



Timberland Quarterly CSR Reporting: Q1 2009

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).

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	6.67
2008	6.13
Q1 2009	6.52
2010 Target	NT*

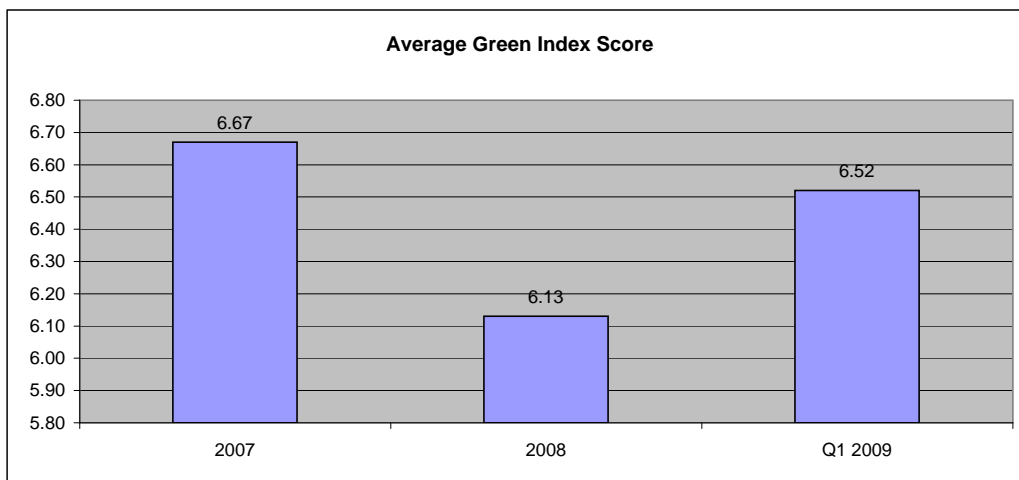
Note to stakeholders: Data consistency
 Average Green Index scores reported here differ from past disclosure because we have updated our calculations for this metric. Whereas we used to weight Average Green Index by sales, we are now weighting scores against production to more accurately account for environmental impact at the time of manufacture. To compare consistently with our 2009 data, we have updated our 2007 and 2008 scores accordingly.

* We have yet to set a target for this metric based on the fact that we are in the process of refining our current scoring system. We will set a target once the revisions are finalized.

Data Qualifier: The Green Index score is weighted by shipments from production of each SKU. The score reflects current scoring protocols.

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-product-labeling/>

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 Timberland produces were scored. In Q1 2009, 23 SKUs out of 1334 in production were scored with the Green Index. The decrease in SKUs scored in Q1 partially reflects the winding down of our Mion line, a light-weight and lower scoring water shoe line.

This metric is weighted according to Q1 2009 factory shipments to illustrate the impact that sales trend and volume have on the overall environmental footprint of the GI-scored shoes. We weight GI scores against quarterly production because Timberland's environmental impact is based on the type of shoes we design as well as our ability to sell them. We have moved away from weighting our scores against sales data to weighting GI scores against production data because production data demonstrates our environmental impact at the time of manufacture. It also shows shipments of the same models one quarter earlier than sales data (and therefore more aligned with our analysis and disclosure timeline). This weighting has been applied to 2007 and 2008 yearly figures to yield the appropriate comparison figures

Analysis

The first quarter rise in the average production weighted Green Index score is driven by a return to a more traditional hiking product mix. Because we no longer produce Mion (a lighter and less cemented style of footwear that is also a lower scoring shoe), our Average Green Index scores have risen significantly.

Key trends going forward in 2009 will include an expansion in the number of SKUs scored and a renewed focus on using recycled content to drive scores down. We have not yet set a forward looking target, as the number of SKUs currently included is too small to reflect our global product mix.

