

STAKEHOLDER ENGAGEMENT

STAKEHOLDER THEORY

Our company is built on four values—humanity, humility, integrity and excellence. These values are steadfast and remind us that our responsibility extends to all of our stakeholders. We are a publicly traded enterprise and a corporate citizen. As such, our constituency is broad and diverse. Timberland's stakeholders include groups or individuals who can affect—or are affected by—the achievement of the company's objectives. In both commerce and justice. Our stakeholders include employees, customers, communities, shareholders, suppliers, factory workers, nonprofit organizations, media, the civic and political sectors, and business colleagues³⁴.

Stakeholders give voice to challenge. Provide vision for change. Lend an objective eye to our activities. Improve decision making. And inspire conversation, collaboration and change. Our approach to stakeholder engagement focuses on two central tenets—transparency and accountability.

Transparency enables us to engage in candid dialogue with stakeholders, to challenge assumptions and encourage innovation. It also helps us build trust with these partners, to deepen our understanding of our impact on the world and advance our approach to environmental stewardship and social justice. Whether we're working with a diverse group of stakeholders on the creation of the industry-leading Green Index™ rating or on determining the critical issues to include in our Corporate Social Responsibility Report, stakeholders help us remain open and transparent and help us build authenticity.

A similar commitment to accountability drives our efforts to seek public and stakeholder input as we pursue our “commerce and justice” objectives. We believe that, as a public entity, we must adhere to a set of standards in order to receive our license to operate. We also believe

that direct and personal engagement with stakeholders is the most effective process to create sustained impact. In late 2006, an industry-first Facility Report on our factory in the Dominican Republic served as the foundation for an 80-person stakeholder dialogue in Santiago. Facilitated by a local NGO, the forum focused on our factory's role in the community and identified critical issues and opportunities for collaboration and impact. This effort will progress in 2007 to include a defined set of strategies for change.

THE REPORTING PROCESS

By engaging our stakeholders, we're seeking to move from understanding to action and from action to positive economic, environmental and social impact. Our CSR reporting process provides a good example of how we engage stakeholders in this process of understanding.

Timberland's CSR Report

Comparable, consistent and credible reporting on CSR strategy. A platform for a continuous discussion. We believe that providing this kind of strong foundation for discourse can create sustained and positive economic, environmental and social impact.

³⁴ Please go to www.timberland.com/csrreport to get a better understanding of how we engage these stakeholders.

One way that Timberland seeks to stimulate this debate is through our annual Corporate Social Responsibility report, which summarizes our work in sustainability for the previous calendar year. This document details and assesses our environmental and social footprint in the communities where our company operates. It also strives to be transparent and unflinching in its assessment of our work.

By openly sharing both information and intent on issues material to our industry, we seek to encourage questions and challenges from people and organizations on all sides of the issues we address—and ultimately find innovative solutions. One prominent example of how our stakeholders are challenging Timberland and the industry on important issues can be found in the “Voices of Challenge” (VOC) sections in our 2005 and 2006 reports.

Ceres Stakeholder Reviews

Through our relationship with Ceres, we regularly convene a diverse set of stakeholders to review our work in sustainability—and provide guidance on how we can improve. This stakeholder team currently includes investors, labor rights activists, supply chain experts, environmental NGOs, consumer advocates, community partners and a member of our supply chain. This group

has provided input on the development of our Green Index™ rating system. It has also helped us select the content and review the strategies for both our CSR report and RFC Facility Report.

Timberland engaged with Ceres and a team of external stakeholders to review this year’s (2006) sustainability report. The Ceres stakeholder team is an independent group of individuals drawn primarily from the Ceres coalition and represents a range of constituencies that have expertise in environmental, social and governance issues. In reviewing this report, the team considered whether the company adequately reported on its sustainability performance and key impacts, including goals, targets, systems, data and initiatives.

Through the review process, the Ceres stakeholder team provided extensive feedback to the company, which was considered in the preparation of the final version of this report. Examples include helping us define “critical issues” for the VOC 2.0 section, focusing our discussion of assessment results and presenting a balanced view of our work. We look forward to continuing our relationship with this group as we work to be more responsible and accountable corporate citizens.



REPORT SCOPE

Our last report was published in July 2006 and covered Timberland's global Corporate Social Responsibility (CSR) activities in 2005. This annual report covers these actions for the calendar year 2006. Most of the data included is from that year, with the notable exception of our factory list, which catalogs our active factories as of May 1, 2007. Instances when we report only on US-based activities are clearly indicated.

