



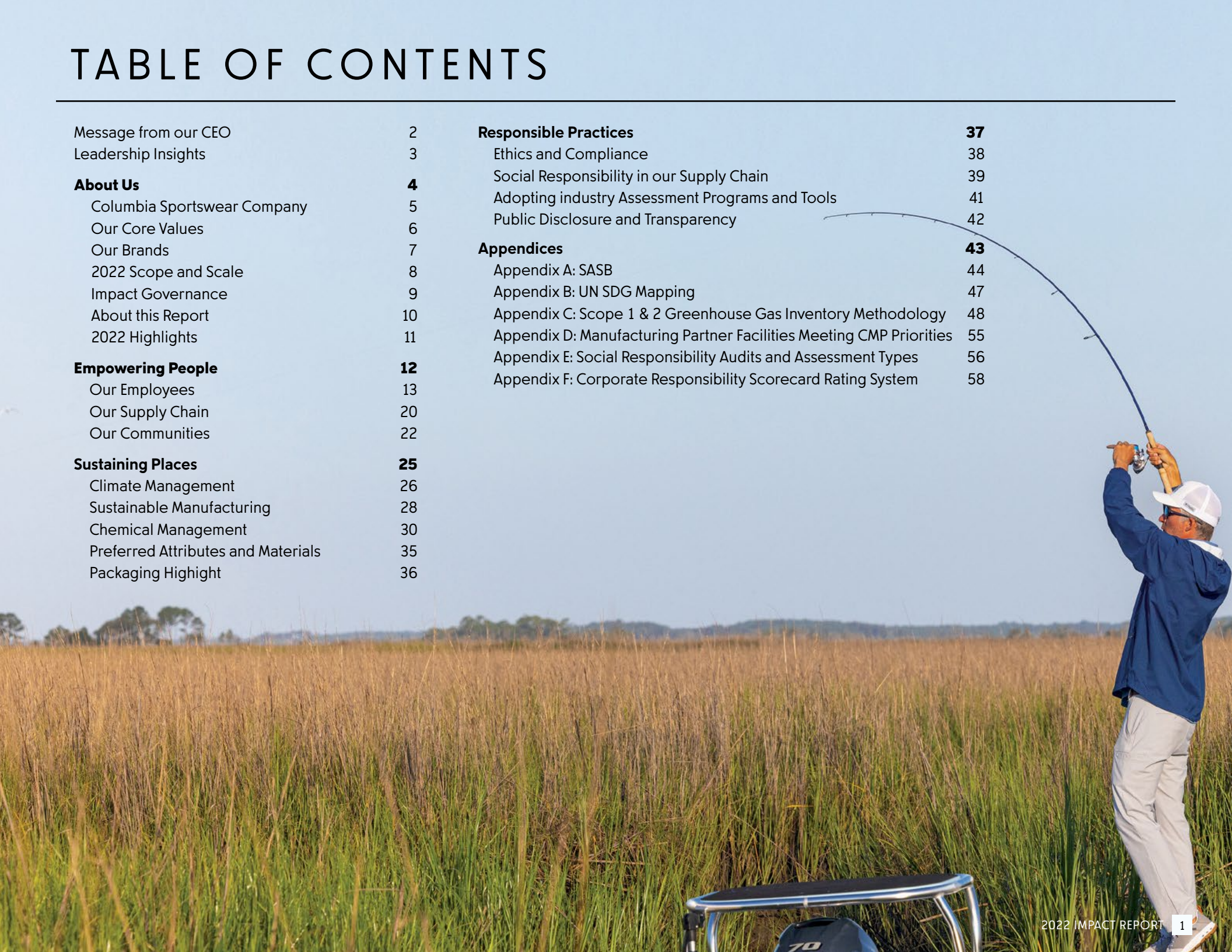
2022  
**IMPACT REPORT**  
ENVIRONMENTAL | SOCIAL | GOVERNANCE



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# MESSAGE FROM OUR CEO

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**TIM BOYLE, CHAIRMAN, PRESIDENT, & CEO**

All of us want to have an impact. Every day, we make choices as to whether that impact is good or bad. At Columbia Sportswear Company, one of our core values is doing the right thing. Every day, we choose to do the right thing so that our impact on our people and the planet is positive.

My mother, Gert Boyle, the former Chair of our Board, used to say, "It's perfect. Now make it better." That kind of thinking undergirds our approach to environmental, social and governance challenges and the impact that we have on the world. There is always room to make something better. And we are constantly evolving in our use of technologies, practices and policies to ensure that we continue to get better.

Below is our 2022 Impact Report, which measures what we are doing to empower people, sustain places and engage in responsible practices. Every day and every year, we will get better.



Everyday, we choose **to do the right thing** so that our impact on our people and the planet is positive.



# LEADERSHIP INSIGHTS

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As a global company, we recognize the importance of supporting the communities in which we live and work, from our corporate offices to the facilities we manufacture in. We're proud to share the progress we made in 2022 in the areas of Empowering People, Sustaining Places and Responsible Practices.

**- PETER BRAGDON**

EVP, Chief Administrative Officer & General Counsel



Employee wellbeing is a top priority for Columbia Sportswear Company. We continuously assess our programs to ensure our employees are empowered in all aspects of their lives, whether at work or taking on their latest outdoor adventure.

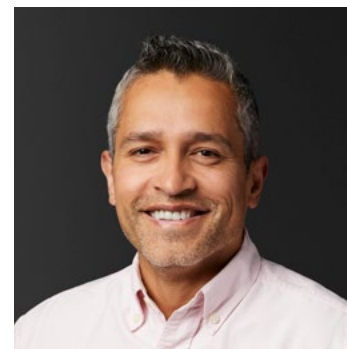
**- RICHELLE LUTHER**

EVP, Corporate Affairs & Chief HR Officer

We are committed to making the outdoors accessible to all. From working with community partners to supporting programs and initiatives in the places that our products are made.

**- ABEL NAVARRETE**

VP, Sustainability and Community Impact



# ABOUT US



# COLUMBIA SPORTSWEAR COMPANY

In 1938, a young Gert Boyle arrived in the United States with her family, fleeing Nazi Germany. With almost nothing to their names except grit and determination, her parents began a small hat company, which they named after the mighty Columbia River in Portland, Oregon. Gert's husband, Neal Boyle, eventually took over the family business. In 1971, tragedy struck, and Neal died. Gert, a stay-at-home mom, and her son Tim, a college student, suddenly had to run Columbia Sportswear.

Gert could have given up. It would have been easier. However, Gert's inheritance was grit and determination, and she powered on in a field – sportswear – where women did not exist. Gert eventually held every role in the company, from sewing the first fishing vest to the President and Chair of the Board. Her legacy continues to inspire us today, as we continue to build what was once just an immigrant's dream.

Today, Columbia Sportswear Company's CEO is Tim Boyle, and the Columbia brand president is his son, Joe Boyle. We are a publicly traded company with more than \$3.4 billion in net sales in 2022 across our family of brands: Columbia, SOREL, Mountain Hardwear and prAna. With a global workforce of more than 9,000 people, we remain authentic and true to our roots, making products that help everyone get outdoors, whether they are scaling the Himalayas, practicing yoga in the park, or outside in their backyards. We make products that connect active people with their passions.



# OUR CORE VALUES



ENJOY  
AN ACTIVE  
LIFESTYLE



COMPETE  
TO WIN



RELENTLESS  
IMPROVEMENT



CULTURE OF  
HONESTY,  
RESPECT,  
AND TRUST



DOING THE  
RIGHT THING  
FOR CONSUMERS,  
CUSTOMERS,  
EMPLOYEES,  
THE COMPANY  
& OUR  
COMMUNITIES

# OUR BRANDS

We design, source, market, and distribute outdoor, active, and everyday lifestyle apparel, footwear, accessories, and equipment under four primary brands. Each brand complements the other to address the diverse needs of customers.

## Columbia

The Columbia brand, headquartered in Portland, Oregon, is our largest brand. The Columbia brand's mission is to unlock the outdoors for everyone. It offers performance and casual products, such as apparel, footwear, accessories, and equipment. The innovation, durability, and functionality of Columbia brand products make them ideal for a wide range of outdoor and active lifestyle activities. Products serve a broad customer demographic, including skiers, snowboarders, mountain climbers, hikers, hunting and fishing enthusiasts, endurance trail runners, golfers, and outdoor-inspired customers.



Acquired in 2000, SOREL has evolved from a men's winter-utility boot brand into a premium, durable, and design-driven footwear brand for fashion-savvy women looking for year-round functional urban footwear. SOREL also offers a collection of men's and youth utility footwear.



Acquired in 2003, Mountain Hardwear offers premium apparel, accessories, and equipment designed to meet the high-performance needs of mountaineering enthusiasts, as well as other athletes and customers inspired by the outdoor lifestyle.

## prAna<sup>®</sup>

Acquired in 2014, prAna features stylish and versatile active lifestyle apparel and accessories designed and manufactured with an emphasis on sustainable materials and processes. prAna focuses on customers whose lifestyles include activities such as rock climbing, yoga, outdoor watersports, hiking, and adventure travel.



# 2022 SCOPE & SCALE

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**4** PRIMARY BRANDS

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**1938** FOUNDED IN PORTLAND, OREGON

---

**9,450** FULL-TIME & PART-TIME EMPLOYEES\*

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**\$3,464** MILLION NET SALES IN 2022

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**445+** DIRECTLY OPERATED RETAIL STORES\*

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**90** COUNTRIES IN WHICH PRODUCT IS SOLD\*

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\*Approximately

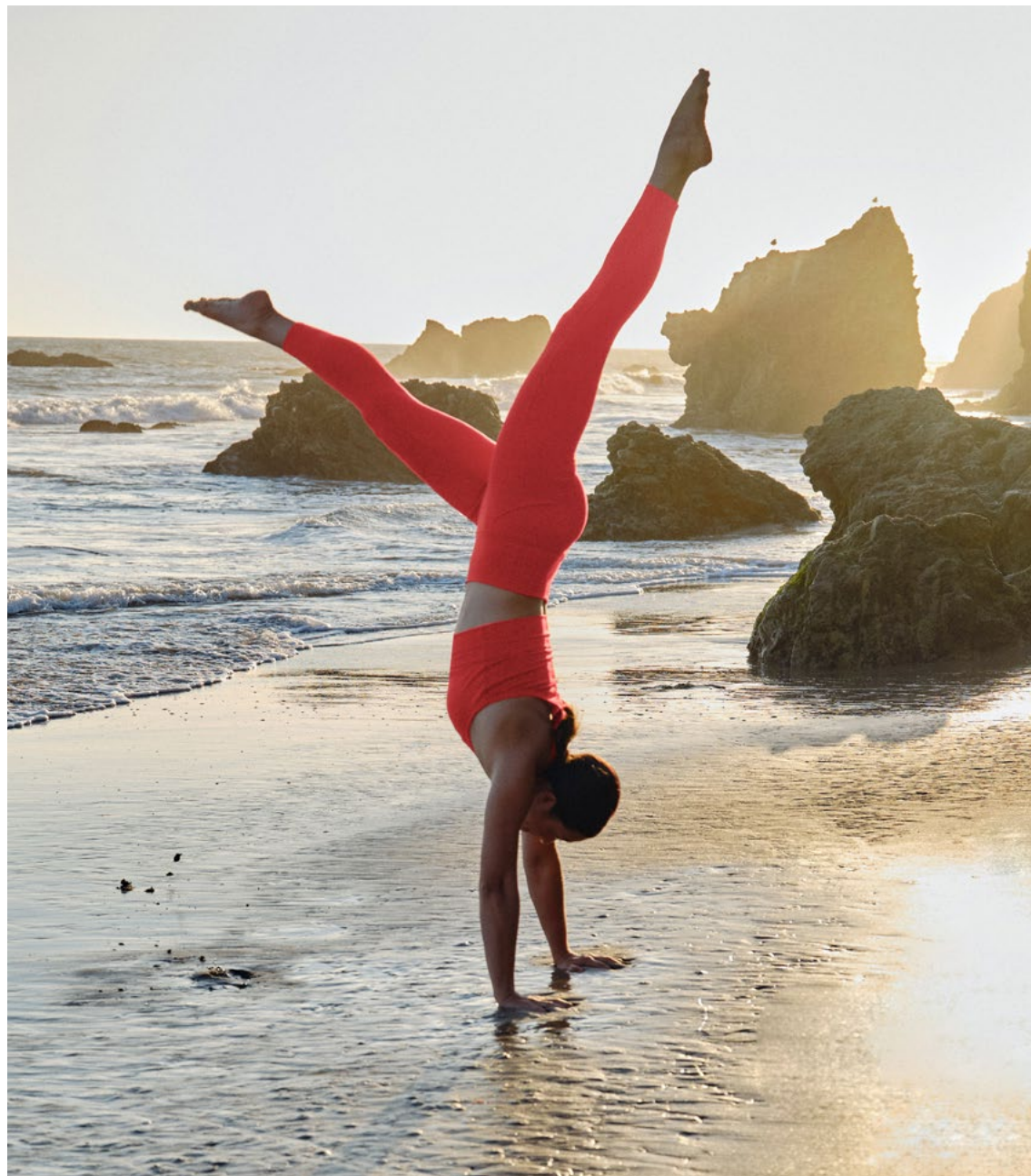


# IMPACT GOVERNANCE

Our Board of Directors (the Board) shares in the oversight of our impact efforts.<sup>1</sup> The Compensation Committee considers human capital management issues, while the Audit Committee reviews periodic reporting on environmental, social, and governance (ESG) matters. The Nominating and Corporate Governance Committee considers ESG issues, including potential long- and short-term trends and impacts on CSC's business. Each committee reports to the full Board with respect to their specific responsibilities. The Board is also informed of supply chain oversight and related risks. CSC management views ESG as a company-wide effort, with collaboration and commitment throughout the supply chain. In 2021, the Company created an ESG Steering Committee which includes:

- Executive Vice President (EVP), Chief Financial Officer
- EVP, Chief Administrative Officer and General Counsel
- EVP, Chief Supply Chain Officer
- EVP, Corporate Affairs and Chief Human Resources Officer
- VP, Sustainability and Community Impact
- VP, Investor Relations and Strategic Planning
- Senior Director, Corporate Communications

<sup>1</sup> See our [Investor Relations website](#) for our Board Committee Charters.



