

## Risk Factors Comparison 2025-02-27 to 2024-02-26 Form: 10-K

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

In addition to the other information contained in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, results of operations, or cash flows may be materially adversely affected by these and other risks. Please note that additional risks not presently known to us or that we currently deem immaterial may also impair our business and operations. **CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS** We are Subject to a Number of Risks Which May Adversely Affect Consumer and / or Wholesale Customer Demand for Our Products and Lead to a Decline in Sales and / or Earnings. These risks include, but are not limited to:

- **Volatile Economic Conditions.** We are a consumer products company and are highly dependent on consumer discretionary spending. Consumer discretionary spending behavior is inherently unpredictable. Consumer demand, and related wholesale customer demand, for our products may not support our sales targets, or may decline, especially during periods of heightened economic uncertainty in our key markets.
- **Highly Competitive Markets.** In each of our geographic markets, we face significant competition from global and regional branded apparel, footwear, accessories, and equipment companies. More recently this competition has extended to emerging brands that may not be viewed as outdoor brands but are participating in the outdoor apparel **and footwear** industry. Retailers who are our wholesale customers often pose a significant competitive threat by designing, marketing and distributing apparel, footwear, accessories, and equipment under their own private labels. We also experience direct competition in our DTC business from retailers that are our wholesale customers. This is particularly the case in the digital marketplace, where increased consumer expectations and competitive pressure related to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges, and other evolving expectations are key factors.
- **Consumer Preferences and Fashion / Product Trends.** Changes in consumer preferences, consumer interest in outdoor activities, and fashion / product trends may have a material adverse effect on our business. We also face risks because our success depends on our and our customers' abilities to anticipate consumer preferences and our ability to respond to changes of such preferences in a timely manner. Product development and / or production lead times for many of our products may make it more difficult for us to respond rapidly to new or changing fashion / product trends or consumer preferences.
- **Brand Images.** Our brands have wide recognition, and our success has been due in large part to our ability to maintain, enhance and protect our brand image and reputation and our consumers' and customers' connection to our brands. Our continued success depends in part on our ability to adapt to a rapidly changing media environment, including our increasing reliance on social media and online dissemination of advertising campaigns. In addition, consumer and customer sentiment could be shaped by our sustainability policies and related design, sourcing and operational decisions. **Finally, demand in certain channels may be impacted in the short term as we seek to bring additional consumer segments to our brands by proactively managing the promotional activity of the brands in the marketplace.**
- **Weather Conditions, Including Global Climate Change Trends.** Our sales are affected by weather conditions. Our DTC sales are dependent in part on the weather and our DTC sales growth is likely to be adversely impacted or may even decline in years in which weather conditions do not stimulate demand for our products. Unseasonably warm weather also impacts future sales to our wholesale customers, who may hold inventory into subsequent seasons in response to unseasonably warm weather. Our results may be negatively impacted if management is not able to adjust expenses in a timely manner in response to unfavorable weather conditions and the resulting impact on consumer and customer demand. The magnitude of climate change and whether resulting weather patterns continue to trend warmer will influence the extent to which consumer and customer demand for our outerwear **and cold weather footwear** products will be negatively affected.
- **Shifts in Retail Traffic Patterns.** Shifts in consumer purchasing patterns in our key markets may have an adverse effect on our DTC operations and the financial health of certain of our wholesale customers, some of whom may reduce their brick and mortar store fleet, file for protection under bankruptcy laws, restructure, or cease operations. These related business impacts have already occurred at certain of our wholesale customers. We face increased risk of order reduction and cancellation when dealing with financially ailing wholesale customers. We also extend credit to our wholesale customers based on an assessment of the wholesale ~~COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10-K |~~ **customer** ~~customer~~'s financial condition, generally without requiring collateral. We may choose (and have chosen in the past) to limit our credit risk by reducing our level of business with wholesale customers experiencing financial difficulties and may not be able to replace those revenues with other customers or through our DTC businesses within a reasonable period or at all. **COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10-K | 7**
- **Innovation.** To distinguish our products in the marketplace and achieve commercial success, we rely on product innovations, including new or exclusive technologies, inventive and appealing design or other differentiating features. If we fail to introduce innovative products that appeal to consumers and customers, we could suffer reputational damage to our brands and demand for our products could decline. Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers. We do not have long-term contracts with any of our wholesale customers. We do have contracts with our independent international distributors; although these contracts may have annual purchase minimums that must be met in order to retain distribution rights, the distributors are not otherwise obligated to purchase products from us. Sales to our wholesale customers (other than our international distributors) are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling prior to shipment of orders. We place the majority of our orders for products with our contract manufacturers for our wholesale customers based on these advance orders. We consider the timing of delivery dates in our wholesale customer orders when we

