



Timberland Quarterly CSR Reporting: Q4 2008

CSR Strategic Pillar #2: Product



1. Become carbon neutral
[energy].



3. Fair, safe and non-
discriminatory *workplaces*
wherever Timberland
products are made.



2. Design recyclable
product.



4. 2008-2009 *service*
campaign: Community
Greening

How to Read Timberland's Quarterly CSR Dashboard Detail Pages

Timberland
Make it better.™

Average Assessment Score

Year	Average Assessment Score
2007	61.8
Q1 2008	63.1
08 Target	68.0

Data Qualifier: Overall average Code of Conduct score for all active factories as of end of reporting period based on last assessment ("Current Profile"). Includes all TBL business units.

For background on Timberland's assessment process, please see our 2006 CSR report at: www.timberland.com/csreport

Data Validation: Individual Green Index Scores (per shoe aka SKU) are calculated based on the design specification and

Analysis: Current Profile at end of Q1 improved from 2007 Year End due to 83% of the continued business partners assessed in Q1 showing improvement and the introduction of 6 new suppliers scoring above 70. The introduction of eight (8) new suppliers scoring below 60 and two (2) continued business partners with decreased scores prevented further advancement in overall average score (see Progress metric and Initial Assessment metric).

2008 Target for overall average Code of Conduct Assessment Score is 68. We expect continued business partners to improve their score year over year (see Progress metric), which should drive an increase in overall score year over year. However, this metric is also dependent upon supply chain's selection of new suppliers (see Initial Assessment metric).

Analysis: What do the results say? Are we tracking to the annual target? What actions has this result catalyzed? How is this result compared to historical data? If we see bad results, what are we doing to correct this? If we see good results, how will we sustain this momentum?

Context: Puts this metric in context of Timberland's overall CSR and corporate strategy. How does it fit? How does it progress our mission? Why do we measure this? What value do we get from this metric?

The graphs display trend data and future targets.

Company: Q1 2008 Results

Data Qualifier: A detailed description of each indicator. How was this data captured? What does it represent? Is it an annual metric, a quarterly snapshot or a 12-month rolling metric? Do we have plans to refine/change this metric in the future?

This section provides background information on the metric.

Data Validation: This section provides information about our internal process for reviewing and assessing data.

Analysis: What do the results say? Are we tracking to the annual target? What actions has this result catalyzed? How is this result compared to historical data? If we see bad results, what are we doing to correct this? If we see good results, how will we sustain this momentum?

The graphs display trend data and future targets.

Context: Puts this metric in context of Timberland's overall CSR and corporate strategy. How does it fit? How does it progress our mission? Why do we measure this? What value do we get from this metric?



CSR Strategic Pillar #2: Product

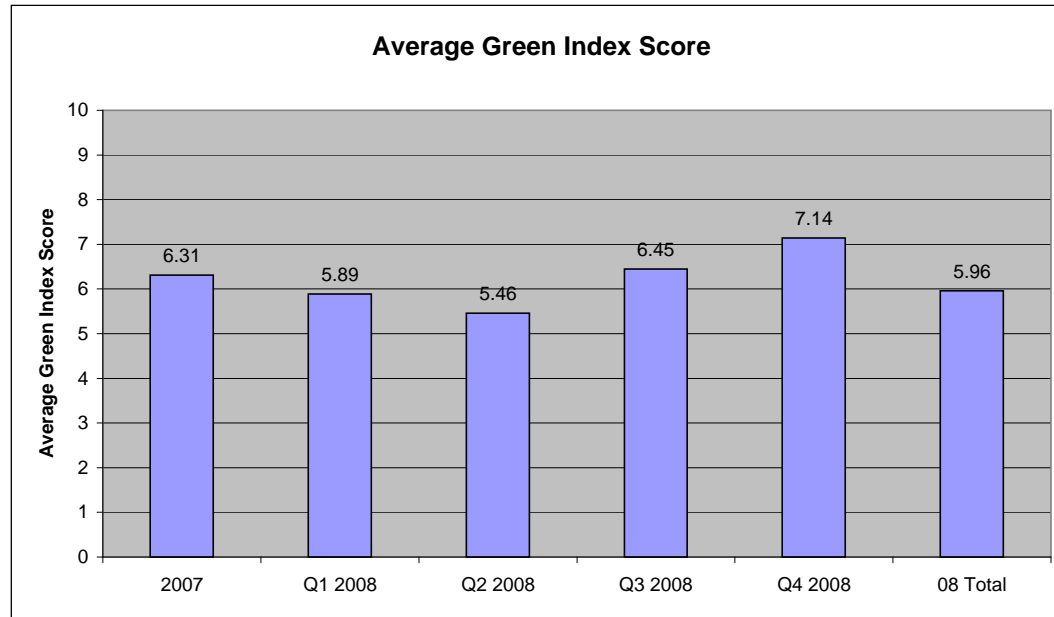
Metric: Average Green Index Score (weighted by global sales of scored shoes)

Year	Green Index Score
2007	6.31
Q1 2008	5.89
Q2 2008	5.46
Q3 2008	6.45
Q4 2008	7.14
08 Total	5.96
08 Target	Baseline year

Data Qualifier: The Green Index score is weighted by the global sales of each SKU. The score reflects current scoring protocols. Any models scored prior to the current protocol have been updated for consistency.

What is the Green Index rating system? See http://www.timberland.com/corp/index.jsp?page=csr_green_index
To find out more go to the Earthkeeper blog at: <http://earthkeeper.com/blog/uncategorized/the-evolution-of-timberland->

Data Validation: Individual Green Index Scores (per shoe, also referred to as SKU) are calculated based on the design specification and externally provided figures on environmental impact by material category.



Context

The average Green Index (GI) score measures the average environmental impact of Timberland shoes that have been scored with the Green Index rating system. A lower score represents a lower environmental impact. In 2007, eight footwear models were rated and a straight average was calculated (6.31) to serve as a starting point for comparison. In 2008, approximately 130 out of over 2000 SKUs have been scored and 22 of these SKUs were sold in Q4 2008. The decrease in SKUs sold in Q4 partially reflects the winding down of our Mion line, a light-weight and lower scoring water shoe line.

This metric is weighted according to Q4 2008 sales to illustrate the impact that sales have on the overall environmental footprint of the GI-scored shoes. Weighting the GI scores against quarterly sales demonstrates Timberland's ability to reduce environmental impact as related to associated market penetration of scored shoes. In 2009, we plan to refine our calculation methodology to incorporate the number of products that leave our manufacturing locations (rather than our distribution centers). This shift will better capture our Average Green Index as related to total Timberland footwear, as not all shipments go through our main distribution centers. It will also provide information about aspects of our products' environmental impacts closer to the time that these impacts occur (in manufacturing).

Analysis

Q4 shows a continued rise in average scores because in Q4 our consumers purchased larger boots and shoes due to product offerings in winter months. The Green Index score accounts for much of the resources required to make a shoe; larger, heavier products will tend to score worse (higher score) because their resource requirements are larger. The fluctuation in scores between quarters represents seasonal purchasing trends. Additionally, this trend reflects the closure of the Mion line, which raises the average score because most of the remaining Outdoor Performance (OP) product is heavier, trail-oriented hiking product.

When we account for Average Green Index year to date (weighted by final sales), the score is 5.96, which is an improvement over the smaller subset of scored products in 2007.



CSR Strategic Pillar #2: Product

Revised Metric: Changing Water-Based Adhesives (WBA) to grams/pair of Volatile Organic Compounds (VOCs)

Updated October 1, 2008

Previous metric: pairs of shoes using WBAs

Since 2001, Timberland has disclosed the number of pairs of shoes that utilize water-based adhesives (WBAs) in each of our stockfit and assembly shoe manufacturing processes. WBAs have been identified as an alternative to the solvent-based adhesives (SBAs) that are traditionally used in footwear manufacturing for gluing shoe parts together. Solvent-based adhesives release volatile organic compounds (VOCs), which can create human and environmental health hazards. Timberland has been a pioneer in exploring and using water-based alternatives across its product line.

New metric: grams/pair of VOCs

Volatile Organic Compounds (VOCs) are carbon-based chemical compounds that evaporate easily in normal conditions. In footwear production, VOCs are most commonly found in the solvents used in adhesives, cleaners and paints.

Our previous metric showed Timberland's intent to move away from VOC containing cements, but it was not a holistic measure of hazardous chemical content in footwear production. Measuring grams of VOCs better reflects chemical consumption in footwear production for the following reasons:

- Allows Timberland to account for the overall quantity of VOCs used in the production of our footwear.
- Gives Timberland the ability to target specific, high VOC-content materials for reduction, substitution or elimination.
- Conforms to an industry standard metric.

Targeting a reduction in VOCs grams/pair will promote the use of lower impact raw materials, resulting in less environmental impact and improved working conditions in factories.

Timeline for disclosure

- Timberland has ceased disclosing WBA pairs as of September 2008, when we released our Q2 2008 CSR performance data.
- Moving to the metric of VOCs grams/pair has required an investment in resources, training and new processes. Throughout 2008, Timberland has worked with partner factories to make necessary changes in order to report grams/pair of VOCs going forward.
- **Timberland will begin disclosing grams of VOCs in our first quarter reporting for 2009, which will be released in April 2009, after fiscal Q1 2009 has closed.**



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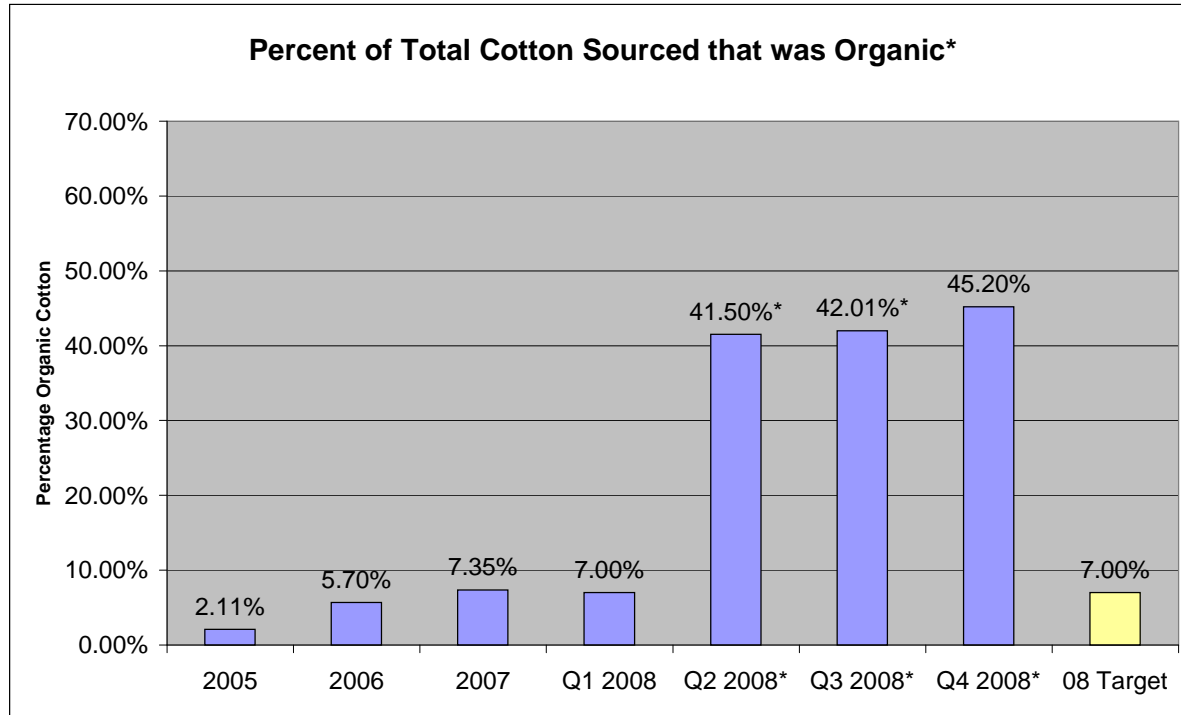
Metric: Organic Cotton

Year	Percent Organic Cotton
2005	2.11%
2006	5.70%
2007	7.35%
Q1 2008	7.00%
Q2 2008*	41.50%
Q3 2008*	42.01%
Q4 2008*	45.20%
08 Target	7.00%

* Figures in Q2 and Q3 2008 did not include licensed apparel. Figures in Q4 2008 have been adjusted to include some licensee data as we move towards tracking global organic cotton use - see Context & Analysis below. Our Kid's apparel is made by two licensees: Kid's Headquarters and Children's Worldwide Fashions. Beginning in 2008, we licensed our North American apparel business to Phillips Van Heusen.

Data Qualifier: This metric applies to Timberland apparel line only. The percent of organic content is multiplied by the average weight depending on the garment type, such as sweatshirt, pant or t-shirt. Then it is multiplied by production volume. Organic Content divided by Total Weight gets us the overall percentage.

Data Validation: Organic cotton calculations are based on the product designs specified as contracted with apparel production manufacturers. Timberland Environmental Stewardship staff evaluate organic cotton use from licensee provided data as well.



Context

This bar graph shows the amount of organic cotton Timberland and its licensees sourced as a percentage of the total cotton we source. We track this figure because conventional cotton is a major fiber used in our apparel line, and it represents one of the most chemical and water intensive fibers we source. Using organic cotton eliminates the chemical hazards associated with conventional cotton farming, thereby promoting human and ecosystem health.

Not all apparel sold under the Timberland brand is directly designed and distributed by Timberland. In Q4 2008, we began working with licensees to obtain data about their organic cotton use. As a result, the data presented for Q4 2008 includes organic cotton use of all licensees that produced cotton garments in this quarter. Going forward in 2009, we expect to have all licensees' data and our organic cotton disclosure will represent global organic cotton use in our apparel products.

Analysis

Due to improvements in our global data collection processes and our new ability to gather organic cotton data from licensees, the Q4 2008 data presented here is not directly comparable to Q2 and Q3 2008 data because those figures included only organic cotton used in apparel directly designed and distributed by Timberland. However, the Q4 2008 data includes licensees' organic cotton use (such as Phillips Van Heusen and Kid's Headquarters, which were the licensees that had applicable production in this time period). As a result, this information is comparable with previous years' data which accounted for global organic cotton use.

In Q4 2008, our European and Asian businesses made significant gains in incorporating organic cotton into their lines. This is similar to the trend we reported in Q2 and Q3, when we were primarily measuring these business units' organic cotton use alone. Their increased use of organic cotton is driving our global organic cotton use higher. Additionally, new data reported from our licensees demonstrates their improvements in incorporating organic cotton into apparel products.

Stakeholders should note that improvement in organic cotton use reported at year end 2008 is much greater than our original 7% target, due to both a large shift in the marketplace regarding organic cotton as a product feature valued by consumers, as well as our team's prioritization of that trend when designing new product.