



Columbia

CORPORATE RESPONSIBILITY REPORT
FY15



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INTRODUCTION

78 years ago, the owner of a men's shirt factory escaped from Nazi Germany with his young family and resettled in Portland, Oregon. He bought a small hat manufacturer and renamed it Columbia Hat Company, in honor of the mighty river that has been a sustaining force of the scenic and fertile Pacific Northwest since before recorded time.

The first principle of any responsible business is to make decisions and investments that prepare the business and its employees to weather the ebbs and flows of economic cycles, fashion cycles, tectonic changes in societal trends and activities, and shifting consumer preferences.

By living that principle every day for 78 years, the founding Boyle family – who still own 60 percent of the company – have built Columbia Sportswear into a global \$2 billion brand that has been a valued partner in a number of corporate responsibility initiatives integral to the global apparel and footwear industry.

That long, rich heritage makes us proud to welcome you to the inaugural Corporate Responsibility (CR) report of the Columbia Sportswear brand, the flagship brand of Columbia Sportswear Company (CSC) which today also owns the SOREL, prAna and Mountain Hardwear brands.

With 78 years of history, one of the hardest questions we faced in designing this report was: **“Where should we start?”**

Columbia Sportswear has always been a brand that looks to the future. So we decided to start where we are and carry the story of that thread forward. This inaugural Corporate Responsibility report provides an assessment of the brand's performance and progress from January 1st, 2015 through December 31st, 2015, and includes historical context where relevant.

This report focuses on aspects of the Corporate Responsibility program that have significant economic, environmental and social impacts to Columbia's business and is organized to provide insight into Corporate Responsibility performance by outlining the approach, highlights and challenges in each of the following areas:



PRODUCT

Making products with improved social, ethical and environmental performance



MANUFACTURING

Working with vendors that share our values of fair and ethical treatment of workers, safe working conditions, transparency and sustainable manufacturing practices.



COLLABORATION

Supporting the development of common standards and tools for evaluating impact and sharing resources in areas such as audit collaboration.



LOGISTICS & OPERATIONS

Managing our operations efficiently with respect to resource use and reducing the climate impact of our owned and operated facilities.



COMMUNITY

Conserving natural spaces, inspiring people to experience the outdoors and building healthy global communities.

FOUNDED
1938
PORTLAND, OREGON

PRODUCT SOLD IN OVER
100 COUNTRIES

ABOUT US

Columbia Sportswear got its start in 1938 in Portland, Oregon. From a small, family-owned hat company to the global giant it is today, Columbia has always remained true to its roots – that of humble, no-nonsense gear designed to keep outdoor lovers warm, dry, cool and protected no matter what. When our very own tough mother, Chairman Gert Boyle, said: “It’s perfect. Now make it better,” she wasn’t kidding. And so we test our product in every terrible, day-ruining condition the mighty Pacific Northwest can dish out until it earns Gert’s famous stamp of approval.



10% ↑
NET SALES SINCE 2014

**\$1.86
BILLION**
ANNUAL REVENUE

6,023 FULL-TIME
EMPLOYEES

MADE IN
**281 FINISHED
GOODS SUPPLIERS**
IN 18 COUNTRIES



**1 TOUGH
MOTHER**

LETTER FROM TIM BOYLE

CHIEF EXECUTIVE OFFICER

Here at Columbia, our entire 78-year history has been driven by a deep commitment to the people and families who live, work and play in the communities where we operate and to the scarce resources that we all have a responsibility to steward effectively.

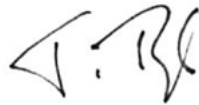
One of our core values is to do the right thing, not just for our company, but also for our consumers, customers, employees and communities. Fifteen years ago, we established a dedicated Corporate Responsibility team who began laying the groundwork that has enabled us to advance towards mature practices in this important realm.

Today, our Corporate Responsibility practices are grounded in authenticity and partnership with our employees, other brands, suppliers, industry groups, governments, NGOs and communities. We know this is an ongoing conversation and there is still much progress to be made in the years ahead.

On behalf of each of the 6,000 employees who work in concert with our valued partners around the world, I'm pleased to share this snapshot of our progress in our inaugural Corporate Responsibility Report.

“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.”

Tim Boyle



Chief Executive Officer



LETTER FROM ABEL NAVARRETE

SENIOR DIRECTOR OF CORPORATE RESPONSIBILITY

“It’s perfect, now make it better.”

This is the directive given by our very own tough mother, Chairman Gert Boyle. It’s what inspires us to relentlessly strive for improvement in every aspect of our business. For our Corporate Responsibility team, that means ensuring we have the policies, programs and resources in place to run our business responsibly, to be conscientious stewards of the environment and to have a positive impact on our communities.

We have come a long way in the development of our Corporate Responsibility programs since the department was founded in 2001. Our team has evolved from its initial focus on compliance to serving as a key value driver and trusted partner for the business. This evolution has been informed by understanding how core issues, such as safe working conditions, finite resources, climate change, access to outdoors and consumer expectations impact our business in concrete ways. The cornerstones of that evolution have been our commitment to high standards and to investing in practices that enable us to act responsibly.

One trend that has gained incredible momentum over the last decade in the global apparel and footwear industry is collaboration among brands and suppliers. The interconnectedness and complexity of the industry’s shared global supply chain, makes it critical for leading brands and suppliers to embrace corporate responsibility practices that alleviate duplicative auditing and policing, instead creating platforms for dialogue focused on shared responsibility, common standards and collective improvement.

Increased industry-wide collaboration has changed Columbia’s approach to supply chain oversight. In 2015, over 20% of finished goods suppliers were active in our brand auditing collaboration program. In addition, we have adopted the Higg Index Facility Environmental Module as the primary environmental assessment tool across all of our suppliers, and we were a signatory of the Social and Labor Convergence declaration.



In order to demonstrate progress, we needed to be able to measure changes in our impacts. In 2015, we invested in additional tracking and measurement resources and increased the formality and frequency of tracking and reporting our impact metrics. We completed our first greenhouse gas inventory in order to establish a benchmark for future progress. We invested in software platforms that enable easy, accurate tracking and reporting of supply chain performance. We also launched a traceability program with a specific focus on better managing Tier 2 and Tier 3 supplier responsibility.

This is a good start, but we’ve got a long way to go. We want to see wider adoption of common industry standards and the actualized efficiencies associated with this adoption. We also strive to do a better job of affecting and demonstrating tangible, positive impacts in our global supply chains.

This report is a result of our investment in more formal tracking and reporting mechanisms and is primarily focused on capturing a snapshot of our performance. As you read this, know that we are continuously improving in an ongoing effort to live up to Gert’s directive: “It’s perfect, now make it better.”

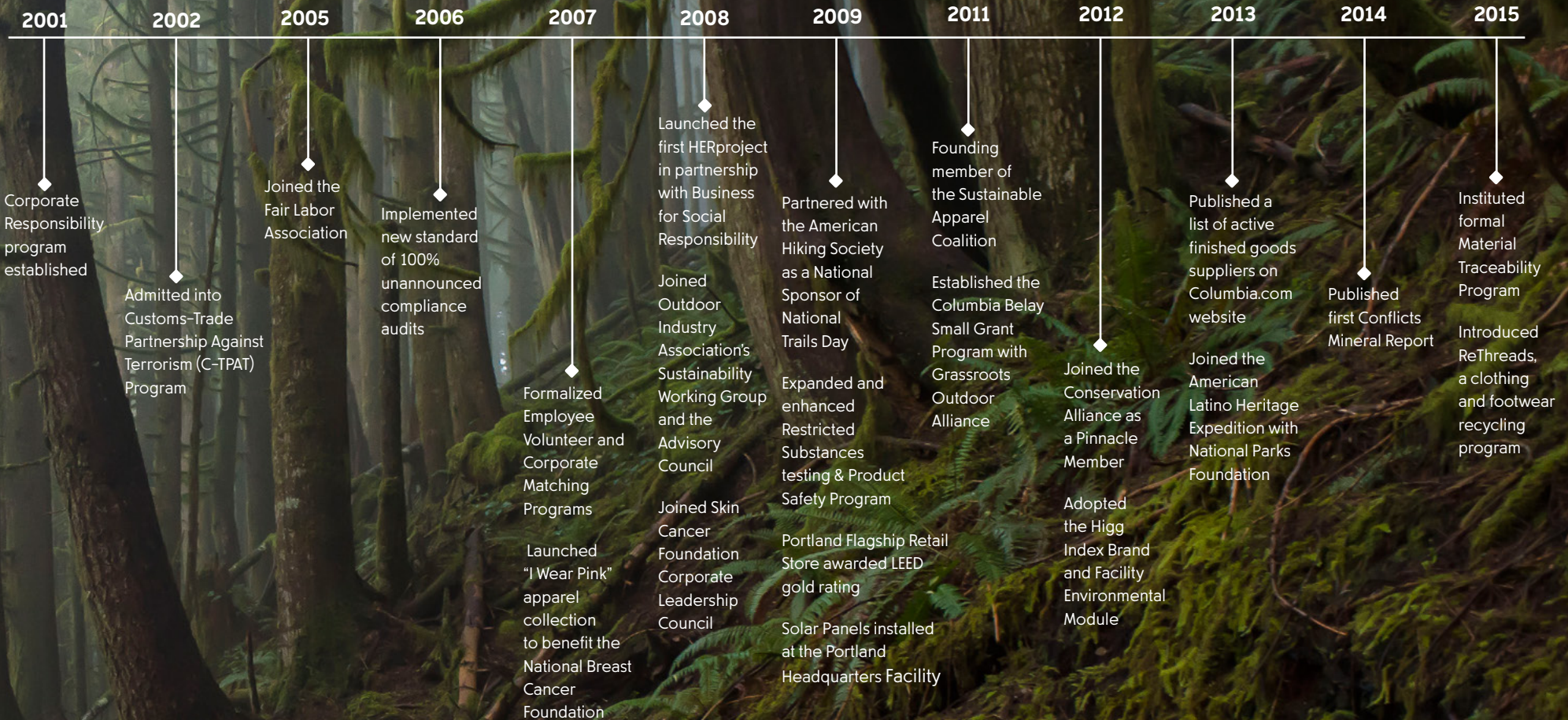
Issues such as working conditions, finite resources, climate change, access to outdoors and consumer expectations inform our programmatic focus areas.

