



## Timberland Quarterly CSR Reporting: Q2 2008

### 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

**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.

### 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/osreport](http://www.timberland.com/osreport)

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

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

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: Benefit Utilization Rate (BUR)**

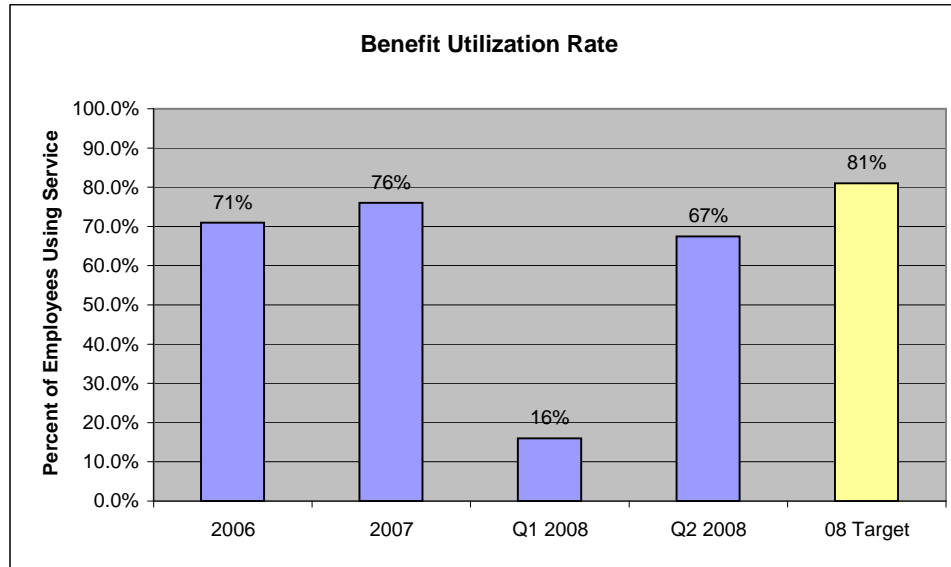
**Q2 Data**

Full Time Employees	4524
Part Time Employees	667
Total Employees	5191
Employees Using At Least One Hour of Service	3503
Benefit Utilization Rate	67%

Year	BUR
2006	71%
2007	76%
Q1 2008	16%
Q2 2008	67%
08 Target	81%

**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.



**Context**

We believe that if employees use the Path of Service benefit once, they will use it again. We track BUR to measure our reach and effectiveness at engaging employees in service. While we know our year end 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**

With a focus on internal engagement, we achieved 12% growth in employee volunteers for Earth Day 2008 over Earth Day 2007. Increased employee engagement leads to increased Benefit Utilization Rate. In large part this Earth Day increase was due to offering our Dominican Republic employees multiple opportunities to serve over the course of "Earth Week". DR participation in Earth Day events increased 74% over 2007. Given the large jump in BUR in Q2, we expect to meet or surpass our 2008 target by the close of Q4.



**CSR Strategic Pillar #4: Service**

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

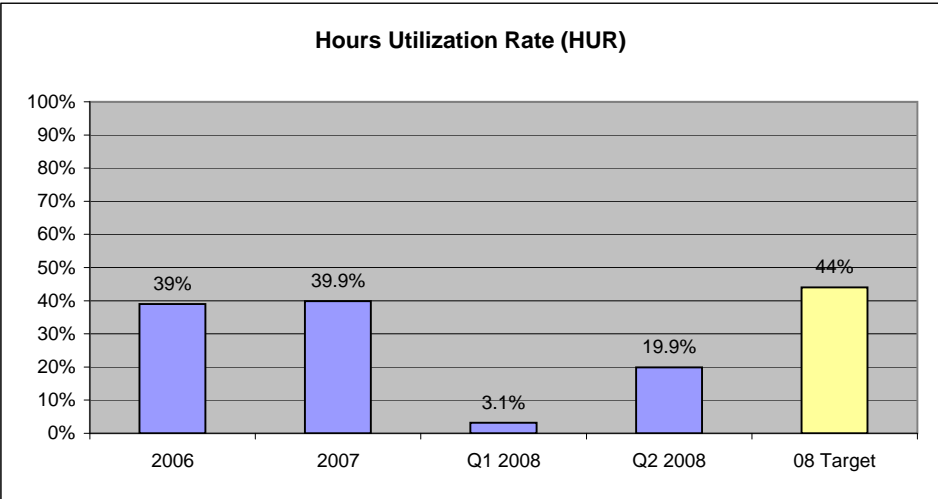
**Q2 Data**

Available Hours under Path of Service	194,300
Hours Used for Community Service	38,681
Hours Utilization Rate	19.9%

Year	HUR
2006	39%
2007	39.9%
Q1 2008	3.1%
Q2 2008	19.9%
08 Target	44%

**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 using by the number of all available service hours for the 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 and 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 year end 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.

