



**patagonia**<sup>®</sup>

Supplier Workplace  
Code of Conduct

## INTRODUCTION

The Patagonia Supplier Workplace Code of Conduct (“Code”) defines standards for fair, safe and healthy working conditions and environmental responsibility throughout our supply chain. As required by our Fair Labor Association (FLA) affiliation, the Code’s standards meet or exceed those of FLA and are based on International Labor Organization (ILO) standards and internationally accepted good labor practices. All suppliers must commit to adhering to our Code of Conduct and detailed Compliance Benchmark standards.

Requirements in this Code apply to the whole supply chain, including sub-suppliers, sub-contractors and farms. Standards equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers.

We seek suppliers committed to continuous improvement who are moving forward on their sustainability journey from basic to leadership practices. All suppliers must agree to announced and unannounced assessments by Patagonia and the FLA. Patagonia expects all suppliers to make improvements when any of these Code standards are not met, and to develop sustainable management, reporting and tracking systems within the factory, to ensure ongoing compliance. Timelines for achieving compliance shall be reasonable and defined. Providing proof of correction to Patagonia for each non-compliance is also required.

Patagonia pledges to help our suppliers improve labor, health and safety and environmental conditions in the workplace, and to help our suppliers understand how to move from basic to leadership sustainability practices. We recognize that this effort requires listening to our suppliers and their employees’ needs, and requires a collaborative approach using capacity building tools such as root-cause analysis, training, and management-system development to drive meaningful change.

Patagonia’s mission is to “build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis.” Patagonia seeks at all times to exercise the best possible practices for the respectful and ethical treatment of workers and promote sustainable conditions in which workers earn fair wages in safe and healthy workplaces. For more information on Patagonia corporate responsibility please visit [www.patagonia.com/cr](http://www.patagonia.com/cr).

## SUPPLIER WORKPLACE CODE OF CONDUCT

**I. LAW AND CODE COMPLIANCE:** Our suppliers are expected to comply with and will be monitored to: (1) all relevant and applicable laws and regulations of the country in which workers are employed including those at the federal, state/provincial and local community levels, (2) our Supplier Workplace Code of Conduct, (3) detailed Compliance Benchmark document, and (4) where applicable, Collective Bargaining Agreements. The Compliance Benchmarks identify specific requirements for meeting each Code standard. When differences or conflicts in standards arise, suppliers are expected to comply with the highest standard that is the most in favor of the employees.

**II. CHILD LABOR:** No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. Juvenile workers (ages 15-17) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety or morals. (ILO Convention 138 and 182)

**III. FORCED LABOR:** There shall be no use of forced labor, including prison, indentured, bonded, slave or other forms of forced labor. Acts of human trafficking are also prohibited. Suppliers are required to monitor any third party entity which assists them in recruiting or hiring employees, to ensure that people seeking employment at their facility are not compelled to work through force, deception, intimidation, coercion or as a punishment for holding or expressing political views. (ILO Conventions 29, 105, 182)

**IV. HARASSMENT, ABUSE AND DISCIPLINARY PRACTICES:** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse or to monetary fines or embarrassing acts as a disciplinary measure.

**V. DISCRIMINATION:** No person shall be subject to any discrimination in any aspect of the employment, relationship including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline, termination or retirement, on the basis of race, religious belief, color, gender, pregnancy, childbirth or related medical conditions, age, national origin, ancestry, sexual orientation, gender identification, physical or mental disability, medical condition, illness, genetic characteristics, family care, marital status, status as a veteran or qualified disabled veteran (in the USA only), caste, *socio-economic situation*, political opinion, union affiliation, ethnic group, illness any other classification protected under applicable law. All employment decisions must be made based on the principle of equal employment opportunity, and shall include effective mechanisms to protect migrant, temporary or seasonal workers against any form of discrimination. (ILO Conventions 100 and 111)

**VI. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:** Workers must be free to join organizations of their own choice. Suppliers shall recognize and respect the right of employees to freedom of association and collective bargaining. All suppliers must develop and fully implement effective grievance mechanisms which resolve internal industrial disputes, employee complaints, and ensure effective, respectful and transparent communication between employees, their representatives and management. (ILO Conventions 87, 98 and 135)

