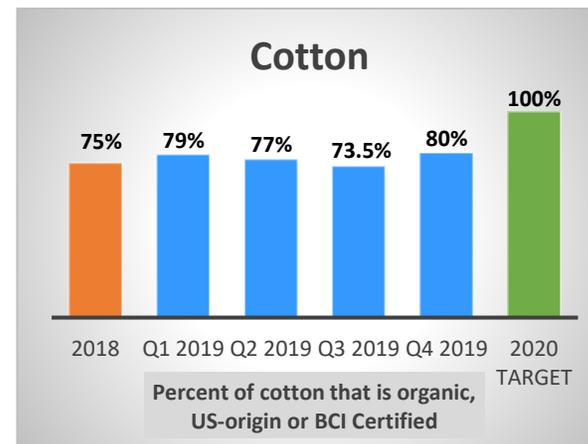
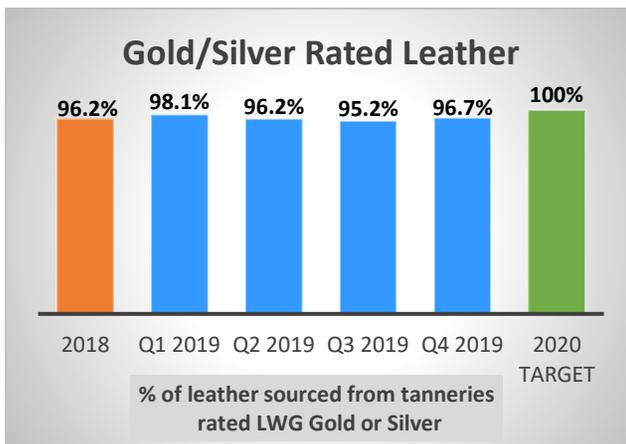
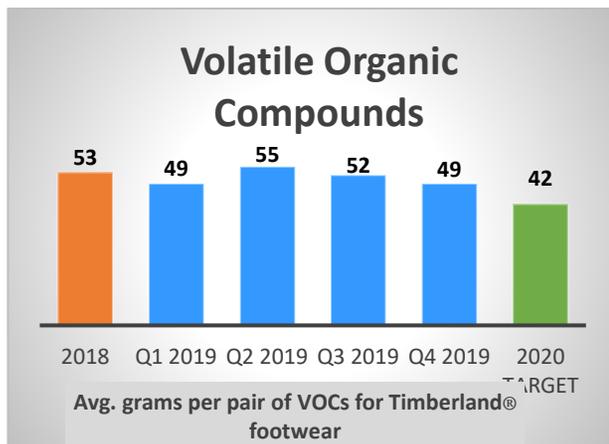


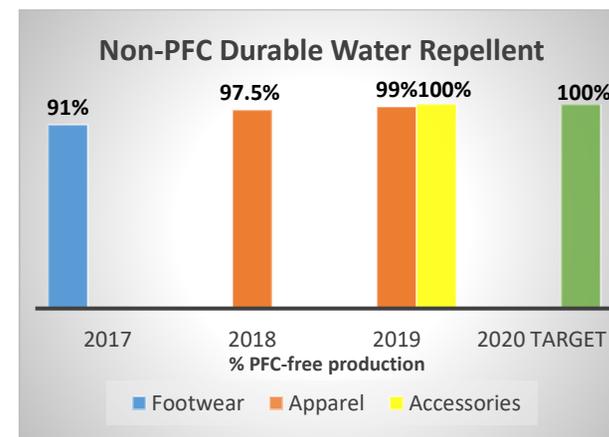
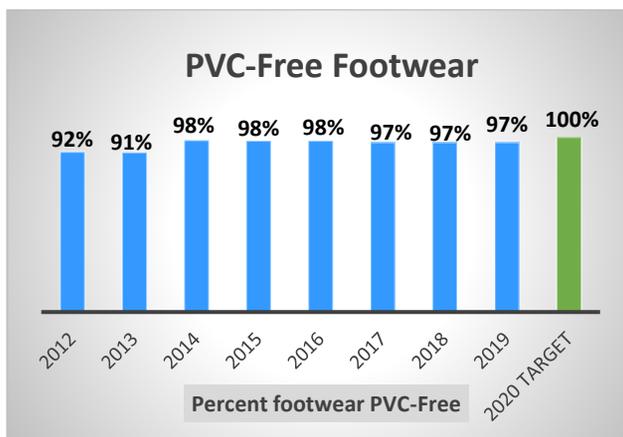
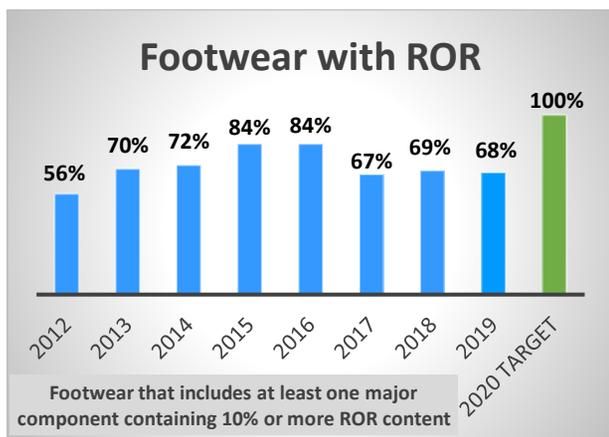