forecast our sales and earnings for future periods. If any of our major wholesale customers experience a significant downturn in business or fail to remain committed to our products or brands, or if we are unable to deliver products to our wholesale customers in the agreed upon manner or reach mutually agreeable accommodations, these customers could postpone, reduce, cancel, or discontinue purchases from us, including after we have begun production on any order, or seek to impose chargebacks. Our Inability to Accurately Predict Consumer and / or Customer Demand for Our Products Could Lead to a Build-up of Inventory or a Lack of Inventory and Affect Our Gross Margin. We place orders for our products with our contract manufacturers in advance of the related selling season and, as a result, are vulnerable to changes in consumer and / or customer demand for our products. Therefore, we must accurately forecast consumer and / or customer demand for our products well in advance of the selling season. We are subject to numerous risks relating to consumer and / or customer demand (see “ We are Subject to a Number of Risks Which May Adversely Affect Consumer and / or Customer Demand for our Products and Lead to a Decline in Sales and / or Earnings ” and “ Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write- downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers ” for additional information). Our ability to accurately predict consumer and / or customer demand well in advance of the selling season for our products is impacted by these risks, as well as our reliance on manual processes and judgments that are subject to human error. These risks are heightened during periods of macroeconomic and geopolitical volatility, ~~such as we are currently experiencing~~. Our failure to accurately forecast consumer and / or customer demand could result in inventory levels in excess of demand ~~(as currently is the case)~~, which may cause inventory write- downs and / or the sale of excess inventory at discounted prices through our outlet stores, temporary clearance locations, or third- party liquidation channels and could have a material adverse effect on our brand image and gross margin. In addition, we ~~have experienced and may continue to~~ experience additional costs and margin pressure relating to the storage and processing of excess inventory, including through our outlet stores ~~and temporary clearance locations~~. Conversely, if we underestimate consumer and / or customer demand for our products or if our contract manufacturers or third- party logistics providers are unable to supply or deliver products when we need them, we may experience inventory shortages, which may prevent us from fulfilling product orders or having optimal inventory assortments for our DTC channels resulting in lost sales, negatively affect our wholesale customer and consumer relationships, result in increased costs to expedite production and delivery, or diminish our ability to build brand loyalty. WE ARE SUBJECT TO VARIOUS RISKS IN OUR SUPPLY CHAIN Our Reliance on Contract Manufacturers, Including Our Ability to Enter Into Purchase Order Commitments with Them and Maintain Quality Standards of Our Products and Standards of Manufacturing Processes at Contract Manufacturers, May Result in Lost Sales and Impact our Gross Margin and Results of Operations. Our products are manufactured by contract manufacturers worldwide, primarily in the Asia Pacific region. Although we enter into purchase order commitments with these contract manufacturers each season, we generally do not maintain long- term manufacturing commitments with them, and various factors could interfere with our ability to source our products. Without long- term commitments, there is no assurance that **we will be able to secure adequate or timely production capacity and our competitors may obtain production capacities that effectively limit or eliminate the availability of our contract manufacturers. If we are unable to obtain necessary production capacities, we may be unable to meet consumer demand, resulting in lost sales.** COLUMBIA SPORTSWEAR COMPANY | 2023-2024 FORM 10- K | 8 ~~we will be able to secure adequate or timely production capacity and our competitors may obtain production capacities that effectively limit or eliminate the availability of our contract manufacturers. If we are unable to obtain necessary production capacities, we may be unable to meet consumer demand, resulting in lost sales.~~ In addition, contract manufacturers may fail to perform as expected. If a contract manufacturer fails to ship orders in a timely manner **(as recently occurred)**, we could experience supply disruptions that result in missed delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price or cause us to incur additional freight costs. Reliance on contract manufacturers also creates quality control risks. Contract manufacturers may need to use sub- contracted manufacturers to fulfill our orders, which could result in compromised quality of our products. A failure in our quality control program, or a failure of our contract manufacturers or their subcontractors to meet our quality control standards, may result in diminished product quality, which in turn could result in increased order cancellations, price concessions, product returns, decreased consumer and customer demand for our products, non- compliance with our product standards or regulatory requirements, or product recalls or other regulatory actions. We impose standards of manufacturing practices on our contract manufacturers for the benefit of workers and require compliance with our restricted substances list and product safety and other applicable laws, including environmental, health and safety and forced labor laws. We also require that our contract manufacturers impose these practices, standards and laws on their subcontractors. If a contract manufacturer or subcontractor violates labor or other laws or engages in practices that are not generally accepted as safe or ethical, we may experience production disruptions, lost sales or significant negative publicity that could result in long- term damage to our reputation. In some circumstances, parties may assert that we are liable for our contract manufacturers' or subcontractors' labor and operational practices, which could have a material adverse effect on our brand image, results of operations and our financial condition. Volatility in the Availability of and Prices for Raw Materials We Use in Our Products Could Have a Material Adverse Effect on Our Revenues, Costs, Gross Margins and Profitability. Our products are derived from raw materials that are subject to both disruptions to supply availability and price volatility. If there are supply disruptions or price increases for raw materials we use in our products and we are unable to obtain sufficient raw materials to meet production needs or offset rising costs by increasing the price of our products or achieving efficiency improvements, we could experience negative impacts to our sales and profitability. For Certain Materials We Depend on a Limited Number of Suppliers, Which May Cause Increased Costs or Production Delays. As an innovative company, some of our materials are highly technical and / or proprietary and may be available from only one source or a very limited number of sources. As a result, from time to time, we may have difficulty satisfying our material requirements. Although we believe that we can identify and qualify additional contract manufacturers to produce or supply these materials or alternative materials as