**VII. EMPLOYMENT RELATIONSHIP:** Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

**VIII. WAGES AND BENEFITS:** We seek and favor suppliers who progressively raise employee living standards through improved wage systems, benefits, welfare programs and other services, which exceed legal requirements and enhance quality of life. Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's and their family's basic needs and provide some discretionary income. Employers shall pay wages which equal or exceed minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law and/or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Patagonia and the Fair Labor Association (FLA) to take appropriate actions that seek to progressively realize a level of compensation that does. (ILO Conventions 26 and 131)

**IX. OVERTIME WAGES:** In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125%. (ILO Convention 1 and 30)

**X. HOURS OF WORK:** Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours or the maximum allowed by the law of the country of manufacture, whichever is less. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime hours on a regular basis. The sum of regular and overtime hours in a week shall not exceed 60 hours or the maximum allowed by the law of the county of manufacture, whichever is less. (ILO Convention 1)

**XI. HEALTH AND SAFETY:** Suppliers shall provide a safe and healthy workplace to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. The employer shall take a proactive approach to health and safety by implementing policies, systems and training designed to prevent accidents, injuries and protect worker health. (ILO Convention 155)

**XII. ENVIRONMENT:** Suppliers shall maintain written environmental policies and standards and must comply with all applicable environmental laws, our Code and Benchmarks, and agree to be monitored separately for environmental responsibility. Factories shall continuously monitor, and disclose to Patagonia, their energy and natural resource usage, emissions, discharges, carbon footprint and disposal of wastes and take a progressive approach to minimize negative impacts on the environment.

**XIII. COMMUNITY:** Patagonia encourages all suppliers and their employees to get involved in local social and environmental community charity efforts by volunteering time and/or providing other types of support. Patagonia has a solid history of supporting grass roots environmental non-profits and co-founded 1% for the Planet, an environmental advocacy organization in 2002. We seek long-term partnerships with suppliers that share these same philanthropic values.

**XIV. SUBCONTRACTING:** Patagonia does not permit subcontracting without our prior written approval. All salesman-sample and bulk production orders must be placed within facilities that have been pre-approved by Patagonia, without exception. Direct suppliers are required to continuously monitor approved subcontractors and sub-suppliers for social and environmental responsibility using standards that meet or exceed our Code and Benchmarks.

**XV. ANIMAL WELFARE:** Suppliers must respect animal welfare and work progressively towards adopting healthy and humane practices towards animals based on best available technology and standards.

**XVI. TRACEABILITY:** Patagonia and our suppliers are jointly responsible for ensuring social and environmental responsibility and the integrity of our product content claims from the farm through the finished goods factory level. The only way to work towards this goal is to have transparency and traceability into all levels of our supply chain. Patagonia requires suppliers to map and continuously track and monitor all locations in all levels of their supply chain and upon request provide transparency information into the owned and/or subcontracted farms, mills, plants, factories and other sites that are involved in the production of our products.

**XVII. CODE COMMUNICATION:** All suppliers are required to: (1) post the Patagonia Code standards and separate Patagonia grievance phone number document in a conspicuous place frequented by all employees in the local languages spoken by employees, supervisors and managers; (2) undertake annual, documented training efforts to educate current and new employees about the Patagonia Code standards and use of the Patagonia grievance phone number.

**XVIII. QUALITY:** Quality is the result of clarity, capable and well-integrated systems, and good communication. To achieve this, factories must have a clearly documented quality system and quality improvement plan. That system must include reliable "in process" and final finished goods audits and procedures that meet Patagonia's quality standards. These audits must be performed by a trained QA staff person provided by the factory. The QA staff person must be granted the autonomy and support he/she needs in order to provide an unbiased report on the quality of every shipment of finished goods. Compliance with our quality requirements is monitored by Patagonia's Quality Department.

**CONTACT US:** If suppliers are violating any of these Code elements, we would like to know about it. Please bring these issues to our attention by contacting us at the free phone number posted next to this Code or you can email us at [social\\_responsibility@patagonia.com](mailto:social_responsibility@patagonia.com). Please feel free to write in your local language. All information we receive will be kept in strict confidence and your identity protected.

THIS CODE OF CONDUCT AND OUR SEPARATE GRIEVANCE PHONE NUMBER DOCUMENT MUST BE POSTED NEXT TO EACH OTHER WITHIN THE FACTORY IN A CONSPICUOUS, FREELY ACCESSIBLE AREA IN THE LOCAL LANGUAGE(S) OF THE EMPLOYEE