

**United States House of Representatives
Select Committee on the Climate Crisis**

Hearing on October 20, 2021

“Good for Business: Private Sector Perspectives on Climate Action”

Questions for the Record

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The Honorable Kathy Castor

- 1. Thank you for your leadership on climate action. Just to make it crystal clear, why should the business community care about passing climate legislation?**

First, thank you for your incredible work on this issue, especially the emphasis you put on storytelling and bridging divides. At Patagonia, we know that climate change is everyone’s issue and our business, and our community agrees, whether they’re climbers from West Virginia, anglers from Florida or skiers from California. If you run a business and care about your employees, customers, and community, it is a no-brainer to support this legislation. The right thing to do is also the smart thing to do.

The Build Back Better Act offers a bold and urgent opportunity to address the climate crisis before it’s too late, gives working families the support they deserve, and will help strengthen the economy. It is an imperative investment in communities affected most on the frontlines of the climate crisis, communities that are already vulnerable and suffering serious and lasting health issues due to poor air quality exacerbated by climate change.

- 2. Could you please explain why climate investment is important for your bottom line as well as for the planet?**

These two issues are inextricably bound. To paraphrase David Brower, there is no business on a dead planet.

Along with the thousands of US businesses in our industry, Patagonia depends on a stable climate and healthy, protected lands and waters. The climate crisis is not an abstract theory, it is an urgent risk to our business. As such, we need help scaling and incentivizing programs that won’t worsen the climate crisis, and that will increase the pace of urgently needed emissions reductions and a just, clean energy transition.

Beyond climate, this legislation also prioritizes the needs of working families. For the last 50 years, Patagonia has offered paid sick leave, parental leave, and onsite childcare to our employees -- and we’ve reaped the benefits through our ability to maintain a robust and engaged workforce. Yet, nationally, fewer than 21 percent of workers have access to paid family leave through their employers. Attracting

and retaining top talent and a speedy economic recovery depend on enabling people to return to the labor force by addressing the urgent issues of paid leave and childcare availability.

3. How is Patagonia building a culture of corporate accountability by connecting your climate priorities to other policy positions?

Patagonia is proud to be a certified B-Corporation, which requires us to look beyond profit and consider people, planet and the long-term in every business decision we make. And we have been glad to see other businesses and organizations make similar commitments to consider not just their shareholders but their full community of stakeholders in their business plans.

These corporate commitments, along with bold and aggressive investments from our elected leaders, will create the conditions for the systemic change required for a healthy planet and thriving communities. Government support will also catalyze further business investment and innovation – making our economy more competitive and resilient while strengthening our global leadership.

Patagonia is willing to pay a higher corporate tax rate to fund this critical legislation. Further, we also urge Congress to eliminate tax subsidies for oil and gas companies. The United States spends \$20 billion annually subsidizing fossil fuels. It's a mistake that costs American taxpayers more than \$649 billion each year when considering health, environmental, and climate externalities. It's time to shift those investments to a clean, just future for people and the planet.

4. Under Secretary Haaland's leadership, the Department of the Interior is exploring how to reduce barriers to equity in outdoor recreation. Could you please discuss how Patagonia views diversity, equity, and inclusion when it comes to outdoor recreation and climate solutions?

We can, and should, be doing a lot more to actively engage with individuals and communities who are historically underrepresented in the outdoor community, the environmental movement and our own company. We are working deliberately to create meaningful change by conversing with and listening to the communities we do not represent adequately. We supported the Great Americans Outdoors Act and encourage Congress to pass the Simplifying Outdoor Access for Recreation Act.

5. The Climate Crisis Action Plan recommends smart-from-the-start siting to expand clean energy deployment while also protecting wildlife, wildlands, and cultural resources. Do you agree that, with appropriate policy safeguards, it is possible to advance both conservation and clean energy deployment?

Yes. We must also double down on our work to help communities get off fossil fuels and protect nature, the original climate solution. And we must demand nothing short of systemic change from government and industry.

Science confirms that nature can reduce a third of the CO2 we need captured by 2030 to slow catastrophic warming. Given the science and urgency, we now focus more than ever on the high-carbon landscapes that can save us, too. Through partnerships with local and Indigenous communities and our 1% for the Planet program, Patagonia has supported the protection of Alaska's Tongass National Forest

since 2008, with its 17 million acres of old-growth spruce, hemlock, and cedar that hold hundreds of millions of tons of carbon.

At the same time, communities know what they need to make a just transition from fossil fuels to renewable energy. We support local knowledge and activation of climate solutions, particularly with Black, Indigenous, and other communities of color that have been hit the hardest, lost the most and had the least say in their climate realities. Patagonia will expand our support of groups such as the ones we featured in our recent films DISTRICT 15 (on fighting Big Oil and Gas in California) and We the Power (on the energy-democracy movement in Europe). At the same time, we're committed to a new energy system that gives communities real power.

