

Apparel & Footwear Benchmark COMPANY SCORECARD 2023

Columbia Sportswear Co. (Columbia)

TICKER NAS:COLM **MARKET CAPITALISATION**

US\$5.98 billion

HEADQUARTERS

United States

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

Australia Modern Slavery
Act: Not applicable

OVERALL RANKING

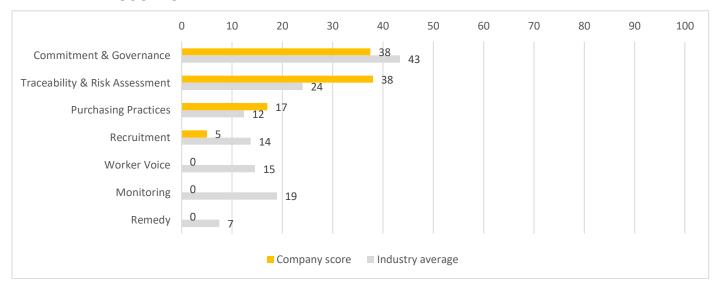
32 out of **65**

2021 Rank: 23 out of 37

OVERALL SCORE

18 out of **100**

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

No

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK RAW MATERIALS¹

Cotton, leather, rubber, wool



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SUMMARY

Columbia Sportswear Co. (Columbia), an American outerwear company, ranks joint 32nd out of 65 companies. Since 2021, the company improved on the themes of Traceability & Risk Assessment and Recruitment, disclosing a second-tier supplier list covering 80% of business volume, and a public policy requiring employers, rather than workers, to pay for the costs of recruitment. However, the company did not improve across other themes and performed particularly poorly on the themes of Worker Voice and Remedy. As such, the company's rank has dropped by 9 places.³ KnowTheChain identified two allegations of forced labour in the company's supply chains, including one related to alleged Uyghur forced labour. However, the company neither discloses engagement with affected stakeholders, nor remedy outcomes for workers, and the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers. The company is encouraged to improve its performance and disclosure on the themes of Recruitment, Worker Voice, and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: While the company discloses a policy that incorporates the Employer Pays Principle, it is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through: mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations. While the company discloses an email address that suppliers may use to report policy violations, the company is encouraged to take steps to ensure that a formal mechanism to report grievances regarding labour conditions in the company's supply chains is available and communicated to its suppliers' workers and relevant stakeholders (e.g., worker organisations or labour NGOs).

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark findings report.



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² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset here. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website.

³ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See here for more information.