

2021

ENVIRONMENTAL, SOCIAL, & GOVERNANCE REPORT



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MESSAGE FROM TIM BOYLE

CHAIRMAN, PRESIDENT, & CEO

After the pandemic of 2020, we had high hopes for a smoother 2021. We had planned to “get back to normal.”

However, like many companies, we continued to experience disruptions to the business due to the pandemic. Despite facing these challenges, the Company had its best year in history, and we did so while maintaining our commitment to environmental, social and governance issues.

We proved, once again, that by living our core value of Doing the Right Thing, we can thrive and do well by our people, places and practices.

We will continue to evolve and improve. As technologies change, we will look to adopt them. We will continue to invest in our people and to make sure that diversity, equity and inclusion are important considerations in our processes.

We will continue to connect active people with their passions while doing the right thing.



One of our core values is to **do the right thing**, not just for our company, but also for our consumers, customers, employees, and communities.



LEADERSHIP INSIGHTS

“

We are committed to responsible practices throughout our business, from the wellbeing of our employees across the globe to developing innovative product with our consumers' needs in mind.



- PETER BRAGDON

Executive Vice President, Chief Administrative Officer and General Counsel

“

Our employees are at the core of everything we do. Our business thrives when we support and empower our employees, supply chain, and communities.



- RICHELLE LUTHER

Senior Vice President, Corporate Affairs and Chief Human Resources Officer

“

Now, more than ever, we have to do our part to ensure the outdoors is for everyone. That's why we, together with our employees, community partners, customers, and the wider industry are leading initiatives to make sure people feel safe and welcomed in the outdoors.



- ABEL NAVARRETE

Vice President, Sustainability and Community Impact

ABOUT THIS REPORT

REPORTING SCOPE

This Environmental, Social, and Governance (ESG) Report covers Columbia Sportswear Company's 2021 fiscal year (January 1, 2021 through December 31, 2021).

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've 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.

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. As a result of the Securities and Exchange Commission proposed rules on climate-related disclosures, we are revisiting the calculation of our total greenhouse gas emissions. Historically, we have reported certain parts of our emissions footprint and detailed our boundaries in an extensive methodology. While our emissions footprint is not included in this Report, please know we are hard at work on expanding the boundaries of our data collection and building gap assessments to provide a more complete picture of our emissions footprint in the years to come.



REPORTING FRAMEWORKS

Within this report we reference the following reporting frameworks:

Sustainability Accounting Standards Board (SASB)

SASB is an independent, private sector standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. This is the third year CSC has reported to SASB.

[Appendix A](#) contains our SASB disclosure.

United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. [Appendix B](#) maps sections of this Report and our related work to the UN SDGs.

Throughout this Report we may refer to Columbia Sportswear Company as "CSC," the "Company," "we," "us," or "our." This Report may contain forward-looking statements. Forward-looking statements often use words such as "will," "anticipate," "estimate," "expect," "should," "may" and other words and terms of similar meaning or reference future dates. CSC's expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis; however, each forward-looking statement involves a number of risks and uncertainties, including those set forth in this document, those described in CSC's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading "Risk Factors," and those that have been or may be described in other reports filed by CSC, including reports on Form 8-K. Forward-looking statements relate to the date initially made, and CSC undertakes no obligation to update them.



ABOUT US

COLUMBIA SPORTSWEAR COMPANY

At Columbia Sportswear Company (“CSC” or the “Company”), we connect active people with their passions by providing them with the products they need to seek inspiration and adventure. CSC was founded 84 years ago, when CEO Tim Boyle’s grandparents fled Nazi Germany and bought a small hat company in Portland, Oregon. They named it after the Columbia River, which flows through Portland. In the 1960s, CSC was run by Tim’s father, Neal, who grew the business into a small sportswear wholesale business. Neal passed away suddenly in 1971, leaving Tim, a college journalism student, and his mother, Gert, a stay-at-home mom, to run the Company. Despite lacking business experience, Gert and Tim built CSC into a global leader in outdoor and lifestyle apparel, footwear, and equipment. Gert, who served as Chairman of the Board, passed away in 2019 at the age of 95. However, her strong spirit and embodiment of our core values continues to inspire our employees and influence our business practices. Upholding the Company’s values established by his grandparents, Tim, now the Chairman, President, and CEO, and his son, Joe Boyle, the Columbia brand president, continue to drive stable leadership and a growing business.

OUR CORE VALUES

ENJOY AN ACTIVE LIFESTYLE

COMPETE TO WIN

RELENTLESS IMPROVEMENT

CULTURE OF HONESTY,
RESPECT, & TRUST

DOING THE RIGHT THING
FOR CUSTOMERS, EMPLOYEES,
THE COMPANY, AND OUR
COMMUNITY



OUR BRANDS

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



Our Columbia brand (Columbia), headquartered in Portland, Oregon, is our largest brand. Columbia'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 our Columbia brand products make them ideal for a wide range of outdoor and active lifestyle activities, serving a broad customer demographic, including skiers, snowboarders, mountain climbers, hikers, hunting and fishing enthusiasts, endurance trail runners, golfers and outdoor-inspired customers.



SOREL, headquartered in Portland, Oregon, combines expert craftsmanship and of-the-moment design to create powerful footwear for unstoppable individuals. What began decades ago with premium boots crafted with an unparalleled balance of construction and protection, is now a brand dedicated to both functionality and fashion.



Mountain Hardwear, headquartered in Richmond, California, offers premium apparel, accessories, and equipment primarily for the high-performance needs of mountaineering enthusiasts, as well as other athletes, and customers inspired by the outdoor lifestyle. Mountain Hardwear's mantra is "to make gear that works, because out here, it matters."



prAna, headquartered in Carlsbad, California, offers stylish and versatile active lifestyle apparel and accessories designed and manufactured in concert with its mission to provide "Clothing for Positive Change" through an emphasis on sustainable materials and processes. prAna's designers incorporate innovative fabrics to improve performance and promote sustainability, while elevating each season's design. prAna's apparel is created for customers whose active lifestyles include rock climbing, yoga, outdoor watersports, hiking and adventure travel.

2021 SCOPE & SCALE



4
PRIMARY BRANDS

Columbia, SOREL,
Mountain Hardwear, prAna

\$3.1
BILLION

\$3.1 billion annual revenue

8,325
EMPLOYEES

Approximately 8,325 full-time and
part-time employees globally

75%
TSR

75% in total shareholder returns for
the period of time from 2017-2021

1938
FOUNDED

Founded 1938 in Portland, Oregon

90
COUNTRIES

Products sold in
approximately 90 countries

450+
STORES

450+ directly operated retail
stores globally



2021 HIGHLIGHTS



EMPOWERING PEOPLE

- Seven factories kicked off a HERproject training program benefiting over 13,000 female workers
- Coordinated COVID-19 community vaccine clinics in Portland
- Reached 96% of our goal to build 25 new AquaTower systems by 2022 through our partnership with Planet Water



SUSTAINING PLACES

- CSC has committed to a 30% reduction in manufacturing emissions by 2030, as compared to a 2019 baseline
- CSC finalized one Carbon Leadership Project program and one Clean by Design program with two cohorts of factories at the Tier 1 and Tier 2 levels
- CSC became a Leather Working Group member
- Shipping boxes across all brands contain 100% recycled content



RESPONSIBLE PRACTICES

- 354 audits and assessments of our Tier 1 manufacturing partners' facilities were conducted
- 80% of our manufacturing partners received a rating of B or above, with three rated "Best in Class"

ESG GOVERNANCE

Our Board of Directors (the “Board”) shares in the oversight of our environmental, social, and governance (ESG) efforts.¹ The Compensation Committee considers human capital management issues, while the Audit Committee reviews periodic reporting on 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 that includes our Executive Vice President (EVP), Chief Financial Officer and EVP, Chief Administrative Officer and General Counsel, as well as the leaders of our human resources, corporate responsibility, and investor relations and strategic initiatives teams.



¹ See our [Investor Relations website](#) for our Committee Charters

EMPOWERING PEOPLE

Our business thrives on the engagement and empowerment of passionate people. We strive to support and promote healthy lifestyles and wellbeing across our:



EMPLOYEES



SUPPLY CHAIN



COMMUNITIES





OUR EMPLOYEES

To cultivate a resilient and engaged workforce, we foster our employees' growth throughout their careers by aligning their skills with their passions.

EMPLOYEE WELLBEING

Wellbeing encompasses all areas of our employee's life, including physical health, career, social and emotional health, financial wellness and community involvement. In 2021, we continued to prioritize employee wellbeing in a pandemic environment. As COVID-19 vaccines became available to the public, CSC launched an educational campaign about vaccine safety and effectiveness to encourage U.S. employees to get vaccinated. Our Chairman, President and CEO, Tim Boyle, traveled to the White House to meet with the President to discuss vaccine mandates and the importance of keeping our communities healthy.

Employees volunteered at CSC-coordinated community vaccine clinics in the Portland, OR area to enable employees and community members to get vaccinated. CSC also acquired vaccines in partnership with the Oregon Health Authority and held private vaccination clinics at our Distribution Center in Portland, OR, inviting employees and their family members to get vaccinated. CSC provided U.S. employees with paid time off to receive vaccinations, plus access to Catastrophic Paid Leave to recover from any side effects. We also offered vaccination incentive pay for our U.S. store and distribution center associates.

Furthering employee wellbeing, the Wellbeing Team launched WholeLife Directions, a self-guided app designed to help employees improve their wellbeing. WholeLife Directions targets specific wellbeing topics for improvement such as relationship conflict, depression, substance abuse, work management and more.²

Many of our global offices began introducing flexible work models in 2021. To elevate office space as employees returned to their work locations, offices across the globe were remodeled, including our headquarters based in Portland and offices in Indonesia, Vietnam, Dongguan and Geneva.

Outside of pandemic-related support, the Company also focused on parental wellbeing by expanding the U.S. paid parental leave program to 8 weeks for both birthing and non-birthing parents. When combined with the benefits under our short-term disability program, birthing parents in the U.S. will now be afforded at least thirteen weeks of paid leave at 100% pay. We are excited to afford our new parents this bonding time with their newest additions.

