Temple-Inland Inc.

Environmental Report 2000

Respect for the environment and responsible environmental practices are core values at Temple-Inland. These values have been a major focal point of our company for over one hundred years.

At Temple-Inland, environmental stewardship is part of each person's job responsibility. The Board of Directors' Public Policy/Environmental Committee has direct oversight regarding Temple-Inland's policies and procedures on protecting and enhancing the environment. To implement our corporate environmental policies and principles, we have developed an Environmental Policy and Guidance Manual that defines and documents the framework of our Environmental Management System. This manual is patterned after the voluntary standards of the International Organization for Standardization (ISO) 14000 series on environmental management. Temple-Inland has now undertaken a further step and is implementing the formal ISO 14001 Environmental Management System certification process for its forests.

Verification is a crucial requirement to assure continuous improvement, and Temple-Inland has a vigorous and systematic audit process. Each year, we review approximately 45 percent of our locations for environmental compliance. Results are reported to each business unit and required action plans and schedules for correcting any reported deficiencies are identified and monitored. Each audit and any corrective action requirements are reported to the Board's Public Policy/ Environmental Committee. Also, third parties are utilized to verify our environmental practices.

Four cornerstones of Temple-Inland's environmental practices are presented in this report: Recycle, Reuse, Reclaim and Renew. These themes provide powerful examples of Temple-Inland's environmental principles in action. This report also represents our commitment to expand and continuously improve environmental programs in the future. At Temple-Inland, environmental stewardship will forever be a core value.

Thank you for your interest,

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Kenneth M. Jastrow, II Chairman and Chief Executive Officer



Reuse

Precious water resources are an important focus of Temple-Inland's environmental programs. From carefully developing and maintaining individual streamside management zones in the forest to developing new processes for reusing water, Temple-Inland's commitment to water conservation is central to its operations throughout the company.



A growing number of Temple-Inland's packaging plants are investing in the environment by implementing state-of-the-art wastewater treatment systems that yield significant benefits. Eliminating a plant's industrial process wastewater discharge by treating and reusing the wastewater, creates less burden on the community and enhances the plant's ability to meet water regulations. To date, seven of the company's U.S. plants and five international plants in Mexico, Chile and Puerto Rico operate closed wastewater systems. "Conservation and reuse of available water sources are a major focus in every aspect of *Temple-Inland's operations.*" –Buzz Patrick, Senior Environmental Engineer for Temple-Inland Forest Products Corporation



With drought a persistent and unwelcome reality affecting large portions of the world, conserving water and finding reliable water sources for Temple-Inland's manufacturing facilities is essential. To help reach this goal, the company has participated in two unique public-private water reclamation partnerships to develop alternative water sources for its Diboll and Pineland, Texas operations.

Water reclamation is a farsighted approach to reusing water from a variety of sources like municipal wastewater, stormwater runoff, rainwater and steam condensate.

In a creative industrial application, treated water from the city is used to supplement an existing water source for the Diboll Complex pond system that supplies the fiber products operation's cooling system and irrigates logs at the lumber operation.

In February 2000, in partnership with the City of Diboll's Water Reclamation Plant, the company completed an 11,500-foot water transmission pipeline and pump station system that captures the city's daily 625,000 gallons of effluent output. This chlorinated, treated effluent is piped two miles to the company's Diboll manufacturing complex.

Previously, water was pumped from a nearby lake, which presented issues in quality and reliability as well as having the potential for limiting production at the fiber products plant during the hot summer months. The processed city water is cooler, cleaner and offers a dependable source for a once-through cooling system for some of the facility's process equipment. Additionally, the pond system's higher volumes are improving water quality and creating improved fire safety systems for the entire manufacturing complex.

A similar water reclamation system, completed in June 2000, delivers wastewater effluent to the Pineland Complex from the City of Pineland Reclamation Plant. This project assures the plant a reliable water supply during dry periods and supplements an existing stormwater runoff capture system used to irrigate the log storage facility.

Variations on this concept have been used at other company locations such as the Southwest Louisiana Lumber Operation. This facility uses a reclamation system capable of processing 3,000 gallons of chlorinated water per day from the plant's secondary treatment facility. It supplies a continuous flow of water for irrigating logs.

