

Timberland Q1 2019 Highlights



LWG Gold or Silver Leather

↑ +1.7 basis points



grams/pair VOCs

↓ -7%



17415
Community Hours Served

↑ + 30%



Responsibly Sourced Cotton

↑ +4 basis points



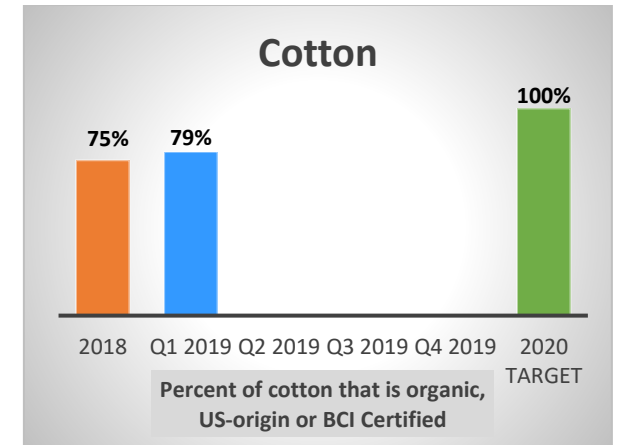
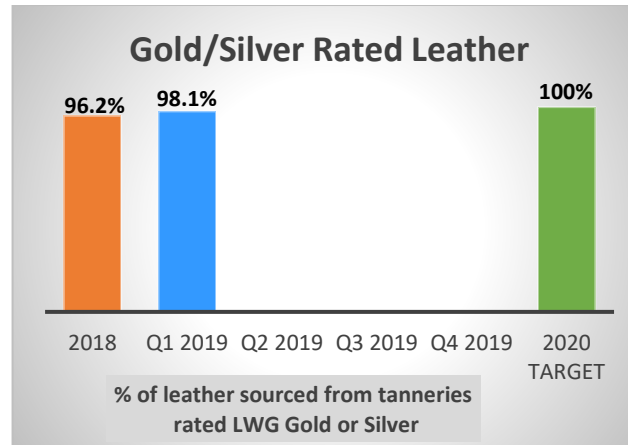
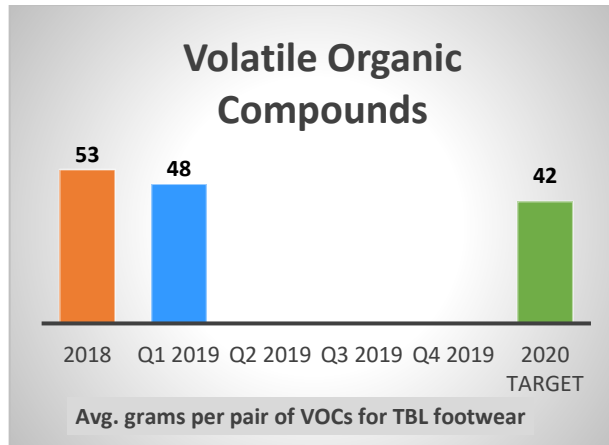
Approved Factories

↑ +4 basis points

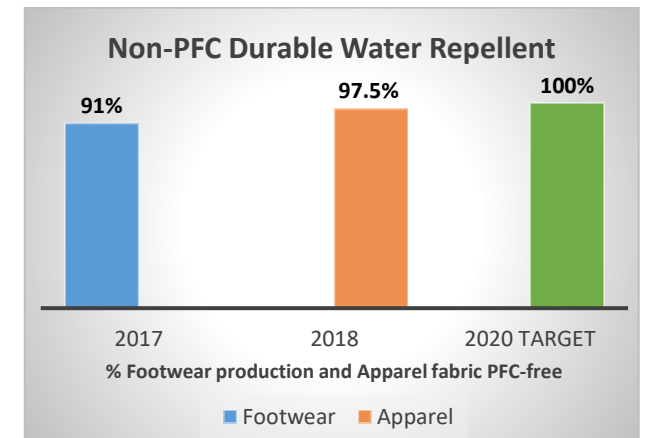
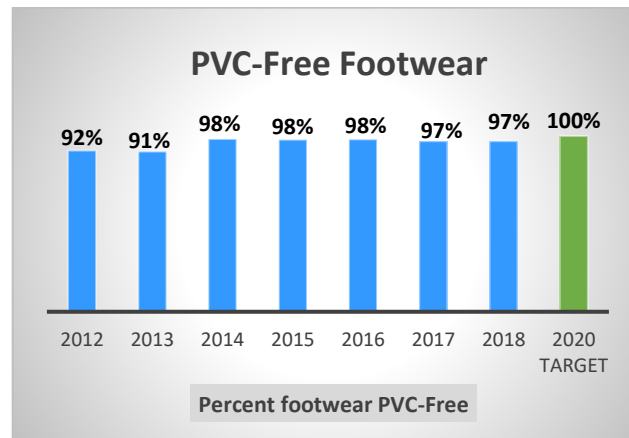
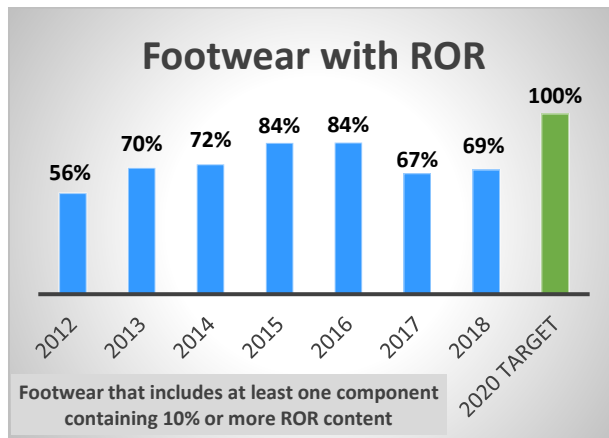


PRODUCT – Materials

Quarterly Reported Metrics – Q1 2019 Results



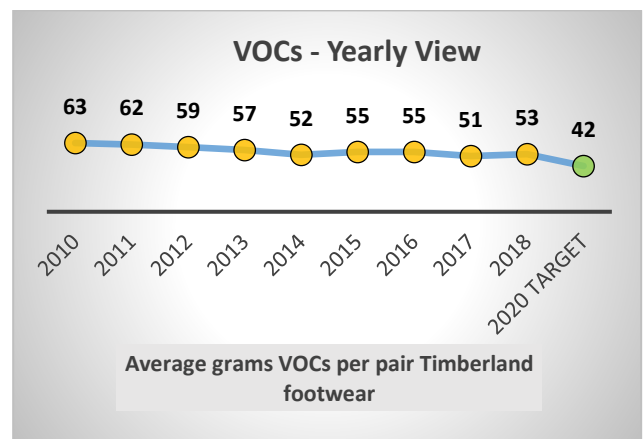
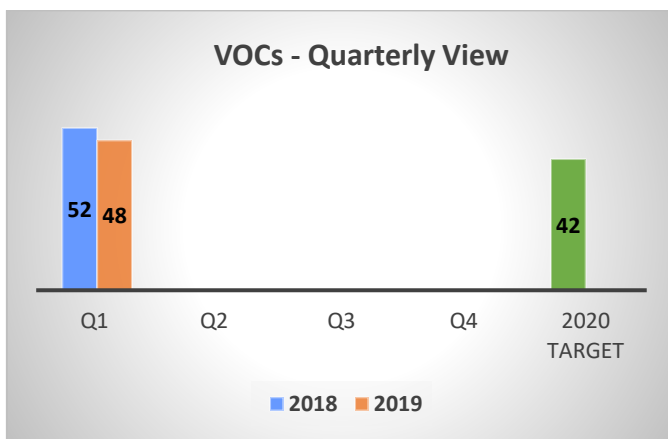
Annually Reported Metrics – 2018 Results



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.