The Honorable Dan Crenshaw

1. In your testimony, you write that “Patagonia is working to reduce and eliminate our scope three carbon emissions and are proud that in just four years we won’t use any virgin petroleum sources in our materials.”

Is Patagonia willing to totally cease the use of all fossil fuels and its derivatives – virgin and recycled - in your business’s entire chain of operations from the design and manufacture of fabrics for clothing to the transport of those products on trucks, rail, and ships to stores by December 31, 2021?

We believe that the production of all fossil fuels and their derivatives should be discontinued, and the sooner we move in this direction the sooner everyone from workers to companies can seize the economic opportunities that come from clean energy. While the world cannot stop using fossil fuels overnight, we do need to move beyond them as quickly as possible if we are to leave a habitable planet for future generations, and that is what we are committed to doing at Patagonia. But we need a national plan for the just and speedy transition from fossil fuels to renewable energy. We need to end tax breaks for polluters and we need to offer incentives that promote renewable energy and support conservation. And importantly, we need jobs programs to support those who transition out of the extractive industries.

The fossil-fuel industry needs to participate in its own transition if it is to survive economically the late 21st and 22nd centuries. Their marketing campaigns imply that they understand this, but it is our hope that you and your colleagues hold them accountable to their promises to the planet and communities.

For more information about how we intend to reduce and eliminate our emissions, please visit www.Patagonia.com/climate-goals

2. In your testimony, you stated, “The Build Back Better Act - offers a bold and urgent opportunity to address the climate crisis before it’s too late, and give working families the support they deserve.”

Is it Patagonia’s official position that those men and women working on our nation’s pipeline infrastructure should be laid off from those jobs despite the fact that pipelines have been shown to provide the safest and most reliable method to transport crude oil to refineries?

Patagonia's believes that our country is missing the opportunity to lead the world on industries of the future. Our government leaders should make decisions on science and the overwhelming threat of climate change, not politics.

We honor the men and women who do the work to build, maintain and repair energy infrastructure. We favor efforts big and small, private and public, to provide the workers of today the means to hold the jobs of tomorrow in an electric-powered economy fueled by cleaner forms of energy such as wind and solar.

3. In your testimony, you stated "Beyond climate, this legislation also prioritizes the needs of working families." How do you define 'working families' and what metrics should be used in determining how their 'needs' should be prioritized? Should the needs of the building trades workers be considered in President Biden's Build Back Better legislation?

A working family, as it was meant, is any family or household in which a person earns a paycheck from an employer and also supports loved ones with that paycheck. Some of the needs of working families that we see in our communities are:

- *Access to affordable, high quality child care*
- *Support to afford and find qualified caregivers for older and disabled adults*
- *The ability to take a family or medical leave to care for themselves or a child or an ill or injured loved one without falling into financial hardship or forgoing a needed leave*

At Patagonia we have found that supporting our colleagues and providing solutions to the needs listed above benefits our entire community and our business. We even wrote a book about it called [Family Business](#) and we would be glad to send you a copy.

In terms of the building trades, we are very happy to see that the Build Back Better Act does take their needs into account, especially with respect to paid family and medical leave because eligibility criteria for access to paid leave depends on an earnings history overall (\$2,000 over a recent 8-quarter period) without regard to whether those earnings came from one employer or multiple employers or jobs. This reflects the realities of workers who may have multiple jobs and are hired through hiring halls for their work.

4. In your testimony, you stated, "Patagonia is proud to be a certified B-Corporation, which requires us to look beyond profit and consider people, planet and the long-term in every business decision we make."

When Patagonia chooses to fund anti-Line 5 advocacy groups and documentaries do you consider those workers in the building trades working to build our nation's energy infrastructure like Line 3, for example, or are 'some people' and their jobs expendable as your actions seem to imply?

We should stop importing the world's dirtiest oil - Canadian tar sands. We don't think relying on it is necessary to keep the U.S. economy running, nor is it necessary to keep U.S. workers employed. There are great jobs building the energy of tomorrow, today.

Does Patagonia believe that fossil fuels play any role in our country's energy economy?

In the short run, unfortunately that is the case, but the transition must begin without delay. For too long, the fossil fuel industry has not only hidden but misled the American people about the effects of their pollution. We believe they should be held accountable for their actions.

5. If the Line 5 pipeline were to be shutdown, how does Patagonia suggest crude oil be transported to refineries in the Midwest?

We must accelerate our transition to renewable energy, specifically wind and solar.

7. Are trucks carrying crude oil to refineries a safe way to transport unrefined crude?

They are safer than a pipeline running under the Straits of Mackinac.

8. Will an additional 2000 truckloads carrying crude oil to refineries result in greater GHG emissions?

Yes. It's a balancing act. It's a better short-term risk than a pipeline leak or spill under waters that are irreplaceable. And this is precisely why we need accelerate a transition to renewable energy.