CSR Strategic Pillar #2: Product

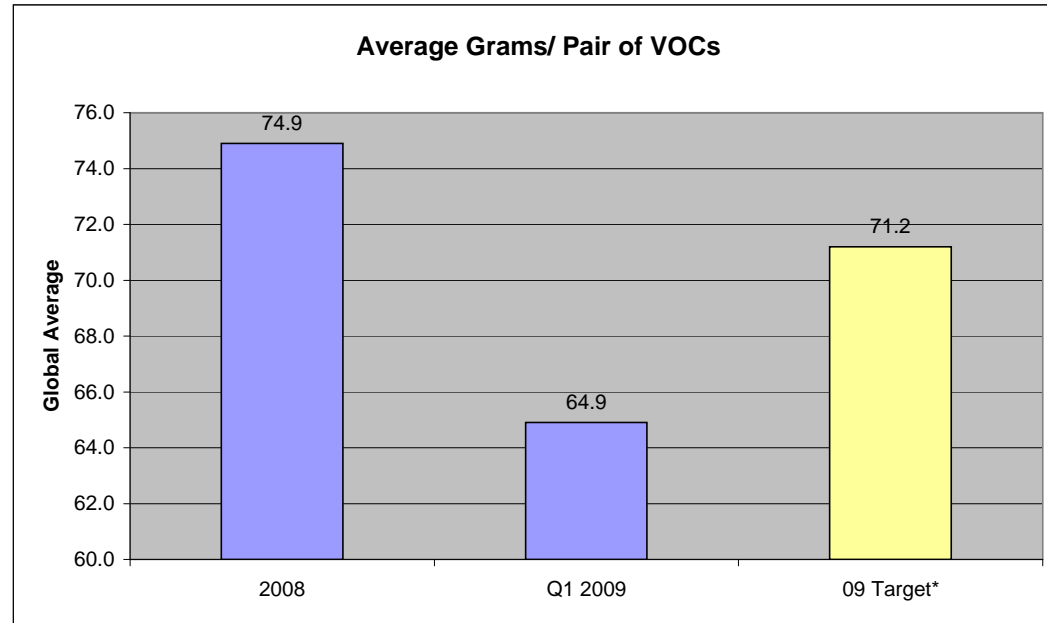
Metric: Average grams/pair of Volatile Organic Compounds (VOCs)

Year	Avg. grams/ pair of VOCs
2008	74.9
Q1 2009	64.9
09 Target*	71.2

* 2009 is our first year reporting this metric. In 2008, we have refined data collection and measurement techniques to instill confidence in the data quality of our 2008 baseline. Because this is a new metric, we are setting a one-year target, and will evaluate a longer-term target after our first year of disclosure.

Data Qualifier: The VOC grams/pair metric is calculated each month by measuring the VOC containing chemicals used at each factory in kilograms, multiplying this total weight by the percentage VOC contained in each chemical and then dividing the total grams VOC by the number of pairs produced at each factory. All factories are measured, including Timberland's factory in the Dominican Republic and our contract factories in Asia. Each factory's VOC g/pair measure is weighted by their share of Timberland production volume to arrive at the global VOC grams/pair number.

Data Validation: Timberland staff in manufacturing locations work directly with each factory to setup a VOC tracking system. They also conduct periodic audits of factories' VOC tracking accuracy. Value chain staff review VOC data on a monthly basis, reviewing both factory data and actual production to arrive at the weighted global average.



Context

Timberland is committed to using adhesives in our stockfit and assembly shoe manufacturing process that produce the least harm to the environment. Traditionally, footwear manufacturers will use solvent based chemicals for gluing, cleaning or painting shoe components. Solvent-based adhesives release volatile organic compounds (VOCs), which can create human and environmental health hazards. VOCs are chemical compounds that evaporate easily in normal conditions. Measuring grams of VOCs allows Timberland to account for the overall quantity of VOCs used in the production of our footwear. Disclosing chemical consumption in this manner also allows us to target specific, high VOC-content materials for reduction, substitution or elimination, thereby promoting the lower environmental impact and improved working conditions in factories.

Data reported here represents the global average grams/ pair of VOCs used in footwear production. 2009 is our first year of reporting this information, as we moved away from reporting the use of water-based adhesives in mid-2008 (a metric that showed our intent to move away from VOC containing cements, but did not present a holistic measure of hazardous chemical content in footwear production). During the past year, we have been refining our data collection and measurement techniques to instill confidence in the data quality of our 2008 baseline. We may experience additional refinement in 2009, and the 5% reduction target is meant to be a bold goal against which we will evaluate against longer-range targets.

Analysis

Our Q1 2009 results show that we are below our target, but the best comparison for this data set will be Q1 data for the following year. While we do not have enough data to explain the greater than 10% decline from the 2008 baseline this is not a dissimilar drop compared to other monitoring programs. The process of simply monitoring something (whether it is energy, water or chemicals) focuses a greater attention to detail on its use. Timberland sourced a lower volume of shoes in Q1 2009 due to the economic climate, which could correlate with less chemical waste. Over the course of 2009 we will be looking at variables such as product type, volume, season and factory to determine which factors have the greatest impact on our global use of VOCs.