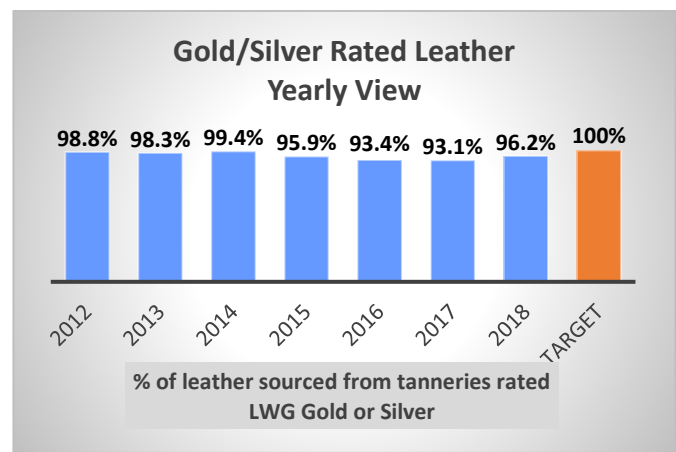
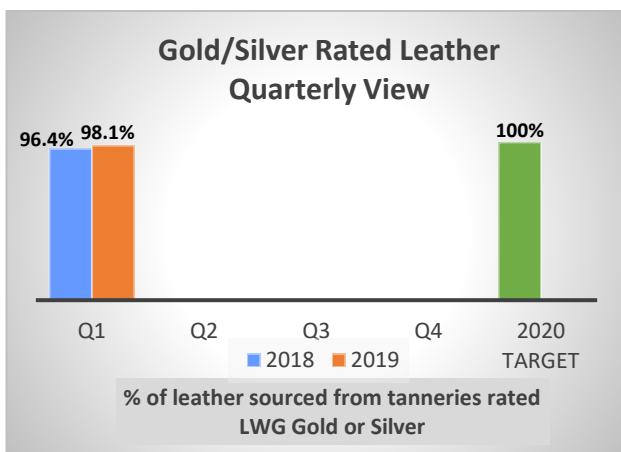


Q1 2019 Result: Our average use of VOCs per pair was 48 grams during Q1, a considerable decrease over our Q1 2018 usage (52 grams/pair). Our manufacturing facility in the Dominican Republic continues to reduce their VOC usage and their best practices are being employed by other manufacturers as well. One of our suppliers has incorporated water-based adhesives in several styles, and other methods of application are being used in place of the standard glue-pot technique.

We remain committed to our goal of averaging 42 grams of VOCs per pair.

LEATHER – GOLD/SILVER RATED TANNERIES

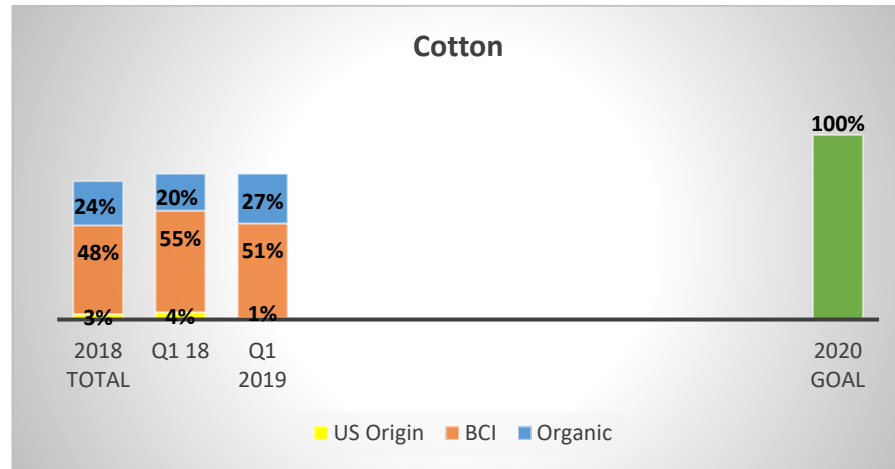
Leather processing is a chemical, water, and energy-intensive process. To ensure the leather we purchase is processed using environmental best practices, all our leather suppliers for footwear and apparel undergo an environmental audit under protocols established by the cross-brand [Leather Working Group \("LWG"\)](#). LWG certification is awarded to tanneries that demonstrate environmental best practices and performance in all areas of leather production, from chemical, 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.



Q1 2019 Result: During Q1, 98.1% 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. When looking at leather used during Q4 for Timberland footwear only, 99.65% came from tanneries rated Gold or Silver. We remain committed to our goal to limit production at non-certified tanneries until they achieve Gold or Silver status.

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 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, 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").



Q1 2019 Result: In Q1, Timberland apparel and accessories used 550 metric tons of cotton, 79% of which (434 metric tons) was either organic (27%), BCI-certified (51%) or US-origin (1%).

Of the 411 metric tons sourced by our global apparel production team, 99.6% (410 metric tons) was responsibly-sourced. We are working 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.

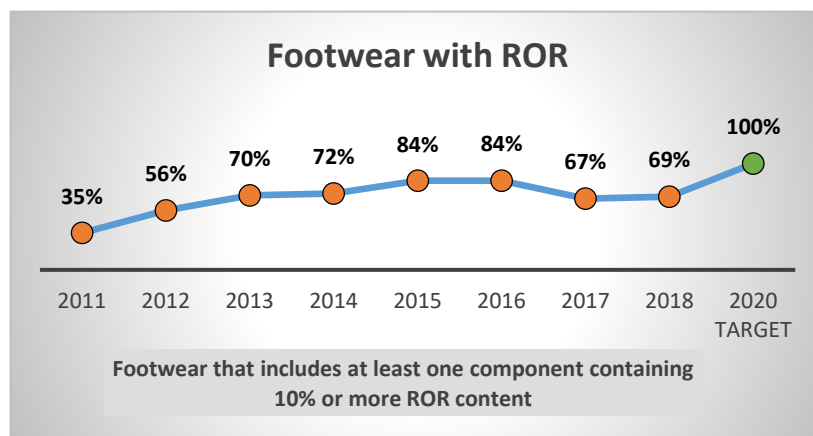
FOOTWEAR WITH RECYCLED, ORGANIC OR RENEWABLE MATERIALS

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 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, hemp, 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 is constructed with at least one 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.

continued on next page

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.

