

# Communicating Performance

**Stakeholder Research Associates Canada Inc.**  
**Ethical Sourcing Forum**  
**March 18, 2010**



# Agenda

- What's driving reporting
- How are companies creating value
- What are best practices
- How to get out of the starting gate / pick up speed

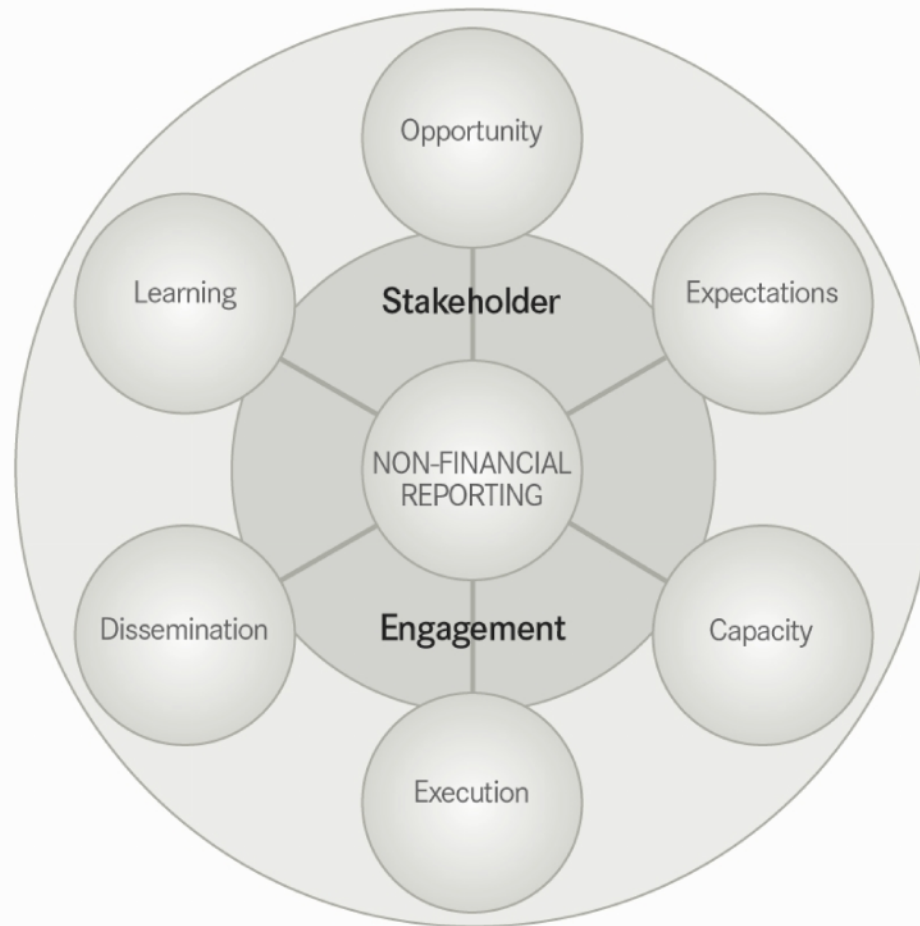
# What's driving reporting

- Globalization: # of stakeholders; complexity of relationships; stakeholder power
- Social capital issues: poverty, scarcity, ecosystem
- Environmental issues: climate change, water
- Supply chain, transparency on global operations
- Decreasing trust of financial measures
- Pull from investment community
- Increased regulations
- Enlightened leadership

# How are companies creating value

- Value from external communication
  - Building trust
  - License to operate
  - Reputation, risk management
  - Access to markets, development of business opportunities
- Value from internal learning
  - Align corporate vision
  - Motivate, attract employees
  - Identify ways to reduce costs, encourage innovation

# Best practice and trends



# 7 questions for reporters

## Opportunity

1. Are we addressing the issues that are of **strategic importance to our organization**?
2. That are **material** to our operations and activities?
3. That our **stakeholders care about**?

## Execution

4. Are we framing those issues and our performance against them in a way that is **comprehensive, comparable and future-oriented**?
5. In a manner and tone that invites **believability**?

## Dissemination

6. Are we communicating information on issues in a manner and mode that is **accessible** to our audiences?

## Learning

7. Are we **engaging** our stakeholders and **learning** from the experience?



# Q1: Strategy



**Baxter**  
2008 SUSTAINABILITY REPORT

**SUSTAINABILITY AT BAXTER**  
Chairman and CEO Letter  
Baxter's Approach  
Principles and Goals  
Stakeholder Engagement  
Awards and Milestones

**COMPANY PROFILE**

**GOVERNANCE, ETHICS AND COMPLIANCE**

**EMPLOYEES**

**ENVIRONMENT, HEALTH AND SAFETY**

**PRODUCT RESPONSIBILITY**

**SUPPLY CHAIN**

**COMMUNITY SUPPORT**

**ECONOMIC IMPACTS**

**PUBLIC POLICY**

**SUSTAINABILITY REPORTING**

**QUICK LINKS**



**Sustainability at Baxter**

Being a great company requires more than financial success. It requires acting as a responsible corporate citizen and making a difference in communities worldwide.

Baxter plays a unique role in healthcare. Virtually every product we make is used to treat a life-threatening condition. Our therapies are infused, injected or inhaled an estimated six times a day, in more than 100 countries, to save and sustain the lives of people with hemodialysis, end-stage kidney disease and other critical illnesses.

The sustainability challenges we face as a society are no less critical. Poverty, hunger, climate change, resource depletion, and lack of access to quality healthcare and education are just some of the threats to the well-being of future generations. At Baxter, we are committed to applying the same dedication and spirit of innovation to improving the health of the planet as we do in developing new and better therapies for patients.

We define sustainability as a long-term approach to including our social, economic and

ility.baxter.com/sustainability\_at\_baxter/index.html

## Establishing Sustainability as Part of our Culture

Since joining Baxter as chairman and chief executive officer in 2004, I have been highly supportive of accelerating Baxter's sustainability efforts, and I am proud of the progress we've made in making sustainability part of our culture.

Our formation in 2006 of an executive-level Sustainability Steering Committee to guide our global sustainability efforts was a significant step forward. It further institutionalized sustainability at the company and elevated accountability for sustainability across the company and to the highest levels of management.

The creation of nine sustainability priorities in 2007 was the next step in this process. These priorities, which are the focus of our print report this year, define what we consider to be the most important sustainability areas as a company and help us channel our resources where we can maximize our impact. Since then, we have added long-term 2015 goals for each priority to further clarify our expected progress. Advancement toward these targets is measured quarterly and reported to management.

Our sustainability priorities tie to larger societal goals. For Baxter, increasing access to healthcare, promoting diversity and inclusion, strengthening education and reducing our environmental impact are all areas where Baxter's success contributes to a greater good while also benefiting us as a company. Acting with integrity, ensuring the health and safety of our employees, and developing partnerships with suppliers to foster a "greener" supply chain are equally important to industry leadership.

In early 2009, we added to our product stewardship priority an animal welfare goal to identify additional opportunities to replace, reduce and refine ("3Rs") the use of animal testing. While we have long-standing policies and practices designed to minimize animal testing, the addition of this goal reflects our continuing commitment to build on our history of conscientious action and innovation in this area.

## 2008 Sustainability Highlights

Baxter had numerous sustainability highlights in 2008. More detail is contained in our full sustainability report online, as well as our print report. These highlights include:



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**QUICK LINKS**



Sustainability at Baxter

Being a great company requires more than financial success. [www.baxter.com/sustainability\\_at\\_baxter/index.html](http://www.baxter.com/sustainability_at_baxter/index.html)

**Establishing Sustainability as Part of our Culture**

Since joining Baxter as chairman and chief executive officer, I have focused on accelerating Baxter's sustainability efforts, and I believe sustainability is now a core part of our culture.

Our formation in 2006 of an executive-level Sustainability Committee was a significant step forward for the company and elevated accountability for sustainability to the highest level of management.

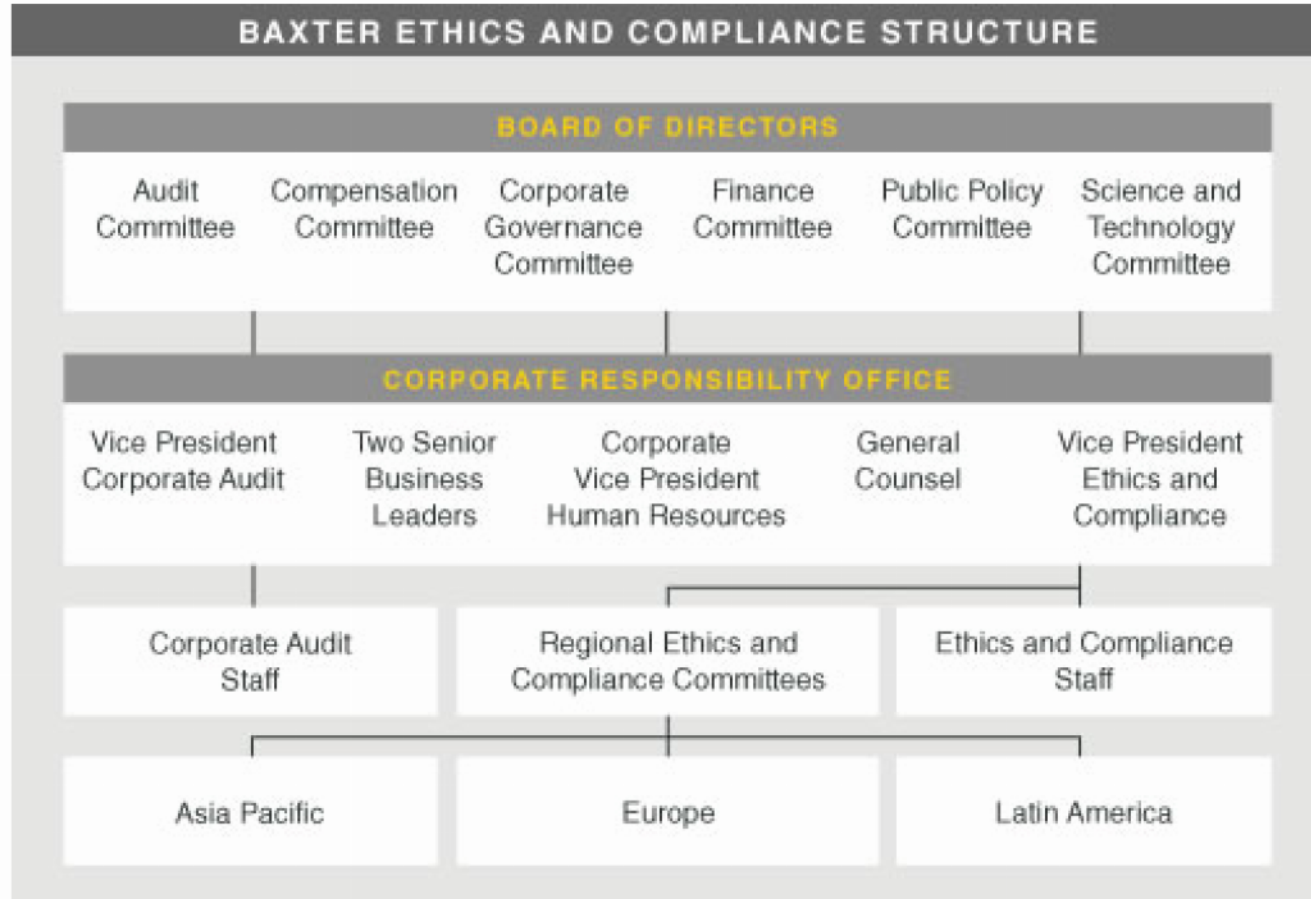
The creation of nine sustainability priorities in 2007, which are the focus of our first report, is an important sustainability area as a company and I believe will maximize our impact. Since then, we have added and refined our expected progress. Advancement toward these goals is reported to management.