The Texas Natural Resource Conservation Commission, the agency approving the Diboll and Pineland projects, encourages reuse of domestic treated water because it conserves water, decreases volumes of discharge and lowers overall pollutant loads.

REUSING WASTEWATER. Reusing municipally treated wastewater provides Temple-Inland's Diboll, Texas operations with a reliable water supply for use in cooling the fiber products facility and irrigating logs at the lumber operation. This system, implemented in early 2000, reuses the city's daily output of approximately 625,000 gallons of effluent, which is about 70 percent of the Diboll facility's requirement.









Recycle

Reclaiming landfills is an important part of Temple-Inland's environmental cycle. As an example, the company has partnered with regulatory agencies in Tennessee in a five-year study on planting native grasses in landfills. These grasses may be suitable for vegetative cover, require less maintenance than vegetation around a typical landfill and provide a better wildlife habitat.



In 1993, the Diboll Complex sent 14,400 tons of waste material to the landfill. By 1998, recycling efforts had reduced this to 6,200 tons when even more heightened environmental efforts were implemented. Today, instead of adding waste to its landfill, the company is mining the site and its process by-products for usable products like recycled paper as well as road building, mulch and composting materials. "There is no question about the significant role recycling has played in conservation. Today's new, enabling technologies mean recycling will yield even greater benefits in the future." -Bill Howes, Chairman and CEO for Inland Paperboard and Packaging, Inc.



Temple-Inland is one of the country's largest users of old boxes for direct conversion into new containers. In 1999 alone, the company consumed 1,300,000 tons of used corrugated boxes as raw material for new corrugated boxes. This consumption is equivalent, in volume, to five large indoor sports arenas. That is material that did not have to go to solid waste landfills. In addition, recycle mills conserve millions of gallons of water and thousands of pounds of chemicals that would otherwise be needed for making unbleached paper.

Because of Temple-Inland's advanced recycling technology and its commitment to the environment, it outpaces the industry with recycled boxes making up almost 40 percent of its paperboard and packaging annual fiber consumption.

The company has been the leader in the containerboard industry recycling effort. Temple-Inland developed technology and built facilities that were the first to utilize old corrugated boxes to produce medium and linerboard that are comparable in quality and strength with virgin wood-based products. Temple-Inland operates five paper mills and jointly owns another mill. Five of these mills recycle old corrugated boxes daily, and three operate exclusively on 100 percent recycled fiber.

When the company's Newport, Indiana mill was built in 1975, it was the first major corrugating medium mill ever built to exclusively use old corrugated boxes as its fiber source. In 1985, the Ontario, California mill was built and became the first major greenfield linerboard facility to reuse corrugated boxes exclusively. This success was repeated at the Maysville, Kentucky mill in 1992. Other Temple-Inland mills also use substantial amounts of recycled fiber. New Johnsonville, Tennessee utilizes 40 percent recycled fiber and Orange, Texas consumes 17 percent recycled fiber.

This long history of innovation has established Temple-Inland as an industry leader in recycling and conservation. This legacy will continue with the company's continuing investment in the environment.

Recycle

CONTAINER LIFE CYCLE. Temple-Inland operates five paper mills and jointly owns another mill. Five of these mills recycle old corrugated containers (OCCs) daily, and three operate exclusively on 100 percent recycled fiber. About 40 percent of the company's paperboard and packaging requirements comes from recycled OCC's; well over a million tons a year. This diagram describes how consumer and retail waste is recycled into usable corrugated containers.

CURBSIDE PICK-UP. Used corrugated containers are regularly picked up from consumers and retailers. Corrugated containers are sorted from other recyclables, then compressed and baled for delivery.

CORRUGATED BOX PRODUCTION. Rolls of paper are delivered from the paper mill to Temple-Inland's converting facilities. Here the paper is sent to the corrugator machine, then to the converting process where it is made into corrugated boxes according to customer specifications. Pallets of boxes are delivered to the customer who uses them to package commercial and consumer products. After

use, the boxes are ready to reenter the recycle process.