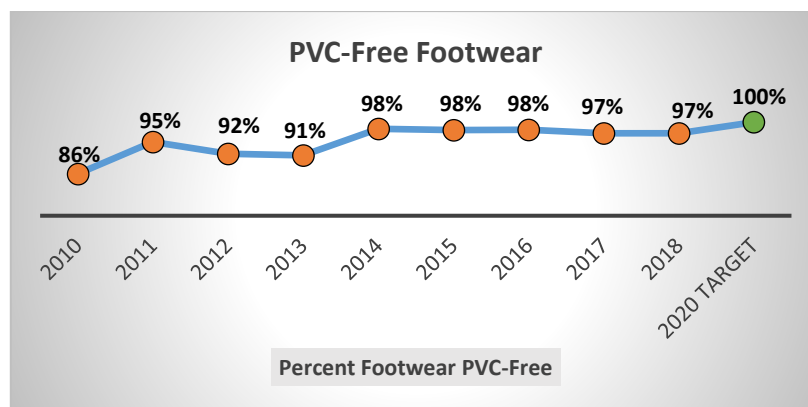


2018 Result: In 2018 significant materials with at least 10% ROR content were used in 69% of all Timberland footwear shipped, a slight improvement over our 2017 result. Recycled PET continues to be the largest source of ROR materials in our footwear, incorporating over 717,519 pounds – the equivalent of 32 million half-liter plastic water bottles. To date, we have incorporated the equivalent of over 345 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 will be revisiting carry-over styles to engineer in ROR where applicable.

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, we are committed to finding and utilizing PVC alternatives where feasible to decrease our use. Our goal is to be 100% PVC-Free.



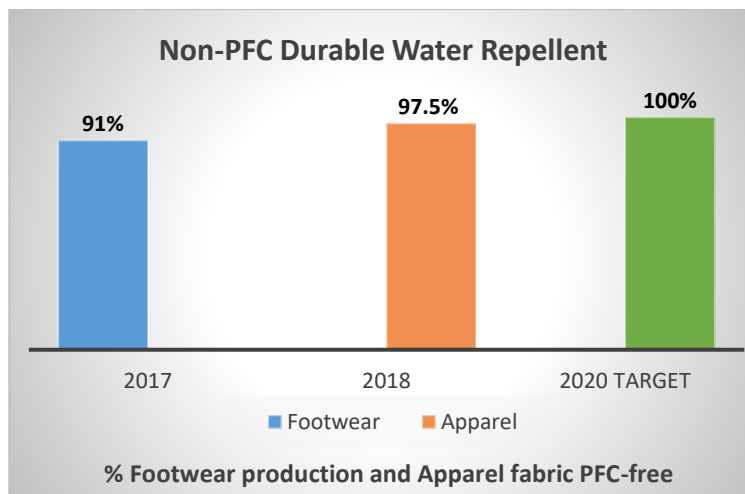
continued on next page



2018 Result: In 2018, 3% of Timberland footwear shipped contained PVC, which is even with our 2017 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 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 was a new metric in 2016.

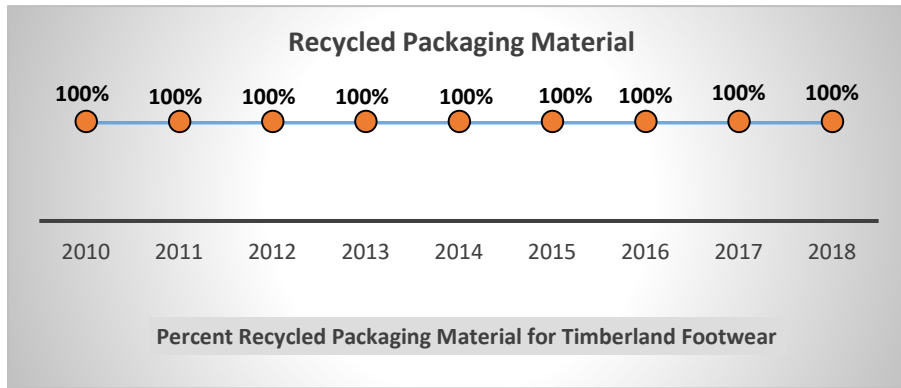


2018 Result: This is our first year reporting non-PFC DWR in apparel fabric. Over the past several years, our apparel team has successfully transitioned the vast majority of their DWR fabrics (97.5%) to non-PFC chemistry. Our remaining products with PFC-based DWRs have specific performance requirements (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.

(2018 footwear data not yet available – we will include in our Q2 2019 reporting.)

RECYCLED PACKAGING

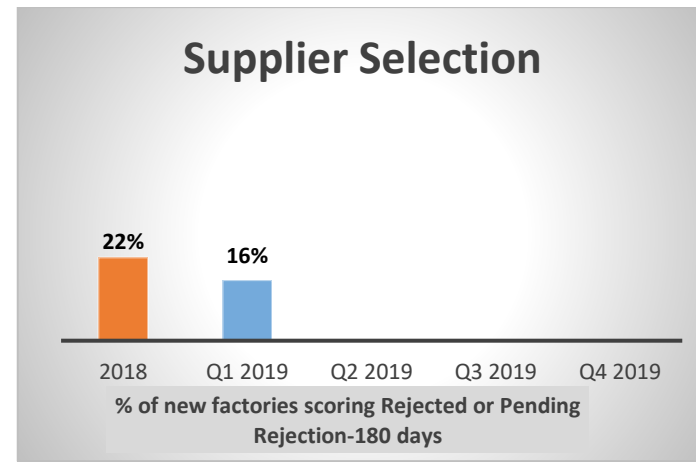
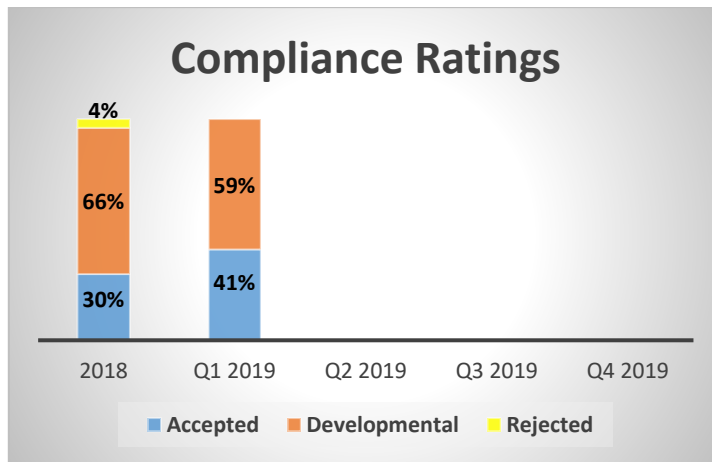
Since 2007, Timberland has been committed to providing responsible packaging for our footwear. Our boxes are made from 100% recycled materials (at least 80% post-consumer) and from 2007-2011 were printed with soy-based and sesame-based inks. Starting in 2012 we began using water-based inks and have phased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