The Basis of this Report

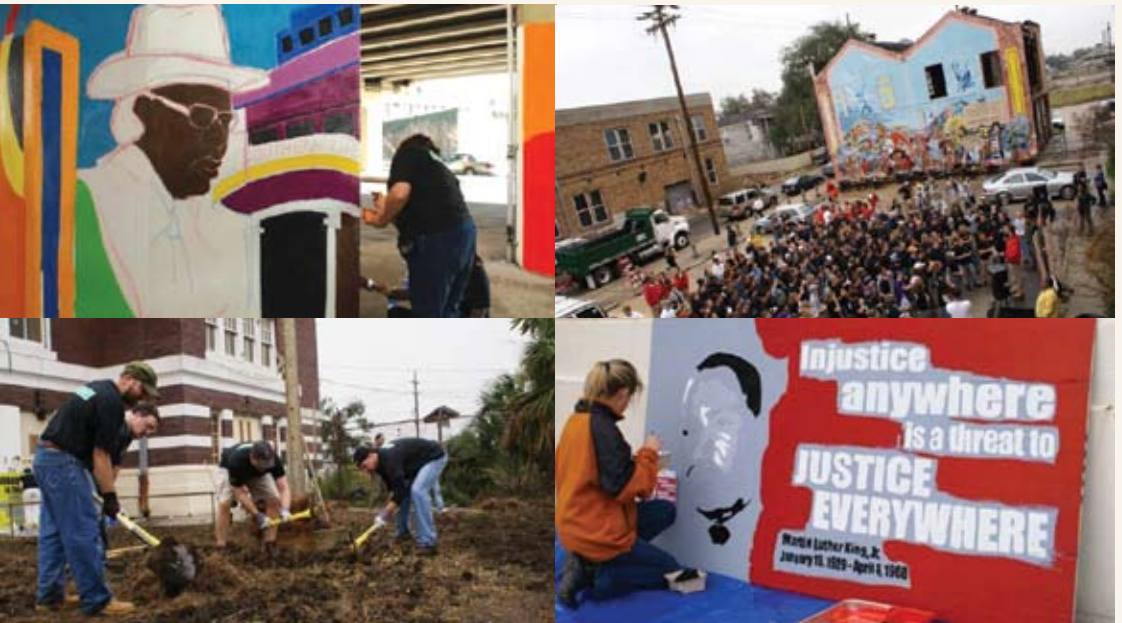
This report was developed based on the G3 and Apparel and Footwear Sector Supplement (AFSS). While we attempted to create a comprehensive report, there are some G3 and AWSS indicators not included in this report. There are several reasons for these omissions. Our impact may have been immaterial, or we might have lacked enough internal data to provide a report. In the future, our goal is to narrow that gap as we continue to report on social and environmental impacts that are both relevant and strategically important.

How this Report Was Verified

Every data point in this report was verified internally, as was the way it was characterized. We are continuing to explore the viability of an external verification program. After all, such programs enhance the credibility of our CSR reports and make them easier to audit. We hope to receive guidance on this issue during conversations with our stakeholders.

If you have any questions about this report, please direct them to:

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A collection of images from our 2006 sales meeting in New Orleans

