

## **Card Factory plc**

### **Modern Slavery Act 2015**

#### Annual Compliance Statement

Financial Year 1 February 2025 to 31 January 2026

#### **Introduction**

cardfactory recognises the importance of conducting its business and managing its supply chain responsibly to mitigate the risk of modern slavery. We take this responsibility seriously and our policy is not to do business with any party that may directly or indirectly finance or benefit from modern slavery.

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and sets out the steps taken by Card Factory plc during the financial year ended 31 January 2026 to prevent modern slavery and human trafficking in its operations and supply chains

#### **Our structure and business**

cardfactory is the UK's leading specialist retailer of greeting cards, celebration essentials and gifts.

cardfactory focuses on the value and mid-market segments of the UK's large and resilient greeting cards market, in addition to offering customers an expanding range of complementary products associated with card giving occasions.

cardfactory principally operates through its nationwide chain of 1,116 cardfactory stores, as well as through its transactional website: [www.cardfactory.co.uk](http://www.cardfactory.co.uk) and the more recently acquired [www.funkypigeon.co.uk](http://www.funkypigeon.co.uk).

Our retail business is predominantly UK based with a small presence in the Republic of Ireland, and a small number of overseas franchises as well as an established retailer in Australia.

We have recently increased our Group portfolio and acquired Funky Pigeon, a UK based online card and gifting retailer. This is in addition to our global Group franchise and wholesale partners comprised of SA Greetings; a retail, wholesale and production operation in South Africa, Garlanna Holdings Ltd; a wholesale supplier to the convenience sector in the Republic of Ireland and Garven LLC; a product development and sourcing operation in the US.

We have 9982 permanent employees in the UK and Republic of Ireland. During our peak trading period, we have employed an additional 3,800 temporary employees to ensure we are able to meet the needs of our customers.

The Board of Card Factory plc has overall responsibility for ensuring appropriate governance and oversight of modern slavery risks across the Group.

## **Our supply chain**

Our goods for resale (GFR) supply chain includes buying agents, third-party manufacturers and distributors, logistics partners, our own UK based manufacturing facility, our distribution centre and goods not for resale (GNFR) service providers.

The majority of greeting cards sold in our stores are designed and manufactured within the Group in the UK. This vertically integrated model provides us greater visibility and control of this part of our supply chain.

Our supply chain below tier-1 manufacturing remains complex. We recognise that visibility beyond first-tier suppliers is limited in some cases and we continue to take steps to improve transparency and traceability.

Our products are also supplied to and sold by several reputable retail partners: Aldi and Matalan in the UK, The Reject Shop in Australia and to a nationwide retailer in the US.

## **Our policies**

We take reasonable steps to mitigate against the risk of modern slavery occurring in our supply chain. Our Ethical Trading and Anti-Slavery Policy underpins our commitment to operating ethically and supplements the steps we already take in this regard.

Despite the steps we take, there remains a risk that third parties and supply chain partners may outsource manufacturing or the provision of services to us without our knowledge or consent, impacting our ability to mitigate against the risk of modern slavery. Where this comes to our attention, we will promptly take appropriate steps to ensure this does not expose our business to additional risks.

All members of the Quality Assurance and Buying teams are fully trained in the function and use of the Trade Interchange system for supplier onboarding and ongoing approval, which is used to assess and document compliance to modern slavery requirements by suppliers for cardfactory and imported branded product.

## **Our procedures and due diligence**

### **Our retail business and UK manufacturing facility**

Our retail business is predominantly UK based with a small presence in the Republic of Ireland, South Africa and a small number of overseas wholesalers and an established retailer in Australia. Additionally, we have a UK manufacturing facility which prints the majority of our greeting cards.

- Our policies and procedures ensure we comply with all laws covering the employment of our colleagues, their working conditions and environment.
- Our recruitment and ongoing employment processes mitigate the risk of modern slavery in the UK across our support centre, manufacturing, retail and warehouse operations.
- We adopt fair employment practices within our workforce and our policies and procedures support these.

## **UK and EU Based Suppliers**

We continue to increase the number of UK suppliers to introduce a greater range of branded and licensed products for our customers across our non-card product categories.

## **Overseas Suppliers**

For these products our assurance programme comprises:

- An on-boarding process for new suppliers which includes mandatory information requirements including company information, identification of manufacturing facilities being used, obtaining modern slavery declarations and requesting details and copies of any applicable accreditations and audits.
- A factory audit programme for all new and existing suppliers using reputable third-party audit firms ensuring ethical compliance is monitored in the supply chain.
- Technical audits (ISO 9001 standard) or for more specialised suppliers, the appropriate industry standard (Cosmetics – ISO 22716, Food – BRC/IFS etc).
- Ethical audits (SA8000 standard, BSCI and SMETA), specifically addressing the minimum ages of employees, remuneration, working conditions, working hours, discrimination and health and safety.
- A programme for dealing with audit failures and any material issues raised in audits; and
- Periodic visits by our Buying and QA technical teams to several of our major suppliers and attendance to several trade fairs.

