

PAPER USE and Procurement Policy

Who We Are

We have a mission statement at Patagonia that goes like this: “Make the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” There’s not a lot of wiggle room in it, and it guides our every move – including our use and procurement of paper.

Our company makes clothing for outdoor pursuits: climbing, surfing, skiing, fly-fishing, trail running... Many who work here practice these sports, foremost among them owner/founder, Yvon Chouinard. We spend a lot of time outdoors and travel widely. Environmental destruction is not an abstraction to us. We’ve seen the pervasive ruin of the places that restore us, and as a company we’ve taken it upon ourselves to do something about it. Our efforts take many forms too numerous to list here. We encourage you to visit patagonia.com/enviro to learn about them.

What We Know About Irresponsible Forestry

When it comes to producing paper and other forest products, we are acutely aware of how irresponsible forestry practices are systematically destroying the Earth’s biodiversity. For logging companies, clearcutting is the most expedient and cost-effective method of converting trees to logs. This worldwide practice



The more recycled paper we use, the fewer trees we cut. Region IX, Chile.
JIM LITTLE

results in the deforestation of vast tracts of wild forest, which are later replanted with neat rows of easily managed (frequently non-native) trees. We’ve traveled the miles of roads built by logging companies when they move into forests to cut trees, and seen how the erosion from their clearcuts chokes streams. We’ve witnessed the extensive loss of habitat upon which both man and wild creatures depend, and are cognizant of the less visible role trees play in storing water, producing oxygen and absorbing carbon dioxide – a greenhouse gas directly responsible for climate change.

The Importance of Protecting Endangered Forests

We’ve also spent time in some of the world’s endangered forests, which contain most of the world’s remaining old-growth, primary and ancient trees. They include such magnificent places as the Great Bear, Tongass and Inland forests of British Columbia, North America’s Boreal and forests in the Sierra Nevada, as well as Chile’s *alerce* and *araucaria araucania* forests. These biological jewels are home to diverse and endangered plants and animals. Like all forests, they store vast amounts of water and carbon dioxide. They are precious, irreplaceable and must be protected at all costs.

Taking Some Responsibility

We recognize that our company’s policies have a pronounced and measurable effect on the natural world. The manufacture of clothing is a surprisingly dirty business that uses chemicals, oil and a lot of other natural resources. We have been working for quite some time to mitigate our impacts. We introduced recycled polyester into our clothing line in 1992, adopted the exclusive use of organically grown cotton in 1996, and seek to employ environmentally sensitive processes wherever feasible. We also try to reduce some of the harm we cause from using paper.

Ours is a mail-order company that produces several million catalogs each year. This requires a significant amount of paper. We know that by reducing our use of paper, and by buying paper made with post-consumer recycled (PCR) fiber, we consume less

of the Earth's forests. Buying recycled also helps to support an industry that makes use of materials that might otherwise be discarded.

We recognize that paper should not be made with virgin wood fiber taken from trees harvested in endangered forests, and that it should be certified by the Forest Stewardship Council (FSC), as this provides the clearest assurance of protection for high-conservation-value forests, imperiled wildlife, First Nations and indigenous peoples' rights, and other crucial environmental and social values.



Tree-sitters putting their lives on the line to defend North American old-growth. Northern California. BARRY TESSMAN

Because of our deep and longstanding concern for the environment, our paper use and procurement standards are some of the highest in the catalog industry. That said, they could be better and we're working to improve them. We encourage you as a company to take a look at your own use of paper. Significant improvements are achievable without sacrificing quality, though they do require self-awareness, will and persistence.

Patagonia Paper Choices in Order of Preference

Our first choice is to buy paper that contains the highest level of **post-consumer recycled** fiber technically and economically feasible. Our second choice is recycled paper made with **de-inked post-industrial recycled** fiber. If we cannot source a paper that is 100% recycled, we specify papers that contain **virgin fiber from non-endangered forests**, and we give preference to papers that are **FSC certified**. If we discover that paper we are using contains virgin fiber from endangered forests, we work to phase it out.

Paper Use Philosophy—3 Rs

Along with seeking to buy paper with high PCR content, we employ the 3 Rs.

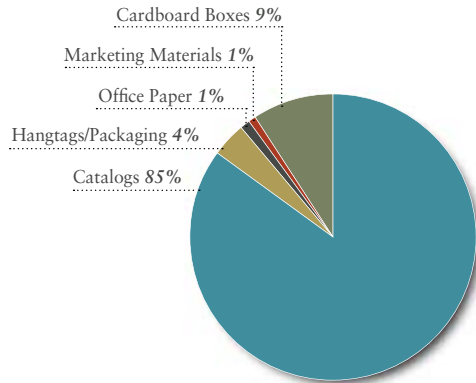
Reduce. For catalogs, we print on the lightest weight paper feasible, which is determined by the required quality of the print job. By using lighter weight paper, we use less paper. In 2002, we switched from paper with a 50-lb. basis weight to 45 lbs. with minimal impact on quality. By reducing the basis weight 10%, we estimate we've saved approximately 730 tons of paper. That's equivalent to approximately 12,782 trees that are 40-foot tall and 6 to 8-inches in diameter.