PRODUCT – Materials

Quarterly Reported Metrics – Q4 2019 Results



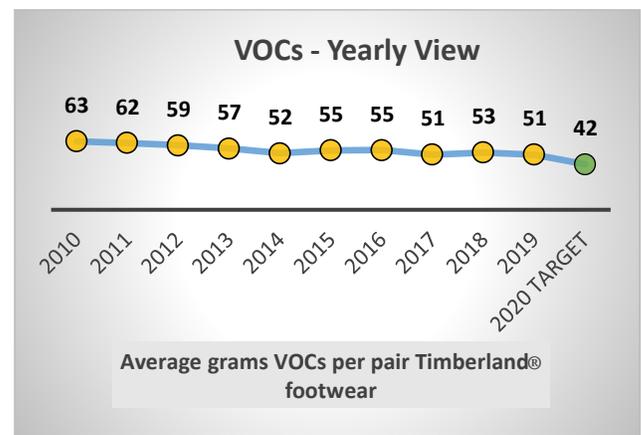
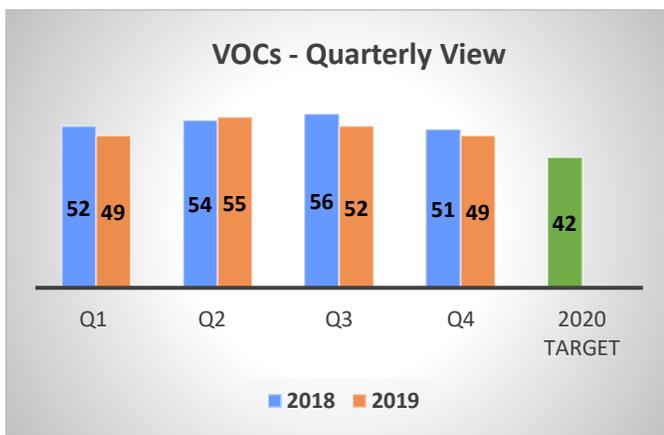
Annually Reported Metrics – 2019 Results



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 lowering environmental impact and improving working conditions in factories. To facilitate ongoing reduction efforts and maintain the quality and physical integrity of the shoe, engineering reviews are conducted to promote the use of water-based adhesive in the construction and manufacturing of product.



Q4/Year-end 2019 Result: Our average use of VOCs per pair was 49 grams during Q4, an improvement over our Q4 2018 usage (51 grams/pair). For full-year 2019, our average VOCs per pair was 51 grams vs. 53 grams in 2018.

Our manufacturing facility in the Dominican Republic continues to reduce its VOC usage, and its best practices are being employed by other manufacturers, including a factory in Cambodia using new machinery that dispenses the adhesives through a handheld applicator. The machinery aids in better accuracy of application and results in less waste. We remain committed to our goal of averaging 42 grams of VOCs per pair.

Building on the work that Timberland has done to date to use alternatives, execute best practices for application, and minimize air exposure, our parent company's Responsible Sourcing team is looking to expand the scope of its responsible chemistry program (ChemIQ) to include solvent-based adhesives – working with suppliers and adhesive vendors to prioritize substitutions for adhesives with high VOC content.