PAPER PRODUCTION. The pulp enters the paper making process as a liquid and emerges as a multi-ton roll of

paper, ready to be used to make new corrugated medium.

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DELIVERY AND STORAGE. Truckloads of old corrugated container bales are delivered to Temple-Inland's paper mills to be used as raw material.

PULPING AND PURIFYING. Cardboard containers are converted to paper pulp. Then contaminates, such as waxes, inks and staples, are removed through a filtration process. The pulp is now ready to be made into paper.



RECYCLE CONTENT. Temple-Inland leads the industry with approximately 40 percent of its paperboard and packaging annual fiber consumption coming from recycled sources. Recycle mills also conserve millions of gallons of water and thousands of pounds of chemicals that would otherwise be needed for making unbleached paper.



Reclaim

Temple-Inland's use of synthetic gypsum (pictured left) recycles waste previously destined for landfills into a reliable resource with the ingredients necessary to produce consistently high-quality wallboard.



Maysville, Kentucky, which reuses old corrugated containers and box clippings for 100 percent of its fiber source, has entered into a unique partnership with the Maysville-Mason County Landfill. The landfill uses select mill waste fibers in a variety of its environmental activities, such as daily landfill coverage and composting. Over 2,300 tons of the mill's fiber rejects were reused in 1999. "We have continually sought innovative ways to reclaim our process by-products and waste. This approach has yielded results in creative applications, cost savings for the company and dramatic environmental contributions." -Marc Cates, Maysville Plant Manager for Inland Paperboard and Packaging, Inc.



What to do with society's trash is an age-old concern that today is giving way to the realization that waste often has an economic value. Technological advances have been the foundation of this growing success.

Turning waste into opportunity is not new to Temple-Inland. The company's practice of reusing process wastes in the manufacture of its products is as old as its 107-year history. From using its wood waste for boxes in the 1920s and particleboard in the 1970s to using recovered by-product waste from other industries for synthetic gypsum in some of its wallboard products today, Temple-Inland continuously looks for opportunities that protect the environment and also bring economic reward.

The company decided early on to lead the industry by using environmentally friendly synthetic gypsum. The flue gas desulfurization gypsum that became more readily available in the mid-1990s paved the way for the gypsum raw material substitutions used today in its wallboard plants. Today, Temple-Inland receives 66 percent of the gypsum raw material requirements from these sources. This saves millions of tons of synthetic gypsum from going to landfills and provides the company with a very low-cost raw material.

Scientific Certification Systems (SCS) has formally certified that Temple-Inland wallboard products, manufactured with a synthetic gypsum core, are produced with recycled content using a by-product of pollution control technology. This certification is for wallboard manufactured in the Cumberland City, Tennessee and West Memphis, Arkansas plants which are capable of producing over one billion square feet of wallboard annually.

The SCS certification report also describes how the synthetic gypsum supplied to Temple-Inland by the Tennessee Valley Authority's Cumberland plant is recovered in a process which decreases sulfur emissions. In this process the sulfur emissions, which are a precursor to acid rain, are reduced by over 96 percent. In addition to producing one of the purest forms of synthetic gypsum available, this process annually reclaims approximately 1.2 million tons of material that would have been added to the landfill.

Reclaim

HOW SYNTHETIC GYPSUM IS FORMED

at the Tennessee Valley Authority's Cumberland Fossil Power Plant. Using flue gases to make synthetic gypsum annually reclaims over one million tons of material that would have been added to the landfill.

DISPOSAL

STACK

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COAL. Coal is pulverized into a fine powder.

TVA'S COAL FIRED FURNACE. Fine coal powder is blown into a funace and burned to generate steam for electricity. During the burning process, the coal is mixed with the air and the combustion process releases all of the chemicals as well as the unburned dirt and clay locked up in the coal. Ash is formed from the unburnable portion of the coal.