We also encourage our employees to consider the need to print every project. For example, we ask whether a message to our customers can be communicated by email rather than by postcard to avoid using paper. This not only saves forests, but also money. In our offices, we rely heavily on electronic bulletin boards, an intranet, PDFs, and email to reduce the use of paper in daily business operations.

Reuse. We encourage employees to print on both sides of a piece of paper. We also have collection boxes for Good-On-One-Side (GOOS) paper, which has been printed on but still has a blank side. Feeding GOOS back into copiers and printers can be problematic, but it works well for taking notes. Our onsite childcare center also happily takes GOOS leftovers for its art projects and repurposes greenbar paper from our accounting department to cover its diaper-changing tables. We use mailing boxes and envelopes over and over and over, placing them in mailing stations throughout our buildings.

Recycle. We ask our employees to recycle everything they can, including office paper, magazines, paper towels and cardboard. Every employee has a paper-recycling bin beneath their desk, which they transfer to larger ones placed at several strategic locations throughout our buildings. Trashcans are small and rather hard to find at Patagonia. Our bathrooms are equipped with recycling containers for used paper towels, which are made with 100% PCR paper. By buying recycled paper, we also help to promote a market for it, thereby expanding its availability, and one would hope, reducing its cost.

Overview of Our Paper Use



Catalogs. About 85% of the paper we buy goes into our catalogs. We buy most of our catalog paper from just a few mills, so it's pretty easy to track. Our main supplier, NewPage, strongly supports our goal of increasing the amount of PCR content in our paper and using only virgin fiber derived from non-endangered forests that's certified by the Forest Stewardship Council.



Forty percent fewer trees go into making rolls of paper for Patagonia catalogs. Arandell Corporation. Menomonee Falls, Wisconsin. CHARLOTTE OVERBY

Our body stock, which constitutes the lion's share of our catalog paper, has a 45-lb. basis weight, contains 40-45% PCR fiber and is FSC Chain of Custody (CoC) certified with virgin fiber from non-endangered forests. It's produced within 200 miles of our printing facility. Our cover stock has a 100-lb. basis weight, contains 30% PCR fiber and is FSC CoC certified with virgin fiber from non-endangered forests.

As a point of reference, many publications use no recycled fiber. The more environmentally progressive ones use anywhere from 10-40% PCR. There are 100% PCR papers available that are made in Europe. But they do not meet our quality standards for

lightweight coated stock. They also present unacceptable logistical challenges, and have to be shipped long distances, which can have significant environmental downsides.

Environmental Benefits. We calculate we saved the following resources in 2006 through our use of recycled paper—instead of virgin paper—in our catalogs.

Measured savings	Equivalent to
Wood saved (tons): 267	5,340 trees
Energy saved (BTUs): 5.1 billion	Energy to power 49 households
Greenhouse gases reduced (lbs): 752,216	66 fewer cars on the road
Water saved (gallons): 2.3 million	3 Olympic-sized swimming pools

Wise Use of Catalog Paper. In addition to using paper with high PCR content, we try to use catalog paper wisely. We reduce print quantities by trying to target appropriate audiences. We use the lightest weight paper possible, while still maintaining quality. And we select trim sizes that make efficient use of paper on press and at the mill. Many companies waste a great deal of paper by trimming their catalogs to achieve a certain size. We are committed to using high-impact image, design and copy to achieve distinction. And we work closely with our printer to minimize paper waste.

Working with Responsible Catalog Paper Suppliers. Paper manufacturers are important business partners. It is therefore crucial to us that the paper industry is healthy, both economically and environmentally. We prefer doing business with forward-looking suppliers who are open and proactive, and who are considered progressive by environmental groups looking at the entire life cycle of paper. We seek relationships with suppliers who embrace the concept of a minimum-impact mill, which means a mill that seeks to:

- 1) Minimize the consumption of resources (wood, water, chemicals and energy);
- 2) Minimize the quantity and maximize the quality of releases to air, water and land;
- 3) Make investments consistent with those goals, for example de-inking facilities, technologies that reduce chlorine use, greenhouse gas-reducing enhancements and renewable energy systems.



We have chosen to work with mills located close to our printing facilities, which reduces the need for truck transport, one of the least efficient and most polluting methods of shipping.