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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 our leather suppliers for footwear and apparel undergo an environmental audit under protocols established by the [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, water and waste management to energy use and hide traceability. Tannery environmental audit performance is scored on a scale of Audited, Bronze, Silver, or Gold, with separate percentage scores awarded for the degree of hide traceability. 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 2019 Result: During Q4, 96.5% of our overall leather volume used for Timberland® footwear, apparel, accessories and licensed products was produced at tanneries that have a Gold or Silver LWG rating, which is slightly lower than our Q4 2018 result (97.5%). When looking at leather used during Q4 for Timberland® footwear only, 99.7% came from tanneries rated Gold or Silver.

For full-year 2019, 96.7% of leather used in all Timberland® products came from Gold or Silver rated tanneries, and 99.6% of leather used for footwear only came from Gold or Silver rated tanneries. The small percent of non-gold or silver rated leather used in our footwear comes from two sources. The first is a tannery in the US that is LWG compliant, but measures to bring them up to silver-rated would be cost-prohibitive due to the age of their current building. The second is a tannery that had a 6-week lapse between audits, making any leather shipped during that lapse considered non-silver or gold. (Upon re-audit they regained their gold status.)

We are working with our licensed goods and accessories partners to incorporate more leather from LWG-certified tanneries into their products. Smaller quantities and price-point demands make this challenging, however, our licensees understand the importance of increasing the use of more responsible materials in their products and are doing their best to achieve our requirements.

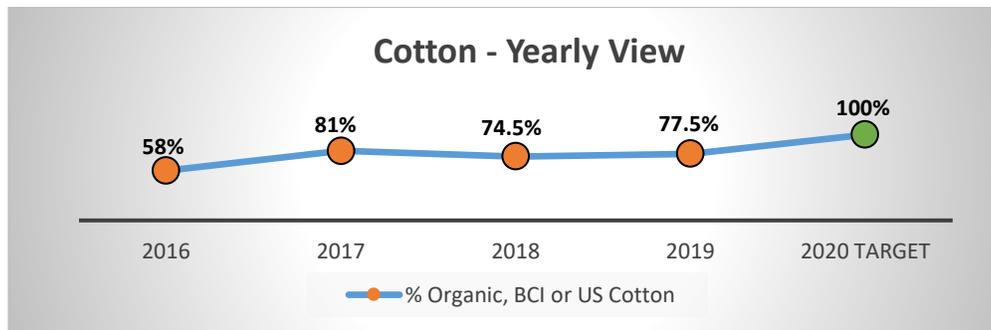
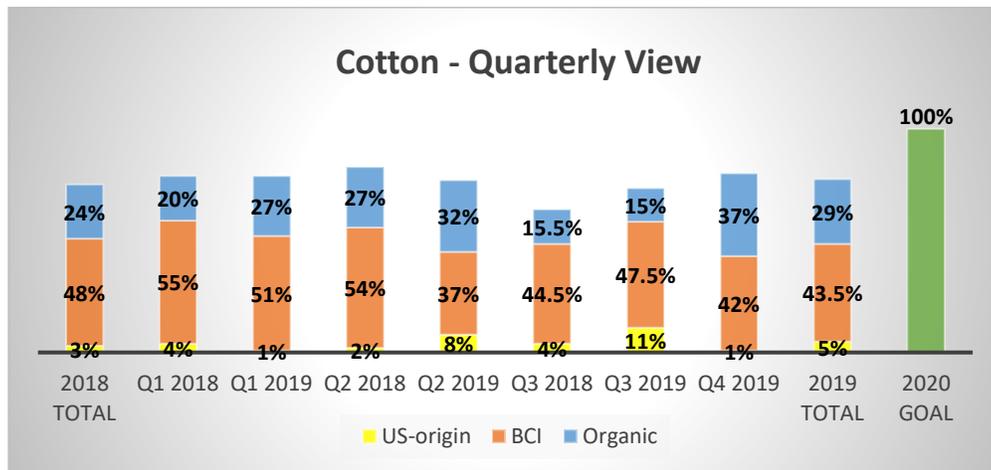
We remain committed to our goal to limit production at non-certified tanneries until they achieve Gold or Silver status.