Our sustainability priorities tie to larger societal goals such as promoting diversity and inclusion, strengthening our supply chain, and ensuring the health of our planet. These are all areas where Baxter's success contributes to society. Acting with integrity, ensuring the health of our planet, and strengthening our supply chain are all areas where Baxter's success contributes to society. Acting with integrity, ensuring the health of our planet, and strengthening our supply chain are all areas where Baxter's success contributes to society.

In early 2009, we added to our product stewardship program additional opportunities to replace, reduce and reuse. This goal reflects our continuing commitment to build a sustainable future.

**2009 Sustainability Highlights**

Baxter had numerous sustainability highlights in 2009, which are detailed in our 2009 sustainability report online, as well as our print report.



# Q1: Strategy



**Baxter**  
[SUSTAINABILITY REPORT](#)

**SUSTAINABILITY AT BAXTER**  
 Chairman and CEO Letter  
 Baxter's Approach  
 Products and Brands  
 Stakeholder Engagement  
 Attitudes and Mindsets

**COMPANY PROFILE**

**GOVERNANCE, ETHICS AND COMPLIANCE**

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**PRODUCT RESPONSIBILITY**

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**QUICK LINKS**



Address [http://sustainability.baxter.com/economic\\_impacts/business\\_value.html](http://sustainability.baxter.com/economic_impacts/business_value.html)

- SUSTAINABILITY AT BAXTER
- COMPANY PROFILE
- GOVERNANCE, ETHICS AND COMPLIANCE
- EMPLOYEES
- ENVIRONMENT, HEALTH AND SAFETY
- PRODUCT RESPONSIBILITY
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- ECONOMIC IMPACTS
  - Direct Impacts
  - Indirect Impacts
  - Business Value
- PUBLIC POLICY
- SUSTAINABILITY REPORTING
- QUICK LINKS
  - Report Downloads
  - Case Studies
  - Summary Data Table
  - Sustainability News
  - Sustainability Survey
  - Site Map
  - Sustainability Home

## Business Value

Pursuing sustainability reflects Baxter's values, supports its social-responsibility commitments and reduces the company's environmental impacts. Sustainability enhances Baxter's business, as described in the following table.

### COST SAVINGS

- [Environmental Financial Statement](#)
- [Energy savings from operations](#)
- [Improved packaging designs](#)
- [Optimization of supply chain](#)

### MARKET ACCESS

- [Product quality and safety](#)
- [Efforts related to European Union Waste Electrical and Electronic Equipment \(WEEE\) Directive, Restriction of Hazardous Substances \(RoHS\) Directive, upcoming Evaluation and Authorisation of Chemicals \(REACH\) Regulation and similar regulations worldwide](#)

### COMPETITIVE ADVANTAGE

- [Talent acquisition and retention, and employee development](#)
- [Requests for proposals \(RFPs\) including environmental criteria](#)
- [Reduced operating costs](#)

### NEW AND EXPANDING MARKETS

- [Peritoneal dialysis](#)
- [Materials innovations](#)
- [Pandemic preparedness](#)
- [Products and solutions specifically targeting those at the "Base of the Pyramid"](#)<sup>1</sup>

### STAKEHOLDER AND INVESTOR EXPECTATIONS

- [Inclusion in socially responsible investment indices](#)
- [Leadership in addressing global climate change and other sustainability initiatives](#)
- [Disclosure of sustainability performance through this report and other communications](#)

### ENHANCED BRAND AND REPUTATION

Baxter 2009 Environmental Financial Statement

Item	2009	2008	2007
Greenhouse Gas Emissions (Scope 1 & 2)	1,234,567	1,123,456	1,012,345
Water Consumption	98,765,432	87,654,321	76,543,210
Waste to Landfill	12,345,678	11,234,567	10,123,456
Waste to Energy	23,456,789	22,345,678	21,234,567
Recycling Rate (%)	78.5	77.2	76.0
Energy Consumption (kWh)	5,678,901,234	5,567,890,123	5,456,789,012
CO2 Emissions (t)	1,234,567,890	1,123,456,789	1,012,345,678
SO2 Emissions (t)	12,345	11,234	10,123
NOx Emissions (t)	23,456	22,345	21,234
Other Air Emissions (t)	34,567	33,456	32,345
Water Discharge (m³)	45,678,901	44,567,890	43,456,789
Waste Discharge (t)	56,789,012	55,678,901	54,567,890
Material Efficiency (kg/unit)	67,890,123	66,789,012	65,678,901
Energy Efficiency (kWh/unit)	78,901,234	77,890,123	76,789,012
CO2 Intensity (t/unit)	89,012,345	88,901,234	87,890,123
SO2 Intensity (t/unit)	90,123,456	89,012,345	88,901,234
NOx Intensity (t/unit)	012,345,678	011,234,567	010,123,456
Other Air Intensity (t/unit)	023,456,789	022,345,678	021,234,567
Water Intensity (m³/unit)	034,567,890	033,456,789	032,345,678
Waste Intensity (t/unit)	045,678,901	044,567,890	043,456,789
Material Intensity (kg/unit)	056,789,012	055,678,901	054,567,890
Energy Intensity (kWh/unit)	067,890,123	066,789,012	065,678,901
CO2 Intensity (t/unit)	078,901,234	077,890,123	076,789,012
SO2 Intensity (t/unit)	089,012,345	088,901,234	087,890,123
NOx Intensity (t/unit)	090,123,456	089,012,345	088,901,234
Other Air Intensity (t/unit)	101,234,567	100,123,456	099,012,345
Water Intensity (m³/unit)	112,345,678	111,234,567	110,123,456
Waste Intensity (t/unit)	123,456,789	122,345,678	121,234,567
Material Intensity (kg/unit)	134,567,890	133,456,789	132,345,678
Energy Intensity (kWh/unit)	145,678,901	144,567,890	143,456,789
CO2 Intensity (t/unit)	156,789,012	155,678,901	154,567,890
SO2 Intensity (t/unit)	167,890,123	166,789,012	165,678,901
NOx Intensity (t/unit)	178,901,234	177,890,123	176,789,012
Other Air Intensity (t/unit)	189,012,345	188,901,234	187,890,123
Water Intensity (m³/unit)	190,123,456	189,012,345	188,901,234
Waste Intensity (t/unit)	201,234,567	200,123,456	199,012,345
Material Intensity (kg/unit)	212,345,678	211,234,567	210,123,456
Energy Intensity (kWh/unit)	223,456,789	222,345,678	221,234,567
CO2 Intensity (t/unit)	234,567,890	233,456,789	232,345,678
SO2 Intensity (t/unit)	245,678,901	244,567,890	243,456,789
NOx Intensity (t/unit)	256,789,012	255,678,901	254,567,890
Other Air Intensity (t/unit)	267,890,123	266,789,012	265,678,901
Water Intensity (m³/unit)	278,901,234	277,890,123	276,789,012
Waste Intensity (t/unit)	289,012,345	288,901,234	287,890,123
Material Intensity (kg/unit)	290,123,456	289,012,345	288,901,234
Energy Intensity (kWh/unit)	301,234,567	300,123,456	299,012,345
CO2 Intensity (t/unit)	312,345,678	311,234,567	310,123,456
SO2 Intensity (t/unit)	323,456,789	322,345,678	321,234,567
NOx Intensity (t/unit)	334,567,890	333,456,789	332,345,678
Other Air Intensity (t/unit)	345,678,901	344,567,890	343,456,789
Water Intensity (m³/unit)	356,789,012	355,678,901	354,567,890
Waste Intensity (t/unit)	367,890,123	366,789,012	365,678,901
Material Intensity (kg/unit)	378,901,234	377,890,123	376,789,012
Energy Intensity (kWh/unit)	389,012,345	388,901,234	387,890,123
CO2 Intensity (t/unit)	390,123,456	389,012,345	388,901,234
SO2 Intensity (t/unit)	401,234,567	400,123,456	399,012,345
NOx Intensity (t/unit)	412,345,678	411,234,567	410,123,456
Other Air Intensity (t/unit)	423,456,789	422,345,678	421,234,567
Water Intensity (m³/unit)	434,567,890	433,456,789	432,345,678
Waste Intensity (t/unit)	445,678,901	444,567,890	443,456,789
Material Intensity (kg/unit)	456,789,012	455,678,901	454,567,890
Energy Intensity (kWh/unit)	467,890,123	466,789,012	465,678,901
CO2 Intensity (t/unit)	478,901,234	477,890,123	476,789,012
SO2 Intensity (t/unit)	489,012,345	488,901,234	487,890,123
NOx Intensity (t/unit)	490,123,456	489,012,345	488,901,234
Other Air Intensity (t/unit)	501,234,567	500,123,456	499,012,345
Water Intensity (m³/unit)	512,345,678	511,234,567	510,123,456
Waste Intensity (t/unit)	523,456,789	522,345,678	521,234,567
Material Intensity (kg/unit)	534,567,890	533,456,789	532,345,678
Energy Intensity (kWh/unit)	545,678,901	544,567,890	543,456,789
CO2 Intensity (t/unit)	556,789,012	555,678,901	554,567,890
SO2 Intensity (t/unit)	567,890,123	566,789,012	565,678,901
NOx Intensity (t/unit)	578,901,234	577,890,123	576,789,012
Other Air Intensity (t/unit)	589,012,345	588,901,234	587,890,123
Water Intensity (m³/unit)	590,123,456	589,012,345	588,901,234
Waste Intensity (t/unit)	601,234,567	600,123,456	599,012,345
Material Intensity (kg/unit)	612,345,678	611,234,567	610,123,456
Energy Intensity (kWh/unit)	623,456,789	622,345,678	621,234,567
CO2 Intensity (t/unit)	634,567,890	633,456,789	632,345,678
SO2 Intensity (t/unit)	645,678,901	644,567,890	643,456,789
NOx Intensity (t/unit)	656,789,012	655,678,901	654,567,890
Other Air Intensity (t/unit)	667,890,123	666,789,012	665,678,901
Water Intensity (m³/unit)	678,901,234	677,890,123	676,789,012
Waste Intensity (t/unit)	689,012,345	688,901,234	687,890,123
Material Intensity (kg/unit)	690,123,456	689,012,345	688,901,234
Energy Intensity (kWh/unit)	701,234,567	700,123,456	699,012,345
CO2 Intensity (t/unit)	712,345,678	711,234,567	710,123,456
SO2 Intensity (t/unit)	723,456,789	722,345,678	721,234,567
NOx Intensity (t/unit)	734,567,890	733,456,789	732,345,678
Other Air Intensity (t/unit)	745,678,901	744,567,890	743,456,789
Water Intensity (m³/unit)	756,789,012	755,678,901	754,567,890
Waste Intensity (t/unit)	767,890,123	766,789,012	765,678,901
Material Intensity (kg/unit)	778,901,234	777,890,123	776,789,012
Energy Intensity (kWh/unit)	789,012,345	788,901,234	787,890,123
CO2 Intensity (t/unit)	790,123,456	789,012,345	788,901,234
SO2 Intensity (t/unit)	801,234,567	800,123,456	799,012,345
NOx Intensity (t/unit)	812,345,678	811,234,567	810,123,456
Other Air Intensity (t/unit)	823,456,789	822,345,678	821,234,567
Water Intensity (m³/unit)	834,567,890	833,456,789	832,345,678
Waste Intensity (t/unit)	845,678,901	844,567,890	843,456,789
Material Intensity (kg/unit)	856,789,012	855,678,901	854,567,890
Energy Intensity (kWh/unit)	867,890,123	866,789,012	865,678,901
CO2 Intensity (t/unit)	878,901,234	877,890,123	876,789,012
SO2 Intensity (t/unit)	889,012,345	888,901,234	887,890,123
NOx Intensity (t/unit)	890,123,456	889,012,345	888,901,234
Other Air Intensity (t/unit)	901,234,567	900,123,456	899,012,345
Water Intensity (m³/unit)	912,345,678	911,234,567	910,123,456
Waste Intensity (t/unit)	923,456,789	922,345,678	921,234,567
Material Intensity (kg/unit)	934,567,890	933,456,789	932,345,678
Energy Intensity (kWh/unit)	945,678,901	944,567,890	943,456,789
CO2 Intensity (t/unit)	956,789,012	955,678,901	954,567,890
SO2 Intensity (t/unit)	967,890,123	966,789,012	965,678,901
NOx Intensity (t/unit)	978,901,234	977,890,123	976,789,012
Other Air Intensity (t/unit)	989,012,345	988,901,234	987,890,123
Water Intensity (m³/unit)	990,123,456	989,012,345	988,901,234
Waste Intensity (t/unit)	1,001,234,567	1,000,123,456	999,012,345
Material Intensity (kg/unit)	1,012,345,678	1,011,234,567	1,010,123,456
Energy Intensity (kWh/unit)	1,023,456,789	1,022,345,678	1,021,234,567
CO2 Intensity (t/unit)	1,034,567,890	1,033,456,789	1,032,345,678
SO2 Intensity (t/unit)	1,045,678,901	1,044,567,890	1,043,456,789
NOx Intensity (t/unit)	1,056,789,012	1,055,678,901	1,054,567,890
Other Air Intensity (t/unit)	1,067,890,123	1,066,789,012	1,065,678,901
Water Intensity (m³/unit)	1,078,901,234	1,077,890,123	1,076,789,012
Waste Intensity (t/unit)	1,089,012,345	1,088,901,234	1,087,890,123
Material Intensity (kg/unit)	1,090,123,456	1,089,012,345	1,088,901,234
Energy Intensity (kWh/unit)	1,101,234,567	1,100,123,456	1,099,012,345
CO2 Intensity (t/unit)	1,112,345,678	1,111,234,567	1,110,123,456
SO2 Intensity (t/unit)	1,123,456,789	1,122,345,678	1,121,234,567
NOx Intensity (t/unit)	1,134,567,890	1,133,456,789	1,132,345,678
Other Air Intensity (t/unit)	1,145,678,901	1,144,567,890	1,143,456,789
Water Intensity (m³/unit)	1,156,789,012	1,155,678,901	1,154,567,890
Waste Intensity (t/unit)	1,167,890,123	1,166,789,012	1,165,678,901
Material Intensity (kg/unit)	1,178,901,234	1,177,890,123	1,176,789,012
Energy Intensity (kWh/unit)	1,189,012,345	1,188,901,234	1,187,890,123
CO2 Intensity (t/unit)	1,190,123,456	1,189,012,345	1,188,901,234
SO2 Intensity (t/unit)	1,201,234,567	1,200,123,456	1,199,012,345
NOx Intensity (t/unit)	1,212,345,678	1,211,234,567	1,210,123,456
Other Air Intensity (t/unit)	1,223,456,789	1,222,345,678	1,221,234,567
Water Intensity (m³/unit)	1,234,567,890	1,233,456,789	1,232,345,678
Waste Intensity (t/unit)	1,245,678,901	1,244,567,890	1,243,456,789
Material Intensity (kg/unit)	1,256,789,012	1,255,678,901	1,254,567,890
Energy Intensity (kWh/unit)	1,267,890,123	1,266,789,012	1,265,678,901
CO2 Intensity (t/unit)	1,278,901,234	1,277,890,123	1,276,789,012
SO2 Intensity (t/unit)	1,289,012,345	1,288,901,234	1,287,890,123
NOx Intensity (t/unit)	1,290,123,456	1,289,012,345	1,288,901,234
Other Air Intensity (t/unit)	1,301,234,567	1,300,123,456	1,299,012,345
Water Intensity (m³/unit)	1,31		

