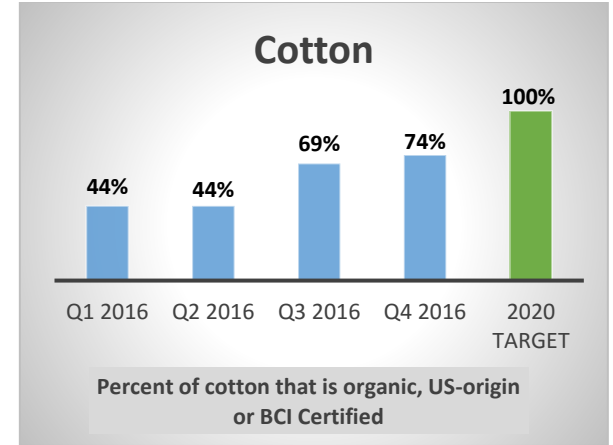
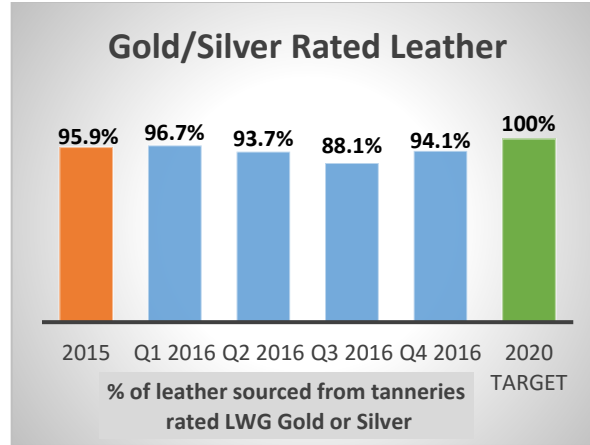
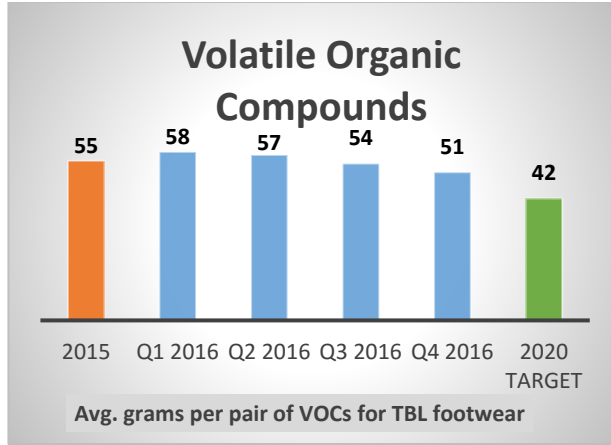


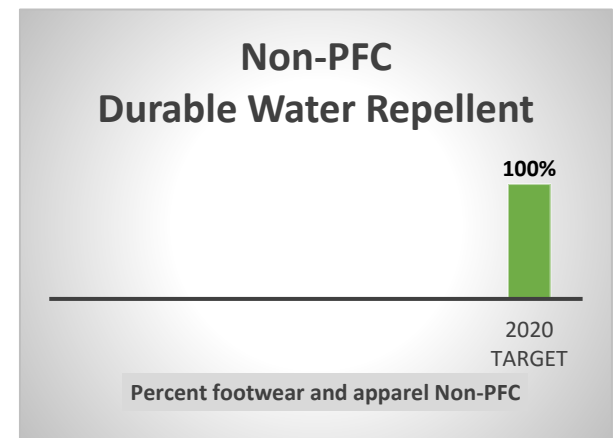
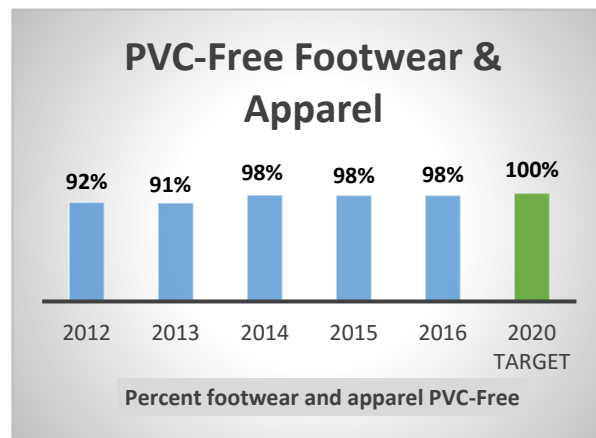
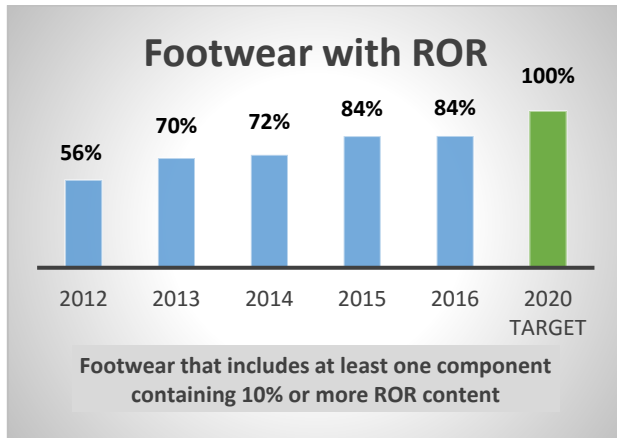


# PRODUCT – Materials

## Quarterly Reported Metrics – Q4 2016 Results



## Annually Reported Metrics – 2016 Results



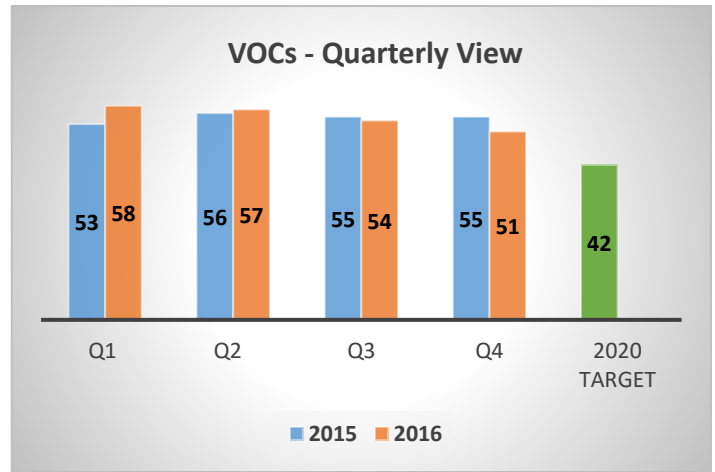
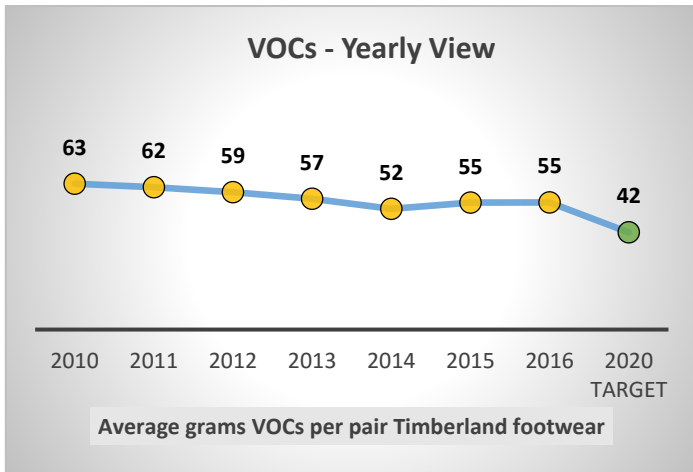
ROR = Recycled, Organic & Renewable material

New metric for 2016

For further details, analysis, and historic data, refer to respective appendices.

## VOLATILE ORGANIC COMPOUNDS

Timberland is committed to using adhesives in our stockfit and assembly shoe manufacturing process that cause less harm to the environment. Traditionally, footwear manufacturers 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. To facilitate ongoing reduction efforts, engineering reviews are conducted to promote the use of water-based adhesive in the construction and manufacturing of product, while also maintaining the quality and physical integrity of the shoe.