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COTTON

Chemicals used to grow cotton can be detrimental to the health of farmers, and seep into run-off water contaminating lakes, rivers, and waterways. Conventionally grown cotton uses more insecticides and requires significantly more water than organically grown cotton. As such, Timberland has a longstanding goal to increase our use of organic cotton year over year. Organic cotton remains our preference; however, when organic cotton is not feasible, we strive to eliminate our use of conventionally grown cotton. Our new 2020 target is for 100% of the cotton used in our apparel, accessories and licensed goods to be sourced more sustainably than conventional cotton. This includes cotton that is Certified Organic, Recycled or Fairtrade; of US-origin; or sourced as Better Cotton through the [Better Cotton Initiative](#) (“BCI”). Better Cotton can be mixed with other cotton before it reaches the factory, which means that Better Cotton can end up in our products as well as those of our competitors. What a brand can ensure is that the amount of Better Cotton purchased by a factory corresponds to the amount needed for the production of its products. This applies to all brands and textile buyers. By ordering Better Cotton, we support more sustainable cotton production, regardless of where the cotton ultimately ends up (in our own products or in our competitors’). This system, called Mass Balance, enables a faster upscaling of a more sustainable cotton supply than would otherwise have been possible.



Q4/Year-end 2019 Result: In Q4, Timberland® apparel and accessories used 772 metric tons of cotton, 80% of which (618 metric tons) was either organic (37%), sourced through BCI (42%) or US-origin (1%). For full-year 2019, Timberland® apparel and accessories used 2,775 metric tons of cotton, 77.5% of which was either organic (29%), sourced through BCI (43.5%), or US-origin (5%).

Our direct-sourced apparel used 1,894 metric tons of cotton during 2019 – 99% of which was either organic (38%) or sourced through BCI (61%). We continue to work with our accessories licensees who historically have struggled to find ways to incorporate responsible cotton into their products. While this will take time, they are committed to making products that support our values and meet our guidelines.

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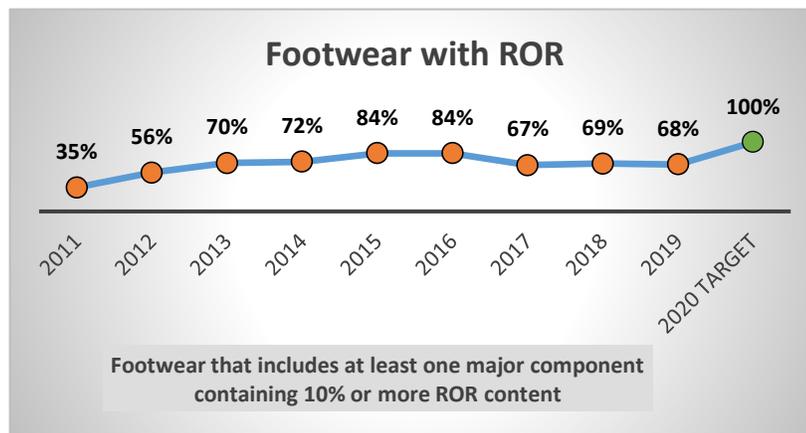


FOOTWEAR WITH RECYCLED, ORGANIC OR RENEWABLE MATERIALS

Since 2008, Timberland has implemented product development strategies to increase the use of recycled, organic, and renewable ("ROR") materials in our footwear, and set yearly targets to steadily increase the use of these environmentally-preferred materials. Renewable materials are defined by Timberland as plant-based materials which replace the use of fossil fuels in our products (e.g. castor bean oils used in outsole compounds). 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 is constructed with at least one major component made from organic, renewable or recycled materials (with a minimum threshold of 10% ROR 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.

In 2017 we changed our method of reporting our use of ROR materials. From 2011 to 2016 we included all materials, including those used in minor components such as webbings, trims and labels. To drive focus toward using ROR content in more significant components of our footwear, we are no longer including these minor components.



2019 Result: In 2019, 68% of all Timberland® footwear shipped had at least one major component made with 10% or more ROR content, a slight decrease over our 2018 result. Recycled PET continues to be the largest source of ROR materials in our footwear, incorporating over 734,473 pounds – the equivalent of 33.6 million half-liter plastic water bottles. To date, we have incorporated the equivalent of over 380 million plastic bottles into our footwear.

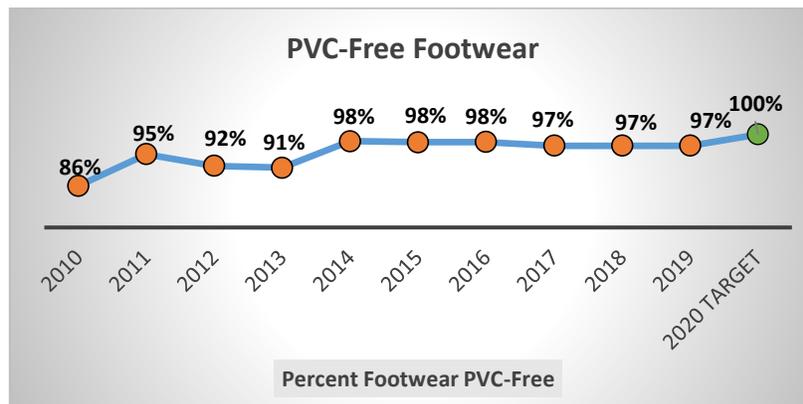
To further advance toward our 2020 goal, we have developed design policies that require ROR content in all new product development, and we are revisiting carry-over styles to engineer in ROR where applicable.