Abel Navarrete

A handwritten signature in black ink that reads "Abel Navarrete". The signature is written in a cursive, flowing style.

Senior Director of Corporate Responsibility

CORPORATE RESPONSIBILITY MILESTONES





GAVE BACK TO COMMUNITIES



MADE MORE SUSTAINABLE PRODUCT



IMPROVED SUPPLY CHAIN IMPACTS

2015: A YEAR IN REVIEW

We build innovative, functional products that keep our consumers warm, cool, dry and protected so that they can enjoy the outdoors longer and we do so with the environment and our communities in mind. Our Corporate Responsibility Strategy ensures that we have the programs, policies and processes in place across the company to responsibly manage and improve our environmental, social and community impacts.

3,427

HOURS VOLUNTEERED BY EMPLOYEES TO SELECT CAUSES

RETHREADS

CLOTHING & FOOTWEAR RECYCLING PROGRAM INTRODUCED

80%

OF FINISHED GOODS SUPPLIERS WERE RATED A B OR HIGHER, A 9% INCREASE FROM 2014

\$1.8M

INVESTED IN COMMUNITIES AROUND THE WORLD

100%

CONVERSION TO RESPONSIBLE DOWN

95%

OF FINISHED GOODS SUPPLIERS RECEIVED AT LEAST ONE SOCIAL COMPLIANCE AUDIT

400+

NONPROFITS SUPPORTED

95%

OF LEATHER SOURCED FROM FACILITIES THAT ARE LEATHER WORKING GROUP (LWG) MEMBERS

65%

OF RAW MATERIALS SUPPLIERS COMPLETED THE HIGG INDEX FACILITIES ENVIRONMENTAL MODULE

COMING SPRING
2017

OUTDRY™ EXTREME ECO JACKET

- ◆ NO PFCS INTENTIONALLY USED IN THIS PRODUCT
(MAY HAVE TRACE AMOUNTS)
- ◆ DYE-FREE FABRIC SAVES OVER 13 GALLONS / 49 LITERS
OF WATER COMPARED TO STANDARD, DYED JACKET
- ◆ LABELS, TOGGLES, ZIPPER PULLS, THREAD AND EYELETS
MADE FROM 100% RECYCLED CONTENT



No Wet Out, Ultimate Breathability.

WINNER OF AWARDS FROM



A woman in a blue rain jacket is shown in profile, looking towards the right. She is wearing a hooded jacket with water droplets on it. In the background, a hiker in a yellow jacket is visible on a rocky trail. The scene is set in a forested, mountainous area.

PRODUCT

Making products with improved social,
ethical and environmental performance.



We are committed to exploring ways to design products efficiently so that they require less raw materials and fewer components, use less water and energy to manufacture and assemble, are safer for the environment, produce minimal waste, and come from ethical, humane sources. We take a holistic, lifecycle approach to measuring and managing product-based sustainability performance. This approach is informed by the Higg Index, an industry standard assessment tool managed by the Sustainable Apparel Coalition, of which Columbia is a founding member.



“At Columbia, we create enduring, iconic, differentiated and innovative product that enables us to enjoy the outdoors longer. We combine our approach to product creation with our commitment to our consumers, communities and the environment.”

– Joe Boyle, Senior Vice President of Merchandising and Design

2015 HIGHLIGHTS



100%

Responsible Down Standard certified down sourced starting Fall 2016 product



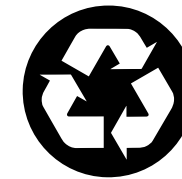
95%

of leather sourced from facilities that are Leather Working Group members



59%

of sourced fabric from bluesign® system partner textile mills



20%

of synthetic insulation contained 50% or more recycled content

LAUNCHED

**MATERIALS
TRACEABILITY
PROGRAM**

EXPANDED

**RETHREADS
PROGRAM**

to include clothing and footwear recycling

CONDUCTED A STUDY

**TO BETTER
UNDERSTAND
IMPACTS**

from the use and care of our products

MADE

**PRODUCT CARE
INSTRUCTIONS**

available on website



APPROACH

In 2015, we moved towards a lifecycle approach to evaluating product sustainability. This allowed us to look at the impacts of our material choices differently, as well as challenged us to look beyond the impacts of our materials. We are now more able to assess other parts of our products' lifecycle, such as use and care and end of life – which are also factors in a product's overall lifecycle impact.

Understanding where our materials come from and the manner in which they are made is a foundational component to responsible material use and ultimately managing the impacts associated with material choices. In 2015, our focus was on getting these foundational pieces in place, and we were able to make significant strides with respect to responsible material selection and our ability to trace the origins of our materials.

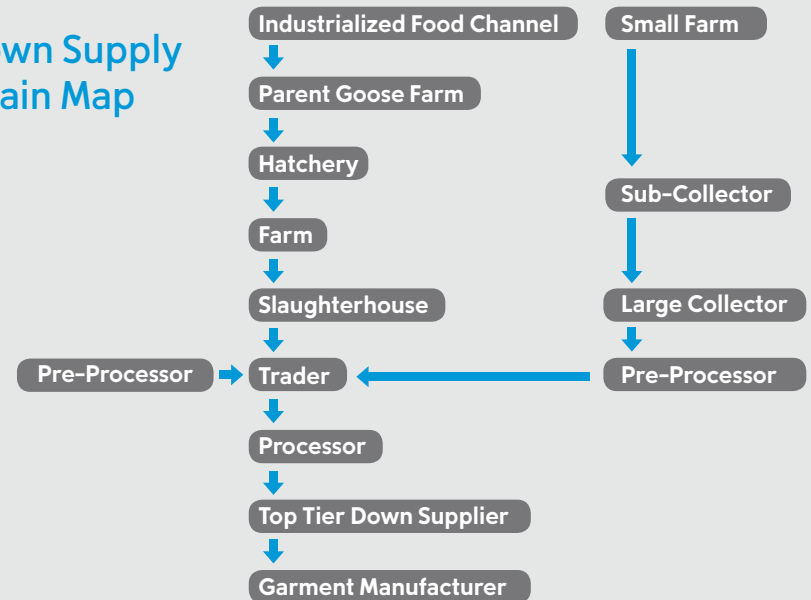
MATERIAL TRACEABILITY

We launched a Material Traceability program that will enable us to track chain of custody from raw material origins to finished product. This program will help us to ensure that the material does indeed come from its reported source, and that humane practices are used in every step of the supply chain that involves animal-based byproducts. The program is in its initial stages, but the foundation has been set for certifying materials we use by gathering and tracking scope and transaction certificates from our raw material and finished good vendors.

DOWN

Beginning with Columbia's Fall 2016 global product line, Columbia is using 100% [Responsible Down Standard](#) certified natural down based on [Textile Exchange's](#) Responsible Down Standard. Committing to responsibly sourced down ensures the down we use in our products is obtained from animals that have not been subjected to unnecessary harm. Find an overview of our position on responsible down [here](#).

Down Supply Chain Map





CONFLICT MINERALS

The minerals Tin, Tantalum, Tungsten and Gold and their derivatives (“3TG minerals”) are present in many consumer products and may be present in our products in, among other things, zippers, hooks, rivets, solder on metal parts, electronic components and outdoor equipment. We strive to ensure that 3TG minerals used in our products are obtained from suppliers that avoid sourcing such minerals from ore mined under conditions of armed conflict and human rights abuses, particularly in the eastern provinces of the Democratic Republic of the Congo (“Conflict Minerals”). In doing so, Columbia follows the framework guidance provided by the Organization for Economic Co-operation and Development (OECD) in conducting due diligence to determine whether products include Conflict Minerals. We publish an annual conflict minerals report that discloses our due diligence process and findings.

This report can be found [here](#)

LEATHER

We sourced approximately 95% of leather used in our products from tanneries that are members of the [Leather Working Group](#) – a multi-stakeholder group that develops and maintains a protocol to assess the compliance and environmental performance of tanners. The Leather Working Group also promotes sustainable and appropriate environmental business practices within the leather industry.

CHEMICALS

It's important that we make products that are safe for people and the environment. We take a tiered approach to chemical management at Columbia, starting with our Restricted Substance List (RSL) program. Our RSL policy outlines global chemical standards based on regulations, voluntary requirements and industry best practices. This program includes testing and verification procedures to ensure that our products meet these standards. In addition, we use the Higg Index Chemicals Management Module to approach continuous improvement with regards to the management of chemicals in our products and supply chain.

