



Timberland Quarterly CSR Reporting: Q3 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



Average Assessment Score

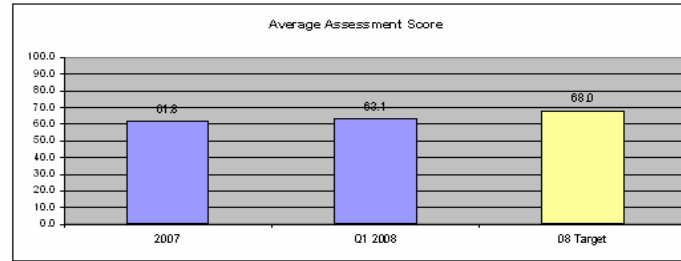
Year	Average Assessment Score
2007	61.8
Q1 2008	63.1
08 Target	68.0

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/06report

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)

Q3 2009 Data

Average Available Hours under Path of Service (year to date)	197,913
Hours Used for Community Service (year to date)	62,367
Hours Utilization Rate (year to date)	31.5%

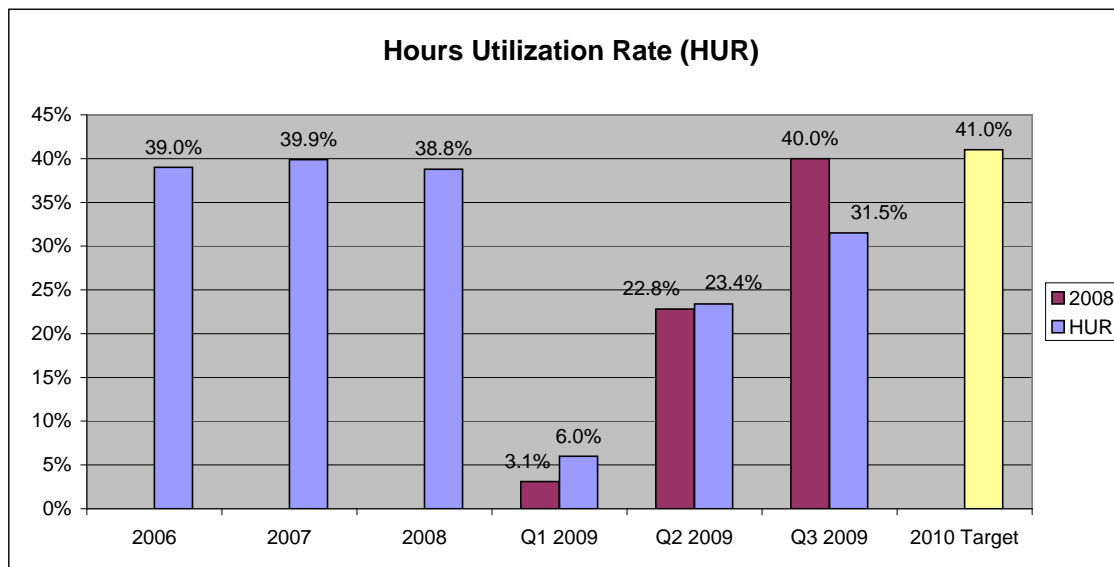
Year	HUR
2006	39.0%
2007	39.9%
2008	38.8%
Q1 2009	6.0%
Q2 2009	23.4%
Q3 2009	31.5%
2010 Target	41.0%

Data Qualifier: Hours Utilization Rate reflects the percentage of available service hours used each year. To calculate HUR we divide the number of employee reported service hours (year to date), by the average number of available service hours for the year (based on the average of quarterly employee headcount YTD).

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.

Note to Stakeholders: Data Comparability

In 2008, we tracked this data on a quarterly basis. However, HUR is most relevant to our global community service performance when tracked on an annual basis. As a result, our 2009 reporting reflects year to date performance.



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 the Fall. These two events represent the bulk of our global service activity. Serv-a-palooza, which has traditionally been held in September (Q3), was postponed this year and occurred in most countries in early October (Q4). Our goal of 41% hours utilization rate is consistent with our goal to increase reported community service hours to 80,262 in 2010.

Analysis

We served 62,397 hours year to date (YTD) through the end of Q3 2009, out of 197,913 available service hours. As a result, our HUR year to date is 31.5%. This represents an 8.5% decrease in YTD HUR over Q3 2008, which is directly related to the fact that we postponed many Serv-a-palooza events, normally held in Q3, to Q4 in 2009. We expect to see an increase in HUR and hours served when we capture Serv-a-palooza service hours in Q4.