# Q1: Strategy



**Baxter**  
[SUSTAINABILITY REPORT](#)

**SUSTAINABILITY AT BAXTER**  
 Chairman and CEO Letter  
 Baxter's Approach  
 Financial and Social Performance  
 Stakeholder Engagement  
 Attitudes and Measurements

**COMPANY PROFILE**  
 GOVERNANCE, ETHICS AND COMPLIANCE  
 EMPLOYEES  
 ENVIRONMENT, HEALTH AND SAFETY  
 PRODUCT RESPONSIBILITY  
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 SUSTAINABILITY REPORTING  
 QUICK LINKS

**Business Value**  
 Pursuing sustainability reflects Baxter's vision and reduces the company's environmental risk as described in the following table.

**COST SAVINGS**

- Environmental financial statements
- Costs avoided from operations
- Lower cost of doing business
- Optimization of supply chain

**MARKET ACCESS**

- Product quality and safety
- Direct market in European Union, Japan, Australia and Singapore, Malaysia, Brazil, Mexico, Colombia, Venezuela, India, Russia and other emerging markets

**COMPETITIVE ADVANTAGE**

- Talent acquisition and retention, and employee loyalty
- Resilient and profitable (OPV) medical technologies
- Reduced operating costs

**NEW AND EXPANDING MARKETS**

- Patented delivery
- Medical innovation
- Product innovation
- Product and solutions specificity targeting those at risk

**STAKEHOLDER AND INVESTOR EXPECTATIONS**

- Inclusion in socially responsible investment indices
- Leadership in addressing global climate change and risk
- Disclosure of sustainability performance through the In

**ENHANCED BRAND AND REPUTATION**

## Baxter 2008 Environmental Financial Statement

Estimated Environmental Costs, Income, Savings and Cost Avoidance Worldwide<sup>1</sup>

ENVIRONMENTAL COSTS (dollars in millions)	2008	2007	2006	2005
<b>BASIC PROGRAM</b>				
CORPORATE ENVIRONMENTAL – GENERAL AND SHARED BUSINESS UNIT COSTS <sup>2</sup>	\$1.9	\$1.6	\$1.4	\$1.5
AUDITOR AND ATTORNEY FEES	0.3	0.4	0.4	0.4
ENERGY PROFESSIONALS AND ENERGY REDUCTION PROGRAMS	1.2	1.1	1.1	1.0
CORPORATE ENVIRONMENTAL – INFORMATION TECHNOLOGY	0.4	0.3	0.3	0.3
BUSINESS UNIT/REGIONAL/FACILITY ENVIRONMENTAL PROFESSIONALS AND PROGRAMS	7.8	7.7	7.4	7.0
POLLUTION CONTROLS – OPERATION AND MAINTENANCE	3.0	3.1	3.2	2.8
POLLUTION CONTROLS – DEPRECIATION	2.4	0.9	0.8	0.7
<b>BASIC PROGRAM TOTAL</b>	<b>\$16.9</b>	<b>\$15.1</b>	<b>\$14.6</b>	<b>\$13.6</b>
<b>REMEDIATION, WASTE AND OTHER RESPONSE (proactive environmental action will minimize these costs)</b>				
ATTORNEY FEES FOR CLEANUP CLAIMS AND NOTICES OF VIOLATION	\$0.1	\$0.1	\$0.1	\$0.1
SETTLEMENTS OF GOVERNMENT CLAIMS	0.0	0.0	0.0	0.0
WASTE DISPOSAL	7.6	8.2	6.5	6.3
CARBON OFFSETS <sup>3</sup>	0.2	0.1	0.0	0.0
ENVIRONMENTAL FEES FOR PACKAGING <sup>4</sup>	0.9	0.9	0.9	1.1
ENVIRONMENTAL FEES FOR ELECTRONIC GOODS AND BATTERIES	0.1	0.1	0.1	0.0
REMEDIATION/CLEANUP – ON-SITE	0.2	0.5	0.1	0.1
REMEDIATION/CLEANUP – OFF-SITE	0.1	0.0	0.3	0.0
<b>REMEDIATION, WASTE AND OTHER RESPONSE TOTAL</b>	<b>\$9.1</b>	<b>\$9.9</b>	<b>\$8.0</b>	<b>\$7.6</b>
<b>TOTAL ENVIRONMENTAL COSTS</b>	<b>\$26.0</b>	<b>\$25.0</b>	<b>\$22.6</b>	<b>\$21.2</b>

ENVIRONMENTAL INCOME, SAVINGS AND COST AVOIDANCE (dollars in millions; see Detail on Income, Savings and Cost Avoidance from 2008 Activities at right)	2008	2007	2006	2005
<b>FROM INITIATIVES IN STATED YEAR</b>				
REGULATED WASTE DISPOSAL	\$(0.1)	\$(0.7)	\$0.1	\$0.1
REGULATED MATERIALS <sup>5</sup>	(1.3)	(2.8)	0.5	0.5
NON-HAZARDOUS WASTE DISPOSAL	0.7	0.0	(0.1)	0.2
NON-HAZARDOUS MATERIALS <sup>6</sup>	1.7	1.5	(2.0)	5.0
RECYCLING (INCOME)	5.1	4.3	4.3	3.9
ENERGY CONSERVATION	5.1	4.2	2.3	7.3
WATER CONSERVATION	0.7	0.6	0.5	0.0
<b>FROM INITIATIVES IN STATED YEAR TOTAL<sup>7</sup></b>	<b>\$11.9</b>	<b>\$7.1</b>	<b>\$5.6</b>	<b>\$17.0</b>
AS A PERCENTAGE OF BASIC PROGRAM COSTS	70%	47%	38%	125%
<b>COST AVOIDANCE FROM INITIATIVES STARTED IN THE SIX YEARS PRIOR TO AND REALIZED IN STATED YEAR<sup>8</sup></b>	<b>\$80.0</b>	<b>\$76.4</b>	<b>\$82.1</b>	<b>\$75.6</b>
<b>TOTAL ENVIRONMENTAL INCOME, SAVINGS AND COST AVOIDANCE IN STATED YEAR</b>	<b>\$91.9</b>	<b>\$83.5</b>	<b>\$87.7</b>	<b>\$92.6</b>

DETAIL ON INCOME, SAVINGS AND COST AVOIDANCE FROM 2008 ACTIVITIES (dollars in millions)	INCOME AND SAVINGS	COST AVOIDANCE	TOTAL FINANCIAL BENEFIT
REGULATED WASTE DISPOSAL COST REDUCTION	\$(0.2)	\$0.1	\$(0.1)
REGULATED WASTE MATERIALS COST REDUCTION	(2.3)	1.0	(1.3)
NON-HAZARDOUS WASTE DISPOSAL COST REDUCTION	0.8	(0.1)	0.7
NON-HAZARDOUS WASTE MATERIALS COST REDUCTION	(1.9)	3.6	1.7
RECYCLING INCOME	5.1	0.0	5.1
ENERGY CONSUMPTION COST REDUCTION	(25.6)	30.7	5.1
WATER CONSUMPTION COST REDUCTION	(1.2)	1.9	0.7
<b>TOTAL</b>	<b>\$(25.3)</b>	<b>\$37.2</b>	<b>\$11.9</b>

COST AVOIDANCE DETAIL FROM EFFORTS INITIATED IN THE SIX YEARS PRIOR TO REPORT YEAR (dollars in millions)	2008	2007	2006	2005
REGULATED WASTE DISPOSAL	\$0.1	\$0.4	\$1.2	\$0.6
REGULATED WASTE MATERIALS	(0.9)	1.2	4.6	2.9
NON-HAZARDOUS WASTE DISPOSAL	3.5	3.3	2.6	3.0
NON-HAZARDOUS WASTE MATERIALS	18.2	18.4	18.8	21.8
ENERGY CONSUMPTION	54.2	48.9	50.9	44.4
WATER CONSUMPTION	4.9	4.2	4.0	2.9
<b>TOTAL</b>	<b>\$80.0</b>	<b>\$76.4</b>	<b>\$82.1</b>	<b>\$75.6</b>