STANDARD DISCLOSURES

G3 INDEX

GRI INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
1. STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	CEO Letter	5	
1.2	Description of key impacts, risks, and opportunities.	The Timberland Footprint, Summary of CSR Indicators	6-8	
2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization.	Front Cover	1	
2.2	Primary brands, products, and/or services.	10-K/A	–	http://www.timberland.com/investorRelations/index.jsp
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	10-K/A	–	http://www.timberland.com/investorRelations/index.jsp
2.4	Location of organization's headquarters.	Last page		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Economic Indicator, Timberland's Influence in the Supply Chain	10, 18-21	
2.6	Nature of ownership and legal form.	10-K/A	–	http://www.timberland.com/investorRelations/index.jsp
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	10-K/A	–	http://www.timberland.com/investorRelations/index.jsp
2.8	Scale of the reporting organization.	The Organization, 10-k	9-15	http://www.timberland.com/investorRelations/index.jsp
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Expansion, Factory Growth, 10-k	11, 19-20	http://www.timberland.com/investorRelations/index.jsp
2.10	Awards received in the reporting period.	2006 Awards	9	
3. REPORT PARAMETERS				
Report Profile				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Report Scope	72	
3.2	Date of most recent previous report (if any).	Report Scope	72	
3.3	Reporting cycle (annual, biennial, etc.)	Report Scope	72	
3.4	Contact point for questions regarding the report or its contents.	Report Scope	72	
Report Scope and Boundary				
3.5	Process for defining report content.	Critical Issues, Stakeholder Engagement	7, 70-71	
3.6	Boundary of the report	Report Scope, Timberland's Influence in the Supply Chain	72, 18-21	Our intent is to provide global information. We specifically notate instances in which the scope is altered.
3.7	State any specific limitations on the scope or boundary of the report.	Timberland's Influence in the Supply Chain	18-21	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Timberland's Influence in the Supply Chain	18-21	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Throughout the report	–	We did our best to explain the data measurement techniques and bases of calculations for the indicators found throughout the report.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Financial Performance, Energy, Community Investments	9, 39, 63	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not material	–	We added Smartwool facilities and employees when reporting on global statistics.
GRI Content Index				
3.12	Table identifying the location of the Standard Disclosures in the report.	Standard Disclosures	78	
Assurance				
3.13	Policy and current practice with regard to seeking external assurance for the report.	Report Scope	72	
4. Governance, Commitments and Engagement				
Governance				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Our Approach, Governance	6, 12-13	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Timberland Web site	–	http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights

GRI INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Timberland Web site	–	http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	10-k	–	http://www.timberland.com/investorRelations/index.jsp
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	10-k	–	http://www.timberland.com/investorRelations/index.jsp
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Timberland Web site	–	http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Timberland Web site	–	http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Framework for Commerce and Justice	6	Our Code of Ethics and Code of Conduct can be found at www.timberland.com/csreport
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Governance	12-13	Also see: http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Timberland Web site	–	http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
Commitments to External Initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Throughout the report	–	Our approach to risk management as it relates to economic, social and environmental issues is woven throughout this report.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Timberland Web site	–	Our updated Web site will include information about the external charters/principles we endorse. More at www.timberland.com .
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:	Public Policy	12-13	The section on Public Policy includes an incomplete list of our industry association partnerships. We aim to include a more comprehensive list in next year's CSR report.
Stakeholder Engagement				
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Engagement	70-71	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	70-71	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement	70-71	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Engagement	70-71	
5. Economic Performance Indicators				
Economic Performance				
EC1	Direct economic value generated and distributed	Not reported	–	We have not publicly disclosed employee wage information in this manner. We hope this is something we can report on in the 2007 report.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Confirming Our Commitment to the Outdoors, Energy	35-37, 38-40	
EC3	Coverage of the organization's defined benefit plan obligations	Timberland Web site	–	http://www.timberland.com/corp/index.jsp?page=workingHere
EC4	Significant financial assistance received from the government	Not Material	–	http://www.timberland.com/investorRelations/index.jsp
Market Presence				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Economic Indicators	10	
EC6	Policy, practice and proportion of spending on locally-based suppliers at significant locations of operation	Not reported	–	We have implemented SAP for our accounting services. This will help us gather this information for future reports.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Economic Indicators	10	Timberland is always looking to hire from the local community. In the report, we provide a ratio of senior management that is from the local area.
Indirect Economic Impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro-bono engagement	Facility Report	–	Information about infrastructure investments for our Dominican Republic factory can be found at www.timberland.com/csreport .