Our year to date performance indicates that we have achieved 78% of our goal of 40% HUR hours for 2009. Strong employee engagement in non-pillar service opportunities (including our North American and International Sales Meetings both held in December) and Q4's Serv-a-palooza events will help us achieve our 2009 goal.

Each year the Community Engagement team strives to provide enhanced opportunities for increased employee engagement. Service metrics are measured on an annual basis (from January 1 - December 31) and reset to zero at the beginning of each year. While our 2009 performance may suggest a trend, it is not a reliable indicator of whether or not we will meet our goal for 2010. However, we do expect to build from lessons learned in our 2009 performance to meet our 2010 target.



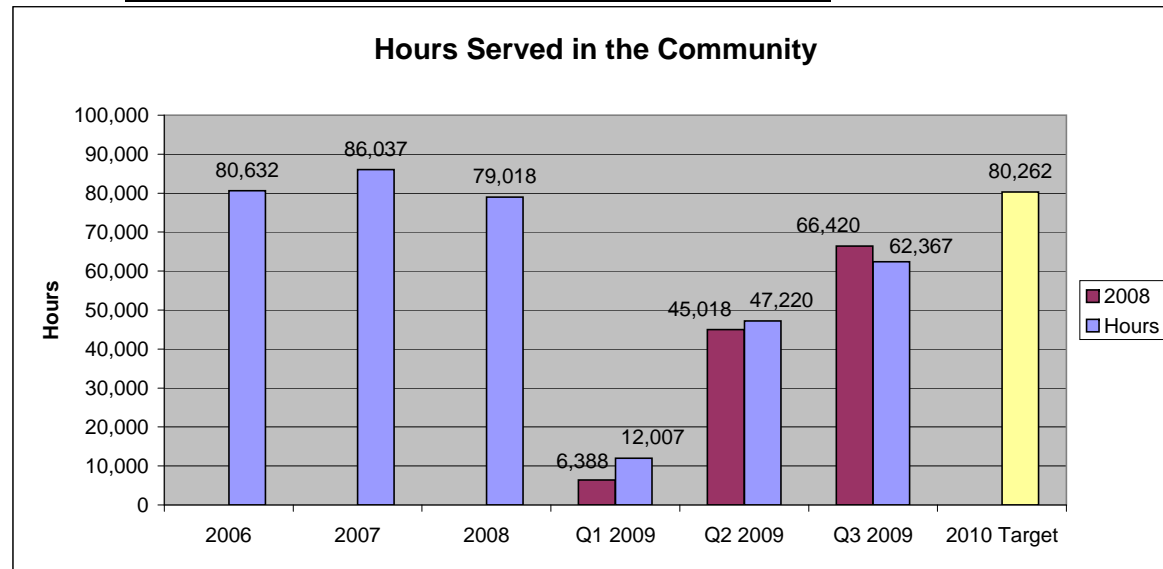
CSR Strategic Pillar #4: Service
Metric: Community Service Hours

Year	Hours
2006	80,632
2007	86,037
2008	79,018
Q1 2009	12,007
Q2 2009	47,220
Q3 2009	62,367
2010 Target	80,262

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.

Note to Stakeholders: Data Consistency
 In 2008, we tracked this data on a quarterly basis. However, hours served is most relevant to our global community service performance when tracked on an annual basis. As a result, our 2009 reporting reflects cumulative, year to date hours to better track against our long term goals.



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 the Fall. These two events represent the bulk of our global service activity. Serv-a-palooza, which has traditionally been held in September (Q3), was postponed this year and occurred in most countries in early October (Q4). Our goal of 80,262 hours is consistent with a 41% HUR assuming the amount of available hours (195,760) remains consistent between May 2009 and December 2010.

Analysis

Timberland employees have served a total of 62,367 hours year to date, which represents a 6% decrease compared to Q3 in 2008. While our Global Stewards in the UK increased the number of service opportunities offered to employees and held Serv-a-palooza in Q3, many countries (including the US and the Dominican Republic -- our two highest populations of Timberland employees worldwide) postponed their Serv-a-palooza events until Q4. Postponing many Serv-a-palooza events to Q4 accounts for the 6% decrease in year to date hours served between Q3 2008 and Q3 2009.