# ABOUT THIS REPORT

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## **REPORTING SCOPE**

This Impact Report covers Columbia Sportswear Company's 2022 fiscal year (January 1, 2022 through December 31, 2022).

## **DATA INTEGRITY**

Environmental and social sustainability data is shaped by evolving methodologies, emerging standards, and data accessibility. Adapting to these changes while maintaining comparability in our data is critical to the integrity of the data and related insights. To that end, we have been focused on designing tighter controls governing our sustainability data processes and systems. Data presented in this Report has been collected, reviewed, and, in some cases, internally validated by our internal audit function, for completeness and accuracy. It represents the most complete and accurate information at the time of publication. However, we believe the methodology of carbon accounting will continue to improve over time, especially as it relates to Scope 3 GHG emissions. As a result of improvements to the quality and completeness of our data and updates to our methodology over time, we may include information in future disclosures that differ from those contained in this Report.

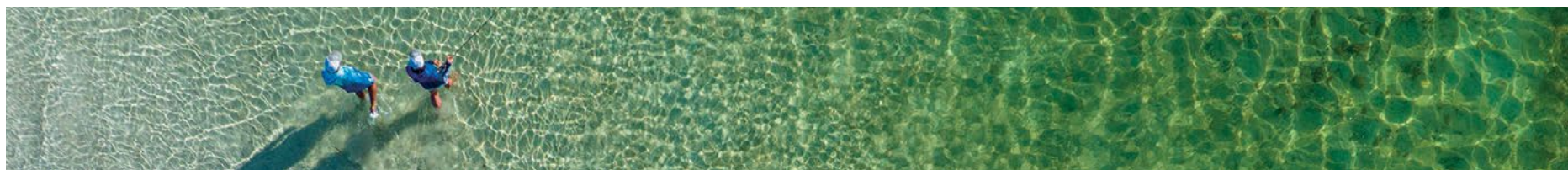
## **DISCLOSURE PRACTICES**

Columbia Sportswear Company is committed to publicly reporting its performance on environmental and social sustainability topics. Reporting helps us measure our progress and engage internal and external stakeholders for continuous improvement.

## **SAFE HARBOR**

The information in this Report and our corporate responsibility/sustainability reporting and website, inclusive of charts, graphs and discussion, and all other information presented, may contain forward-looking statements, estimates, or projections based on expectations as of the original date of those materials. Those statements, estimates and projections are not guarantees of future results or performance and are subject to certain known and unknown risks and uncertainties that are difficult to predict, are often beyond our control and could cause actual results to differ materially. These risks and uncertainties are detailed in our reports filed with the U.S. Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K. Presented information may also discuss previously non-public financial and statistical information. Our approach to the disclosures

included in this Report and our corporate responsibility/sustainability reporting and website differs from our approach to the disclosures we include in our mandatory regulatory reports, including our filings with the SEC. This report and our corporate responsibility/sustainability reporting and website are intended to provide information from a different perspective and, in certain cases, in more detail than that required to be included in our filings with the SEC. Unless otherwise specified, all information (including forward-looking information) speaks only as of the date on which it is made, and we disclaim any obligation to update or delete any outdated information contained in this report or in our website materials. This Report contains third-party data. In the majority of circumstances, we have not, and do not intend to, independently verify third-party data. Actual results and outcomes may differ from those expressed in or implied in this report due to, among other factors, any applicable legal requirements and/or industry standards, in providing such data.



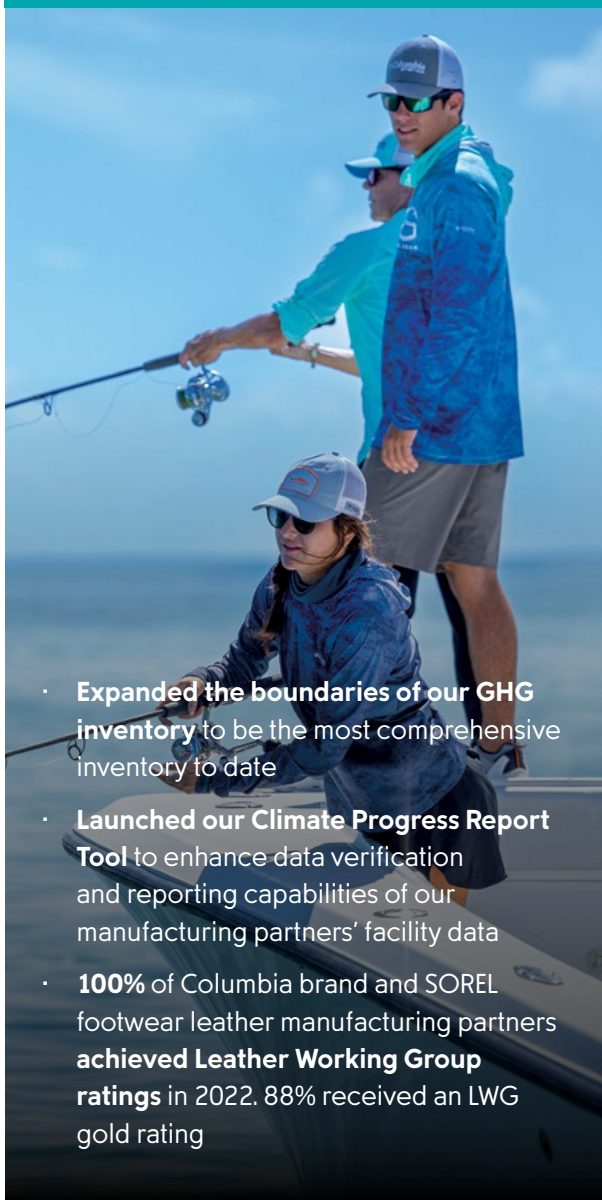
# 2022 HIGHLIGHTS

## EMPOWERING PEOPLE



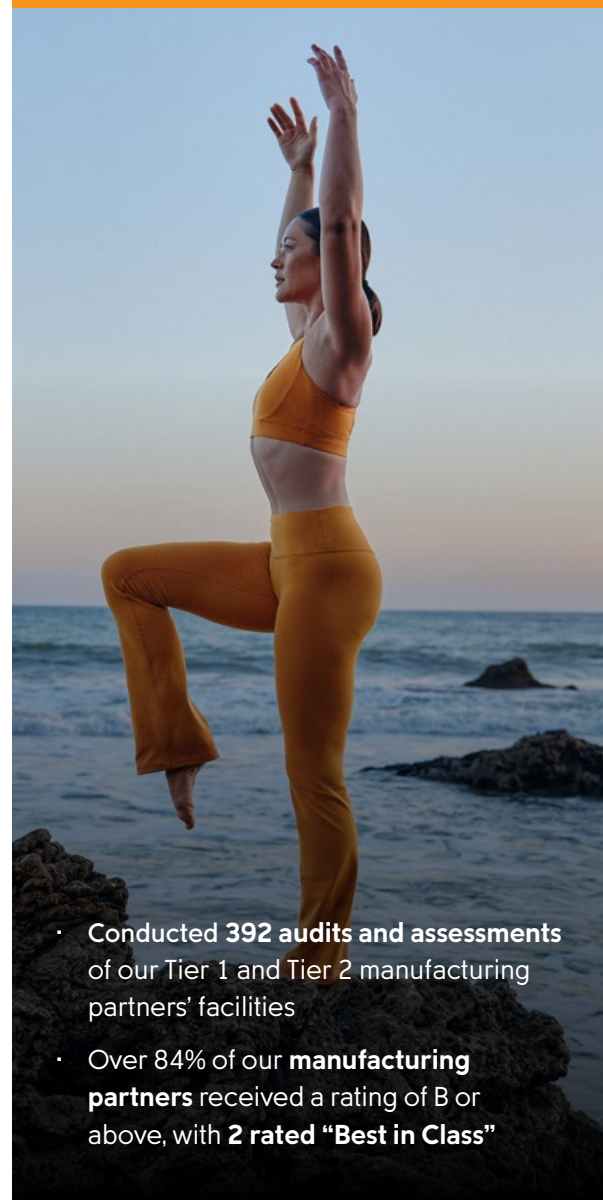
- **Achieved 100% of our goal** to support 25 AquaTower projects with Planet Water by 2022
- **Donated over \$3 million** to charity\*
- **11 manufacturing partner facilities** kicked off a HERproject training program **benefitting over 21,000 workers**
- **Implemented the CSC Community Impact Portal** to support employee giving

## SUSTAINING PLACES



- **Expanded the boundaries of our GHG inventory** to be the most comprehensive inventory to date
- **Launched our Climate Progress Report Tool** to enhance data verification and reporting capabilities of our manufacturing partners' facility data
- **100%** of Columbia brand and SOREL footwear leather manufacturing partners **achieved Leather Working Group ratings** in 2022. 88% received an LWG gold rating

## RESPONSIBLE PRACTICES



- **Conducted 392 audits and assessments** of our Tier 1 and Tier 2 manufacturing partners' facilities
- Over 84% of our **manufacturing partners** received a rating of B or above, with **2 rated "Best in Class"**

\*Includes cash and product donations. Excludes CSC match donations.

# EMPOWERING PEOPLE

Empowering our people and the communities in which we live and work is at our core. Our business thrives when we support and promote healthy lifestyles and the wellbeing of our employees, business partners, and communities. Our primary areas of focus include:



**EMPLOYEES**



**SUPPLY CHAIN**



**COMMUNITIES**





# OUR EMPLOYEES

Promoting healthy lifestyles and the wellbeing of our employees goes beyond generous benefits programs and career opportunities. We believe we must focus on the entire person to empower our people to do the right thing for each other, our business partners, and our communities. That's why we take a holistic approach to employee wellbeing that includes five pillars:



## PHYSICAL

From healthcare benefits to paid parental leave



## SOCIAL/ EMOTIONAL

Helping balance the personal and professional, and build mental health resiliency



## FINANCIAL

From 401K to long-term care and paid time off



## CAREER

Creating opportunities to grow, learn, and thrive



## COMMUNITY

Employee Resource Groups, volunteer time off, and donation matching



## Pandemic Response

In 2022, we continued to prioritize the health and safety of our employees in a pandemic environment by mandating headquarter employees be fully vaccinated for COVID-19.

CSC partnered with Get A Flu Shot to launch a Vaccine and Booster Campaign, which administered over 500 flu and COVID vaccines and boosters to our employees. CSC provided U.S. employees with paid time off to receive vaccinations and access to Catastrophic Paid Leave to recover from vaccine side effects. CSC also offered vaccination incentive pay for our U.S. store and distribution center employees.

To encourage people to enjoy the outdoors throughout the Pandemic, the China team launched Club 1938. Club 1938 is an outdoor program that provides a virtual hub for sharing tips and ideas to get people outside while increasing knowledge about the outdoors, CSC products, and improving collaboration.

## U.S. Return to Work

In preparation for our employees returning to work at our corporate headquarters (HQ) in Portland, Oregon, we initiated a trial program to determine the best schedule. We understand a balance between personal and professional lives is key to employee wellbeing. As people found new ways to better balance these aspects of life, we decided to move to a hybrid working model at our Portland HQ. Additionally, to boost excitement about returning to offices, we reinvigorated our Partios, a tradition where each Thursday employees are invited to gather on the Portland HQ patio for games, socializing, food, and refreshments. We also restarted onsite volleyball games, fitness classes, and hosted a virtual 5K race for all U.S. employees to help bring employees back together in the workplace. We continue to provide support for our employees' wellbeing through our Employee Assistance Program, including mental health, financial, and legal assistance.

## Career Mobility

In 2022, we created a career development and mobility program in response to global employee feedback asking for more professional growth opportunities. The Global Alignment Program (GAP) is designed to build a consistent, equitable, and simplified foundational career framework across CSC. GAP will produce several resources and tools for employees and managers to provide greater visibility into career paths, including a single job repository.

To further bolster career mobility, our Europe HR Team launched a newsletter, entitled Unlock Your Potential, to inform and inspire employees about career growth and development. The newsletter features internal job opportunities and video success stories about employees' career journeys, plus tips about how they unlocked their potential.

Additionally, the China HR team conducted a six-month leadership training program called *The Amazing Race* to advance leadership skills. One of the powerful outcomes was the outdoor-focused Club 1938 program.

## DIVERSITY, EQUITY & INCLUSION

Over the past three years, our Diversity, Equity, and Inclusion (DEI) program has been steadily evolving. In 2022, we continued to build our DEI program and position it for maturity and advancement. From the creation of our DEI Leadership Team to expansion of our Employee Resource Groups (ERG), our DEI Strategic Pillars guide us in amplifying our capabilities for greater outcomes and actions daily. As we look ahead to 2023, we are excited to further integrate DEI into our business strategy.



