



Timberland Quarterly CSR Reporting: Q1 2010

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/osreport

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?

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

Year	Average Green Index Score
2008	6.13
2009	6.49
Q1 2010	5.87
2010 Target	NT*

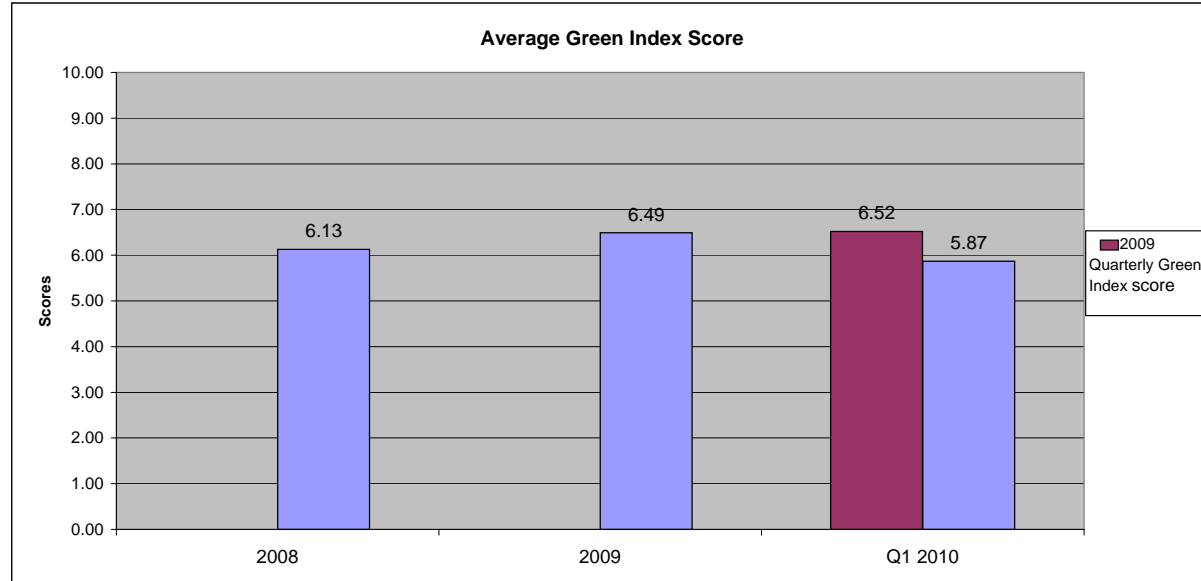
* We have yet to set a target for this metric based on the fact that we are in the process of automating our current scoring system to increase the amount of product scored - aiming to have 100% of our footwear line scored by the end of 2011. Once our process is complete and our entire footwear line 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 (measured by climate, resource, and chemical areas) 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. At year end 2009, 4.2% of total pairs produced were scored with the Green Index (with 7.7% pairs scored in Q4 2009). The total number of pairs receiving labels continues to grow through expansion across our Earthkeepers line. In the meantime we seek year over year reductions in the average Green Index score for all labeled footwear.

This metric is weighted according to 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).

Analysis

Our Q1 2010 average score is 5.87, which included 178 SKUs and 685K pairs (15% of Q1 production). Scores tend to be lower in spring because Q1 production includes lighter, spring product that requires fewer raw materials for each pair. This decreases climate scores. This was consistent in both 2008 and 2009 with Q1 scores dropping as we started production of lighter spring products. The meaningful comparisons are therefore year over year comparisons of the same quarter. The Q1 drop (improvement) in score between Q1 2009 and Q1 2010 is a result of our increased use of Green Rubber (in outsoles made from 42% recycled rubber) and recycled polyester components. Over all models rated, recycled and organic content increased by about 15% year over year in Q1. Because the program is growing, it should also be noted that the Q1 2010 figures include six times as many pairs as the Q1 2009 figures.