Our year to date performance indicates that we have achieved 78% of our goal of 80,000 hours for 2009. Strong employee engagement in non-pillar service opportunities (including our North American and International Sales Meetings both held in December) and Q4's Serv-a-palooza events will help us achieve our 2009 goal.

Each year the Community Engagement team strives to provide enhanced opportunities for increased employee engagement. Service metrics are measured on an annual basis (from January 1 - December 31) and revert to zero at the beginning of each year. While our 2009 performance may suggest a trend, it is not a reliable indicator of whether or not we will meet our goal for 2010. However, we do expect to build from lessons learned in our 2009 performance to meet our 2010 target.



CSR Strategic Pillar #4: Service

Metric: Benefit Utilization Rate (BUR)

Q3 2009 Data

Total Employees*	5060
Employees Using At Least One Hour of Service	3813
Benefit Utilization Rate	75%

*based on average year to date employee headcount (both full- and part-time employees)

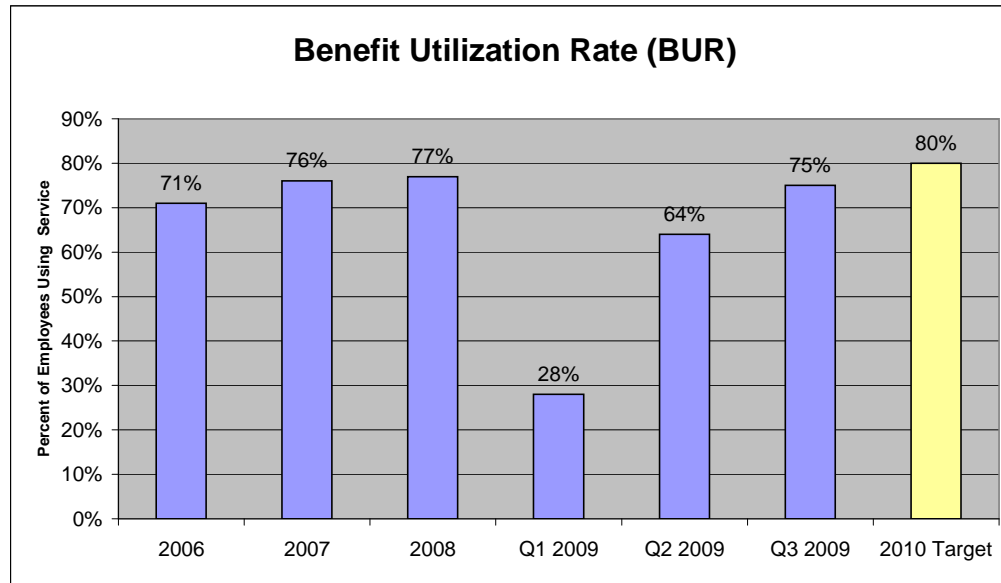
Year	BUR
2006	71%
2007	76%
2008	77%
Q1 2009	28%
Q2 2009	64%
Q3 2009	75%
2010 Target	80%

Data Qualifier: Benefit Utilization Rate reflects the percentage of employees worldwide who report using at least one community service hour per year. The data reported on a quarterly basis are year-to-date figures.

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.

Note to Stakeholders: Data Comparability

In 2008, we tracked this data on a quarterly basis. However, BUR is most relevant to our global community service performance when tracked on an annual basis. As a result, our 2009 reporting reflects year to date performance.



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 the Fall. These two events represent the bulk of our global service activity. Serv-a-palooza, which has traditionally been held in September (Q3), was postponed this year and occurred in most countries in early October (Q4).

Analysis

To date we have achieved 75% BUR for 2009, which puts us in a good position to meet our 2009 goal of 78%. The 11% increase in BUR from Q2 to Q3 2009 is due, in part, to strong employee engagement in the UK from our European Headquarters in Wexham Springs, our UK wholesale and retail teams, and our employees at our International Design Center in London. Our UK Global Stewards provided employees with a number of ongoing service events and celebrated Serv-a-palooza in Q3. Since most countries postponed their Serv-a-palooza events until Q4, we expect to be on track to meet our BUR goal for 2009.

Each year the Community Engagement team strives to provide enhanced opportunities for increased employee engagement. Service metrics are measured on an annual basis (from January 1 - December 31) and revert to zero at the beginning of each year. While our 2009 performance may suggest a trend, it is not a reliable indicator of whether or not we will meet our goal for 2010. However, we do expect to build from lessons learned in our 2009 performance to meet our 2010 target.