EMPLOYEE ASSISTANCE PROGRAM

As the impacts of the pandemic continued to be felt, we recognized the increased importance of social and emotional wellbeing. To support our workforce's social and emotional wellbeing, we increased awareness of our Employee Assistance Program (EAP) program available to both part-time and full-time U.S. employees by engaging U.S. District Managers and Employee Resource Group (ERG) leaders in training about our EAP. Training participants learned how our EAP can support employees, as well as how to share their learnings with other employees. Our EAP also offered onsite critical incident support when needed in retail stores as well as at distribution centers.

Additionally, when the pandemic surged in India and Bangladesh during the spring of 2021, we implemented an EAP to support employees and their families. The EAP in our Asia-Pacific regions supported catastrophic paid leave and financial subsidies if needed as well as access to special medical care and hygiene supplies.



² The WholeLife Directions app was launched for U.S. employees.

DIVERSITY, EQUITY, AND INCLUSION

DIVERSIFYING TALENT

As we continue to focus on diversifying our talent, the Diversity, Equity, and Inclusion (DEI) Talent Commitment was created by the Talent Organization in early 2021. Demonstrating CSC's dedication to living DEI daily through the hiring process and beyond, the commitment outlines how Talent Acquisition and hiring managers can advance a more diverse, equitable and inclusive workforce through hiring practices and programs in a culture of belonging. In 2021, the Talent team invested in DEI resources for global onboarding, employer branding, and internal mobility. The commitment outlines a roadmap to build manager training, increase partnerships with external organizations, and decrease employee turnover.

LISTENING & LEARNING

At CSC, we promote living DEI daily, which means taking the time to listen and learn to continuously improve ourselves. This has been key to growing a more inclusive and understanding culture and living by our [five core values](#).

To further continued DEI learning, we offer employees access to training sessions and LinkedIn Learning courses. Employees are encouraged to attend LinkedIn Learning classes on a weekly basis, and in 2021, we experienced an increase in the number of employees participating in LinkedIn Learning. There was over a 10% increase in LinkedIn Learning accounts activated from January to December 2021. CSC also recognizes the importance of fostering inclusivity and driving the message from the top, and in 2021, our Senior Leadership Team attended an executive workshop focused on DEI and belonging.

COLUMBIA SPORTSWEAR COMPANY DEI PILLARS



Listen & Learn



Diversify Talent



Create & Sponsor Opportunity



Be a Force for Good



EMPLOYEE RESOURCE GROUPS

Employee Resource Groups are run by employee volunteers from all parts of our workforce who are passionate about DEI efforts and providing opportunities and resources for employees. Highlights from each ERG are shared below.

VAMOS UNIDOS

Vamos Unidos celebrated Hispanic Heritage Month with an event titled *Our Journey: A Conversation About Hispanic/Latinx/Latino Leadership & Success*.

Community Partners:

Adelante Mujeres, Latino Network, Latinas Running



WOMEN'S LEADERSHIP INITIATIVE (WLI)

WLI hosted a week of events to connect employees across the globe and provide resources for career growth during International Women's Day in March 2021.

Community Partners:

Dress for Success, Days for Girls International



PRIDE (LGBTQAI+)

PRIDE coordinated a Columbia float for the Portland Pride Parade, collaborated with HR to implement pronouns and non-binary gender options for all employees, hosted a LGBTQAI+ specific forum with our Healthcare and EAP vendors, and other events during Pride & Coming Out Month.

Community Partners:

Pride NW, The Venture Out Project



OUR TRAIL

Our Trail supported the Forest Park Conservancy to create safety in the outdoors for all people.

Community Partner:

Love is King



VETERANS EMPLOYEE RESOURCE GROUP (VERG)

VERG hosted their second annual Toys 4 Tots drive and the Veterans Standdown, an event providing supplies and resources for homeless veterans. VERG also participated in Ruck 22, a hike to raise awareness about veteran suicide.

Community Partners:

Transition Projects, Love is King, United States Marine Corps Reserve



COALITION OF ASIAN AND PACIFIC ISLANDER EMPLOYEES (CAPE)

CAPE hosted multiple events throughout Asian & Pacific Islander Heritage Month and Immigrant Heritage Month.

Community Partners:

APANO (Asian Pacific American Network of Oregon), IRCO (Immigrant & Refugee Community Organization)



BLACK EMPLOYEE NETWORK AND FRIENDS (BEN)

BEN & Friends celebrated Juneteenth with a day of events and learning opportunities for employees, including a financial literacy presentation, a cooking class, and a musical performance.

Community Partner:

Neighborhood Heroes



OUR WORKFORCE AT A GLANCE

Select self-disclosed information about our global workforce, as of December 31, 2021, is provided below. Ethnicity information is only provided for our U.S. workforce.

WORKFORCE BY LEVEL

By Gender

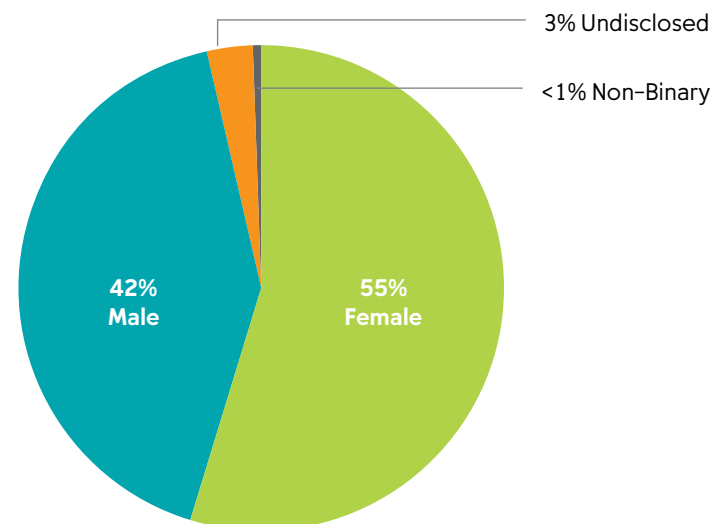
	Individual Contributor	Manager	Director & Above
FEMALE	57%	50%	39%
MALE	40%	49%	61%
NON-BINARY	<1%	0%	0%
UNDISCLOSED**	3%	<1%	<1%

By Ethnicity*

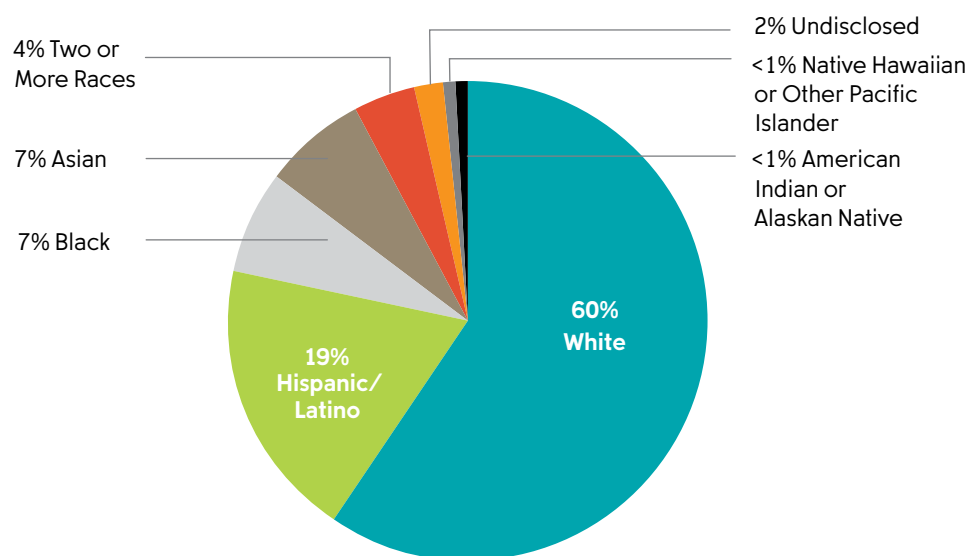
	Individual Contributor	Manager	Director & Above
AMERICAN INDIAN OR ALASKAN NATIVE	<1%	<1%	0%
ASIAN	7%	8%	8%
BLACK	8%	3%	2%
HISPANIC OR LATINO	20%	7%	2%
NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	<1%	<1%	0%
TWO OR MORE RACES	4%	2%	2%
WHITE	57%	77%	85%
UNDISCLOSED**	2%	2%	2%

TOTAL WORKFORCE

By Gender



By Ethnicity*



Note: Totals may sum to greater than 100% due to rounding.

* Reflects U.S. employees only.

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

OUR WORKFORCE AT A GLANCE

WORKFORCE BY ROLE

By Gender

	Office	Distribution Center	Retail	Other***
FEMALE	55%	46%	58%	49%
MALE	44%	53%	38%	50%
NON-BINARY	<1%	<1%	<1%	0%
UNDISCLOSED**	1%	1%	4%	1%

By Ethnicity*

	Office	Distribution Center	Retail	Other***
AMERICAN INDIAN OR ALASKAN NATIVE	<1%	1%	<1%	0%
ASIAN	11%	10%	5%	8%
BLACK	1%	10%	10%	4%
HISPANIC OR LATINO	5%	17%	26%	5%
NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	<1%	1%	<1%	0%
TWO OR MORE RACES	4%	2%	4%	4%
WHITE	76%	58%	52%	76%
UNDISCLOSED**	2%	1%	2%	3%

Note: Totals may sum to greater than 100% due to rounding.

*Reflects U.S. employees only.

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

*** "Other" includes employees working at factories, remotely, in our service centers and show rooms.

WORKFORCE BY LOCATION

By Gender

	North America	Europe	Asia
FEMALE	57%	48%	52%
MALE	42%	42%	41%
NON-BINARY	<1%	<1%	0%
UNDISCLOSED**	<1%	10%	8%





OUR SUPPLY CHAIN

We strive to positively impact the lives of people working across our supply chain by providing access to services and programs for healthy and active lifestyles and communities.