GRI INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Not reported	–	We have not tracked our indirect economic impacts in a comprehensive manner. We are working to gain a better understanding of these types of impacts.
6. Environmental Performance Indicators				
Materials				
EN1	Materials used by weight or volume.	Not reported	–	We are not tracking this information at the aggregate level. We are working on a reporting infrastructure that will help us gather this type of information. No date is yet set to report publicly on this.
EN2	Percentage of materials used that are recycled input materials.	Eco-Effective Design	45	This chart provides an incomplete view of recycled input material. We plan to expand this reporting next year.
Energy				
EN3	Direct energy consumption by primary energy source.	Greenhouse Gas Inventory	38-39	
EN4	Indirect energy consumption by primary source.	Greenhouse Gas Inventory	38-39	
EN5	Energy saved due to conservation and efficiency improvements.	Efficiency Measures	40	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Efficiency Measures	40	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Efficiency Measures	40	
Water				
EN8	Total water withdrawal by source.	Facility Report	–	Go to www.timberland.com/csreport to find information about water withdrawal by the Recreational Footwear Company
EN9	Water sources significantly affected by withdrawal of water.	Not material	–	
EN10	Percentage and total volume of water recycled and reused.	Facility Report	–	Go to www.timberland.com/csreport to find information about water withdrawal by the Recreational Footwear Company
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not material	–	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not material	–	
EN13	Habitats protected or restored.	Not material	–	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not material	–	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not material	–	
Emissions, Effluents and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Greenhouse Gas Inventory	38-39	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Greenhouse Gas Inventory	38-39	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Energy	40	
EN19	Emissions of ozone-depleting substances by weight.	Not material	–	We are not tracking this information at the aggregate level. We are working on a reporting infrastructure that will help us gather this type of information. No date is yet set to report publicly on this.
EN20	NOx, SOx, and other significant air emissions by type and weight.	Appendix	73-77	We report on this data for the Recreational Footwear Company
EN21	Total water discharge by quality and destination.	Not material	–	We are not tracking this information at the aggregate level. We are working on a reporting infrastructure that will help us gather this type of information. No date is yet set to report publicly on this.
7. Labor Practices and Decent Work				
Employment				
LA1	Total workforce by employment type, employment contract, and region.	People	14-15	This section provides much of the required information.
LA2	Total number and rate of employee turnover by age group, gender, and region.	People	14-15	This section provides much of the required information.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Timberland Web site	–	Benefits can be found at http://www.timberland.com/corp/index.jsp?page=workingHere_benefits
Labor/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Not material	–	No Timberland employees are covered by collective bargaining agreements.

GRI INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not material	–	No Timberland employees are covered by collective bargaining agreements.
Occupational Health and Safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not material	–	Our Health and Safety section discusses our work in this area. Our safety committees are very small but their work affects the broad employee population.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	Health and Safety	15	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Not reported	–	While we include disease awareness into our worker training, we do not track them formally.
LA9	Health and safety topics covered in formal agreements with trade unions.	Not material	–	No Timberland employees are covered by collective bargaining agreements.
Training and Education				
LA10	Average hours of training per year per employee by employee category.	Not reported	–	We plan to report on this data in the 2007 report.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	An Education Program Grows in the Dominican Republic, Field Assignment in Kenya	30, 65	
LA12	Percentage of employees receiving regular performance and career development reviews.	Not reported	–	We plan to report on this data in the 2007 report.
Diversity and Equal Opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	People	14-15	Additional information can be found at http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govhighlights
LA14	Ratio of basic salary of men to women by employee category.	Not reported	–	We have not tracked this information in the past. This is something we would like to include in next year's report.
8. Human Rights				
Investment and Procurement Practices				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Global Human Rights	16-31	The Global Human Rights section of the report discusses how many factories have received a human rights screening.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Factory Growth, The Code We Live By	19-20, 21	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not reported	–	While we train our employees on human rights, we do not track this indicator in the aggregate.
Non-discrimination				
HR4	Total number of incidents of discrimination and actions taken.	Not reported	–	We plan to report on this data in the 2007 report.
Freedom of Association and Collective Bargaining				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Global Human Rights	16-31	
Child Labor				
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Global Human Rights	16-31	
Forced and Compulsory Labor				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Global Human Rights	16-31	
Security Practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not material	–	
Indigenous Rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not material	–	
9. Product Responsibility				
Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Green Index, Eco-Effective Product Design	37, 45-48	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Not material	–	We have not identified any non-compliance with regulations and voluntary codes

GRI INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
Product and Service Labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Green Index, Eco-Effective Product Design	37, 45-48	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not material	–	We have not identified any non-compliance with regulations and voluntary codes
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not reported	–	We have not reported on our customer satisfaction research in past CSR reports. We are not sure if we will include this data in future CSR reports.
Marketing Communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not material	–	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Not material	–	We have not identified incidents of non-compliance with regulations.
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not material	–	We have not identified any substantiated complaints.
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not material	–	We did not have significant fines for non-compliance.
10. Society				
Community				
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	A Promise in Asia, Appendix	64, 73-74	
Corruption				
S02	Percentage and total number of business units analyzed for risks related to corruption.	Not material	–	More information can be found in our Code of Ethics: http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TBL&script=2250
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not material	–	More information can be found in our Code of Ethics: http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TBL&script=2251
S04	Actions taken in response to incidents of corruption.	Not material	–	More information can be found in our Code of Ethics: http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TBL&script=2252
Public Policy				
S05	Public policy positions and participation in public policy development and lobbying.	Public Policy	12-13	
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Public Policy	12-13	
Anti-Competitive Behavior				
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not material	–	More information can be found in our Code of Ethics: http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TBL&script=2250
Compliance				
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not material	–	More information can be found in our Code of Ethics: http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TBL&script=2250

