

Critical Elements Corporate Alignment

Alignment from Executive offices

- Corporate Officers
- Senior Managers
- EHS Professionals
- The Halls (Gen 3 and Gen 4)

Excerpt from our corporate value statement

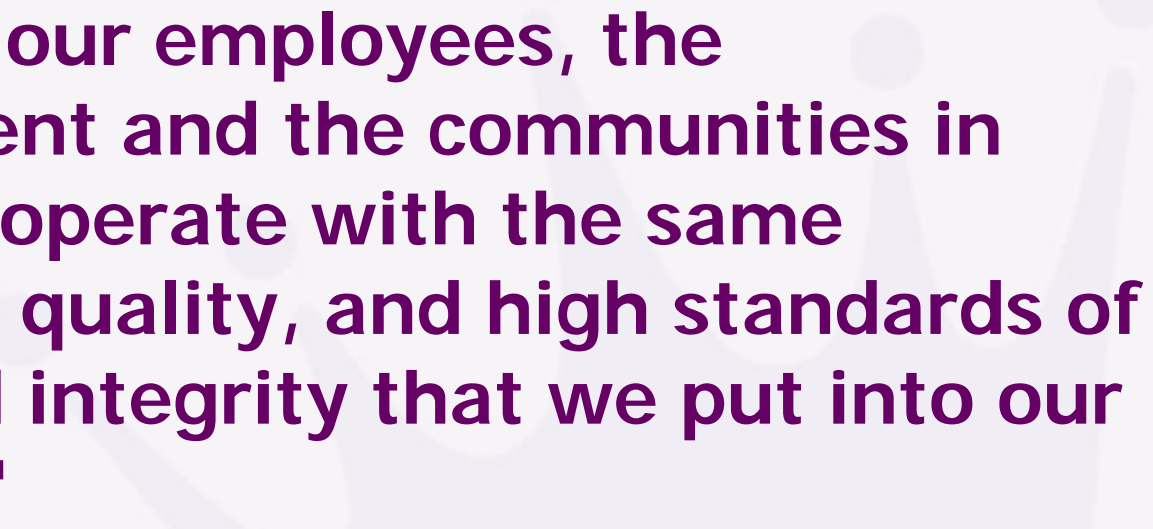
WE VALUE AND ARE COMMITTEED TO: CARING and RESPONSIBLE CORPORATE CITIZENSHIP for Kansas city and for each community in which we operate

Hallmark Has a History of Environmental Work

- **Recycling paper since 1943**
- **Corporate car pooling program since 1978**
- **Use water-based inks for printing, 90% reduction in toxic emissions**
- **Hazardous waste reduced 90% since 1990**
- **Solid waste to landfills reduced by 70% since 1990**
- **Improved lighting and air conditioning saves \$1,000,000 per year**
- **Keepsake Ornaments Converted to Alternative Solid Fuel at Enfield Distribution Center**
- **4 MM lbs sawdust for fixtures used as ASF**

2007 we started to "re-double efforts" and created a vision.

"We treat our employees, the environment and the communities in which we operate with the same creativity, quality, and high standards of ethics and integrity that we put into our products."



Goals are Critical

Aspirationally, we strive to:

2015 Goal

1. Become carbon neutral

1. 25% Reduction

2. Produce zero waste

2. Reduce Waste 25%

3. Obtain our paper from sustainably managed forests

3. By 2009 Obtain all paper from forests that are sustainably managed

4. Produce products that are recyclable

4. Ensure the recyclability of our products

Leadership Infrastructure

Margaret Keating Group VP Operations
Steve Doyal Senior VP Public Affairs & Comm

Corporate Social Responsibility Council

Carol Hallquist VP Hallmark Corporate Foundation

Marianne Getchell Creative

Al Mauro Legal

Craig McMonigle Global Procurement

Steve DiGiacinto Risk Management

Gary Tracy Chief Technology Director

Leadership Infrastructure

Corporate Social Responsibility Council

Carol Hallquist	Communication/Education
Marianne Getchell	Creative/Product Linkages
Al Mauro	Legal
Craig McMonigle	Paper buy
Steve DiGiacinto	Carbon Footprint/Water
Gary Tracy	Waste Reduction/Resource Conservation

Waste Reduction

Goal = 25% by 2015

2006 Base line reduction goals 5,858,000 pounds

Material recovery rates

- Manufacturing Plants 82 – 90 %
- Distribution 79 – 100 %
- Fixtures 56 – 99 %
- Chihuahua (Season Returns) 96%
- Headquarters 30%
- Crayola 40%
- Crown Center 5%

Hallmark's Environmental Program

Recent Success

- **Waste to Energy - Lafarge**
 - Spent Foil carrier = 600,000 lbs/year
 - Used die boards = 208,000 lbs/yr
 - Bakelite dies = 50,000 lbs/yr
- **Waste to Energy – Enfield/Liberty**
 - PVC Elimination
- **Plant/Distribution Crown Rooms – Food Waste Composting**



Hallmark's Environmental Program

- **Established a study to identify and quantify the waste streams in the complex**
 - **Establish new recycle and waste collection plan to facilitate increased diversion**
 - **Increase the amount of materials captured and recycled.**
- **Design a new diversion system for maximum ease and efficiency. (locations, signage, etc.)**
- **Testing with a pilot program to capture material for shipment to Lafarge**
- **Employee Education - Campaign to inspire employees to recycle (office and home)**

Hallmark's Environmental Program

KC 10,000 Rain Gardens - Headquarters



Proposed Land Restoration Project - Liberty



Hallmark's Environmental Program

Retail-Store closures

- Got Junk contract will allow 40%-90% of material to be recycled (first test, primarily metal) 105,000 lbs/year.
- Will recycle at a high percentage in areas of the US where more materials are recyclable.