necessary, there are no guarantees that additional contract manufacturers will be available. In addition, depending on the timing, any changes in sources or materials may result in increased costs or production delays. Our Success Depends on Third- Party Logistics Providers and Our and Third- Party Distribution Facilities. The majority of our products are manufactured outside of our principal sales markets, which requires these products to be consolidated and transported, sometimes over large geographical distances. A small number of third- party logistics providers currently consolidate, deconsolidate and / or transload almost all of our products. Any disruption in the operations of these providers or changes to the costs they charge, due to capacity constraints, volatile fuel prices or otherwise, could materially impact our sales and profitability. A prolonged disruption in the operations of these providers could also require us to seek alternative distribution arrangements, which may not be available on attractive terms and could lead to delays in distribution of products, either of which could have a significant and material adverse effect on our business, results of operations and financial condition. In addition, the ability to move products over larger geographical distances could be negatively affected by ocean, air and trucking cargo capacity constraints or labor disruptions, or such constraints or disruptions at ports or borders, or geopolitical conflicts (such as is occurring currently in the Red Sea). These constraints, conflicts and disruptions could hinder our ability to satisfy demand through our wholesale and DTC businesses, and we may miss delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price. Furthermore, increases in distribution costs, including but not limited to freight costs, could adversely affect our costs, which we may not be able to offset through price increases or decreased promotions.

~~COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10-K | 9~~ We receive our products from third- party logistics providers at our owned distribution centers in the ~~United States~~ **U. S.**, Canada and France. The fixed costs associated with owning, operating and maintaining such distribution centers during a period of economic weakness or declining sales can result in lower operating efficiencies, financial deleverage and potential impairment in the recorded value of distribution assets.

**COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10-K | 9** We also receive and distribute our products through third- party operated distribution facilities internationally and domestically. We depend on these third- parties to manage the operation of their distribution facilities as necessary to meet our business needs. If the third- parties fail to manage these responsibilities, our international and domestic distribution operations could face significant disruptions or we could incur additional expense. Transitions within our distribution network amongst third- party distribution partners ~~, as is currently occurring,~~ exacerbates this risk. Our ability to meet consumer and customer expectations, manage inventory, complete sales, and achieve our objectives for operating efficiencies depends on the proper operation of our existing distribution facilities, as well as the facilities of third- parties, the development or expansion of additional distribution capabilities and services, and the timely performance of services by third- parties, including those involved in moving products to and from our distribution facilities and facilities operated by third- parties. The uneven flow of inventory receipts during peak times at our distribution centers may cause us to miss delivery deadlines, as we work through inventory, which in turn may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price.

**OUR INVESTMENT IN STRATEGIC PRIORITIES EXPOSES US TO CERTAIN RISKS We May Be Unable to Execute Our Strategic Priorities, Which Could Limit Our Ability to Invest in and Grow Our Business.** Our strategic priorities are to drive brand awareness and sales growth through increased, focused demand creation investments, enhance consumer experience and digital capabilities in all of our channels and geographies, expand and improve global DTC operations with supporting processes and systems and invest in our people and optimize our organization across our portfolio of brands. To implement our strategic priorities, we must continue to, among other things, modify and fund various aspects of our business, effectively prioritize our initiatives and execute effective change management. These efforts, coupled with a continuous focus on expense discipline, may place strain on internal resources, and we may have operating difficulties as a result. Our strategic priorities also generally involve increased expenditures, which could cause our profitability or operating margin to decline if we are unable to offset our increased spending with increased sales or gross profit or comparable reductions in other operating costs (as is currently occurring). This could result in a decision to delay, modify, or terminate certain initiatives related to our strategic priorities. Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits. We regularly implement business process improvement and information technology initiatives intended to optimize our operational and financial performance. Transitioning to these new or upgraded processes and systems requires significant capital investments and personnel resources. Implementation is also highly dependent on the coordination of numerous employees, contractors and software and system providers. The interdependence of these processes and systems is a significant risk to the successful completion and continued refinement of these initiatives, and the failure of any aspect could have a material adverse effect on the functionality of our overall business. We may also experience difficulties in implementing or operating our new or upgraded business processes or information technology systems, including, but not limited to, ineffective or inefficient operations, significant system failures, system outages, delayed implementation and loss of system availability, which could lead to increased implementation and / or operational costs, loss or corruption of data, delayed shipments, excess inventory and interruptions of operations resulting in lost sales and / or profits.

**We May Not Realize Returns on Our Fixed Cost Investments in Our DTC Business Operations.** We continue to make investments in our digital capabilities and our DTC operations, including new stores. (See “ Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits ”.) Since many of the costs of our DTC operations are fixed, we may be unable to reduce expenses in order to avoid losses or negative cash flows if we have insufficient sales. We may not be able to exit DTC brick and mortar locations and related leases at all or without significant cost or loss, renegotiate the terms thereof, or effectively manage the profitability of our existing brick and mortar stores. In addition, obtaining real estate and effectively **renewing real estate leases for our DTC brick and mortar operations is subject to the real estate market and we may not be able to secure adequate new locations or**

