



Patagonia Works

Disclosure Report
Date Submitted: December 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration Disclosure 1 Disclosure 2 Disclosure 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	2018-2022
Topic	Penalties related to labor issues
Summary of Issue	<p>Patagonia, Inc. is an American retailer of outdoor recreation clothing. In the last five years, the company had 3 labor complaints.</p> <p>Case#1 An employee filed a complaint alleging discrimination at the workplace. The complaint was subsequently withdrawn & the company disputed all liability. Regulatory body: Equal Employment Opportunity Commission (EEOC) Year: 2019 Status: Settlement paid by the company</p> <p>Case#2 An employee filed a complaint alleging Violation of Secure Scheduling Ordinance Regulatory body: Seattle Office for Labour Standards Year: 2022 Status: Fine paid by the company</p> <p>Case#3 An employee filed a charge of unfair labor practices Regulatory body: National Labor Relation Board Year: 2020 Status: No financial fine.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The total fines paid by the company represent less than 1% of the company's revenues
Impact on Stakeholders	Employees who filed complaints regarding lack of compliance with labor regulations.
Resolution	All cases have been closed and where applicable, fines have been paid.
Management Practices	<p>Case#1 An employee filed a complaint alleging discrimination in employment. The company disputed all liability but settled the matter to avoid litigation and the associated costs. Change in personnel and new training on the topic to staff.</p> <p>Case#2 An employee filed a complaint alleging a Violation of Secure Scheduling Ordinance Improved scheduling and record-keeping policies and practices to be compliant with regulations.</p>



	Case#3 An employee filed a charge of unfair labor practices Training on National Labor Relations Act (NLRA) rights for managers.
Related Incidents (Yes/No)	No related incidents.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	2018-2022
Topic	Topics related to consumer protection
Summary of Issue	<p>Patagonia, Inc. is an American retailer of outdoor recreation clothing. In the last five years, the company had 3 litigations related to the consumer protection topic.</p> <p>Case#1 Type: Litigation An individual alleged that Patagonia violated the Americans with Disability Act through the lack of accessibility for visually impaired customers on the company's website. Year: 2019 Status: Settled by the company with payment on confidential terms.</p> <p>Case#2 Type: Class Action Patagonia discovered through internal testing that certain materials provided lower protection than the advertised 40+ UPF protection for certain products. Patagonia voluntarily worked with regulatory agencies worldwide to notify customers and provide refunds. After completing that process, two customers who had purchased an impacted product through Patagonia Dealer, sued the company claiming to represent a class of customers who were deceived by the 40+ UPF claim. Year: 2022 Status: Settled by the company with payment on confidential terms.</p> <p>Case#3 Type: Litigation Plaintiff claimed certain Patagonia Provisions food products required a label under California's Proposition 65. Proposition 65 requires businesses to provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects or other reproductive harm. These chemicals can be in the products that Californians purchase, in their homes or workplaces, or that are released into the environment. Year: 2023 Status: Settled by the company with payment on confidential terms.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The total settlements paid by the company represent less than 0.1% of the company's revenues
Impact on Stakeholders	The main employees affected are Patagonia's customers since all the aforementioned litigations are within the consumer protection area.
Resolution	All cases have been settled with payment.



Management Practices	<p>Case#1 An Individual alleged that Patagonia violated the Americans with Disability Act through the lack of accessibility for visually impaired customers on the company's website. Implemented practices: Patagonia regularly audits its website for accessibility, including working with an outside vendor to ensure the site meets industry standards.</p> <p>Case#2 Patagonia discovered through internal testing that certain materials provided lower protection than the advertised 40+ UPF protection for certain products. Patagonia voluntarily worked with regulatory agencies worldwide to notify customers and provide refunds. After completing that process, two customers who had purchased an impacted product through Patagonia Dealer, sued the company claiming to represent a class of customers who were deceived by the 40+ UPF claim. Implemented practices: Patagonia had already informed customers, and offered refunds or replacements. Patagonia continually reviews its testing protocols and processes to minimize the chance that materials do not meet product specifications.</p> <p>Case#3 Plaintiff claimed certain Patagonia Provisions food products required a label under California's Proposition 65. Implemented practices: The company has added a label with appropriate disclosure under Proposition 65 for relevant products in future inventory.</p>
Related Incidents (Yes/No)	No related incidents.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	2023
Topic	Litigation related to labor legislation.
Summary of Issue	A former employee initiated a class action alleging California wage and hour violations. The company disputed all allegations but resolved to settle to avoid litigation and cost associated.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The settlements paid by the company represent less than 1% of the company's revenues.
Impact on Stakeholders	A subset of Patagonia employees and former employees who are located in California and worked for the company during the relevant class period.
Resolution	Settled with pending approval from the court expected by the end of 2023.
Management Practices	The company continues its practice of regularly reviewing timekeeping policies, practices and compliance.
Related Incidents (Yes/No)	No related incidents.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Recalls