<sup>1</sup> Financial numbers rounded to nearest US\$100,000 to reflect appropriate degree of data accuracy. <sup>2</sup> Corporate environmental costs comprise total environmental costs related to operating corporate environmental programs that report into Baxter manufacturing and legal groups. While corporate Environmental, Health and Safety (EHS) and certain business unit EHS groups were integrated in 2005, total business unit program costs remain in the Business Unit/Regional/Facility Environmental Professionals and Programs line, as those environmental costs more directly support facility programs. <sup>3</sup> Cost of carbon of two India despatches associated with purchasing renewable energy certificates, carbon credits purchased through the Chicago Climate Exchange (CCX) and the annual CCX membership fee. <sup>4</sup> Following completion of the 1998-2005 packaging reduction goal, Baxter has continued tracking program costs and financial savings associated with packaging reduction initiatives at the corporate level. Baxter may reallocate this line item to future financial statements. <sup>5</sup> Reflects change (positive for decrease and negative for increase) for purchases of raw materials due to changes in material use or efficiency and associated generation of waste. <sup>6</sup> In calculating savings and cost avoidance for waste-, energy- and water-reduction activities, it is assumed that production and distribution activities grow proportionally with Baxter's publicly stated cost of goods sold, adjusted for changes in inventory and inflation. Baxter uses a three-year rolling average of the annual percentage change in growth to determine the financial values for each study year. The three-year rolling average was 5 percent for 2006; 3 percent for 2007; 2 percent for 2008; and 5 percent for 2009. This rolling average helps avoid distortions due to certain acquisitions/divestitures and the delayed environmental effects from changes in production. <sup>7</sup> To be conservative, the assumption of reported cost avoidance from conservation activities is prior years to terminated after seven years, the approximate duration of many facility conservation and process-improvement projects, after which additional process improvements and changes are possible.

# Q2: Materiality

Address <http://www.ford.com/microsites/sustainability-report-2008-09/default>

Go Links



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Sustainability Report 2008/9

OVERVIEW | OUR OPERATIONS | MATERIAL ISSUES | GOVERNANCE | ECONOMY | ENVIRONMENT | SOCIETY

Fast track to data... GO

## Blueprint for Sustainability | Our Future Works

PREVIOUS

### CLIMATE CHANGE

We're cutting greenhouse gas emissions from our products and operations and pursuing sound climate policies.

READ MORE

NEXT



CLIMATE CHANGE



MOBILITY



HUMAN RIGHTS



VEHICLE SAFETY



SUSTAINING FORD

EXPLORE MATERIAL ISSUES

### EXPLORE TOP TOPICS

climate change, downsizing, emissions, governance, human rights, innovation, materiality, mobility, safety, stakeholders, technologies, waste

### ABOUT THIS REPORT

This report is aligned with the Globe Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines, at an application level of A.

Print report

Download files



### Welcome to our 2008/9 Sustainability Report

"A lot has changed since our last report, but our blueprint for sustainability and our commitment to pursuing it have not changed. Our vision is to provide sustainable transportation that is affordable in every sense of the word: socially, environmentally and economically."

Alan Mulally, President and Chief Executive Officer [READ MORE](#)

# Q2: Materiality

## Our value chain and its impacts

As a major multinational enterprise, our activities have far-reaching impacts on environmental, social and economic systems. The diagram on these pages organizes the issues by the major stages of our value chain. On the pages immediately following you will find a description of a "materiality analysis" we carried out to prioritize the most significant issues identified in our value chain.

Some issues we identified as important are not shown in this diagram because they do not pertain to a particular lifecycle stage. In addition, broad sustainability challenges set the context for all of the lifecycle stages. These include population growth, urbanization, poverty, education, gender equality, child mortality, maternal health, infectious diseases, biodiversity and loss of ecosystem services.

### Expanding connections

We recognize that these issues are interconnected at each stage and that positive and negative effects in one part of the chain can reverberate in the other parts.

Increasingly, we are bringing our understanding of a wide range of sustainability issues into the stages of our value chain. Environmentally, we are improving our manufacturing efficiency, cutting the emissions of our vehicles, designing vehicles with end of life in mind and increasing the recyclability of our vehicles and our use of recycled materials. Socially, we seek to strengthen the communities we're part of, expand the connections within them and improve our relationships throughout the value chain. Economically, we are trying to build our capacity to adapt and respond to the variety of challenges and opportunities present at every stage, meeting our customers' needs as well as our stakeholders' expectations.

### PRODUCT PLANNING AND DESIGN Impacts all stages Principal actors: Ford, Customers and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Fuel economy</li> <li>Crash-forming emissions</li> <li>Material use and recycling</li> <li>Resource use</li> <li>Manufacturing waste</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle safety</li> <li>Access to mobility</li> <li>Traffic congestion</li> <li>Diversity</li> <li>Infrastructure</li> <li>Emerging markets</li> <li>Design for assembly/ergonomics</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Brand value/reputation</li> <li>Health care costs</li> </ul>

### LOGISTICS (Transportation) Impacts most four stages Principal actors: Ford and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Crash-forming emissions</li> <li>Land use</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle safety</li> <li>Health and safety</li> <li>Treatment of employees</li> <li>Hours</li> <li>Community disruption through land use</li> <li>Traffic congestion</li> <li>Diversity</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Fuel cost</li> </ul>

### RAW MATERIAL EXTRACTION Impacts all stages Principal actors: Suppliers and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Crash-forming emissions</li> <li>Material use and recycling</li> <li>Resource use</li> <li>Manufacturing waste</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Diversity</li> <li>Human rights</li> <li>HR/MSD</li> <li>Community disruption through land use</li> </ul>	<ul style="list-style-type: none"> <li>Commodity prices</li> </ul>



### PARTS AND COMPONENTS Impacts all stages Principal actors: Ford and Suppliers

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Crash-forming emissions</li> <li>Material use and recycling</li> <li>Resource use</li> <li>Manufacturing waste</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Employee satisfaction</li> <li>Diversity</li> <li>Human rights</li> <li>HR/MSD</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Brand value/reputation</li> <li>Health care costs</li> </ul>

### ASSEMBLY AND PAINTING Impacts all stages Principal actors: Ford and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Crash-forming emissions</li> <li>Material use and recycling</li> <li>Resource use</li> <li>Manufacturing waste</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Employee satisfaction</li> <li>Diversity</li> <li>Human rights</li> <li>HR/MSD</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Brand value/reputation</li> <li>Health care costs</li> </ul>

### END OF LIFE Impacts all stages Principal actors: Dismantlers and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Material use and recycling</li> <li>Waste</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Diversity</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Commodity prices</li> </ul>

### SERVICE Impacts all stages Principal actors: Ford Dealers and Independent Servicers

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Material use and recycling</li> <li>Waste</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Diversity</li> <li>Human rights</li> <li>Marketing and customer information</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Dealer services</li> <li>Brand value/reputation</li> </ul>

### USE Impacts all stages Principal actors: Customers, Fuel Providers and Government

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Crash-forming emissions</li> <li>Land use</li> <li>Fuel economy</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle safety</li> <li>Hours</li> <li>Quality of public transport</li> <li>Access to mobility</li> <li>Community disruption through land use</li> <li>Traffic congestion</li> <li>Infrastructure</li> <li>Emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>Fuel costs</li> <li>Brand value/reputation</li> </ul>

### SALES Impacts all stages Principal actors: Ford Dealers and Other Dealers (used vehicles)

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Land use</li> </ul>	<ul style="list-style-type: none"> <li>Diversity</li> <li>Human rights</li> <li>Marketing and customer information</li> </ul>	<ul style="list-style-type: none"> <li>Dealer services</li> <li>Brand value/reputation</li> </ul>

# Q2: Materiality

address <http://www.ford.com/microsites/sustainability-report-2008-09/issues-materiality-matrix> Go Links


 Back to Ford.com Sustainability Report 2008/9

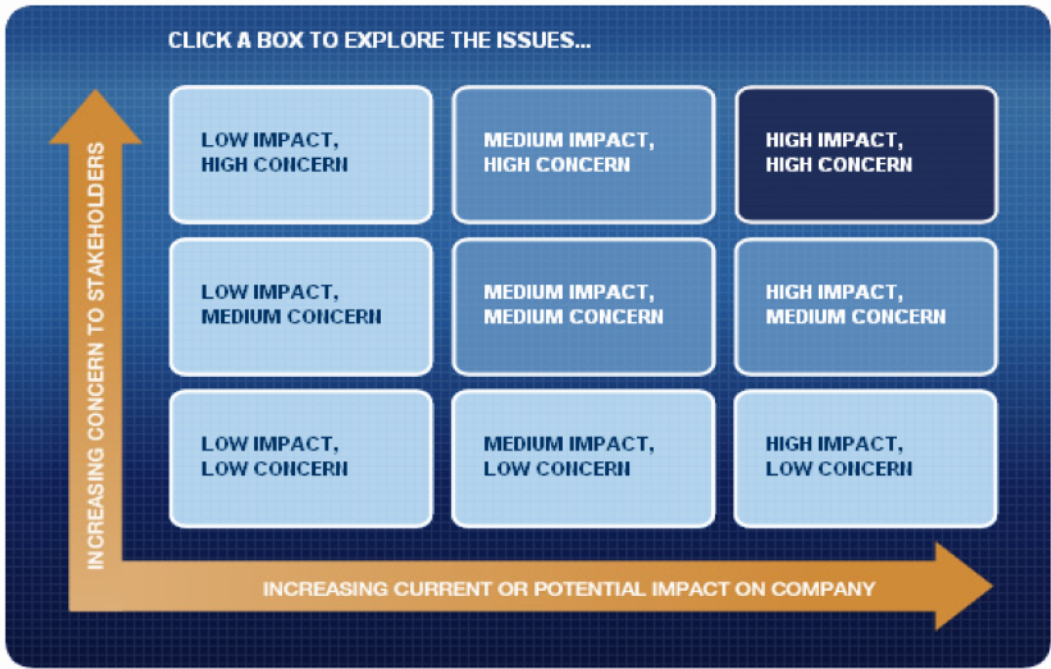
OVERVIEW | OUR OPERATIONS | **MATERIAL ISSUES** | GOVERNANCE | ECONOMY | ENVIRONMENT | SOCIETY Fast track to data... GO

## Materiality Matrix

Below is our interactive materiality matrix. In it, issues are categorized according to their concern to stakeholders and their current or potential impact on the Company. Click each box to see which issues are categorized within each sector.

- ▼ MATERIAL ISSUES
- ▼ Materiality Analysis
  - ▶ Materiality Matrix
  - Climate Change
  - Mobility
  - Human Rights
  - Vehicle Safety
  - Sustaining Ford
  - Perspectives on Sustainability

-  Print report
-  Download files



- REPORTING PRIORITIES**
- Issues in this box set the agenda for our material issues section and printed summary
  - Issues in these boxes set the agenda for the rest of the web report and future reporting
  - Issues in these boxes are not currently covered in detail by reporting

# Q3: Stakeholders



A fresh perspective...