LIFECYCLE FOCUS

In addition to putting in place the fundamentals of responsible material sourcing, we also focused our efforts on better understanding the impacts of our products' use and care phase, as well as end of life. This focus led to the launch of our innovative ReThreads program, in partnership with [I:CO](#), which encourages consumers to bring their worn-out products to our participating retail stores to be collected, sorted and processed for rewear, reuse or recycling. In 2015, our ReThreads program diverted over 1,000 lbs of clothing from landfills. To help consumers get the most out of our products, we posted product care instructions on our [columbia.com](#) website, outlining how to care for products in environmentally friendly ways while also increasing or extending their performance features. Proper care also helps to extend a product's life span, thereby reducing the incremental environmental impact of inputs.



CHALLENGES

As we look to the future sustainability of our products through the lens of lifecycle optimization, we face several challenges. Some of these include:

- ◆ Easily accessible environmental performance data for materials
- ◆ Lack of green chemistry alternatives for high performance products
- ◆ Complex issues such as microplastics where research is still in early stages
- ◆ Lack of existing infrastructure for end-of-life textile collection and recycling
- ◆ Higher costs associated with more sustainable material options

We expect some of these challenges to be alleviated by access to shared environmental material scoring tools like the Higg Index Material Sustainability Index, which will be released in 2016. We also hope to overcome barriers to greener chemistry alternatives for high performance products by continued investment in research and innovation.

In addition to the challenges outlined above, we also recognize the emerging environmental challenge of microfibers. Microfibers are tiny fibers comprised of both synthetic and natural materials thought to be released into waterways when apparel products are machine-washed by consumers. The presence of micro-fibers may cause dramatic changes and pose significant risks to marine ecosystems.

The apparel industry has been identified as a potential source of microfibers. Columbia is working with the Outdoor Industry Association Sustainable Working Group's Microfiber Task Force to better understand the issue and to gain access to better data that will inform thoughtful investments and partnerships to address the issue.



NEXT STEPS

- 1** Scale our approach to product lifecycle measurement
- 2** Increase our focus on chemical management performance through priority chemical identification, hazard and alternatives assessments, and bluesign® systems partnership
- 3** Increase the use of preferred materials
- 4** Expand our ReThreads program





MANUFACTURING

Working with vendors that share our values of fair and ethical treatment of workers, safe working conditions, transparency and sustainable manufacturing practices.



In 2015, the Columbia brand worked with 281 independent finished goods suppliers in 18 countries to make its world-class, high performing products. These relationships make it possible for us to provide consumers in over 100 countries with outstanding performance benefits at competitive prices, to create rewarding career opportunities across our global organization and to generate value for Columbia Sportswear Company's shareholders. We are proud of the innovative materials, technologies and construction techniques that we have pioneered with our global manufacturing partners.

We are committed to working with manufacturing partners that share our values of fair and ethical treatment of workers, as well as moving towards more sustainable manufacturing practices.

Managing social and environmental performance across our supply chain starts with having high standards in place, strong oversight and transparency into supplier practices, as well as being a responsible business partner that supports sustainable practices and continuous improvement. We have a team of dedicated Corporate Responsibility professionals who understand this complex landscape and who work with our suppliers to measure, track and improve social and environmental performance.



"World-class brands work with world-class finished goods and raw materials suppliers. A strong adherence and leadership in Corporate Responsibility is foundational to this and is the standard to become a strategic factory partner with Columbia."

—Steve Woodside, Senior Vice President of Global Sourcing and Manufacturing

Our standards are the foundation by which we evaluate social and environmental performance. Key components of our standards include:

- ◆ **Standards of Manufacturing Practices (SMP):** Code of conduct based on the International Labor Organization conventions. These standards lay the foundation for our working relationship with suppliers. Our SMP outlines standards on the prohibition of Forced Labor, Child Labor, Harassment or Abuse, as well as policies and practices that promote Nondiscrimination, Freedom of Association, Compensation, Employment Relationship, Hours of Work, Health and Safety, Environment and Ethical Conduct.
- ◆ **Higg Index Facility Environmental Module:** The Higg Index Facility Environmental Module, managed by the Sustainable Apparel Coalition, assesses practices in the areas of energy use, waste, chemical management, water use, wastewater practices and greenhouse gas emissions.



2015 PERFORMANCE HIGHLIGHTS

FINISHED GOODS SUPPLIERS

95%

received at least one social compliance audit

94%

completed the Higg Index Facilities Environmental Module

80%

were rated a B or higher, a 9% increase from 2014

21%

were active in our brand auditing collaboration program

RAW MATERIALS SUPPLIERS

65%

completed the Higg Index Facilities Environmental Module

EMPLOYEES OF FINISHED GOODS SUPPLIERS

28,000

in 5 countries have been impacted by the HERproject program since we launched it in 2011

CORPORATE RESPONSIBILITY TEAM

40%

of CR field staff participated in the Fair Labor Association's Workplace Fire Safety Facilitator Train-the-Trainer Program

FACTORY WORKERS

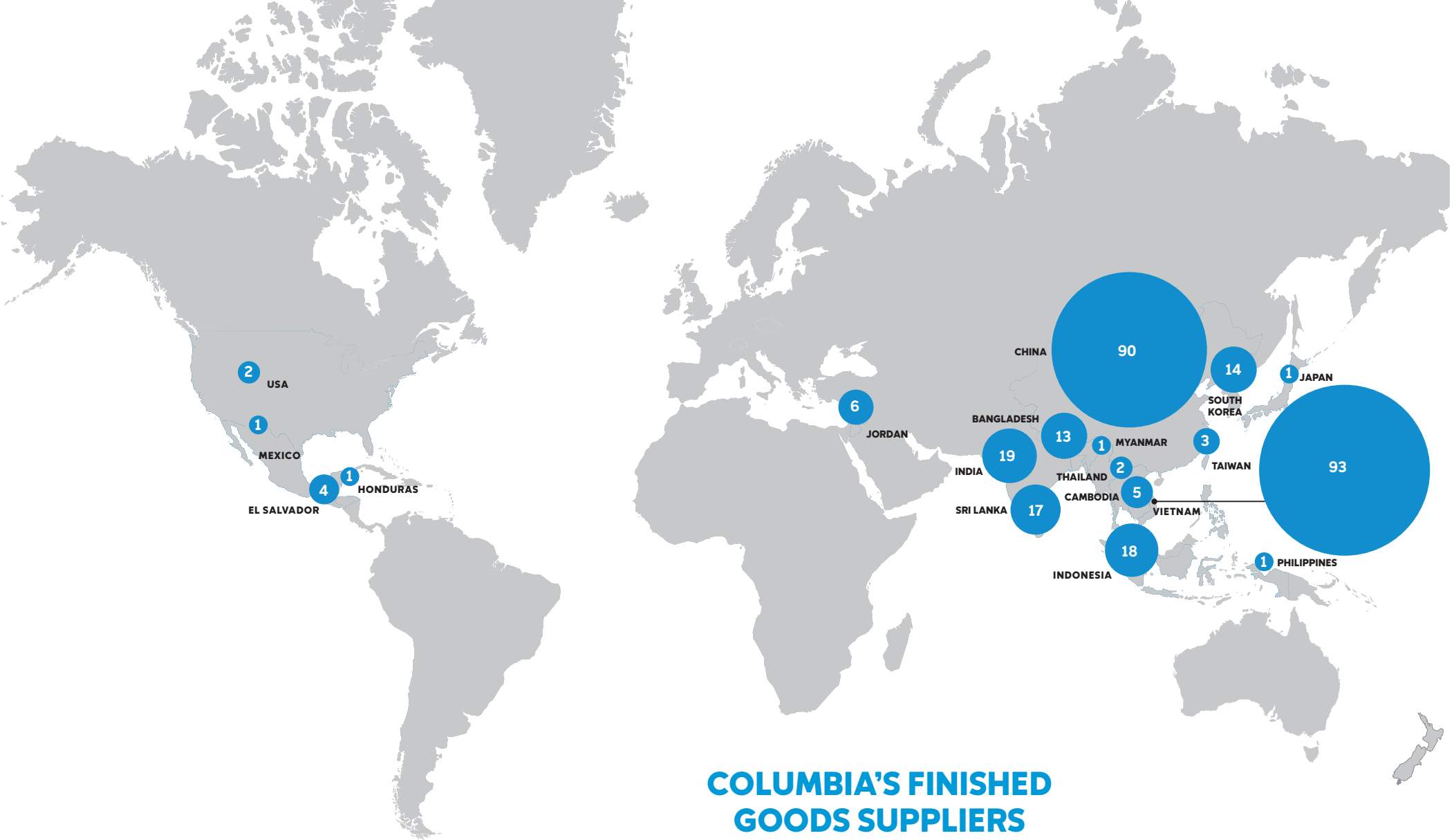
8,738

participated in our worker well-being survey designed to better understand worker needs and inform strategies to improve overall levels of worker satisfaction

3,114

participated in our worker communication survey designed to help factory management enhance communication.





	BANGLADESH	CAMBODIA	CHINA	EL SALVADOR	HONDURAS	INDIA	INDONESIA	JAPAN	JORDAN	MEXICO	MYANMAR	PHILIPPINES	SOUTH KOREA	SRI LANKA	TAIWAN	THAILAND	USA	VIETNAM	TOTAL
APPAREL	13	3	36	4	1	19	8	1	1	1	1	1	17	3	1	57	165		
FOOTWEAR			30					1			1					1	13	45	
ACCESSORIES		2	24						5				14			2	23	71	



APPROACH

Columbia has an established responsible manufacturing program; in 2015 we were able to see some of this investment pay off with increased access to reporting and transparency, improved overall supplier performance, and movement on 'beyond compliance' programs. We faced program implementation challenges that are common with establishing relationships with manufacturing partners in new countries, but were able to overcome these with additional investment in resources and efforts.