SCRUBBER/SPRAY TOWER. Limestone slurry is delivered as a fine spray near the top of the scrubber where is comes in contact with the flue gases from the furnace. Due to the sulfur content of the coal burned, these flue gases contain sulfur dioxide as a gas. Initially calcium sulfite is formed from the reaction of the limestone slurry with the sulfur dioxide in the flue gases. Air forced through the system then causes a chemical reaction from calcium sulfite to calcium sulfate, which is chemically the same as natural rock gypsum. As crystals of calcium sulfate or gypsum form in the scrubber, they sink toward the bottom of the tank where thay are continuously pumped into the effluent slurry tank.

VALVE STATION. The gysum slurry is pumped through a series of lines to a valve station where the slurry can either be routed through the processing plant or diverted to the disposal stack for storage.

SYNTHETIC MATERIALS DEWATERING STATION. The synthetic

gypsum is dewatered on a series of vacuum belt filters.

CUMBERLAND CITY GYPSUM PLANT. The dewatered gypsum is manufactured into wallboard.

CLEAN GASES

FLUE EXHAUST GASES ARE RECLAIMED. Some of the chemicals released by burning coal, such as sulfur, and the unburned dirt and clay are carried in the flue gas. Rather than being discharged, these gases are now reclaimed and sent to a precipitator.

FLY

LIMESTONE SLURRY STORAGE. Limestone slurry is stored and pumped to the scrubber as needed. Torming a limestone slurry.

PRECIPITATOR. Fly ash from the flue gases is collected in the precipitators by electrical currents that attract the ash to wires.



FLY ASH REMOVAL. The fly ash falls into hoppers and is removed and stored in silos for use by the cement industry.



Renew

The renewable forest starts with seedlings. Approximately 40 million seedlings are planted annually on Temple-Inland's 2.2 million acres of forestland in Texas, Louisiana, Georgia and Alabama.



The Texas Parks and Wildlife Department and the Texas Forest Service have approved Temple-Inland's Red-cockaded Woodpecker (RCW) Management Plan, establishing in perpetuity a total of 14 active RCW groups and dedicating a total of 5,000 acres adjacent to the Sabine National Forest to this program. This acreage will be overseen with a combination of ecosystem and landscape management that will also benefit many other sensitive plant and animal species. "Without a doubt, forestry is the most sustainable of all the primary industries, and wood is the most renewable resource we have." –Jack Sweeny, Executive Vice President for Temple-Inland Forest Products Corporation



The responsibility to renew and sustain Temple-Inland's 2.2 million acres of forest holdings is a foundation of the company's daily operations. These lands are an important, integral part of America's landscape and a vital part of the ecology. It is a responsibility and a commitment that Temple-Inland has conscientiously upheld for more than 100 years.

While responsible management requires a "forest level" view to ensure the overall health and diversity of the landscape, Temple-Inland understands that renewal occurs at the individual site level. Each site is carefully considered for its intrinsic nature and scientifically evaluated to ensure a balance between forest diversity and individual site quality. Based on such parameters as water quality, soil composition and nutrient levels and the adjoining landscape, individual sites may be designated as a pine plantation, a wildlife management area, a mixed forest, or a streamside management zone. Mapped on the company's Geographic Information System, these individual sites create a diverse southern forest mosaic reflecting Temple-Inland's careful stewardship of the forest.

While there is no old growth forest within this mosaic, about 28 percent of Temple-Inland forests are designated as mixed-forests that are naturally regenerated and selectively harvested. Also more than 35,000 acres have been designated as wildlife management areas, "Distinctive Sites" and certain bottomland forest types that are conserved.

About six percent of Temple-Inland's forest is selectively harvested annually, with less than three percent placed in plantation rotation. Harvesting is done on a site-specific basis, and in some instances, even on an individual tree basis. This six percent also includes thinning pine plantations that encourages the remaining trees to flourish. Temple-Inland's plantation acres are planted with approximately 40 million seedlings a year, over 30 million of which are grown in the company's own seedling nursery. Plantation acres are managed more intensively, focusing on high-yield fiber production and tree farming. This trend is balanced with additional acres being dedicated to mixed forest and special-use areas.

Forestry is more than growing and managing trees. It requires a careful balance of ecology by considering biological diversity of the forest; sustainability by assuring a perpetual and productive forest; and value by providing the cost-effective delivery of wood to company mills. Through its years of experience, Temple-Inland has gained insight into the needs of the environment. Through this insight, the company maintains its strong tradition of stewardship and long-range vision.