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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 manufacture, use, and disposal of PVC poses environmental and human health hazards. At numerous points in the vinyl lifecycle, hazardous by-products can be formed accidentally and released into the environment. The by-products of the vinyl lifecycle are of concern because many of the components are highly persistent, bioaccumulate, and toxic.¹

¹ Thornton, Joe. *Environmental Impacts of Polyvinyl Chloride (PVC) Building Materials. A Briefing Paper for the U.S. Green Building Council.* Columbia University, *Environmental Impacts of Polyvinyl Chloride (PVC) Building Materials. A Briefing Paper for the U.S. Green Building Council*, www.usgbc.org/drupal/legacy/usgbc/docs/LEED_tsac/PVC/CMPBS%20Original%20Submittal.pdf.

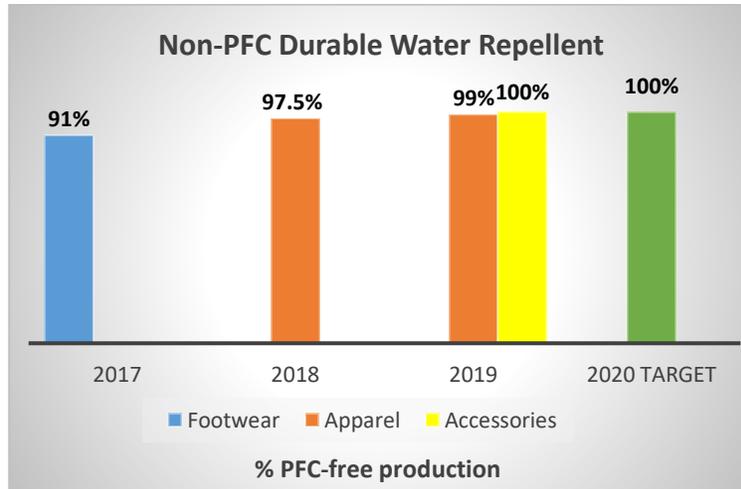


2019 Result: In 2019, 3% of Timberland® footwear shipped contained PVC, which is even with our 2018 result. While not yet at 100% PVC-free, we are proud of the progress we've made over the years to phase out PVC in our footwear. There are stringent performance expectations in certain styles in our Timberland 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. 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/>.

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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 eliminate all PFCs in our waterproof footwear and apparel. Our end goal is for 100% of our DWRs to be non-PFC. This was a new metric in 2016.



Footwear production result excludes minor trims.

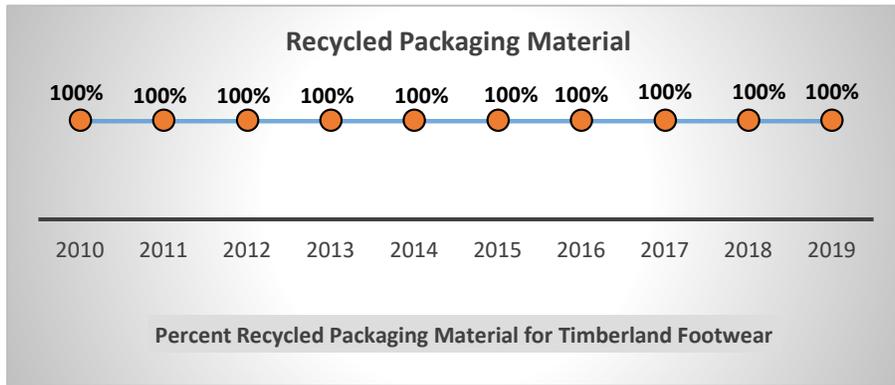
2019 Result: This is our first year reporting non-PFC DWR in accessories fabric, and we are pleased to report that 100% of DWR used is non-PFC. Over the past several years, our apparel team has successfully transitioned the vast majority of their DWR fabrics (99%) to non-PFC chemistry. Our remaining products with PFC-based DWRs have specific performance requirements (e.g. oil repellency for workwear fabrics) that, to-date, can only be achieved with PFC-based chemistry. We are actively researching and engaging chemical suppliers with the goal of identifying non-PFC chemistry innovations that can achieve the required performance attributes for these products.