FAIR TRADE

In 2011, prAna became the first North American apparel brand to produce Fair Trade Certified™ clothing. Since 2011, prAna has given back more than 1.2 million dollars to community development funds through its commitment to Fair Trade.³ From healthcare and on-site pharmacies, to educational programs, childcare, or home appliances, Fair Trade workers come together and vote on, define, and implement programs funded by community development funds. As of 2021, twelve facilities in prAna's supply chain are Fair Trade Certified™,⁴ and 57% of 2021 prAna styles were made in a Fair Trade Certified™ facility.



PLANET WATER

A healthy planet starts with clean water. That's why we partner with Planet Water Foundation, a U.S. nonprofit organization that helps combat our global water crisis by bringing clean water to communities within our supply chain. Since 2016, we have built 24 AquaTower water filtration systems through our Columbia Clean Drinking Water Program. In 2021, we built two new AquaTower systems, one in Indonesia and one in Vietnam. With the addition of these projects, we reached 96% of our goal to support the build of 25 new AquaTower systems by 2022. The 25th tower was built in February 2022. Each AquaTower brings clean drinking water to up to 1,800 people per day, and is deployed in conjunction with Planet Water's comprehensive [hygiene education program](#).



³ Community development funds are owned by the facility workers who vote on how to spend the money based on their unique needs, from healthcare and on-site pharmacies to educational programs, childcare, and home appliances. The workers come together, vote for the program, define the project and work together for implementation.

⁴ prAna had nine Fair Trade Certified™ facilities in its supply chain, and in 2021 added three new Fair Trade Certified™ facilities.

HERPROJECT

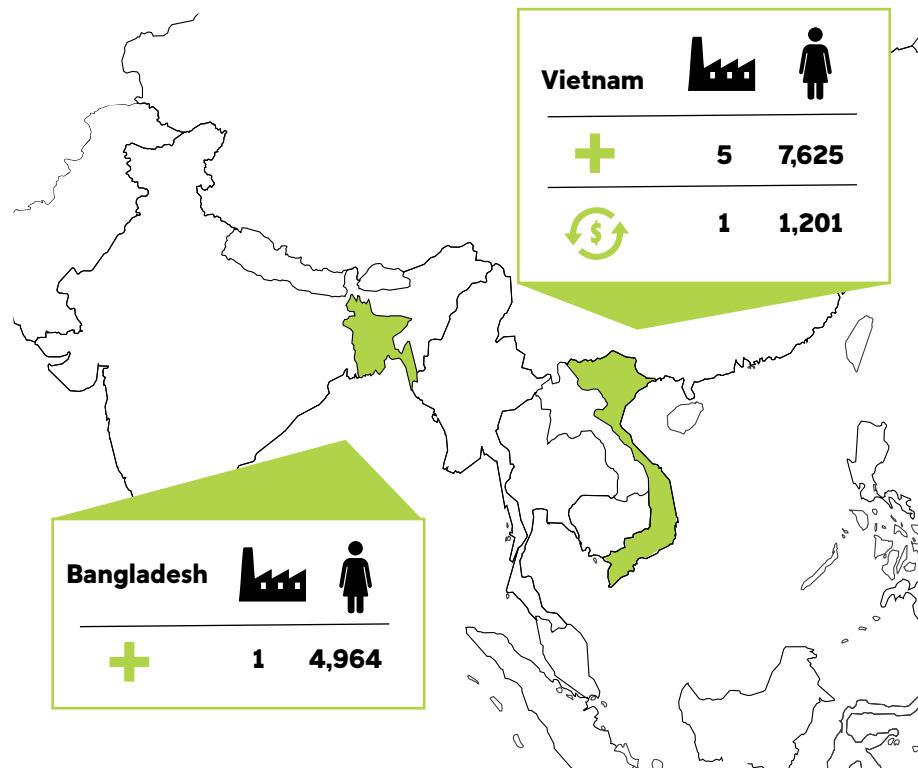
We invest in programs that improve the lives of women, who represent approximately 75% of the people who work in our finished goods factories. We have partnered with **Business for Social Responsibility (BSR)** to support women in our supply chain with the workplace training programs through **HERproject** (Health Enables Returns). HERproject uses a peer-to-peer methodology, encouraging participants to build and share new skills with their communities. Since implementing HERproject in 2008, more than 58,200 women in our supply chain have been enrolled in HERproject programs:

- HERhealth**
Improves women workers' general and reproductive health knowledge and access, and help women gain confidence to practice preventative care and seek medical treatment
- HERfinance**
Improves workers' financial capabilities and decision-making power and their use of formal financial services
- HERrespect**
Promotes gender equality and tackles violence against women

To further women's wellbeing, we made a **public commitment** through the United Nations Foundation to scale our women's health and wellbeing program in our supply chain to impact the lives of 150,000 workers by 2025. In 2021, seven factories kicked off a HERproject program benefiting over 13,000 female workers.

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

2021 New HERPROJECT Participating Facilities





OUR COMMUNITIES

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.

OUTDOOR & COMMUNITY HIGHLIGHTS

LGBTQ+ Single Pitch Instructor Course

Mountain Hardwear partnered with the American Mountain Guides Association (AMGA) to continue its LGBTQ+ programming focused on bringing queer climbers into leadership roles in the climbing community. Mountain Hardwear provided scholarships for the AMGA's Single Pitch Instructor (SPI) course and the SPI Assessment, the first steps in becoming a certified Rock Climbing Guide. Learn more about Mountain Hardwear's partnership with the AMGA [here](#).

Open Aperture

In 2021, Mountain Hardwear offered its second Open Aperture photography workshop. Taught and directed by Nikki Smith, a Mountain Hardwear athlete and ambassador, this workshop focuses on methods participants can use to document under-represented people and communities. The 2021 Open Aperture program was also featured in Climbing Magazine: Open Aperture | Climbing Through the Eyes of Diversity.

MHW Remake Program

Through its Remake program, Mountain Hardwear repairs as many products as they can that are sent to its when received by their warranty department. If an item can no longer be repaired, it is dismantled and Mountain Hardwear's Marker Studio in Richmond, CA creates a new, unique item from the reused pieces. Items are then shared with individuals who sent them in for warranty repairs.

Partnership with UK National Parks

The Columbia brand continued its partnership with the UK National Parks to support the work of several UK community groups and charities to bring the outdoors to a broader audience.



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 brands. The program reduces barriers to entry for students new to the outdoors by providing critical gear for a safe and enjoyable trip, such as tents, sleeping bags, waterproof jackets and footwear. In providing this equipment, the program helps to make the outdoors accessible for all, and to build life-long outdoor enthusiasts.

Climb United

Mountain Hardwear proudly supported the American Alpine Club's new program encouraging diversity, Climb United, by hosting three climb meet-ups at the Smith Rock, OR, Moab, UT and Bishop, CA Craggin' Classic climbing events. Designed to encourage participants from all communities to feel welcome in the climbing world, Mountain Hardwear partnered with guides and its athletes from those same communities to provide instruction, coaching, and leadership.

It's Great Out There Coalition

The Columbia brand is a founding member of the It's Great Out There Coalition, a European not-for-profit collaboration amongst outdoor industry organizations to increase public awareness of the individual and societal benefits of participating in outdoor activities. In 2021, the Columbia brand funded 125 Outdoor Activities Days supported by the It's Great Out There Coalition.

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**

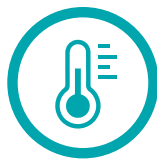


**CHEMICAL
MANAGEMENT**



**PREFERRED
MATERIALS**





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 further climate management, we focus on our:

- **Manufacturing Climate Target**
- **Water**

As a result of the Securities and Exchange Commission proposed rules on climate-related disclosures, we are revisiting the calculation of our greenhouse gas emissions. Historically, we have reported certain parts of our emissions footprint and detailed our boundaries in an extensive methodology. Through our work this year we hope to expand the boundaries of our emissions data collection and provide a more complete picture of our emissions footprint in the years to come.



MANUFACTURING CLIMATE TARGET

In 2021, CSC continued to work towards its manufacturing climate target. Strategically set to align with business and manufacturing partner development and to allow for achievement, CSC has committed to a 30% reduction in Scope 3 manufacturing emissions by 2030, as compared to a 2019 baseline.

CSC's manufacturing climate target requires manufacturing partners to meet facility-level targets by 2030. Facility-level targets are set based upon the following criteria:

- 1 **Facility emissions intensity⁵**
- 2 **Higg FEM energy section score (readiness)**
- 3 **Total GHG emissions adjusted for business volume**

Setting criteria for facility-level targets is important as manufacturing partner facilities with higher CSC business volume contribute more emissions to our Scope 3 emissions footprint, providing opportunity for greater reductions. Additionally, measuring a factory's readiness, or ability, to manage climate risk indicates the level of immediate support they might need to reduce emissions.

CSC rolled-out its manufacturing climate target to its manufacturing partners in fall 2020. To better facilitate collaboration with our manufacturing partners for target achievement, we held meetings and provided guidance materials discussing how manufacturing partners can work reduce their emissions.

⁵ Facility emissions intensity is calculated by dividing a facility's total GHG emission by their annual production volume as reported in the Higg FEM.

Through socializing our manufacturing climate target, we have found many manufacturing partners are already working to reduce their environmental impact. In surveying our manufacturing partners to determine baseline impact reduction measures being taken, we found:

75% of respondents

have started to measure and reduce their carbon footprint

>60% of respondents

have started to invest energy efficacy improvements

>30% of respondents

have invested in renewable energy

After determining baseline progress toward manufacturing partner emission reductions, CSC worked with manufacturing partners to create incremental targets and criteria for them to help drive achievement of the 2030 manufacturing climate target. Manufacturing partners are actively creating and implementing action plans in alignment with our roadmap for target achievement. We are already seeing a shift to greater usage of coal-alternative energy sources. Greater usage of coal-alternative energy sources, such as natural gas, biomass, or renewable energy, is important as these sources emit less carbon dioxide than coal, helping to lower overall emissions from our manufacturing partners' operations. Increases in renewable energy sources, for example, are a result of greater accessibility to and installation of rooftop solar panels, as well as more government incentives, particularly in India⁶ for renewables. To further manufacturing partners' efforts to reduce their environmental impact and support our manufacturing climate target, CSC is encouraging manufacturing partners to join the Carbon Leadership Project and Clean by Design programs. See the [Carbon Leadership and Clean by Design](#) section of this report for further details about these programs.