Renew

RENEWABLE FOREST. Temple-Inland's extensive 2.2 million acres of forest holdings are invaluable. They are an important, integral part of America's landscape and an essential, renewable fiber source. Temple-Inland has a century-old commitment to nurture, protect and renew this resource and also to conserve it by utilizing each harvested tree to its fullest potential. Through creative solutions developed over the years, Temple-Inland has implemented ways to use 98 percent of each sawlog. This not only conserves the existing resources, but also helps protect the environment by dramatically reducing the amount of waste produced.



ENGINEERED LUMBER. In making this relatively new product, Temple-Inland recycles short pieces of cut lumber that were previously wasted. These small pieces of lumber are finger-joined and glued to create longer, more usable lengths of lumber. The glued joints are actually stronger than the wood itself, and the engineered lumber is perfect for framing in construction projects.



PARTICLEBOARD. Shavings are generated when lumber is planed. Temple-Inland recycles these shavings and processes them to create particleboard, a strong and extremely versatile product. Used unfinished or laminated, particleboard has become an important component in furniture and cabinet manufacturing.



PINE PLANTATION LIFE CYCLE STAGE ONE: THE NURSERY. Millions of superior seedlings are nurtured in the Temple-Inland's nursery. By assisting and nurturing young seedlings, trees reach semi-maturity much more quickly. STAGE TWO: PLANTING. Careful treatment of the seedlings and individual site preparation ensure a viable start for young trees. Depending on the site, some seedlings are still planted by hand.

STAGE THREE: FIRST THINNING. After 10 to 12 years, the forest is thinned by approximately one-third, with the harvested trees utilized mainly for paper production. Thinning causes the remaining trees to flourish.

HARDBOARD AND FIBERBOARD. Hardboard is made of wood chips from the rounded edges of saw logs. Temple-Inland processes these chips create a flawless. engineered wood product used in construction.

the rounded edges of saw logs. Temple-Inland processes these chips from create a flawless, engineered wood product used in construction, particularly for exterior siding for homes and apartments. Fiberboard, which is also produced from these chips, is a thicker, less dense product used as wall sheathing and roof underlayment.

PAPER. Small trees collected as part of the thinning process along with trimmings from large logs are utilized to make paper. Temple-Inland paper products are used to package commercial and consumer products.



STAGE FOUR: SECOND THINNING. A second thinning occurs after 18 to 22 years of growth. Most of the wood from this thinning is used for lumber.



STAGE FIVE: REPLANTING.

The remaining trees continue to grow and will be harvested for lumber and other solid wood products. In the open space left by harvested trees, new young trees are replanted and the forest is renewed.



Principles

FORESTRY PRINCIPLES OBJECTIVES

Temple-Inland, as steward of 2.2 million acres of southern U.S. timberlands, protects the renewable forest by sustaining the diversity of these timberlands and promoting responsible corporate citizenship. In the ongoing effort to ensure fiber production, wildlife, plant life, water quality and other forest amenities, the company lives and works by guiding principles that protect and secure its forestlands. These Principles and Practices define Temple-Inland's forest stewardship:

Temple-Inland will plan and implement harvest-site size and shape to accommodate environmental quality and site aesthetics, while meeting wood supply demands.

Temple-Inland will meet or exceed existing voluntary Best Management Practices (BMPs) for forest practices, applicable state water quality laws and regulations, and the requirements of applicable state or federal wetlands legislation on all company controlled lands.

Temple-Inland will provide a variety of diverse forestland habitats by creating a mosaic of different successional stages of planted and natural vegetation widely distributed throughout companycontrolled lands. Endangered species will be protected by maintenance of suitable habitat for their survival.

Temple-Inland will utilize the latest techniques to protect forests from wildfire, pests, diseases, and other damaging agents, while maintaining long-term forest health and productivity.

Temple-Inland will manage forest fiber utilization practices to ensure efficient use of forest resources.

Temple-Inland will identify, map and create a central file of unique biological, geologic, archaeological, and historical sites on company lands. Company designated Distinctive Sites will be managed to protect their unique qualities.