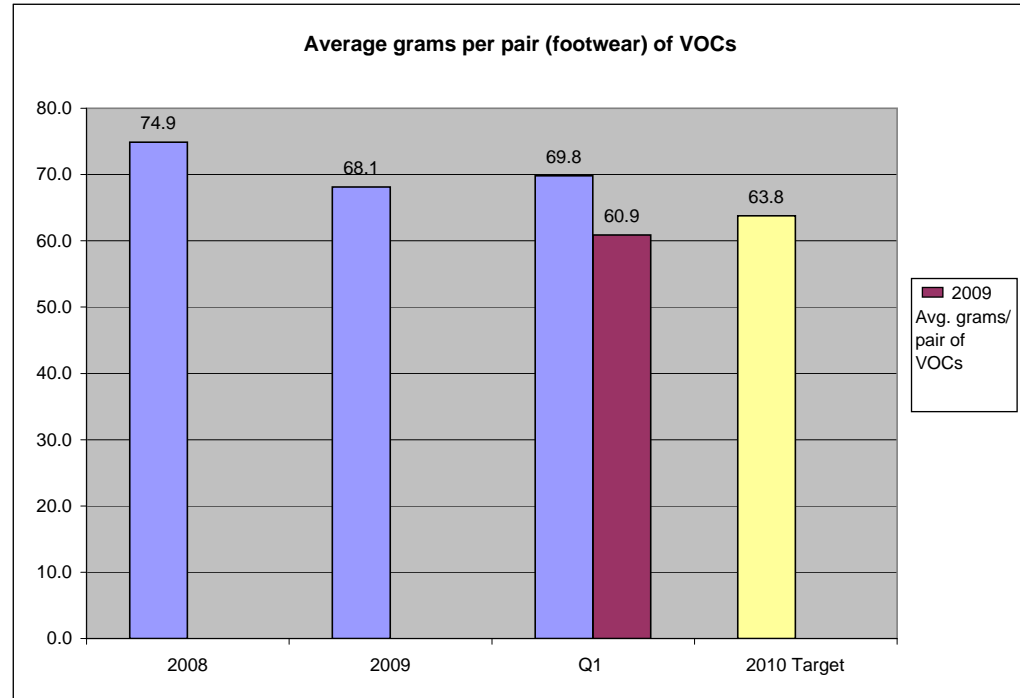
CSR Strategic Pillar #2: Product

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

Year	Avg. grams/ pair of VOCs
2008	74.9
2009	68.1
Q1 2010	60.9
2010 Target	63.8

Data Qualifier: The VOC grams/pair metric is calculated each month by measuring the VOC containing chemicals used for Timberland manufacturing at each footwear 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 for Timberland at each factory. All contract footwear factories are measured, as well as Timberland's factory in the Dominican Republic. Each factory's VOC g/pair measure is weighted by their share of Timberland's total production volume to arrive at the global VOC grams/pair number. The lower the number, the better our environmental performance for VOCs. Note that this is still a new metric for Timberland so we are continuing to improve the accuracy of our measurements across our factories.

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 cause less 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 was our first year for publicly disclosing 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). Throughout 2009 we refined our data collection and measurement techniques to instill confidence in our data quality. As we continue to refine and improve the accuracy of our data collection we have set a modest 5% target for improvement. Our goal in 2010 is to focus more on implementation vs. measurement so we are able to develop a far more aggressive target for 2011.

Analysis

The Q1 2010 average of 60.9 g/pair indicates a measured decrease in VOC consumption compared to the 68.1 g/pair 2009 average. This progress can be attributed to the addition of new Thai factory partners in Q1 which already had a well developed chemical control system, and the expansion in the use of water based cement in the stockfitting lines of our factory partners in Southern China. In addition, the chemical tracking programs implemented in 2009 have enabled our factory partners to better reduce adhesive waste leading to lower overall VOC consumption.