**successfully renew leases for existing locations.** COLUMBIA SPORTSWEAR COMPANY | 2023-2024 FORM 10- K | 10

renewing real estate leases for our DTC brick and mortar operations is subject to the real estate market and we may not be able to secure adequate new locations or successfully renew leases for existing locations. WE ARE SUBJECT TO CERTAIN INFORMATION TECHNOLOGY RISKS We Rely on Information Technology Systems, including Third- Party Cloud- based Solutions, and Any Failure of These Systems **or Interruption in Services Provided by the Systems** May Result in Disruptions or Outages in Our E- Commerce and In- Store Retail Platforms, Loss of Processing Capabilities, and / or Loss of Data, Any of Which May Have a Material Adverse Effect on Our Financial Condition, Results of Operations or Cash Flow. Our reputation and ability to attract, retain and serve consumers and customers is dependent upon the reliable performance of our underlying technology infrastructure and external service providers, including third- party cloud- based solutions. **The services These these** systems **provide** are vulnerable to ~~damage or~~ interruption, **in particular during a period of transition of systems,** and we have experienced interruptions in the past. We rely on cloud- based solutions furnished by third- parties primarily to allocate resources, pay vendors, collect from customers, manage loyalty programs, process transactions, develop demand and supply plans, manage product design, production, transportation, and distribution, forecast and report operating results, meet regulatory requirements and administer employee payroll and benefits, among other functions. In addition, our DTC operations, both in- store and online, rely on cloud- based solutions to process transactions. We have also designed a significant portion of our software and computer systems to utilize data processing and storage capabilities from third- party cloud solution providers. **Our existing cloud- based solution providers have broad discretion to change and interpret their terms of service and other policies with respect to our use of their systems, and they may take actions beyond our control that could harm our business. We also may not be able to control the quality of the systems and services we receive from our third- party cloud- based solution providers. Some transitions of the cloud- based solutions currently provided to different cloud providers would be difficult to implement and may cause us to incur significant time and expense, or an interruption in services.** Both our on- premises and cloud- based infrastructure may be susceptible to outages due to any number of reasons, including human error, fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Despite the implementation of security measures that we believe to be reasonable, both our on- premises and our cloud- based infrastructure may also be vulnerable to hacking, computer viruses, the installation of malware and similar disruptions either by third- parties or employees, which may result in outages. We do not have redundancy for all of our systems and our disaster recovery planning may not account for all eventualities. If we or our existing third- party cloud- based solution providers experience interruptions in service regularly or for a prolonged basis, or other similar issues, our business could be seriously harmed and, in some instances, our consumers and customers may not be able to purchase our products, which could significantly and negatively affect our sales. **Additionally While we maintain cyber liability insurance policies for coverage in the event of a cybersecurity incident, we cannot be certain that our existing coverage will continue** cloud- based solution providers have broad discretion to change and interpret their **be available on acceptable terms or will be available** of service and other policies with respect to us, and **in sufficient amount, to cover them- the potentially significant losses** may take actions beyond our control that could ~~harm~~ **result from a cybersecurity incident our- or that the insurer will** business. We also may not be able **deny coverage as to any future claims** control the quality of the systems and services we receive from our third- party cloud- based solution providers. Any transition of the cloud- based solutions currently provided to different cloud providers would be difficult to implement and may cause us to incur significant time and expense. If we and / or our cloud- based solution providers are not successful in preventing or effectively responding to outages or cyberattacks, our financial condition, results of operations and cash flow could be materially and adversely affected. A Security Breach of Our or Our Third- Parties' Systems, Exposure of Personal or Confidential Information or Increased Government Regulation Relating to Handling of Personal Data, Could, Among Other Things, Disrupt Our Operations or Cause Us to Incur Substantial Costs or Negatively Affect Our Reputation. We and many of our third- party vendors manage and maintain various types of proprietary information and sensitive and confidential data relating to our business, such as personally identifiable information of our consumers, our customers, our employees, and our business partners, as well as **payment credit card** information in certain instances. Unauthorized parties may attempt to gain access to these systems or information through fraud or other means of deceiving our employees or third- party service providers. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly changing and evolving, and may be difficult to anticipate or detect for long periods of time. The ever- evolving threats mean we and our third- parties must continually evaluate and adapt our systems and processes, and there is no guarantee that these efforts will be adequate to safeguard against all data security breaches or misuses of data. Any breaches of our or our third- parties' systems could expose us, our customers, our consumers, our suppliers, our employees, or other individuals to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our reputation, or otherwise harm our business. **While we maintain cyber liability insurance policies for coverage in the event of a cybersecurity incident, we cannot be certain that our existing coverage will continue to be available on acceptable terms or will be available, and in sufficient amount, to cover the potentially significant losses that could result from a cybersecurity incident or that the insurer will not deny coverage as to any future claims.** In addition, as the regulatory environment related to information security, data collection and use and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in additional costs or liabilities. Non- U. S. data privacy and data security laws and regulations, various U. S. federal and state laws and other information privacy and security standards may be and are applicable to us. **Violations of these requirements could result in significant penalties,** COLUMBIA SPORTSWEAR COMPANY | 2023-2024 FORM 10- K | 11 **privacy and security standards may be and are applicable to us. Violations of these requirements could result in significant penalties,** investigations or litigation. Significant legislative, judicial or regulatory changes have been and could be issued in the future. As new requirements are issued, new processes must be implemented to ensure compliance. In addition, previously implemented processes must be