The total number of Timberland employees worldwide for Q2 is 5,191 which reflects a 10% decrease from our year end employee count for 2007. To achieve our goal of 44% HUR for 2008 we expect to continue last year's trend of having fewer employees serve more hours.

**Analysis**

Q2 shows an increase in HUR given a large number of employees used hours to engage in Earth Day. Employee participation in Serv-a-palooza is historically higher than employee participation in Earth Day. For Serv-a-palooza we close our Corporate HQ (and a variety of other offices around the world) for the day which drives employee participation and hours utilization. We expect to see a considerable increase in HUR after Serv-a-palooza and we expect to achieve our target for 2008.

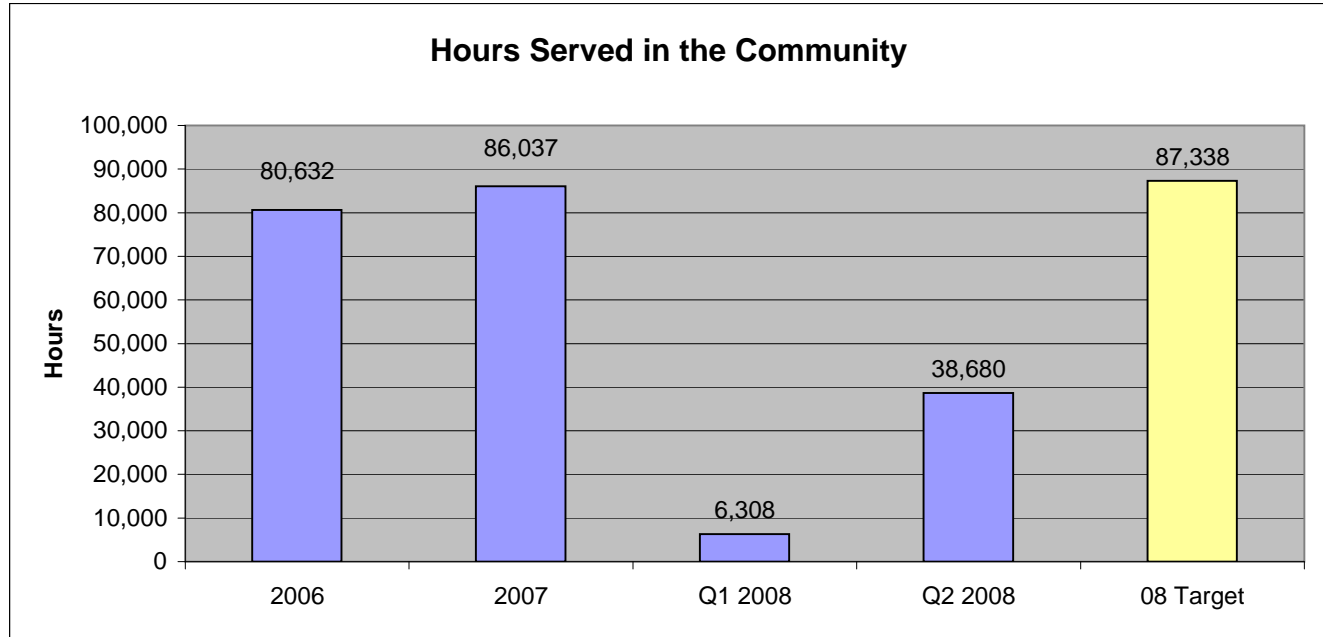


**CSR Strategic Pillar #4: Service**  
**Metric: Community Service Hours**

Year	Hours
2006	80,632
2007	86,037
Q1 2008	6,308
Q2 2008	38,680
08 Target	87,338

**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 monthly and 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 87,338 Hours Served in 2008 is consistent with our goal of a 4% increase in HUR for 2008.

**Analysis**

When Q1 hours are added to Q2 hours, we have achieved 51.5% of our target service hours for all of 2008. Employee participation in Serv-a-palooza is historically higher than employee participation in Earth Day. For Serv-a-palooza we close our Corporate HQ (and a variety of other offices around the world), which drives employee participation and hours served. We expect to see a considerable jump in hours after Serv-a-palooza and will likely achieve our hours served target for 2008.