



Environmental Management System

Introduction

Hallmark Group is 100% New Zealand-owned. Our core business is the conversion of timber into products for the New Zealand architectural design and construction sectors, specifically; the production of doors for commercial and residential construction projects, processing raw timber into veneer and manufacture of veneer panels and doors, and the production & distribution of interior decorative products.

Environmental Policy Statement

Hallmark Group is committed to the responsible use of resources. We acknowledge that our business has an impact on the environment and are committed to managing and reducing that impact through the adoption of this environmental policy. To this end we have implemented an Environmental Management System (EMS) to provide a structure for improving our environmental performance. The emphasis of our EMS is on continual review and improvement.

Guiding Principles

- We recognise that environmental responsibility today is essential to a sustainable business future.
- We actively seek to minimise the environmental impact of our activities.
- We work in partnership with all stakeholders to promote good environmental practice.
- We comply with all relevant environmental legislation, standards, regulations and codes of practice.

- We employ an environmentally responsible acquisition policy, promoting environmental responsibility through our contracting and purchasing choices. Our purchasing strives to obtain the best value by considering life cycle environmental impacts along with cost and functional performance.
- We promote and embrace principles of waste hierarchy (Reduce, Reuse, Recycle, Recover, Landfill) to minimise the generation of waste, reduce waste to landfill and prevent pollution to air, water or land.
- We seek to be a respectful neighbour by minimising the impact that our activities, sites and premises have on others.
- We regularly review our operational activities, systems and training to ensure our business practice is aligned with this environmental statement.

Key Components of the Hallmark Group Environmental Management System

- High-Level Commitment: Our Board of Directors and Senior Management team is committed to practical continuous improvement in environmental performance, waste minimisation, and the use of all materials efficiently and effectively.
- Company-Wide: Hallmark Group has a structure involving all levels of staff through which it implements its environmental policy and improvement objectives. Managers are responsible for ensuring procedures are in place to provide consistent compliance with environmental legislation and regulation, utilise best practice relating to sustainable practice and sourcing, pollution prevention, waste minimisation. All company employees are encouraged to take responsibility in enhancing environmental performance and promoting the efficient use of resources.
- Assessing Environmental Effects: Assessment of the environmental effects of each of Hallmark Group's operations is continuous.
- Setting Objectives and Targets: Performance targets are set and are continually reviewed and improved. Specific objectives are:
 - use of timber or wood products from sustainable (managed) forests
 - minimising waste
 - energy efficiency
 - minimising use of toxic materials, solvents and lead-based paints
 - innovation and environmentally beneficial product development

- Operational Control: To ensure compliance with environmental conditions, production personnel develop operating procedures which outline how certain processes operate, including standards for management of wastes and hazardous substances.