9. Will an additional 2000 trucks degrade road infrastructure resulting in more roads needing to be repaved with asphalt – a fossil fuel product?

Green infrastructure and the circular economy are making those projects less environmentally destructive, and electric trucks are clearly the direction many major shippers are choosing for their fleets, but we don't disagree that we will be using some byproducts from fossil fuels for the foreseeable future. The question is how quickly can we stop taking from the planet and start being motivated by the benefits of conservation and clean energy?

10. Why is Patagonia clothing so expensive? For a company that has seemingly placed such an emphasis on helping 'working families,' how does Patagonia justify the cost of a Men's Frozen Range Parka which retails for \$699, for example? Hard to believe many 'working families' are buying \$700 winter coats.

We believe one coat that outlasts three coats made for the same purpose is a good value for the customer able to spend more up front to save money in the long run. For those who want a lower price point and for those looking for the most responsible way to shop for jackets, we invite you to check-out WornWear.com. Buying used extends a garment's life by about two years which cuts its carbon, waste, and water footprint by about 82%. And, when you are done with your Patagonia jacket, we are glad to give you credit towards your next new or used one.

I can buy an insulated Patagonia jacket for \$200 (actually under), which means instead of giving \$140M in grants to environmental issues, you could have donated 700,000 insulated jackets to the homeless and those who died from cold-related weather. If 1% of those jackets prevented deaths, Patagonia could have saved 7,000 people in the past 20 years from dying. Why did Patagonia choose not to do this?

That's a false choice between working to save the planet and helping human beings. We do both, and we're proud of it. We donate significant amounts of cold-weather clothing to communities in need and protective clothing to first responders fighting California and Nevada fires made worse by climate

change. We prioritize support for grassroots environmental organizations working to protect or restore ecologically important land and water in their communities.

Please provide us with a list of every product Patagonia designs, manufactures, and sells that contain any kind of fossil fuel or chemical feedstock – virgin or recycled.

We believe in transparency. That's why we make this information freely available and accessible on our website and we encourage you to check it out: www.Patagonia.com

11. China's dismal record on human rights record is well documented and, as the Northwest Ohio Building Trades Council letter notes, your company's mission statement mandates that it, "cause no unnecessary harm." Given this corporate dictate, how can you justify operating in a country that openly uses slave labor?

Patagonia takes responsibility for our products, the workers who make them, and the environmental footprint left behind. We invite you to learn more about the range of due diligence activities to promote and sustain fair labor practices, safe working conditions and environmental responsibility in factories that make our projects. You can find that information here: <https://www.patagonia.com/our-footprint/working-with-factories.html>

In July 2020, we were public in our decision to exit Xinjiang after it was clear we were not able to rely on auditors to ensure that our products were free of forced labor. We no longer source cotton from China.

12. Why does Patagonia manufacture any of its products in China?

Due to misguided trade policies, much of the US apparel manufacturing landscape no longer exists. As a result, we search the globe for the best partners.

Patagonia fought NAFTA and paid for ads in opposition to it because we feared it would degrade environmental standards and displace American workers. We also were vocal in our opposition to TPP.

We would welcome a chance to work with you to support policies that would allow apparel companies like ours to grow organic cotton in Texas and manufacture in facilities powered by wind and solar with workers who make a thriving wage the US.

13. Since China is the world's leading GHG emitter and continues to build out coal fired power plants extensively, in addition to having a dismal environmental record generally, and given your significant presence in the country, have you lobbied the Chinese government to institute mandatory and binding GHG emissions reductions across its industrial sector? If so, please provide documentation detailing what you have requested of the Chinese government. If not, why not?

To date our efforts have been focused on appealing to world leaders to stop hiding behind the excuse of China being a GHG emitter and working to elect leaders who will prioritize people and planet. That said, we do support economic penalties for all countries that are failing to meet their commitments under the Paris Climate Agreement and we're watching to see which countries are keeping their word after Glasgow.

14. What percentage of your clothing is manufactured in China?

Less than three percent of our current and spring line is manufactured in China.

15. Does Patagonia's manufacturing in China contribute to global warming?

All manufacturing everywhere does. We are honest about our carbon footprint and encourage companies to do the same. We welcome you to visit our website our website to learn about why climate is our business: [Patagonia.com/climate-goals](https://www.patagonia.com/climate-goals)

16. How many shipping containers with Patagonia products are sent to the U.S. each year?

That information is not readily available.

17. What type of fuel is used to power the engines of the container ships from Patagonia products?

4% of our total carbon footprint comes from the transportation of our products. We are a part of the Aspen Shipping Decarbonization Initiative to address the challenge of maritime shipping decarbonization, Read more about it here: <https://www.aspeninstitute.org/blog-posts/companies-aim-to-use-only-zero-carbon-ocean-shipping-by-2040/>