## **Assessing and Managing Risk**

We recognise that certain parts of our supply chain present a higher inherent risk of modern slavery, particularly where manufacturing takes place in countries with weaker labour protections if there is a reliance on migrant labour. These risks are managed through supplier due diligence, ethical audits and a ‘no audit, no order’ policy.

Recruitment in our Distribution Centres is undertaken through one recruitment agency, which is required to comply with our modern slavery commitments and ethical recruitment standards.

We continually review our approach to ensure the absence of identified non-compliance does not equate to an absence of risk in our supply chain.

## **Our effectiveness in combating modern slavery**

We require our suppliers to meet recognised social accountability standards. Compliance is evidenced through SMETA, BSCI or SA8000 certification, or through our own independent audit.

Where our own audit is used, this is conducted by V-Trust, an independent third-party who audit against the SA8000 Social Accountability International standard.

All accepted ethical audits are aligned with International Labour Organization (ILO) labour standards and internationally recognised human rights frameworks, including the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the UN Guiding Principles on Business and Human Rights.

These standards provide robust assurance that suppliers have appropriate controls in place covering:

- Prohibition of forced, bonded and child labour
- Fair working hours and wages in line with legal and/or living wage requirements
- Safe and healthy working conditions
- Respect for freedom of association and collective bargaining
- Ethical employment practices and legal compliance
- Management systems to support ongoing compliance in daily operations

During this period, the audit process did not identify any product suppliers of concern, and no suppliers were delisted as a result of failing scheduled audits (social or technical).

cardfactory uses the following to assess how effective we have been in ensuring that modern slavery is not taking place:

- No orders to be placed for product with any cardfactory or import Branded supplier unless they have:
  - been fully approved in accordance with the above standards; and
  - hold valid social audits to either SMETA, BSCI or SA8000 (audits remain valid for up to 2 years, when re-audits must be completed).

Based on application of the above standards we consider our processes to be effective, however, we recognise the processes may not guarantee compliance and we are continuously reviewing opportunities for improvement.

### **What we've achieved during the period**

We continue to build on previous years objectives to improve transparency and to mitigate the risk of modern slavery being present in our goods for resale (GFR) supply chain.

### **Specific examples of activity and progress during the period includes:**

- 168 active suppliers (previously 208 FY26)
- 15 new suppliers onboarded within the last 12 months
- 30 suppliers delisted due to inactivity within the last 12 months
- The on-boarding system is in place and to date all cardfactory and import branded suppliers have signed up to the principle of not accepting business with any party that may directly or indirectly finance or benefit from modern slavery.
- We have continued to refuse to accept any products which are in production at a time a supplier fails a routine re-audit, until effective remediation of any material audit failures; and
- We have continued to practice a “no audit no order” policy for all factories from which we source GFR products directly.

## **Our continuing commitment and objectives for the next financial year to 31 January 2027**

We remain committed to developing long-term relationships with all GFR and GNFR suppliers who share our commitment to eradicating modern slavery and whose business practices are responsible and ethical.

Following an independent third-party audit of our modern slavery compliance approach, a cross functional steering group has been established to oversee ongoing improvements. The group includes senior leaders with responsibility across our full supply chain, covering both GFR and GNFR suppliers for goods, procurement and services.

The steering group is responsible for overseeing continuous improvement activities, including:

- Expanding and strengthening our approach to modern slavery risk assessments and ongoing compliance with our ethical audit policies
- Engagement with peers or participation in collaborative efforts to share due diligence best practices
- Expanding modern slavery training across the business, drawing on external expertise to ensure content remains current, risk based and aligned with best practise
- Further development and implementation of Modern Slavery KPIs across the business

Our Modern Slavery Statement will be updated to reflect these enhancements, including the introduction of the revised Whistleblowing “Speak Up” Policy, which is currently in the process of formal sign-off and will further support the reporting and escalation of concerns.

Internal grievance procedures are available to all internal colleagues through our HR policies, providing a confidential route to raise concerns, including those related to worker welfare, labour practices, or potential modern slavery risks

Approved and adopted by the Board of Card Factory plc on 23rd April 2026

Signed:



Darcy Wilson-Rymer

Chief Executive Officer

This statement will be published on the cardfactory website and a link will be made available on the homepage in accordance with the Modern Slavery Act 2015