continually refined. This work is accomplished through significant efforts by our employees. The diverted attention of these employees may impact our operations and there may be additional costs incurred by us for third- party resources to advise on the constantly changing landscape. ~~We have experienced this with the new privacy laws in China.~~ Limitations on the use of data may also impact our future business strategies. Additionally, our DTC business depends on customers' willingness to entrust us with their personal information. Events that adversely affect that trust could adversely affect our brand and reputation. We Depend on Certain Legacy Information Technology Systems, Which May Inhibit Our Ability to Operate Efficiently. Our legacy product development, retail and other systems, on which we continue to manage a portion of our business activities, **rely depend** on the availability of limited internal and external resources with the expertise to maintain the systems. In addition, our legacy systems, including aged systems in our Japanese and Korean businesses **and systems associated with our retail order management process**, may not support desired functionality for our operations and may inhibit our ability to operate efficiently **and cost effectively**. **The As we continue continued to use of these legacy systems also increases the risk of service disruption and can complicate recovery effort when issues arise. Moreover, our continued** transition from ~~our~~ **these** legacy systems ~~to and implement new~~ **ones is complex** systems, certain functionality **and requires significant change management information from our legacy systems**, including that of **extensive coordination and integration with third- party parties and their** systems. **Consequently** that interface with our legacy systems, ~~may not be fully compatible with the these new systems~~ **transitions could result in the interruption of our operations**. WE ARE SUBJECT TO LEGAL AND REGULATORY RISKS Our Success Depends on the Protection of Our Intellectual Property Rights. Our registered and common law trademarks, our patented or patent- pending designs and technologies, trade dress and the overall appearance and image of our products have significant value and are important to our ability to differentiate our products from those of our competitors. As we strive to achieve product innovations, extend our brands into new product categories and expand the geographic scope of our marketing, we face a greater risk of inadvertent infringements of third- party rights or compliance issues with regulations applicable to products with technical features or components. We may become subject to litigation based on allegations of infringement or other improper use of intellectual property rights of third- parties. In addition, failure to successfully obtain and maintain patents on innovations could negatively affect our ability to market and sell our products. We regularly discover products that are counterfeit reproductions of our products or that otherwise infringe on our proprietary rights. Increased instances of counterfeit manufactured products and sales may adversely affect our sales and the reputation of our brands and result in a shift of consumer preference away from our products. The actions we take to establish and protect trademarks and other proprietary rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as violations of proprietary rights. In markets outside of the ~~United States~~ **U. S.**, it may be more difficult for us to establish our proprietary rights and to successfully challenge use of those rights by other parties. Litigation is often necessary to defend against claims of infringement or to enforce and protect our intellectual property rights. Intellectual property litigation may be costly and may divert management' s attention from the operation of our business. Adverse determinations in any litigation may result in the loss of our proprietary rights, subject us to significant liabilities or require us to seek licenses from third- parties, which may not be available on commercially reasonable terms, if at all. Certain of Our Products Are Subject to Product Regulations and / or Carry Warranties, Which May Cause an Increase to Our Expenses in the Event of Non- Compliance and / or Warranty Claims. Our products are subject to increasingly stringent and complex domestic and foreign product labeling, performance, environmental and safety standards, laws and other regulations, including those pertaining to perfluoroalkyl and polyfluoroalkyl substances and other environmental impacts. These requirements could result in greater expense associated with compliance efforts, and failure to comply with these regulations could result in a delay, non- delivery, recall, or destruction of inventory shipments during key seasons, a loss of advance orders from wholesale customers or in other financial penalties. Significant or continuing noncompliance with these standards and laws could disrupt our business and harm our reputation. ~~Our products are generally used in outdoor activities, sometimes in severe conditions. Product recalls or product liability claims resulting from the failure, or alleged failure, of our products could have a material adverse effect on the reputation of our brands and result in additional~~ **Our products are generally used in outdoor activities, sometimes in severe conditions. Product recalls or product liability claims resulting from the failure, or alleged failure, of our products could have a material adverse effect on the reputation of our brands and result in additional** expenses. Most of our products carry limited warranties for defects in quality and workmanship. We maintain a warranty reserve for estimated future warranty claims, but the actual costs of servicing future warranty claims may exceed the reserve. We May Have Additional Tax Liabilities or Experience Increased Volatility in Our Effective Tax Rate. As a global company, we determine our income tax liability in various tax jurisdictions and our effective tax rate based on an analysis and interpretation of local tax laws and regulations and our financial projections. This analysis requires a significant amount of judgment and estimation and is often based on various assumptions about the future, which, in times of economic disruptions, are highly uncertain. These determinations are the subject of periodic domestic and foreign tax audits. Although we accrue for uncertain tax positions, our accruals may be insufficient to satisfy unfavorable findings. Unfavorable audit findings and tax rulings may result in payment of taxes, fines and penalties for prior periods and higher tax rates in future periods. Other changes in the tax laws of the jurisdictions where we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in our tax expense. For example, changes in the tax laws of foreign jurisdictions could arise as a result of the Base Erosion and Profit Shifting project undertaken by the Organization for Economic Co- operation and Development (" OECD"). The OECD, which represents a coalition of member countries, has recommended changes to numerous long- standing tax principles. The OECD Pillar 2 global minimum tax rules, which generally provide for a minimum effective tax rate of 15 %, are intended to apply for tax years beginning in 2024. On February 2, 2023, the OECD issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar 2 global minimum tax. Under a transitional safe harbor released July 17,