Temple-Inland will exercise prudent care in the use of fertilizers, herbicides, and other forest chemicals to ensure the protection of human and environmental health.

Temple-Inland recognizes the silvicultural and environmental benefits of prescribed fire in some forest management activities and will apply this tool in the prudent manner required to maintain the integrity of its forest resources.

Temple-Inland will strive to eliminate illegal dumping of waste materials on its lands through education, legislation, and enforcement.

Temple-Inland will support forest management and forest environmental research that furthers the understanding of the complex interactions of forest systems and promotes better management of the forest asset.

Temple-Inland will endeavor to broaden the practices that accomplish its Perpetual Forests by involving and educating private non-industrial landowners, contractors, and company employees in its applications and objectives.

Principles

Temple-Inland will emphasize and promote the understanding of forest environmental and forest management issues among all company employees and the general public.

TEMPLE-INLAND INC. ENVIRONMENTAL POLICY > Click for Update <

Temple-Inland Inc. is committed to and takes seriously its responsibility for protecting the environment and promoting environmental stewardship. This philosophy starts with the company's Board of Directors and extends through its senior management to every employee. Our environmental policies and programs are the foundation for the company's pledge to care for the environment and the health and safety of our employees, customers, and neighbors. We are dedicated to continuous improvement of our Environmental Management Systems to ensure that Temple-Inland will enhance its leadership position in environmental management and demonstrate its ongoing commitment to manage its businesses in accordance with the following principles:

ENVIRONMENTAL PRINCIPLES

Make environment, health and safety management an integral part of strategic planning and decision-making.

Be an environmentally responsible neighbor by understanding, communicating and responding to public health and environmental effects of our operations and products.

Continuously improve Temple-Inland's environmental management system and performance and periodically issue progress reports to the public.

Meet or exceed all applicable government requirements and voluntary requirements to which Temple-Inland subscribes. Apply internal standards for situations not adequately covered by law or regulation or where we believe more stringent measures are necessary to protect the environment.

Design forestry practices to maintain forestlands as a multiple resource asset while integrating environmental benefits and best management practices. Fiber production, fish and wildlife habitat; plant life; air and water quality; and cultural, historical and aesthetic values will be considered to ensure that our products come from responsibly managed forests.

Conduct rigorous audits and self-assessments of Temple-Inland's compliance with this policy, measure progress of Temple-Inland's environmental affairs performance and report periodically to the Board of Directors.

Click title for an updated version of the environmenta policy

Ensure employees are trained and empowered to participate actively in Temple-Inland's environmental management process.

Conserve natural resources and promote energy conservation by striving to reuse and recycle materials, purchase recycled materials and maximize by-product reuse, as available and/or possible. Seek and implement, wherever possible, methods to reduce or eliminate waste and prevent pollution. Promote programs that sustain and renew the company's forestland.

Continuously improve and develop our processes to minimize waste, prevent air and water pollution, minimize health and safety risks and dispose of waste safely and responsibly.

Actively support research and technological advancement and, where appropriate, adopt innovative practices and technology.

Promote these principles by sharing experiences and offering assistance to others who can benefit from our practices.

TEMPLE-INLAND AWARDS

American Forest & Paper Association, Environment & Energy Achievement Award, Forest Management Category, "BMP Effectiveness Monitoring for Water Quality Protection."

California Environmental Water Association Industry of the Year award in recognition of its progress in water recycle and effluent reduction.

California Senate Certification of Recognition for Noise Abatement.

Edinburg, Texas "2020 Environment Committee Recycling Excellence Award."

Kansas City, KS Silver Award for Water Discharge Permit Compliance.

Louisiana Nature Conservancy, Conservation Leadership Award.

Mexico Clean Industry Certificate.

National Performance Award Building a Government that Works Better and Costs Less.

National Wild Turkey Federation, Land Stewardship Award.

OSHA Voluntary Protection Program Star Award, Fletcher, OK Wallboard Operation.

San Joaquin County, CA, Board of Supervisors TOPPS (Targeted Opportunities Prevent Pollution in San Joaquin) Award for Noise Abatement.