## DEI STRATEGIC PILLARS



### LISTEN & LEARN



### DIVERSIFY TALENT



### CREATE & SPONSOR OPPORTUNITY



### BE A FORCE FOR GOOD

	LISTEN & LEARN	DIVERSIFY TALENT	CREATE & SPONSOR OPPORTUNITY	BE A FORCE FOR GOOD
CAPABILITY	Creating a culture of inclusion at CSC by sponsoring opportunities to listen, educate ourselves, and celebrate diversity	Creating pipelines and programs to attract and retain a diverse workforce	Enabling the success of our diverse talent through development opportunities and training	Serving our diverse customers and communities through our partnerships, products, and influence
OUTCOME	Increase engagement and inclusion as measured by SpeakUp and eNPS surveys	Improve representation of people of color at corporate and women in leadership roles across CSC	Create role clarity & standardized process for ERG leaders, and increase internal promotions	Grow employee volunteer hours and launch manufacturing partner diversity program
ACTION	<ul style="list-style-type: none"> <li>Celebrate our voices</li> <li>Expand learning opportunities</li> <li>Act upon our learnings</li> </ul>	<ul style="list-style-type: none"> <li>Recruit &amp; retain</li> <li>Internal mobility</li> <li>Manager accountability</li> </ul>	<ul style="list-style-type: none"> <li>Develop ERG leaders</li> <li>Development programs</li> <li>Managers as developers</li> </ul>	<ul style="list-style-type: none"> <li>Community investment</li> <li>Manufacturing partner diversity</li> <li>Product &amp; marketing</li> </ul>

eNPS: employee net promoter score – a measure of how likely employees are to recommend CSC as a good place to work, and is used as an indicator of employee engagement



### Mountain Hardwear's I.D.E.A. ERG

I.D.E.A. (inclusivity, diversity, equity, action) is a Mountain Hardwear ERG. I.D.E.A.'s mission is to champion inclusivity, diversity, equity, and action throughout our community while supporting, developing, and promoting career paths of Mountain Hardwear employees. I.D.E.A. is where Mountain Hardwear embraces inclusivity and the belief that the great outdoors is for everyone. In 2022, with just 13 team members, I.D.E.A. hosted seven events, formalized their charter, contributed to Mountain Hardwear's DEI Action Plan in collaboration with Senior Leadership, and created Partnership and Product Donation Guidelines. I.D.E.A. also launched a mentoring program dedicated to giving CSC Employee Store employees an opportunity to shadow various job functions at Mountain Hardwear.

### CSC Internship Program

In 2022, 16 interns participated in CSC's Summer Internship Program at our Portland HQ, prAna HQ, SOREL HQ, and Portland Distribution Center. Through the Internship Program, students leverage their field of study to gain practical experience, bring new energy and excitement into the workplace, develop a pipeline for current and future hiring needs, and provide new ideas and perspectives. During the Internship Program, each intern was paired with an ERG leader to act as a mentor. In addition to one-on-one mentorship sessions, interns were invited to join and plan ERG meetings and events to further immerse themselves in CSC's culture. Three interns joined CSC full time upon conclusion of the Internship Program.

### Veterans Employee Resource Group MMOC

Members of CSC's Veterans Employee Resource Group (VERG) were interviewed for a special edition of Military Makeover: Operation Career (MMOC). MMOC travels the country capturing stories of military veterans who are transitioning out of the military and back into civilian life. The segment featured two CSC employees who shared their experience of transitioning out of the military and how their career path led them to CSC. Additionally, Richelle Luther, CSC's Corporate Affairs & Chief HR Officer, was featured sharing how CSC supports veteran employees.



## EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERG) are run by employee volunteers from all parts of our workforce. Highlights from each ERG are shared below.



### WOMEN'S LEADERSHIP INITIATIVE

The Women's Leadership Initiative hosted a series of events, open to all global employees, to celebrate Women's History Month. Events included keynote speakers who discussed career development and mentorship, networking opportunities, and wellbeing-focused sessions.



### VAMOS UNIDOS

During Hispanic Heritage Month, Vamos Unidos hosted several events, including a hike with LatinX hikers, a speaker sharing her experience in science, technology, engineering, and math education, and another discussing the impact of sports on DEI. Vamos Unidos also shared resources about Hispanic culture, including media, food, and history.



### BLACK EMPLOYEE NETWORK & FRIENDS (BEN)

In celebration of Black History Month, BEN & Friends partnered with the Forest Park Conservancy and Love is King to encourage employees to attend the March Through History event, which included a reenactment of the Selma to Montgomery March.<sup>2</sup> They also partnered with Pride for a Juneteenth and Pride Month Happy Hour at our Portland HQ.



PRIDE

### PRIDE

Pride sponsored a float at the Portland Pride Parade in June 2022. In collaboration with BEN & Friends, Pride hosted a happy hour at our Portland HQ, during which artist Ryan Downs painted a mural that is installed at our Portland HQ. Additionally, Pride celebrated National Coming Out with an event.



### COALITION OF ASIAN AND PACIFIC ISLANDER EMPLOYEES (CAPE)

CAPE celebrated Asian and Pacific Islander Heritage Month with a series of events highlighting a local muralist, a local chef, a panel featuring Asian, Asian American, and Pacific Islander outdoor enthusiasts, an educational session about Latin Asian culture fusion, and speaker Kataluna Enriquez, the first openly transgender contestant to compete in the Miss USA Pageant.



### VETERANS EMPLOYEE RESOURCE GROUP (VERG)

In honor of Veterans Day, VERG hosted an open forum discussion for employees to share their own experiences as a veteran, or as someone close to a veteran. VERG also sponsored the RUCK 22 Veteran Suicide Awareness Walk, which challenged participants to a 2.2-mile walk, crawl, or run event, and participate in a physically challenging and educational obstacle course while carrying 22 pounds. In September, VERG provided volunteer support and funding for the Portland Veterans Stand Down, helping at-risk and homeless veterans. Additionally, at the end of 2022, VERG hosted its annual Toys for Tots drive, inviting employees to donate.



### OUR TRAIL

Our Trail supported both the RUCK 22 walk with VERG and the March Through History event with BEN & Friends. Throughout 2022, Our Trail hosted a Lunch and Learn speaker series highlighting unconscious bias, intersectionality, and allyship.

<sup>2</sup> To learn more about the Selma to Montgomery March, click [here](#).

## OUR WORKFORCE AT A GLANCE

Select, self-disclosed information about our global workforce, as of December 31, 2022, is provided below. Ethnicity information is only provided for our U.S. workforce.

### WORKFORCE BY LEVEL

<i>By Gender</i>	Individual Contributor	Manager	Director & Above	Total
FEMALE	56%	48%	40%	<b>55%</b>
MALE	41%	52%	59%	<b>42%</b>
NON-BINARY	<1%	0%	0%	<b>&lt;1%</b>
UNDISCLOSED**	3%	0%	1%	<b>3%</b>

<i>By Ethnicity*</i>	Individual Contributor	Manager	Director & Above	Total
AMERICAN INDIAN OR ALASKAN NATIVE	1%	1%	0%	<b>1%</b>
ASIAN	7%	8%	6%	<b>7%</b>
BLACK	7%	3%	1%	<b>7%</b>
HISPANIC OR LATINO	22%	7%	3%	<b>21%</b>
NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	1%	0%	0%	<b>1%</b>
TWO OR MORE RACES	4%	2%	2%	<b>4%</b>
WHITE	57%	78%	86%	<b>59%</b>
UNDISCLOSED**	2%	1%	1%	<b>2%</b>

\*U.S. only

\*\* Includes individuals who selected "undisclosed," as well as those who left the question blank



## WORKFORCE BY ROLE

<i>By Gender</i>	Office	Distribution Center	Retail	Other
FEMALE	55%	47%	57%	49%
MALE	43%	51%	39%	50%
NON-BINARY	0%	0%	1%	0%
UNDISCLOSED**	2%	2%	3%	1%

<i>By Ethnicity*</i>	Office	Distribution Center	Retail	Other
AMERICAN INDIAN OR ALASKAN NATIVE	0%	1%	1%	0%
ASIAN	10%	7%	5%	10%
BLACK	2%	9%	9%	3%
HISPANIC OR LATINO	6%	18%	29%	7%
NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	1%	2%	1%	0%
TWO OR MORE RACES	5%	3%	3%	3%
WHITE	74%	59%	51%	74%
UNDISCLOSED**	2%	2%	2%	3%

## WORKFORCE BY REGION

<i>By Gender</i>	North America	Europe	Asia	Other
FEMALE	56%	48%	51%	55%
MALE	43%	41%	41%	42%
NON-BINARY	0%	0%	0%	0%
UNDISCLOSED**	0%	12%	9%	3%

\*U.S. only

\*\* Includes individuals who selected "undisclosed" as well as those who left the question blank





# OUR SUPPLY CHAIN

We aspire to have a positive impact on the lives of people working in our supply chain by providing them with access to education and services to enhance their wellbeing.



## PLANET WATER HIGHLIGHTS

**Achieved 100% of our goal to support 25 AquaTower projects by 2022.**

### Partnering for Clean Water Access

In March 2022, CSC partnered with Gokaldas Exports, one of our key manufacturing partners in India, to implement a Planet Water Foundation Water Tower Project. The new AquaTower was constructed at Government Higher Primary School, Belavadi, Mysore, which is a school located near Gokaldas' facility, Atlantic Apparels II. Members of the Gokaldas team, the Planet Water Foundation, and Columbia's India Liaison Office worked to install this new AquaTower.

## PLANET WATER

A healthy planet needs clean water. That's why we partner with Planet Water Foundation, a U.S. non-profit organization that helps combat the global water crisis by providing access to clean water. Over the course of our partnership, we have provided access to clean water to an estimated 46,000 people in communities across our supply chain. Additionally, in 2022, we proudly exceeded our goal to support 25 AquaTower water filtration systems by 2022. Since 2016, we have supported the deployment of 26 AquaTowers. Through our ongoing partnership with Planet Water Foundation, we have set a new goal to provide access to clean drinking water to 100,000 people by 2028.



To learn more about Columbia's work with Planet Water Foundation, please see this [video](#).

## FAIR TRADE

In 2022, prAna sponsored three manufacturing facilities to gain Fair Trade™ certification. prAna also began two additional sourcing relationships with Fair Trade Certified manufacturing partner facilities.



## HERPROJECT

We invest in programs that improve the lives of women, who represent approximately 75% of the people who work in our finished goods manufacturing partner facilities. Since 2008, we have partnered with **BSR's HERproject** to empower women and men in our supply chain through workplace training programs. Programs focus on:

**+** **HERhealth**  
Enhancing women workers' knowledge about their general and reproductive health

**🔄** **HERfinance**  
Heightening workers' financial capabilities and decision-making power, plus offering access to formal financial services

**🤝** **HERessentials**  
Providing critical information to workers and managers during times of crisis. New in 2022, an app offers information about health, financial resilience, and tools for building harmonious relationships and managing stress



Workers in Vietnam who participated in the HERfinance project in 2022 shared high praise of the program:

**Thanks to the program, women developed their self-esteem and strongly agreed that they had a positive attitude towards themselves.**

In 2019, we made a public commitment through the **United Nations Foundation** to scale women's health and wellbeing programs in our supply chain to impact the lives of 150,000 workers by the end of 2025. Since the start of our HERproject (now RISE) partnership in 2008, we have provided more than 95,300 workers in our supply chain with access to HERproject programs, which is at 64% of our goal. In 2022, 11 new manufacturing partner facilities kicked off a HERproject program, benefitting over 21,000 workers, of which over 16,800 are female.

To learn more about our partnership with BSR's HERproject, visit our [website](#).

### 2022 WORKERS IMPACTED BY HERPROJECT PROGRAMS

Focus Area	Number of Workers	Number of Women Workers	Country
HERfinance	9,156	7,301	Vietnam
	1,280	1,108	India
	1,020	955	Indonesia
HERhealth	5,282	3,937	Vietnam
	2,246	1,630	Indonesia
HEREssentials	2,098	1,893	Vietnam

Data validated by RISE

Note: In 2023, HERproject joined **RISE: Reimagining Industry to Support Equality**, an initiative to support collaborative industry action at scale to advance gender equality in global garment, footwear, and home textiles supply chains. All HERproject programs are now carried forward under RISE.

**Our communities are home to the passionate people who make our business thrive and shape the future. We nurture our communities to better the world for generations to come by partnering with organizations focused on outdoor participation, access, and stewardship, as well as community support.**

## **COMMUNITY IMPACT PROGRAM**

To advance a positive impact on the world, CSC works with its employees to match their charitable donations to non-profit organizations. CSC's Community Impact Program includes a dollar-for-dollar charitable donation matching program designed to extend the impact of our employees' support to qualified non-profit organizations. This program demonstrates our commitment to empowering employees to give back to the communities and causes important to them.

To support our employee donation matching program and volunteer activities, we launched a new software system in North America in late 2021, followed by Europe in August 2022. This new system streamlines donation match tracking and allows employees to easily identify and donate to organizations they want to support. We look forward to continuing to engage with more employees on this platform in 2023.

In 2022, CSC employees donated more than \$179,600 to over 450 non-profit causes, and with CSC's match, a total of over \$335,100 was generated by our employees to support non-profits. Our employees further supported non-profit causes by donating over 4,570 volunteer hours to various causes in 2022.<sup>3</sup>

Throughout 2022, teams at CSC organized volunteer days in their local communities. These events included volunteering at local parks, helping kids shop for Christmas gifts, and ERGs sponsored volunteer opportunities.

**In 2022, CSC donated over \$3 million to charity.\***

\*Includes cash and product donations. Excludes CSC match donations.