Our First Social Impact Report

# Q3: Stakeholders

## Performance indicators index

Key ■ Global Reporting Initiative ■ SIF-Finance 2002 ■ Australian stakeholder indicator ■ IPI-Finance 2000

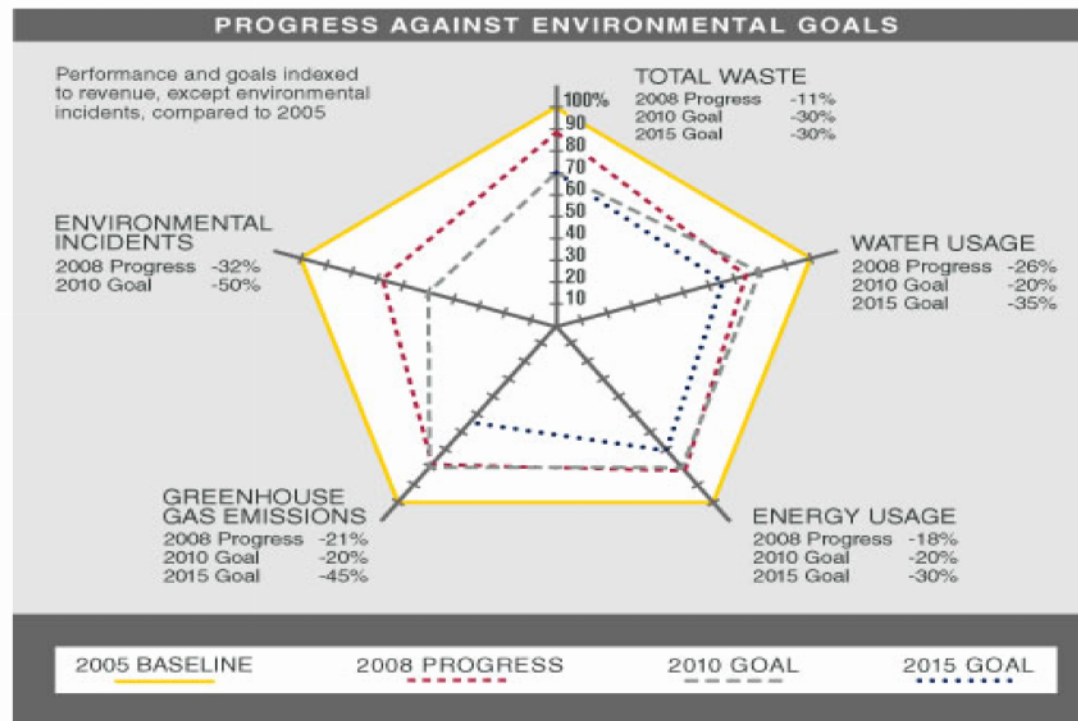
	Indicator	Source	Page
	Chairman's & CEO's statement	■	2
	Scope of report	■	3
<b>Social</b>			
CSR management	CSR policy	■ ■ ■	3
	CSR organisation	■ ■ ■	3
	Internal and external audits	■ ■ ■	3
	Management of sensitive issues	■ ■ ■	9, 18-21, 23, 27, 35
	Stakeholder dialogue	■ ■	9
Employee CSR	Internal CSR policy	■ ■	12
	Employee turnover & job creation	■ ■ ■	13
	Employee satisfaction	■ ■ ■	13
	Top management remuneration	■ ■ ■	13
	Executive remuneration fostering sustainable development	■ ■ ■	13
	Female-male salary ratio	■ ■	12
	Employee profile	■ ■ ■	12, 14, 15
	Performance & evaluation	■ ■	13
	Non-work aspects of career management	■ ■	13
	Workloads & staffing levels	■	13
	Staff selection & contracts	■	13
	Occupational health and safety	■ ■	13
	Retail banking	Retail banking policy	■ ■ ■
Transparency of fees and charges		■	18
Responsible lending		■	18

	Indicator	Source	Page
	Accessibility & availability of banking services	■ ■	18-19
	Regional infrastructure	■ ■	18, 20-21
	Elimination of complaints	■ ■	19
	Complaints statistics	■ ■	19
	Social safety net banking	■ ■ ■	19
	Improving accessibility for the disabled	■ ■	19
	Lending with high social benefit	■ ■	20
SME business banking	Lending policy	■ ■	22
	Lending profile	■ ■	22
	Lending with a high social benefit	■ ■	22
Institutional banking	Lending policy	■ ■	22
	Institutional lending	■ ■	22
	Third world debt	■	23
	Global country profile	■ ■	23
Asset management	SRI policy	■ ■ ■	23
	Assets under management with high social benefit	■ ■ ■	23
Insurance	Insurance product profile	■	23
	Customer complaints	■ ■	23
Performance to society	Building social capital	■ ■ ■	26-27
	Aggregated contributions	■ ■ ■	26
Suppliers	Social and environmental performance screening of key suppliers	■ ■ ■ ■	26

# Q4: Comprehensive, comparable, future-oriented

## Environmental Performance At-a-Glance

In 2008, Baxter concluded its third year of progress on its 2010 environmental goals and launched a set of longer-term 2015 sustainability goals. As the graph below indicates, Baxter met or exceeded its 2010 water usage and greenhouse gas (GHG) emissions goals and is on track to meet or exceed its 2010 energy usage goal. However, progress toward the total waste-reduction and environmental incidents-reduction goals slowed due to increased waste generation from Baxter's BioScience operation and continued wastewater exceedances at a single location in Europe.



# Q5: Believability

## A Message from Phil Knight

We've been fairly quiet for the past three years in

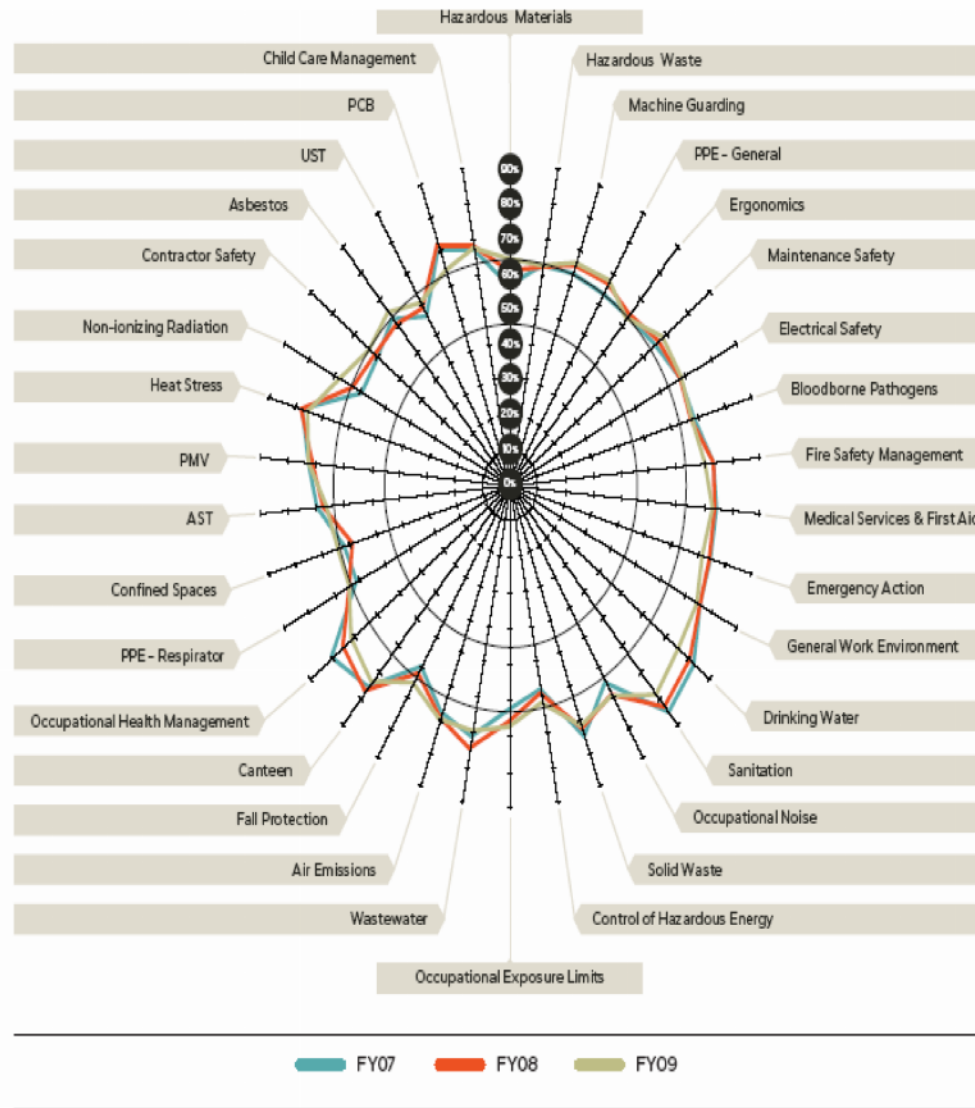
Corporate Responsibility because of the Kasky lawsuit. So we're using this report to play a little catch-up and draw a more complete picture. It makes for a long report, but I urge you to read it from cover to cover. And then some: because probably the most significant piece of disclosure linked to this report is actually on our Web site. It's a listing of all factories that produce Nike-branded products, worldwide.



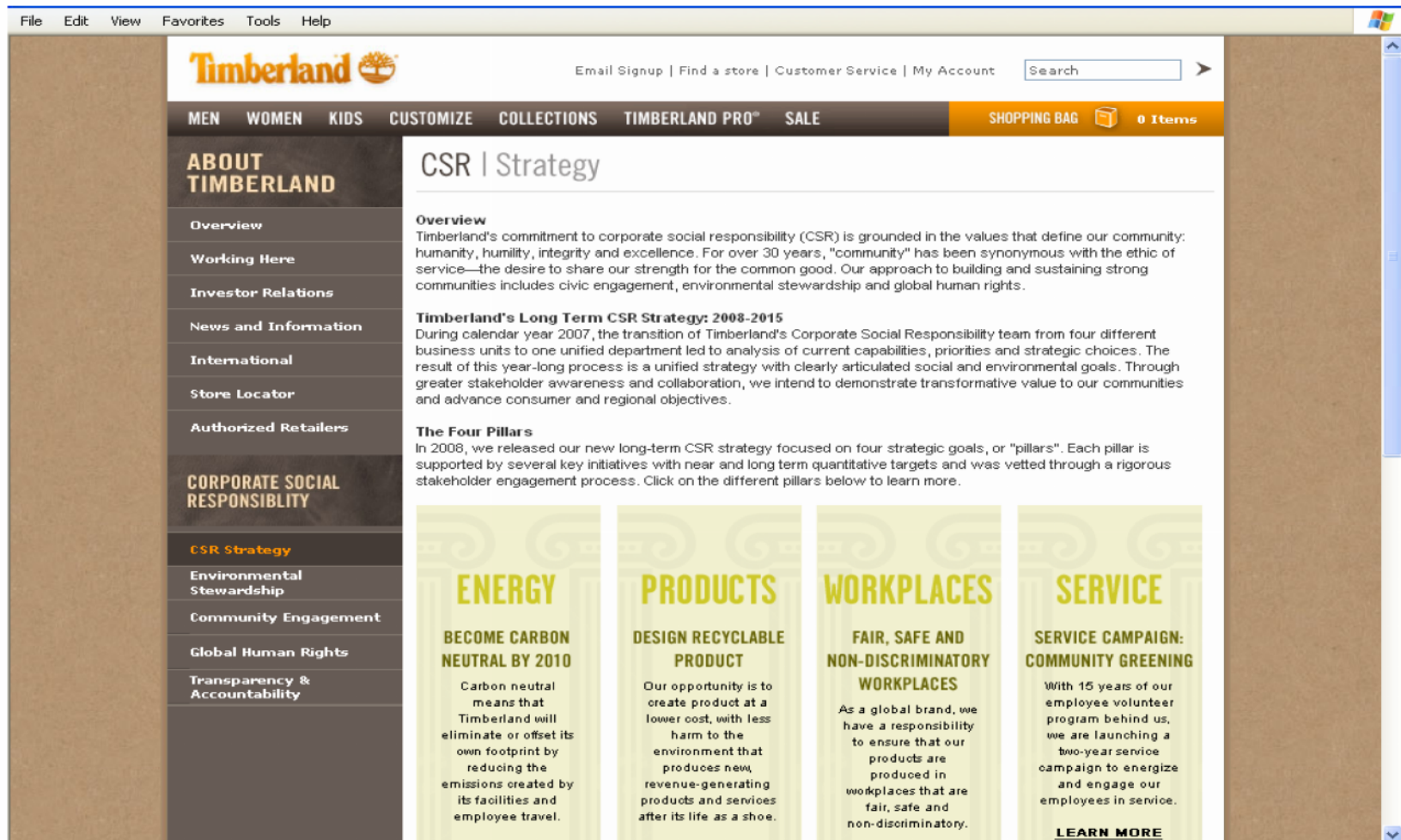
Corporate Responsibility Report



# Q5: Believability



# Q6: Accessibility



The screenshot shows the Timberland website's CSR Strategy page. The page features a navigation menu with categories like MEN, WOMEN, KIDS, and a shopping bag icon. The main content area is titled "CSR | Strategy" and includes an overview, a long-term strategy for 2008-2015, and four pillars: Energy, Products, Workplaces, and Service. Each pillar has a brief description of the initiative.