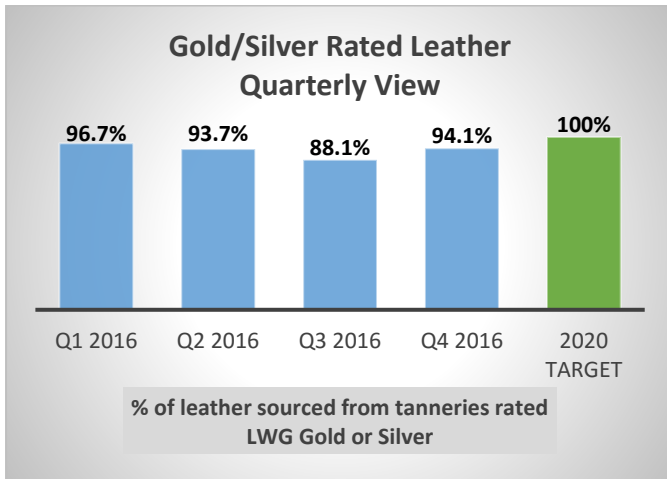


**Q4 and Year End 2016 Results:** Our average use of VOCs per pair was 51 grams during Q4, which is a 7% improvement over our Q4 2015 result (55 grams/pair). Overall, we ended 2016 with a VOC average of 55 grams per pair, which is even with our 2015 result. Our Q4 reduction in VOCs was achieved through increased efficiency of VOC usage. This decrease can be partly attributed to strategies implemented in our owned-manufacturing facility in the Dominican Republic. These strategies include employee training, better containment of VOC adhesives to prevent evaporation, upgrading VOC application equipment, more targeted application, and increased material pre-treatment processes to minimize the VOC adhesives needed.

While progress has been made over the years, there is still work to be done with our suppliers to further improve their chemical management practices as well as identify new alternatives for lower VOC adhesion methods that maintain the necessary performance attributes for our product lines. That said, we remain committed to our goal of averaging 42 grams of VOCs per pair by 2020.

## LEATHER – GOLD/SILVER RATED TANNERIES

Leather processing is a chemical, water, and energy intensive process. To ensure the leather we purchase is processed using environmental best practices, all of our leather suppliers undergo an environmental audit under protocols established by the cross-brand [Leather Working Group \("LWG"\)](#). LWG certification is awarded to tanneries that demonstrate environmental best practices and performance in all areas of leather production, from chemical and water management to energy use and greenhouse gas emissions, to waste management and hide traceability. Tanneries are scored on a scale of Failure, Audited, Bronze, Silver, or Gold. In 2008, Timberland made a public commitment to only source leather for our footwear products from tanneries that have an LWG rating of Silver or Gold. In 2015, we expanded this commitment to include the leather we source for our apparel products and accessories.

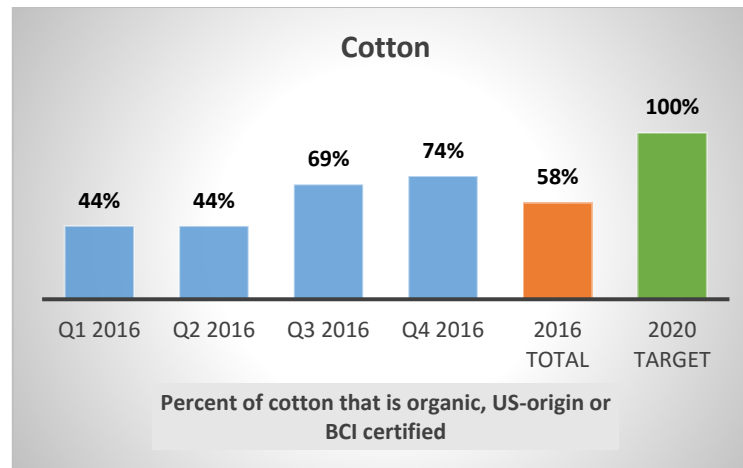


**Q4 and Year End 2016 Results:** At the end of Q4, 94.1% of our overall leather volume for Timberland footwear, apparel, accessories and licensed products\* was produced at tanneries that have a Gold or Silver LWG rating. Overall, we end the year with 93.4% of our overall leather volume being sourced from Gold or Silver-rated tanneries. A few of our tanneries had their LWG certification lapse during 2016, which resulted in lower results, especially in Q2 and Q3. Those tanneries had their certifications reinstated in Q4. The tanneries from which we source the small volume of leather that is not Gold or Silver-rated continue to work with LWG to achieve certification. We remain committed to our goal to limit production at non-certified tanneries until they achieve Gold or Silver status.

*\*Note that prior to 2016, we reported only on leather used in Timberland footwear and apparel. We now have expanded this metric to include leather accessories and licensed products, and are restating our full year 2015 number to reflect the additional product lines.*

## COTTON

Chemicals used to grow cotton can be detrimental to the health of farmers, and seep into run-off water poisoning lakes, rivers and waterways. Conventionally grown cotton uses more insecticides and requires significantly more water than organically grown cotton. As such, Timberland has had a longstanding goal of increasing our use of organic cotton year over year. Organic cotton remains our preference; however, when organic cotton is not feasible, we commit to eliminating our use of conventionally grown cotton. Our new 2020 target is for 100% of the cotton used in our apparel products to be from sources utilizing industry-leading environmental best practices. We define such sources as being organic, US-origin or [Better Cotton Initiative](#) ("BCI") certified sources.



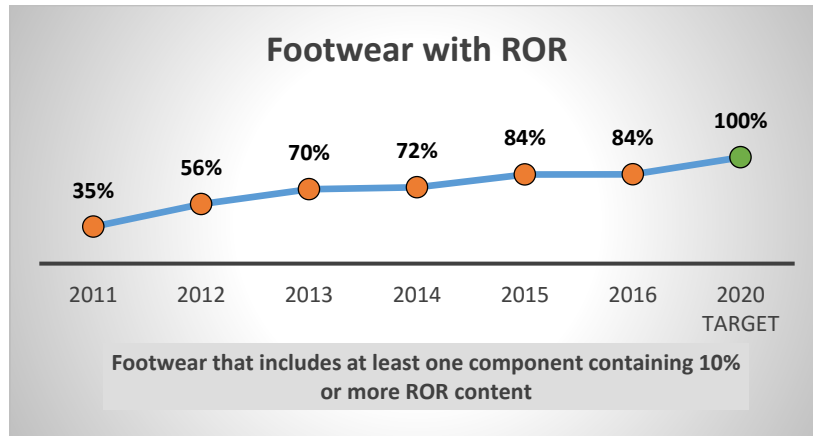
**Q4 and Year End 2016 Results:** In Q4, 74% of the cotton used in Timberland apparel was either organic, US-origin or BCI certified – up from 44% in Q1. Overall, we ended the year with 58% of all cotton used in Timberland apparel being either organic (22.4%), US-origin (12%), or BCI certified (23.6%). This is our first year reporting on this metric, and we're pleased with the progress we've made since the beginning of the year. For Fall 2018 product, our direct sourced apparel (as opposed to our licensed apparel) is on track to be 100% organic, US-origin or BCI certified.

## FOOTWEAR WITH RECYCLED, ORGANIC OR RENEWABLE MATERIALS

Since 2008, Timberland has had product development strategies for increasing the use of recycled, organic, and renewable ("ROR") materials in our footwear and set yearly targets to increase the use of these environmentally-preferred materials year over year. Renewable material is defined by Timberland as coming from a fast-growing, plant-based material grown with efficient use of non-renewable resources – examples of this would be hemp and bamboo. Our largest use of ROR in footwear is with recycled polyester ("PET") and recycled rubber.

The chart below reflects the percent of Timberland footwear that are constructed with at least one component made from organic, renewable or recycled materials (with a minimum threshold of 10% recycled content within a component). We are pleased with our progress over the years to increase our use of recycled, organic and renewable materials. While some challenges currently exist in utilizing ROR materials over conventional materials, we are confident that by 2020 every Timberland boot, shoe and sandal will incorporate ROR materials.

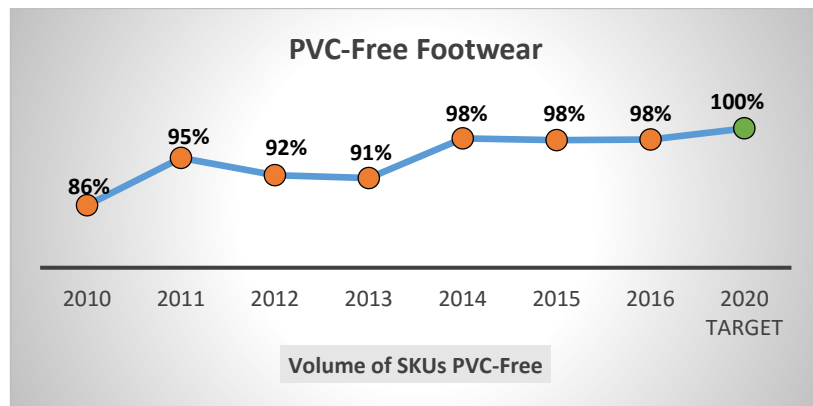
*\*continued on next page\**



**2016 Result:** ROR materials were utilized in 83.8% of all Timberland footwear shipped, which is consistent with our 2015 result (83.9%). In 2016, we incorporated over 820,000 pounds of recycled PET into our footwear – the equivalent of 37.7 million plastic water bottles. Since 2009, we have incorporated the equivalent of 270 million plastic water bottles.