2023, the undertaxed profits rule top-up tax in the jurisdiction of a company's ultimate parent entity will be zero for each fiscal year of the transition period if that jurisdiction has a corporate tax rate of at least 20%. The safe harbor transition period will apply to fiscal years beginning on or before December 31, 2025 and ending before December 31, 2026. We are closely monitoring developments and evaluating the impact these new rules are anticipated to have on our tax rate, including eligibility to qualify for these safe harbor rules. As these changes are adopted by countries, tax uncertainty could increase and may adversely affect our provision for income taxes. Due to the nature of the findings in the Korea 2009 through 2014 income tax audits, the Company has invoked the Mutual Agreement Procedures outlined in the ~~United States U. S.~~ Korean income tax treaty. The Company does not anticipate that adjustments relative to these findings will result in material changes to its financial condition, results of operations or **cash flows. Changes to the U. S. tax laws as a result of the recent U. S. presidential administration change may impact our U. S. corporate tax rate. Although we cannot predict whether or in what form these proposals will pass, several of the proposals considered, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense and** cash flows. WE OPERATE GLOBALLY AND ARE SUBJECT TO SIGNIFICANT RISKS IN MANY JURISDICTIONS Global Regulation and Economic and Political Conditions, as well as Potential Changes in Regulations, Legislation and Government Policy, May Negatively Affect Our Business. We are subject to risks generally associated with doing business internationally. These risks include, but are not limited to, the burden of complying with, and unexpected changes to, foreign and domestic laws and regulations, such as anti-corruption and forced labor regulations and sanctions regimes, sustainability regulations, the effects of fiscal and political crises and political and economic disputes, changes in diverse consumer preferences, foreign currency exchange rate fluctuations, managing a diverse and widespread workforce, political unrest, terrorist acts, military operations, disruptions or delays in shipments, disease outbreaks, natural disasters, and changes in economic conditions in countries in which we contract to manufacture, source raw materials or sell products. Our ability to sell products in certain markets, demand for our products in certain markets, our ability to collect accounts receivable, our contract manufacturers' ability to procure raw materials or manufacture products, distribution and logistics providers' ability to operate, our ability to operate brick and mortar stores, our workforce, and our cost of doing business (including the cost of freight and logistics) may be impacted by these events should they occur and laws and regulations that are enacted in response to such events. Our exposure to these risks is heightened in Vietnam, where a significant portion of our contract manufacturing is located, **and as well as** in China, where a large portion of the raw materials used in our products is sourced by our contract manufacturers. Should certain of these events occur in Vietnam or China, they could cause a substantial disruption to our business and have a material adverse effect on our financial condition, results of operations or cash flows ~~. In addition, many of our imported products are subject to duties, tariffs or other import limitations that affect the cost and quantity of various types of goods imported into the United States and other markets, including the punitive tariffs on U. S. products imported from China imposed in 2019.~~ In addition, goods suspected of being manufactured with forced labor could be blocked from importation into the U. S. **or other countries**, which could materially impact sales. **COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10-K | 13** **In addition, many of our imported products are subject to duties, tariffs or import limitations that affect the cost and quantity of various types of goods imported into the U. S. and other markets. Proposals to implement new tariffs or other trade restrictions in the U. S. could impact the products we import into the U. S. and also result in retaliatory measures in international markets where we sell our products. Punitive measures have been threatened against certain countries that run trade surpluses with the U. S., such as Vietnam, Indonesia and India. We expect Vietnam, Indonesia and India to represent approximately 44 percent, 11 percent, and 10 percent, respectively, of the value of our imports to the U. S. in 2025. Although we cannot predict whether and in what form such measures will be adopted or implemented, these proposals for tariffs or other trade restrictions could have an adverse impact on our cost of sales, gross margin and cash flows; disrupt the U. S. marketplace; and cause an increase in our product prices, to the extent possible, and potential adverse impacts to resulting net sales in the U. S. Changes in tariffs may also cause a change to our sourcing strategy, which we may or may not be able to implement based on timing and availability.** In connection with the United Kingdom's exit from the European Union (commonly referred to as "Brexit"), on December 24, 2020, the European Union ("E. U.") and the United Kingdom ("U. K.") reached an agreement, the E. U.-U. K. Trade and Cooperation Agreement, to govern aspects of the relationship of the E. U. and U. K. following Brexit. As a result of no longer having "free circulation" between the U. K. and ~~COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10-K | 13~~ the E. U., we have incurred and will continue to incur additional duties. We are investigating alternatives to mitigate these additional costs in the future. Fluctuations in Inflation and Currency Exchange Rates Could Result in Lower Revenues, Higher Costs and / or Decreased Margins and Earnings. We derive a significant portion of our sales from markets outside the ~~United States U. S.~~ **United States U. S.**, which consist of sales to wholesale customers and directly to consumers by our entities in Europe, Asia, and Canada and sales to independent international distributors who operate within EMEA and LAAP. The majority of our purchases of finished goods inventory from contract manufacturers are denominated in ~~United States U. S.~~ **United States U. S.** dollars, including purchases by our foreign entities. These purchase and sale transactions expose us to the volatility of global economic conditions, including fluctuations in inflation and foreign currency exchange rates. Our international revenues and expenses generally are derived from sales and operations in foreign currencies, and these revenues and expenses could be and have been affected by currency fluctuations, specifically amounts recorded in foreign currencies and translated into ~~United States U. S.~~ **United States U. S.** dollars for consolidated financial reporting, as weakening of foreign currencies relative to the ~~United States U. S.~~ **United States U. S.** dollar adversely affects the ~~United States U. S.~~ **United States U. S.** dollar value of the Company's foreign currency-denominated sales and earnings. Our exposure is increased with respect to our wholesale customers ~~(including international distributors)~~, where, in order to facilitate solicitation of advance orders for the spring and fall seasons, we establish local-currency-denominated wholesale and retail price lists in each of our foreign entities approximately six to nine months prior to ~~United States U. S.~~ **United States U. S.** dollar-denominated seasonal inventory purchases. As a result, our consolidated results are directly exposed to transactional foreign currency exchange risk and have been and