We anticipate having more accurate data in 2020 to resume reporting on footwear containing non-PFC DWR.

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RECYCLED PACKAGING

Since 2007, Timberland has been committed to producing responsible packaging for our footwear. Our boxes are made from 100% recycled materials (at least 80% post-consumer) and from 2007-2011 were printed with soy-based and sesame-based inks. Starting in 2012 we began using water-based inks and have phased out soy and sesame-based inks.

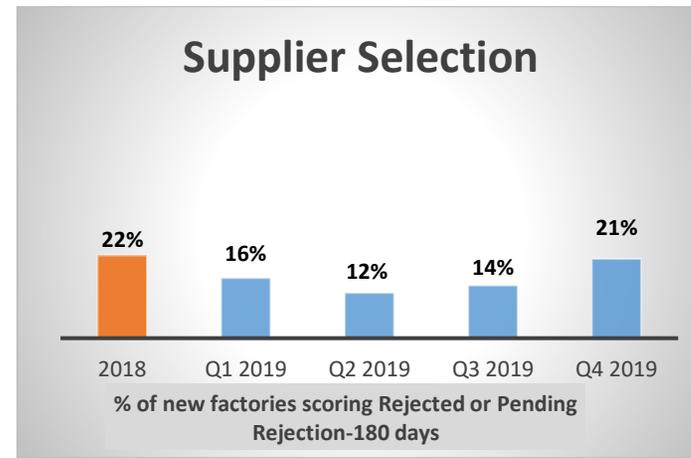
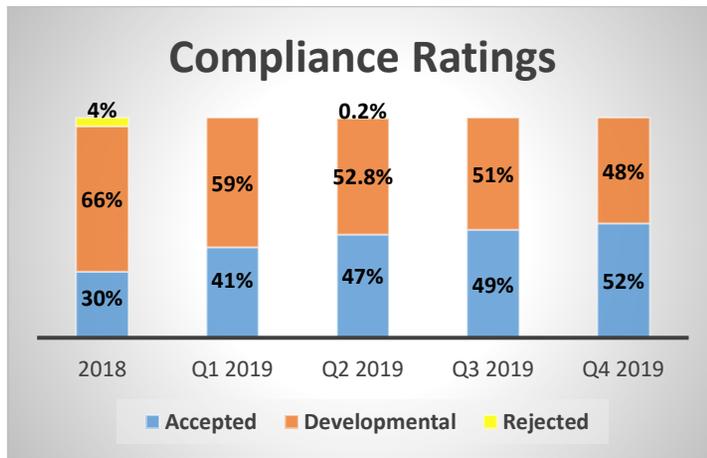


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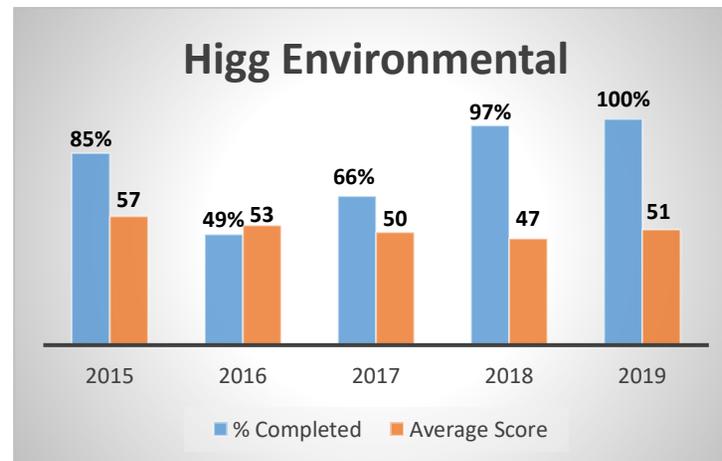


