



Timberland Quarterly CSR Reporting: Q2 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).

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?

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CSR Strategic Pillar #2: Product
Metric: Average Green Index Score

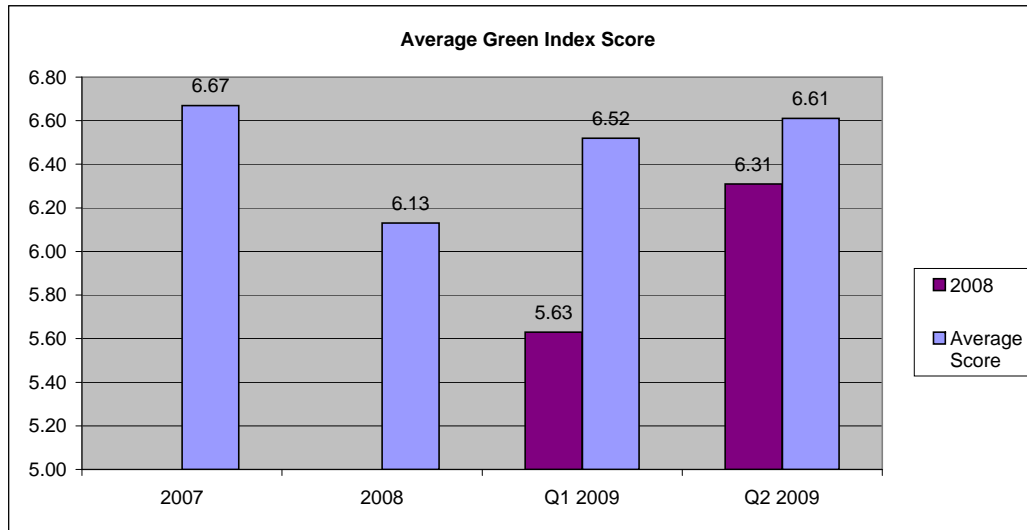
Year	Average Green Index Score
2007	6.67
2008	6.13
Q1 2009	6.52
Q2 2009	6.61
2010 Target	NT*

* 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. Additionally, we are in the process of increasing the amount of product scored - aiming to have 100% of our footwear line scored by the end of 2011. Once our revisions are complete and our entire footwear line is scored, we will be able to set a meaningful target.

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 (6.67) to serve as a starting point for comparison. In 2008, approximately 130 out of over 2000 SKUs Timberland produced were scored. In Q1 2009, 23 SKUs out of 1334 in production were scored with the Green Index. In Q2 this increased to 80 SKUs and represented about 5% of the total pairs produced in Q2. During the last few quarters the amount of product scored has decreased due to a phase out of Mion; this quarter includes a rapid expansion of the product covered as we phase in scoring our Earthkeepers line of footwear.

This metric is weighted according to Q2 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

Compared to Q1, our Q2 2009 score increased as expected due to increased production of our fall product mix, which includes more boots. Larger and heavier product types require more raw materials for each pair, increasing climate scores. This cyclical trend between quarters is consistent with both 2007 and 2008 data.

When looking at our Q2 2008 Green Index scores (updated to be weighted by production), we see a decrease in scores (lower is better). The main driver is a shift in product mix. 2008 Green Index scores are heavily influenced by the fact that Mion, a very light watershoe line, was included. While it is important to report the effect of product mix on scores, a deeper look at the year-over-year comparison excluding Mion watershoes actually shows a slight improvement in scores. This improvement is the result of increasing recycled content in our products. It should also be noted that our Q2 2009 scoring includes a larger volume of product as part of our continuing effort to score our entire product line by 2011.



