joint Statement sets out the steps taken to prevent and reduce the risk of modern slavery<sup>1</sup> in our business and supply chains.

CCL is a century-old greeting card company, founded in 1920 in Toronto, Ontario, with a focus on helping Canadians build meaningful connections and celebrate life's special moments. CCL was incorporated in 1933 and purchased by American Greetings Corporation ("**AGC**") in 1956, following several noteworthy acquisitions over the following 50 years, CCL moved the head office to Mississauga, Ontario in 2008.

CCL is committed to promoting and conducting business in an ethical and responsible manner. This includes supporting international principles aimed at protecting and promoting human rights, including CCL's opposition to human trafficking and the exploitation of children. CCL takes a zero-tolerance approach to modern slavery. If modern slavery is found within our supply chains, there are processes in place to address such findings, which, in some circumstances can result in the permanent termination of the supplier relationship.

While CCL does not report under similar legislation in any other jurisdiction, our parent company, AGC reports under the California Transparency in Supply Chains Act. AGC's most recent statement under that legislation can be found [here](#).

#### Structure, Operations, and Supply Chain

CCL is a wholly owned subsidiary of AGC and is organized under the laws of Canada with its registered head office located in Mississauga, Ontario. CCL imports and distributes greeting cards, gift packaging, stationery, and other celebrations products, manufactured by AGC, to retail customers primarily in Canada.

At December 31, 2024, CCL employed approximately 1,100, people, consisting of associates located in Montreal and Toronto, and full or part-time remote associates, across Canada.

AGC has a procurement team that maintains oversight of global procurement practices, governance, and strategy on behalf of AGC and its subsidiaries, including CCL (collectively the "**Company**"). As part of the Company, CCL benefits from AGC's broad supplier base and procurement practices. In 2024, 68% of the Company's procurement was with North American suppliers, 18% with Asian suppliers, 13% with suppliers from Great Britain and Ireland, and the remaining 2% of the Company's suppliers were based in 26 other countries. In 2024, CCL purchased greeting cards, gift packaging, stationery, and other celebration products from AGC.

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<sup>1</sup> For the purposes of compliance with the Act, the phrase "modern slavery" should be understood to mean forced labour and child labour as defined in section 2 of the Act.



## **Policies**

AGC takes a global, Company-wide approach to modern slavery compliance and its policies and procedures. As such, all formal compliance documentation is enterprise-wide regardless of brands or subsidiaries. Accordingly, CCL is subject to and implements or benefits from the policies and procedures as discussed in this Statement.

The Company has long enjoyed an excellent reputation in the business community. This reputation is due not only to the excellent quality of our products, but our adherence to high ethical standards in dealing with our customers, suppliers, shareholders, and others in the investment community, government agencies, and other persons, as well as our directors, officers, and associates (“**Associates**”).

We’re proud that our approach to corporate governance is inspired, guided, and strengthened by our core values, particularly treating people with respect. The following policies reinforce the Company’s commitment to preventing and reducing the risk of modern slavery in its business and supply chains:

### **Corporate Code of Business Conduct and Ethics**

The Company has established standards of conduct derived from our corporate practices and policies which reaffirms the Company’s position that illegal conduct can never be in the Company’s best interests. It is administered and monitored by AGC’s Chief Financial Officer. These standards of conduct apply across the Company regardless of the particular division or business units.

As part of these standards of conduct, our employees are expected to strictly obey the letter and spirit of all federal, foreign, state, provincial, municipal, and local laws, ordinances, and regulations in the conduct of the CCL’s business. In addition, Associates should avoid legal conduct that may appear illegal or unethical. CCL expects that actual or possible violations of the Code of Conduct will be reported to facilitate taking appropriate action to review and address issues.

### **Supplier Code of Conduct**

As part of the Company, CCL is committed to complying with the law wherever it does business, and to maintaining high standards of business conduct. As part of this commitment, the Company has established a Supplier Code of Conduct, which includes a prohibition on the use of modern slavery. The principles contained within the Supplier Code of Conduct apply globally, form the basis of the Company’s ethical business practices, and are cornerstones to the Company’s success. Our supply chains consist of suppliers who the Company believes share those principles. Compliance with this policy is expected of all suppliers and is the responsibility of each individual supplier.

### **Conflict Minerals Policy**

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the U.S. Securities and Exchange Commission (SEC) has issued rules that require publicly listed corporations to disclose information about their supply chains relating to the use of conflict minerals. The Company is responsible for providing responsive information to its customers and has adopted a conflict minerals policy to facilitate doing so. Conflict minerals currently specified by the Secretary of State are the following: Cassiterite, Columbite-tantalite, Gold, and Wolframite and their derivatives of Tantalum, Tin, and Tungsten, which derivatives are collectively known as “3TG”.