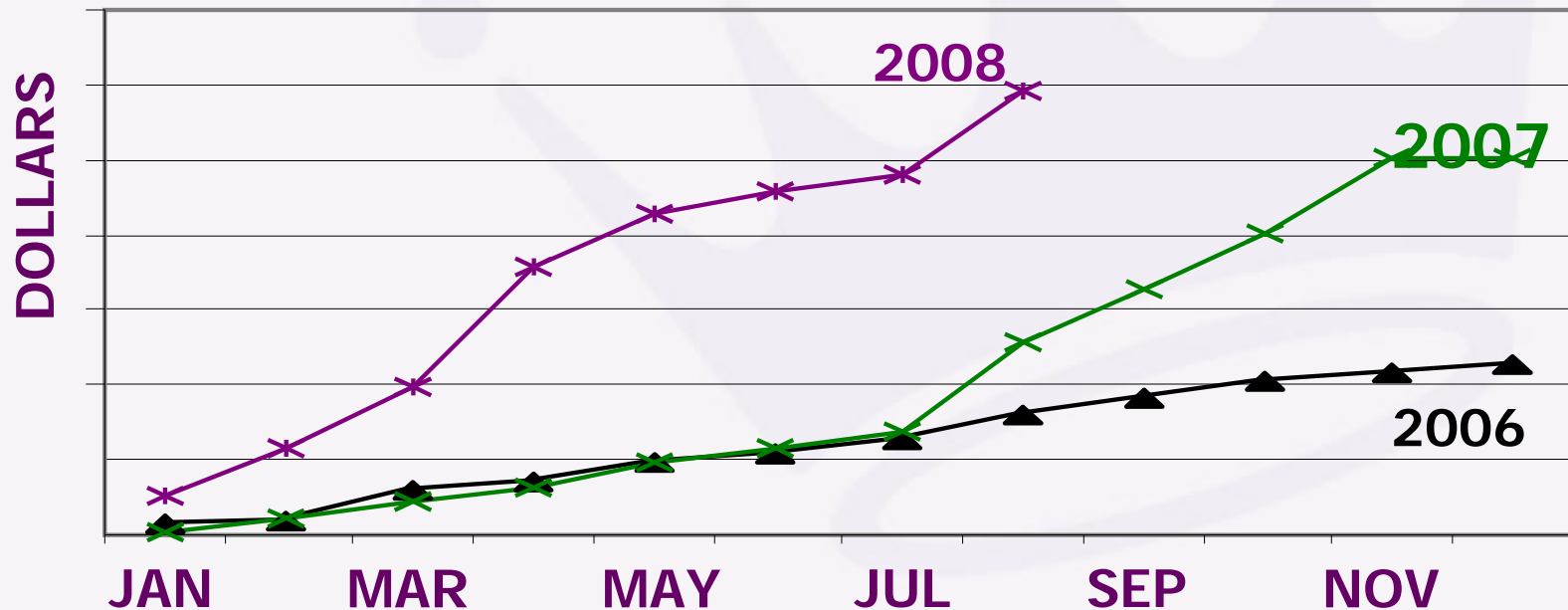


Hallmark's Environmental Program

Finished Goods discards

Increase the amount of material donated.

- Redesigned the donation system for expediency
- Work with "Gifts in Kind" to facilitate finished goods donation



Employee Activation/Communication

Communication

- Environment Matters Web Site
- Noon News
- Community Involvement Center
- Department Meetings
- KC Area Media

Employee Activation

- Earth Week
- Electronic Recycling
- Lights Out Campaign
- Crown Room, Lettering, Halls -many are creating their own plans



Employee Involvement

Earth Week...



ECO Team...



**Eco team
doubled in
membership**

Upcoming Employee Events

Objective: Tie communication efforts to an "event" to remind employees about actions they can take.

<u>Subject</u>	<u>Activity</u>
July: "Ban the Bottle" campaign	<ul style="list-style-type: none">• Table tents• Bring own cup• Deal on bottles
Aug: Paper	TBD
Sept: Introduce new recycling program	<ul style="list-style-type: none">• Waste Cop• New signage & containers
Oct: Recycling office supplies/electronics	<ul style="list-style-type: none">• Virtual Swap Meet
Nov: Plants – what happens to our manufacturing waste?	<ul style="list-style-type: none">• Exhibits with fuel pellets, etc.• Involve Environmental Administrators
Dec: Recycling Xmas wrap, cards, party	<ul style="list-style-type: none">• Exhibit of types of product and disposal