⁶Government of India Ministry of New and Renewable Energy, Grid Connected Solar Rooftop Programme: <https://mnre.gov.in/solar/schemes>



MANUFACTURING DATA COLLECTION

In addition to enhancing manufacturing processes to reduce environmental impacts, our manufacturing partners have been building upon data reporting methods for greater data integrity. Historically, the majority of data submitted via the Higg Facilities Environmental Module (FEM) has been self-reported by manufacturing partner facilities. However, an increasing number of manufacturing partners are engaging SAC-approved third-party verifiers to review their data. In 2021, 100% of our in-scope⁷ manufacturing partners submitted data via the Higg FEM, and about 72% of our in-scope manufacturing partner facilities completed data verification by an SAC-approved third party.

While the Higg FEM serves as the main tool to collect environmental performance data from our manufacturing partner facilities, we recognize that some Higg FEM data is only available as facility self-assessed data. As such, in 2021, we introduced our Climate Progress Reporting Tool (CPRT) to supplement Higg FEM data. The CPRT 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.

With the CPRT, and in collaboration with our manufacturing partners, we continue to gain greater accuracy in measuring our emissions and other environmental impacts.

⁷ 2021 data from the Higg FEM 2020 cadence includes all in scope manufacturing partner facilities. In-scope manufacturing partner facilities are Tier 1 manufacturing partners for the Columbia brand, Mountain Hardwear, SOREL and prAna. It also includes the Tier 1 factories that account for 80% of our production for Japan Direct Source and Korea Direct Development (KDD), and the top licensee factory from each licensee vendor based on volume. For Tier 2, in-scope manufacturing partners include the top 80% of Tier 2 manufacturing partners for the Columbia brand, Mountain Hardwear and SOREL, and about 50-80% of annual order volume for Tier 2 prAna manufacturing partners. Higg FEM data at the Tier 2 level is currently not available for Licensees, Japan Direct Source (JDS), Korea Direct Development (KDD) and collegiate manufacturing partners, these manufacturing partners are out of scope.

WHAT IS THE HIGG FEM?



To measure and manage the environmental impacts in our supply chain, we use an industry tool known as the Higg Facilities Environmental Module (FEM), which is managed by the Sustainable Apparel Coalition (SAC). The Higg FEM is a sustainability assessment tool that standardizes how facilities measure and evaluate their environmental performance year-over-year, enabling us to make comparisons with our peers. The Higg FEM measures the following at facilities:

- 1 Environmental management systems**
- 2 Energy use and greenhouse gas emissions**
- 3 Water use**
- 4 Wastewater**
- 5 Air emissions**
- 6 Waste management**
- 7 Chemical use and management**

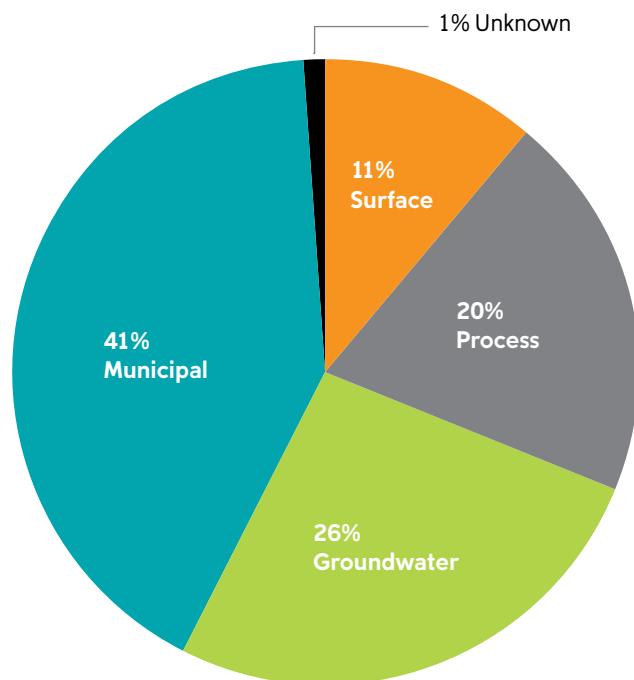
2021 marked CSC's eighth year using the Higg FEM to collect data from our manufacturing partners at the Tier 1 and Tier 2 level.



WATER

For our reported 2021 water usage, allocated manufacturing partner facility water usage decreased by about 40% from 2020. This reduction is largely attributed to pandemic impacts on CSC and manufacturing partner business, such as temporary building and operational shutdowns. As seen in Figure 1, the majority of water consumed by our Tier 1 and Tier 2 manufacturing partners is from municipal water (41%), followed by groundwater (26%), and then process water (20%) (see Figure 1). An estimated 20% of our manufacturing partner facilities use recycled water,⁸ reducing facility demand for the ground, surface, and municipal water sources.

Figure 1: Manufacturing Partner Water Allocation by Source⁹



Note: Based on 2020 Higg FEM cadence datasets.



⁸In 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.

⁹In 2021, we found that 13% of manufacturing partner facilities were unable to fully track their water consumption in the Higg FEM 2020 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.

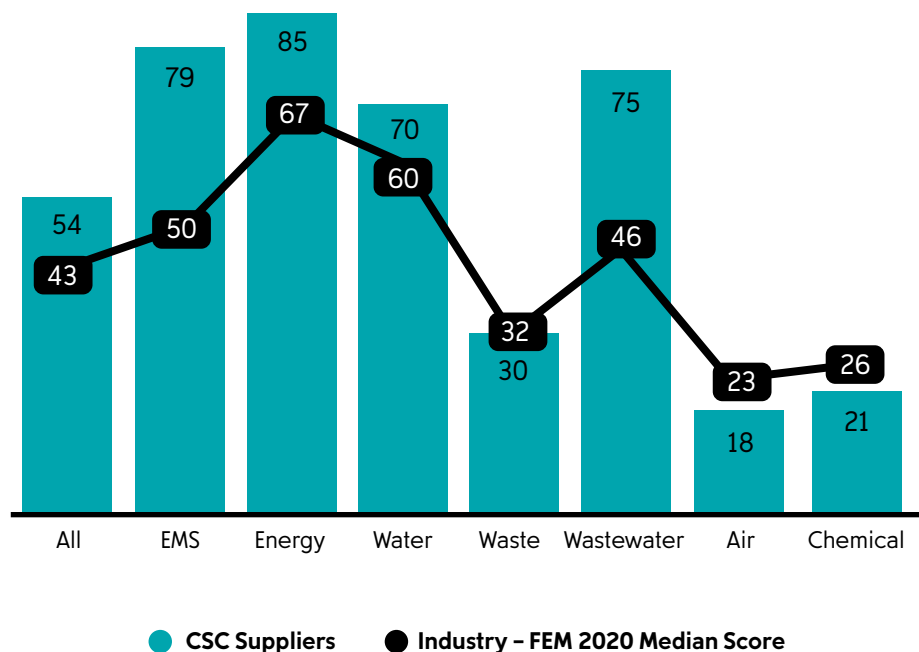


SUSTAINABLE MANUFACTURING

BUILDING SUSTAINABLE SUPPLY CHAINS

Since 2013, CSC's manufacturing partners have demonstrated steady improvement across all seven Higg FEM assessment sections: EMS, Energy, Water, Waste, Wastewater, Air, and Chemical Management.¹⁰ In 2021, CSC's in-scope manufacturing partner facilities continued to lead performance improvement by scoring 20% higher than the industry median,¹¹ which was also a 4% increase in their overall score since 2020 (see Figure 2). This overall scoring improvement was driven by an increase in energy, water, environmental management systems and wastewater scores, which is partially attributed to partnerships with the Carbon Leadership Program (CLP) and Clean by Design (CbD).

Figure 2: Higg FEM Industry Score Comparison



¹⁰ Higg FEM categories assessed include Environmental Management Systems, Energy, Water, Waste, Wastewater, Air and Chemicals

¹¹ In 2021, CSC's in-scope manufacturing partner facilities achieved a median Higg FEM score of 54 out of 100 points, which was higher than the industry median score of 43. This was also a 4% improvement for CSC's in-scope manufacturing partner facilities over their median score of 52 in 2020.

CARBON LEADERSHIP PROJECT AND CLEAN BY DESIGN

The CLP is a joint program between the Apparel Impact Institute (Aii) and Reset Carbon that helps manufacturing partner facilities achieve their climate targets. The CLP helps manufacturing partner facilities establish emissions baselines, and then supports manufacturing partner facilities with trainings and tools to develop targets and action plans to reduce emissions and environmental impacts. CSC's participation in the CLP is key to supporting our manufacturing partner facilities in identifying best practices and implementation methods for emissions reductions, and in sharing knowledge with our broader supply chain for further adoption.

As we continue to work with our manufacturing partners to better understand their water consumption in relation to production of our products, we have found opportunity to support the participation of manufacturing partners in programs to enhance water efficiency, like CbD. CbD is an 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](#). In 2021, CSC finalized one CLP program and one CbD program with two cohorts of manufacturing partner facilities at the Tier 1 and Tier 2 level.

Tier 1 Clean by Design Footwear Pilot with Facilities in Vietnam

CSC implemented the CbD program with two key footwear manufacturing partners: Kingmaker III (Vietnam) FW Co., Ltd. and Phuoc Ky Nam JSC. This was Aii and Reset Carbon's first Tier 1 CbD pilot. Participation in this pilot resulted in an estimated emissions reduction of 61 MTCO₂e, and a water reduction of over 38,000 m³. Rooftop solar panel installations, workshop air compressor optimization, compressed air pipeline leak repairs, and pipe insulation were significant drivers of these reductions.

Tier 2 Carbon Leadership Program

CSC, Aii and Reset Carbon worked with five strategic Tier 2 manufacturing partner facilities¹² in China, India and Vietnam to assess their carbon reduction potential through CLP. Through this assessment, Aii and Reset Carbon helped the manufacturing partner facilities draft action plans for decarbonization of their operations. Based on the action plans created, total emissions savings for all five facilities by 2030 are estimated to be over 9,000 MTCO₂e/year.