PRODUCT – Manufacturing

Quarterly Reported Metrics – Q4 2019 Results



Annually Reported Metrics – 2019 Results



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

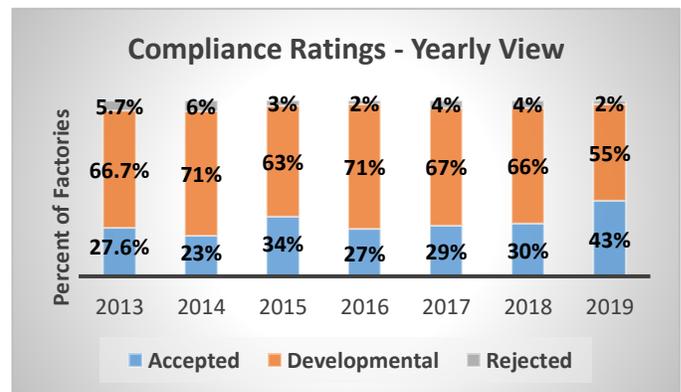
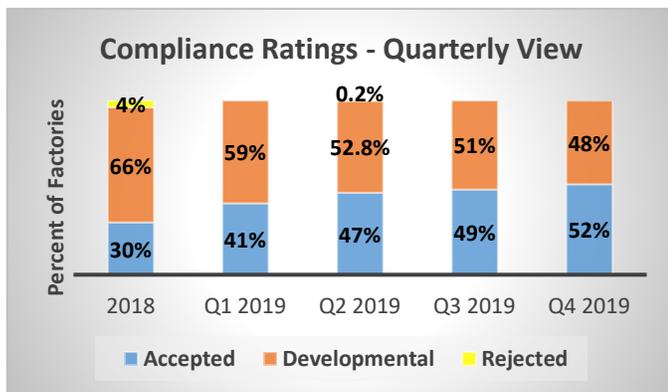
FACTORY CONDITIONS – COMPLIANCE RATINGS

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 packing 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 12 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.

In 2017, VF Compliance began auditing Tier 2 suppliers (textile mills, outsole factories, and tanneries) for life safety issues. Life Safety Audits cover Legal Business Practices, Child Labor, Forced Labor, Health and Safety, Monitoring and Compliance, Worker Residence and Environment. Metrics below include results of both standard compliance audits and life safety audits.

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



Q4 2019 Result: At the end of Q4, there were 397 factories approved to produce for Timberland. Broken down by business unit, this equates to 56 footwear factories, 134 apparel factories, 108 factories producing licensed goods and accessories, 29 tanneries, and 70 fabric mills and component suppliers. Two hundred seven (52%) were rated Accepted, and 190 (48%) were rated Developmental.

VF Compliance audited 104 Timberland factories during Q4. Of the factories audited, 48 (46%) were rated Accepted, 46 (44%) were rated Developmental, and 10 (10%) were rated Pending Rejection. The factories rated Pending Rejection are working on their corrective action plans and will be re-audited within 6 months.

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Full-Year 2019 Result: In 2019, 469 audits were conducted by VF Compliance at 390 Timberland factories. The graph above shows the results of the audits physically conducted in 2019 - this does not represent our overall supply chain ratings because the data does not include the 169 factories that were not audited but approved to produce in 2019. Examples of why audits were not conducted would be factories that were covered by a 2018 audit and dropped in 2019 prior to their audit due date, or factories that are on a 24-month audit frequency.

Timberland sourced from a total of 555 factories in 2019. When looking at all factories that produced in 2019, including those not audited in 2019, and those dropped midyear, our overall supply chain risk can be summarized as follows: 48% were Accepted, 51% were Developmental, and 1% were Rejected (orders with Rejected factories were withheld until corrective actions were implemented or production was relocated.)