## **TOUGH MOTHER FUNDER**

The Columbia brand invites U.S. customers to donate to organizations at the register through the Tough Mother Funder. In 2022, the Tough Mother Funder supported a different organization each quarter. Organizations supported include the Ocean Conservancy, Conservation International, the National Park Foundation, and the Planet Water Foundation. Additionally, in response to Hurricane Ian in October 2022, we changed the Tough Mother Funder organization to the Center for Disaster Philanthropy for two weeks in support of relief efforts.



## **EUROPE IMPACT PROJECT**

In Spring 2022, our Europe team launched an internal program called Impact Project to encourage European employees to donate their time and energy to causes they care about. In total, six projects were conducted, including planting trees in Italy, teaching students on a voluntary basis, and promoting the use of bikes to commute to work.

<sup>3</sup>CSC provides 16 hours of paid volunteer time to eligible employees per calendar year.



## OUTDOOR & COMMUNITY HIGHLIGHTS

### Collegiate Outdoor Recreation Program

The Collegiate Outdoor Recreation Program provides outdoor gear to schools across the country from the Columbia brand, Mountain Hardwear and prAna. In 2022, the program focused on supporting schools in urban environments to further reduce barriers to entry to the outdoors for students who live in cities. Getting outdoors can be as simple as a nature walk in a park, and CSC wanted to support schools in urban settings that are working to integrate nature into student wellness activities.

Based on the criteria above, the following schools were invited to the program: University of Illinois (Chicago), Wayne State University (Detroit) and Boston University. We also welcomed Duke University and Montana State to the program.

### Conservation International

More than 1.6 billion people globally depend on forests for shelter, water, and food. However, since the 1960s, more than half of the world's tropical forests have been destroyed. The Columbia brand is on a mission to unlock the outdoors for everyone. Part of this mission is supporting organizations like Conservation International that ensure the outdoors will be around for years to come. To further this mission, we have committed to protecting 1.7 million trees by 2027.

In celebration of Earth Day 2022, the Columbia brand highlighted Conservation International and our commitment to protecting trees with them through a multi-faceted campaign. We engaged customers through social media videos and interviews with Conservation International to build awareness about the importance of caring for our planet. We also invited customers to donate to Conservation International through our Tough Mother Funder program at retail locations across the United States to further support conservation efforts. Additionally, we offered to match employee donations to Conservation International during our Earth Day 2022 campaign via our new online donation system, doubling the donation impact.

To learn more about Conservation International, [click here](#) to read the Tough Mother Outdoor Guide interview with Conservation International's Director of Sustainable Fashion, Franklin Holley.

### Intuitive Machines and Columbia Sportswear Advancing Women in Technology Program

In 2022, the Columbia brand teamed with space exploration company Intuitive Machines and [Embry-Riddle Aeronautical University](#) to support outstanding women in STEM (science, technology, engineering, and math). The new "Intuitive Machines and Columbia Sportswear Advancing Women in Technology Program" at Embry-Riddle will provide scholarships and fellowship opportunities to uplift undergraduate and graduate students in STEM-related fields. Launching in fall 2023, the Intuitive Machines and Columbia Sportswear Advancing Women in Technology Program is supported by \$200,000 in resources for students, which includes a \$100,000 gift from each of the companies.

The Columbia brand partnered with Intuitive Machines on their Nova-C Lunar Lander which incorporates Columbia's Omni-Heat Infinity technology to protect the lunar lander from the extreme temperatures of space. The scholarship was inspired by the Embry-Riddle engineering students who designed and built the EagleCam, a small camera that will deploy from the lander on its descent to the Moon's surface to capture the historic landing.



## The Venture Out Project

The Columbia brand partnered with The Venture Out Project in a continued effort to encourage everyone to get outside. The Venture Out Project provides resources and coordinates wilderness excursions tailored for the LGBTQ+ community. To amplify The Venture Out Project's work, the Columbia brand produced a video with Pop Sugar in 2022, which was shared across social media platforms.

## National Park Foundation

Since 2019, the Columbia brand has partnered with the National Park Foundation to support their Open Outdoors for Kids program, connecting students with national parks through field trips, classroom activities, and educational activities. In 2022, the Columbia brand continued to support Open Outdoors for Kids with cash donations. Along with funding from other resources, the Open Outdoors for Kids program has engaged more than one million students during the first 10 years of programming and is on track to meet its goal of connecting another one million students to parks by the end of the 2024-2025 school year.

## Self Enhancement Inc.

SOREL is proud to support Self Enhancement, Inc. (SEI), a local organization based in Portland, Oregon. SEI is dedicated to guiding underserved youth to realize their full potential. Working with schools, families, and partner community organizations, SEI provides support, guidance, and opportunities to achieve personal and academic success. SEI brings hope to individual young people and enhances the quality of community life. To learn more about SEI, [click here](#).

## GirlTrek

In celebration of International Women's Day 2022, the Columbia brand partnered with GirlTrek, a global movement of Black women leveraging the historic legacy of walking and the power of self-care as a pathway to heal and transform lives.

Through this partnership, the Columbia brand produced a [video](#) featuring GirlTrek and the work they do to activate thousands of Black women to be change makers in their lives and communities through walking, which was shared across social media platforms. GirlTrek was also highlighted in a Tough Mother Outdoor Guide article titled [How Black Women are Taking Their Power Back](#).

## Open Aperture

In 2022, Mountain Hardwear sponsored the third Open Aperture Photo Clinic, a three-day photography workshop in partnership with Nikki Smith, a Mountain Hardwear athlete and ambassador. The workshop helped them to better document their stories and talents. Mountain Hardwear offered six all-expenses-paid scholarships. The course curriculum was developed and taught by Nikki. This workshop is just a small step in the right direction for Black, Indigenous, people of color, and LGBTQIA+ communities in the outdoors and climbing. By providing more visibility, the goal of the program is to inspire, motivate, and make personal connections to the outdoors and climbing.

## Scarpa Athlete Mentorship Initiative

In support of the Scarpa Athlete Mentorship Initiative (SAMI), Mountain Hardwear committed to fully outfitting the nineteen SAMI participants with apparel and equipment needed to successfully pursue their athletic and personal goals. SAMI was created to connect and engage established brand athletes with rising athletes from historically marginalized communities who aspire to take their sport or career to the next level. With the goal of creating a more inclusive and diverse community of athletes, the program connects mentors with mentee participants to provide opportunities for personal, athletic, and career development.

## Skin Cancer Foundation

The Columbia brand is a member of the [Skin Cancer Foundation's](#) Corporate Council and supports their lifesaving work. Skin Cancer Foundation is dedicated to educating the public on the relationship between sun damage and skin cancer, and the importance of using sun protection as a means of skin cancer prevention. More than 9,500 people are diagnosed with skin cancer every day in the U.S.

Whether you are hiking a sunny trail or out fishing in the ocean, [a new study](#) suggests UV apparel is the way to go. The Columbia brand's OMNI-SHADE fabric received the [Seal of Recommendation](#) from the Skin Cancer Foundation for meeting the requirements for safe and effective UV protection. Check out the Columbia brand's wide-ranging collection of [OMNI-SHADE](#) products.

Photo by National Park Foundation/Dawn Kish

# SUSTAINING PLACES

A healthy planet is the cornerstone of healthy people and healthy communities. Our role is to conduct business responsibly by managing our impact on the environment through natural resource preservation. To sustain the places we live, work, and play in, we focus on the following pillars:



**CLIMATE MANAGEMENT**



**SUSTAINABLE MANUFACTURING**



**CHEMICAL MANAGEMENT**



**PREFERRED MATERIALS**



**6** CLEAN WATER AND SANITATION



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**17** PARTNERSHIPS FOR THE GOALS



# CLIMATE MANAGEMENT

**At CSC, we recognize global climate change requires a collective response for mitigation and adaptation as it affects our communities, ecosystems, and outdoor participation.**

To enhance climate management across operations, we have engaged team members throughout our organizations to better understand how we all play a role in reducing our environmental impact. A key part of this work has been evolving our greenhouse gas (GHG) inventory scope and boundaries to be more comprehensive. This has helped us to better solidify the connection between our operations and climate management. In addition to collaboratively building our emissions footprint, we are exploring more comprehensive emissions targets.

## **EMISSIONS FOOTPRINT**

For Fiscal Year 2022, we expanded the boundaries of our GHG inventory to be the most comprehensive inventory to date. For Scope 1 and 2, organizational boundaries were expanded from North America to global operations. For Scope 3, category inclusion was expanded to include all relevant categories, in addition to Category 1: Purchased Goods and Services and Category 6: Business Travel captured in previous years.<sup>4</sup>

As part of our ongoing journey to improve our GHG inventory, we also invested in capabilities to improve data accuracy and controls. Scope 1 and 2 emissions are included in this Report. However, Scope 3 emissions are still being finalized.



<sup>4</sup> Per the GHG Protocol, Scope 3 emissions are classified into 15 categories to provide companies with a framework to organize, understand, and report on Scope 3 activities across their value chains. See the [GHG Protocol FAQs](#) or additional information about Scope 3 emissions.

## Scope 1 and 2 Emissions

CSC's Scope 1 and 2 emissions account for approximately 5% or less of our total emissions footprint, based on preliminary analysis. While Scope 1 and 2 emissions do not make up the majority of our total footprint, we recognize there is an opportunity to reduce emissions from our owned and operated facilities. Addressing electricity usage presents the greatest opportunity. CSC's owned and operated facilities in North America account for the majority of our Scope 1 and 2 emissions. As such, CSC is investigating solutions such as greater energy efficiency and procurement of renewables to reduce emissions from electricity usage, especially in North America.

## Scope 3 Emissions

Based on preliminary analysis, we expect Scope 3 emissions to account for approximately 95% or more of CSC's total emissions footprint. Given the nature of our business, we anticipate the purchased goods and services category (Category 1) to account for the majority of our Scope 3 emissions as significant sources of GHG emissions in the apparel and footwear supply chain come from production and processing of raw materials. Once finalized, our GHG Inventory will provide a more comprehensive view of our Scope 3 emissions profile.

### 2022 CSC SCOPE 1 AND 2 EMISSIONS BY REGION

	Emissions (tonnes CO <sub>2</sub> e)			Total	Share of Total (%)
	North America	Europe	Asia		
<b>Scope 1</b>	4,244	1,010	244	5,498	25%
<b>Scope 2</b>	13,651	412	2,790	16,853	75%
<b>Total</b>	<b>17,895</b>	<b>1,422</b>	<b>3,034</b>	<b>22,351</b>	

Please see [Appendix C](#) for the methodologies used in this calculation





# SUSTAINABLE MANUFACTURING

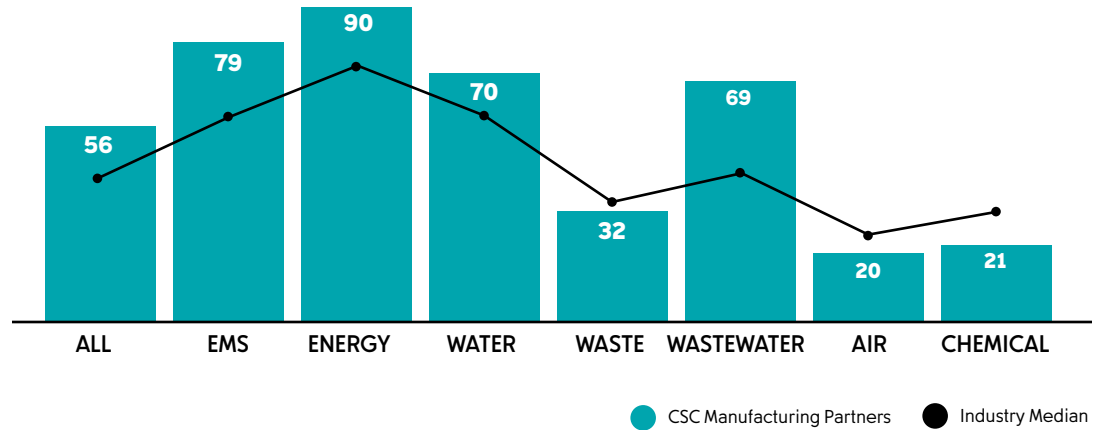
## BUILDING SUSTAINABLE SUPPLY CHAINS

CSC uses the Higg Facilities Environmental Module (FEM) to track manufacturing partners' environmental performance. Since 2013, CSC's manufacturing partners have demonstrated steady improvement across all seven Higg FEM impact areas: Environmental Management System (EMS), Energy, Water, Waste, Wastewater, Air, and Chemical Management.<sup>5</sup> In 2022, CSC's in-scope manufacturing partner facilities<sup>6</sup> continued to lead performance improvement by scoring 12% higher than the industry median,<sup>7</sup> which was also a 4% increase in their overall score since 2021. This overall scoring improvement was driven by an increase in energy, water, EMS, and wastewater scores.