### PVC-FREE FOOTWEAR

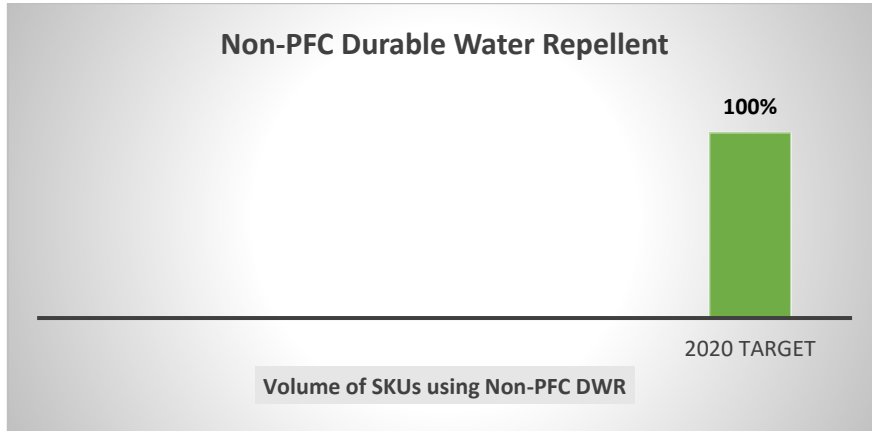
Polyvinyl chloride (PVC) is a polymer used in a wide variety of applications such as construction, plumbing, and cable insulation, and it is also used in the footwear industry. Unfortunately, the use of PVC has some negative aspects associated with its creation and its end of life. Given the human and environmental risks associated with the creation and disposal of PVC, Timberland is committed to phasing out the use of PVC in its products. We are committed to finding and utilizing PVC alternatives where feasible in order to decrease our use. Our goal is to be 100% PVC-free.



**2016 Result:** Overall, 2.3% of total pairs shipped in 2016 contained PVC, vs. 2.1% in 2015. We're proud of the progress that we've made over the years to phase PVC out of our footwear. There are stringent performance expectations in certain styles in our PRO product line that cannot be met with current PVC-free alternatives. We continue to seek PVC-Free material substitutions, and to review materials and manufacturing equipment updates to allow for further PVC reduction to occur. Additionally, our parent company VF Corporation's Restricted Substances List policy calls for a complete phase out of PVC use in all products. For more details see their policy at <http://responsiblesourcing.vfc.com/policies-and-standards/>.

## NON-PFC DURABLE WATER REPELLENT

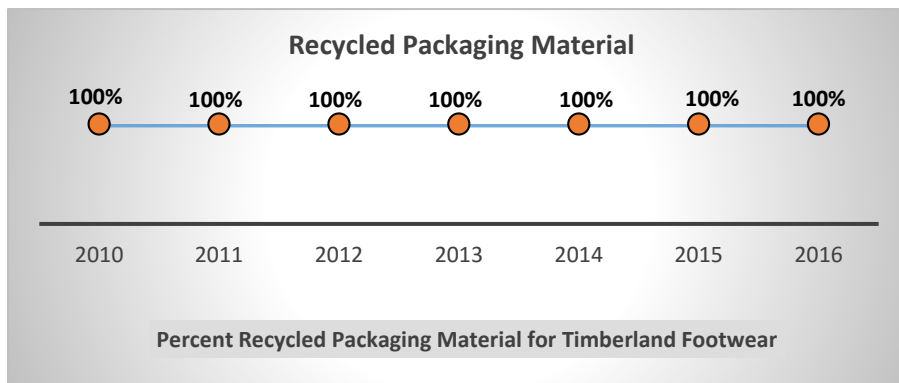
Timberland products are built to protect our consumers from the elements of nature, and waterproofing is of prime importance to outdoor enthusiasts. Durable Water Repellent (“DWR”) is a coating added to fabrics at the factory to make them water-resistant. PFCs (per-fluorinated compounds) are a class of chemical substances found in many DWRs that are potentially hazardous to humans – at the factory level where the waterproofing is applied, as well as to the end user. Timberland is committed to the elimination of all PFCs in our waterproof footwear and apparel. Our end goal is for 100% of our DWRs to be non-PFC. This is a new metric for 2016.



**2016 Result:** This was a new metric for 2016, and we are working to get the right systems in place to track our use of non-PFC DWR. We are aiming to capture the data needed to report on this metric in 2017. We can report, however, that we are on track for 100% non-PFC DWR for our Fall 2018 apparel; and, for much of our footwear applications, non-PFC opportunities have been identified. However, as with PVC, there are stringent performance expectations in certain styles in our PRO product line that cannot be met with current non-PFC alternatives. That said, we remain committed to our 2020 goal to fully phase out PFCs and will continue working with supplier partners, our parent company VF Corporation, and the industry to solve for these remaining challenges.

## RECYCLED PACKAGING

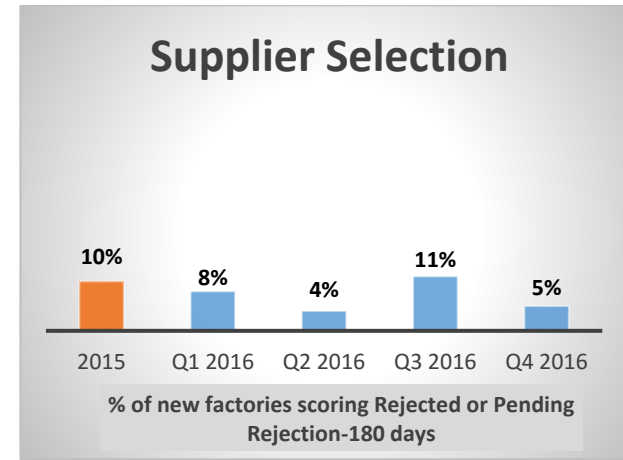
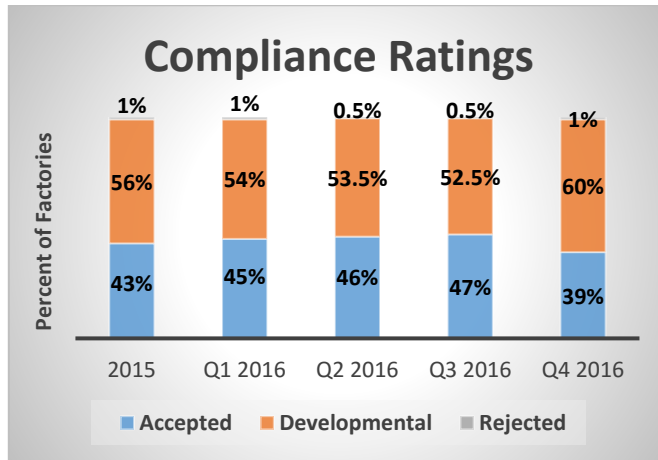
Since 2007, Timberland has been committed to providing responsible packaging for our footwear - beginning first with boxes made from 100% recycled materials (at least 80% post-consumer), using soy-based and sesame-based inks. Starting in 2012 we began using water-based inks.