Transparency is a key element in the journey towards responsible and ethical sourcing.

SUPPLY CHAIN TRANSPARENCY

At Columbia, supply chain transparency means being able to track where our products are made, as well as the social and environmental conditions at specific supplier locations. To get an accurate snapshot of these conditions, 100% of our SMP audits are conducted unannounced.

Transparency also means visibility into suppliers' performance and progress through easy access to information collected during audits. At Columbia, we use an online portal to track social and environmental compliance performance and remediation progress of all of our finished goods suppliers. This portal is tied to our internal enterprise resource planning system and is updated daily with factory production statuses and assessment results. This online portal enables us to have accurate, daily data, such as the number of factories we are working with, where they are located, and how they are performing, as well as our working history with them. In 2015, we invested in system upgrades to our online database portal that enabled more accurate and efficient reporting to further streamline the visibility of factory performance data for internal stakeholders. This enables us to be more efficient in making social and environmental performance-based decisions across our supply chain.

Gateway ID	SAP Code	Vendor Name	Factory Name	Country	Agent / LO	Production Stat.	Company Type	SC Evaluation	Last Audit Date
939	919	RANDA ACCESSORIES	ACCESORIOS GLOBALES, S.A. / TATA	Guatemala	LO LICENSEE	Active	Factory	Acceptable	9/02/2015
40189	40189	LONDON LUXURY	ALLIED FEATHER & DOWN CORP	USA	LO LICENSEE	Active	Factory	Acceptable	8/25/2016
2258	2258	L'AMY GROUP MARCHON EYEWEAR/ARTS OPTICAL DEVELOPMENT (SHE)CHINA			LO LICENSEE	Active	Factory	Acceptable	12/28/2015
10170	10170	ARUNA FASHION EXPORTS	ARUNA CREATION	India	LO INDIA	Active	Factory	Acceptable	7/15/2016
653	653	ARUNA FASHION EXPORTS	ARUNA FASHION EXPORTS	India	LO INDIA	Active	Factory	Acceptable	4/06/2016
10143	10143	INDIAN DESIGNS EXPORTS PVT LTD BIMBA TEXTILE STUDIO		India	LO INDIA	Active	Subcontractor	Acceptable	12/09/2015
60022	40022	KWONG LUNG ENTERPRISE CO., LTD HONG HING ENTERPRISE CO., LTD		Vietnam	LO TAIWAN	Active	Factory	Acceptable	3/17/2015
10318	10318	OUTDOOR CUSTOM SPORTSWEAR, BRANDS WAREHOUSING		USA	LO LICENSEE	Active	Factory	Acceptable	1/28/2016
60160	40160	THE OUTDOOR RECREATION GROUP/MASTER INTERNATIONAL (GD)		USA	LO LICENSEE	Active	Factory	Acceptable	7/28/2016
735	735	COH TOP CO., LTD	CHUAN CHENG HAT - TA-YA FACTOR	Taiwan	LO TAIWAN	Active	Factory	Acceptable	4/27/2016
3017	3017	CONFECCIONES DEL VALLE S.A. DE CONFECCIONES DEL VALLE S.A DE	CEI Salvador	El Salvador	LO AMERICAS	Active	Factory	Acceptable	7/09/2014
10360	10360	FRAXO CO., LTD	DADA CORPORATION	South Korea	LO KOREA DIRECT SA	Active	Factory	Acceptable	12/16/2013
10260	10260	DELTA GALL USA (BOOKS)	DELTA GALL IND. LTD.	Israel	LO LICENSEE	Active	Factory	Acceptable	1/31/2016
2059	2059	DRASTOGA S.A. IND. TEXTILES	DRASTOGA S.A. IND. TEXTILES	Brazil	LO DISTRIBUTOR	Active	Factory	Acceptable	3/15/2007
2002	2002	FAR EASTERN APPAREL (HOLDING)	FAR EASTERN APPAREL (VIETNAM)	Vietnam	LO TAIWAN	Active	Factory	Acceptable	4/02/2015
2184	FNT	FUNTEES, A DIVISION OF DELTA APPUSA			LO AMERICAS	Active	Vendor	Acceptable	6/27/2007
2821	2821	JENSMART INTERNATIONAL LTD	GARMENT 10 CORPORATION - JOINT	Vietnam	LO HONG KONG	Active	Factory	Acceptable	5/18/2016
545	545	HOPE LAND ENTERPRISE CO., LTD	HOPE LAND ENTERPRISE CO., LTD	Taiwan	LO TAIWAN	Active	Factory	Acceptable	4/17/2013
10085	10085	KIZAKI CO., LTD	KIZAKI CO., LTD	Japan	LO JAPAN DIRECT SA	Active	Factory	Acceptable	7/22/2014

Screen shot of Gateway, Columbia's online information management portal

SUPPLY CHAIN PERFORMANCE

Social, Health and Safety

Columbia employs a team of Corporate Responsibility professionals who work with our suppliers to assess and improve social responsibility performance over time. Our team conducts regular audits of finished goods factories, with the goal of auditing 100% of factories at least once per year, or more often if we find serious issues. In 2015, 95% of our finished goods suppliers were the focus of at least one audit.

We review the performance of suppliers on a monthly basis, not only on audit results, but also on remediation efforts, cooperation, management systems and transparency. This score is shared internally with our sourcing team.

Social Responsibility performance, based upon our Standards of Manufacturing Practices (SMP), is one component of our overall supplier ratings in our Sourcing Balanced Scorecard, which equally weights supplier performance scores in Responsibility, Quality, Management Systems and On-Time Delivery. The overall Balanced Scorecard Rating is utilized by our Sourcing team to make seasonal sourcing decisions.

In 2015, the number of finished goods suppliers we used declined from 286 in 2014 to 281 in 2015. At the same time, 80% of our finished goods suppliers received a B rating or better, up from 71% in 2014. This improvement was largely due to increased emphasis on remediation driven by Columbia's strategic goal to increase business with top-performers.

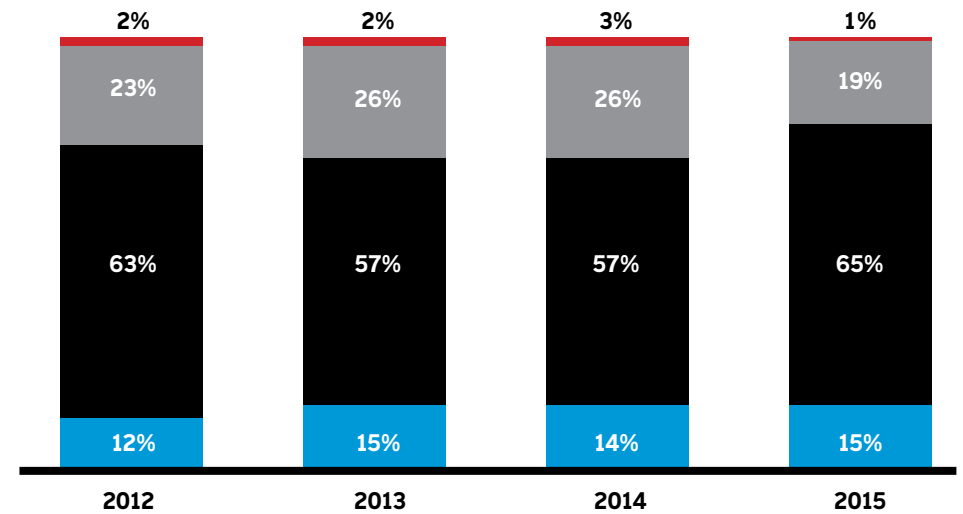
We document and track non-compliance issues in our finished goods suppliers, working closely with suppliers to determine the root cause and implement a remediation plan. If necessary, we also require suppliers to participate in training programs to help them build management skills to remediate the issue and prevent similar issues from recurring.

The few factories in our supply chain that are rated as 'at risk' (1% in 2015) are of particular concern. These are factories at which we have discovered high-risk non-compliance issues, such as unauthorized subcontracting. We take substantive and immediate action to remediate these issues and will significantly reduce or cease production at these factories until these issues are adequately addressed.

NUMBER OF WORKERS IN COLUMBIA'S FINISHED GOODS SUPPLY CHAIN



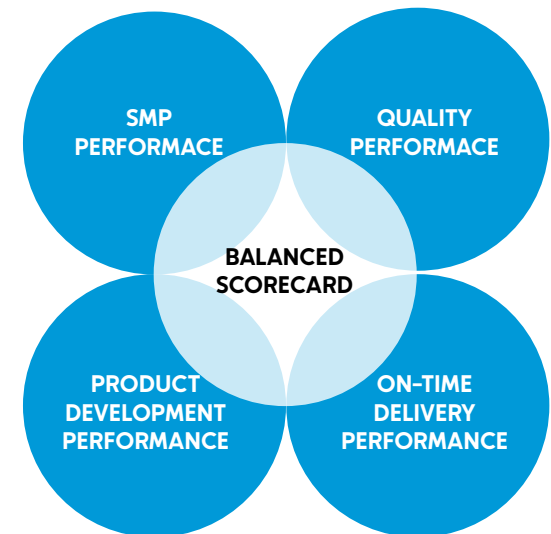
FINISHED GOODS SUPPLIER SMP PERFORMANCE



SMP RATING BASED UPON:

- Audit Performance
- Remediation Efforts
- Management Systems
- Transparency

- A** Performing
- B** Developing
- C** Under Performing
- F** At Risk



Environment

Columbia employs a team that is dedicated to assessing environmental impacts from manufacturing.

