



Transparency in Supply Chain Statement
Reporting for January through December 2022

The **California Transparency in Supply Chains Act of 2010 (SB 657)**, and the **United Kingdom Modern Slavery Act of 2015** require certain businesses to provide disclosures concerning their efforts to address the issues of slavery and human trafficking in their supply chains, to provide consumers the ability to make better and more informed choices about the products they buy and companies they support. Columbia Sportswear Company (CSC) believes modern slavery and human trafficking are egregious issues; we are committed to continuously assessing our operations to minimize the risk of these issues in our supply chain.

Company Information

CSC was founded in 1938 in Portland, Oregon, as a small, family-owned, regional hat distributor and incorporated in 1961. We connect active people with their passions by designing, developing, marketing, and distributing our outdoor, active and everyday lifestyle apparel, footwear, accessories and equipment products to meet the diverse needs of our customers and consumers under four primary brands: Columbia®, SOREL®, Mountain Hard Wear®, and prAna®.

We sell our products in approximately 90 countries and operate in four geographic segments: United States ("U.S."), Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA"), and Canada. We sell our products through a mix of distribution channels: wholesale distribution, international distributors, direct-to-consumer ("DTC") distribution, and through licensing certain of our trademarks across a range of apparel, accessories, equipment, footwear, and home products. A list of our subsidiaries can be found in our 2022 Form 10-K, exhibit 21.1.

Sourcing and Manufacturing

CSC does not own, operate or manage manufacturing facilities. The majority of our products are manufactured by contract manufacturers located outside the United States. We seek to establish and maintain long-term relationships with key manufacturing partners who share our values. We manage our supply chain from a global and regional perspective and adjust as needed to changes in the global production environment, including political risks, factory capacity, import limitations and costs, raw material costs, availability and cost of labor, and transportation costs.



In 2022, our apparel, accessories and equipment for our wholesale customers and DTC businesses were manufactured in 15 countries. In 2022, finished goods manufacturers in Vietnam, Bangladesh, Indonesia and India produced approximately 40%, 20%, 15% and 10% respectively, of these products. Five of the largest contract manufacturers account for approximately 30% of our apparel, accessories and equipment production, with the largest manufacturer accounting for approximately 10%.

In 2022, our footwear products for our wholesale customers and DTC businesses were manufactured in six countries. In 2022, manufacturers in Vietnam and China produced approximately 70% and 20%, respectively, of these products. Five of the largest contract finished goods manufacturers account for approximately 65% of our footwear production, with the largest manufacturer accounting for approximately 20% and two manufacturers accounting for approximately 15% each.

Raw materials for the manufacturing of our apparel, accessories, equipment, and footwear products are primarily sourced from Asia and are purchased directly by our contract manufacturers.

In 2022, we maintained seven manufacturing liaison offices in six Asia Pacific countries. Our personnel in these offices monitor production at our contract manufacturers' facilities. The physical location of our employees in these regional offices enhances our ability to monitor contract manufacturers for compliance with our policies, procedures and standards related to labor practices.

Slavery and Human Trafficking Standards

CSC is committed to taking appropriate steps to help ensure that our products are manufactured in factories that operate with fair and safe working conditions and sustainable business practices. To demonstrate this responsibility, we value and strive for long term partnerships with factories to monitor and ensure continuous improvement in alignment with our [Standards of Manufacturing Practices \(SMP\)](#) (aka Code of Conduct). We require factories to post our SMP in the local language of workers so they understand their fair labor rights; an email address is provided at the bottom of the SMP for workers to lodge grievances and/or report violations of the SMP confidentially to us. The SMP includes a standard that addresses forced labor, where all suppliers are required to demonstrate that they do not use forced labor, whether in the form of prison, indentured, slave, bonded, trafficked or any other form of compulsory labor. CSC defines slavery and human trafficking as used by U.S. Department of State:



- Human Trafficking: "any recruitment, harboring, transportation, provision, or obtaining of a person for labor services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery."
- Slavery - Involuntary Servitude: "a condition of servitude induced by means of – (A) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (B) the abuse or threatened abuse of the legal process."

