

BEFORE THE HOUSE SELECT COMMITTEE ON THE CLIMATE CRISIS UNITED STATES HOUSE OF REPRESENTATIVES

"GOOD FOR BUSINESS: PRIVATE SECTOR PERSPECTIVES ON CLIMATE ACTION"

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Good afternoon, Chairwoman Castor, Ranking Member Graves, and members of the Committee. My name is Corley Kenna and I lead the Communications and Policy team at Patagonia. Thank you for this opportunity to speak before this important committee.

Patagonia is a one-billion-dollar business with brick-and-mortar stores in 19 states and 2,000 employees in the US, 3,000 globally. We partner with hundreds of small and large businesses through our wholesale business in every state in the country. And we are a part of an industry that generates nearly \$800 billion in revenue each year, supports more than seven million people and helps improve mental and physical well-being. We are proud that earlier this year, consumers named Patagonia as the company with the best reputation in America.

But more than a business, we are a community. We are hikers and hunters, surfers and anglers, birders and bikers, skiers, and climbers. We live in urban and rural areas, and vote for liberals and conservatives. The one thing that we all have in common is our love of the outdoors and a desire for clean air, clean water, and a healthy 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.

To paraphrase David Brower, there is no business on a dead planet.





Extreme temperatures, wildfires, polluted air, warming winters, eroded coast lines and dried-up rivers prevent our community from exploring and enjoying the outdoors. They also threaten our operations. Let me share with you one very granular example. Just this year, we had to close our Reno distribution center repeatedly due to bad air quality caused by wildfires exacerbated by climate change.

And just as we have a responsibility to act because our business and community is affected by this crisis, we also recognize we have a responsibility to act because every part of our business contributes to the climate crisis. When you grow things, make things, move things, and sell things, you leave behind carbon. Our supply chains and financial partners rely on fossil fuels -- the same fossil fuels that are destroying the planet we all depend on.

And we take our direct responsibility seriously. 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. We have donated nearly \$150 million to thousands of groups working on the most pressing environmental challenges and use our brand voice to advocate for solutions to the climate crisis.

But Patagonia and other companies committed to aggressive carbon reductions – can't do this alone. There are simply some things that only governments can do.

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.

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. It's vital to the people and planet on which our company and the rest of the outdoor industry rely. It is an imperative investment in communities affected most on the frontlines of this crisis, the majority of whom are low income, Black, Indigenous and other people of color. Communities that are already vulnerable and suffering serious and lasting health issues due to poor air quality exacerbated by climate change.





Bold investments to protect our planet could not only ease the worst effects of the climate crisis but offer an opportunity for innovation and job creation. And it is obvious that corporate America sees this opportunity. Look at prominent advertisements from the most well-known brands --- they draw your attention to how these companies are working to curb their emissions and do their part to address this crisis.

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.

The climate investments of this budget reconciliation package would accelerate the clean energy economy and create thousands of new jobs. For example, the Civilian Climate Corps provides a great opportunity to train and diversify the workforce that we will need as we move to a renewable energy economy. In addition, the Build Back Better Act would also protect threatened landscapes such as the Arctic National Wildlife Refuge.

In total, these investments would accelerate America's leap to clean, renewable wind and solar power and promote greater climate resilience by conserving public lands. These are not wish list items, but imperative actions needed to stave off impending climate disaster.

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.

People say that it's easy to talk about what should happen, and a whole lot harder to talk about how. 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.

This is the defining challenge of our era. The good news for Congress: Not only is this legislation needed but it is also popular among your constituents and the climate investments are supported by many in the American business community. Special interests can spend millions of dollars to lobby against this bill, but make no mistake, the American people want to see these game changing investments in our planet and our future – and they want to see it happen before it's too late.

Thank you again for the opportunity to testify today, and I look forward to any questions you may have.

Thank you.

¹Data for Progress, Vox. Build Back Better Toplines. 12 Oct. 2021. Web: https://www.filesforprogress.org/datasets/2021/10/dfp-vox-bbb-oct12-toplines.pdf