CSR Strategic Pillar #2: Product

Metric: Organic Cotton

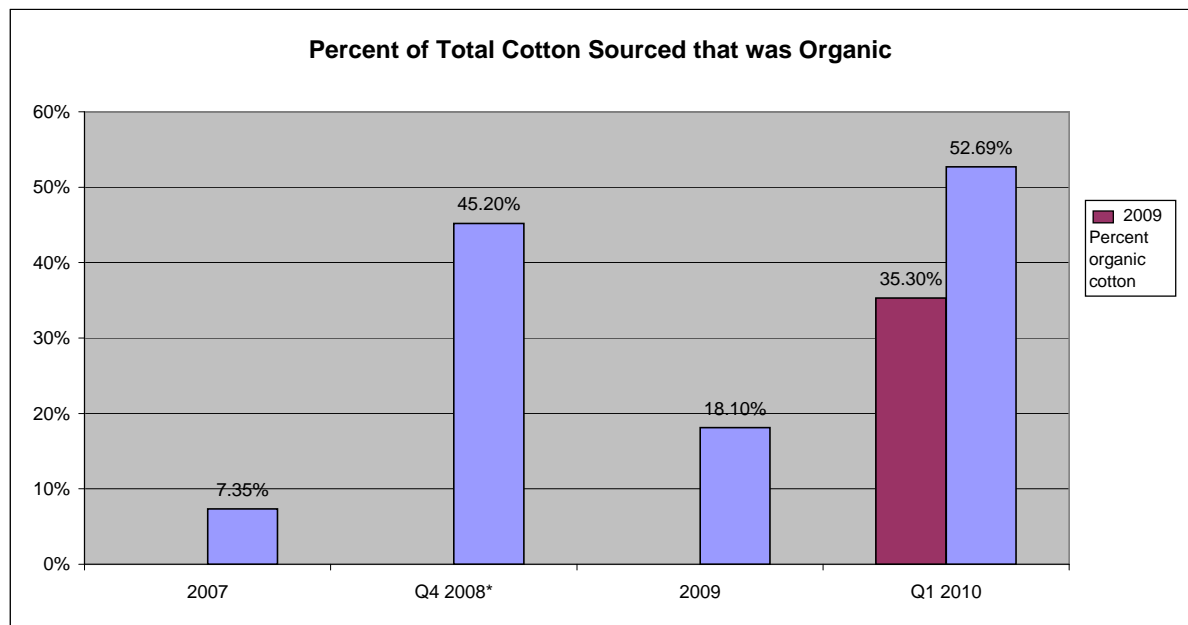
Year	Percent Organic Cotton
2007	7.35%
Q4 2008*	45.20%
2009	18.10%
Q1 2010	52.69%
2010 Target	NT

* 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 Mediterranea as a licensing partner for our women's apparel. See *Note to Stakeholders* about data comparability in 2008.

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 is 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.

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 of 2008. As a result, we do not have a global percentage of organic cotton for year end 2008. Our Q4 2008 data includes global cotton use, but only reflects performance for one quarter (rather than full year data that is directly comparable to 2007 and 2009 year end data). Note that our 2009 year end data incorporates all quarterly performance for that period, which differs from our previously stated Q4 2009 performance. We will disclose new targets for this metric later this year when we start reporting use of recycled and renewable materials in addition to organic cotton.



Context

This bar graph shows the amount of organic cotton Timberland and its apparel 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.

Not all apparel sold under the Timberland brand is directly designed and distributed by Timberland. In 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

Despite increases in the cost of organic cotton, 52% of the cotton we purchased in Q1 2010 was organic. This increase was due to our European spring fashions being highly focused around cotton, and organic cotton specifically. Nearly 70% of the cotton we purchased for our European apparel line was organic. In the US, our apparel line contained just over 8% organic, which is a high percentage given how price sensitive the US market is for apparel.

As mentioned in our 2009 disclosure, organic cotton is not the only environmentally-preferred material for apparel. For this reason, we will expand our reporting to include other environmentally-conscious materials in Q3 2010.