Issue Date	2021, 2023
Topic	Voluntary recalls
Summary of Issue	<p>Patagonia had 3 voluntary recalls in the last 5 years.</p> <p>Recall 1 (Patagonia's Capilene Cool Daily and Tropic Comfort styles) Year- 2021 Periodic testing showed that certain styles of Patagonia's Capilene Cool Daily and Tropic Comfort styles did not meet the claimed 50+ UPF rating. Testing showed that certain styles provided a UPF rating of 17-45 UPF.</p> <p>Recall 2 (Patagonia's Infant Capilene Midweight) A single incident of a snap on the bodysuit of an Infant Capilene Midweight Set coming off in a child's mouth, resulting in no harm to children. Year- 2023 There were no other reports of snap failures, yet Patagonia worked with the CPSC to recall the bodysuit to avoid potential choking hazards.</p> <p>Recall 3 (Patagonia's Child Shirt) Internal testing showed that the buttons on a child's shirt did not have sufficient pull-strength to minimize the risk of them being pulled off and presented therefore a potential choking hazard. Year- 2023</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>- Recall 1 (Patagonia's Capilene Cool Daily and Tropic Comfort styles) Voluntary recall. Approximately 2 MM units were recalled worldwide. A large percentage of these products were resold once the 50+ UPF claim was removed as they were otherwise first quality products that presented no health risk. This represents less than 3.7% of overall production across all of Patagonia's products during the reporting period.</p> <p>- Recall 2 (Patagonia's Infant Capilene Midweight) Voluntary recall. Approximately 9,000 units were recalled worldwide. This represents less than 0.1% of overall production across all of Patagonia's products during the reporting period.</p> <p>- Recall 3 (Patagonia's Child Shirt) Voluntary recall. Approximately 137 units were recalled. This represents less than 0.1% of overall production across all of Patagonia's products during the reporting period.</p>
Impact on Stakeholders	<p>- Recall 1 (Patagonia's Capilene Cool Daily and Tropic Comfort styles) No actual harm was caused to any individual to the best of Patagonia's knowledge, but theoretically, it may have caused temporary adverse health consequences.</p> <p>- Recall 2 (Patagonia's Infant Capilene Midweight) No actual harm was caused to any individual to the best of Patagonia's knowledge, but theoretically, it may have caused serious risk to health or death (choking hazard)</p> <p>- Recall 3 (Patagonia's Child Shirt) No actual harm was caused to any individual to the best of Patagonia's knowledge, but theoretically, it may have caused serious risk to health or death (choking hazard)</p>



Management Practices	<p>- Recall 1 (Patagonia's Capilene Cool Daily and Tropic Comfort styles) Patagonia informed customers and informed them they could return the product. Patagonia removed UPF claims from the remaining inventory. Patagonia updated its testing protocols for UPF to continually test materials built for UPF protection.</p> <p>- Recall 2 (Patagonia's Infant Capilene Midweight) Patagonia immediately pulled its products from sales channels. It informed partners to do the same. It informed customers who purchased the product through direct emails, website, social media posts, and retail posters to return the products. Furthermore, Patagonia conducted a review of the product design and manufacturing to identify any issues that may have contributed to the snap.</p> <p>- Recall 3 (Patagonia's Child Shirt) Patagonia pulled the product from distribution and notified all customers for whom it had contact information. Patagonia accepted returns of all products. Moreover, Patagonia's quality team reviewed the test results and adjusted the design as required to ensure sufficient pull-strength on the buttons.</p>
Report	Voluntary recall Capilene Cool Daily and Tropic Confort Styles Infant Capilene Midweight Set
Related Incidents (Yes/No)	No related incidents.