¹² Apex Textile Co., Ltd., Formosa Taffeta Vietnam Co., Ltd., Quanzhou Haitian Dyeing & Finishing Co., Ltd., Jiangsu Menglan Donghua Dye & Print Co., Ltd., and Nahar Industrial Enterprises Limited – Nahar Processing



CHEMICAL MANAGEMENT

CSC strives to make all products safe and compliant with global regulatory requirements, from initial concept through manufacturing and delivery to our customers. Our Global Product Compliance and Chemical Management team works closely with product creation teams and manufacturing partners to set and implement product standards and industry best practices in an effort to meet or exceed both regulatory requirements and customer expectations.

CSC's Restricted Substances List (RSL) is based on the bluesign® RSL, which aligns with global laws, preferred chemistry and hazard assessment principles, and industry standards. Per our partner agreements, compliance with our RSL is mandatory for our manufacturing partners, and is monitored through our RSL Testing Programs. We provide extensive training on our RSL and testing standards throughout our product lifecycle, from product creation, to sourcing and manufacturing.

To advance chemical management best practices, our Chemicals Management program focuses on investigating opportunities to incorporate preferred chemistry into our products and to expand adoption of best practices in our supply chain. The [CSC Chemical Management Policy \(CMP\)](#) outlines chemical management standards, guidelines for hazardous chemical identification, as well as risk-mitigation steps (see [Appendix C](#)). We evaluate our manufacturing partner facilities' adherence to these practices with the Higg FEM.

In addition to our RSL and CMP, CSC is committed to furthering the adoption of preferred chemistry throughout our supply chain to reduce risk to the consumers, workers and the environment. We have identified a few key chemistries to review in the coming years for phase-out. Cross-functional teams are working collaboratively to develop transition plans.

BLUESIGN® SYSTEM PARTNER

bluesign® is a holistic system that provides the textile industry 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 2021, we continued our partnership with bluesign® to host virtual trainings on chemical management best practices for our manufacturing partners in Asia.¹³ Over the years, we have also encouraged our manufacturing partners to become bluesign® System Partners. In 2021, we experienced a minor decrease in total manufacturing partners being bluesign® System Partners due to factors such as Pandemic-related resource constraints on our manufacturing partners. However, we continue to support new manufacturing partners in becoming bluesign® System Partners and are proud that 67% of our strategic fabric partners and 50% of our strategic trims partners are bluesign® System Partners.



¹³ For more information about the bluesign system, please visit their global website: www.bluesign.com/en

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. The LWG has developed an auditing program for leather manufacturing facilities based on their environmental compliance and performance capabilities.

Furthering our support for more responsible leather manufacturing, CSC joined the Leather Working Group (LWG) in 2021. As a LWG member, we continue to prioritize selection of LWG certified manufacturing partners and are now provided additional resources for greater assurance that we are working with manufacturing partners whose values and high standards align with our own. Additionally, the LWG program aligns with our Chemicals Management Policy and helps to advance chemicals management best practices in leather processing facilities, which are traditionally chemical intensive. In 2021, 100% of the Columbia brand and SOREL footwear leather manufacturing partners were LWG rated.



FLAME RETARDANT ELIMINATION

In 2021, we continued collaborative efforts across the outdoors industry to eliminate or significantly reduce the use of additive flame retardant in our products. Building upon our 2020 work to revise a widely used, voluntary industry standard, the updated standard was formally published in 2021 – *ASTM F3431-21: Standard Specification for Determining Flammability of Materials for Recreational Camping Tents and Warning Labels for Associated Hazards*. In 2021, we also continued to work with the industry to update standard *CPAI-84 (2021): A Specification for Flame-Resistant Materials Used in Camping Tentage*. Studies have demonstrated the toxicity of flame retardants, which was the primary driver behind the industry collaboration updates. Flame retardants have been restricted in all CSC children's product since 2017 and have been removed from Mountain Hardwear tents since 2019. CSC continues to collaborate with various stakeholders to further refine the standards and influence regulatory adoption in both the U.S. and Canada.

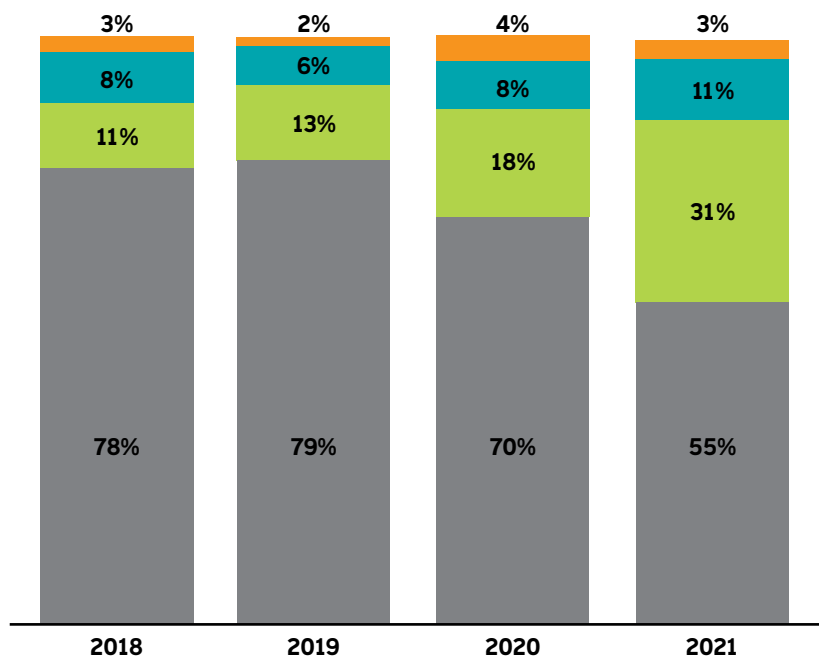


HIGG FEM CHEMICAL MANAGEMENT

To drive continuous improvement, CSC uses the Higg FEM Chemical Management module to measure our manufacturer partners' chemical management performance. Higg FEM questions are built in a three-level structure (Levels 1, 2, and 3), which signifies general thresholds of good, better, and best environmental practices, respectively. In 2021, our manufacturing partners demonstrated improved chemical management performance with 45% of manufacturer partners meeting Level 1 or above, a 15% increase since 2020 (see Figure 3).

- **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

Figure 3: Higg FEM Chemical Management Performance














PREFERRED ATTRIBUTES AND 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. Preferred materials are those containing at least one preferred attribute.

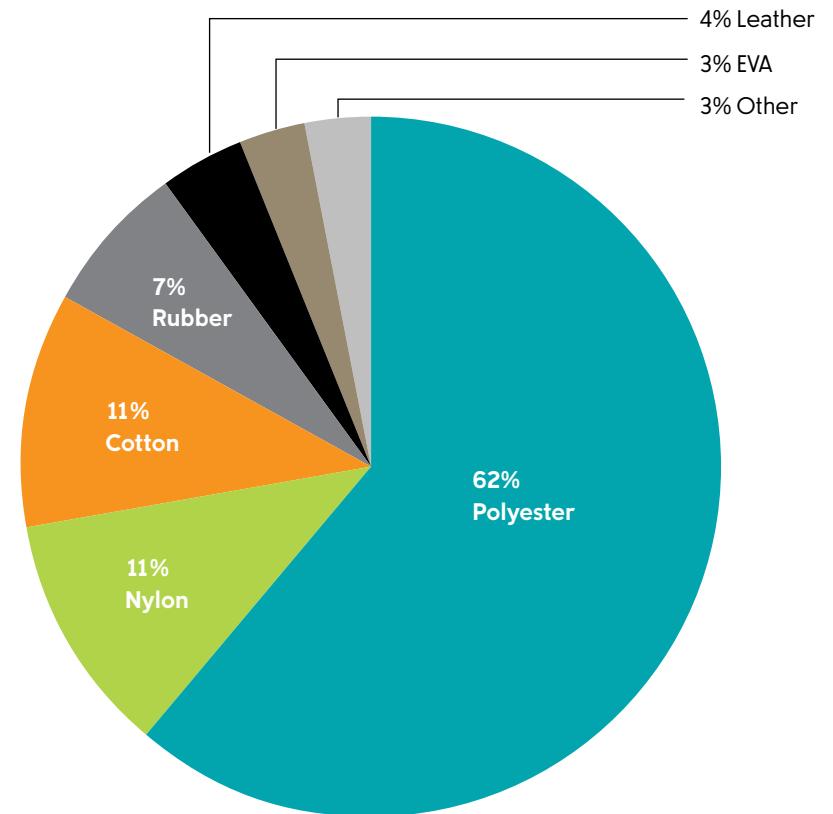
CSC PREFERRED ATTRIBUTES

- 
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

2021 MATERIAL PORTFOLIO OVERVIEW

In 2021, four fiber types make up 90% of our material portfolio – polyester (62%), nylon (11%), cotton (11%), and rubber (7%).

Figure 4: 2021 Material Portfolio (percent by weight)



2021 PREFERRED MATERIAL HIGHLIGHTS

MATERIALS

100%

RESPONSIBLE DOWN STANDARD CERTIFIED DOWN

100%

COTTON IS ORGANIC OR RECYCLED*



100%

FOOTWEAR LEATHER MANUFACTURING PARTNERS
WERE LEATHER WORKING GROUP RATED

80%

POLYESTER IS RECYCLED



32%

BLUESIGN® CERTIFIED MATERIALS

32%

WOOL IS RECYCLED



PACKAGING

100%

DIRECT TO CONSUMER PACKAGING IS
PLASTIC FREE



100%

RECYCLED CONTENT IN SHIPPING BOXES

100%

RECYCLED CONTENT IN SHOE BOXES

50%

RECYCLED CONTENT IN SHOE BOX TISSUE PAPER

STYLES

93%

OF STYLES HAD AT LEAST ONE
PREFERRED MATERIAL



84%

OF STYLES HAD AT LEAST ONE
PREFERRED MATERIAL



78%

OF STYLES HAD AT LEAST ONE
PREFERRED MATERIAL



60%

OF STYLES HAD AT LEAST ONE
PREFERRED MATERIAL



*May contain traces of other materials

PRODUCT & TECHNOLOGY SPOTLIGHT



REZION™

In 2021, prAna introduced the new fabrication called ReZion, a durable, recycled nylon fabric with features like UPF protection and PFAS-free water-repellency.