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Pursuant to the Company's policy, suppliers are prohibited from the use of conflict minerals from the DRC Countries in the Company's electronic products, such as technology greeting cards and musical Christmas ornaments. The Company understands the challenges in tracking the origins of the minerals, however, expect our suppliers to do their best to make sure no conflict minerals are used in the manufacture of the electronic components assembled in the Company's products.

### **Continued Product Integrity Policy**

The Company's business and reputation, including that of CCL, can be jeopardized when suppliers make unauthorized changes to materials or manufacturing processes. In particular, there is a risk that these changes could adversely affect the Company's product compliance with federal, provincial, state, and local laws and regulations, as well as the Company's own product safety standards.

As a result, the Company has adopted a Continued Product Integrity Policy, which directs that no changes in materials, component parts, manufacturing process, assembly methods, workmanship standards, or factory locations of any products or finished designs are to occur without prior written authorization from the Company's Compliance team. This includes a change of sub-tier suppliers.

### **Reporting Violations or Concerns**

The Company has established the We Care Hotline to provide a confidential way for Associates, including those at CCL, and suppliers to report instances of suspected fraud, bribery, or other misconduct, including modern slavery. You can report by calling 800-235-1150 preceded by the applicable Access Number (found at <https://www.business.att.com/bt/access.jsp>) or online through [www.compliance-helpline.com/AG-WeCareHotline.jsp](http://www.compliance-helpline.com/AG-WeCareHotline.jsp). The Company is committed to investigating reports of unethical, illegal or inappropriate activity. In 2024, there were no reports related to modern slavery.

### **Assessment of Modern Slavery Risk in Our Business**

In 2024, CCL took the following steps to prevent or reduce the risk of modern slavery in its business and supply chains:

- In accordance with the purpose of *Uyghur Forced Labor Prevention Act* to ensure that goods made with forced labour in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the United States market, and for other purposes, annually, including in 2024, the Company maps and investigates any suppliers or materials that may reasonably be sourced from the specific region;

### **Part of Our Business and Supply Chains That Carry a Potential Risk of Modern Slavery**

To assess our modern slavery risk, we refer to the International Labour Organization's ILOSTAT resource<sup>2</sup>, the US State Department's list of goods produced by child and forced labour<sup>3</sup> and the Global Slavery Index from Walk Free<sup>4</sup>. To identify the Company's business activities with greater exposure to modern

<sup>2</sup> "Data and Statistics." International Labour Organization, April 23, 2024. <https://www.ilo.org/data-and-statistics>.

<sup>3</sup> 2022-TVPR-List-of-Goods-v3.pdf.

[https://www.dol.gov/sites/dolgov/files/ILAB/child\\_labor\\_reports/tda2021/2022-TVPR-List-of-Goods-v3.pdf](https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2021/2022-TVPR-List-of-Goods-v3.pdf).

<sup>4</sup> "Map." Walk Free, May 2, 2023. <https://www.walkfree.org/global-slavery-index/map/#mode=data>.



slavery risk, we consider the following factors regarding our international supply chain:

- Sub-contracting and complex supply chains
- Presence of labour recruiters in supply chains
- Highly flexible production
- Reliance on low-skilled workforce
- Workers that live on site or are provided accommodation.
- Country risks i.e., poverty, conflict, weak enforcement of international human rights standards
- Commodity Risk (raw material or industry)

We believe that the risk of modern slavery in our directly employed workforce is low. This is due to our employees being largely educated or skilled, or undertaking work in controlled environments where there are established policies and processes. Any exposure to the risk of modern slavery increases when we engage with third parties, particularly within the Company's supply chains as they interact with manufacturing suppliers abroad and lower, less visible, tiers of our supply chains. Through our assessments, we have not identified or been made aware of any cases of modern slavery being used in our activities or our supply chains.

To date, CCL is not aware of any identified or reported instances of modern slavery. As such, there have been no remediation efforts taken, including those relating to the loss of income to vulnerable families that results from measures taken to remediate the use of modern slavery.

### **Steps Taken to Assess and Manage the Risk**

The most recent risk assessment concluded that the majority of the Company's suppliers are North American companies and are therefore considered low risk. The 2024 supply chain risk assessment found that less than 15% of the Company's suppliers are located in countries considered high or medium risk for modern slavery. Within this group, all suppliers provide evidence of a valid third-party social compliance audit and provide an annual declaration of compliance via the AGC Product Safety and Compliance Manual. We recognize that our suppliers may have their own supply chain, and our risk assessments and procurement decisions consider this risk where appropriate and possible, which is also why our program dictates that the Company's expectations extend to all layers of a supplier's supply chain and that sub-contracting expectations are defined.