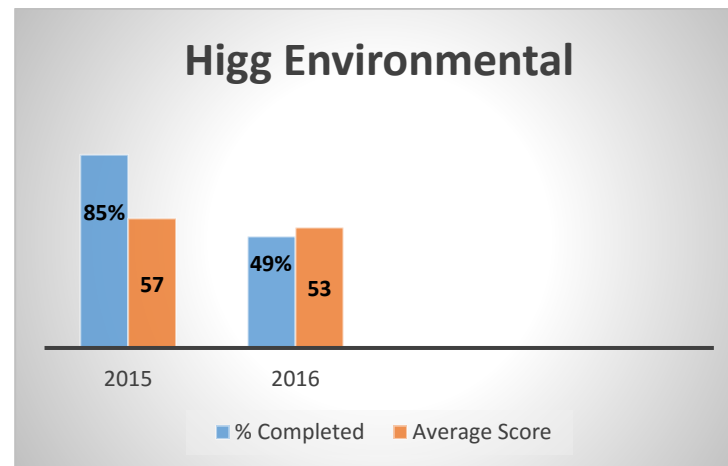


# PRODUCT – Manufacturing

## Quarterly Reported Metrics – Q4 2016 Results



## Annually Reported Metrics – 2016 Results



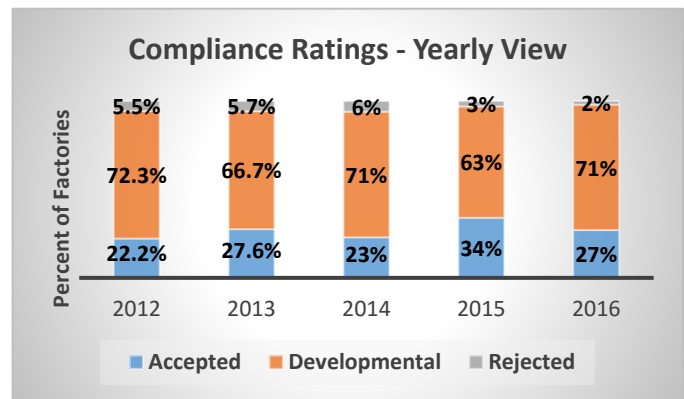
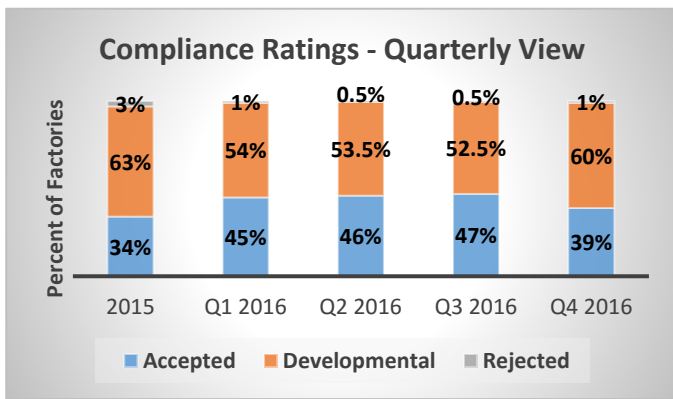
For further details, analysis, and historic data, refer to respective appendices

## FACTORY CONDITIONS – COMPLIANCE RATINGS

Timberland’s longstanding commitment to ensuring fair, safe and non-discriminatory workplaces for the 250,000+ workers making Timberland product around the world dates back to 1994, with the establishment of our Code of Conduct for suppliers. After being acquired by VF Corporation ("VF") in 2011, our Code of Conduct was replaced by VF's Terms of Engagement and Global Compliance Principles. VF’s policy is to monitor every facility that is involved in the manufacture of VF-branded product. This includes all cutting facilities, sewing plants, screen printers, embroiderers, laundries, and packaging locations. At the end of each VF audit, the factory receives one of the following ratings:

- **Accepted** – factory has no serious safety, health, or labor issues and is certified to produce VF products for 18 months, at which time a re-audit is necessary to maintain an 'Accepted' rating.
- **Developmental** – factory has some minor safety, health, or labor issues. The factory is authorized to produce for VF while the issues identified are corrected in a timely manner and a follow-up audit is scheduled within 6 – 9 months. If the problems are corrected as required, then the status of the factory will be elevated to 'Accepted.' If not, the factory is downgraded to '**Pending Rejection-180 days**' ("PR-180 days"), at which time they have a final 6 months to satisfactorily resolve the outstanding issues or be downgraded to '**Rejected**'.
- **Rejected** – factory has major safety, health or labor issues. Examples would include excessive working hours, incorrect overtime compensation or locked emergency exits. In this situation the factory is not authorized to produce VF products. If a factory is Rejected twice consecutively, they are banned from producing for VF for 12 months.

For more detailed information, please see [VF's audit policy](#).



**Q4 2016 Result:** At the end of Q4 2016, there were 387 factories\* actively producing for Timberland. Thirty nine percent (39%) were rated Accepted, 60% were rated Developmental, and 1% were rated Rejected. During Q4, VF Compliance conducted 97 audits of Timberland factories. Of these 97 factories, 25 (26%) were rated Accepted, 61 (63%) were rated Developmental, 9 (9%) were rated Pending Rejection, and 2 (2%) were rated Rejected. The factories rated Pending Rejection are working on their corrective action plans and will be re-audited within 6 months. One of the 2 Rejected factories had not begun producing for Timberland as this was their initial audit. They are working to remediate all findings so they can be re-audited in 3 months. Use of the other Rejected factory was discontinued by our licensee. \*Factories producing for Timberland include our owned and operated facilities as well as our contracted facilities.

Timberland believes, along with others in our industry, that factory disclosure and collaboration can create common standards and shared solutions – helping to advance global human rights in all of our factories. For this reason, we disclose our factories on a quarterly basis. See the most recent factory list [here](#). Although our supply chain sources may change from time to time, our quarterly factory disclosure represents our best attempt to disclose all of Timberland's active factories as of that date.

**Full Year 2016 Result:** Overall in 2016, 380 audits were conducted by VF Compliance at 320 Timberland factories. The graph above shows the results of the audits physically conducted in 2016 - this does not represent our overall supply chain ratings because the data does not include the 140 factories that were not audited but approved to produce in 2016. Examples of why audits were not conducted would be factories that were covered by a 2015 audit and dropped in 2016 prior to their audit due date, or factories that are on a 24 month audit frequency.

\*continued on next page\*



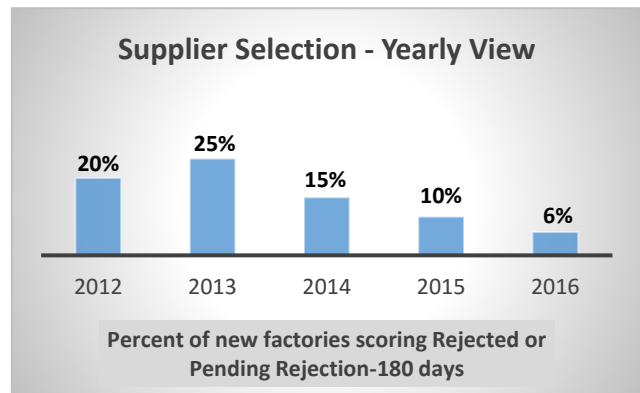
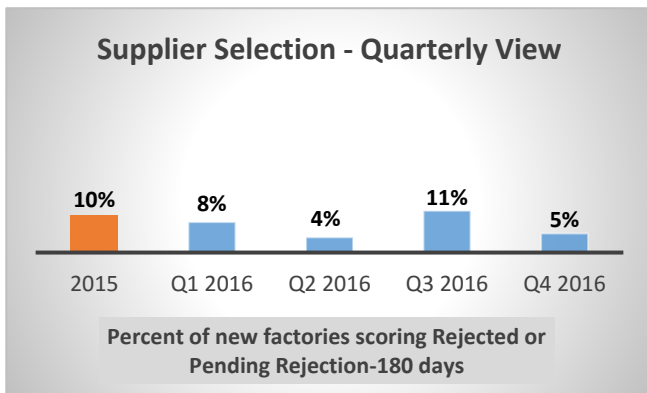


Timberland sourced from a total of 472 factories in 2016. When looking at all factories that produced in 2016, including those not audited in 2016, and those dropped midyear, our overall supply chain risk can be summarized as follows: 37% were Accepted, 62% were Developmental, and 1% were Rejected (orders with Rejected factories were withheld until corrective actions were implemented or production was relocated).

In the 380 audits conducted by VF Compliance in 2016, working hours continues to be the most prevalent human rights issue observed – found in 30% of our factories. Timberland defines this issue as anything over 60 hours per week. That said, there was a 14% reduction of this non-compliance over 2015 audits (35% in 2015 vs. 30% in 2016). The second most commonly observed issue is related to proper wage and benefits. Wage issues were found in 4% of our audits (down from 7% in 2015). The majority of these cases are a result of country minimum wages being increased in India and many factories petitioned the government for a “stay” to delay raising workers’ wages. The government then vacated the stays and the factories were ordered to pay the new minimum wage and to pay the arrears with interest. Most factories increased the wages but were not caught up on their arrear payments, thus resulting in a finding during their VF audit. These suppliers are required to show demonstrated improvement upon re-audit in order to remain a VF-approved vendor. For a full list of all topics included in the VF Compliance audits, please see [VF's audit policy](#).

### FACTORY CONDITIONS - SUPPLIER SELECTION

As Timberland’s sourcing managers consider new factories, social compliance performance is an important aspect of their vendor selection pre-screening process. Such pre-screening is accomplished by having factories provide evidence of their social compliance performance by way of recent audits by other brands, external monitoring firms, or social certificates, such as WRAP or SA8000. To facilitate discussions internally with our sourcing teams in regards to their commitment to select social/labor compliant factories, we track the number of new factories that receive Rejected or Pending Rejection-180 Days ratings on their initial VF Compliance Audit.