**Timberland** Email Signup | Find a store | Customer Service | My Account

MEN WOMEN KIDS CUSTOMIZE COLLECTIONS TIMBERLAND PRO® SALE SHOPPING BAG 0 Items

**ABOUT TIMBERLAND**

- Overview
- Working Here
- Investor Relations
- News and Information
- International
- Store Locator
- Authorized Retailers

**CORPORATE SOCIAL RESPONSIBILITY**

- CSR Strategy**
- Environmental Stewardship
- Community Engagement
- Global Human Rights
- Transparency & Accountability

**CSR | Strategy**

**Overview**  
Timberland's commitment to corporate social responsibility (CSR) is grounded in the values that define our community: humanity, humility, integrity and excellence. For over 30 years, "community" has been synonymous with the ethic of service—the desire to share our strength for the common good. Our approach to building and sustaining strong communities includes civic engagement, environmental stewardship and global human rights.

**Timberland's Long Term CSR Strategy: 2008-2015**  
During calendar year 2007, the transition of Timberland's Corporate Social Responsibility team from four different business units to one unified department led to analysis of current capabilities, priorities and strategic choices. The result of this year-long process is a unified strategy with clearly articulated social and environmental goals. Through greater stakeholder awareness and collaboration, we intend to demonstrate transformative value to our communities and advance consumer and regional objectives.

**The Four Pillars**  
In 2008, we released our new long-term CSR strategy focused on four strategic goals, or "pillars". Each pillar is supported by several key initiatives with near and long term quantitative targets and was vetted through a rigorous stakeholder engagement process. Click on the different pillars below to learn more.

**ENERGY**

**BECOME CARBON NEUTRAL BY 2010**

Carbon neutral means that Timberland will eliminate or offset its own footprint by reducing the emissions created by its facilities and employee travel.

**PRODUCTS**

**DESIGN RECYCLABLE PRODUCT**

Our opportunity is to create product at a lower cost, with less harm to the environment that produces new, revenue-generating products and services after its life as a shoe.

**WORKPLACES**

**FAIR, SAFE AND NON-DISCRIMINATORY WORKPLACES**

As a global brand, we have a responsibility to ensure that our products are produced in workplaces that are fair, safe and non-discriminatory.

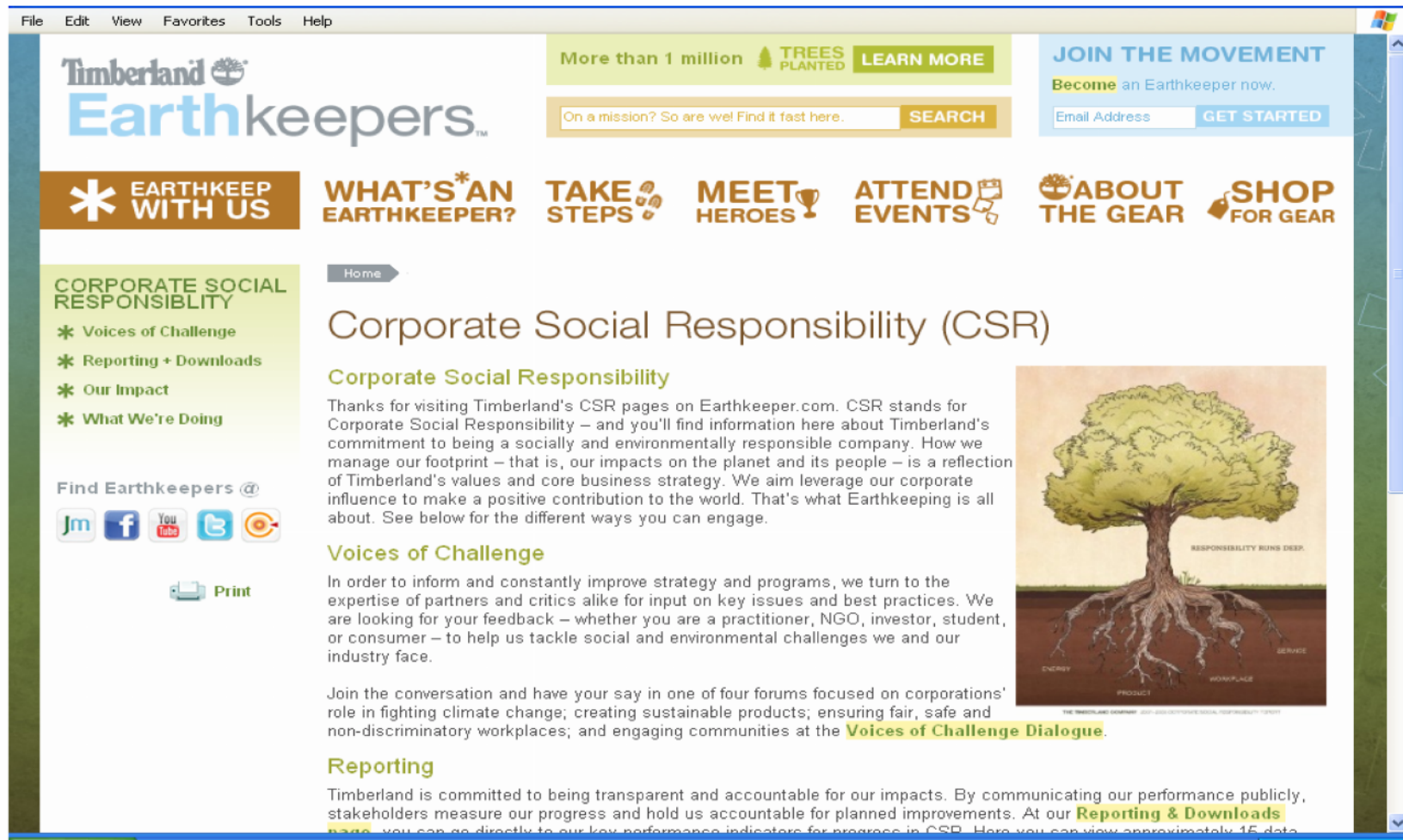
**SERVICE**

**SERVICE CAMPAIGN: COMMUNITY GREENING**

With 15 years of our employee volunteer program behind us, we are launching a two-year service campaign to energize and engage our employees in service.

[LEARN MORE](#)

# Q6: Accessibility



The screenshot shows the Timberland Earthkeepers website. The main navigation bar includes links for 'EARTHKEEP WITH US', 'WHAT'S AN EARTHKEEPER?', 'TAKE STEPS', 'MEET HEROES', 'ATTEND EVENTS', 'ABOUT THE GEAR', and 'SHOP FOR GEAR'. The main content area is titled 'Corporate Social Responsibility (CSR)' and features a section for 'Voices of Challenge' and a 'Reporting' section. A large illustration of a tree with roots labeled 'ENERGY', 'PRODUCT', 'WORKPLACE', and 'SERVICE' is also visible.

File Edit View Favorites Tools Help

Timberland Earthkeepers™

More than 1 million TREES PLANTED [LEARN MORE](#)

On a mission? So are we! Find it fast here. [SEARCH](#)

JOIN THE MOVEMENT  
Become an Earthkeeper now.  
Email Address [GET STARTED](#)

\* EARTHKEEP WITH US

WHAT'S AN EARTHKEEPER? TAKE STEPS MEET HEROES ATTEND EVENTS ABOUT THE GEAR SHOP FOR GEAR

Home

## Corporate Social Responsibility (CSR)

### Corporate Social Responsibility

Thanks for visiting Timberland's CSR pages on Earthkeeper.com. CSR stands for Corporate Social Responsibility – and you'll find information here about Timberland's commitment to being a socially and environmentally responsible company. How we manage our footprint – that is, our impacts on the planet and its people – is a reflection of Timberland's values and core business strategy. We aim leverage our corporate influence to make a positive contribution to the world. That's what Earthkeeping is all about. See below for the different ways you can engage.

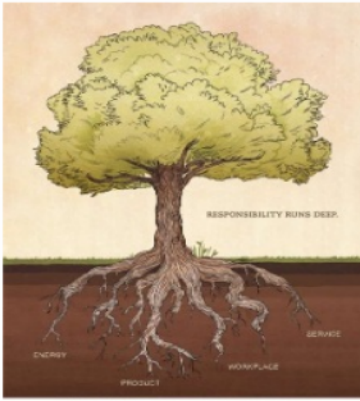
#### Voices of Challenge

In order to inform and constantly improve strategy and programs, we turn to the expertise of partners and critics alike for input on key issues and best practices. We are looking for your feedback – whether you are a practitioner, NGO, investor, student, or consumer – to help us tackle social and environmental challenges we and our industry face.

Join the conversation and have your say in one of four forums focused on corporations' role in fighting climate change; creating sustainable products; ensuring fair, safe and non-discriminatory workplaces; and engaging communities at the [Voices of Challenge Dialogue](#).

#### Reporting

Timberland is committed to being transparent and accountable for our impacts. By communicating our performance publicly, stakeholders measure our progress and hold us accountable for planned improvements. At our [Reporting & Downloads page](#), you can go directly to our key performance indicators for progress in CSR. Here you can view approximately 15 data