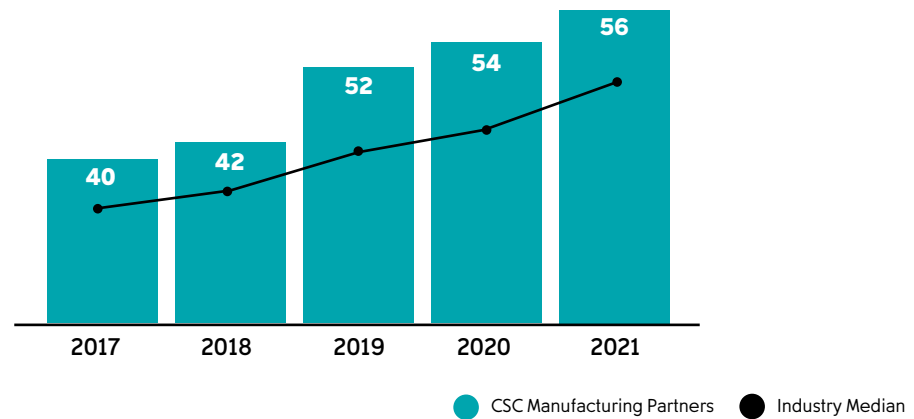
## CLIMATE PROGRESS REPORT

To supplement Higg FEM data, CSC launched its Climate Progress Report Tool (CRPT) in 2022. The CRPT enhances data verification and reporting capabilities, particularly for manufacturing partners with self-assessed Higg FEM data, by requiring manufacturing partner facilities to annually input datapoints and upload documentation to verify these datapoints for the following items: energy consumption; fuel sources; progress on actions to reduce their emissions. Through the CRPT, our manufacturing partners are able to establish their own carbon emissions baseline, set targets, draft action plans, and track annual reduction performance.

### HIGG FEM MEDIAN SCORE BY IMPACT AREA



### HIGG FEM MEDIAN SCORE BY YEAR



Note: Based on the 2021 Higg FEM reporting cadence.

<sup>5</sup> Higg FEM categories assessed include Environmental Management Systems, Energy, Water, Waste, Wastewater, Air and Chemicals

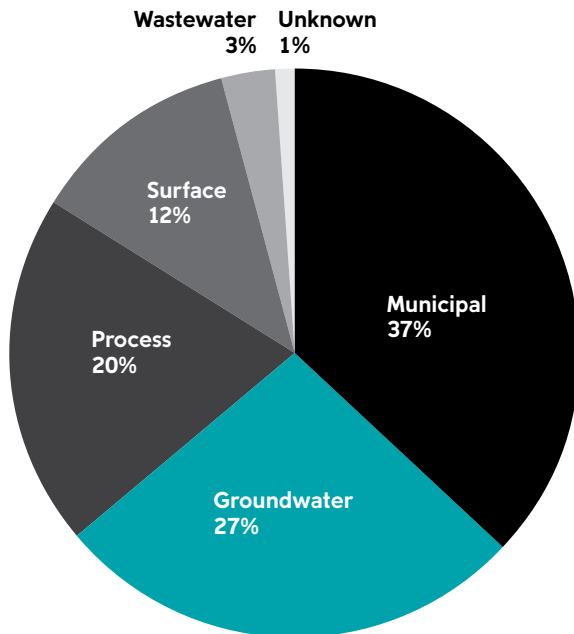
<sup>6</sup> 243 Tier 1 and 152 Tier 2 facilities were in scope to complete the Higg FEM Assessment 2021 cadence.

<sup>7</sup> In 2022 (Higg FEM cadence 2021), CSC's in-scope manufacturing partner facilities achieved a median Higg FEM score of 56 out of 100 points, which was higher than the industry median score of 50. This was also a 4% improvement for CSC's in-scope manufacturing partner facilities over their median score of 54 in 2021 (Higg FEM cadence 2020).

## WATER USE IN SUPPLY CHAIN

We track manufacturing partner water usage and sources through the Higg FEM. The majority of water consumed by our Tier 1 and Tier 2 manufacturing partners is from municipal water (37%), followed by groundwater (27%), and then process water (20%). An estimated 23% of our manufacturing partner facilities use recycled water,<sup>8</sup> reducing facility demand for the ground, surface, and municipal water sources

### MANUFACTURING PARTNER WATER CONSUMPTION BY SOURCE<sup>9</sup>



Note: Based on 2021 Higg FEM cadence datasets.



<sup>8</sup> In alignment with the Sustainable Apparel Coalition's Higg FEM guidance on water, recycled water is comprised of process water, rainwater, and wastewater from other organizations.

<sup>9</sup> In 2021, we found that 9% of manufacturing partner facilities were unable to fully track their water consumption in the Higg FEM 2021 cadence. Inability to completely track water consumptions is due to challenges such as unknown water sources, missing groundwater invoices, missing rainwater meter readings, difficulties related to calculating recycled wastewater, etc. This underscores the need for more guidance and training support from CSC and scaling up programs like Clean by Design.



# CHEMICAL MANAGEMENT

**CSC strives to provide customers with safe products to get them outdoors.**

Our Global Product Compliance and Chemical Management team collaborates with our product creation and manufacturing teams to implement industry best practices to make sure regulatory requirements and customer expectations are met or exceeded. To advance product safety, we have created our own Restricted Substances List (RSL), which is informed by bluesign's® RSL, global laws and regulations, industry standards, and preferred chemistry and hazard assessment principles. In addition to our RSL, we have created our **Chemical Management Policy (CMP)**, which outlines chemical management standards, guidelines for hazardous chemical identification, and risk-mitigation steps ([see Appendix D](#)).

In addition to our RSL and CMP, CSC furthers its dedication to greater adoption of new preferred chemistry systems across the industry by continuing to remove high-priority chemicals from use in products and across our supply chain. CSC engages with manufacturing partner facilities to raise awareness about high-priority chemicals and the importance of using preferred chemistry in an effort to reduce risk to customers, workers, and the environment.



## HIGG FEM CHEMICAL MANAGEMENT

To measure our manufacturing partners' chemical management performance and compliance with our RSL and CMP, we use the Higg FEM Chemical Management module. Through the Chemical Management module, manufacturing partners annually input information about their chemical management practices, programs, and targets. Based on information provided, the Higg FEM measures performance and categorizes manufacturing partners by levels signifying good, better, and best practices. Utilizing the Higg FEM has helped to empower our manufacturing partners to track their performance and implement solutions for continuous improvement. Evaluating manufacturing partners' performance

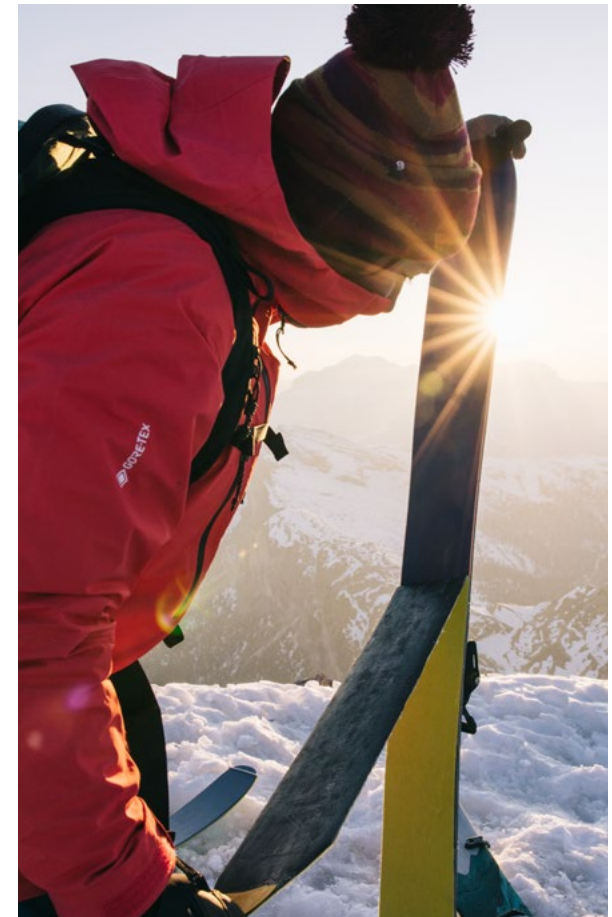
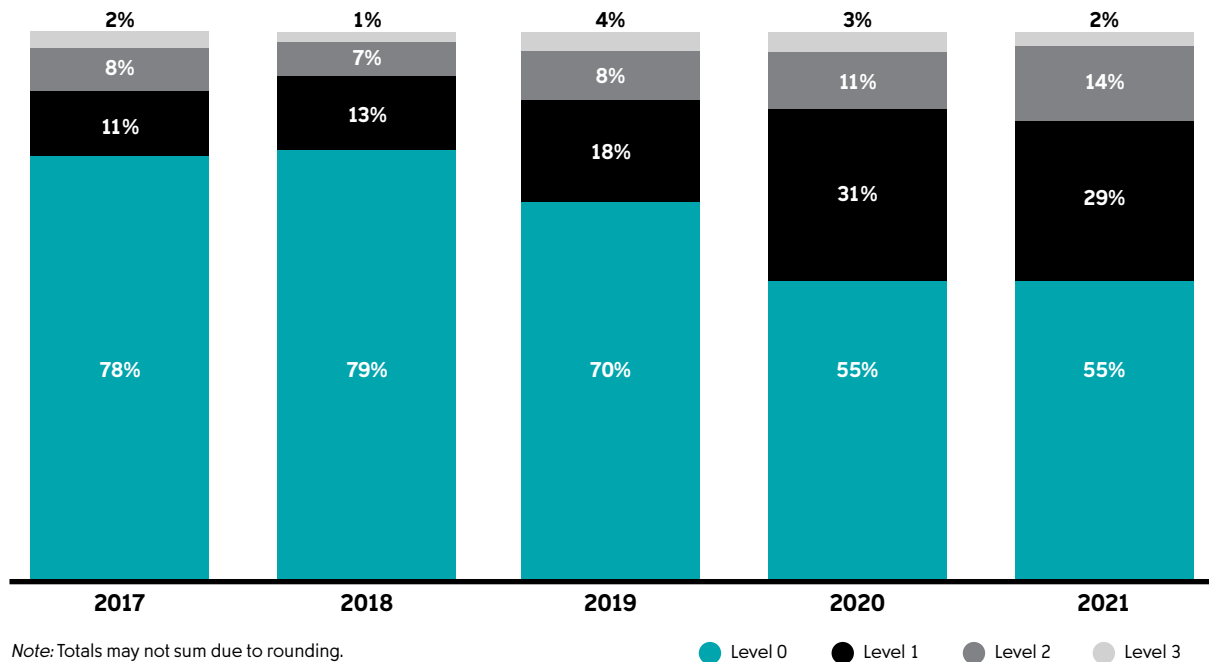
annually via the Higg FEM has also helped CSC to identify where additional resources are needed to improve our CMP and to help our manufacturing partners. In 2022, 45%<sup>10</sup> of our manufacturing partners met Level 1 performance or above, with 2% of our manufacturing partners moving up from Level 1 to Level 2, as compared to 2021.<sup>11</sup>

<sup>10</sup> Higg FEM Chemical Management module scope includes all Tier 1 manufacturing partners across all CSC brands, regions and licensees, and 80% of Tier 2 manufacturing partners.

<sup>11</sup> As compared to 2021, about 1% of manufacturing partners moved from Level 3 to Level 2 in 2022 due to an increase in manufacturing partners participating in the Higg FEM Chemical Management module in 2022. In 2021 312 manufacturing partners participated, and in 2022, 395 manufacturing partners participated.

- Level 0:** Needs improvement in foundational chemicals management practices and systems
- Level 1:** Awareness and understanding of sources and systems
- Level 2:** Setting baselines, targets, and tracking improvements
- Level 3:** Leading aspirational practices

### HIGG FEM CHEMICAL MANAGEMENT PERFORMANCE

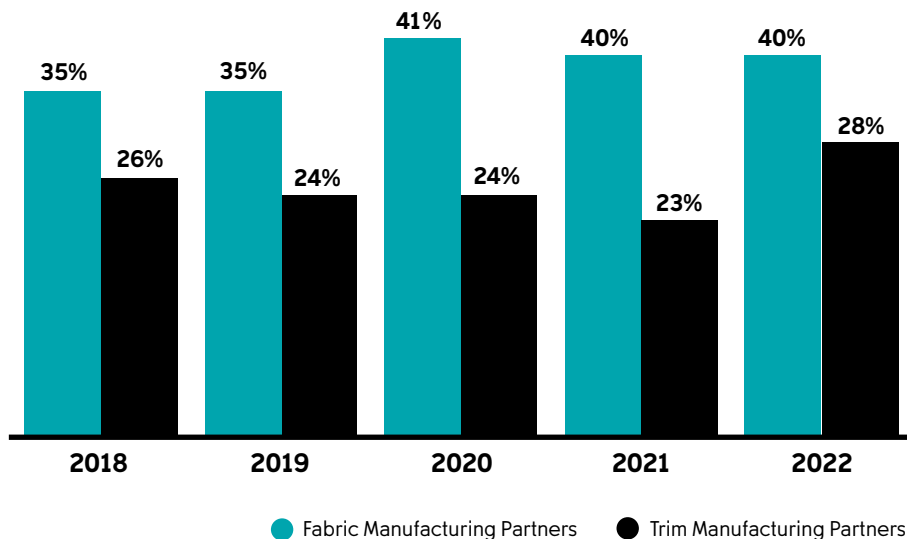




## BLUESIGN SYSTEM PARTNER

bluesign® is a holistic system that provides the textile industry with solutions to drive sustainable processing and manufacturing practices, as well as chemical management best practices. CSC has been a bluesign® System Partner since 2016. In 2022, CSC continued to collaborate with bluesign®, other brands, and manufacturing and chemical manufacturing partners to advance chemical safety and best practices. In particular, we partnered with bluesign® to assess our Tier 2 manufacturing partners' Higg FEM Chemical Management module scores to identify areas for improvement. Manufacturing partners scoring below the industry median Higg FEM Chemical Management module score were identified and invited to a training hosted by bluesign® to address challenges and provide solutions for improvement. To further expand responsible chemical management systems across the industry, we encourage our manufacturing partners to become bluesign® System Partners. As compared to 2021, in 2022, we experienced a 5% increase in trims manufacturing partners registering as bluesign® System Partners.<sup>12</sup>

### PERCENT OF FABRIC AND TRIM MANUFACTURING PARTNERS DESIGNATED AS BLUESIGN SYSTEM PARTNERS



## LEATHER WORKING GROUP MEMBER

The Leather Working Group (LWG) is committed to driving improvement across the global leather supply chain, minimizing the environmental impact of leather production, as well as inspiring, educating, and challenging its member companies. CSC has been a member of the LWG since 2021. As an LWG member, CSC prioritizes the selection of LWG certified partners when selecting new manufacturing partners in an effort to advance chemical management best practices in leather processing facilities.