Environmental Organisation Chart

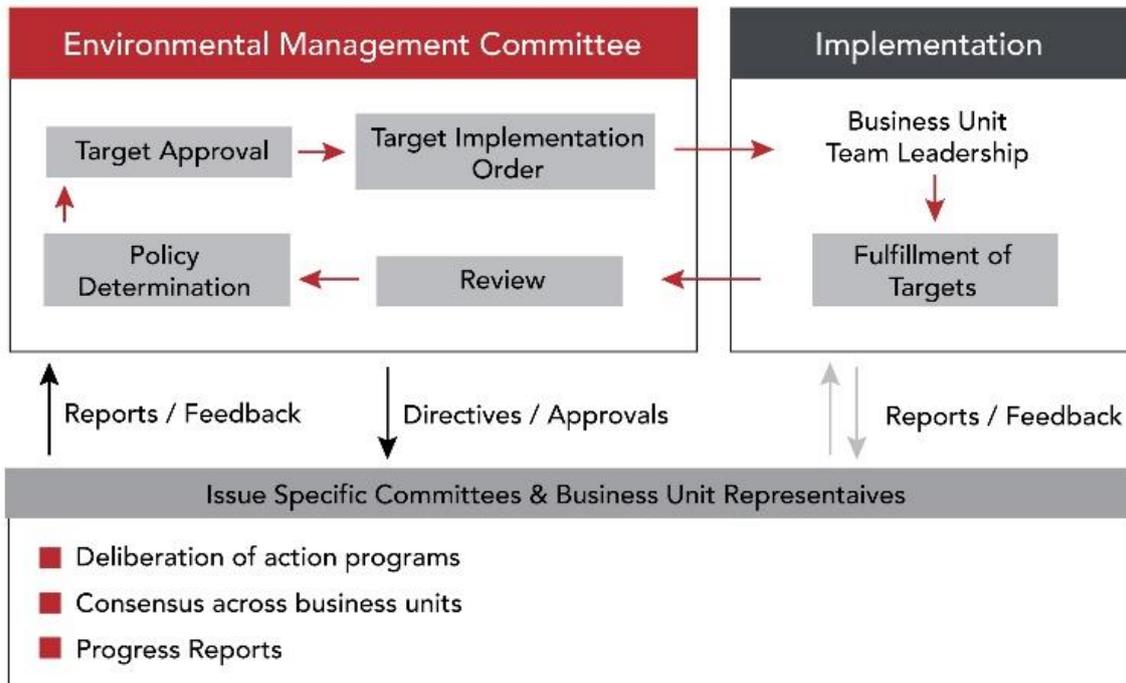


Environmental Management Framework





Activity Flow



Key Environmental Strategies

Strategy for Responsible Growth

To balance the commercial needs of our business with our responsibility to protect the environment in which we operate.

Supporting tactics:

- When implementing our performance and profit strategies, Hallmark Group will incorporate tactics that support our Environmental Statement.
- New product development will focus on developments and innovations which support our Environmental Statement.
- Attain independent 3rd party certification (GreenTag, SGS, etc)

Strategy for Responsible Sourcing

To ensure the procurement of raw materials, specifically timber and timber derivatives, is from responsibly managed sustainable sources. To seek to partner and work with others who can demonstrate a commitment to the environment.

Supporting tactics:

- Use supply partners who can demonstrate sound environmental policies through official and credible certification (PEFC, FSC, COC FSC, EcoCert, etc).
- Where all other things are equal, to choose the partners and contractors who can demonstrate sound environmental policies.

Strategy for Conservation & Waste Minimisation

To, wherever practical, implement actions that recycle, reuse and minimise waste of the products and resources we consume.

Supporting tactics:

- Target of 100% of all wood waste from our production process to be recovered and recycled.
- Target of 100% of all polystyrene waste from our production process to be recovered and recycled.
- Adherence to operational performance targets relating to the efficient use of resources.
- Actively facilitate and promote workplace recycling and waste minimisation.
- Hallmark customers are encouraged to receive electronic invoices to minimise the paper wastage of printing and mailing invoices. Staff use digital communications as primary mode to reduce/avoid the use of paper.

Strategy for Cleaner Air

To promote cleaner air by minimising carbon emissions.

Supporting tactics:

- Investment in new high-efficiency delivery trucks to minimise emissions.
- Staff are directed to eliminate unnecessary travel, utilising communication technology where possible/practical.

Strategy for Education & Awareness

To promote education and awareness of better environmental practice among stakeholders.

Supporting tactics:

- Hallmark Group promotes its environmental policy among staff and ensures individuals understand their role in the achievement of environmental objectives.

Product Stewardship Policy

Product stewardship is a way of reducing waste and increasing recycling of products at the end of their life, typically relevant to products that cause environmental harm when they become waste or are difficult to recycle.

Hallmark Group's products are manufactured to last many decades and are comprised, almost entirely, of wood and wood-derivatives, which, at the end of their intended life, are readily recycled. We encourage our customers to repurpose our products at end of initial life, either themselves or via construction material salvage/recycling merchants. If they can't be reused or repurposed in their complete state, they are also easily deconstructed and recycled (including our WoolCore doors with its core material being Declare certified as LBC Red List free and 100% recyclable).

Recycling/salvage/reprocessing plants are readily found nationwide (please contact us if you require help locating one in your region). We ask all customers to consider the environment and to repurpose or recycle our products at the end of their initial intended life.