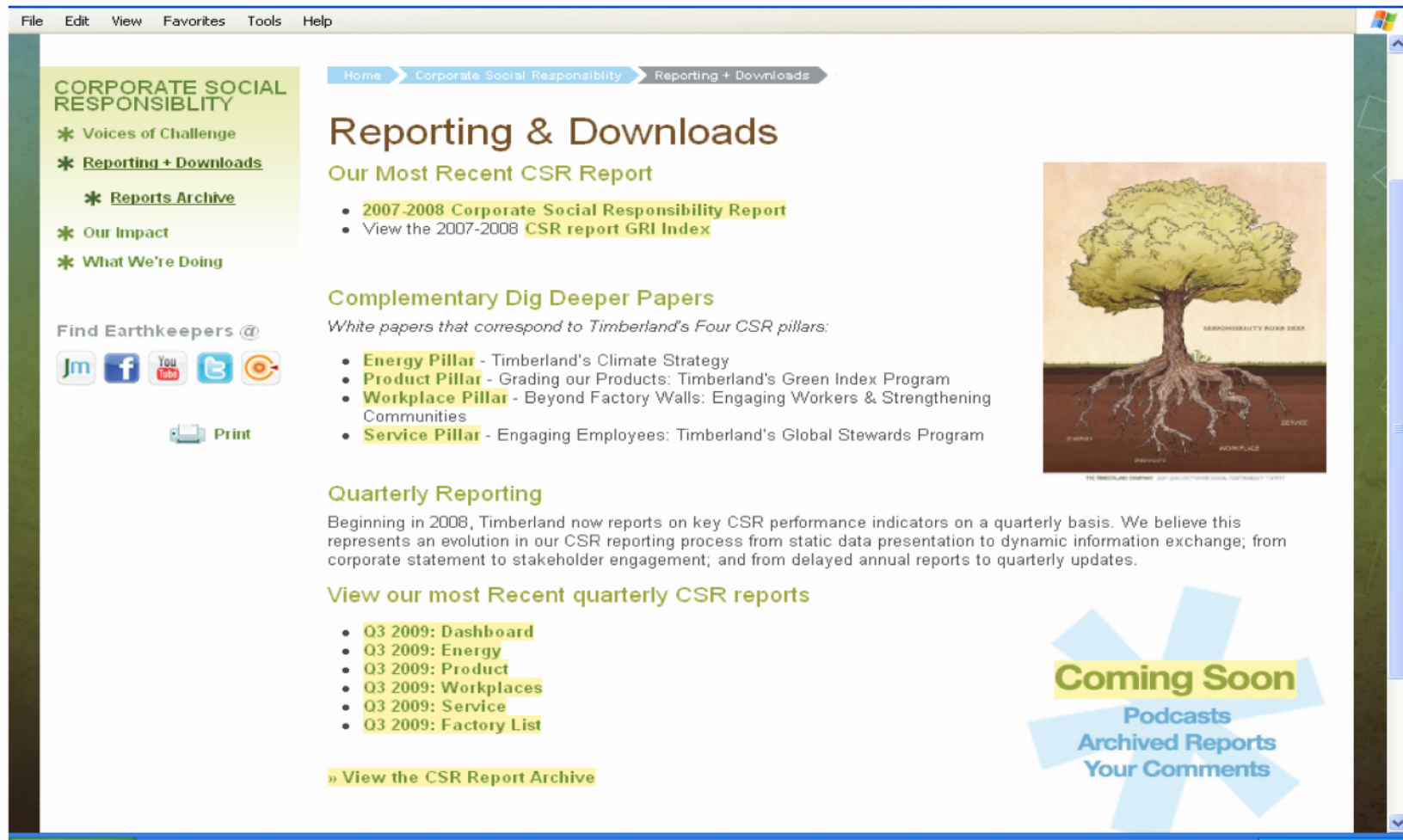


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Find Earthkeepers @

Print

# Q6: Accessibility



The screenshot shows a web browser window displaying the Timberland Corporate Social Responsibility Reporting & Downloads page. The page features a navigation menu, a sidebar with links to various CSR topics, and a main content area with sections for 'Our Most Recent CSR Report', 'Complementary Dig Deeper Papers', 'Quarterly Reporting', and 'View our most Recent quarterly CSR reports'. A 'Coming Soon' graphic is overlaid on the bottom right of the page.

**CORPORATE SOCIAL RESPONSIBILITY**

- \* [Voices of Challenge](#)
- \* [Reporting + Downloads](#)
- \* [Reports Archive](#)
- \* [Our Impact](#)
- \* [What We're Doing](#)

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Home > Corporate Social Responsibility > Reporting + Downloads

## Reporting & Downloads

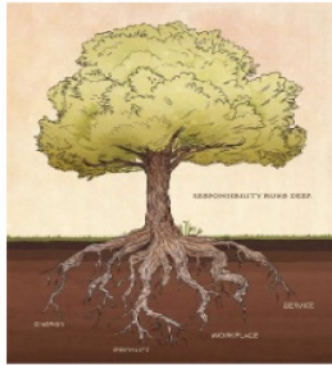
### Our Most Recent CSR Report

- [2007-2008 Corporate Social Responsibility Report](#)
- View the 2007-2008 [CSR report GRI Index](#)

### Complementary Dig Deeper Papers

*White papers that correspond to Timberland's Four CSR pillars:*

- [Energy Pillar](#) - Timberland's Climate Strategy
- [Product Pillar](#) - Grading our Products: Timberland's Green Index Program
- [Workplace Pillar](#) - Beyond Factory Walls: Engaging Workers & Strengthening Communities
- [Service Pillar](#) - Engaging Employees: Timberland's Global Stewards Program



### Quarterly Reporting

Beginning in 2008, Timberland now reports on key CSR performance indicators on a quarterly basis. We believe this represents an evolution in our CSR reporting process from static data presentation to dynamic information exchange; from corporate statement to stakeholder engagement; and from delayed annual reports to quarterly updates.

### View our most Recent quarterly CSR reports

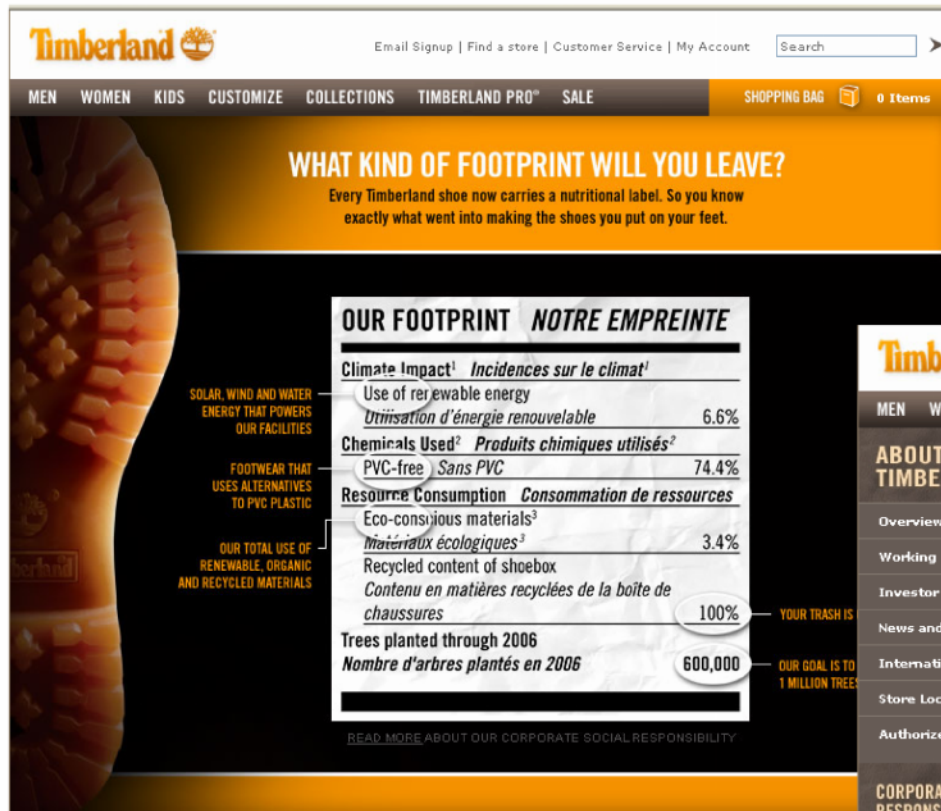
- [Q3 2009: Dashboard](#)
- [Q3 2009: Energy](#)
- [Q3 2009: Product](#)
- [Q3 2009: Workplaces](#)
- [Q3 2009: Service](#)
- [Q3 2009: Factory List](#)

[» View the CSR Report Archive](#)

**Coming Soon**

Podcasts  
Archived Reports  
Your Comments

# Q6: Accessibility



**WHAT KIND OF FOOTPRINT WILL YOU LEAVE?**  
Every Timberland shoe now carries a nutritional label. So you know exactly what went into making the shoes you put on your feet.

OUR FOOTPRINT	NOTRE EMPREINTE
<b>Climate Impact<sup>1</sup></b> <i>Incidences sur le climat<sup>1</sup></i>	
Use of renewable energy <i>Utilisation d'énergie renouvelable</i>	6.6%
<b>Chemicals Used<sup>2</sup></b> <i>Produits chimiques utilisés<sup>2</sup></i>	
PVC-free <i>Sans PVC</i>	74.4%
<b>Resource Consumption</b> <i>Consommation de ressources</i>	
Eco-conscious materials <sup>3</sup> <i>Matériaux écologiques<sup>3</sup></i>	3.4%
Recycled content of shoebox <i>Contenu en matières recyclées de la boîte de chaussures</i>	100%
Trees planted through 2006 <i>Nombre d'arbres plantés en 2006</i>	600,000

**SOLAR, WIND AND WATER ENERGY THAT POWERS OUR FACILITIES**

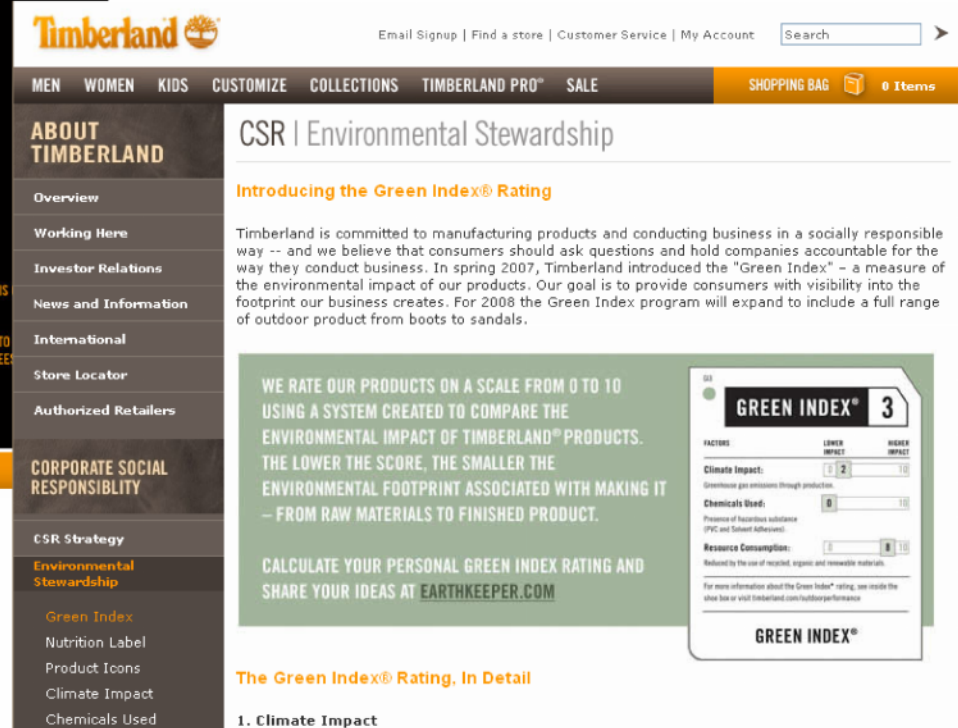
**FOOTWEAR THAT USES ALTERNATIVES TO PVC PLASTIC**

**OUR TOTAL USE OF RENEWABLE, ORGANIC AND RECYCLED MATERIALS**

**YOUR TRASH IS 100%**

**OUR GOAL IS TO 1 MILLION TREES**

[READ MORE ABOUT OUR CORPORATE SOCIAL RESPONSIBILITY](#)



**ABOUT TIMBERLAND**

- Overview
- Working Here
- Investor Relations
- News and Information
- International
- Store Locator
- Authorized Retailers

**CORPORATE SOCIAL RESPONSIBILITY**

- CSR Strategy
- Environmental Stewardship**
  - Green Index
  - Nutrition Label
  - Product Icons
  - Climate Impact
  - Chemicals Used

**CSR | Environmental Stewardship**

**Introducing the Green Index® Rating**

Timberland is committed to manufacturing products and conducting business in a socially responsible way -- and we believe that consumers should ask questions and hold companies accountable for the way they conduct business. In spring 2007, Timberland introduced the "Green Index" -- a measure of the environmental impact of our products. Our goal is to provide consumers with visibility into the footprint our business creates. For 2008 the Green Index program will expand to include a full range of outdoor product from boots to sandals.

WE RATE OUR PRODUCTS ON A SCALE FROM 0 TO 10 USING A SYSTEM CREATED TO COMPARE THE ENVIRONMENTAL IMPACT OF TIMBERLAND® PRODUCTS. THE LOWER THE SCORE, THE SMALLER THE ENVIRONMENTAL FOOTPRINT ASSOCIATED WITH MAKING IT -- FROM RAW MATERIALS TO FINISHED PRODUCT.