could be further impacted by the ~~United States~~ **U. S.** dollar strengthening during the six to nine months between when we establish seasonal local- currency prices and when we purchase inventory. In addition to the direct currency exchange rate exposures described above, our wholesale business is indirectly exposed to currency exchange rate risks. Weakening of a wholesale customer' s functional currency relative to the ~~United States~~ **U. S.** dollar makes it more expensive for it to purchase finished goods inventory from us, which may cause a wholesale customer to cancel orders or increase prices for our products, which may make our products less price- competitive in those markets. In addition, in order to make purchases and pay us on a timely basis, our international distributors must exchange sufficient quantities of their functional currency for ~~United States~~ **U. S.** dollars through the financial markets and may be limited in the amount of ~~United States~~ **U. S.** dollars they are able to obtain. We employ several strategies in an effort to mitigate this transactional currency risk, but these strategies may not and, in the current environment, have not fully mitigated the negative effects of adverse foreign currency exchange rate fluctuations on the cost of our finished goods in a given period and there is no assurance that price increases will be accepted by our wholesale customers, international distributors or consumers. Our gross margins are adversely affected whenever we are not able to offset the full extent of finished goods cost increases caused by adverse fluctuations in foreign currency exchange rates. Currency exchange rate fluctuations may also create indirect risk to our business by disrupting the business of independent finished goods manufacturers from which we purchase our products. When their functional currencies weaken in relation to other currencies, the raw materials they purchase on global commodities markets become more expensive and more difficult to finance. Although each manufacturer bears the full risk of fluctuations in the value of its currency against other currencies, our business can be and has been indirectly affected when adverse fluctuations cause a manufacturer to raise the prices of goods it produces for us, disrupt the manufacturer' s ability to purchase the necessary raw materials on a timely basis, or disrupt the manufacturer' s ability to function as an ongoing business. **COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10- K | 14** WE ARE SUBJECT TO NUMEROUS OPERATIONAL RISKS Our Ability to Manage Fixed Costs Across a Business That is Affected by Seasonality May Impact Our Profits. Our business is affected by the general seasonal trends common to the outdoor industry. Our products are marketed on a seasonal basis and our annual net sales are weighted heavily toward the fall / winter season, while our operating expenses are more equally distributed throughout the year. As a result, often a majority of our operating profits are generated in the second half of the year. If we are unable to manage our fixed costs in the seasons where we experience lower net sales, our profits may be adversely impacted. Labor Matters, Changes in Labor Laws and Our Ability to Meet Our Labor Needs May Reduce Our Revenues and Earnings. Our business depends on our ability to source and distribute products in a timely manner. While a majority of our own operations are not subject to organized labor agreements, certain of our operations in Europe include a formal representation of employees by a Works Council and the application of a collective bargaining agreement. Matters that may affect our workforce at contract manufacturers where our goods are produced, shipping ports, transportation carriers, retail stores, or distribution centers create risks for our business, particularly if these ~~COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10- K | 14~~ matters result in work shut- downs (with little to no notice), slowdowns, lockouts, strikes, or other disruptions. The foregoing includes potential impacts to our business as a result of the International Longshore and Warehouse Union and Teamsters negotiations. Labor matters may have a material adverse effect on our business, potentially resulting in canceled orders by customers, inability to fulfill potential e- commerce demand, unanticipated inventory accumulation and reduced net sales and net income. In addition, our ability to meet our labor needs at our distribution centers, retail stores, corporate headquarters, and regional subsidiaries, including our ability to find qualified employees while controlling wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified people in the work force of the markets in which our operations are located, unemployment levels within those markets, absenteeism, prevailing wage rates, changing demographics, parental responsibilities, health and other insurance costs, and adoption of new or revised employment and labor laws and regulations. Our ability to source, distribute and sell products in a timely and cost- effective manner may be negatively affected to the extent we experience these factors. Our ability to comply with labor laws, including our ability to adapt to rapidly changing labor laws, as well as provide a safe working environment may increase our risk of litigation and cause us to incur additional costs. We May Incur Additional Expenses, Be Unable to Obtain Financing, or Be Unable to Meet Financial Covenants of Our Financing Agreements as a Result of Downturns in the Global Markets. Our vendors, wholesale customers, licensees and other participants in our supply chain may require access to credit markets in order to do business. Credit market conditions may slow our collection efforts as our wholesale customers find it more difficult to obtain necessary financing, leading to higher than normal accounts receivable. This could result in greater expense associated with collection efforts and increased bad debt expense. Credit conditions and / or supply chain disruptions may impair our vendors' ability to finance the purchase of raw materials or general working capital needs to support our production requirements, resulting in a delay or non- receipt of inventory shipments during key seasons. Historically, we have limited our reliance on debt to finance our working capital, capital expenditures and investing activity requirements. We expect to fund our future capital expenditures with existing cash, expected operating cash flows and credit facilities, but, if the need arises to finance additional expenditures, we may need to seek additional funding. Our ability to obtain additional financing will depend on many factors, including prevailing market conditions, our financial condition and our ability to negotiate favorable terms and conditions. Financing may not be available on terms that are acceptable or favorable to us, if at all. Our credit agreements have various financial and other covenants. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable. If we were to borrow under our credit agreements, we would be subject to market interest rates and may incur additional interest expense when borrowing in a high interest rate environment. Acquisitions Are Subject to Many Risks. From time to time, we may pursue growth through strategic acquisitions of assets or companies. Acquisitions are subject to many risks, including potential loss of significant customers or key personnel of the acquired business as a result of the change in ownership, difficulty integrating the operations of the acquired business or achieving targeted efficiencies, the incurrence of substantial costs and expenses related to the acquisition effort, and diversion of