OUTERWEAR

The new Alpine Air series and Insulo Stretch Hooded Jackets utilize PrimaLoft® P.U.R.E™ insulation, which is made with more efficient processes resulting in fewer carbon emissions.



Women's Alpine Air Hooded Jacket



Men's Insulo Stretch Hooded Jacket



SHOES MADE WITH ALGAE

In 2021, the Columbia brand and SOREL began using a product known as BLOOM™, an algae-based material, in the midsoles of select footwear styles. BLOOM™ material is created from excess algae harvested from freshwater bodies to support healthier aquatic ecosystems. In addition to supporting nutrient management and assisting in restoring balance to ecosystems with excess algae, using BLOOM™ helps to reduce the midsole material's carbon footprint by replacing a portion of the traditional EVA (Ethylene-Vinyl Acetate) with material containing carbon-sequestering algae.



SOREL Fall 2021 Kinetic™ Rush Eco Sneaker



Columbia Spring 2021 Summertime™ water shoe



NEW MATERIAL MEMBRANES FOR LOWER ENVIRONMENTAL IMPACT

In 2021, Mountain Hardwear adopted W.L Gore's new waterproof membrane, known as an expanded polyethylene membrane (ePE), into Mountain Hardwear's Fall 2022 collection. The new ePE membrane is light, thin and as durable as membranes used in current products, with added benefits of a lower carbon footprint due to different materials used as compared to traditional membranes, plus less material used in each new membrane. The new membrane is also PFAS-free.

PACKAGING SPOTLIGHT

prAna®

prAna has been committed to responsible packaging for over 10 years with a goal to eliminate plastic from direct-to-consumer packaging by 2021. In 2021, prAna accomplished this goal by eliminating plastic packaging in direct-to-consumer shipping. Instead of using plastic bags to contain products, products are shipped directly to customers using either the roll-pack method, by which products are rolled and secured with a raffia tie, or enclosing products in glassine paper bags.¹⁴ While historically many wholesale partners have required products to be shipped in plastic bags for product protection, the introduction of glassine paper bags provides the opportunity to protect products during shipping without individual plastic. To advance adoption of plastic-free packaging, prAna is working with its wholesale partners to accept plastic-alternative packaging methods.

To further reduce environmental impacts related to packaging, prAna is also working towards using more responsible paper packaging. As of 2021, the majority of paper used in prAna's packaging is made of recycled content and/or Forest Stewardship Council (FSC) certified content.¹⁵

In 2020, prAna launched its Responsible Packaging Movement with a goal of making a seismic shift towards responsible packaging in the consumer goods industry across multiple categories through partnership and education. In 2021, 68 brands joined the Movement, bringing the total number of participating brands to 110. In 2021, to further the adoption of more responsible packaging, prAna hosted ten live educational sessions focusing on key criteria for choosing responsible alternatives to plastic and virgin forest fiber packaging, and on implementing the use of these responsible packaging alternatives. Additionally, prAna also published a three-part guidance for responsible packaging to assist brands in transitioning to more responsible packaging.



SOREL uses primarily natural fibers for packaging with 100% recycled content in corrugated shipping master outer cartons and shoe boxes, as well as shoe box tissue paper made with 50% recycled content. SOREL is a part of prAna's Responsible Packaging Movement. As part of the Movement, SOREL pledges to maintain using zero plastic in our packaging and only using 100% recycled content in master outer carton and shoe boxes.

¹⁴ prAna's glassine bags are Forest Stewardship Council (FSC) Certified paper bags designed to replace single-use plastic bags from products that cannot be roll packed. Glassine bags are curbside recyclable.

¹⁵ Examples of prAna packaging made with recycled content or FSC content include paper hangtags, paper-based accessories packaging, shipping envelopes and boxes.

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 investing in programs and practices to ensure high standards of ethics and compliance are met across our supply chain and with our business partners. We seek to incorporate responsible practices into our business through:



**ETHICS &
COMPLIANCE**



**WORKPLACE HEALTH
& SAFETY**



**SOCIAL RESPONSIBILITY
IN OUR SUPPLY CHAIN**





ETHICS & COMPLIANCE

We are committed to living our values of “doing the right thing” and fostering a speak-up culture. 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:

- **Are committed 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 Compliance Committee seeks to champion and foster a company culture of ethics and compliance consistent with our Code of Business Conduct and Ethics and related policies. The Compliance Committee consists of senior leaders from Human Resources, Legal, Finance, Internal Audit, and Business teams, and provides programmatic oversight and direction of the Company's Ethics and Compliance Program. Our Board, with support from the Compliance Committee and the Ethics and Compliance Program, oversees organizational structures, policies, and procedures at CSC to promote ethical conduct and compliance with laws and regulations.

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. The chair of the Audit Committee receives notifications of all compliance line reports.

Each July, we set aside the month to bring added focus to ethics and compliance. In 2021, we launched a communication campaign focused on our speak-up culture. Each week, we heard from different global leaders to reinforce concepts such as what speaking-up means, how it relates to DEI, and why psychological safety is important for maintaining a strong speak-up culture. Employees were engaged through a crossword submission for prize drawings.





WORKPLACE HEALTH AND SAFETY

In 2021, protecting the health and safety of our employees, their families, our customers, and our communities remained our top priority as we continued to navigate challenges presented by the Pandemic. As part of our ongoing health and safety initiatives, we encouraged employees to get vaccinated and promoted employee wellbeing through various programs. We also continue to uphold our objective of maintaining an accident and injury free workplace through collective awareness and ownership.

POLICIES AND STANDARDS

CSC's company-wide Injury and Illness Program is supported by local, regional, global, and site-specific employee health and safety policies and programs. CSC's Injury and Illness Prevention Program embodies key elements communicating conditions to employees about their work environment, and aligns with local and regional regulatory requirements and industry standards (e.g., US-OSHA, National Fire Protection Association, country specific) where necessary.

TRAINING

Training is a key component of our health and safety program. Our standards require new employees to receive health and safety training related to their work environment. Health and safety training is provided during an employee's onboarding process through a variety of training techniques including the Safety New Hire Workbook, specific task classroom, and online training. Safety training continues throughout our employees' career via classroom and computer learnings, as well as manager talks, ranging from specific certifications to general awareness and behavior training.

OCCUPATIONAL HEALTH SERVICES

In 2021, we enhanced our occupational health services by contracting triage nurses. In case of an injury or exposure, triage nurses offer medical advice and telehealth services.

HEALTH AND SAFETY COMMITTEES

As part of our global health and safety standards, we maintain health and safety committees at the retail, corporate and distribution levels of our business. Our health and safety committees facilitate and maintain regular communication regarding health and safety issues and information across all levels of the organization. This information includes, but is not limited to, health and safety standards, processes and procedures, prevention measures, near misses and incident reviews, reporting and investigation obligations. Health and safety meetings are held regularly, and topics are tailored to specific location needs depending upon the type and scope of work.





SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN

We hold ourselves and our manufacturing partners to high standards for furthering social responsibility and integrity across our supply chain. Strong internal programs, policies, practices, and accountability systems establish the foundation for selecting and conducting business with manufacturing partners who share our beliefs and meet our social responsibility requirements. Understanding where our products are made and the working conditions in our manufacturing partner facilities is key to advancing ethical worker treatment, safe working conditions, and transparency through our social responsibility program.

SOCIAL RESPONSIBILITY PROGRAM AND SCORECARD PROCESS

Our [Standards of Manufacturing Practices \(“SMP”\)](#) (also known as our Supplier Code of Conduct) outline expectations of our manufacturing partners. Based on [International Labor Organization \(“ILO”\)](#) conventions and [Fair Labor Association \(“FLA”\)](#) standards, including a section on prohibiting forced labor¹⁶, our SMP lays the groundwork for responsible and transparent operations across our supply chain.

To assess our manufacturing partners' compliance with our SMP standards and local labor laws, we utilize performance data from several sources. Sources include:

- Unannounced audits performed by our internal Corporate Responsibility (CR) specialists and designated third party audit firms
- Audits performed by external parties against other standards
- Assessments performed by the ILO Better Work program
- Verified assessments using the Social and Labor Convergence Program's (SLCP) Converged Assessment Framework

Figure 5: 2018–2021 CSC Manufacturing Partner Social Responsibility Scorecard Ratings (Percent)

	2018	2019	2020	2021
Best in Class	2%	0%	1%	1%
A	10%	6%	6%	5%
B	76%	69%	77%	74%
C	11%	23%	15%	19%
F	1%	2%	1%	1%

In 2021, we worked with 392 finished goods facilities (Tier 1), of which 82% had at least one audit or assessment performed during the year. We also increased the number of assessments at our processing (Tier 2) facilities from 9 facilities in 2020 to 36 facilities in 2021 by using SLCP's Converged Assessment Framework.¹⁷ Data from these audits and assessments are used to inform our CR Supplier Scorecard ratings for social responsibility. Our CR Supplier Scorecard also includes indicators for remediation efforts and long-term change, training and worker empowerment¹⁸, management systems and transparency.¹⁹ 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. In 2021, we saw a minor increase in the percentage of facilities moving from B rating to C rating. This increase was largely due to a downgrade in the facility's audit rating, and a lack of active participation in the corrective action process. We are working with manufacturing partners who have experienced a decreased rating by collaborating with them 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.