### LEATHER WORKING GROUP HIGHLIGHT

In 2022, 100% of the Columbia brand and SOREL footwear leather manufacturing partners were LWG rated, with 88% receiving an LWG gold rating.<sup>13</sup>



<sup>12</sup> bluesign data includes Columbia brand, SOREL, and Mountain Hardwear manufacturing partners.

<sup>13</sup> To learn more about LWG's rating system, [click here](#).

## SUPPLY CHAIN CHEMICAL MANAGEMENT PROGRAMS

### Clean by Design Chemistry and Wastewater Management Pilot

In an effort to help our manufacturing partners improve their chemical and wastewater management practices, CSC supported the participation of a strategic manufacturing partner, Nassa Taipei, in a Clean by Design (CbD) pilot program in 2022. CbD is an Apparel Impact Institute (Aii) program that helps manufacturing partner facilities reduce environmental impacts related to textile manufacturing by leveraging the [Natural Resources Defense Council's 10 best practices to reduce pollution](#). Guided by Aii, Nassa Taipei will implement these 10 best practices throughout their manufacturing processes, from chemical inventory management to wet processing and wastewater disposal management. Throughout the pilot, which will be conducted through 2023, Aii and Nassa Taipei will work together to measure results and improve upon implementation of the best practices for a positive impact on Nassa Taipei's operations.

### Chemical Management Training Program

Implementation of strong chemical management practices is important across the textile and footwear industry. In an effort to further advance chemical management best practices and enhance the technical knowledge of workers across our manufacturing partner facilities, we collaborated with our manufacturing partner, GIZ Fabric, to conduct chemical management training. In 2022, training was provided to seven Tier 1 footwear manufacturing partner facilities in Vietnam. This five-month training course included virtual classes, thematic workshops, online and onsite consultation sessions with chemical experts, plus access to peer learning groups. As a result of these trainings, we saw a 24% increase in Higg FEM Chemical Management module median scores for these seven facilities.





# PREFERRED ATTRIBUTES & MATERIALS

At CSC, we use preferred attributes to enhance the environmental and social impacts associated with our products.

Preferred attributes are qualities associated with materials that demonstrate significantly improved environmental or social impact. Preferred attributes can be found at all levels of material sourcing, design, and production, and products can have multiple attributes. We consider preferred materials to be those materials containing at least one preferred attribute.



## CSC PREFERRED ATTRIBUTES



### Animal Welfare

Certified to be made under humane conditions



### Biodiversity

Improved biodiversity



### Chemicals

Reduced chemical impact



### Energy

Less energy used



### Greenhouse Gas Emissions

Reduced greenhouse gas emissions



### Land Use Intensity

Improved land use intensity



### Social Impact

Improved worker and/or community wellbeing (e.g. HERproject)



### Waste

Less waste created



### Water

Less water used

# 2022 PREFERRED MATERIAL HIGHLIGHTS

## MATERIALS

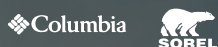
# 100%

RESPONSIBLE DOWN STANDARD CERTIFIED DOWN



# 100%

FOOTWEAR LEATHER MANUFACTURING PARTNERS WERE LEATHER WORKING GROUP RATED



# 95%

POLYESTER IS RECYCLED<sup>14</sup>

prAna.

# 50%

OF STYLES CONTAIN BLUESIGN® CERTIFIED MATERIALS



# 98%

WOOL IS RECYCLED OR RESPONSIBLY SOURCED<sup>15</sup>

prAna.

## PACKAGING

# 100%

OF PAPER PACKAGE IS RECYCLED OR FSC CERTIFIED

prAna

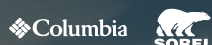
# 95%

RECYCLED CONTENT IN SHIPPING BOXES



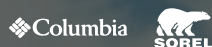
# 95%

RECYCLED CONTENT IN SHOE BOXES



# 50%

RECYCLED CONTENT IN SHOE BOX TISSUE PAPER



## STYLES

# 98%

OF STYLES HAD AT LEAST ONE PREFERRED MATERIAL

prAna

# 94%

OF STYLES HAD AT LEAST ONE PREFERRED MATERIAL



# 79%

OF STYLES HAD AT LEAST ONE PREFERRED MATERIAL



# 67%

OF STYLES HAD AT LEAST ONE PREFERRED MATERIAL

Columbia

<sup>14</sup> Percent by volume (kg)

<sup>15</sup> Percent by volume (kg)

Note: Due to reporting limitations, prAna's material volume data does not include trims, linings, or insulations, with the exception of down insulation.



## PACKAGING HIGHLIGHT

### prAna's Responsible Packaging Movement Update

For over a decade, prAna has been reimagining packaging to phase out plastic and virgin forest-fiber materials, and to replace them with innovative, more earth-friendly options. Recognizing a greater impact could be made together, prAna launched the Responsible Packaging Movement (RPM) in 2020 to share best practices and long-term learnings with other brands and customers. To further inspire others to use more responsible packaging, prAna hosted six live educational webinars in 2022. These webinars focused on case studies from other RPM brands implementing more responsible packaging solutions, as well as updates from RPM non-profit partners, 5 Gyres and Canopy, about responsible packaging. As of 2022, over 150 brands have joined the RPM.



# RESPONSIBLE PRACTICES

One of CSC's core values is **“doing the right thing.”** This means promoting a culture of ethics and compliance. It also means continuing to invest in traceability programs and staying in-step with the supply chain so we understand how our products are made. We seek to incorporate responsible practices into our business through:



## ETHICS & COMPLIANCE



## SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



## **Our value of “Doing the Right Thing” is at the core of our Ethics and Compliance program.**

All CSC employees, our Board, and certain partners conducting business on our behalf are responsible for understanding and complying with our Code of Business Conduct and Ethics and related policies. Our business is guided by a values-based Code of Business Conduct and Ethics. This means that, in addition to complying with the law, we:

- Commit to ethical conduct
- Encourage and support a speak-up culture
- Treat one another with dignity and respect
- Conduct business honestly and compete fairly in the marketplace
- Protect and properly use company information
- Engage third-party partners who share our values

Our Ethics & Compliance program is supported by our Corporate Compliance Committee, which seeks to champion and foster a company culture that is ethical, compliant, and consistent with our Code of Business Conduct and Ethics. The Compliance Committee members are senior leaders from Human Resources, Legal, Finance, Internal Audit, and Business teams. Our Board, with support from the Compliance Committee and the Ethics & Compliance Program, oversees organizational structures, policies, and procedures at CSC to continuously promote an ethical and compliant culture.

We have established a confidential compliance phone line and web-based reporting platform for employees and other stakeholders to report concerns. Both the compliance phone line and the web-based reporting platform comply with CSC’s confidentiality processes and offer anonymous reporting as allowed by local law. The Chair of the Audit Committee receives notifications of all reports made via these channels.

Throughout 2022, the Ethics & Compliance Team hosted virtual and in-person training sessions, reaching over 700 employees globally. These live sessions engaged employees in interactive, scenario-based trainings that allowed them to better understand the importance of Ethics & Compliance.

In June, we launched updated content for our online Code of Conduct training to include modules on “Diversity, Equity, and Inclusion,” and “Bystander Intervention.” This required training was provisioned to all existing global employees and became the norm for onboarding all new employees going forward. These equally important topics now sit alongside core subjects like ethical conduct and conflicts of interest.

Each July, we set aside the month to bring added focus to ethics and compliance. In 2022, we centered our communication campaign on our commitment to DEI. Throughout the month, we highlighted DEI work happening throughout our company. We shared videos from Employee Resource Group leaders and a video highlighting the work our Japan office is doing to advance conversations around diversity, equity, and inclusion, while also reinforcing our speak-up culture.





# SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN

**CSC recognizes transparency across our supply chain is important to advance compliant, responsible working conditions.**

CSC's commitment to social responsibility begins by selecting and partnering with manufacturing partners who share our values of fair and ethical treatment of workers, safe working conditions, and continued transparency. All internal CSC departments working with our supply chain are responsible for integrating responsible practices to uphold our values and ethics. Having strong internal programs, policies, practices, and accountability systems in place enables CSC to be a responsible partner with our manufacturing partners, which in turn empowers them to meet our internal standards and requirements of social responsibility practices.



## SOCIAL RESPONSIBILITY PROGRAM & SCORECARD PROCESS

Our **Standards of Manufacturing Practices (SMP)**, also known as our Supplier Code of Conduct, outlines expectations of manufacturing partners. Our SMP is based on **International Labor Organization (ILO)** conventions and **Fair Labor Association (FLA)** standards, including a section on prohibiting forced labor.<sup>16</sup>

In 2022, we worked with 369 finished goods facilities, of which 88% had at least one audit or assessment performed during the year. We utilize performance data from the following audit and assessments sources<sup>17</sup> to measure our production manufacturing partners' (Tier 1) performance against our SMP and local labor laws:

- Unannounced audits performed by our internal specialists or designated third party audit firms,
- Assessments performed by the ILO Better Work program,
- Verified assessments using the Social and Labor Convergence Program's (SLCP) Converged Assessment Framework,<sup>18</sup> and
- Audits performed by other standards.

All internal CSC departments working with our supply chain are responsible for integrating responsible practices to uphold our values and ethics.

<sup>16</sup> More information regarding our efforts to mitigate forced labor and human trafficking in our supply chain can be found in our [Transparency in Supply Chain Statement](#).

<sup>17</sup> See [Appendix E](#) for more information about Social Responsibility audit/assessment data sources.

<sup>18</sup> We are continuing the journey of assessing performance at our processing (Tier 2) facilities using SLCP. See [Appendix E](#) for more information.



Data from these audits/assessments are used to inform our manufacturing partner social responsibility scorecard ratings. This scorecard also includes indicators around remediation efforts and long-term change, training and **worker empowerment**, management systems, and transparency.<sup>19</sup> Scorecards are updated monthly and shared with our manufacturing partners for continuous improvement. Scorecards are also used to inform our internal sourcing teams' manufacturing partner selection process. In 2022, we saw slight improvement of percentage of manufacturing partner facilities from C to B and A rated. This change is primarily due to CSC's increased adoption of ILO Better Work and SLCP assessments, resulting in manufacturing partners adapting to a new assessment model and criteria. We also experienced some communication issues due to manufacturing partner facility staff shortages as a consequence of COVID-19 related macro-economic labor challenges. We recognize the risks associated with the changes in the ratings and have worked with our internal sourcing teams and manufacturing partners to develop and implement progress improvement plans. For facilities receiving F ratings, our policy is to take substantive and immediate action by reducing or ceasing production depending on the circumstances. Once issues are adequately addressed, we reassess production at these facilities.

### 2018–2022 CSC Tier 1 Manufacturing Partner Social Responsibility Scorecard Ratings (Percent)

	2018	2019	2020	2021	2022
<b>Best in Class</b>	2%	0%	1%	1%	<b>&lt;1%</b>
<b>A</b>	10%	6%	6%	5%	<b>7%</b>
<b>B</b>	76%	69%	77%	74%	<b>77%</b>
<b>C</b>	11%	23%	15%	19%	<b>14%</b>
<b>F</b>	1%	2%	1%	1%	<b>1%</b>



<sup>19</sup>See [Appendix F](#) for more information about our Manufacturing Partner Social Responsibility Scorecard.

## ADOPTING INDUSTRY ASSESSMENT PROGRAMS & TOOLS

As we continuously improve our social responsibility program, we have identified two key industry assessment programs and tools that are globally recognized, highly credible, and offer important benefits to us and our manufacturing partners. These benefits include reduction of audit fatigue<sup>20</sup>, increased manufacturing partner empowerment to take greater ownership of their compliance programs, and reallocation of both CSC and manufacturing partner resources to focus less time on auditing and more time on remediation, training, and capability building, as well as worker empowerment programs.

### International Labor Organization's (ILO) Better Work Program

**Better Work** is a partnership between the UN's International Labour Organization and the International Finance Corporation, a member of the World Bank Group, that brings diverse groups together – governments, global brands, manufacturing partner facility owners, and unions and workers – to improve working conditions in the garment industry and make the sector more competitive. Factories enrolled in Better Work go through a process of learning that includes assessments, advisory services, industry seminars and training to improve social responsibility performance and compliance. As a Better Work partner, we encourage our manufacturing partners to join the program if it is available in their countries of operation. In 2022, 77 of our finished goods manufacturing partner facilities were enrolled in the Better Work program, up from 69 in 2021. We incorporate the Better Work assessment results into our CR database for data tracking and scorecard rating.

