



Paper Sourcing Policy

GENERAL STATEMENT OF DIRECTION

Hallmark recognizes that the selection of paper used in our products should be just as thoughtful as the greeting the paper carries. We work throughout our production processes to make choices consistent with this policy that help ensure our fiber and wood products are obtained from well managed forests so natural resources are well-managed and available for future generations.

OUR POLICY

Hallmark's goal is to obtain 100% of its paper from known sources that promote responsible forestry management practices and to increase its use of fiber coming from sources with preferred environmental impacts.

SCOPE

This policy applies to all paper in product, packaging and advertising materials made by or for Hallmark Cards, Incorporated and its subsidiaries.

PREFERRED ENVIRONMENTAL IMPACTS

Hallmark is committed to increasing the use of paper that comes from sources demonstrating preferred attributes of environmental impact and responsible forestry. Paper with preferred environmental impacts includes paper made with recycled fiber and fiber from chain-of-custody certified sources.

- Hallmark uses recycled fiber in a significant percentage of its greeting cards sold in North America, with an average content of 20% recycled fiber, a majority coming from post-consumer waste. Hallmark continues to evaluate paper sources for opportunities to increase the use of recycled fiber, consistent with paper quality, availability and sound business considerations.
- Hallmark obtains a majority of its paper and wood fiber from sources that are certified by recognized independent third party certification bodies. While we use various methods to verify the certified content of our paper, Chain of Custody certifications give the best assurance that the paper we use meets our expectations. Hallmark recognizes that there are differences between certification standards we use and that certain programs set requirements higher than others.
- Our exacting paper standards for product quality and performance sometimes impact the availability of certain types of certified fiber, or fiber certified under certain programs. We will continue to seek additional sources of certified fiber that meet our quality, availability and cost requirements, and will work to increase the use of paper from FSC® certified sources. FSC® chain of custody certified paper is our preferred standard.

- Hallmark is Chain of Custody certified to the FSC®, PEFC™ and SFI® standards for the production of social expression products and may indicate on selected products the use of that certification.

RESPONSIBLE FORESTRY MANAGEMENT

Hallmark considers a number of factors in determining whether paper and wood fiber is produced using practices that encourage responsible forestry management. We consider both whether the physical source of the timber is acceptable, and whether the source is well-managed. Hallmark should determine the source of the timber used to make fiber using tools such as Chain of Custody certification, site inspections, review of certification status, third party audits, questionnaires, interviews and documentation reviews.

UNACCEPTABLE SOURCES

A source is an “unacceptable source” where:

- The timber was harvested or traded in violation or circumvention of international laws, or the laws of the relevant country, state or province
- The timber originates from high conservation value forests as identified by credible scientific sources, except where the forest is certified under a credible certification system that ensures the high values are maintained
- The timber is “conflict timber” – timber whose trade drives violent armed conflict
- The timber was harvested or traded in a manner that violates internationally recognized human rights or Hallmark’s Code of Conduct standards
- The timber contains or was grown using genetically modified material
- The source of the timber is unknown

WELL-MANAGED SOURCES

We expect our paper suppliers to use practices in the management of forests and in the production of paper that conserve our natural resources. Specifically, we expect the following:

- Recent conversion to plantations from natural forest only where there is demonstrated net social and environmental gain
- Maintenance and conservation of biological diversity
- Protection of soil quality, riparian zones and water quality
- Sustainable harvest levels
- Protection of endangered species
- Prompt reforestation
- Recognition of and protection of the rights of indigenous peoples
- Minimize chemical use in forestry management
- Elemental Chlorine Free (ECF) paper production

AREAS OF HEIGHTENED RESPONSIBILITY

Hallmark recognizes that paper from certain geographic areas presents an increased risk of fiber originating from unacceptable sources or sources where the responsible management of the land is in serious doubt. Responsible paper sourcing requires additional steps to ensure this paper meets our standards. We will closely monitor our paper suppliers to identify these risks and, when appropriate, we will utilize heightened scrutiny of certifications and documentation of sources and may exclude mills where current certifications or documentation is not deemed adequate to assure compliance with our standards.

REDUCTION

Hallmark strives to recycle paper waste generated during production of its products and through its corporate activities. Hallmark continues to explore ways to reduce the amount of paper and paperboard used in packaging.

RECYCLING

Greeting cards are normally viewed as keepsakes that help preserve a meaningful occasion or memory. However, we recognize that some consumers may choose to dispose of cards they have received, and we are continually working to maximize the compatibility of our printing processes and materials with normal household paper recycling and collection systems.

REPORTING

Hallmark will make an annual assessment of its adherence to this policy, with visibility to the quantities of recycled fiber and certified fiber used.

Appendix 1

Areas of Heightened Responsibility

Geographic Area	Additional Steps to Ensure Paper Meets Our Standard
Indonesia	All fiber from Indonesia must be FSC certified.