¹⁶ 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](#)

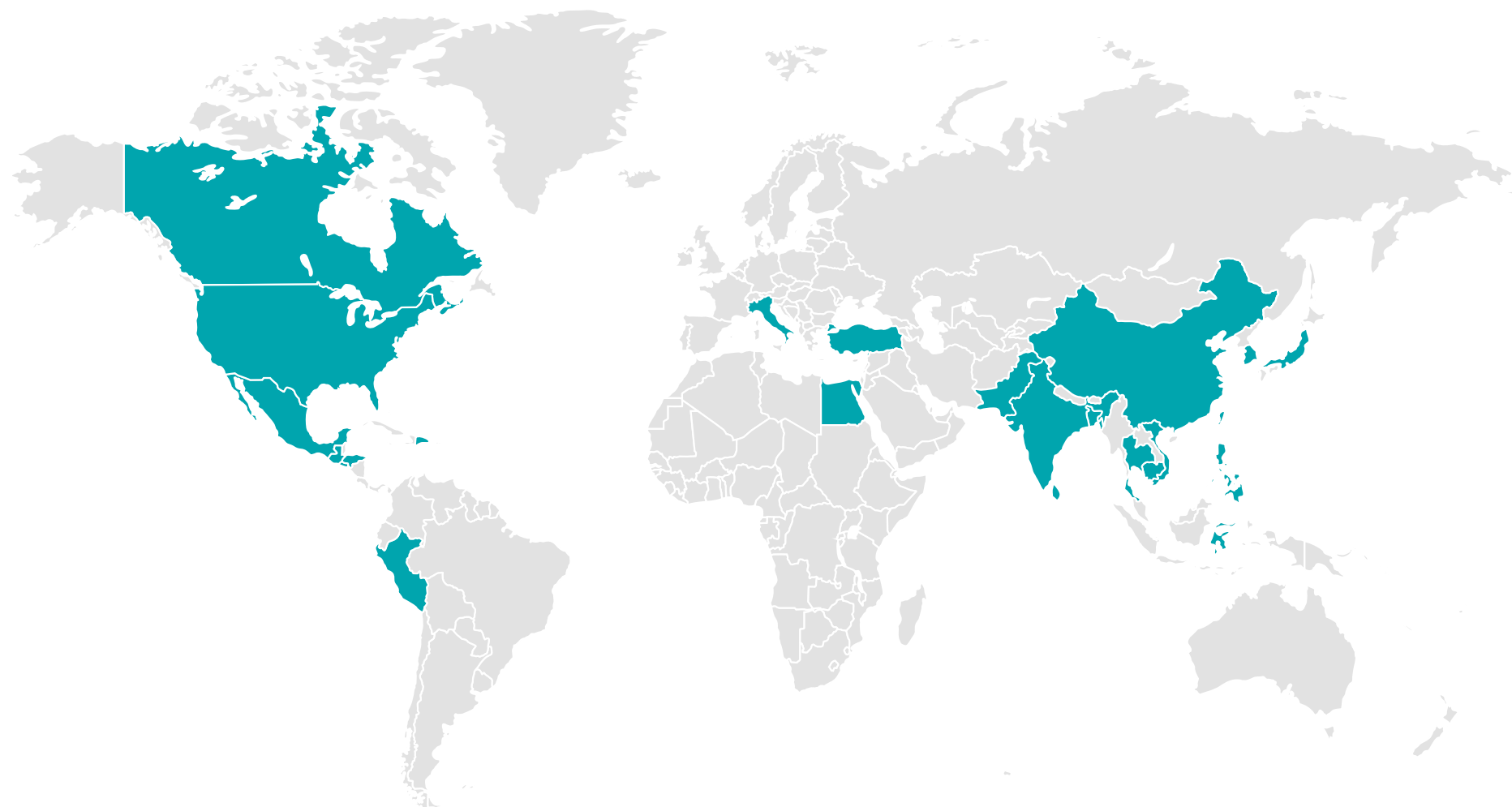
¹⁷ See [Appendix D](#)

¹⁸ See [HERproject](#) section

¹⁹ See [Appendix E](#)

PUBLIC DISCLOSURE AND TRANSPARENCY

In 2021, CSC began working with the Open Apparel Registry (OAR) to expand supply chain disclosure capabilities via our [Transparency Map](#). The Transparency Map now provides an interactive overview of active finished goods manufacturing partner facilities (Tier 1) and material processing manufacturing partner facilities (Tier 2) that account for approximately 80% of our business volume. This project increased the type of data available for each facility, allowing stakeholders to have visibility to the OAR ID,²⁰ facility parent company, and facility processing activities. This facility-specific data is validated by OAR and is also published on [OAR's public map](#), thereby aligning the Transparency Map and associated data with industry best practices.



● Countries with manufacturing partner facilities

²⁰ The OAR ID is a 15 character unique identifier assigned to each facility, serving as a central source of truth alongside name and address data.



APPENDICES

APPENDIX A: SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

SASB is an independent, standards-setting organization enabling businesses and investors to connect on the financially material aspects of sustainability. This Report marks the third time CSC has reported to the SASB framework, specifically the Apparel, Accessories and Footwear disclosure framework. All information reported is for the 2021 calendar year – January 1, 2021 through December 31, 2021.

Table 1. Sustainability Disclosure Topics & Accounting Metrics – Apparel, Accessories and 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	Chemical Management RSL and Product Compliance Manual
	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	Chemical Management Appendix C: Manufacturing Partner Facilities Meeting CMP Priorities Chemical Management Policy
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 2021, 190 Tier 1 and 122 Tier 2 supplier facilities were in scope to complete the Higg FEM Assessment (2020 cadence). Of the supplier facilities that completed the Higg FEM, 98% of Tier 1 and 99% of Tier 2 supplier facilities were in compliance with wastewater discharge permits and/or contractual agreement. Sustainable Manufacturing
	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.1	In 2021, 190 Tier 1 and 122 Tier 2 supplier facilities were in scope to complete the Higg FEM Assessment (2020 cadence). 100% of Tier 1 and Tier 2 supplier facilities completed it, representing around 80% of CSC's overall manufacturing. Sustainable Manufacturing

APPENDIX A: SASB INDEX 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) 82% of active 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 122 Tier 2 manufacturing partner facilities, 30% of our Tier 2 manufacturing partner facilities have been audited using the SLCP CAF, with the data analyzed against our SMP.</p> <p>(3) 76% 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 2021, 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 Program and Scorecard Process Appendix E</p> <p>Standards of Manufacturing Practices</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>See "Risk Factors" in our Fiscal Year 2021 Form 10-K</p>

APPENDIX A: SASB INDEX CONTINUED

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE/RESPONSE
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	N/A	CG-AA-440a.1	<p>The following represent risks identified, as well as the policies and statements to mitigate these risks.</p> <p> Conflict Minerals Policy 2021 Conflict Minerals Report Animal Derived Policy Natural Down & Feather Insulation Statement Statement on Climate Change Uzbekistan & Turkmenistan Cotton Policy Transparency in Supply Chain Statement Chemical Management Policy </p>
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	<p>Preferred Materials and Attributes</p>

Table 2. Activity Metrics – Apparel, Accessories and 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: 392 active facilities</p> <p>Transparency Map</p> <p>Tier 2: 94 apparel and trim suppliers*: 28 footwear suppliers</p>












*Account for top 80% of CSC's apparel and trim business.

APPENDIX B: UN SDG MAPPING

In 2021, 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 8 of the 17 UN SDGs:

CSC BUSINESS AREAS	UN SDGs
EMPOWERING PEOPLE	
Our Employees	 
Our Supply Chain	    
Our Communities	 
RESPONSIBLE PRACTICES	
Ethics & Compliance	
Health & Safety	
Social Responsibility in our Supply Chain	  

CSC BUSINESS AREAS	UN SDGs
SUSTAINING PLACES	
Climate Management	  
Sustainable Manufacturing	  
Higg FEM Chemical Management	 
Chemical Management	 
Preferred Attributes & Materials	

APPENDIX C: 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

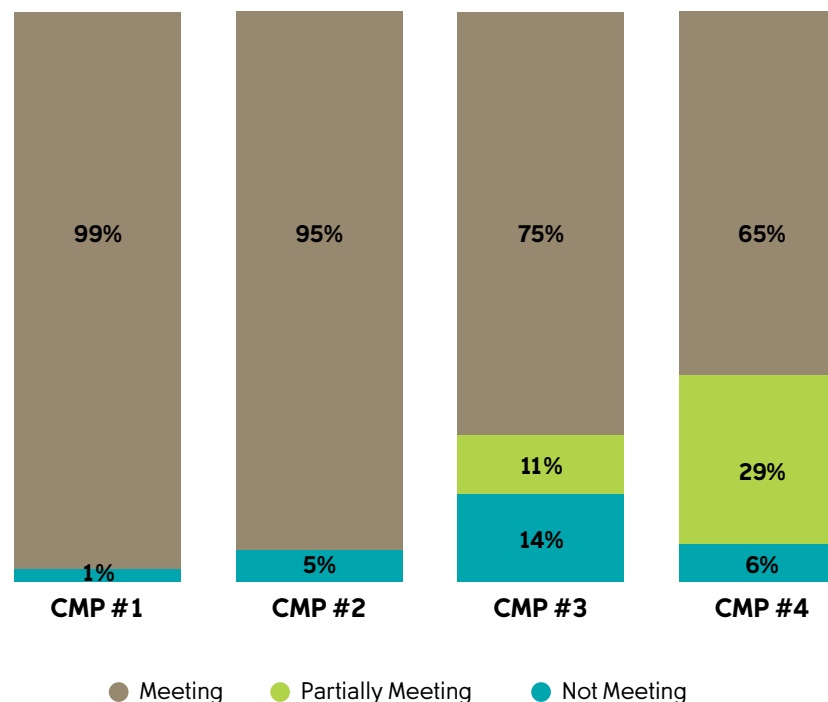
CMP #2: Assignment of individual responsible for chemical management

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.

Figure 6: Manufacturing Partner Facilities Meeting CMP Priorities (Percent)



APPENDIX D: SOCIAL RESPONSIBILITY AUDITS AND ASSESSMENTS

To analyze and measure our manufacturing partners' conformance with our Standards of Manufacturing Practices (SMP), we utilize a combination of internal and external audits and assessments. In 2021, 354 audits were performed, including:

1 Internal CSC Corporate Responsibility (CR) Field Team

All audits performed by our internal Corporate Responsibility (CR) field team are unannounced. This allows our team to see manufacturing partner facility conditions as they are on a typical day. While our field team continues to perform audits, we have also increased adoption of other assessments, such as SLCP and Better Work, resulting in a decrease in the number of audits performed by our field team since 2019 (see Figure 8). Utilizing external audits enables our team to spend more time with manufacturing partners to implement remediation, training and capability building, and worker empowerment programs.