CSR Strategic Pillar #2: Product

Metric: Organic Cotton

Year	Percent Organic Cotton
2007	7.35%
Q4 2008*	45.20%
Q1 2009	38.60%
2010 Target	NT

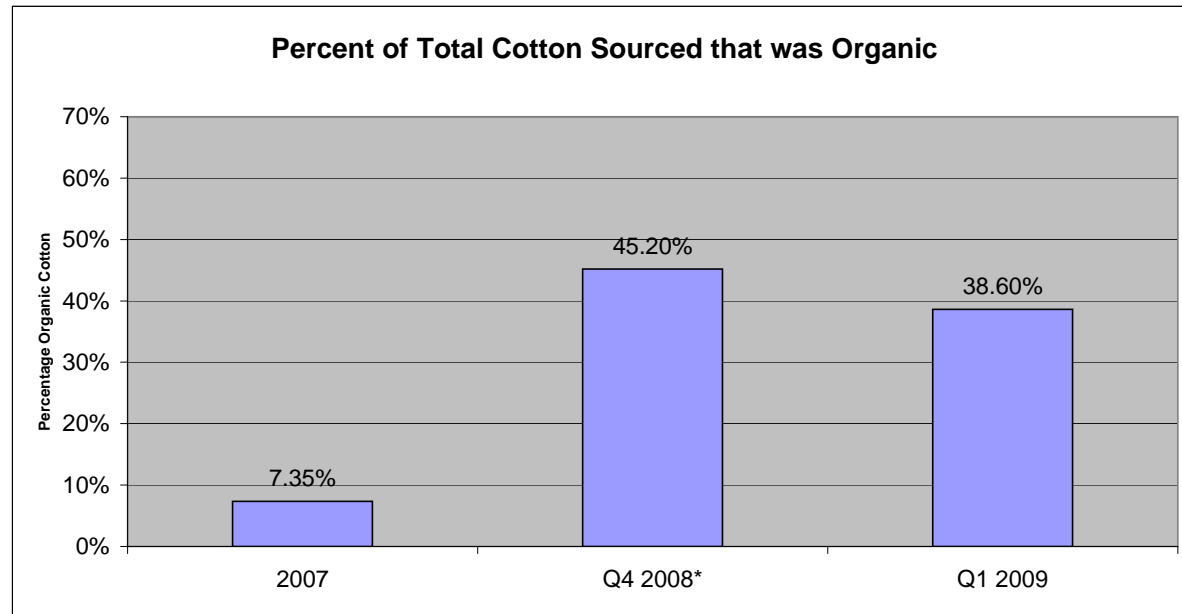
* Beginning in 2008, we licensed our North American apparel business to Phillips Van Heusen. Our Kid's apparel is made by two licensees: Kid's Headquarters and Children's Worldwide Fashions. We also work with Mediterranean as a licensing partner for our women's apparel.

Data Qualifier: This metric applies to Timberland apparel line only. Total cotton use data is obtained from licensee partners and Timberland's own design teams. 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.

Note to stakeholders: Targets and Data comparison

Based on a mid-year shift of sourcing a significant amount of apparel from licensees, we only began collecting organic cotton data from this group at end 2008. As a result, we do not yet have a global percentage of organic cotton for year end 2008 and our Q2 and Q3 2008 data is not directly comparable with other figures. Based on this information and Timberland's design team now prioritizing organic cotton use at a much higher level, we have already exceeded our 2008 and 2010 targets. As we continue to work with licensees to obtain appropriate data and reconsider our own organic cotton use, we will set a target later this year for global organic cotton.



Context

This bar graph shows the amount of organic cotton Timberland and its licensees source as a percentage of the total cotton we purchase. 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. For 2009, our global organic cotton disclosure includes all licensees' data as well as Timberland-produced apparel.

Analysis

Q1 2009 is our second quarter in which all global licensees' use of organic cotton has been captured and included in our global weighted average. Our European casual business is a key driver in the use of organic cotton globally, showing a dramatic increase in use over the last 12 months. A relative drop in production of European apparel led to a slight decline in our global percentage organic cotton used this quarter. This can be explained by fluctuations in the total materials purchased by season. For example, our European adult apparel business uses a consistently high percentage of organic cotton, but produces different quantities by season.

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. See Note to Stakeholders (above) for information about how this effects our targets going forward.