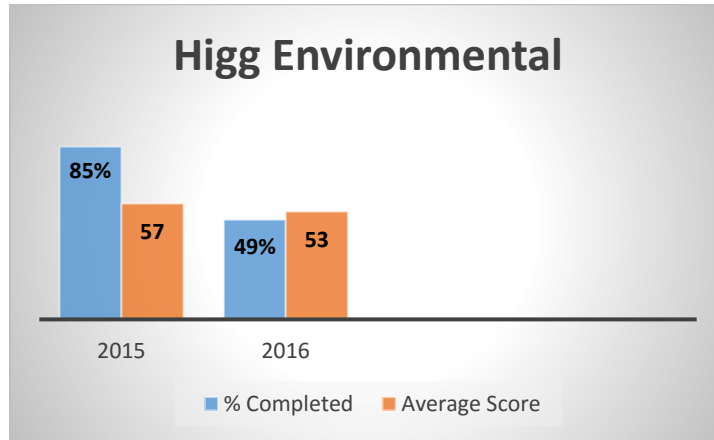


**Q4 2016 Result:** During Q4, 56 new factories were selected to produce for Timberland. Of these 56 factories, 13 (23%) were rated Accepted, 40 (72%) were rated Developmental, and 3 (5%) were rated either Pending Rejection (2) or Rejected (1). The 3 factories that received the Pending Rejection or Rejected ratings are working on their corrective action plans and have requested to be re-audited in 3 months.

**Full Year 2016 Result:** Of the 115 new factories selected in 2016, 27 (24%) were rated Accepted, 81 (70%) were rated Developmental, and 7 (6%) were rated either Pending Rejection-180 days or Rejected. Six of these 7 factories continued to work on their corrective action plans and were either re-audited and approved to produce for Timberland during 2016 or will be re-audited in early 2017. The other factory, Rejected in Q1, was dropped by our licensee before production began.

## HIGG FACILITY ENVIRONMENTAL MODULE

In 2015, VF's Sustainable Operations Team introduced our strategic suppliers to the Higg Facility Environmental Module. The first step is for the factory to complete an online self-assessment, answering questions on 7 different components: Environmental Management Systems, Energy Use and Greenhouse Gas Emissions, Water Use, Wastewater/Effluent, Emissions to Air, Waste Management, and Chemical Use and Management. Factories receive a score of 1 to 100. The next step is to have the VF Sustainable Operations Team (or other SAC-approved verifier) verify the factories' scores, by either on-site or off-site evaluation. Scores are aggregated, allowing facilities to benchmark their results against the industry.



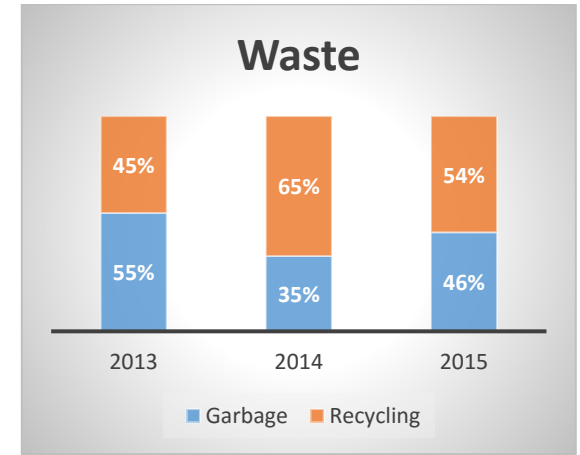
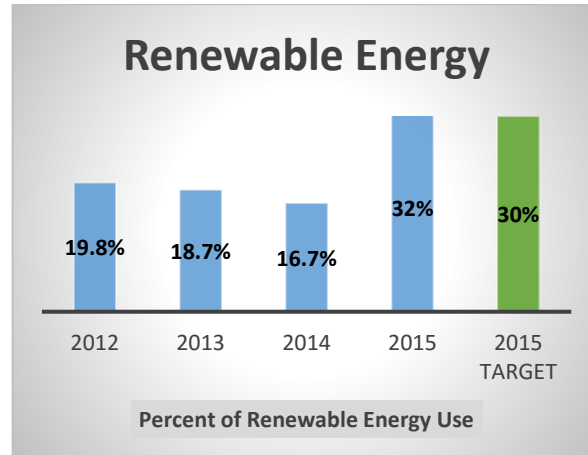
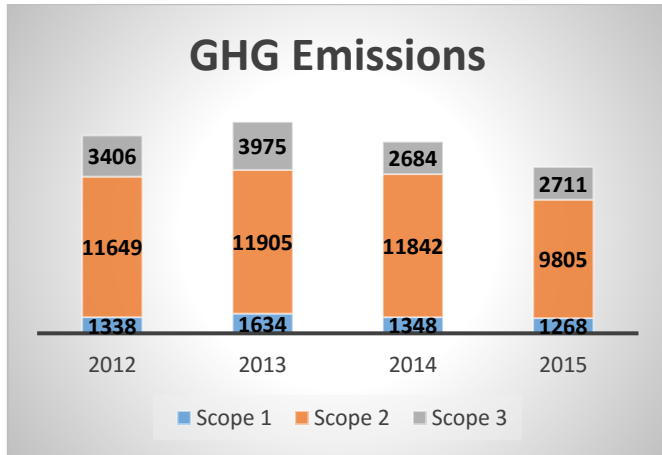
**2016 Result:** The Higg Environmental Module is currently being implemented with 49% of our Strategic Supplier factories. Strategic Suppliers are our top volume vendors that collectively represent 75% of Timberland's footwear and apparel production globally. In 2016, we on boarded several new Strategic Suppliers in the CASA region, none of which were able to implement Higg during 2016. In 2017, the goal is to have all Strategic Suppliers globally complete the self-assessment and to have those scores verified by VF's Sustainable Operations Team.

The Higg Facility Social and Labor Module is still in the Beta testing phase. Once completed, we will roll out to our largest manufacturers.



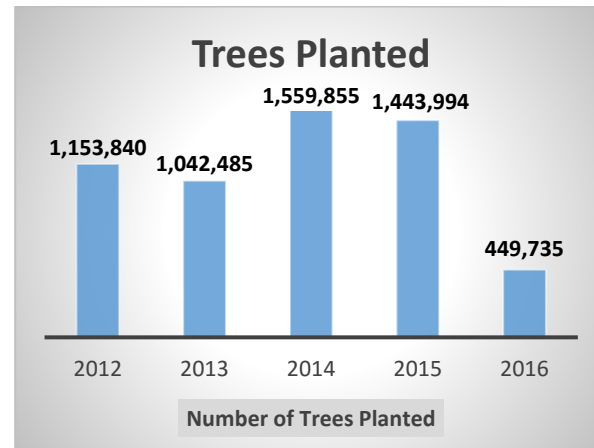
# OUTDOORS – RESOURCE EFFICIENCY

## Annually Reported Metrics - 2015 Results



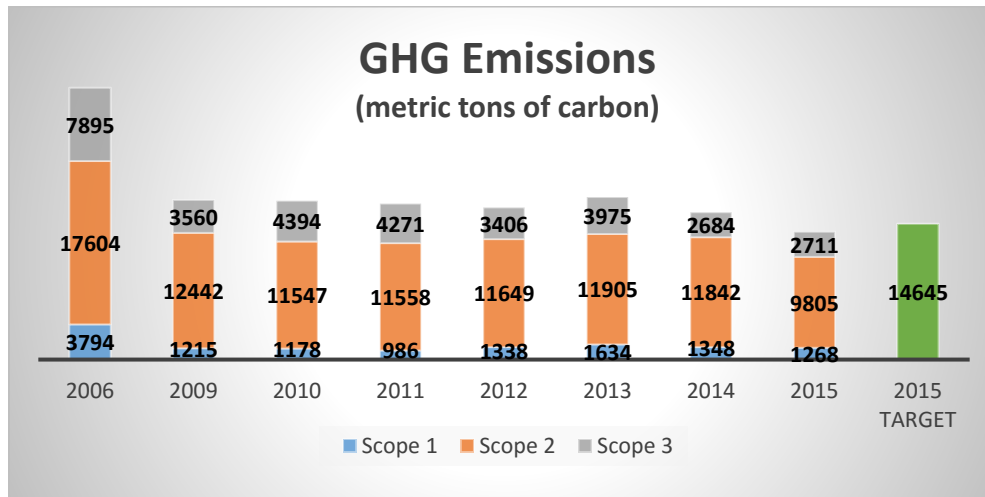
# OUTDOORS – TREE PLANTING

## Annually Reported Metrics - 2016 Results



For further details, analysis, and historic data, refer to respective appendices.

## GHG EMISSIONS



Timberland's carbon footprint measurement represents owned and/or operated facilities and employee air travel only. Measured over a 2006 baseline, as we opened new stores and expanded our international presence, it was to be expected that emissions would grow. For this reason, our 2010 target of 50% absolute emissions reduction was pushed out to 2015 to account for forecasted business growth. That said, this target remained ambitious for our business. A 50% reduction by 2015 is more aggressive than leading practice as defined by [Ceres Roadmap for Sustainability](#), which calls businesses to set such targets for 2020.