We recognize the increased risk of modern slavery associated with sourcing specific raw materials. As a company closely tied to the timber industry, noting that a significant portion of the Company's revenue is derived from products that utilize timber-based materials, the Company is focused on sustainable forestry efforts that not only work to preserve a critical nature resource but also protect vulnerable populations from human rights violations tied to deforestation.

### **Due Diligence Processes**

At CCL, the approach to managing the risk of modern slavery forms part of the Company's broader efforts to respect human rights.

Across the Company, there are a very low number<sup>5</sup> of suppliers operating in countries where the risk of modern slavery is elevated. Regardless of that fact, the Company has put in place measures to monitor the nature of these activities to manage the risk of modern slavery, including the following:

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<sup>5</sup> .01% of total vendors, representing 11% of total procurement spend.



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- Quality assurance or operations team members visit suppliers onsite at their facilities.
- Suppliers are expected to complete an annual declaration of compliance via the AGC Product Safety and Compliance Manual.<sup>6</sup>
- Prospective or current suppliers in medium or high-risk countries<sup>7</sup> are expected to provide evidence that a third-party social compliance audit was completed and approved at the supplier's location, within the past 12-month period. The Company will accept audit reports conducted on behalf of another manufacturer or organization, provided it is equivalent to SA8000, WRAP, BSCI, or SMETA. In some regions, further due diligence procedures will apply.
- Enterprise-wide training

### **Product Safety and Compliance Manual**

The Company is committed to distributing quality, safe, and environmentally responsible products in compliance with the applicable laws and regulations in all markets of distribution. The Company's safety and compliance program is designed to meet the regulations, standards, and best practices identified and enforced by the Consumer Product Safety Commission (CPSC) and regulatory counterparts around the world. Program requirements are documented in a Product Safety and Compliance Manual, which is distributed to suppliers and includes an annual declaration of compliance.

### **Controls of Sub-Tier Suppliers**

Suppliers are responsible for the quality of materials and components provided by their sub-tier suppliers and sub-contractors. The Company's suppliers are expected to impose controls on their sub-tier suppliers that provide quality results and documentation comparable to the controls applied to suppliers by the Company. The use of a non-registered site to produce products may result in order cancellation without compensation and termination of the business relationship with the Company.

### **Assessing Effectiveness**

As a whole, the Company reviews the effectiveness of the modern slavery risk management program primarily by assessing any supplier noncompliance identified by our existing methods of compliance monitoring, such as third-party social compliance audits, on-site AGC lead audits, supplier communications, reports to the We Care Hotline, or other such methods.

At CCL, we recognize modern slavery is a complex and often hidden issue, particularly in lower tiers of supply chains. Accordingly, CCL as part of the Company, will consider the need for additional ways to assess the effectiveness of our actions, as appropriate.

### **Training and Engagement**

As part of CCL's mandatory annual Code of Business Conduct and Ethics training sessions, the Company raises awareness and educates all Associates on its key policies and procedures. The online training course contains testing to demonstrate an understanding of the Code of Business Conduct and Ethics and the other key policies of the Company, including the various mechanisms available to report

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<sup>6</sup> Which includes, but is not limited to, the Supplier Code of Conduct, Supplier Integrity Policy, Combating Forced Labor Policy, Countering America's Adversaries Through Sanction Act Policy, Conflict Minerals Policy and Continued Product Integrity.

<sup>7</sup> Countries indicated as medium and high risks according to the TRACE Bribery Risk Matrix.



concerns. At the end of the training, as part of our annual certification expectation, the Associates are asked to certify their compliance with our Code of Business Conduct and Ethics and key corporate and related policies.

New in 2024, and in alignment with our obligations under the Act, the Company introduced a dedicated training module on modern slavery and human trafficking. This module is designed to help Associates identify the various forms these risks can take, understand how they may emerge within global operations and supply chains, and know how to escalate concerns through appropriate internal channels. This new training is being delivered to all active global Associates with company email addresses, including salaried full-time and part-time employees, full-time hourly team members, and foreign nationals.

In addition, key suppliers located in China and Southeast Asia participated in a Supplier Compliance Summit, where training on the Act was provided. The summit also included discussions on product safety and ethical business practices, and reinforced the Company's Code of Conduct requirements for suppliers.

### **Approval and Attestation**

This Statement has been approved by the Board of Directors for Carlton Cards Limited pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purpose of the Act, for the reporting year listed above.

### **Signature:**

Full Name:

Title:

Date: