



## Timberland Quarterly CSR Reporting: Q1 2009

### CSR Strategic Pillar #4: Service



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](http://www.timberland.com/csreport)

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

**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).

**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).**

**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?

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.

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 #4: Service**

**Metric: Hours Utilization Rate (HUR)**

**Q1 2009 Data**

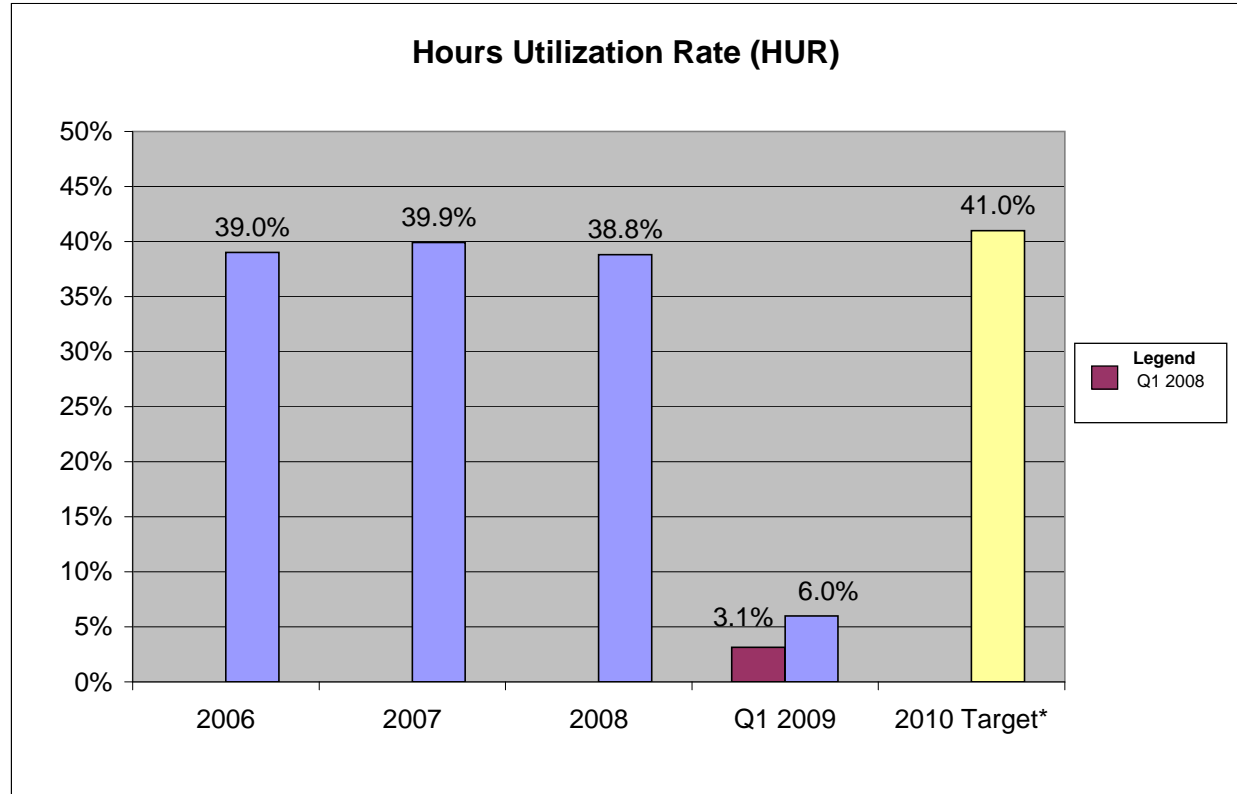
Available Hours under Path of Service	199,080
Hours Used for Community Service	12,007
Hours Utilization Rate	6.0%

Year	HUR
2006	39.0%
2007	39.9%
2008	38.8%
Q1 2009	6.0%
2010 Target*	41.0%

\* We have altered our 2010 target based on the fact that our employee headcount decreased since 2007 (when our short and long-term goals were initially created) and we didn't meet our target for 2008. The new target better represents a meaningful challenge for increasing Hours Utilization Rate. We will rely on our Global Stewards to drive increased employee engagement in their regions.

**Data Qualifier:** Hours Utilization Rate reflects the percentage of available service hours used each year. To calculate HUR we divide the number of service hours employees report by the number of all available service hours for the year.

**Data Validation:** All service metrics are based on self-reported service hours. To report hours, employees must report their community service time in the manner prescribed by the management of their country. A representative in each country sends the total number of hours served to Corporate HQ on a quarterly basis. At Corporate HQ, Community Engagement staff review each country's quarterly report for inconsistencies, asking for verification or revisions when necessary. Community Engagement staff also compare quarterly reports to global employee headcount provided by Human Resources.



**Context**

While we know our quarterly numbers are under-reported since not all employees report their hours, we currently have no way of estimating how many hours are left unreported each year. Employees do not serve consistently throughout the year. Our two global pillar service events are Earth Day in April (Q2) and Serv-a-palooza in September (Q3). These two events represent the bulk of our global service activity. Our goal of 41% hours utilization rate is consistent with our goal to increase reported community service hours to 80,262 in 2010.

**Analysis**

Our 6.0% Hours Utilization Rate (HUR) for Q1 2009 represents an 87.5% increase over our HUR of 3.2% for Q1 2008. This increase in HUR is directly related to the year-over-year increase we reported in hours served. Our increase in hours served and HUR are due to the same factors: successful efforts to drive service among our retail employees particularly in the US, UK, and Italy and an increase in service hours in our European Headquarters in the UK, our distribution center in Enschede, the Netherlands, Spain, Hong Kong, Japan, and Taiwan driven by our Global Stewards in those countries. For example, in anticipation of having very limited time to serve during Q3 (retail's busiest quarter and also when we celebrate Serv-a-palooza worldwide), US Retail ran a "Spring into Service" campaign in Q1 to drive service hours at a time of year when retail employees have a more flexibility.



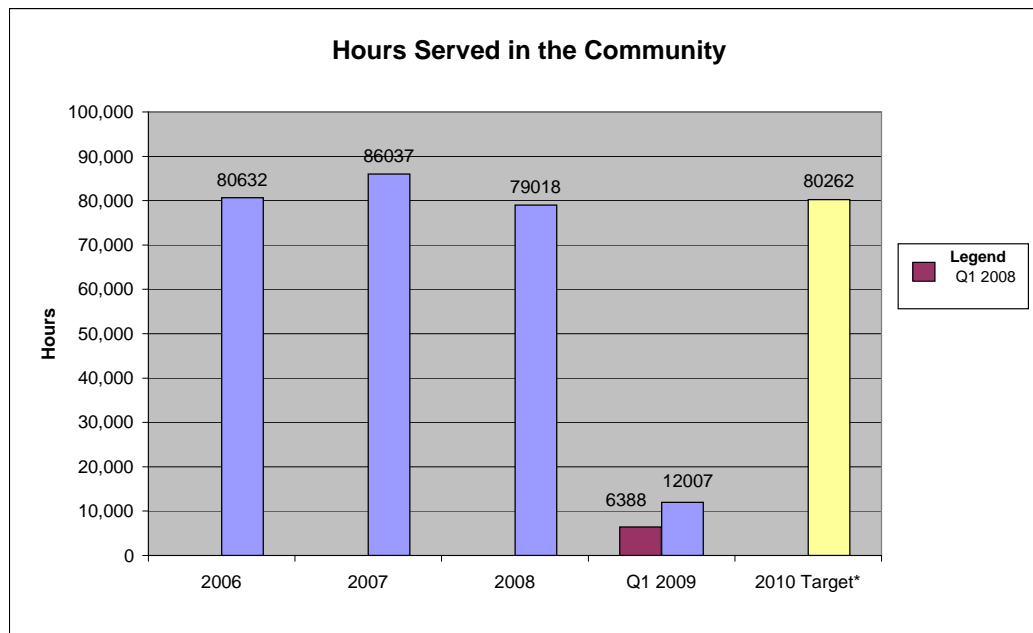
**CSR Strategic Pillar #4: Service**  
**Metric: Community Service Hours**

Year	Hours
2006	80,632
2007	86,037
2008	79,018
Q1 2009	12,007
2010 Target*	80,262

*\*We have altered our 2010 target based on the fact that our employee headcount decreased since 2007 (when our short and long-term goals were initially created) and we didn't meet our target for 2008. The new target better represents a meaningful challenge for increasing employee engagement (see HUR) and total hours served.*

**Data Qualifier:** Hours served reflects the total number of community service hours reported by employees.

**Data Validation:** All service metrics are based on reported service hours. To report hours, employees must self-report their community service time in the manner prescribed by the management of their country. A representative in each country sends the total number of hours served to Corporate HQ on a quarterly basis. At Corporate HQ, Community Engagement staff review each country's quarterly report for inconsistencies, asking for verification or revisions when necessary.



**Context**

While we know our quarterly numbers are under-reported since not all employees report their hours, we currently have no way of estimating how many hours are left unreported each year. Employees do not serve consistently throughout the year. Our two global pillar service events are Earth Day in April (Q2) and Serv-a-palooza in September (Q3). These two events represent the bulk of our global service activity. Our goal of 80,262 hours is consistent with a 41% HUR assuming the amount of available hours (195,760) remains consistent between May 09 and December 2010.

**Analysis**

12,007 service hours reported in Q1 2009 represents an 89% increase over the 6,338 hours served in Q1 2008. This increase is, in part, the result of successful efforts to drive service among our retail employees particularly in the US, UK, and Italy. We also saw an increase in service hours in European Headquarters, Spain, Enschede, Hong Kong, Japan, and Taiwan driven by our Global Stewards in those countries. Our retail business is historically slower in Q1 than at other times of the year, and this provides our retail employees with more flexibility to use their service hours. In Q1 2010, we plan to expand our efforts to drive service among our retail employees worldwide during this period next year.



**CSR Strategic Pillar #4: Service**

**Metric: Benefit Utilization Rate (BUR)**

**Q1 2009 Data**

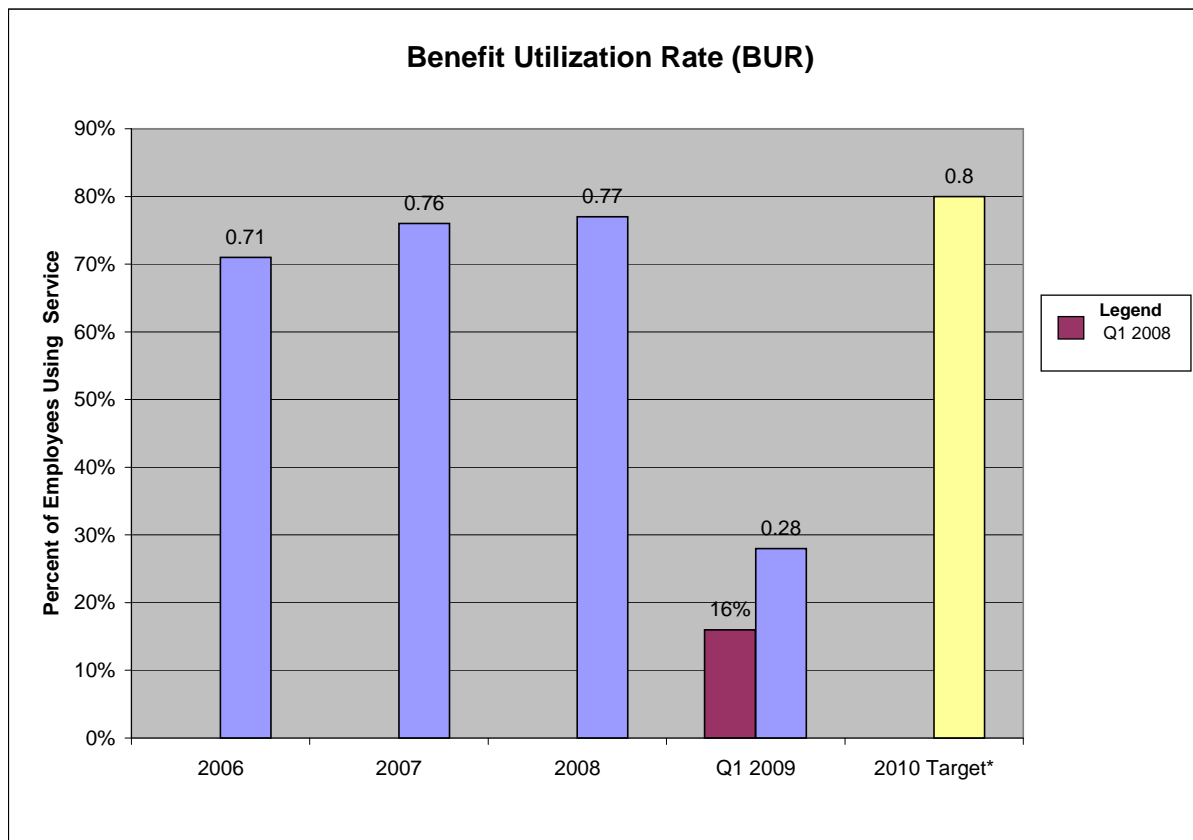
Full Time Employees	4694
Part Time Employees	566
Total Employees	5260
Employees Using At Least One Hour of Service	1487
Benefit Utilization Rate	28%

Year	BUR
2006	71%
2007	76%
2008	77%
Q1 2009	28%
2010 Target*	80%

*\*Note to stakeholders: we have altered our 2010 target based on the fact that our employee headcount decreased since 2007 (when our short and long-term goals were initially created) and we didn't meet our target for 2008. The new target better represents a meaningful challenge for increasing Benefit Utilization Rate by increasing our efforts to engage employees who haven't served before.*

**Data Qualifier:** Benefit Utilization Rate reflects the percentage of employees worldwide who report using at least one community service hour per year.

**Data Validation:** All service metrics are based on reported service hours. To report hours, employees must self-report their community service time in the manner prescribed by the management of their country. A representative in each country sends the total number of hours served to Corporate HQ on a monthly basis. At Corporate HQ, Community Engagement staff review each country's report quarterly for inconsistencies, asking for verification or revisions when necessary. Community Engagement staff also compare quarterly reports to global employee headcount provided by Human Resources.



**Context**

We believe that if employees use the Path of Service benefit once, they will use it again. We track Benefit Utilization Rate (BUR) to measure our reach and effectiveness in engaging employees in service. While we know our numbers are under-reported since not all employees report their hours, we currently have no way of estimating how many hours are left unreported each year.

Employees do not serve consistently throughout the year. Our two global pillar service events are Earth Day in April (Q2) and Serv-a-palooza in September (Q3). These two events represent the bulk of our global service activity.

**Analysis**

Our 28% Benefit Utilization Rate (BUR) for Q1 2009 shows a 75% increase over our BUR of 16% for Q1 2008. This increase in BUR proves that our year-over-year increase in Hours and Hours Utilization Rate between Q1 2008 and Q1 2009 is due, at least in part, to an increase in employee engagement (and not merely an increase in hours served by the same number of employees). See HUR for explanation about retail staff taking advantage of a slower period in Q1 to build more hours.