CSR Strategic Pillar #2: Product

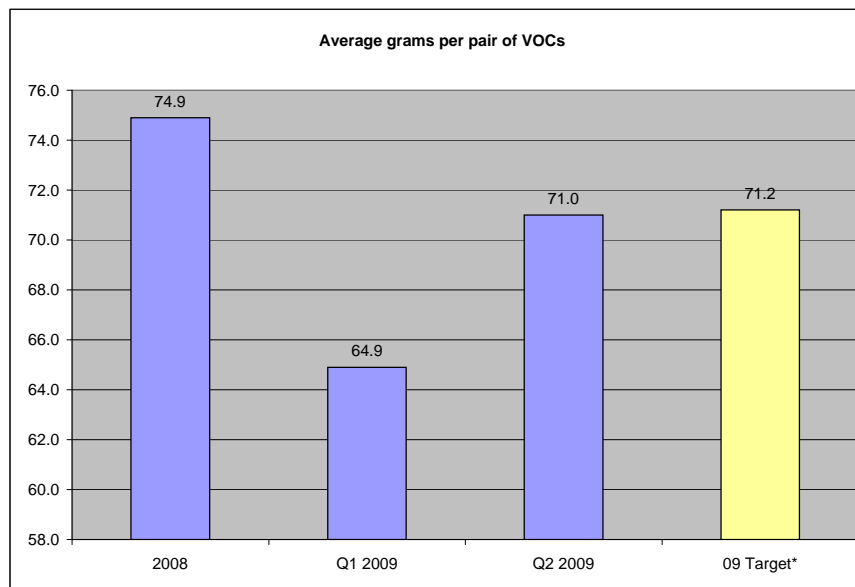
Metric: Average grams/pair of Volatile Organic Compounds (VOCs)

Year	Avg. grams/ pair of VOCs
2008	74.9
Q1 2009	64.9
Q2 2009	71.0
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. The lower the number, the better our environmental performance for VOCs.

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 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 longer-range targets.

Analysis

Global year to-date VOC consumption averages at 67.9 grams/pair. While the data trend for each region (DR and Asia) is similar to last year, we have remained below the 2008 VOC levels (below target means improved environmental performance). This is attributed to our increased scrutiny on VOC use and our training and education efforts -- both with our product developers and our factory partners -- to reduce the use of high VOC-containing chemicals. The increase in Q2 over Q1 numbers is likely due in part to the increased production of boots. Boots tend to require more adhesive than spring products and they use materials (e.g. oily leather) for which we do not currently have water based adhesives and/or application processes developed for. Based on how we are trending as compared with last year, we are currently on track to meet our 2009 average VOC target level.

CSR Strategic Pillar #2: Product

Metric: Organic Cotton

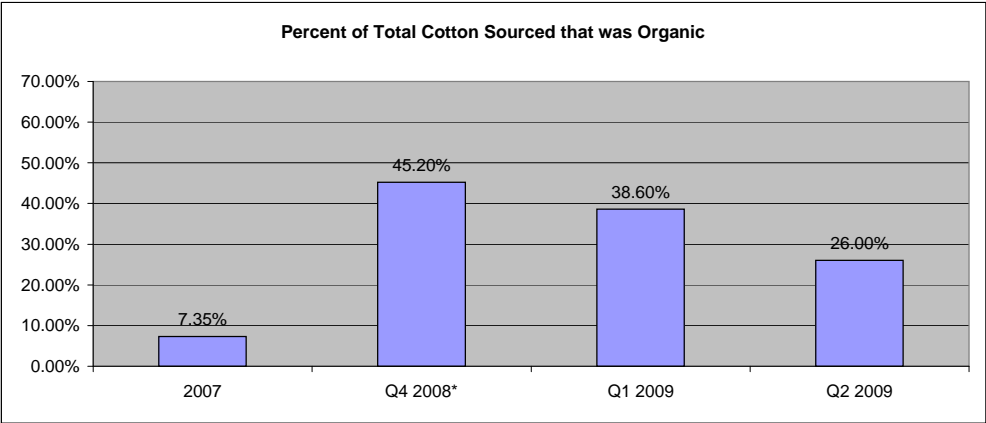
Year	Percent Organic Cotton
2007	7.35%
Q4 2008*	45.20%
Q1 2009	38.60%
Q2 2009	26.00%
2010 Target	NT

Note to stakeholders: Targets and Data comparison
 Based on a mid-year shift to 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 the fact that 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.

* 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 branded 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 to obtain 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 source as a percentage of the total cotton produced. 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

Our European adult casual business drives over 95% of our global consumption of organic cotton. Nearly 72% of the line's cotton is organic. We experienced an overall drop in the percentage of organic cotton consumption this quarter due to our licensed apparel business bringing down the total organic vs. conventional cotton fiber purchased. Specifically, our US mens apparel licensee decreased its organic cotton purchases because of economic pressures to keep apparel price points lower. Organic cotton is significantly more expensive than conventional cotton.

The global growth of our Earthkeeper product line, which requires the use of either organic cotton, or renewable and recycled textiles, is expected to grow our organic cotton consumption in the future. We are currently in the process of setting a target for licensees so we can continue to increase our use of this environmentally-preferable material.