### Social and Labor Convergence Program (SLCP)

Developed by the apparel and footwear industry, the **SLCP** CAF generates high-quality, comparable data on working conditions. The self-assessment with verification model promotes greater ownership of internal human resources management systems by manufacturing partners, and the SLCP assessment-sharing model addresses audit fatigue. In 2022, 182 manufacturing partners (Tier 1 and Tier 2) completed the self-assessment plus verification process (as compared to 129 in 2021). We use these assessment results to apply our own rating according to our system and require the manufacturing partner facility to complete their Corrective Action Plan in our Corporate Responsibility Database (Gateway). In the coming years we will continue to increase the number of manufacturing partners involved in SLCP, including our strategic raw materials manufacturing partners, with the goal of fully adopting SLCP with our manufacturing partners by 2024. The Better Work program is also adopting SLCP as their primary annual assessment tool, thus helping us to achieve this goal.

### NUMBER OF INDUSTRY ASSESSMENTS PERFORMED AT OUR MANUFACTURING PARTNERS' FACILITIES

	2021	2022	% Increase
<b>Better Work (Tier 1)</b>	48	72	50%
<b>SLCP (Tier 1)</b>	93	140	51%
<b>SLCP (Tier 2)</b>	36	42	17%

<sup>20</sup> "Audit fatigue" refers to situations in which manufacturing partners must respond to multiple audits per year from multiple customers (brands), which can restrict a supplier's ability to focus on remediating to the root cause of issues.



## PUBLIC DISCLOSURE & TRANSPARENCY

In 2022, CSC launched a new Transparency Map on our [website](#) in partnership with the [Open Supply Hub](#) (OS Hub). This customized OS Hub-embedded map provides an interactive overview of 99% of our manufacturing partner finished goods facilities (Tier 1) that are actively producing for all CSC brands. We also added information about our manufacturing partner processing facilities (Tier 2). Additionally in 2022, prAna's Tier 1 manufacturing partner facilities were included in our Transparency Map, centralizing accessibility to manufacturing partner facility information for all of our brands in one place.<sup>21</sup>



<sup>21</sup> Prior to 2022, prAna published a list of its Tier 1 manufacturing partners on its website since 2019.

# APPENDIX



# APPENDIX A SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

SASB is an independent, standards-setting organization enabling businesses and investors to connect on the financially material aspects of sustainability. This Report marks the fourth time CSC has reported to the SASB framework, specifically the Apparel, Accessories and Footwear disclosure framework. All information reported is for the 2022 calendar year – January 1, 2022 though December 31, 2022.

**TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS – APPAREL, ACCESSORIES & FOOTWEAR**

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/RESPONSE
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	C-AA-250a.1	<a href="#">Chemical Management RSL and Product Compliance Manual</a>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2	<a href="#">Chemical Management Appendix D: Manufacturing Partner Facilities Meeting CMP Priorities Chemical Management Policy</a>
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	In 2022, 243 Tier 1 and 152 Tier 2 supplier facilities were in scope to complete the Higg FEM Assessment (2021 cadence). Of the supplier facilities that completed the Higg FEM, 100% of Tier 1 and 99% of Tier 2 supplier facilities were in compliance with wastewater discharge permits and/or contractual agreement. <a href="#">Sustainable Manufacturing</a>
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	In 2022, 243 Tier 1 and 152 Tier 2 supplier facilities were in scope to complete the Higg FEM Assessment (2021 cadence). 100% of Tier 1 and Tier 2 supplier facilities in scope completed it, representing around 80% of CSC's overall manufacturing. <a href="#">Sustainable Manufacturing</a>

# APPENDIX A SASB CONTINUED

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/RESPONSE
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	<p>(1) 88% of Tier 1 manufacturing partner facilities had results from at least one audit or assessment analyzed against our Standards of Manufacturing Practices and local labor laws, including audit/assessment results from unannounced audits performed by our internal specialists or designated third party audit firms, assessments performed by the ILO Better Work program, verified assessments using the Social and Labor Convergence (“SLCP”) Program’s Converged Assessment Framework (“CAF”), and audits performed by external parties against other standards.</p> <p>(2) of 153 Tier 2 manufacturing partner facilities, 27% of our Tier 2 manufacturing partner facilities have been audited using the SLCP CAF, with the data analyzed against our SMP.</p> <p>(3) 90% of total audits conducted at Tier 1 manufacturing partner facilities were conducted by third party auditors. 100% of audits conducted at Tier 2 manufacturing partner facilities were conducted by third party auditors using the SLCP CAF.</p>
	Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	<p>In 2022, 1% of supplier facilities received an F rating. Supplier facilities receiving F ratings were those presenting high-risk, non-compliance issues</p> <p>Social Responsibility in Our Supply Chain  <a href="#">Appendix F: Social Responsibility Scorecard System Standards of Manufacturing Practices</a></p>
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3	<p><a href="#">See “Risk Factors” in our Fiscal Year 2022 Form 10-K</a></p>

# APPENDIX A SASB CONTINUED

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/RESPONSE
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	N/A	CG-AA-440a.3	<p>The following represent risks identified, as well as the policies and statements to mitigate these risks.</p> <p><a href="#">Conflict Minerals Policy</a>  <a href="#">2022 Conflict Minerals Report</a>  <a href="#">Animal Derived Policy</a>  <a href="#">Natural Down &amp; Feather Insulation Statement</a>  <a href="#">Statement on Climate Change</a>  <a href="#">Uzbekistan &amp; Turkmenistan Cotton Policy</a>  <a href="#">Transparency in Supply Chain Statement</a>  <a href="#">Vendor Social Responsibility Manual</a>  <a href="#">Foreign Migrant Worker Policy</a>  <a href="#">Chemical Management Policy</a>  <a href="#">See "Risk Factors" in our Fiscal Year 2022 Form 10-K</a></p>
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Metric tons (t)	CG-AA-440a.2	<p>In 2022, six material types make up majority of material usage – polyester, nylon, cotton, leather, EVA and rubber.</p> <p>Certificates to a third-party environmental and/or social standard are only collected for select materials containing preferred attributes.</p> <p>Currently, CSC only claims full product certification for down products, which are certified to the Responsible Down Standard (RDS). prAna also became certified to the Responsible Wool Standard (RWS) and the Organic Content Standard (OCS) in December 2022.</p> <p><a href="#">Preferred Materials and Attributes</a></p>

**TABLE 2. ACTIVITY METRICS – APPAREL, ACCESSORIES & FOOTWEAR**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/RESPONSE
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<p>Tier 1: 369 active facilities                      Tier 2: 344 active apparel, accessory, and equipment facilities*                      184 footwear suppliers</p> <p><a href="#">Transparency Map</a></p>












\*Japan Direct Source (JDS), prAna, and licensee facilities are not all included.

# APPENDIX B UN SDG MAPPING

In 2022, we mapped our focus areas to align with the United Nations Sustainable Development Goals (UN SDGs). The UN SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 UN SDGs are all interconnected, ensuring no one is left behind.

Our business aligns with 10 of the 17 UN SDGs:

CSC BUSINESS AREAS	UN SDGs
<b>EMPOWERING PEOPLE</b>	
Our Employees	 
Our Supply Chain	    
Our Communities	  
<b>RESPONSIBLE PRACTICES</b>	
Ethics & Compliance	
Social Responsibility in our Supply Chain	  

CSC BUSINESS AREAS	UN SDGs
<b>SUSTAINING PLACES</b>	
Climate Management	  
Sustainable Manufacturing	   
Chemical Management	  
Preferred Attributes & Materials	 



# APPENDIX C SCOPE 1 & 2 GHG EMISSIONS METHODOLOGY

## Standards

Columbia Sportswear Company (CSC) captures, calculates and reports in alignment with the most relevant internationally recognized GHG accounting and reporting standard for calculating and reporting emissions:

- GHG Protocol Corporate Accounting and Reporting Standard (WBCSD & WRI, 2004)
- GHG Protocol Scope 2 Guidance (WBCSD & WRI, 2015) (together, the GHG Protocol)

## Timeframe of Reporting

CSC reports emissions on a calendar year basis. GHG emissions in this report reflect business activities taking place January 1st – December 31st of 2022.

## Organizational Boundary

CSC has selected the control approach, in accordance with the GHG Protocol. This footprint represents all owned operations or operations for which CSC has operational control, even if they are not assets owned by CSC.

## FACILITIES

Facility Type	Scope Description
Retail	Includes CSC owned or operated stores globally (not including shop-in-shop, franchise, or international distributor locations).
Distribution Centers (DCs)	Includes CSC owned or operated DCs globally (not including contract-based third-party operated DCs).
Storage Facilities	Includes on-site and off-site storage locations that are not third-party operated globally.
Offices	Includes CSC owned or operated offices globally.
Development Centers	Includes CSC owned or operated development centers globally.
Data Centers	Data centers are operated on a contractual basis and are therefore not included in CSC's Scope 1 and 2 footprint.

# APPENDIX C

## ORGANIZATION-WIDE SCOPE 1 & 2 DIRECT SOURCES

Potential Emissions Source	Scope 1	Scope 2
On-Site Solar	●	
On-Site Combustion		
Natural Gas	●	
Propane	●	
Refrigerant Leakage	●	
Fuel Combusted In Company-Controlled Vehicles or Equipment		
Diesel	●	
Gasoline Petrol	●	
Purchased Electricity		●



# APPENDIX C

## Quantification Method

Following the GHG Protocol standard, two main methods are used to quantify emissions: direct measurement and calculation. CSC has no directly measured emissions and all emissions included in this footprint have been calculated using emission factors.

## Emissions Factors

The GHG Protocol defines a hierarchy of factors for quantifying Scope 2 emissions, in order from highest to lowest precision. The table to the below describes the hierarchy and the relevance to CSC for the current year reporting.

Emission Source Type	Emission Factor Employed
Direct Line Connection	Not applicable
Energy Attribute Certificates	Not applicable
Residual Mix	Not applicable
Location-Based Factors	Since none of the above options are available, CSC used location-based factors as described in the table listed below.



# APPENDIX C

This table outlines the emission factor sources used in FY22 emissions calculations.

<b>Emissions Source</b>	<b>Emission Source Type</b>	<b>Emission Factor Employed (Location-Based)</b>
Scope 1	Natural Gas	EPA Emissions Factors (April 1, 2022)
Scope 1	Diesel	EPA Emissions Factors (April 1, 2022)
Scope 1	Refrigerant	ICF Accounting Tool to Support Federal Reporting of HFC Emissions (October 2016)
Scope 1	Propane	EPA Emissions Factors (April 1, 2022)
Scope 1	Gasoline	EPA Emissions Factors (April 1, 2022)
Scope 2	Electricity (US)	eGRID
Scope 2	Electricity (Canada)	Canada's National Inventory Report
Scope 2	Electricity (non-US & Canada)	IEA World Electricity Emissions Factors (2022 release)



# APPENDIX C

## Activity Data

CSC aims to collect as much as possible high-quality, primary (actual) data across its activities. However, primary data may not be available for some activities or may not be of sufficient quality. In those cases, secondary data (estimation, gapfill, or extrapolation) may be used. The below chart identifies whether the calculations were based on primary or secondary data.

<b>Emissions Source</b>	<b>Emission Source Type</b>	<b>Emission Factor Employed (Location-Based)</b>
Scope 1	Refrigerant Leakage (Primary Locations)	Primary
Scope 1	Refrigerant Leakage (All other)	Secondary
Scope 1	Natural Gas (Certain US and all Primary Locations)	Primary
Scope 1	Natural Gas (All other)	Secondary
Scope 1	Diesel	Secondary
Scope 1	Propane	Secondary
Scope 1	Gasoline	Secondary
Scope 2	Electricity (Certain US and all other Primary Locations)	Primary
Scope 2	Electricity (All Other)	Secondary

# APPENDIX C

The below outlines Management's Significant Assumptions used as secondary data in this Scope 1 and 2 footprint. Where regional boundaries were used management determined the regional boundaries as follows:

North America (U.S. & Canada)	Japan
Europe	Korea
China	Liaison Office (LO) Countries of Origin

Emission Source	Management's Assumptions
Natural Gas	<p>For any sites with unknown energy sources (including natural gas), CSC applied a regional-level assumption. The basis of management's assumption was determined by using the majority of known sites' natural gas consumption in that region. If management determined that more than 50% of the total sites consumed natural gas, then natural gas was assumed for all sites within that region with unknown energy sources. In the presence of a natural gas assumption, the appropriate emissions factor is applied, based on the relevant site(s)'s square footage.</p> <ul style="list-style-type: none"> <li>Additionally, for any site with an unknown area (represented by square feet or square meters), management determined that the average size of buildings of the same type within that region should be applied.</li> </ul> <p>In FY22, natural gas consumption was assumed for sites with unknown energy mixes in North America and Japan. All other regions did not assume natural gas consumption for those sites.</p>
Electricity	<p>For any sites with unknown energy sources (including electricity), CSC applied a regional-level assumption. The basis of management's assumption was determined by using the majority of known sites' purchased electricity consumption in that region. If management determined that more than 50% of the total sites consumed electricity, then electricity was assumed for all sites within that region with unknown energy sources. In the presence of an electricity assumption, the appropriate emissions factor is applied, based on the relevant site(s)'s square footage.</p> <ul style="list-style-type: none"> <li>Additionally, for any site with an unknown area (represented by square feet or square meters), management determined that the average size of buildings of the same type within that region should be applied.</li> </ul> <p>In FY22, electricity consumption was assumed for sites with unknown energy mixes in all regions.</p>
Fugitive Emissions (Refrigerant Leakage)	<p>In absence of primary refrigerant leakage data or authoritative studies of leakage data in our international operations, a global assumption was made that each site in the footprint is responsible for refrigerant leakage. Management will continue to monitor this assumption as more primary data becomes available. At such time CSC expects to re-examine this 2022 Scope 1 and 2 footprint to determine whether it needs to be recalculated under any revised fugitive emissions methodology.</p>

# APPENDIX C

## Review

Internal Audit was engaged to review the calculation for Scope 1 and 2 GHG emissions based on the methodologies established by the Company. The calculation methodology approach, including the scientific basis for underlying assumptions and emissions factors leveraged within the calculation, was not included in the scope of the Internal Audit's review.