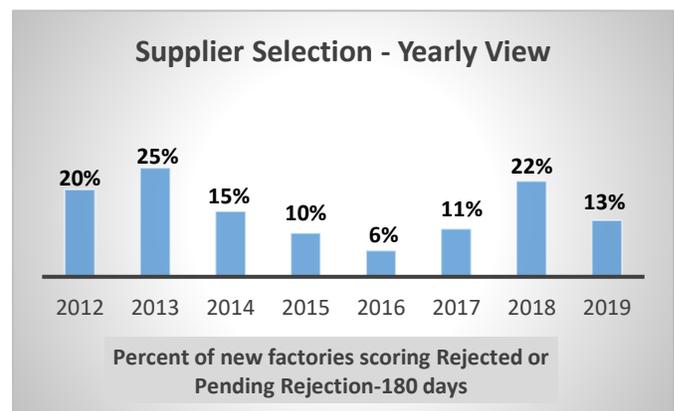
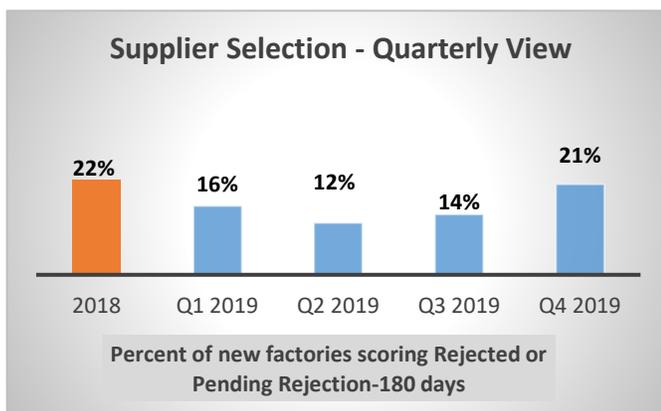
Working hour violations were cited in 22% of the audits conducted in 2019, which is an increase over our 2018 result (16%). VF defines this issue as anything over 60 hours per week or working more than 6 days consecutively. Factories surveyed reported workforce shortage during peak months, delays in raw material deliveries, and workers' interest to work more than 60 hours per week as reasons for these violations. Minimum wage issues were further reduced in 2019, found in only 1.4% of factories audited. For a full list of all topics included in the VF Compliance audits, please see [VF's audit policy](#).

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 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.

In addition, Timberland, along with other VF Corporation brands, recently published full supply chain transparency footprint maps on 42 of its most iconic products. The source maps, available on [VF's sustainability website](#), help ensure every step in the production of VF's apparel and footwear meets the corporation's standards of quality, sustainability and social responsibility – from raw material extraction to VF distribution centers. The interactive maps display the number and locations of suppliers in a region and users can zoom in for a close-up look at each supplier, including onsite inspections, verifications and associate interviews.

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 regard 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.



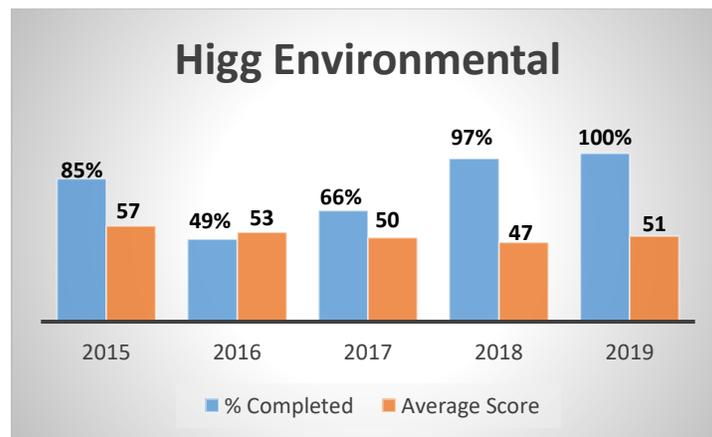
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Q4 2019 Result: During Q4, 19 new factories were selected to manufacture for Timberland. Of these factories, 3 (16%) were rated Accepted, 12 (63%) were rated Developmental, and 4 (21%) were rated Pending Rejection. These 4 factories were given a corrective action plan (CAP) detailing the issues that need remediation. They will be re-audited in 6 months.

Full-year 2019 Result: During 2019, 157 new suppliers were added to Timberland’s supply chain. Forty-one (26%) were rated Accepted, 96 (61%) were rated Developmental, and 20 (13%) were rated either Pending Rejection (10) or Rejected (10). For those factories that were Rejected, orders were put on hold until the factory was re-audited with a favorable result, or production was placed in another facility. Factories rated Pending Rejected had 6 months to remediate their high-risk findings. Upon re-audit, if the factory demonstrated sufficient remediation efforts, production could continue. If not, the factory was downgraded to Rejected and no new orders could be placed.

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 seven 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.



2019 Result: At the end of 2019, 100% of Timberland Strategic Supplier factories (both Tier 1 and Tier 2) participated in the Higg Environmental Module. Strategic Suppliers are VF’s top volume factories that collectively represent 80% of global production for footwear and apparel. The average score for Timberland Strategic Suppliers that completed the self-assessment is 51, as shown in the chart above.

Once a factory completes the self-assessment, a member of VF’s Sustainable Operations Team visits the factory to verify their score. In 2019, 25 factories had their scores verified, and the average score was 50.