

Timeline of Our Key Efforts to Prevent the Exploitation of Migrant Workers in Our Supply Chain

January 2011

Begin preparations to launch our Raw Materials Supplier Social Responsibility Program. This includes mapping our Tier 2 supply chain of material suppliers (fabric mills) and their sub-suppliers, developing a communication plan to announce the program, and providing internal training on migrant worker issues to our material development and design teams.

August 2011

Hold a raw material supplier seminar at the Outdoor Retailer Show in Salt Lake City to announce our material supplier Social and Environmental Responsibility (SER) program. Prior to this, efforts had focused on finished-goods (assembly) factories and their subcontractors (Tier 1).

September 2011

Re-evaluate our social audit template and decide to update the migrant worker section to better detect unfair practices. A third-party Corporate Social Responsibility (CSR) expert develops the new migrant worker section for us, and several NGOs that focus on this issue vet it. All social audits from this point on use the revised audit tool with the revised migrant worker section.

October 2011

Prepare our Tier 2 suppliers for their upcoming social responsibility audit. These audits are new to most of them, as brands rarely audit at this level of the supply chain. We select an experienced third-party auditing firm and they begin to make audit arrangements with our suppliers.

November 2011

Post our ["California Transparency in Supply Chains Act"](#) disclosure on our website in accordance with a new state law (California SB 657). This outlines in detail the steps we take to prevent human trafficking and child labor in our supply chain.

December 2011

Hold a human trafficking awareness training for all Patagonia staff involved in our supply chain.

December 2011-September 2012

Audit our top raw-material suppliers worldwide. Audits in Taiwan reveal that seven of them employ migrant workers who were charged excessive recruitment fees. Upon learning this, we ask each of our suppliers to begin working on a corrective action plan to remediate all issues. Our SER staff follows up with them, quickly realizing that migrant worker issues are systemic in Taiwan due to the labor shortage, and that eliminating them will require a focused, holistic approach.

Our SER team formulates a short-, medium- and long-term remediation strategy for the issues found in Taiwan, which we present to our executives. The phases of our strategy

are: Research & Launch Program, Remediation, and System-wide Scaling (described below). Our vision is to not only help workers in our supply chain, but to help other migrant workers in Taiwan who face the same situation and encourage other brands to join us.

Phase 1 - Research & Launch

- Convene brands working on same issue
- Collect data
- Develop migrant worker standards
- Educate suppliers
- Launch program to our Taiwan suppliers via an in-person seminar in Taiwan with top Patagonia executives
- Finish in-depth, focused migrant worker audits

Phase 2 - Remediation

- Provide support to suppliers via training and consulting
- Check and adjust program to maximize and accelerate sustainable remediation
- Monitor and report progress
- Meet with Taiwanese government to leverage their knowledge and training and support services

Phase 3 - System-wide Scaling

- Launch standard to entire supply chain
- Share our standards and our efforts publicly
- Reconvene interested brands
- Continue to form industry partnerships to scale program to all migrant workers in Taiwan

October 2012-February 2013

Present the trends among our raw material suppliers in Taiwan to our CEO, COO and VPs. They acknowledge we need more staff and outside consulting to resolve the issues. We identify the need for two experts—one to work from our headquarters in Ventura and the second in Taiwan—to develop our migrant-worker program. We begin searching for a Ventura-based CSR expert.

January 2013

Launch a revised Supplier Code of Conduct that includes language on human trafficking and slavery. Our earlier version already included a prohibition against forced labor, but the new code clarifies this includes human trafficking and slavery.

March-May 2013

Hire a CSR expert to spearhead the migrant-worker program from Ventura. She begins work in late May 2013.

May 2013

Provide training to Patagonia designers and merchandisers on migrant-worker issues and our “4-fold approach” to supplier management, which gives the SER team veto power over using non-compliant suppliers.

June-October 2013

Our recently hired SER manager starts to execute our short-, medium- and long-term strategy. She begins the search to hire a field manager to be based in Taiwan and begins plans to convene brands across different business sectors to address these issues in the supply chain. We continue to perform social audits of our key material suppliers worldwide, including those in Taiwan.

November 2013

Hire an expert CSR field manager based in Taiwan after an extensive search. We also host a one-day brand forum in San Francisco to which we invite some 40 brands to talk about human trafficking in the supply chain. Seven show up. Many of the others say they're interested but not ready to tackle this issue.

January 2014

As part of our strategy, we begin a deeper dive into the treatment of migrant workers in our Taiwanese mills. We commission four focused migrant-worker assessments at each supplier location that look at all aspects of a migrant worker life cycle, from recruitment to repatriation. These include recruitment fees, discrimination, housing, wages, contracts and more. We put together a request for proposals, and, after researching expert third-parties, we begin working with two organizations that specialize in this issue. We invite each of them to conduct two migrant-worker assessments in Taiwan that include interviewing migrant workers and labor brokers.

February-April 2014

Pilot four migrant-worker assessments and receive the results, using this opportunity to test different protocols and methods of collecting data to inform our eventual assessment process. Our audit findings help us understand the depth and severity of migrant worker non-compliances at our Taiwanese material suppliers and strengthen our commitment to tackle these issues.

June-July 2014

Partner with the fair labor nonprofit [Verité](#), and begin discussing with them the best way to develop a detailed strategy. We map out our key activities and milestones, and plan our first steps.