## Uncertainty

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the energy consumption metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.



# APPENDIX D MANUFACTURING PARTNER FACILITIES MEETING CMP PRIORITIES

Our Chemical Management Policy (CMP) outlines CSC standards and industry best practices for chemicals management. The CMP also includes guidelines for input stream management, best practices for manufacturing sites and product monitoring plan, to support manufacturing partners build up their foundation of chemical management system. We evaluate our manufacturing partner's facilities' adherence to these practices using the Higg FEM. Although all aspects of chemicals management are important, we put the highest emphasis for performance in the following CMP priorities:

**CMP #1: Commitment to comply with the CSC Restricted Substance List**

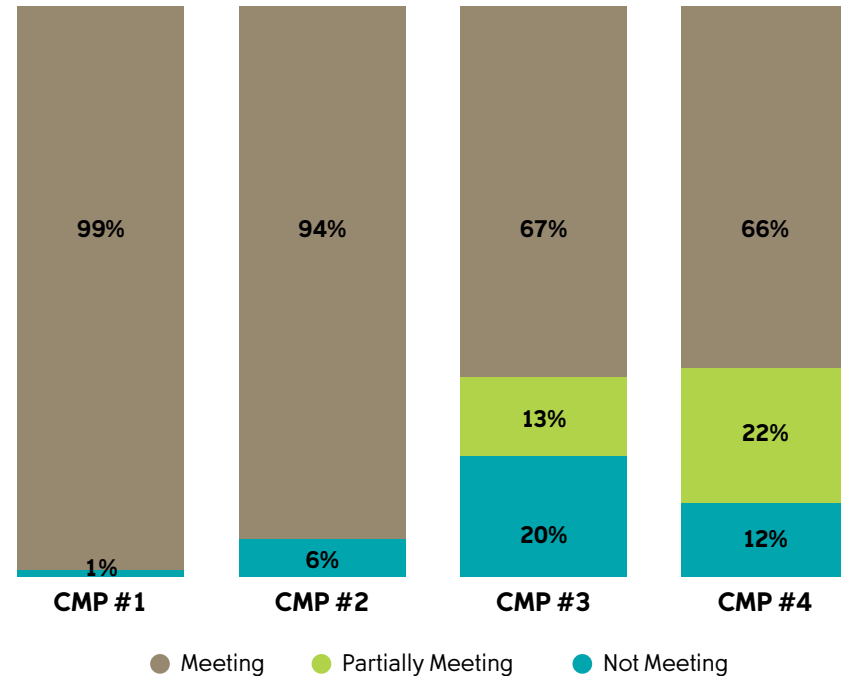
**CMP #2: Assignment of individual responsible for chemical management**

**CMP #3: Establishment of a chemical purchasing process**

**CMP #4: Development and maintenance of a chemical inventory list**

Establishing foundational best practices throughout the supply chain is key to impact reduction for the entire industry. We are working with facilities to understand their challenges and root cause for the gaps in performance to help support improvement efforts. Based on the 2020 Higg FEM cadence, Figure 6 represents the percentage of manufacturing partners meeting, partially meeting, or not meeting CMP priorities.

**MANUFACTURING PARTNER FACILITIES MEETING CMP PRIORITIES (PERCENT)**





# APPENDIX E SOCIAL RESPONSIBILITY AUDIT & ASSESSMENT TYPES

We utilize several different types of audits and assessments to gather data that is used to analyze and measure our suppliers' adherence to and performance against our [Standards of Manufacturing Practices \(SMP\)](#) and social responsibility requirements:

## Internal CSC Corporate Responsibility (CR) Field Team

All audits performed by our internal CR staff are unannounced; this allows our Specialists to see the manufacturing partner facility conditions as they are on a typical day. As illustrated in the chart below, the number of audits performed by our team greatly decreased in the past three years, which is due to a combination of increased adoption of SLCP, Better Work assessments, and the recognition of other assessments. This enables our field team to spend more time on remediation, training and capability building, and worker empowerment programs with our manufacturing partners.

## Third Party Audit Firm

For a handful of factories where we do not have local staff, as well as for our licensee business, we employ both Omega Compliance and Elevate Limited to conduct unannounced audits on our behalf and according to our SMP audit protocol. We do regular trainings with both firms and perform intermittent shadow audits to ensure audit quality.

## International Labor Organization's (ILO)

### Better Work Program

As a Better Work partner, we encourage our manufacturing partners who operate in countries where Better Work operates to join the program. In 2022, 77 of our finished goods factories were enrolled in the Better Work program. We incorporate the Better Work assessment results into our database for data tracking and scorecard rating. More information about our involvement in this program can be found in the [Adopting Industry Assessment Programs and Tools](#) section of this Report.

## Social and Labor Convergence Program (SLCP)

In 2022, 182 manufacturing partners (Tier 1 and Tier 2) completed the self-assessment plus verification process (as compared to 129 in 2021). We use these verified assessment results to apply our own rating according to our system and require the factory to complete their Corrective Action Plan in our Corporate Responsibility Database (Gateway). More information about our involvement in this program can be found on found in the [Adopting Industry Assessment Programs](#) and Tools section of this Report.

## External, Other Standard

We have developed strong relationships with several brands who share our values and approach to factory monitoring and accept audit results performed against their standards. We also recognize a handful of other credible audit, assessment and certification schemes in an effort to reduce audit fatigue. We convert the performance data to our own rating according to our rating system and require the factory to complete their Corrective Action Plan in our Corporate Responsibility Database (Gateway).



## SOCIAL RESPONSIBILITY MANUFACTURING PARTNER FACILITY AUDITS & ASSESSMENTS CONDUCTED

Audit/Assessment Data Source	2019	2020	2021	2022
Internal CR Team	220	91	57	34
Third Party Audit Firm	143	111	112	73
Better Work (Assessment)	8	73	48	72
SLCP (Assessment) Tier 1	8	14	93	140
SLCP (Assessment) Tier 2				42
External, Other Standard	23	17	44	31
<b>TOTAL</b>	<b>402</b>	<b>306</b>	<b>354</b>	<b>392</b>

In 2022, we worked with 369 finished goods factories (Tier 1), of which 88% had at least one audit or assessment performed during the year. Our goal is 100% of Tier 1 facilities receive at least one audit or assessment per year. To note, some factories may receive more than one audit in a calendar year based upon the performance of the previous audit. We have also been expanding our social responsibility program to cover our processing facilities (Tier 2) utilizing the SLCP assessment. In 2022, 42 Tier 2 facilities received an SLCP verified assessment, as compared to 36 in 2021.

CSC maintains an internal Corporate Responsibility database, called "Gateway," that houses factory profile information, Standards of Manufacturing Practices (SMP) audit/assessment results, remediation tracking, training and capability building activities, and factory SMP scorecard performance. Our factory partners can log into a portal to input their remediation corrective action plans and see their performance scores. The data enables us to do performance and trend analysis at specific factory level as well as aggregate the data to show the trends in our supply chain to drive long term strategy and determine focus areas for improvement.



# APPENDIX F CORPORATE RESPONSIBILITY SCORECARD RATING SYSTEM

To measure our manufacturing partner facilities' performance related to social responsibility, environmental sustainability, and product compliance, CSC has developed a system by which it rates these facilities. This system is known as our Corporate Responsibility (CR) Scorecard Rating System. The CR Scorecard Rating System currently focuses on Tier 1 manufacturing partner facilities. A total CR Scorecard Rating, also known as a CR Grade, is only calculated when a grade is given for all three focal areas of the CR Scorecard – social responsibility, environmental sustainability, and product compliance. Each focus area is weighted equally in the total CR Grade. In 2022, 146 Tier 1 manufacturing partner facilities received a CR Scorecard Grade.

## 2022 TIER 1 MANUFACTURING PARTNER CR SCORECARD GRADES

Grade	2021	2022
A	17%	21%
B	51%	47%
C	32%	32%



# APPENDIX F SOCIAL RESPONSIBILITY SCORECARD SYSTEM

We have been utilizing a comprehensive scorecard system to measure our finished goods factory's social responsibility performance for many years now. This scorecard includes indicators around:

**The Social Responsibility section of the CR Scorecard focuses on the following areas:**

**Social Responsibility audits and assessments:**

See [Appendix E](#) above for more information

**Remediation efforts and long-term change:**

Our suppliers input their audit/assessment remediation plan via an online portal to our CR database called Gateway. In this database we track their improvement progress over time.

**Training and worker empowerment:**

We encourage suppliers to be involved in regular trainings, and provide training to employees including involvement in [HERproject](#)

**Management systems and commitment:**

We expect our suppliers to invest in systems and a team to manage their workforce responsibly, and to take ownership of their social responsibility program

**Transparency:**

We expect transparency during audits/assessments as well as with reporting any issues that arise in between monitoring

Scorecards are updated monthly and shared with our manufacturing partners for continuous improvement, as well as utilized as part of our internal sourcing teams' manufacturing partner selection process. We regularly engage with our Senior Leadership Team on social responsibility performance data and risks to drive informed decisions, and annually present a social responsibility performance report to our Board of Directors.

## SOCIAL RESPONSIBILITY SCORECARD SYSTEM

SCORECARD GRADE	BALANCED SCORECARD RATING	PERFORMANCE STATUS
Best-In-Class	High Performing	Industry leading practices; continuous efforts to elevate performance; sound system and rich resources in developing compliance; excellent transparency and commitment
A	Performing	Compliance with legal or Code of Conduct requirements; proactive on remediation; good system and resources; great transparency and commitment.
B	Developing	Minor legal or Code of Conduct compliance issues; consistent progress on remediation; have a system and some resources; good transparency and commitment.
C	Underperforming	Major legal or Code of Conduct compliance issues, e.g. overtime compensation deficiency; lack of progress on remediation; lacking systems or resources for compliance; lack of transparency and/or commitment.
F	At risk	Critical and repeated legal or Code of Conduct non-compliance violations like child labor etc.; no remediation efforts, no systems or resources for compliance; poor transparency or commitment.

# APPENDIX F ENVIRONMENTAL RESPONSIBILITY SCORECARD SYSTEM

In 2020, we updated our Corporate Responsibility (CR) Scorecard to include environmental sustainability, starting with our tier 1 manufacturing partners. Scorecards are regularly updated and shared with our manufacturing partners for continuous improvement, as well as utilized as part of our internal sourcing teams' manufacturing partner selection process. The scorecard incorporates performance on industry tools like the Higg FEM, and progress towards reducing their carbon footprint.

The Environmental Sustainability section of the CR scorecard focuses on the following areas:

- Higg FEM annual performance, across all sections
- Verification of Higg FEM data
- Cooperation with CSC, including deadlines and remediation
- Commitment to meeting climate targets, goals and beyond compliance efforts

## ENVIRONMENTAL SUSTAINABILITY SCORECARD SYSTEM

SCORECARD GRADE	BALANCED SCORECARD RATING	PERFORMANCE STATUS
Best-In-Class	High Performing	Industry Leader: Supplier ownership with excellent cooperation and public sustainability reporting in place. Advanced Level 3 Higg FEM verified scores, no foundational environmental compliance issues and consistently high environmental performance. Advanced level climate action performance and functioning systems in place.
A	Performing	Strong Performer: Strong environmental performance and practice. Displays commitment and very good cooperation, consistently high annual performance. Higg FEM Level 2 verified score and no foundational environmental compliance issues. High level climate action performance and systems in place.
B	Developing	Developing Partner: Displays commitment and cooperation to sustainability. Higg FEM Level 1 verified score with demonstrated annual improvement across sections. Some foundational environmental compliance issues identified, timely remediation. Climate action plan and timeline in place with proactive reporting on progress.
C	Underperforming	Under-Performer: Decent cooperation, limited commitment. Higg FEM Level 0 verified score with Level 1 achieved in some sections. Deadlines not always met, proactive communication could be improved. Some foundational environmental compliance issues identified, delayed remediation. Climate action plan developed, minimal implementation.
F	At risk	High Risk: Poor or no commitment, communication challenging. Higg FEM Level 0 with no annual improvement plan or did not complete Higg FEM. Climate action plan not started.

# APPENDIX F PRODUCT COMPLIANCE SCORECARD SYSTEM

The Product Compliance section of the CR Scorecard focuses on the following areas:

- Compliance with our Chemical Management Policy
- Compliance with regulatory requirements for the markets in which we sell products
- Participation in industry standards and certifications for product compliance best practices
- Higg FEM Chemical Management performance

## PRODUCT COMPLIANCE SCORECARD SYSTEM

SCORECARD GRADE	BALANCED SCORECARD RATING	PERFORMANCE STATUS
Best-In-Class	High Performing	Role model of the suppliers. Demonstrate a proactive approach to manage non-compliance risk at the upfront and with standard process to drive continuous improvement of product compliance.
A	Performing	Exceed minimum compliance requirement, demonstrate a sustainable practice to achieve product compliance or even beyond compliance.
B	Developing	Demonstration of basic product compliance practice in a sustainable manner and meet global compliance requirement.
C	Underperforming	Do not fully meet minimum compliance requirement, corrective action plan of non-compliance are expected no later than the coming 3 months. And is shown to have immediate risk from their manufacturing practice and product/material testing.
F	At risk	Do not meet compliance minimum requirement and is shown to have immediate risk to cause financial impact and brand image damage.



2022  
IMPACT REPORT