Our objective is to measure, track and improve the energy, waste, water and chemical impacts associated with manufacturing our products. We use the [Higg Index Facility Environmental Module](#) to assess performance and identify overall strengths and weaknesses in our supply chain.

In 2015, we completed our third round of Higg Index supplier assessments with approximately 94% of our finished goods suppliers completing the assessment. We have been using the Higg Index framework with our finished goods facilities since it launched in 2012 and have seen positive improvements, such as increased energy measurement and target-setting at a supplier level.

In 2015, we also piloted the first round of Higg Index assessments with strategic raw material suppliers which gave us increased insight into the environmental performance of our supply chain. One of the challenges we face is putting in place robust verification protocols that do not create new redundancies, while enabling us to ensure that the data we are using is comparative across regions and suppliers. The Sustainable Apparel Coalition is developing a verification protocol for the Higg Index and we have been actively involved in the development of this protocol.

BEYOND COMPLIANCE

Supplier Ownership

Our supplier ownership program rewards suppliers that have demonstrated high levels of social responsibility performance. We accept a certain number of suppliers into this program every year. In 2015, 20 suppliers were active in this program. These suppliers commit to driving self-improvement as measured through the Higg Index Facility Social & Labor module in lieu of receiving regular audits. This program rewards suppliers by reducing audit fatigue and freeing resources to focus on continuous improvement efforts. [Note: "Audit fatigue" refers to situations in which suppliers receive and must respond to multiple audits per month from multiple customers (brands). Having too many audits can restrict a suppliers' ability to dedicate resources towards proactive measures to remediate issues and address the root cause of issues.]

Improving Worker Well-being

We partner with suppliers to support improved working conditions and increase worker satisfaction in the factories and communities where our products are made. We have jointly invested in several such projects over the years, including the [Business for Social Responsibility \(BSR\) HERproject \(Health Enables Returns\)](#), which works to change women's

As of 2015, over 28,000 women, at Columbia finished goods suppliers, have received targeted health education through HERproject.

lives through workplace programs that provide access to health education. As of 2015, over 28,000 women at Columbia finished goods suppliers in five countries have received targeted health education through HERproject.

To further improve worker well-being, we launched two additional initiatives in 2015. The first initiative seeks to better understand benefits received by workers to inform future worker well-being and satisfaction initiatives. To achieve this, we partnered with factories in key sourcing countries to conduct worker benefit and basic needs surveys. Over 8,700 factory workers participated in these surveys, the results of which will inform the future steps of our worker well-being program.

Improving communication between workers and management on the factory floor was the second initiative. Open dialogue between workers and management contributes to an environment where worker feedback is encouraged and accepted. Over 3,100 factory workers participated in our worker communication survey, forming the basis for better understanding current levels of worker-management dialogue in participating factories, as well as creating targeted action plans for improvement.

CHALLENGES

The evolving nature of our business and complex global manufacturing landscape poses challenges for managing performance.

As our manufacturing operations shift globally, we reallocate and adjust our field staff and program resources to respond. In 2015, we saw two major shifts that required specific actions from our CR teams:

- ◆ To support the expansion of manufacturing in Bangladesh, we instituted specific requirements for suppliers in that region, including additional building structural safety assessments as well as and fire safety training. We will continue to monitor needs and requirements specific to Bangladesh and adapt as necessary.
- ◆ Establishing sourcing relationships in Myanmar posed a number of challenges for Columbia in terms of infrastructure, rule of law, labor and land reform, and existing sanctions. Columbia carried out significant proactive due diligence to prepare for sourcing from Myanmar, including engaging with NGOs, U.S. government officials and business and labor groups. We also required that our factory partner engage Verite, a third party NGO, to ensure that working conditions, wages and health and safety requirements met or exceeded our Standards of Manufacturing Practices (SMP), and we instituted additional requirements on building and fire safety, land rights and transparency. Columbia will continue to exercise strict oversight as we seek to expand our manufacturing footprint in Myanmar.



NEXT STEPS

- 1 Expand the Supplier Ownership Program
- 2 Set clear Environmental Improvements Targets
- 3 Leverage worker well-being survey results to implement targeted programs such as HERfinance

A group of people are sitting around a campfire at night. The fire is bright and glowing, casting a warm light on the scene. Several people's hands are held up in a circle, palms facing each other, symbolizing collaboration and teamwork. The people are wearing winter clothing, including jackets and sweaters. The background is dark, suggesting it is nighttime.

COLLABORATION

Supporting the development of common standards and tools for evaluating impact and sharing resources.



“Solving the systemic sustainability challenges requires the whole apparel and footwear value chain to collaborate at an unprecedented scale. At the Sustainable Apparel Coalition, our members built the Higg Index to create a common measurement for success and a collective vision for sustainable clothing and footwear value chain. It's great to have leaders from the outdoor industry, like Columbia, being a part of this work.”

– Jason Kibby, Chief Executive Officer,
The Sustainable Apparel Coalition



We recognize that we are a single player in a large, complex, global supply chain. To impact meaningful change, we need to work with brand, industry and multi-stakeholder players to:

- ◆ Align on common standards for evaluating social and environmental impacts in our business and our supply chain. Standardization will enable greater efficiency in evaluation methods and comparability of results.
- ◆ Develop shared tools to reduce costs and improve methods for implementing social and environmental programs.
- ◆ Share resources with industry partners on specific projects, such as audit and capacity building, to reduce audit fatigue and increase collective impact.

We select organizations for investment and engagement based on their ability to influence systemic change and their relevance to our business and supply chain. We also seek to work directly with other brands and retailers who share our values and whose products are made in the same factories as ours.

We are members of the following industry and multi-stakeholder groups and actively contribute to work streams led by these organizations:



2015 ENGAGEMENT HIGHLIGHTS

SUSTAINABLE APPAREL COALITION

- ◆ Signatory of the Social and Labour Convergence Project, facilitated by the SAC
- ◆ Served on the SAC Higg Verification Working Group and Higg Training & Capacity Building Team and piloted the new Higg Verification Protocol
- ◆ Served on the SAC Index Development Council and Product Task Team and piloted early versions of the Higg Design and Development Module

OUTDOOR INDUSTRY ASSOCIATION

- ◆ Served on the OIA Sustainable Working Group Advisory Council, the OIA Chemical Management Working Group Steering committee and chaired the OIA Social Responsibility Working Group

FAIR LABOR ASSOCIATION

- ◆ Served on the FLA Fair Compensation Technical Working Group

LOGISTICS & OPERATIONS

Managing our operations efficiently with respect to resource use and reducing the climate impact of our owned and operated facilities.





Beyond the design, manufacture and lifecycle impacts of our products, the aspects of our business that have the second-greatest environmental impact are our global transportation, logistics and facilities operations. Compared to contract manufacturing, we have more direct control and influence over these operations and employ a number of standard operating procedures to support responsible and efficient resource utilization. Just as we are innovators in the product realm, our logistics and facilities personnel are innovators in this realm of our business.

We are committed to transporting our products using efficient, responsible shipping and packaging practices, and to measuring and managing impacts associated with the operations of our global real estate portfolio.

Efficient resource management in logistics and operations starts with standard operating procedures and guidelines that set the stage for consistent practices.



“Our approach to construction and facilities operation is based on our ability to provide the safest and most rewarding space for our employees and customers while recognizing the impact that these buildings have on our environment. Our buildings are designed with the latest technologies and sustainable materials to ensure a long and environmentally conscious life-cycle.”

– Xander Smit,
Director of Global RealEstate

- ◆ Packaging material guidelines
- ◆ Packing dimension guidelines
- ◆ Container loading and optimization standards
- ◆ Green building standards
- ◆ Lighting control management systems
- ◆ Automated temperature control management systems



2015 PERFORMANCE HIGHLIGHTS

COMPLETED

1ST GREENHOUSE GAS INVENTORY

ANNUAL ELECTRICITY USAGE

↓ 2%

per square foot, from 176 kilowatt hours in 2014 to 173 kilowatt hours in 2015

PARTNERED WITH

ENERGY TRUST OF OREGON



to develop a Strategic Energy Management program

EXECUTED A HEADQUARTERS EXPANSION

FOR LEED SILVER STANDARDS

using leading green building design principles

CONDUCTED A STUDY TO BETTER

UNDERSTAND RECYCLING RATES

in our U.S. retail stores



ENGAGED EMPLOYEES GLOBALLY ON

GREEN OFFICE PRACTICES

through platforms such as the Eco Challenge and our Hong Kong office's "Do My Part" initiative

ACHIEVED

10% REDUCTION IN POLYBAG MATERIAL INPUTS

through a packaging redesign that better aligned product folding dimensions as well as reduced wall thickness

SHIPPED

41% IN REUSED BOXES

U.S. e-commerce orders

APPROACH

Columbia has been tracking energy, waste and water usage at owned and operated facilities since 2010. In 2015, we completed our first official greenhouse gas inventory [on our North American operations].

Our 2015 greenhouse gas inventory was compiled and organized according to Climate Disclosure Project Reporting protocols and includes Scopes 1, 2 and 3 emissions. Columbia's 2015 carbon footprint for U.S. and Canada operations equated to a total of 16,213 metric tons of CO₂ equivalents. The use of purchased electricity was the primary driver of CO₂ equivalents accounting for almost 74% of overall emissions. The second two primary drivers of emissions included the use of natural gas and business travel.

In 2015, Columbia used more than 30 million kilowatt-hours (kWh) of electricity at its owned and leased North American facilities. Our distribution centers accounted for 41% of that usage, our retail stores accounted for 40%, and our corporate and sales offices accounted for 19%.

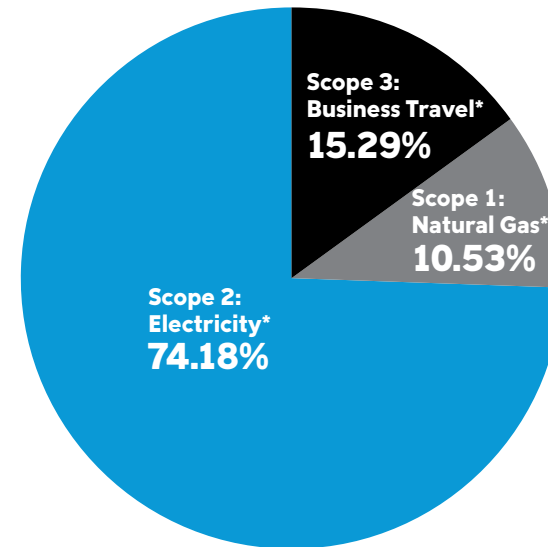
We are committed to becoming more efficient in electricity usage at our facilities, normalized on the basis of total square footage. We use electricity efficiency and other data to inform capital investments targeted at improving resource efficiency, such as lighting upgrades at our headquarters buildings and retail stores, and conveyor belt optimization at our Rivergate (Portland, OR) distribution center. In 2015, we succeeded in decreasing annual electricity usage per square foot by 2% to 17.3 kWh from 17.6 kWh in 2014.

This decrease was achieved through efficiency measures and investments across our global real estate operations, including installation of computerized lighting controls and LED lighting retrofits at our headquarters, and centralized lighting management systems at our retail stores. The LED lighting retrofit at headquarters alone saved more than 110,000 kWh of electricity in 2015.

In 2015, we partnered with the [Energy Trust of Oregon](#) to develop a Strategic Energy Management program for Columbia. This program is still in development and outcomes will be further disclosed in 2016.

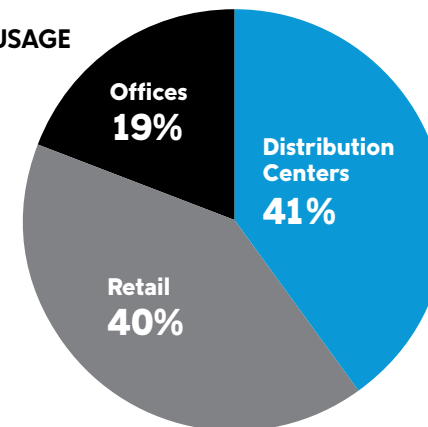
Columbia's 2015 carbon footprint for U.S. and Canada operations equated to a total of 16,213 metric tons of CO₂ equivalents.

CO₂ EQUIVALENTS BY SCOPE



SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
1,707	12,026	2,479	16,213
Primary Gas	Electricity Purchased to Run Offices, DCs, Retail Stores	Business Travel	

2015 ELECTRICITY USAGE BY LOCATION TYPE





HONG KONG OFFICE'S "DO MY PART" INITIATIVE

In July 2015, our Hong Kong office rolled out an initiative to encourage employees to take individual responsibility for conserving natural resources. Created and driven entirely by our Hong Kong office's Energy Efficiency Committee, "Do My Part" was part of the committee's broader goal to build a company culture that promotes better utilization of natural resources, reducing environmental impacts and working together to improve living conditions within the company and beyond.

"Do My Part" kicked off with an employee challenge to design stickers to be placed strategically around the office as reminders to employees to turn off lights, air conditioning and computer monitors. Just by turning off the lights and air conditioning during lunch time and after hours, the Hong Kong office was able to reduce their energy consumption by approximately 15-19% in August and September 2015 compared to the same months of 2014.

By turning off the lights and air conditioning during lunch time and after hours, the Hong Kong office was able to reduce their energy consumption by approximately 15-19%

THE 2015 ECOCHALLENGE

From October 15 - 29, 2015, more than 200 Columbia Sportswear Company employees from around the world participated in EcoChallenge 2015. EcoChallenge is an annual event sponsored by the Northwest Earth Institute in which participants commit to at least one new behavior for two weeks to reduce their environmental impact.

The goal of EcoChallenge is to help participants see how their seemingly small individual and collective efforts can make a big difference, and to encourage participants to permanently incorporate their new behavior in their lifestyle.

The goal of EcoChallenge is to help participants see how their seemingly small individual and collective efforts can make a big difference



HEADQUARTERS CAMPUS EXPANSION: ISLAMORADA BUILDING

In 2015, Columbia expanded its Portland, OR headquarters campus in a way that consciously minimized environmental impacts with a focus on creating spaces that improved productivity and interaction among employees.

We renovated our new Islamorada building (named after a resort in the Florida Keys) to LEED Silver standards. As part of that effort, large portions of the original concrete structure and building materials were kept in place, minimizing construction waste and the need for new building materials. .

ISLAMORADA SMART DESIGN HIGHLIGHTS

- ◆ Recycled locally-sourced wood used throughout
- ◆ Low-heat absorption roof materials reduce cooling needs in the warmer seasons
- ◆ Exposed concrete floors reduced need for new flooring products
- ◆ Skylights provide additional natural light and reduce the need for light fixtures
- ◆ Low-flow plumbing fixtures
- ◆ Efficient LED lighting and occupancy sensors throughout
- ◆ Large portions of the existing concrete building were retained to create a modern, industrial feel
- ◆ Electric car charging stations and bike parking available for employees and visitors
- ◆ Low-flow irrigation systems and local plants for better adaptation
- ◆ Storefront windows along the sides of the building provide ample natural lighting, views & ventilation
- ◆ Low-VOC flooring, painting and furniture
- ◆ Close to public transportation and connection to main HQ buildings



RENEWABLE ENERGY

In 2009, we installed a 100 KW grid-tied solar electric system consisting of 570 photovoltaic panels on the roof of our Headquarters building. **Since then, we have generated 968,240 kwh of clean energy which has saved the equivalent of:**

CO₂ 1,381,847 POUNDS OF CARBON EMISSIONS



83,725 TREES



70,359 GALLONS OF GAS



1,630,818 MILES DRIVEN BY AN AVERAGE CAR





NEXT STEPS

1 Set specific climate change and energy reduction targets

2 Minimize packaging and increase our use of sustainable, responsibly-sourced materials

3 Continue to incorporate green building practices into future real estate projects

COMMUNITY

Conserving natural spaces, inspiring people to experience the outdoors and building healthy global communities.





Columbia believes outdoor education and conservation efforts help ensure that future generations will be able to enjoy the great outdoors. We support nonprofit organizations around the world who share our desire to connect active people with their passions while supporting healthy communities. Through long-term partnerships, grant funding, donations, volunteerism and humanitarian support, Columbia is dedicated to giving back to our communities and conserving the outdoors in a dynamic, meaningful way.



“Columbia is dedicated to partnering with dynamic organizations around the world to support, conserve, and protect the people and places that inspire and sustain all of us.”

– Scott Welch,
Sr. Global Corporate Relations Manager

2015 PERFORMANCE HIGHLIGHTS

INVESTED

\$1.8M

in communities around the world

EMPLOYEES DEDICATED

3,427

hours towards volunteer activities

SUPPORTED

400+

nonprofit organizations with donations, grant funding and/or product support

AWARDED

\$100K

to conservation and outdoor education programs through the Columbia/Grassroots Belay Grant Program in partnership with specialty retail group Grassroots Outdoor Alliance.

COLUMBIA MATCHED

\$57,000

of employee charitable giving to nonprofits around the world.

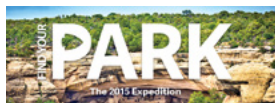
PINNACLE MEMBER

3 YEARS

in a row of the Conservation Alliance

Supported local and national outdoor education groups with donations and product support.

Outfitting sponsor of the Find Your Park Expedition, hosted by the National Park Foundation.





APPROACH

As an outdoor company born and raised in the Pacific Northwest, Columbia is interested in protecting the outdoor spaces we love while ensuring that everyone has the knowledge and access they need to enjoy the outdoors. We accomplish this goal through partnerships with local, national and international organizations that have a proven ability to conserve natural spaces and expose youth to new outdoor recreation opportunities. Columbia recognizes the importance of diversity and inclusion in the outdoors, and supports organizations that engage with underrepresented populations to strengthen connections between multicultural communities and the outdoors.

In addition to our programmatic focus areas, Columbia is dedicated to supporting healthy communities, humanitarian initiatives and disaster relief efforts where we operate. We believe it is our responsibility to support and empower communities in countries where we manufacture, source materials and sell products. Additionally, we believe in supporting causes important to our employees through volunteerism and donation-matching programs. Each Columbia employee is awarded up to 16 paid volunteer hours per year, and Columbia will match employee charitable contributions of up to \$1,000 per year per employee. In cases of donations to natural disaster relief efforts, Columbia puts no limit on the amount of contributions it will match.