**2015 Result:** In 2015, we had a 13% reduction in GHG emissions compared to 2014 (13,784 vs. 15,874 metric tons), which is a 53% reduction over our 2006 baseline. This decrease can be attributed to our Stratham, NH headquarters and several European sites converting to renewable energy sources of electricity, and a 6% decrease in emissions related to employee air travel. We are pleased with our accomplishment to exceed our absolute target of 50% reduction in GHG emissions over our 2006 baseline. Going forward, we will be aligning targets with VF Corporation's goals around energy reduction and renewable energy. As such, our 2020 targets are to see a 10% reduction in energy use (2% reduction year over year) and have 50% of our energy procured or offset by renewable sources.

Read more about our [energy reduction efforts](#) on our responsibility website. To learn more about VF Corporation's efforts to reduce GHG emissions, click [here](#).

Notes regarding the GHG data reported here:

1. The emissions generated from our owned and/or operated facilities and employee travel accounts for roughly 4% of Timberland's overall carbon footprint, when including emissions embedded in raw materials, production manufacturing, and product transportation. Energy reduction efforts with our supply chain partners are managed and tracked via our implementation of environmental management systems tools such as the Higg Index. For more on these efforts, refer to our Product-Manufacturing reports.
2. In 2012, we updated our carbon footprint calculations to be consistent with our parent company (VF)'s carbon accounting methodology, and applied this protocol to our historical information. All annual data has been updated, which allows Timberland's GHG reporting to be consistent with VF's GHG reporting. Changes in our calculations included using more detailed emissions factors for onsite fuels (Scope 1) and energy use in the US (Scope 2, now based on eGrid). We also applied more rigorous calculations for air travel (Scope 3) to ensure that short, medium, and long haul flights have more detailed emissions factors associated with them (previously, Timberland used a standard emissions factor for all air travel). In 2014, VF removed Shop in Shop stores from its calculations as the selection and control of energy use in these stores is beyond the company's control and difficult to track accurately.

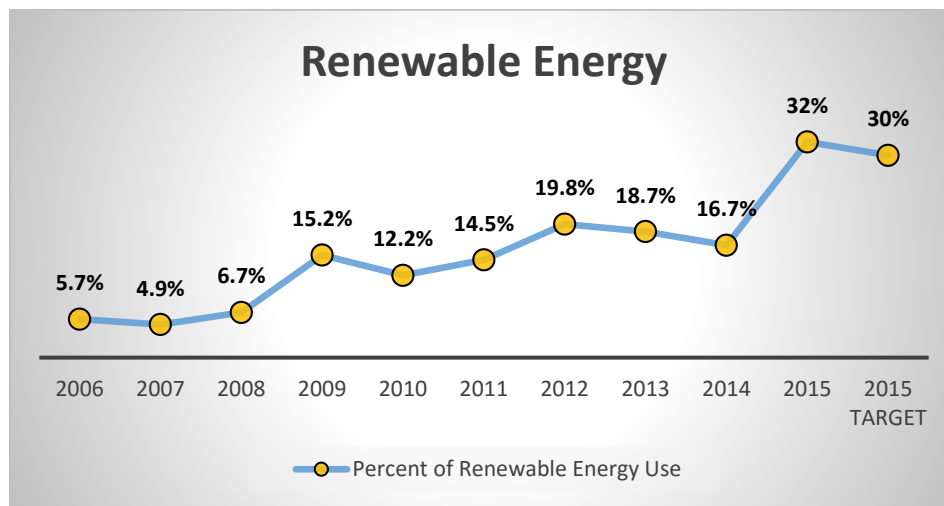
*\*continued on next page\**

3. At the end of each year we conduct a final review and replace estimations and/or outdated data with year-end corrections. Any change in previously disclosed annual data is the result of this clean-up. Data presented here represents the final and most accurate accounting of our GHG emissions for 2006-2015.

Scope Definitions (according to the [WRI/WBCSD GHG Protocol](#)):

- Scope 1: Emissions produced from the burning of fossil fuels on Timberland property (e.g. heating buildings by burning oil or natural gas).
- Scope 2: Emissions associated with the electricity that Timberland purchases from other companies. Examples include electricity purchases in our retail locations.
- Scope 3: Emissions that are a consequence of the company's business, but occur from sources not owned or controlled by Timberland.  
Timberland Scope 3 emissions included in our GHG inventory only include commercial air travel.

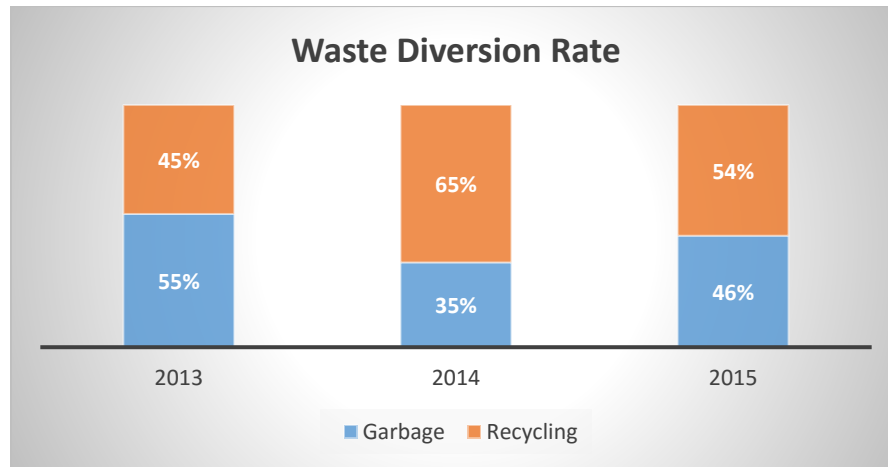
## RENEWABLE ENERGY



This metric measures the percentage of energy we procure from clean renewable energy vs. fossil-fuel based energy. Renewable energy purchases represent on and off-site generation, as well as renewable energy credits. Our 2015 target is considered best practice within the [Ceres 2020 Roadmap](#), which challenges businesses to obtain at least 30% renewable energy by 2020.

**2015 Result:** In 2015 our use of renewable energy was 32%, which exceeds our 2015 goal of 30%. This increase over prior years can be attributed to our Stratham, NH headquarters and several European sites converting to renewable energy. We are pleased with our accomplishment to exceed our 2015 target for 30% renewable energy. Going forward, we will be aligning our targets with VF Corporation's goal to be sourcing 100% renewable energy for all owned and/or operated facilities by 2025, setting our new target for 2020 to be 50%.

## WASTE



Timberland has a longstanding commitment to sustainability and protecting our natural resources. As part of this commitment, we have increasingly pursued recycling and composting efforts at our over 300 owned and/or operated facilities.

Landfill diversion rates at all facilities owned and operated globally were tracked for the first time in 2013. As the above chart reflects, our efforts to date have been successful in diverting the majority of our waste streams. We continue to seek means of further improving our waste diversion rate and are looking at applying best practices from our parent company's (VF Corporation's) zero waste facilities. *Note: data is self-reported by each facility and is not third-party validated.*

**2015 Result:** In 2015, our landfill diversion rate dropped from 65% to 54%. This is partly due to improved data collection processes globally. Each year we look to improve the process for gathering global waste and recycling information from our 300+ owned and/or operated facilities.

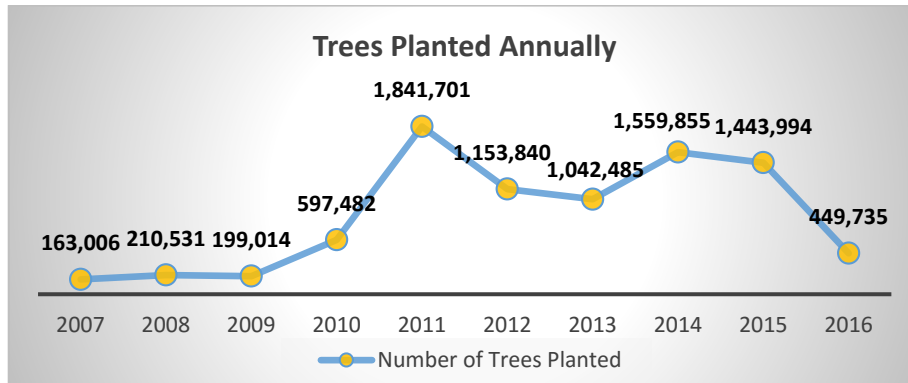
Our manufacturing plant in the Dominican Republic is by far our largest generator of waste, generating over 90 metric tons of landfill waste each year. In 2014, a large volume of accumulated obsolete outsoles was included in the waste diversion figure resulting in a much higher diversion rate for the year. We are currently working with the industrial park association to institute a recycling program within the park, as currently none exists.