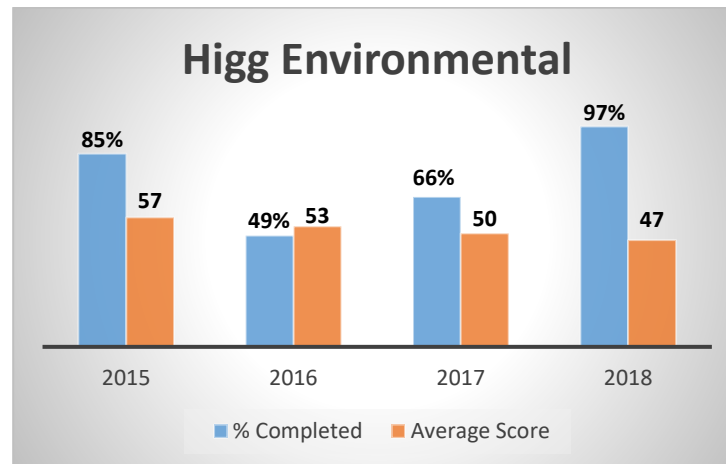


PRODUCT – Manufacturing

Quarterly Reported Metrics – Q1 2019 Results



Annually Reported Metrics – 2018 Results



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

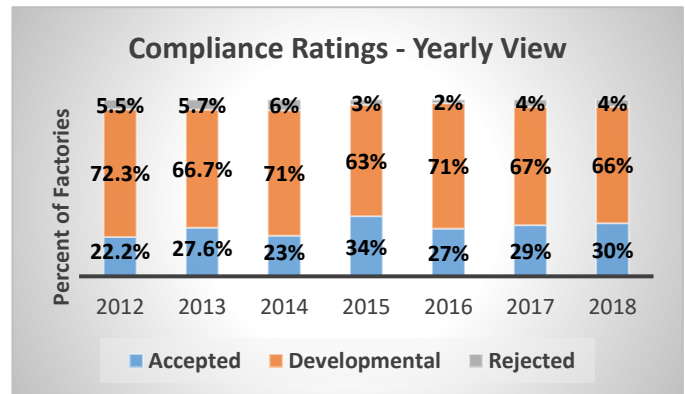
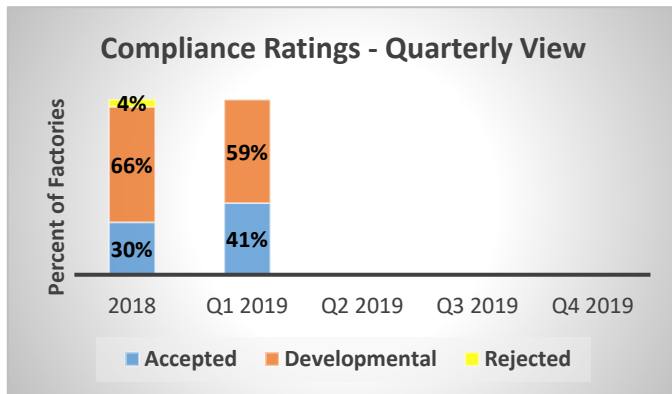
FACTORY CONDITIONS – COMPLIANCE RATINGS

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 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](#).



Q1 2019 Result: At the end of Q1, there were 442 factories actively producing for Timberland. Broken down by business unit, this equates to 67 footwear factories, 170 apparel factories, 105 factories producing licensed goods and accessories, 30 tanneries, 55 fabric mills and component suppliers, and 15 independent distributor factories. One hundred eighty-two (41%) were rated Accepted, and 260 (59%) were rated Developmental.

VF Compliance audited 123 Timberland factories during Q1. Of these 123 factories, 45 (37%) were rated Accepted, 62 (50%) were rated Developmental, 11 (9%) were rated Pending Rejection, and 5 (4%) were rated Rejected. The factories rated Pending Rejection are working on their corrective action plans and will be re-audited within 6 months. Purchase orders with the Rejected factories are on hold until the factories are re-audited and favorable ratings are attained, or production is relocated to other factories.

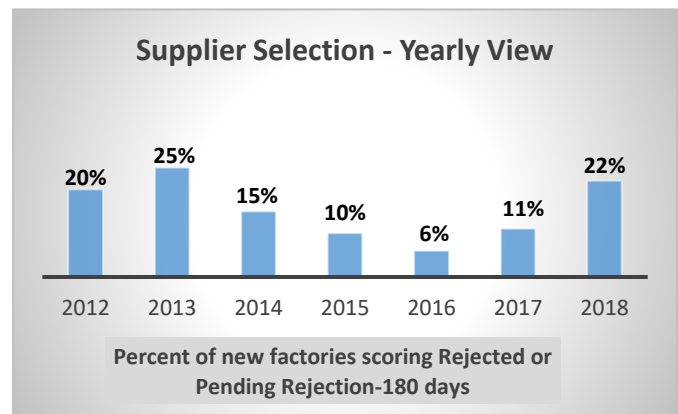
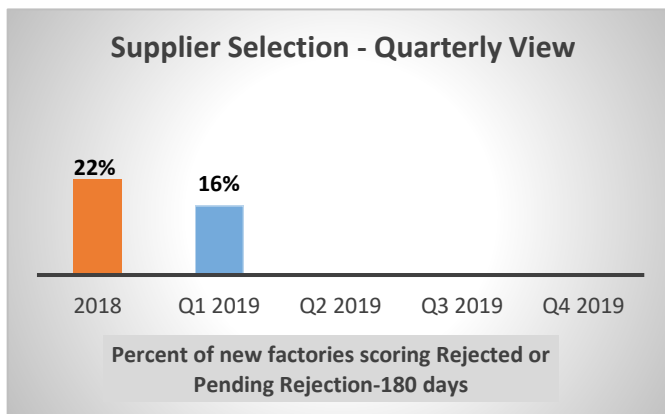
continued on next page

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 9 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.

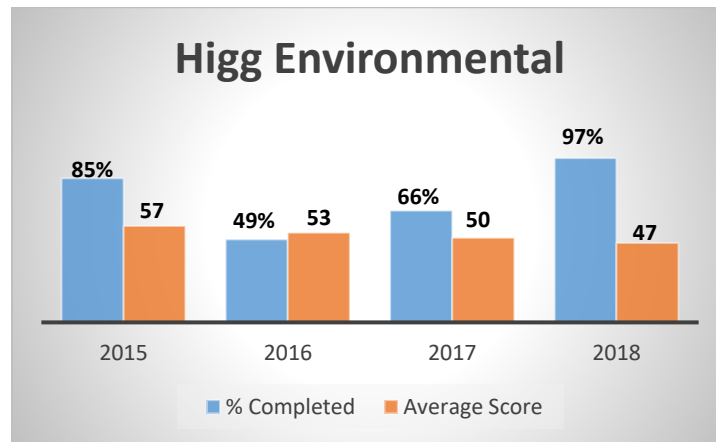


Q1 2019 Result: During Q1, 44 new factories were selected to produce for Timberland. Of these 44 factories, 14 (32%) were rated Accepted, 23 (52%) were rated Developmental, 3 (7%) were rated Pending Rejection-180 days, and 4 (9%) were rated Rejected. The 3 factories rated Pending Rejection will be re-audited in 6 months. If adequate improvements have not been made, they will be Rejected and no longer approved to produce for Timberland. Alternative sources will be found for the factories that were rated Rejected.

continued on next page

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.