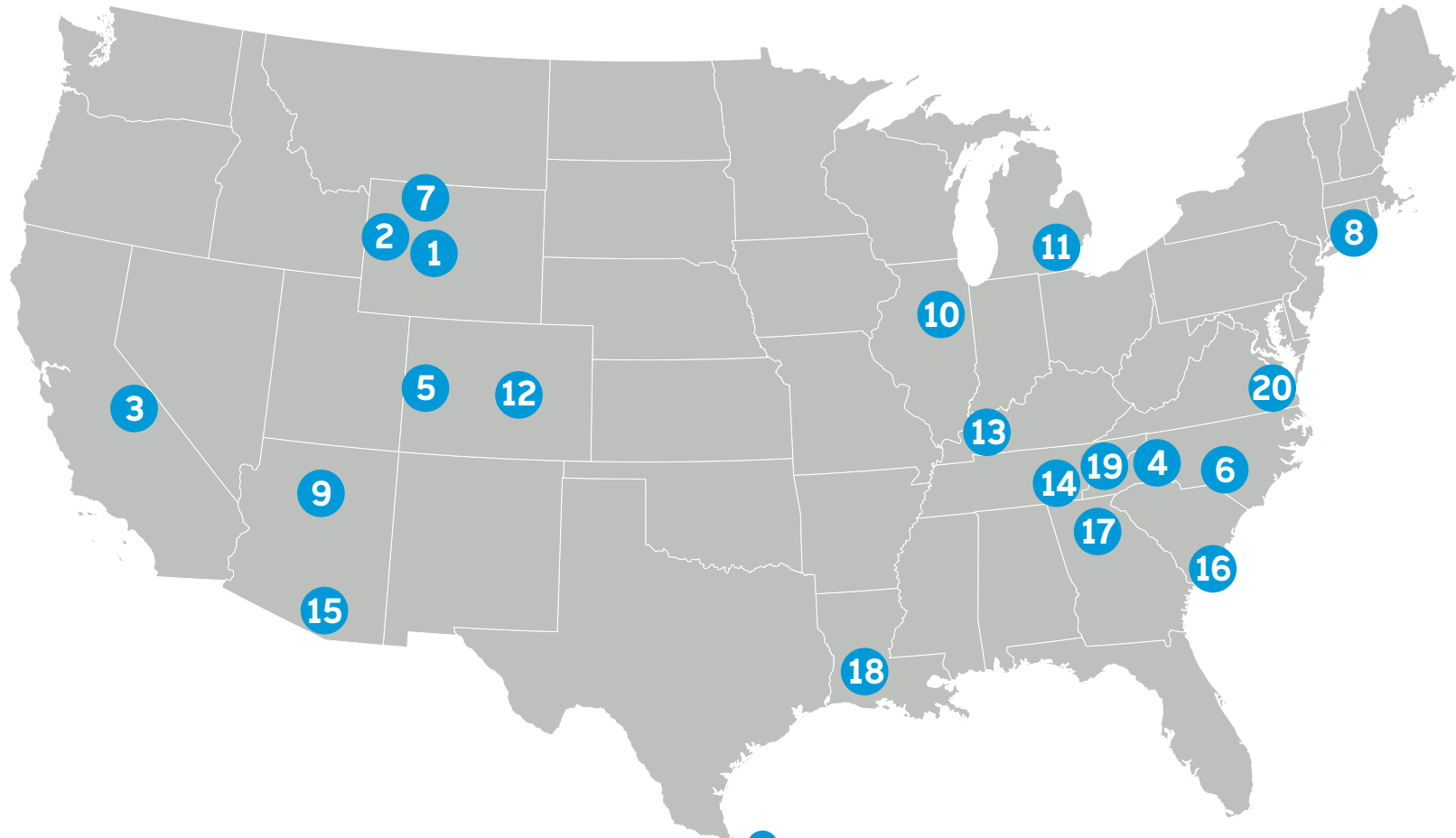
We recognize the importance of diversity and inclusion in the outdoors, and supports organizations that engage with underrepresented populations to strengthen connections between multicultural communities and the outdoors.

BELAY GRANT PROGRAM

Working with our specialty retailer partners allows us to identify the most impactful non-profit organizations and projects that best serve our communities. Since 2012, Columbia has partnered with the Grassroots Outdoor Alliance (Grassroots), a group of independent outdoor retailers across North America, to administer the Columbia/Grassroots Belay Grant Program. This program identifies local conservation and outdoor education projects most in need of grant funding. Grassroots and Columbia share a mission of promoting long-term environmental stewardship on local, national and global levels. In 2015, Columbia awarded \$100,000 in grant funding to 20 nonprofits selected by Grassroots members.

The Central Wyoming Climbers Alliance (CYCA) used their 2015 Belay Grant to subsidize the cost of running youth climbing programs and competitions throughout the state of Wyoming. The funds received helped create more opportunities to get outdoors and learn the sport of climbing. Additionally, participating youth in CYCA's outdoor climbing program received Columbia product to ensure they remained warm and dry while active in the outdoors.

2015 BELAY GRANT PROGRAM AWARDS



- 1** Lander Youth Climbing Camp, Central Wyoming Climbers Alliance, Wild Iris Mountain Sports
- 2** Jackson Hole Trails Stewardship Program, Friends of Pathways, Skinny Skis
- 3** Eastern Sierra Youth Outdoors 2015, Bishop Rotary Foundation, Eastside Sports
- 4** Shiloh Landing Project, NC Youth Conservation Corps, Great Outdoor Provision Co.
- 5** Camp Freedom, Colorado Discover Ability, Summit Canyon Mountaineering
- 6** Native Wilderness Leadership & Stewardship Camp, Native Expeditions, Pack Rat Outdoor
- 7** Dano Youth Camps, Dano Youth Camp, Sunlight Sports
- 8** Getting Kids Outdoors, Denali Foundation, Denali/Trailblazer
- 9** Camp Colton Environmental Education Program, Friends of Camp Colton, Peace Surplus
- 10** Tallgrass Prairie Preservation and Restoration, Grand Prairie Friends, Champaign Surplus
- 11** Horizons- Upward Bound Wilderness Adventure, Cranbrook Schools, Backcountry North
- 12** Black Forest Fire Restoration, Trails and Open Space Coalition, Mountain Chalet
- 13** Barren River Outdoors Center Youth Boulder, Bowling Green Riverfront Foundation, Nat's Outdoor Sports
- 14** Citico Creek Stewardship, Southern Appalachian Wilderness Stewards, Rock/Creek
- 15** Enabling Tomorrow's Environmental and Community Leaders, Amigos de las Americas, Summit Hut
- 16** Kids in Kayaks, The Outside Foundation, Outside Hilton Head
- 17** Wear Your Soul Project, Wear Your Soul Foundation, The Outside World
- 18** Hope for Opelousas Adventure Crew, Hope for Opelousas, Pack and Paddle
- 19** River Rangers, Ijams Nature Center, River Sports Outfitters



NATIONAL TRAILS DAY

As a long-term supporter of the American Hiking Society and official sponsor of National Trails Day®, Columbia is proud to support the only national organization that promotes and protects foot trails, their surrounding natural areas and the hiking experience. As a national voice for hikers, the American Hiking Society is a champion of conservation issues, helps build public and private partnerships, supports volunteer stewardship and provides critical resources to help plan, fund and develop trails.



In 2015, Columbia supported the American Hiking Society with a donation of over \$40,000, a portion of which was generated through Columbia's online and in-store promotional efforts for National Trails Day®. From June 1-11, 2015, 10% of each online and select in-store sales were donated to the American Hiking Society, resulting in a total donation of \$20,000. We continue to support National Trails Day®, the first Saturday in June, by encouraging our customers, employees and friends to join an event or contribute to one of many stewardship projects across the country.

Learn more about National Trails Day at nationaltrailsday.americanhiking.org

I WEAR PINK

Since 2007, Columbia and the National Breast Cancer Foundation have partnered to create I Wear Pink, a Columbia apparel collection for women and men branded with the pink breast-cancer-awareness ribbon. For each item sold-in to retailers in North America, Columbia and participating retailers donate \$1.00 (\$.50 for each hat) to the National Breast Cancer Foundation.



In 2015, this program raised over \$200,000 and since its inception in 2007, the I Wear Pink program has raised over \$1.2 million for the National Breast Cancer Foundation. The entire donation is restricted to providing mammograms for women in need.

FIND YOUR PARK EXPEDITION

As a multi-year partner of the National Park Foundation (NPF) and official outfitting sponsor for NPF's 2015 Find Your Park Expedition, Columbia supports NPF's mission to connect all Americans with their rich natural, historical, and cultural heritage preserved by the National Park System. Since 2013, Columbia has partnered with NPF, American Latino Heritage Fund, and REI to provide immersive national park experiences for young, urban multicultural communities. Specifically, Columbia provides financial and product support for these initiatives, including outfitting each Find Your Park Expedition participant.

In 2015, 230 people applied to participate in the annual Find Your Park Expedition, held at Mesa Verde National Park and Great Sand Dunes National Park. After careful review of all applications, eight winners were selected by NPF, REI, and Columbia for their ability to share experiences across social media and communicate the breadth and depth of parks to minority communities whom may have never had the opportunity to personally experience a national park. This model of connecting with multicultural communities through immersive outdoor experiences, and encouraging them to share their outdoor stories with their communities, has proved to be a successful model in building support for the outdoors and inspiring people from all backgrounds to explore their parks.