Another opportunity that we are currently pursuing to further increase our waste diversion rate is a solution for our retail stores to recycle the polybags that accumulate at each store, as these cannot typically be recycled in municipal recycling programs. We are considering alternative polybags can be recycled and/or a national polybag recycling vendor for our retail stores to send discarded polybags.

To learn more about VF's efforts to reduce landfill waste, click [here](#).

## GREENING THE OUTDOORS

In 2001, Timberland set out to plant 1 million trees in 10 years. We accomplished our goal in 2009 and were inspired to set a new goal of planting 5 million trees in the next 5 years. In 2014, we had accomplished that goal, primarily based on the success of tree planting projects in China, Haiti, and the Dominican Republic. From 2001 through 2016, Timberland planted a total of **9,241,063** trees.



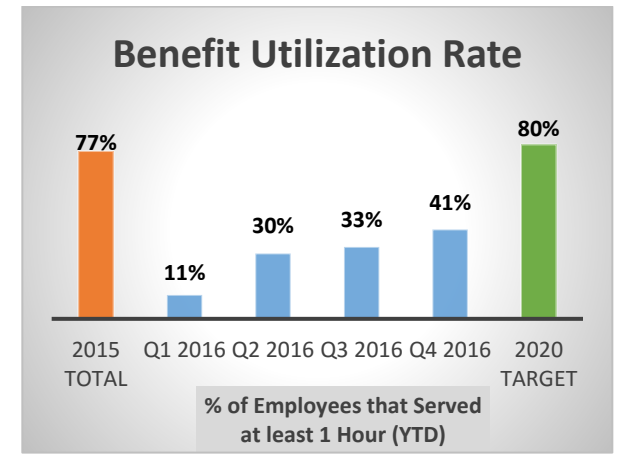
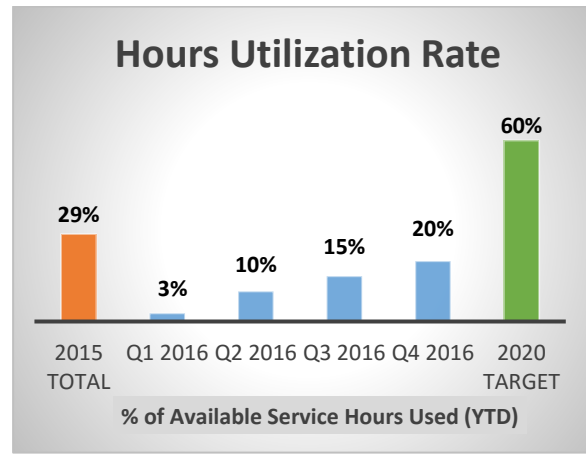
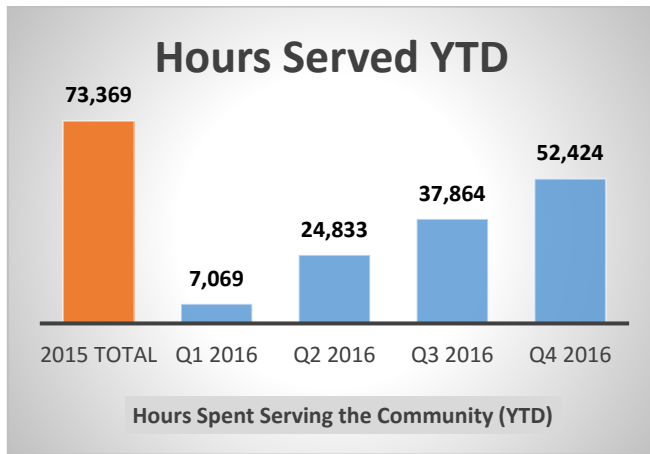
Read more about our tree-planting initiatives in [Haiti](#) and [China](#) on our responsibility website.

By 2020, we aim to well-exceed 10 million trees planted in total. Our efforts to green the outdoors will additionally include more focus on urban greening and engaging our consumers in doing so. You can read more about our global [urban greening efforts](#) on our Responsibility website.

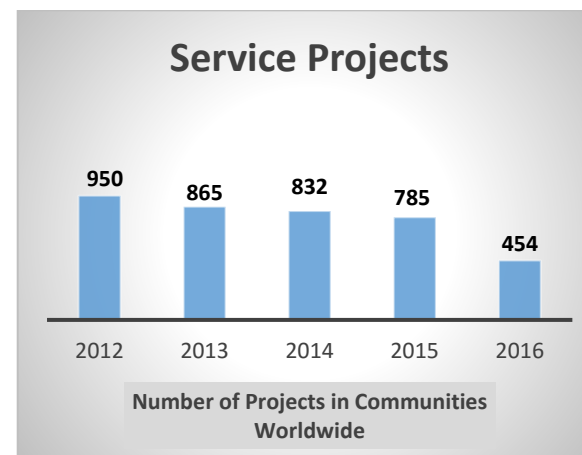
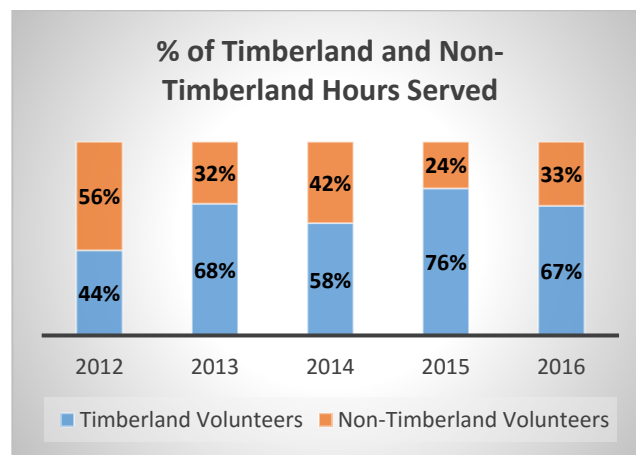


# COMMUNITY SERVICE

## Quarterly Reported Metrics – Q4 2016 Results



## Annually Reported Metrics – 2016 Results



For further details, analysis, and historic data, refer to respective appendices.

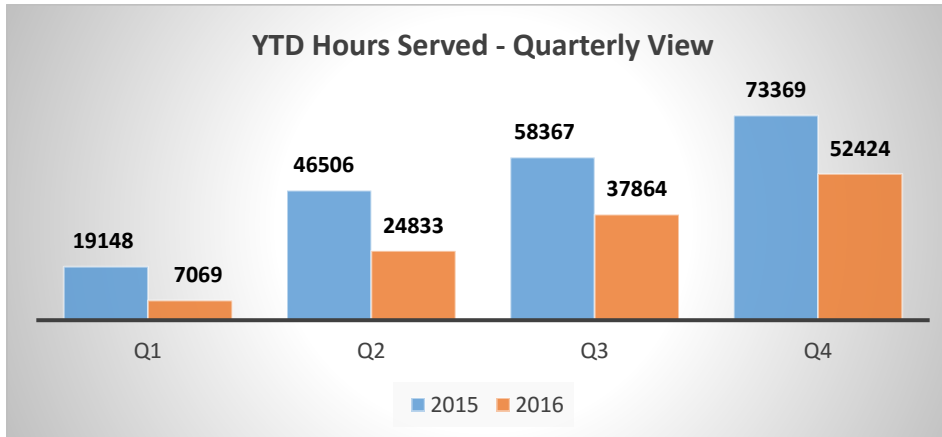
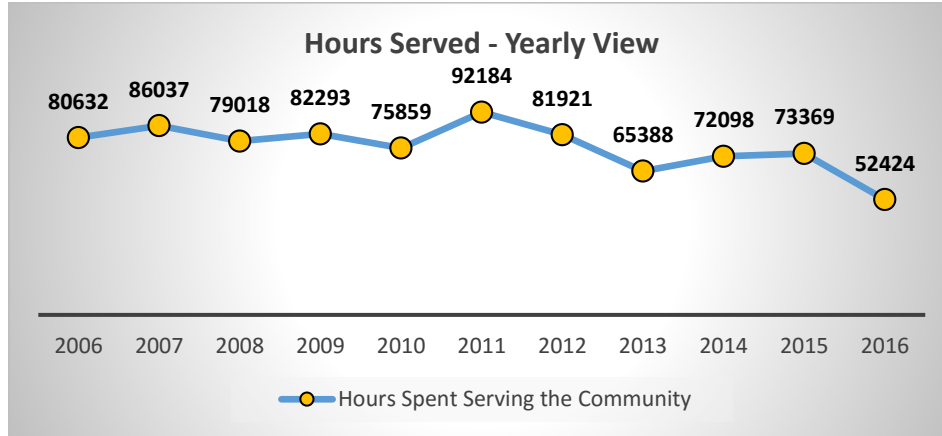


## HOURS SERVED

At Timberland, service is a part of our DNA. A belief in the power of people to transform their communities is one of our core values. We live this value by offering our thousands of creative, dedicated, hardworking employees a number of ways to become involved, including these core programs:

*Path of Service™*: This employee volunteer program gives full-time staff an annual benefit of up to 40 paid hours and part-time staff an annual benefit of up to 20 paid hours for community service. *Pillar Service Events*: To help employees use their service hours, Timberland organizes global two days of service each year: Earth Day in the spring and our own Serv-a-palooza event in the fall. In 2014, Timberland employees celebrated their one million<sup>th</sup> hour of community service.