Texas Natural Resources Conservation Commission Award for outstanding efforts in environmental protection and pollution prevention.

Texas Nature Conservancy, Conservation Leadership Award

Recognition

Recognition

Texas Organization for Endangered Species, Preservation Award for Longleaf Pine Community.

Texas Water Commission-Exemplary Performance in Complying with Resource Conservation and Recovery Act Rules.

Texas Water Commission-Innovative Facility in Protection of our Water Resources.

U.S. Environmental Protection Agency Region 6 Certificate of Appreciation for Wetlands Protection.

U.S. Environmental Protection Agency, Region 6 Environmental Excellence Award for Watershed Protection.

TEMPLE-INLAND CERTIFICATIONS

Temple-Inland is in the process of certifying its ISO 14001 Environmental Management System as applied throughout its forest operations. This certification will include a third-party verification of the American Forest & Paper Association's (AF&PA) Sustainable Forestry Initiative (SFI)SM program. An internationally accredited ISO 14001 registrar will conduct this work.

Temple-Inland is a member of the AF&PA and implemented SFI[™] in 1996.

The Temple-Inland standard for SFI[™] implementation is the Temple-Inland Inc. Forestry Principles. These practices and principles have undergone audits to verify compliance and improve practices since the inception of the program in 1996.

Temple-Inland has participated in an SFISM third-party monitoring conducted by the Izaak Walton League in the Georgia and Louisiana operating areas. The Izaak Walton League monitoring was conducted under the direction of the Expert Review Panel of AF&PA.

Temple-Inland Wallboard Received Scientific Certification Systems for Recycled Content

Temple-Inland achieved Forest Stewardship Council (FSC) chain-of-custody certification at its Medium Density Fiberboard (MDF) mill in Clarion, PA. Temple-Inland is one of a few North American wood products manufacturers to produce MDF according to the international environmental standards of the FSC.

Temple-Inland Inc.	Environmental Performance	Temple-Inland Inc.	E
SARA 313* CHEMICAL F	Methanol Ammonia HCL Other RELEASES AND TRANSFERS ent and Reauthorization Act	25% Natural Gas 11% Fossil 8% Electricity 7% Steal ENE BTU Consumption by	49% Biomas m 1999 RGY MIX Fuel Type (72 Trillion BTU)
2000 1500 500 500 1996 1997 1998* 1999 1998 1997 CHEMICAL SPILLS AND RELEASES *Sodium Hydrroxide at 50% Strength was Released Durring Hurricane Georges in Puerto Rico.	81979 JO SNOTH 10 5 1996 1997 1998 1999 WATER CONSUMPTION	000 20 20 15 10 5 1996 1997 1998 1999 1999 1999 1999 1999	3000 2500 2000 1500 500 500 191 191
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Environmental Performance







The results of over a century of proactive, responsible environmental stewardship can be measured by numerous metrics. Temple-Inland regularly quantifies and reports, among other accomplishments, tons of waste saved from landfills, hundreds of thousands of gallons of reused water and millions of recycled boxes. Much of this information is found in the environmental data included with this report. However, many intrinsic benefits resulting from Temple-Inland's environmental commitment are not so easily tabulated.

These benefits are accomplished by combining the talents of the company's skilled operational personnel with its environmental professionals, all of whom are charged with finding environmental solutions for everyday business issues. The creative applications generated by these individuals, and the organization as a whole, have set environmental leadership examples for decades.

As an example, how do you measure the value of new life? Because of programs such as Temple-Inland's Bald Eagle Management Plan, the bald eagle is assured quality nesting habitat on Temple-Inland forestland in Texas.

Enhanced quality of life is another direct result of Temple-Inland's environmental program. The company implements programs reducing air emissions, reusing wastewater in its processes, and recycling solid waste into beneficial products. These programs benefit the overall health and conservation of natural resources in Temple-Inland communities, and because of this, the quality of life improves over an entire region.

Without question, the company's environmental stewardship has yielded positive results that are far-reaching. Temple-Inland as a company, as well as its shareholders, communities, its customers, its employees and other stakeholders are significant beneficiaries of the company's long-standing commitment to the environment.