Since 2013, Columbia has partnered with NPF and the American Latino Heritage Fund to provide immersive national park experiences for young, urban multicultural communities.





NEXT STEPS

- 1** Continue to focus on giving-back efforts that support conservation and outdoor education
- 2** Expand our employee engagement and community partnership programs to include communities outside of the U.S.
- 3** Continued advocacy for non-profit organizations that support the well-being of our global communities.

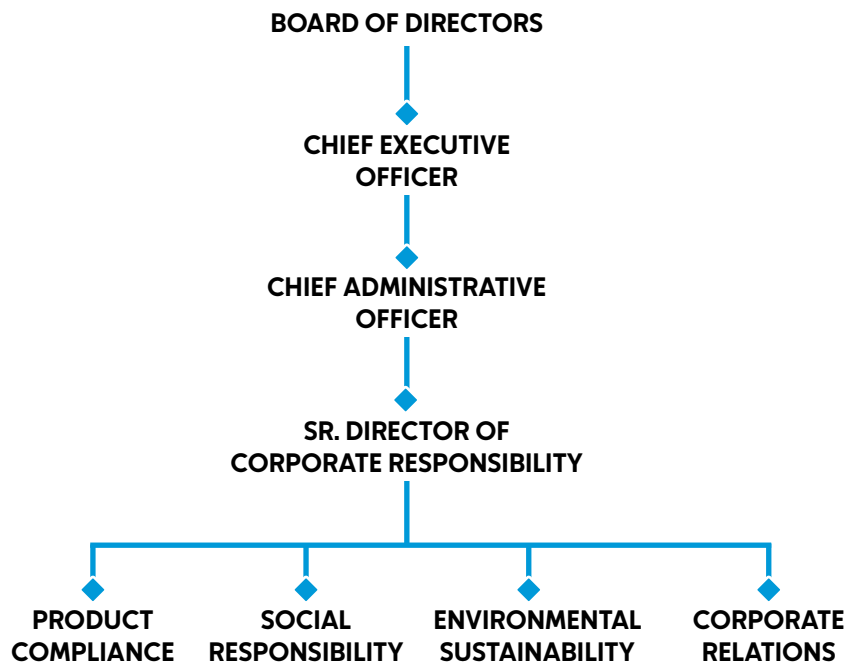


APPENDIX

APPENDIX A:
TEAM & GOVERNANCE

Our Corporate Responsibility function's purpose is to provide expertise in the area of product compliance, social, environmental and community management to inform decision making across functions. The Corporate Responsibility Team plays a key role in guiding programs, policies and practices as well as supporting other functions across the organization in decision making.

We have a global team of 24 subject matter experts located in five countries that manage and implement our Corporate Responsibility strategy. The Corporate Responsibility Team is led by the Senior Director of Corporate Responsibility who reports to the Senior Executive Vice President of Legal & Corporate Affairs and Chief Administrative Officer, who reports directly to the Chief Executive Officer. Columbia's executive team, consisting of the CEO, President and COO, CFO, and CAO get regular updates with regards to Corporate Responsibility performance. Columbia Sportswear Company's Board of Directors are given annual performance updates.



APPENDIX B:
CORPORATE RESPONSIBILITY DRIVERS

Our Corporate Responsibility approach is informed by issues that are deemed important to Columbia's business and stakeholders. The following issues drive our Corporate Responsibility approach:

SAFE WORKING CONDITIONS

We manufacture product in more than 18 different countries, all with varying regulatory environments. In each of these countries, we seek manufacturing partners that share our values of fair and safe working conditions. As the global nature of Columbia's business evolves, this remains an important area of focus.

FINITE RESOURCES

We operate our business on a planet with finite resources. As the world's population and consequent consumption increase, so will the need for resources.

Resource constraints will likely drive up the costs of natural inputs creating price volatility and threatening existing growth and profitability models. By implementing business practices that are more efficient, we make our business less vulnerable to future price fluctuations associated with scarce resources.

CLIMATE CHANGE

Current and projected changes in temperatures have led to disruptions in agriculture, water scarcity, rainfall variability, natural disasters, famine, and socio-political struggles. As a global designer and distributor of products, we recognize the impact our business and operations have on the environment. We have a role to play in ensuring we use the best possible mix of energy sources, improve the energy efficiency of our manufacturing and operational processes and reduce the potential climate impact of the products we design and sell.

CONSUMER EXPECTATIONS

In this digital age of information availability, our customers increasingly want more information about the products they purchase. They want to know where products were made, if materials are traceable and made with ethical and environmental consideration. It's important that we meet customer transparency expectations as well as align our business decisions with their values.

APPENDIX C:

GREENHOUSE GAS INVENTORY METHODOLOGY

CALCULATION DETAILS

Columbia's 2015 greenhouse gas inventory was compiled and organized according to Climate Disclosure Project (CDP) Climate Change Reporting protocols and includes Scopes 1, 2, and 3 emissions. Columbia's carbon footprint for U.S. and Canada operations equates to a total of 16,213 metric tons of CO₂ equivalents.

INTRO TO CDP METHODOLOGY

Calculations based on WRI resources which are covered by GHG Protocol and ISO 14064-1

- ◆ CDP's climate change program works to reduce companies' greenhouse gas emissions and mitigate climate change risk
- ◆ The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions. Hundreds of companies and organizations around the world are using GHG Protocol standards and tools to manage their emissions and become more efficient, resilient, and prosperous organizations.
- ◆ ISO 14064-1:2006 specifies principles and requirements at the organization level for quantification and reporting of greenhouse gas (GHG) emissions and removals. It includes requirements for the design, development, management, reporting and verification of an organization's GHG inventory.

2015 CDP DATA POINTS:

Base Year 2015 (all units Tonnes CO₂e unless otherwise specified)

Scope 1 Total Emissions: 1,707.23

US: 1,604.05

CAN: 103.18

Natural Gas (by energy) – Commercial: 1,587.48

8,712.25 MWh

Fugitive Emissions:

R-22: 25.45

R-410a: 94.30

Scope 2 Total Emissions 12,026.47

US: 1,061.02 lb CO₂e/MWh

CAN: 1,382.77 lb CO₂e/MWh

Electricity consumed: 30,031.45 MWh

Scope 3 Total Emissions: 2,479.78

US: 2,306.65

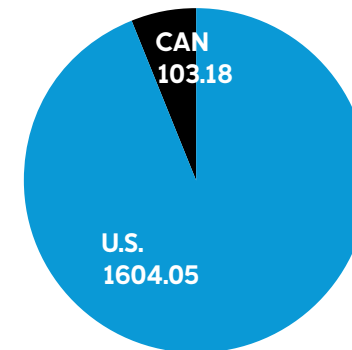
CAN: 173.13

Air Travel: 2,311.37

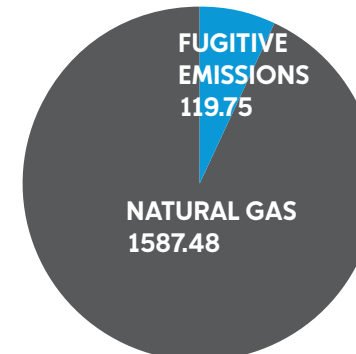
Auto Rental: 168.41

2015 SCOPE 1 TOTAL EMISSIONS

BY REGION



BY RESOURCE



REPORTING BOUNDARIES

Some leased facilities presented constraints on measurement due to the way utility bills are rolled up into rent. Scope 1 fugitive emissions were limited to facilities greater than 20,000 square feet for this reporting period due to the challenge in collecting data. Scope 1 mobile combustion data was determined to be immaterial to Columbia's business and was omitted for this reporting period. Scope 3 emissions data was limited to employee business travel only for this reporting period.

Disclosures (Exclusions)

- ◆ All other regions outside of US/CAN
- ◆ Fugitive emissions for any facility under 20,000 ft²
- ◆ Scope 1 mobile combustion
- ◆ All PrAna activity
- ◆ All other Scope 3 emissions other than employee air and rental car travel
- ◆ Solar-Generated electricity excluded; not accounted for separately

Emissions data was collected and analyzed by MBA students in the course of their capstone project:

Lex Agapinan

Lex has a background in Business and Data Analysis which helped him to manage and bring meaning to the data.

Christina Barry-Simmons

Christina's background in commercial lending meant that she was able to utilize her ability to analyze and conceptualize complex data patterns as part of this project.



Pinchot University is a pioneer in sustainable business and transformational leadership. A private graduate university founded in Seattle, WA in 2002.

APPENDIX D:

GLOSSARY

Tier 1 Suppliers:

Finished goods manufacturers with whom we have a direct relationship.

Tier 2 Suppliers:

Manufacturers of materials or trims that supply to our Tier 1 suppliers, as well as manufacturers to which our Tier 1 suppliers' sub-contract processes such as graphic printing, embellishment, garment washing, etc.

Tier 3 Suppliers:

Manufacturers who supply materials to, or perform processes for, Tier 2 suppliers.

Finished Goods Vendors:

Companies that manufacture finished goods and with whom we have a direct relationship. These companies may own and/or use one or multiple production locations.

Raw Material Vendors:

Companies that manufacture raw materials to supply our finished goods vendors.



 **Columbia**

www.columbia.com/corporateresponsibility