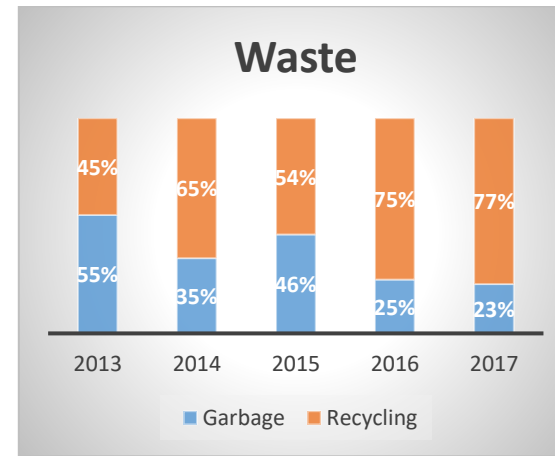
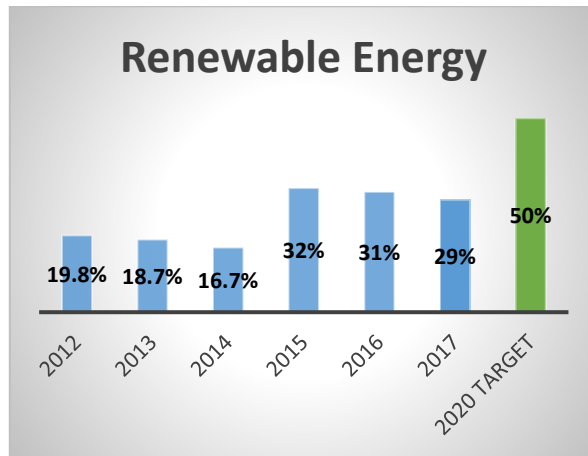
2018 Result: As of the end of 2018, 97% of Timberland Strategic Supplier factories had participated in the Higg Environmental Module. Strategic Suppliers are VF's top volume factories that collectively represent 80% of global production for footwear and apparel. The average score for Timberland Strategic Suppliers that have done the self-assessment is 47, 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 2018, 34 factories had their scores verified, and the average score was 39. The two areas of greatest disparity are chemical management and air emissions. With this information, the VF team is now increasing their support and training to factories on both topics.



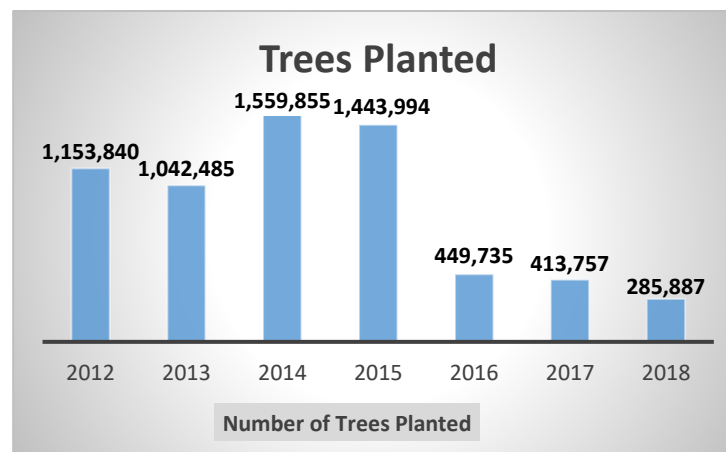
OUTDOORS – RESOURCE EFFICIENCY

Annually Reported Metrics – 2017 Results



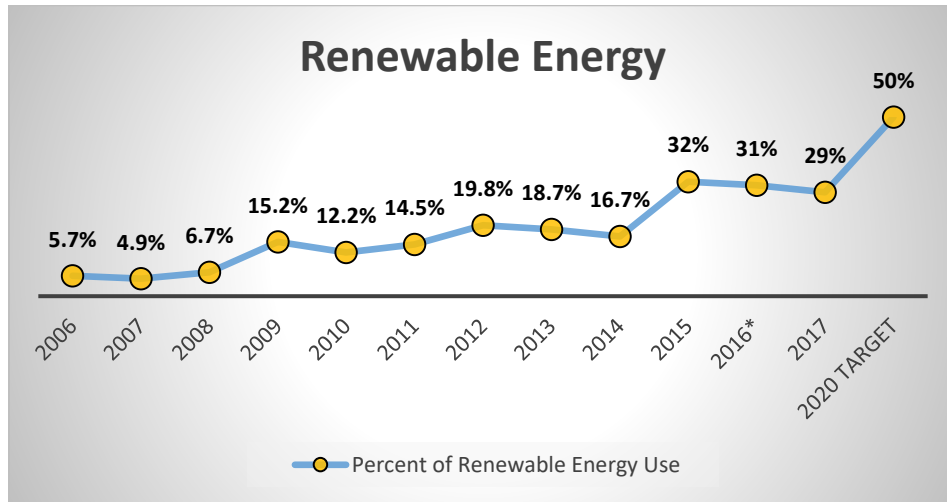
OUTDOORS – TREE PLANTING

Annually Reported Metrics - 2018 Results



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

RENEWABLE ENERGY

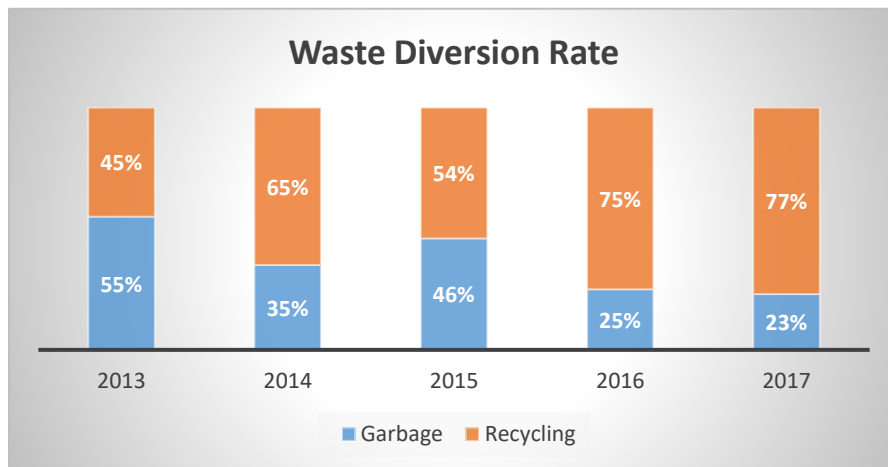


This metric measures the percentage of energy we procure from clean, renewable energy vs. fossil-fuel based energy. Renewable energy purchases represent on and off-site generation, as well as renewable energy credits. Our 2015 target is considered best practice within the [Ceres 2020 Roadmap](#), which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

2017 Result: In 2017, 29% of the energy used at Timberland’s owned and operated facilities was from renewable sources, which is a slight decrease from our 2016 (31%) result. We have aligned our targets with VF Corporation’s goal to be sourcing 100% renewable energy for all owned and/or operated facilities by 2025. Our overall Timberland target is to source at least 50% of all energy used at Timberland sites worldwide from renewable sources by 2020.