APPAREL AND FOOTWEAR SECTOR SUPPLEMENT (DRAFT VERSION)

AF INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
Commentary on 1.2	Where applicable, this should include an assessment of supply chain performance.	Global Human Rights	16-31	We describe our key impacts, risks and opportunities throughout the Global Human Rights section.
AF1	Code of conduct content and coverage.	Timberland's Influence in the Supply Chain	18	For more information, our Code of Conduct can be found at http://www.timberland.com/corp/english_feb02.pdf
AF2	Parties and personnel engaged in code of conduct compliance function.	Our Approach, Factory Growth	6, 19	
AF3	Compliance audit process.	The Assessment	22-29	More information about our assessment process can be found at www.timberland.com/csreport .
AF4	Policy and procedures for receiving, investigating, and responding to grievances and complaints.	Timberland Web Site	–	Information about policy and procedures relating to grievances and complaints can be found in our Code of Ethics online: http://phx.corporate-ir.net/phoenix.zhtml?c=105954&p=irol-govConduct
AF5	Strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social and environmental performance.	The Assessment, Beyond Monitoring	22-29, 29-30	
AF6	Policies for supplier selection, management, and termination.	Taking Responsibility Within Our Supply Chain	17-21	For more information, our Code of Conduct can be found at http://www.timberland.com/corp/english_feb02.pdf
AF7	Number and location of workplaces covered by code of conduct.	Taking Responsibility Within Our Supply Chain	17-21	
AF8	Number of audits conducted and percentage of workplaces audited.	Taking Responsibility Within Our Supply Chain	17-21	
AF9	Incidents of non-compliance with legal requirements or collective bargaining agreements on wages.			We will report on this information as part of our disclosure under indicator AF14.
AF10	Incidents of non-compliance with overtime standards.			We will report on this information as part of our disclosure under indicator AF14.
AF11	Incidents of non-compliance with standards on pregnancy and maternity rights.			We will report on this information as part of our disclosure under indicator AF14.
AF12	Incidents of the use of child labor.			We will report on this information as part of our disclosure under indicator AF14.
AF13	Incidents of noncompliance with standards on gender discrimination.			We will report on this information as part of our disclosure under indicator AF14.
AF14	Incidents of non-compliance with code of conduct.	Assessment Results	22-24	
AF15	Analysis of data from code compliance audits.	Assessment Results	22-24	
AF16	Remediation practices to address non-compliance findings.	Assessment Results	22-24	
AF17	Actions to identify and mitigate business practices that affect code compliance.	Taking Responsibility Within Our Supply Chain	17-21	More information can be found in the Make it Better Brief on Working Hours
AF18	Programs to replace organic-based adhesives and primers with water-based adhesives and primers.	Chemical Management	41-42	
AF19	Practices to source safer alternative substances to those on the restricted substances list, including description of associated management systems.	Chemical Management	41-42	
Commentary on EN1	Include use of pumice, stones and sand under Compilation 2.1 on "Associated process materials." Report on pumice, stones, and sand by weight under Compilation 2.3	Not reported	–	We do not yet have the systems in place to track this data. We are working within our supply chain to gain a better understanding of these discharges.
AF20	List of environmentally preferable materials used in apparel and footwear products.	Resources	43-48	
AF21	Amount of energy consumed and percentage of the energy that is from renewable sources.	Energy	38-40	
Commentary on EN21	For Footwear: Report on total chromium discharges under Compilation 2.3. For Apparel: Report on the discharge of antimony, arsenic, cadmium, chromium, cobalt, copper, cyanide, lead, mercury, nickel, and zinc under Compilation 2.3.	Not reported	–	We do not yet have the systems in place to track this data. We are working within our supply chain to gain a better understanding of these discharges.
Commentary on EN22	Report on pumice, stones and sand under Compilation 2.1.	Not reported	–	We do not yet have the systems in place to track this data. We are working within our supply chain to gain a better understanding of these resources.
Commentary on EN26	In addition to Compilation 2.2, report on specific programs to reduce environmental impact of products, including but not limited to manufacturing, product use, and packaging use at the design and conceptualization stages.	Eco-Effective Design	45-48	
AF22	Policy and practices regarding the use of employees with nonpermanent and non-fulltime status.	Not reported	–	This issue is covered in Timberland's Workplace Quality Standards Guide. To request a copy of this document, please email csinfo@timberland.com .
AF23	Policy regarding the use of home working.	Not reported	–	This issue is covered in Timberland's Workplace Quality Standards Guide. To request a copy of this document, please email csinfo@timberland.com .