We have a [Foreign Migrant Worker Policy](#) which our suppliers are required to abide by. This policy establishes a set of standards based upon ILO Core Conventions, internationally recognized principles and industry best practices that we require our supplier partners to adhere to in order to protect migrant workers who have traveled from another country to obtain employment.

Risk Assessment and Internal Accountability

CSC continually assesses the forced labor risks related to our apparel, footwear, accessories, and equipment supply chains, utilizing information received from industry associations, membership organizations, external experts and stakeholders to inform updates to our human rights strategy, policies, and procedures. At the supplier level, the performance grades from audits/assessments inform seasonal sourcing decisions, and an annual supply chain risk assessment report is provided to our Board of Directors, which includes a section on Forced Labor risks.

We recognize our industry's supply chain has a risk of human trafficking in the form of foreign migrant workers. To confirm our commitment and accountability to help address this issue, we have signed on to the American Apparel and Footwear Association (AAFA) & Fair Labor Association (FLA) [Apparel & Footwear Industry Commitment to Responsible Recruitment](#), which specifies:

We commit to work with our global supply chain partners to create conditions so that:

- No workers pay for their job;
- Workers receive a timely refund of fees and costs paid to obtain or maintain their job;
- Workers retain control of their travel documents and have full freedom of movement; and
- All workers are informed, in a language they understand, of the basic terms of their employment before leaving their country of origin.

Each of these requirements are outlined in detail in our [Foreign Migrant Worker Policy](#), which our suppliers must abide by.



In 2022, we actively participated in the Joint Association Forced Labor Working Group (AAFA, NRF, RILA, and USFIA), which meets to discuss how to combat forced labor in our supply chains and create sustainable solutions for the industry.

We maintain and enforce internal accountability procedures for employees and contractors regarding company standards around slavery and human trafficking. In the case of non-compliance, we reserve the right to examine the specific situation and develop the best possible strategy for resolution. If cases of non-compliance are not resolved within a timely manner, we may terminate the business relationship.

Certification and Auditing

CSC requires all contract manufacturing partners to sign a supply agreement. Such an agreement requires that contract manufacturing partners certify that they have read and understand the Columbia Sportswear Company Standards of Manufacturing Practices (SMP) Policy, shall ensure that their facilities and the facilities of their subcontractors are maintained in accordance with the SMP Policy standards, and will comply with all applicable laws, regulations, and orders regarding the use of child labor, forced labor, human slavery, human trafficking, wages, working hours and conditions, work eligibility and non-discrimination.

CSC strives to comply with the UN Guiding Principles on Business and Human Rights (UNGPs), which specify that due diligence processes should 'include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.' All finished goods facilities are subject to performance evaluation of audit or assessment data which include specific criteria around risks for forced labor or human trafficking including the employment of vulnerable worker groups such as foreign migrants, interns and temporary workers, as well as high-risk practices such as restrictions on freedom of movement, payment of recruitment fees, or the use of labor brokers or third-party recruiters. New finished goods facilities, including finished goods subcontractors, are audited and must meet our minimum standards before production can begin. A re-audit will occur anywhere from 30 days to one year later, depending on the findings in the previous audit or assessment. SMP monitoring performance data comes from several sources: unannounced audits completed by our internal SMP auditors as well as designated 3rd party audit firms who are trained to our standards, announced assessments performed by [ILO's Better Work program](#), the [Social and Labor Convergence Program](#), and audits from a handful of other brands with whom we have built a strong relationship. All data is scored according to our SMP grading matrix and local law. In 2022, we utilized data from 350 audits and assessments at our finished goods factories (Tier 1) and 42 assessments at processing facilities (Tier



2). We work with the suppliers to develop a Corrective Action Plan (CAP) to remediate issues identified during the audit or assessment.

Training

CSC regularly communicates with all internal supply chain management staff on our forced labor, slavery and human trafficking policies and procedures, with a particular focus on mitigating risks, to ensure they are knowledgeable and aware of the issues and concerns surrounding our supply chain.

This statement covers January 1, 2022 to December 31, 2022 and has been approved and signed by the Sole Director of Columbia Sportswear Company Limited in accordance with the United Kingdom Modern Slavery Act of 2015.