**With new data available, 2016 result decreased from 32% to 31%.*

WASTE



Timberland has a long-standing 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.

All facilities owned and operated globally tracked landfill diversion rates 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. Data from our retail stores is based on a normalizing factor of tons/retail square feet.*

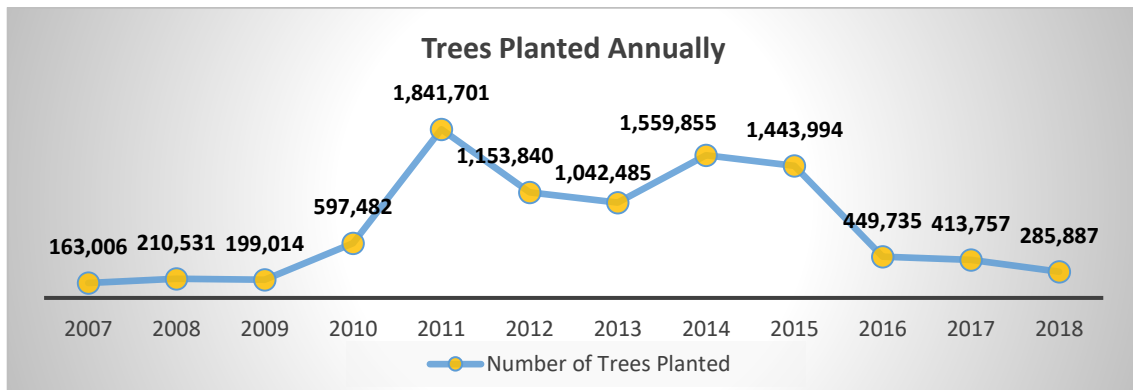
continued on next page

2017 Result: In 2017, our landfill diversion rate rose to 77%, from 75% in 2016. In 2016, sites began tracking cardboard boxes that were reused in addition to those that were recycled. Our Ontario, CA distribution center, which is one of our largest facilities, re-used 641 metric tons of cardboard in 2017. We continue to research ways in which to further increase our diversion rate.

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 five 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 2018, Timberland planted a total of **10,275,707** trees.



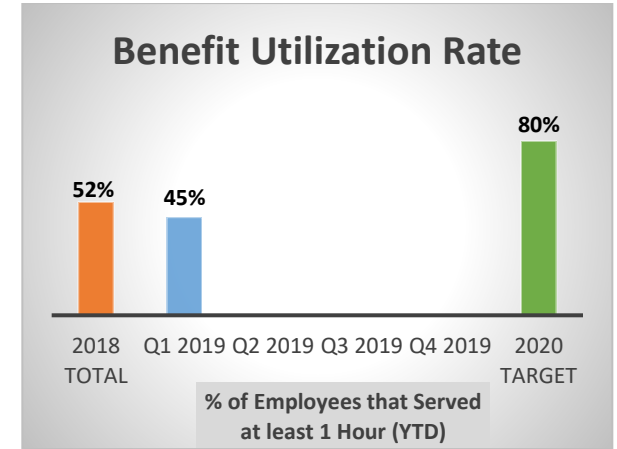
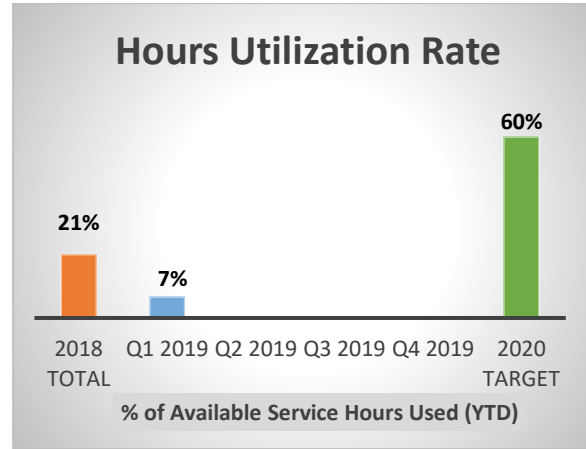
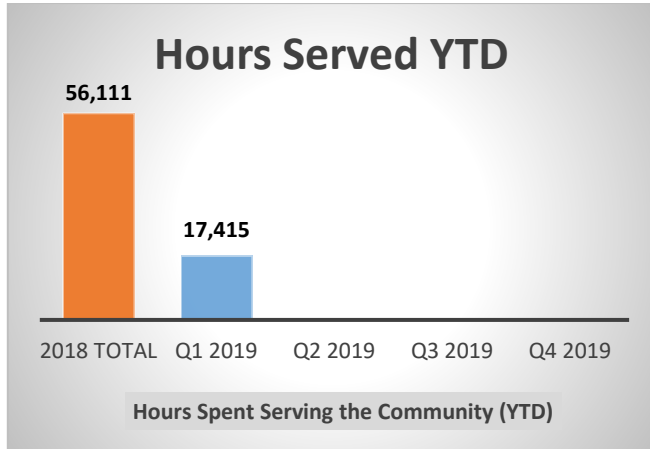
In 2018, we continued to support large-scale tree planting efforts in the Dominican Republic and the Horqin desert in China. Our ecological partner in the DR experienced challenges in 2018 due to extended drought periods and restricted water irrigation. As a result, fewer trees were planted by the program. Read more about our tree-planting initiatives in [Haiti](#) and [China](#) on our responsibility website.

Having achieved our 2020 goal to plant 10 million trees, we are in process of establishing new goals to continue on this momentum. In addition to large-scale tree planting, other efforts to green the outdoors include urban greening events around the globe and engaging our consumers in doing so. You can read more about our global [urban greening efforts](#) on our Responsibility website.