AF INDICATOR	INDICATOR DESCRIPTION	SECTION	PAGE	EXPLANATION
AF24	Policy on the use and selection of labor brokers, including adherence to relevant ILO Conventions.	Not reported	–	This issue is covered in Timberland's Workplace Quality Standards Guide. To request a copy of this document, please email csinfo@timberland.com .
AF25	Policy and practices on wage deductions that are not mandated by law.	The Assessment	22-29	For more information, our Code of Conduct can be found at http://www.timberland.com/corp/english_feb02.pdf
AF26	Policy on working hours, including definition of overtime, and actions to prevent excessive and forced overtime.	The Assessment	22-29	For more information, our Code of Conduct can be found at http://www.timberland.com/corp/english_feb02.pdf
AF27	Policy and actions to protect the pregnancy and maternity rights of women workers.	The Assessment	22-29	For more information, our Code of Conduct can be found at http://www.timberland.com/corp/english_feb02.pdf
AF28	Percentage of foreign migrant workers as a portion of total workforce, broken down by region.	Not reported	–	We do not currently track this indicator. We are working to gain deeper transparency into our supply chain. We hope to report on this indicator in future reports.
AF29	Percentage of workplaces where there is one or more independent trade union(s).	Not material	–	Timberland does not have independent trade unions.
AF30	Percentage of workplaces where, in the absence of a trade union, there are worker-management committees, broken down by country.	Not reported	–	We do not currently track this indicator. We are working to gain deeper transparency into our supply chain. We hope to report on this indicator in future reports.
Commentary on LA7	Include health issues associated with reduced lung function due to dust in "Occupational disease rate" under Compilation 2.4. Include risk assessments and preventative measures for accidents and injuries under Compilation 2.7.	Not reported	–	We do not currently track this indicator. We are working to gain deeper transparency into our supply chain. We hope to report on this indicator in future reports.
AF31	Initiatives and programs to respond to, reduce, and prevent the occurrence of musculoskeletal disorders.	Not reported	–	We do many trainings for our employees and factory workers. At this point we do not have trainings specifically on musculoskeletal disorders.
AF32	Actions to address gender discrimination and to provide opportunities for the advancement of women workers.	Beyond Monitoring	29-30	More information can be found in the Global Human Rights section of the 2005 CSR report.
AF33	Priorities in community investment strategy.	Beyond Monitoring, Investing in the Community	29-30, 62-63	
AF34	Amount of investment in worker communities broken down by location.	Appendix	73-75	We provide data for our workforce in the Dominican Republic. We do not have data for other locations in our supply chain.
Commentary on S05	Report public policy position on the inclusion of labor and environmental protections in trade agreements and the degree to which lobbying positions integrate considerations about the potential effects on workers, communities, and organizations in the supply chain under Compilation 2.3	Public Policy	12-13	

GRI APPLICATION LEVEL

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures → OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures → OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators → OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement® Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	



The GRI Application Level of Timberland's 2006 CSR Report



- For more information the GRI and its reporting principles, please visit www.globalreporting.org.
- Want to learn more about Timberland's activities in the area of corporate social responsibility? Please log on to www.timberland.com.
- For information about this report, please contact Alex Hausman in Corporate Social Responsibility at: ahausman@timberland.com.
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WHAT DOES IT MEAN TO “MAKE IT BETTER”?

Everyday we are inspired by the actions of other organizations. Here are examples of how our

“Voices of Challenge” participants made a difference in 2006.

STATE OF LOUISIANA

Changing Louisiana through Volunteerism and Social Entrepreneurship is an initiative that promotes social entrepreneurship and citizen service throughout Louisiana. The full-day seminars bring together national leaders in the social entrepreneurship field, local change leaders and citizens who tackle a myriad of social problems in their communities for dialogue, critical thinking and networking. The Office of Social Entrepreneurship, a first-of-its-kind office in the United States, presents Changing Louisiana. Lt. Governor Mitch Landrieu created the office in Fall 2006.