2 Third Party Audit Firm

For select manufacturing partners where we do not have local staff, as well as for our licensee business, we employ Omega Compliance and Elevate Limited to conduct unannounced audits on our behalf, and in accordance with our SMP audit protocol. Audit trainings are regularly conducted with both firms, and we also occasionally shadow auditors for quality control.

3 External, Other Standards

We have developed strong relationships with several brands who share our values and approach to factory monitoring. We will accept audit results performed in accordance with their standards. We apply our rating according to our evaluation and our CR Scorecard Rating System (see [Appendix E](#)). Manufacturing partners facilities are also required to complete their Corrective Action Plan via our Corporate Responsibility Database as necessary.

4 Social and Labor Convergence Program Common Assessment Framework

To further empower our manufacturing partners, we are committed to adopting the [Social and Labor Convergence Program \(SLCP\) Common Assessment Framework \(CAF\)](#).²¹ 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.²² Adoption of SLCP also enables our internal CR field team to spend more time on remediation, training and capability building, and worker empowerment programs with our manufacturing partners. SLCP CAF results are used to rate our manufacturing partners in accordance with our CR Scorecard Rating System (see [Appendix E](#)). Manufacturing partners facilities are also required to complete their Corrective Action Plan via our Corporate Responsibility Database as necessary.

5 International Labour Organization's Better Work Program

Better Work is a partnership between the United Nation's International Labour Organization (ILO) and the International Finance Corporation, a member of the World Bank Group. Better Work brings diverse groups together – governments, global brands, factory owners, and unions and workers – to improve working conditions in the garment industry and to increase market competitiveness. As an [ILO Better Work Brand Partner](#),²³ we encourage our manufacturing partners to join the Better Work program. Enrollment in Better Work provides manufacturing partners with advisory services, industry seminars, assessments, and training to improve social responsibility performance and compliance. In 2021, 69 of our finished goods manufacturing partner facilities were enrolled in the Better Work program.

²¹ SLCP CAF consists of a Data Collection Tool, verification methodology, and guidance documents

²² "Audit fatigue" refers to situations in which suppliers 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.

²³ As a Better Work Brand Partner, CSC is involved in the governance and strategic planning of the Better Work program.

APPENDIX D CONTINUED

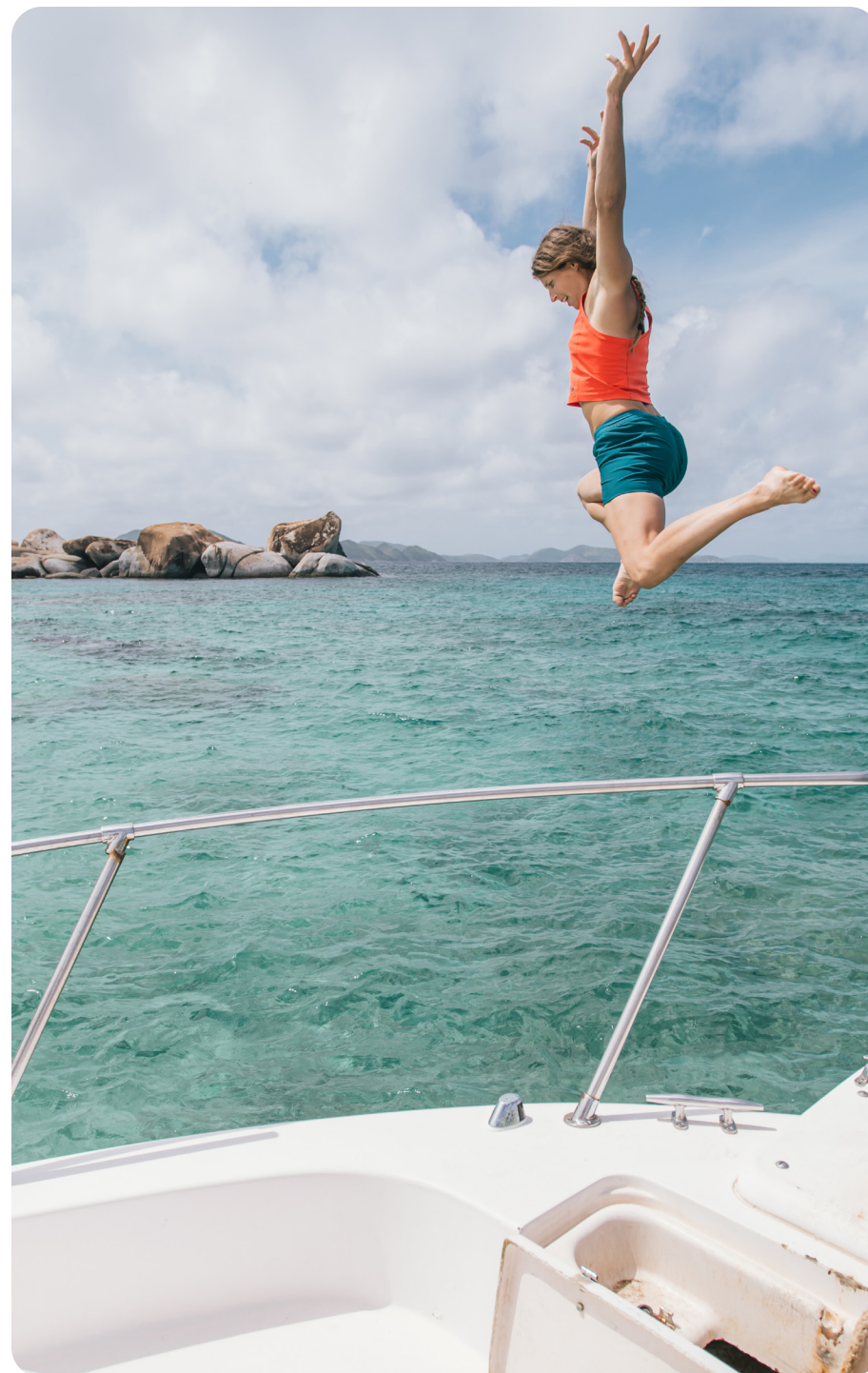
In 2021, we worked with 392 finished goods manufacturing partner facilities (Tier 1), of which 82% had at least one audit or assessment performed during the year.²⁴ We also began the expansion our Social Responsibility auditing program to include our processing manufacturing partners facilities (Tier 2) utilizing the SLCP assessment. In 2021, 36 Tier 2 manufacturing partner facilities received an SLCP verified assessment, up from 9 in 2020.

Figure 7: Social Responsibility Tier 1 Manufacturing Partner Facility Audits & Assessments

Audit/Assessment Data Source	2019	2020	2021
Internal CR Team SMP Audit	220	91	57
Third Party Audit Firm SMP Audit	143	111	112
Better Work Assessment	8	73	48
SLCP Verified Assessment (Tier 1)*	8	14	93
External, Other Standard	23	17	44
TOTAL	402	306	354

* Note: In 2019 and 2020, we grouped Tier 1 and Tier 2 SLCP assessments together. In 2021 and onwards, we will be counting them separately.

²⁴ Some factories may receive more than one audit in a calendar year based upon performance during the previous audit. Additionally, while we strive for all Tier 1 manufacturing partner facilities to receive at least one audit or assessment yearly, travel limitations due to the Pandemic in 2020 and 2021 resulted in some facilities not receiving an annual audit or assessment.

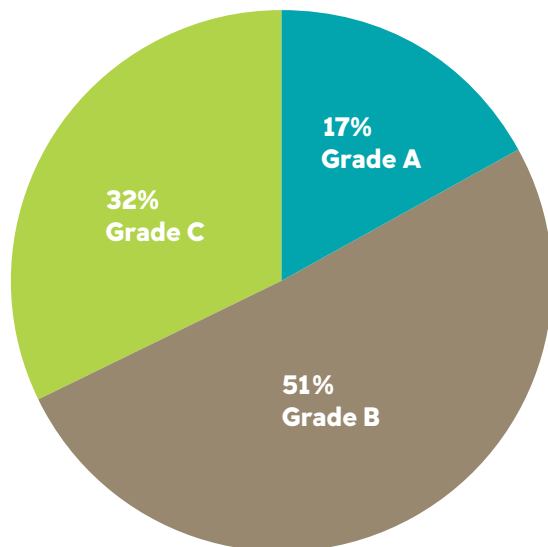


APPENDIX E

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. While CSC has historically provided grades related to manufacturing partner facilities' social responsibility practices, 2021 marks the first year a total CR Scorecard Rating has been provided to manufacturing partner facilities. In 2021, 121 Tier 1 manufacturing partner facilities received a CR Grade.

Figure 8: 2021 Tier 1 Manufacturing Partner Facility CR Grades



APPENDIX E CONTINUED

SOCIAL RESPONSIBILITY SCORECARD RATING SYSTEM

Social responsibility scorecards are updated monthly and shared with our manufacturing partners for continuous improvement. Social responsibility grades are also used internal sourcing teams' during our manufacturing partner selection process. To drive informed decisions, we regularly engage with our Senior Leadership Team on social responsibility performance data and risks, and annually present a performance report to our Board of Directors.

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

- **Social Responsibility audits and assessments** (see [Appendix D](#))
- **Remediation efforts:** To track remediation efforts and progress over time, our manufacturing partner facilities input their audit/assessment corrective action plans into our online portal. This data allows us to analyze their performance and identify trends at the facility level. It also provides us with the ability to determine trends across our supply chain, identifying areas for continuous improvement, and informing long term strategy. Manufacturing partner facilities can view their grades via the portal.
- **Training and worker empowerment:** We encourage our manufacturing partners to regularly participate in trainings to advance worker wellbeing and empowerment, such as HERproject
- **Management systems and commitment:** We expect our manufacturing partners to invest in systems and a team to manage their workforce responsibly, and to take ownership of their social responsibility program
- **Transparency:** We expect continuous transparency from our manufacturing partners – during normal operations, and during audits and assessments

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 E CONTINUED

ENVIRONMENTAL SUSTAINABILITY SCORECARD RATING 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 E CONTINUED

PRODUCT COMPLIANCE SCORECARD RATING 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.

2021

ENVIRONMENTAL, SOCIAL, & GOVERNANCE REPORT