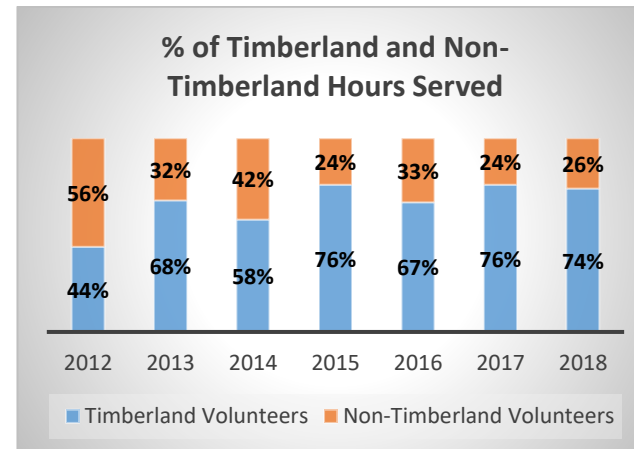
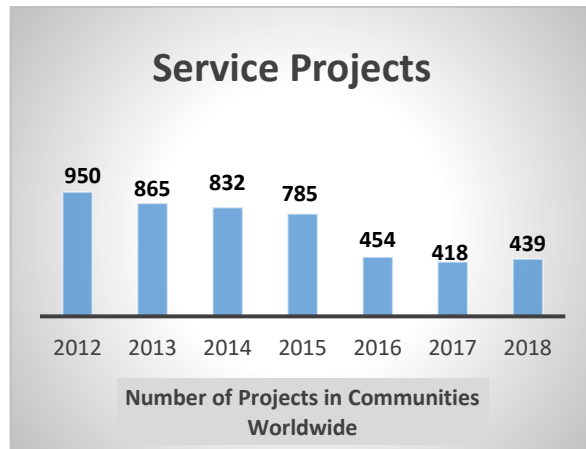


COMMUNITY SERVICE

Quarterly Reported Metrics – Q1 2019 Results



Annually Reported Metrics – 2018 Results



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

COMMUNITY METRICS

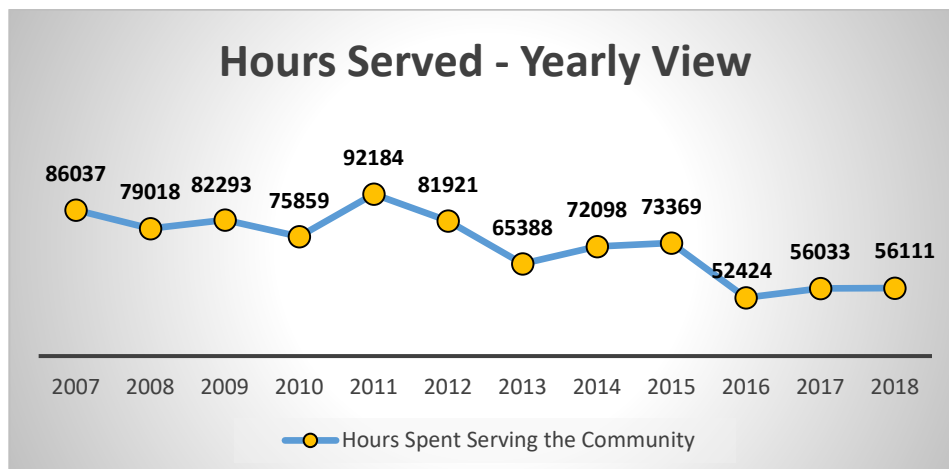
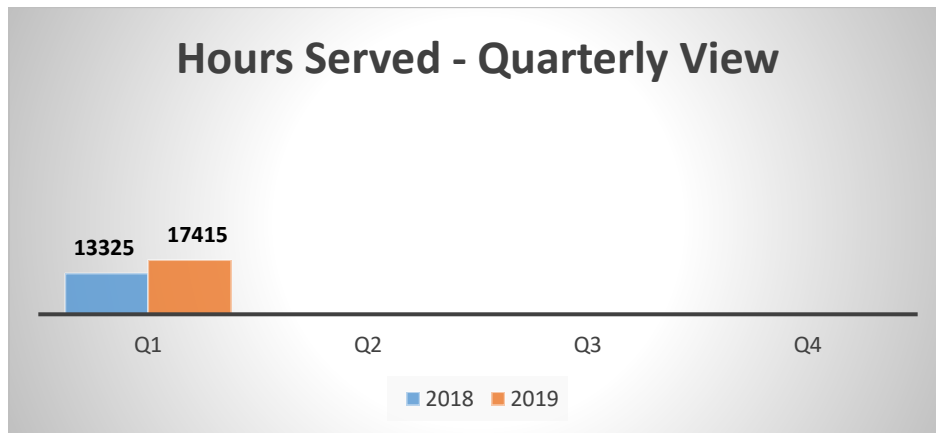
At Timberland, service is a part of our DNA. A belief in the power of people to transform their communities is one of our core values. Our purpose is to inspire and equip the world to step outside, work together and make it better. We live this purpose by offering our thousands of creative, dedicated, hardworking employees a number of ways to become involved:

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 millionth hour of community service.

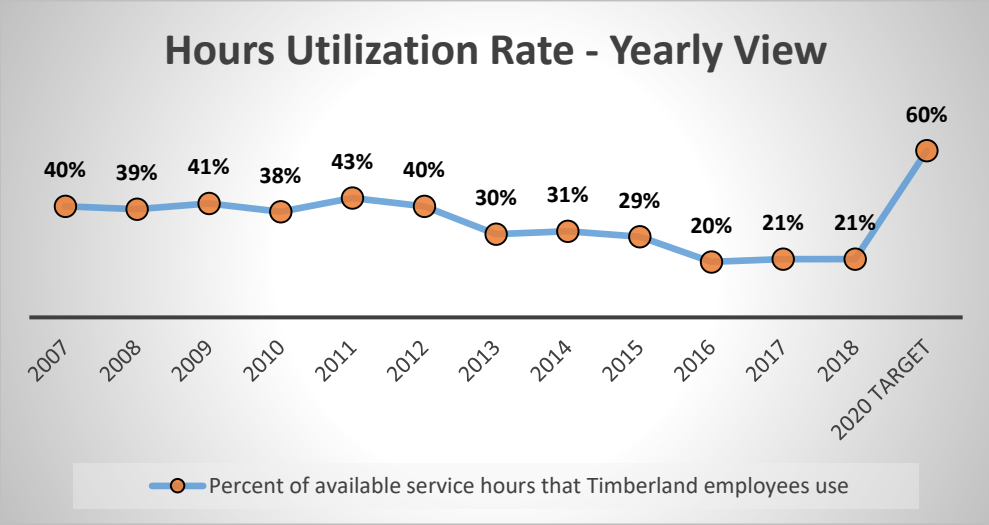
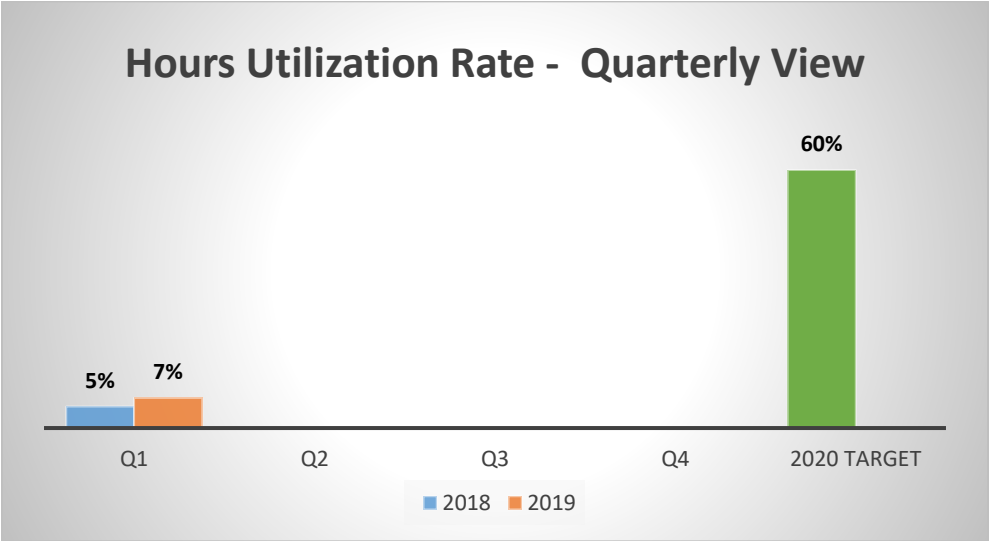
Each year the Community Engagement team and the Global Stewards (Timberland’s volunteer team of CSR ambassadors who drive our service and CSR agenda worldwide, in addition to their regular job responsibilities) strive to increase employee engagement in community service by offering new service opportunities 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.