PHILLIPS-VAN HEUSEN CORPORATION

PVH believes in the strength of stakeholders' efforts and is a founding member of the Fair Labor Association (FLA). During 2006, they focused on critical issues and conducted several pilot programs with the FLA such as a “workers' committee” in China and the eradication of discriminatory labor practices in Central America. In addition, PVH rolled out an initiative to develop “health and safety committees” at factories in all of their regions.

BACKPACKER

With its April 2007 issue, *Backpacker* switched paper stocks from a 40-pound sheet to a 36-pound high-bulk sheet. The change will reduce annual paper consumption by approximately 10%.

BOSTON COLLEGE CENTER FOR CORPORATE CITIZENSHIP

The Center's executive education program is the only one in North America offering professional certificates in managing community involvement and corporate citizenship. In 2006, 145 certificates were awarded to corporate managers.

LEVI STRAUSS & CO

In 2006, Levi Strauss & Co. (LS&CO.), using a global environmental engineering consultant, tested wastewater effluent from 113 finishing facilities and nine fabric mills to validate data the facilities had been providing pursuant to the requirements of the company's Global Effluent Guidelines (GEG) which apply to all LS&CO. contract laundries. With 80 percent of laundries registering compliance with 14 of the GEG's 16 parameters, LS&CO. was encouraged by the results and is using the information to develop training and tools for suppliers, and program improvements to build supplier wastewater management capability and ownership.

CERES

Ceres organized 65 leading companies and investors managing \$4 trillion in assets to call on the US Congress to adopt strong climate-change legislation that includes a 60-90% greenhouse gas reduction target from 1990 levels by 2050.

SAI

More than 650,000 people in 60 countries work at 1,200 factories, offices and farms certified to SA8000.

WALDEN ASSET MANAGEMENT, A DIVISION OF BOSTON TRUST & INVESTMENT MANAGEMENT COMPANY

During 2006, Walden Asset Management held constructive conversations with over 100 companies on a range of corporate social responsibility issues. These private discussions, sometimes combined with public shareholder pressure, contributed to company decisions to decrease emissions and waste, increase attention to human rights and workplace equality, and strengthen corporate transparency and governance practices.

POU YEN

As one of the overseas footwear factories of Pou Chen international group, Pou Yen Vietnam produces many famous footwear brands and supplies their customers with high quality goods.

DELOITTE & TOUCHE USA LLP'S

A best practice example is Deloitte's relationship with College Summit, an organization that works to increase college access for low-income students. Deloitte is providing cash, board leadership, volunteer writing coaches and an exciting pro bono project that is designed to facilitate a performance scorecard for high schools to measure and report the rate at which their graduates enroll in college—an important component to improving enrollment rates nationwide.

GAP INC.

From 2005 to 2006, GAP experienced a 40% increase in the number of approved garment suppliers that earned their highest compliance rating, which suggests that progress is being made in the working conditions of many factories in our supply chain.

SUSTAINABLE SOUTH BRONX

SSBx has overseen the convergence of Timberland's volunteer and in-kind contributions in the building of beautiful wooden tree guards around vulnerable South Bronx street trees. In addition, they have utilized Clinton Global Initiative funds to pay living wages to local, well-trained Greenway Stewards who maintain and add benches around the trees—weaving them into a culture of environmental care in low-income urban areas. And guess whose boots their stewards are wearing.

THE CLIMATE GROUP

The Climate Group has grown to 40 member corporations and governments, whose members' footprint consists of 8.6% Global CO₂ Emissions (discounting overlap) of 0.8% corporate (direct) and 7.8% from government jurisdictions.

CREA: CENTER FOR REFLECTION, EDUCATION AND ACTION, INC.

CREA has been part of the GRI since 2000 when they began raising the questions: Sustainability of whom? Sustainability of what? Rather than stand outside the GRI and criticize, we have worked within the GRI structure to bring about change. As a member of the GRI Stakeholder Council, as co-chair of the Apparel and Footwear Sector Supplement Working Group, as a member of the Core Measurement Working Group for the 2002 Guidelines and of the Society Working Group for the 2006 Guidelines, they have continued to raise the same questions: Sustainability of whom? Sustainability of what?

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