We also extend these standards of environmental performance to the printers and merchants with whom we do business. We give preference to vendors who have achieved FSC CoC certification.

This information applies best to the vendors that supply our catalog paper. Our recent paper audit revealed that some of our office paper products are made by mills that are anything but forward thinking or acting. Identifying them will enable us to influence their practices or find alternative paper products.

Cardboard Boxes. We use cardboard boxes for larger shipments to our stores and dealers. Our paper audit revealed we have some work to do in this category, which comprises approximately 9% of our overall paper use. We discovered that roughly half of the boxes we buy for outbound shipping are made with 100% PCR cardboard. But the other half contain only 60% recycled cardboard, 35% of which is PCR.

We are looking into this disparity and working with our supplier to buy boxes that contain as much PCR fiber as possible. Unfortunately, a certain amount of virgin fiber is often necessary to ensure adequate box strength. To the extent that we do use virgin fiber, we are asking that it not come from endangered forests.

Hangtags. Hangtags, which we attach to our garments, make up about 4% of our paper use. They are 100% PCR.

Product Packaging. We use relatively little paper for product packaging. The paper we do use is made with 100% PCR fiber. Rather than offering paper gift-wrapping or boxes in our retail stores, we encourage customers to buy a gift bag made from our fabric overages that can be used again and again. Our retail sales associates do not automatically place customer purchases in paper bags. Instead they ask customers if they need one. When a customer does ask for a paper bag, they get a sturdy, reusable one made with 100% recycled (95% PCR) paper.

Marketing Materials. In addition to catalogs, we produce marketing materials that comprise about 1% of our overall paper use. These include wholesale dealer workbooks, store and trade show materials, letterhead and brochures. Many of these pieces

are printed on 100% PCR paper. If not, we ensure that the virgin fiber does not come from endangered forests and we give preference to papers that are FSC certified.

Office & Personal Hygiene Paper. Like any business, our office and personal hygiene paper comes in many forms – from Post-It Notes to large format copier paper. We buy these products, which make up about 1% of our overall paper use, from a wide variety of vendors based on availability, price and delivery. A number of different people in the company purchase office paper. Some of them are in the U.S., some in Europe, some in Japan. This paper is by far the most difficult to track. Our recent paper audit showed us that paper products in this category run the gamut from containing no recycled content to 100% PCR. Overall, we're doing pretty well. All of our copier and printer paper, for example, is 100% PCR. But our audit left us with a number of unanswered questions and showed some less than ideal purchasing practices. So we definitely have more work to do.

Advertising. We also use paper, albeit indirectly, when we advertise in publications. Therefore we like to spend our advertising dollars with the ones that use recycled paper. *Surfer*, *Surfer's Path*, *Alpinist* and *Sierra* are a few examples of magazines that are leading the way. We have also partnered with other publications to help them find environmentally preferable paper options.

Building Awareness

Congruent with the part of our mission statement that says, “use business to inspire and implement solutions to the environmental crisis,” we encourage our customers, business partners, industry colleagues and other important stakeholders to use paper wisely and to specify environmentally preferable paper. Our efforts include:

- Sharing our paper choices with competitors, consumers and industry colleagues.
- When purchasing advertising space, giving preference to publications that use recycled paper.
- Publishing a paper procurement policy and publicizing it.
- Printing a message in all of our catalogs encouraging customers to pass them on and then recycle them.
- Promoting recycled content and FSC certification whenever space allows.

A Work in Progress

As we mentioned before, we still have work to do. Along with



FSC
Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
Cert. no. SW-COC-1764
www.fsc.org
© 1996 Forest Stewardship Council

Paper Information

Printed in the USA on recycled paper that contains 40% post-consumer waste and is FSC-certified; cover paper contains 30% post-consumer waste, and is FSC-certified and produced using wind power.



Please pass this catalog on or recycle it again.

finding paper products that meet our environmental criteria, there are a number of things we currently print that could just as easily be paperless: pay stubs, 401K statements and some office forms among them. We are aware of these shortcomings, as well as others, and are working to change them.

Helpful Links

Below you'll find links to the websites of some of the forest-protection groups Patagonia supports that are working to influence paper use and procurement as a means of protecting trees. We've included a link to the Forest Stewardship Council and one to the Environmental Defense Fund, which has a calculator that shows the benefits of using recycled paper. We also have listed our major paper suppliers. We encourage you to check them out.

ForestEthics: forestethics.org

Natural Resources Defense Council: nrdc.org

Dogwood Alliance: dogwoodalliance.org

Forest Stewardship Council: fsc.org

Environmental Defense Fund: environmentaldefense.org

NewPage: newpagecorp.com

Strategic Paper Group: strategicpaper.com

Mohawk Fine Papers: mohawkpaper.com

©2008 Patagonia, Inc