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!

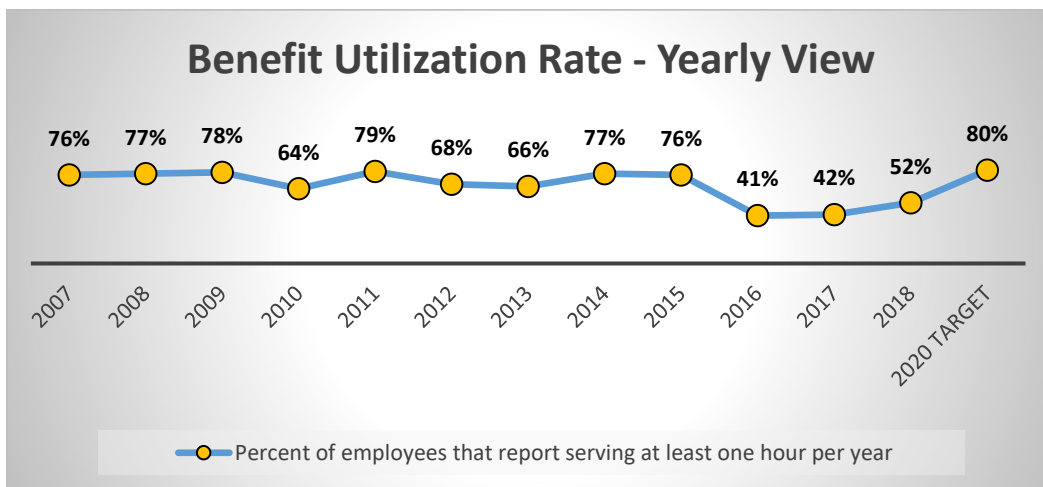
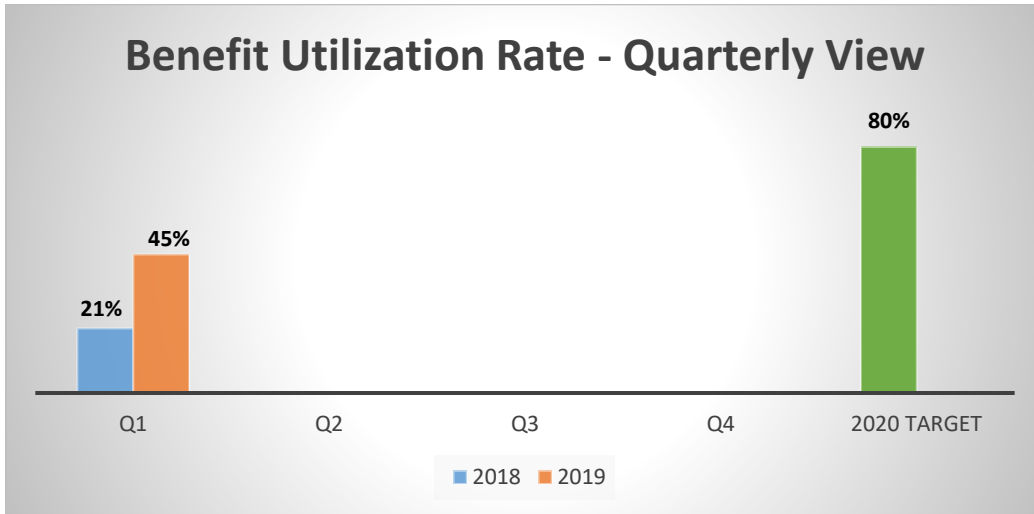
Hours served reflects the total number of community service hours reported by employees that were served during business hours.



Hours Utilization Rate ("HUR") measures the percentage of available service hours offered to Timberland employees that employees report using year-to-date.



Benefit Utilization Rate ("BUR") measures the percentage of employees that report serving at least one hour of community service per year.



Q1 2019: Timberland employees around the world served 17,415 hours in Q1, a 30% increase over the same period last year (13,335 hours). Hours Utilization Rate for Q1 was 7%, vs. 5% during Q1 2018. Our Benefit Utilization Rate was 45%, a considerable increase over Q1 2018 (21%).

Once again, our manufacturing facility in the Dominican Republic led the way with employee engagement. Seventy-five percent (75%) of their employee population participated in service events during Q1, contributing 12,288 hours to our global total. Events included planting 2,200 trees, painting at a local hospital, and engaging seniors at an elderly home.

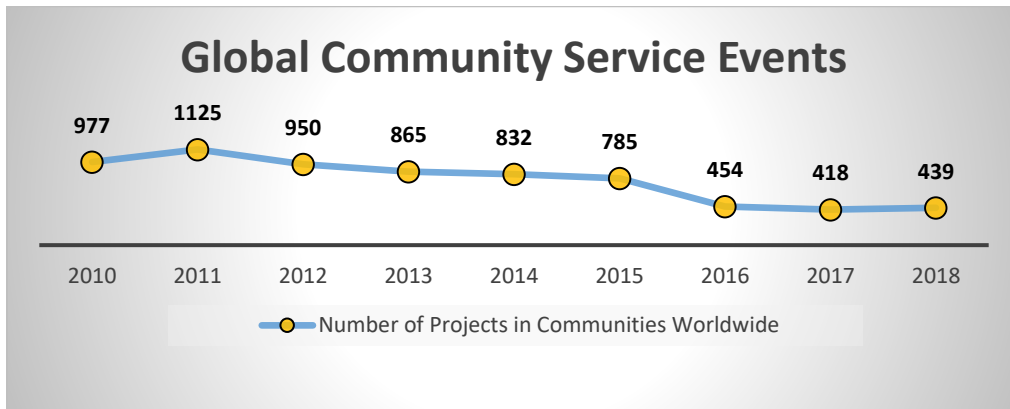
Offices across Europe and Asia had significant increases in their service participation in Q1. UK Retail and Stabio, Switzerland both saw triple-digit increases in hours served during Q1, as did Timberland’s Hong Kong and Bangladesh offices.



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.