CALCULATE YOUR PERSONAL GREEN INDEX RATING AND SHARE YOUR IDEAS AT [EARTHKEEPER.COM](http://EARTHKEEPER.COM)

FACTORS	LOWER IMPACT	HIGHER IMPACT
<b>Climate Impact:</b> <small>Greenhouse gas emissions through production.</small>	0	10
<b>Chemicals Used:</b> <small>Presence of hazardous substances (PVC and solvent adhesives)</small>	0	10
<b>Resource Consumption:</b> <small>Reduced by the use of recycled, organic and renewable materials.</small>	0	10

**GREEN INDEX® 3**

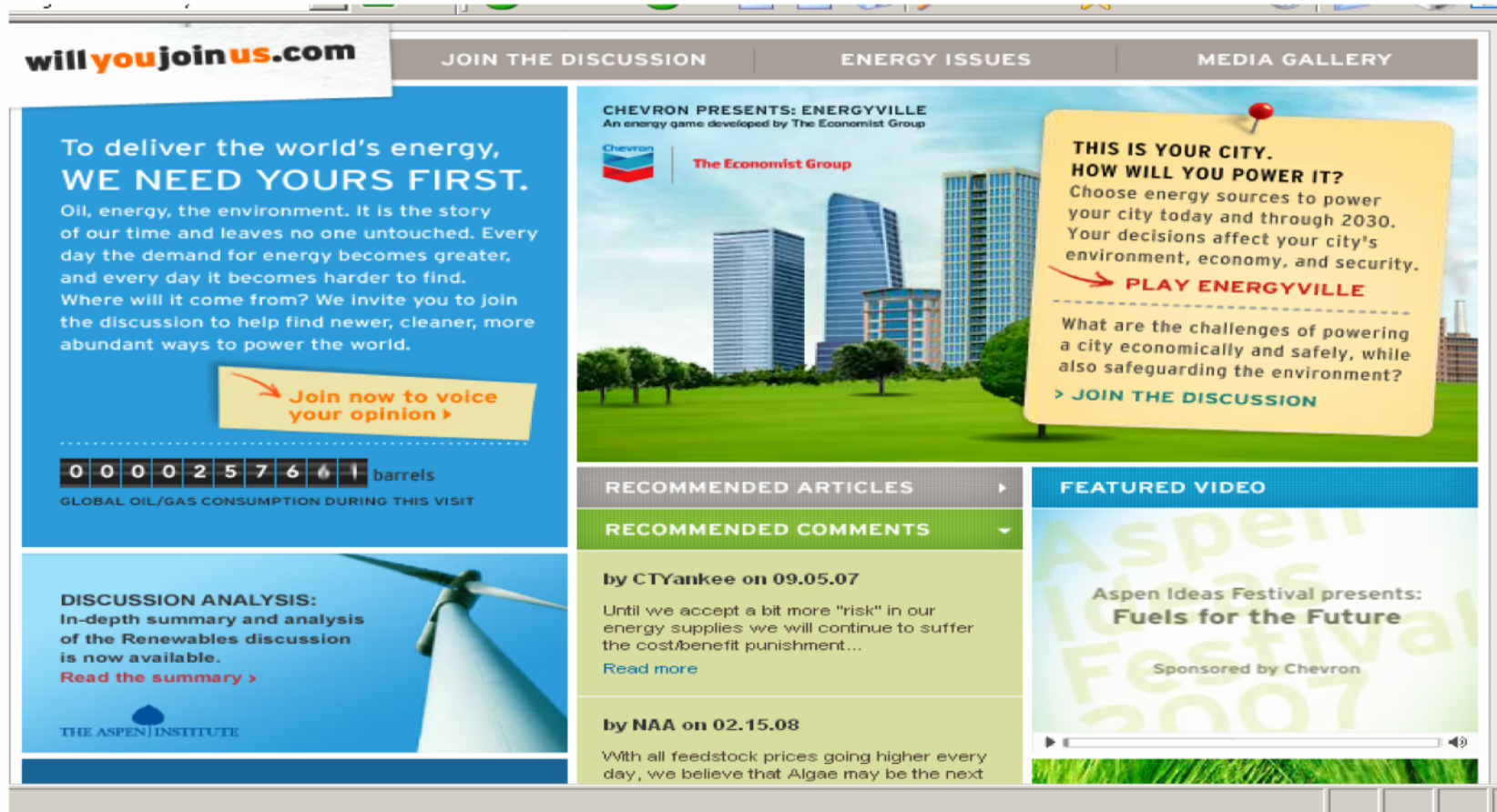
For more information about the Green Index® rating, see inside the shoe box or visit [timberland.com/outdoorperformance](http://timberland.com/outdoorperformance)

**GREEN INDEX®**

**The Green Index® Rating, In Detail**

**1. Climate Impact**

# Q7: Engagement and learning



**willyoujoinus.com** JOIN THE DISCUSSION ENERGY ISSUES MEDIA GALLERY

**To deliver the world's energy, WE NEED YOURS FIRST.**  
 Oil, energy, the environment. It is the story of our time and leaves no one untouched. Every day the demand for energy becomes greater, and every day it becomes harder to find. Where will it come from? We invite you to join the discussion to help find newer, cleaner, more abundant ways to power the world.

[Join now to voice your opinion >](#)

0 0 0 0 2 5 7 6 6 1 barrels  
 GLOBAL OIL/GAS CONSUMPTION DURING THIS VISIT

**DISCUSSION ANALYSIS:**  
 In-depth summary and analysis of the Renewables discussion is now available.  
[Read the summary >](#)

THE ASPEN INSTITUTE

**CHEVRON PRESENTS: ENERGYVILLE**  
 An energy game developed by The Economist Group

**THIS IS YOUR CITY. HOW WILL YOU POWER IT?**  
 Choose energy sources to power your city today and through 2030. Your decisions affect your city's environment, economy, and security.  
[PLAY ENERGYVILLE](#)

What are the challenges of powering a city economically and safely, while also safeguarding the environment?  
[> JOIN THE DISCUSSION](#)

**RECOMMENDED ARTICLES**

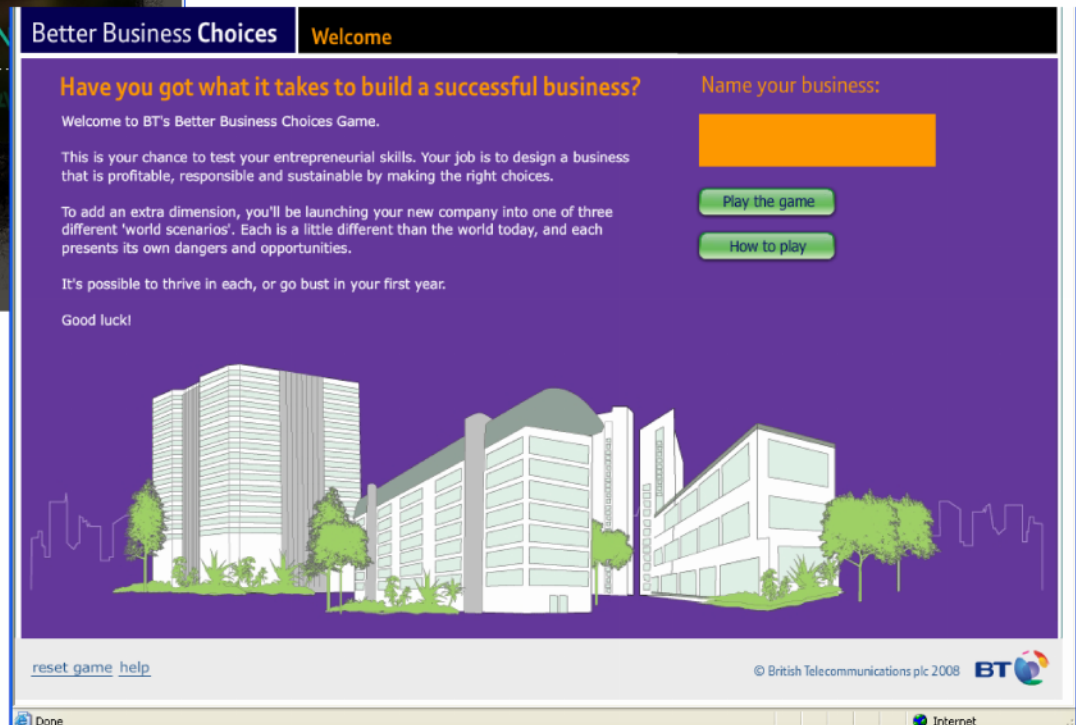
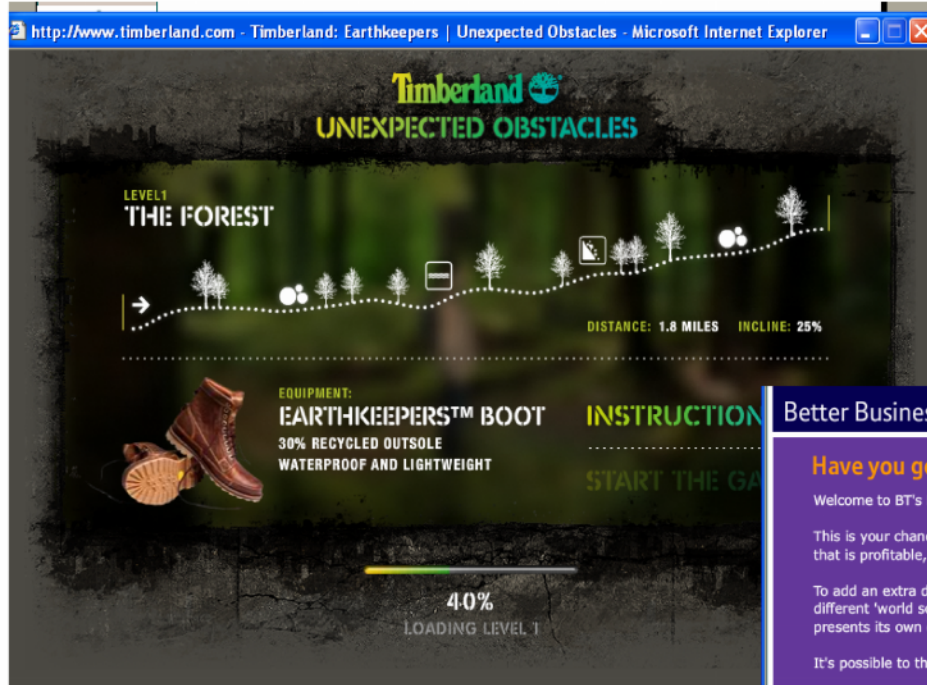
**RECOMMENDED COMMENTS**

by CTYankee on 09.05.07  
 Until we accept a bit more "risk" in our energy supplies we will continue to suffer the cost/benefit punishment...  
[Read more](#)

by NAA on 02.15.08  
 With all feedstock prices going higher every day, we believe that Algae may be the next

**FEATURED VIDEO**  
 Aspen Ideas Festival presents:  
**Fuels for the Future**  
 Sponsored by Chevron

# Q7: Engagement and learning



# Getting started / picking up speed

- Internal support
  - Senior buy-in, cross-functional team of champions
  - Five-year plan – where do you want to be
  - Audiences, communications plan
  - Time and resources
- External support
  - Stakeholder panels
  - Peers
  - Service providers



# For more information

- [www.baxter.com](http://www.baxter.com)
- [www.ford.com](http://www.ford.com)
- [www.westpac.com.au](http://www.westpac.com.au)
- [www.nike.com](http://www.nike.com)
- [www.timberland.com](http://www.timberland.com)
- [www.chevron.com](http://www.chevron.com)
- [www.bt.com](http://www.bt.com)
- [www.stakeholderresearch.com](http://www.stakeholderresearch.com)