management' s attention from other aspects of our business operations. **COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10- K | 15** Acquisitions may also cause us to incur debt or result in dilutive issuances of our equity securities. Our acquisitions may cause large one- time expenses or create goodwill or other intangible assets that could result in significant impairment charges in the future (as has recently occurred with the prAna brand). We also make various estimates and assumptions in order to determine purchase price allocation and estimate the fair value of assets acquired and liabilities assumed. If our estimates or assumptions used to value these assets and liabilities vary from actual or future projected results, we may be exposed to losses, including impairment losses, that could be material. We do not provide any assurance that we will be able to successfully integrate the operations of any acquired businesses into our operations or achieve the expected benefits of any acquisitions. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future could have an adverse effect on our financial condition, results of operations or cash flows. We may not complete a potential acquisition for a variety of reasons, but we may nonetheless incur material costs in the preliminary stages of evaluating and pursuing such an acquisition that we cannot recover. **COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10- K | 15** Extreme Weather Conditions, Climate Change, and Natural Disasters Could Negatively Impact Our Operating Results and Financial Condition. Extreme weather conditions in the areas in which our retail stores, suppliers, consumers, customers, distribution centers, headquarters and vendors are located could adversely affect our operating results and financial condition. Moreover, climate change and natural disasters such as **wildfires**, earthquakes, hurricanes and tsunamis, whether occurring in the ~~United States~~ **U. S.**, or abroad, and their related consequences and effects, including energy shortages and public health issues, could disrupt our operations, the operations of our vendors and other suppliers or result in economic instability and changes in consumer preferences and spending that may negatively impact our operating results and financial condition. An Outbreak of Disease or Similar Public Health Threat, Such as a Pandemic, Could Have an Adverse Impact on Our Business, Operating Results and Financial Condition. An outbreak of disease or similar public health threat, such a pandemic, could have an adverse impact on our business, financial condition and operating results, including in the form of lowered net sales and the delay of inventory production and fulfillment in impacted regions. Our Investment Securities May Be Adversely Affected by Market Conditions. Our investment portfolio is subject to a number of risks and uncertainties. Changes in market conditions, such as those that accompany an economic downturn or economic uncertainty, may negatively affect the value and liquidity of our investment portfolio, perhaps significantly. Our ability to find diversified investments that are both safe and liquid and that provide a reasonable return may be impaired, potentially resulting in lower interest income, less diversification, longer investment maturities, or other- than- temporary impairments. We Depend on Certain Key Personnel. Our future success will depend in part on our ability to attract, retain and develop certain key talent and to effectively manage succession. We face intense competition for these individuals worldwide, and there is a significant concentration of well- funded apparel and footwear competitors near our headquarters in Portland, Oregon. We may not be able to attract qualified new employees or retain existing employees, which may have a material adverse effect on our financial condition, results of operations or cash flows. We License our Proprietary Rights to Third- Parties and Could Suffer Reputational Damage to Our Brands if We Fail to Choose Appropriate Licensees. We currently license, and expect to continue licensing, certain of our proprietary rights, such as trademarks or copyrighted material, to third- parties. We rely on our licensees to help preserve the value of our brands. Although we attempt to protect our brands through approval rights, we cannot completely control the use of our licensed brands by our licensees. The misuse of a brand by or negative publicity involving a licensee could have a material adverse effect on that brand and on us. In addition, from time to time we license the right to operate retail stores for our brands to third- parties, primarily to our independent international distributors. We provide training to support these stores and set operational standards. However, these third- parties may not operate the stores in a manner consistent with our standards, which could cause reputational damage to our brands or harm these third- parties' sales. **COLUMBIA SPORTSWEAR COMPANY | 2024 FORM 10- K | 16** RISKS RELATED TO OUR SECURITIES Our Common Stock Price May Be Volatile. Our common stock is traded on the NASDAQ Global Select Market. Factors such as general market conditions, actions by institutional investors to rapidly accumulate or divest of a substantial number of our shares, fluctuations in financial results, variances from financial market expectations, changes in earnings estimates or recommendations by analysts, or announcements by us or our competitors may cause the market price of our common stock to fluctuate, perhaps substantially. Certain Shareholders Have Substantial Control Over Us and Are Able to Influence Corporate Matters. As of December 31, ~~2023~~ **2024**, three related shareholders, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, controlled just ~~under~~ **over** 50 % of our common stock outstanding. As a result, if acting together, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle are able to exercise **COLUMBIA SPORTSWEAR COMPANY | 2023 FORM 10- K | 16** significant influence over all matters requiring shareholder approval. These holdings could be significantly diminished (and with them the related effective control percentage) to satisfy any applicable estate or unrealized gains tax obligations of the holders. The Sale or Proposed Sale of a Substantial Number of Shares of Our Common Stock Could Cause the Market Price of Our Common Stock to Decline. Shares held by Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, are available for resale, subject to the requirements of, and the rules under, the Securities Act of 1933 and the Securities Exchange Act of 1934. The sale or the prospect of the sale of a substantial number of these shares may have an adverse effect on the market price of our common stock. We also may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investment, or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and cause the market price of our common stock to decline.