August-November 2014

Develop our comprehensive [Migrant Worker Employment Standards and Implementation Guidance](#) document with Verité. We also prepare a supplier summit in Taiwan to announce our new standards and ask our suppliers to remediate all migrant worker-related non-compliances.

December 2014

Finalize our Migrant Worker Employment Standards, translate the 40-plus page document into Chinese, and release it to our Taiwanese suppliers by email and in-

person. We announce two deadlines: (1) From June 1, 2015 onward, no worker will be made to pay recruitment fees. (The materials supplier must either hire directly from the government or pay the labor broker fees themselves.); (2) All workers hired prior to June 1, 2015 are to be reimbursed any recruitment fees that exceeded legal limits by December 31, 2015.

All the material suppliers we invite to the meeting in Taiwan attend, as do our COO, VP of supply chain, and directors of materials and social and environmental responsibility.

During this same trip, our SER team meets with a government official from Taiwan's Ministry of Labor Workforce Development Agency. They discuss the challenges faced by migrant workers, share best practices and seek to identify areas of collaboration. The official agrees to provide our suppliers with training on direct hiring of migrant workers, which is one way to eliminate recruitment fees paid by workers.

January 2015

Our SER manager and field manager continue to work closely with our Taiwanese material suppliers to help them implement our new standards and meet our deadlines. At the invitation of the White House, our COO and director of SER travel to Washington, DC, to participate in the White House Forum on Combating Human Trafficking in Supply Chains. Our director of SER also sits on a panel to share our work.

February 2015

Taiwan's Workforce Development Agency trains our material suppliers on direct hiring of migrant workers.

March 2015

Announce the Migrant Worker Employment Standards to the rest of our supply chain, including our cut-and-sew factories and material suppliers outside of Taiwan (even though to date we have not found similar practices).

Continue to commission Verité to conduct focused migrant-worker audits of our Taiwanese suppliers, at our expense.

April 2015

Our director of SER is invited by the International Labour Organization to speak on a panel at the "Out of the Shadows" symposium on modern-day slavery.

June 2015

Post our [Migrant Worker Employment Standards](#) on our website for all to see and use.

November 2015

Our SER manager and field manager meet with each of our suppliers in Taiwan to check on their progress and determine ways we can help. We also meet with Taiwan's Workforce Development Agency to provide updates on Patagonia's migrant-worker programs and learn about the government's efforts to address migrant-worker issues to identify areas of collaboration. Verité also conducts a Managing Migrant Worker Social Compliance training for our suppliers to explain possible approaches to address common challenges.

December 2015

Since we recognize that this issue is endemic to the industry in Taiwan, and cannot be rectified by one brand alone, we continue to engage other brands in our industry. We invite 40 to a webinar to update them about our work. This time 16 participate, up from the seven that attended our conference in 2013. We also work with other brands that use the same suppliers to improve implementation of the Migrant Worker Employment Standards.

February 2016

Our VP of SER is featured at a special break-out session of the Fair Labor Association board meeting on migrant-worker labor issues in the supply chain and possible opportunities for collaboration. We present on our current initiatives and the need for brand collaboration to address migrant-labor issues.

May 2016

The Taiwan Ministry of Labor conducts another training on direct hiring, which is attended by five of our key suppliers. During this conference, the Ministry specifically highlights Patagonia's work to address migrant-worker issues as best practice.

October 2016

Develop a user-friendly cost analysis tool to help suppliers estimate their existing recruitment costs and determine the cost differences between hiring through labor brokers versus direct hiring as a first step towards eliminating fees.

December 2016

The SER team travels to Taiwan to meet with individual suppliers again and review their progress. During this trip, we meet with representatives from the Workforce Development Agency and Direct Hiring Service Center and present our work to government officials, NGOs and academics, and members of the public at a conference on work-life quality.

May 2017

Wendy Savage, our senior manager for supply chain responsibility, is honored by the [Nomi Network](#) for our work to combat human trafficking. The Nomi Network is a nonprofit economic development agency that fights human trafficking in India and Cambodia.

We are also featured as a case study of best practice in the Interfaith Center on Corporate Responsibility's [Best Practice Guidance on Ethical Recruitment of Migrant Workers](#).

July 2017

Publish on our website our updated disclosure statement for the [California Transparency in Supply Chains Act \(SB 657\)](#) and [UK Modern Slavery Act](#).

August 2017

While we are making progress in eliminating the retention of passports and imposition of curfews and mandatory savings schemes, we find that fully eliminating recruitment fees remains a challenge for many of our suppliers. To facilitate this process, we develop a

detailed “Roadmap to No Fees by 2020,” which outlines key deliverables for our suppliers and Patagonia to complete over the next three years.

We return to Taiwan with our chief operating officer, vice president of social and environmental responsibility and director of materials to roll out this roadmap and meet individually with key suppliers to understand their challenges and identify ways we can support them in making the business changes necessary to eliminate fees.

We also share a set of tools and templates with our suppliers to support their efforts to implement these changes. In addition to the cost analysis worksheet, we provide an action plan template to help our suppliers chart a clear path toward eliminating fees by 2020.

Note: The hard work and presence of our full-time expert in Taiwan has contributed greatly to the progress we’ve made.