

# Patagonia Post-Consumer Recycling Strategy & Upcycling Policy

## Worn Wear Recycling Strategy

Worn Wear seeks to repair and reuse Patagonia garments to extend their useful life, which is the most effective way to reduce the environmental footprint of our clothing. Not every product returned to us is suitable for continued use, however, and if we cannot repair or reuse the product, we will recycle it.

Extending the life of garments aligns with the circular economy framework that emphasizes the importance of keeping materials flowing through the product life cycle at their highest quality possible, continually reused and ideally avoiding landfills. Our goal is to repair and reuse as many products as possible and recycle 100% of everything else to avoid sending used products to the landfill or incineration as end-of-life solutions.

## Implementation Overview: Prioritizing Repair and Reuse

To implement this strategy, when we receive used products, Patagonia does the following (in order of priority):

- 1. Repair:** Build robust repair programs to keep people using the clothing they already own.
- 2. Reuse:** Support, encourage and develop programs for reusing clothing that is in good condition including the following:
  - Resale of used clothing through the Worn Wear program, including in-store events, tours and ecommerce platforms. These items are marked “WW \$XX” with XX representing the price at which the item will be sold. Applying this permanent stamp prevents abuse of the return process. The items are covered under the Ironclad Guarantee, but can be returned only for another Worn Wear product or the value of the product as stated on the garment. Clothing is also repaired by stores, especially those outside the United States, with repair capabilities and resold at Worn Wear events, especially when there are limited recycling opportunities available.
  - Resale of used clothing to employees with proceeds benefiting Patagonia’s Child Development Centers
  - Donations to various organizations and groups:
    - Grassroots Environmental Groups in need of our clothing for their fieldwork that can require protection from exposure to the elements.
    - Local Partner: our retail stores and distribution centers will often donate clothing locally to social causes such as homeless and domestic abuse aid centers.
    - Natural Disaster Relief: made in the case of natural disasters. Due to the company’s commitment to radical transparency, we do not utilize services that sell or donate used clothing to secondhand markets in the developing world without measures in place to ensure that this type of donation is truly needed and is reaching the identified recipients. These programs can potentially destroy local businesses and shift a waste problem from the developed to the developing world. All items donated are marked “no value” with a permanent stamp to prevent abuse of the returns process.
- 3. Repair/Reuse (DIY):** Collect and store garments that are in need of a small repair and utilize these for teaching repair skills at Worn Wear events.

- 2. Recycle:** Clothing must truly be non-functional, trashed, beyond help, dirty, stinky and without any life left in it to be recycled in one of the following ways:

- Upcycled into a new product
- Mechanically recycled into materials for industrial applications
- Chemically recycled in a closed-loop process

## Global Stepwise Approach to Recycling

Where we cannot repair or reuse a product, we will seek to recycle it. To recycle 100% of everything we don’t repair or reuse, we take the following steps, each of which gets progressively more complex:

- Collection of Patagonia clothing from customers for recycling
- Upcycling Patagonia clothing into new products
- Recycling via mechanical and chemical methods

### 1. Collect Patagonia clothing from customers for recycling

The Worn Wear program supplies recycling bins to our global stores upon their request. We do not incentivize people to recycle their clothing with discounts on new products because that encourages over-consumption. We also receive returns from customers that qualify as recycling-quality (i.e., they cannot be repaired or reused). Patagonia ONLY collects clothing and gear we make; we do not accept other brands for recycling.

### 2. Upcycling Patagonia clothing into new products

Creating new products from old Patagonia garments is an important part of our recycling program. It is often the only option for extremely durable products that cannot be mechanically shredded or chemically dissolved because they are made of blended fibers. Additionally, upcycled products offer a unique opportunity to engage with our customers around the issues of textile waste, material quality, local manufacturing and the maker movement.

We occasionally partner with companies to create upcycled products. There are distinct categories of recycled product that can be used for upcycled products:

- Recycled product that contains trademarks and can only go to Four-Fold approved upcyclers.
  - Products made with these materials can include Patagonia logos on the finished product; they may be integrated into the product line pending sales.
  - The upcycle partner can sell additional products made from Patagonia recycling elsewhere, but these products cannot have a Patagonia trademark on them.
  - Upcycler must agree to and abide by the Patagonia Supplier Code of Conduct
- Recycled product that does not contain trademarks or logos can go to any upcycler. However, Patagonia may not be able to honor all requests for products due to capacity to remove all logos from products.
  - Products made with these materials can be sold by the upcycler.
  - At its discretion, Patagonia may purchase and sell these products through our Outside Vendor program.
  - Upcycler is not allowed to mention source of materials in any marketing materials.

We occasionally partner with companies to create upcycled products. There are distinct categories of recycled product that can be used for upcycled products:

- Upcycler is responsible for complying with all product regulations (safety requirements, tests and labeling)
- Upcycler is responsible for all product returns.

### 3. Recycling via mechanical and chemical methods

Global-scale solutions are growing in demand as our recycling volume naturally and proportionally increases with business growth. However, because Patagonia clothing is so durable and comprised of mixed materials, it is challenging to find recyclers that are willing to accept our post-consumer waste. Therefore, we have taken responsibility to have a very clear understanding of what is required by these recycling streams and then preparing the garments accordingly; i.e., by removing trims that inhibit shredding. Because of this costly and laborious step, our current best-practice is to reduce the amount of items we must recycle via mechanical and chemical processes by finding as many reuse and repair solutions as possible. We continually seek opportunities to participate and potentially invest in closed-loop recycling streams.

### Historical Background

Patagonia started collecting clothing from our customers for recycling in 2005 through the Common Threads Recycling program. Initially the program specifically focused on closed-loop recycling of Capilene Performance Base Layers through a partnership with TEIJIN. In spring 2007, Patagonia expanded the Common Threads Recycling program to include cotton when we found out that one of our fabric vendors, Calamai, in Prato, Italy, had been recycling wool for more than 100 years and that the same process could be applied to cotton garments. A year later, we began labeling clothing recyclable through Common Threads with instructions for returning these products at the end of useful product life. Clothes included Capilene®, fleece and T-shirts, but also some board shorts and polyester jackets that could be recycled through TEIJIN's process. Additionally, we labeled some nylon garments that had been specifically designed to be recycled. In fall 2008, we launched the first recyclable nylon waterproof/breathable shell through a program developed with Toray, another large textile company in Japan. Toray developed a garment-recycling system for a specific type of nylon called nylon 6 that we used in board shorts and pants, and then the alpine shell. In 2011, Common Threads Recycling transitioned into a larger program called the Common Threads Partnership, which expanded beyond recycling to include reduce, reuse, repair and reimagine as part of a partnership with our customers to take mutual responsibility for the stuff we make and they purchase. The program re-launched on Black Friday 2011 with the "Don't Buy This Jacket" advertisement in the New York Times. Common Threads branding was replaced by Worn Wear branding in 2014 and the program continues to focus on Repair, Reuse and Recycling of Patagonia clothing. (Adapted from The Cleanest Line, March 2009)