Service metrics are measured on an annual basis (from January 1 - December 31) and revert to zero at the beginning of each year. Hours served reflects the total number of community service hours reported by employees that were served during business hours.

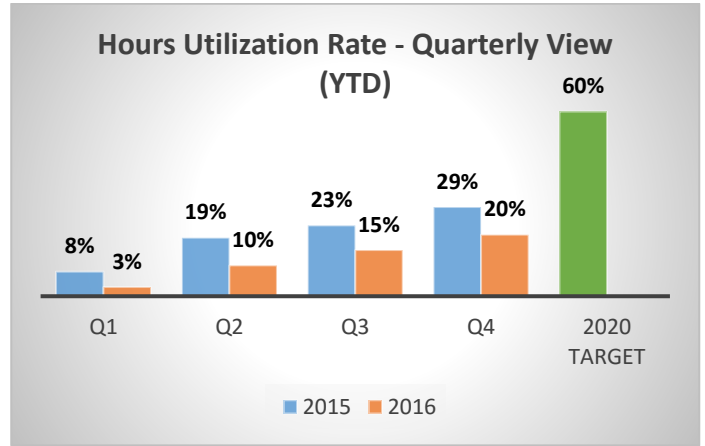
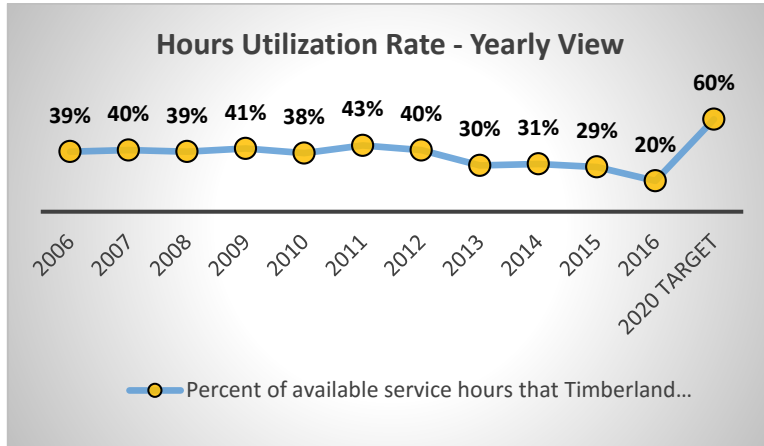


**Q4/Year End 2016 Result:** Timberland employees served 14,560 hours worldwide in Q4 2016, for a total of 52,424 hours served year to date. Carving out time for service is often a challenge, and this year is no exception. Even though hours are down compared to last year, many employees still found new and creative ways to use their Path of Service™ benefit. Some of the ways our employees served in Q4 include: collecting toys for children’s hospitals in the DR, donating excess sample clothing to the homeless in the UK, and assisting at an elderly daycare facility in Hong Kong.

To learn more about how we serve, [click here](#). Interested in putting together a service event of your own? [Download our Service Toolkit](#) to get started!

## HOURS UTILIZATION RATE

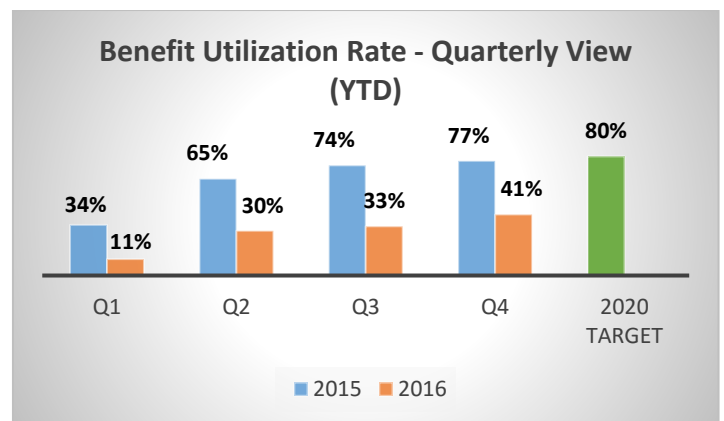
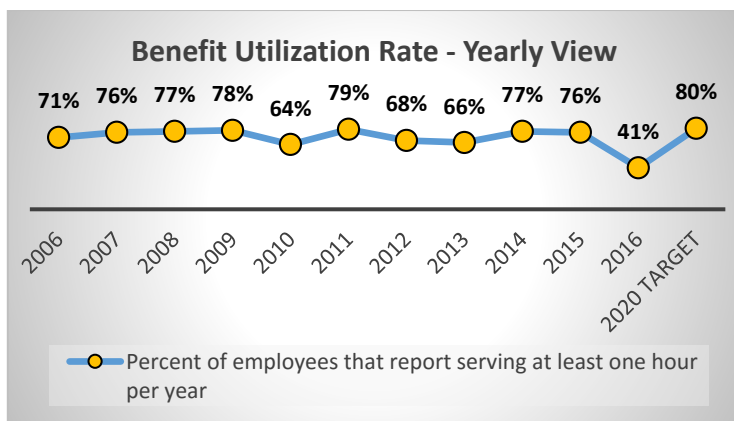
Hours Utilization Rate ("HUR") measures the percentage of available service hours offered to Timberland employees that employees report using year to date. Full-time employees are offered up to 40 paid hours annually, and part-time employees are offered up to 20. Each year the Community Engagement team and the Global Stewards (Timberland's volunteer team of CSR ambassadors who drive our service and CSR agenda worldwide, in addition to their regular job responsibilities) strive to increase employee engagement in community service by offering new service opportunities to employees. Service metrics are measured on an annual basis (from January 1 - December 31) and revert to zero at the beginning of each year.



**Q4/Year End 2016 Result:** Timberland's YTD Hours Utilization Rate at the end of Q4 was 20%. Our DR manufacturing facility, which holds the largest population of Timberland employees, faced production challenges in 2016, which limited their ability to serve. In other regions, service events focused on holiday giving, and included donating toys to children's hospitals and other organizations, filling and delivering Thanksgiving baskets, and making blankets for homebound seniors. More traditional service events also took place this quarter, such as tree planting and gardening projects with the elderly.

## BENEFIT UTILIZATION RATE

Benefit Utilization Rate ("BUR") measures the percentage of employees that report serving at least one hour of community service per year. Each year the Community Engagement team and the Global Stewards strive to increase employee engagement in community service by offering new service opportunities to employees. Service metrics are measured on an annual basis (from January 1 - December 31) and revert to zero at the beginning of each year.



**Q4/Year End 2016 Result:** Timberland's YTD Benefit Utilization Rate at the end of Q4 was 41%. Our DR manufacturing facility, which holds the largest population of Timberland employees, faced production challenges in 2016, which limited their ability to serve. Despite such challenges, we constantly strive to find creative ways for employees to serve that can be done in small increments of time and are less disruptive to employees' workdays. Examples of these projects include writing letters to our troops, making small knitted garments, and using recycled leather to make bags.

## COMMUNITY SERVICE EVENTS ORGANIZED BY TIMBERLAND GLOBALLY

To support and encourage Timberland employees to use their Path of Service™ benefit, the Global Stewards are tasked with organizing community service events beyond our annual Earth Day events in the spring and our annual Serv-a-palooza events in the fall. Most service events are designed to engage not only our employees, but also our business partners, VF associates, our customers, and others in the community. This metric shows the number of community service events organized by Timberland worldwide per year.

Note to stakeholders: In 2016, we redefined “service event” to mean “projects involving 2 or more Timberland employees engaging in service to the community.” As such, our number of events decreased to conform to this new guideline.



## NON-TIMBERLAND VOLUNTEERS

This metric communicates the extent to which we have increased our impact by engaging volunteers beyond our employee population in hours of service. We strive to engage our business partners, distributors, consumers, and local community members in our events. The purpose of this metric is to show the percentage of Timberland vs. non-Timberland volunteers that participated in Timberland organized service events throughout the year.

