

# PATAGONIA FACTORY DESIGNATIONS (internal score only)

## Meets Management Systems Criteria

Well positioned for social and environmental improvements. Supplier exhibits ownership, authority, management systems, policies, procedures and practices that build social and environmental value for the supplier. (Low Risk)

## Meets Code Standards

Supplier is able to meet the standards outlined in Patagonia's workplace code of conduct. (Low Risk)

## Meets Zero Tolerance Standards

Supplier has a commitment to improving conditions, but may not meet all of Patagonia's code standards. However, supplier shall not have any issues that Patagonia deems zero tolerance which include but are not limited to child or forced labor, physical abuse, sexual harassment and a lack of transparency and commitment to improvement. We will usually place these factories in a continuous improvement program with a local third party Corporate Responsibility expert so over a period of time they are able to achieve full compliance. (Medium or High Risk)

## Fail

Does not meet zero tolerance standards. We will usually place these factories in a continuous improvement program with a local third party Corporate Responsibility expert so over a period of time they are able to achieve full compliance. The engagement is usually done in collaboration with other brands. In some cases, we may leave the factory depending on how egregious the issue(s) are. (High Risk)

## Requires Audit

The factory requires an audit to assess a designation score. (High Risk)

## In Remediation

The factory has had a recent audit and because of special circumstances it remains to be seen which designation above it will be placed in. (High, Medium or Low Risk)

## Presourcing

The factory is in the presourcing evaluation process. An audit has been completed or will be completed as part of the screening process. After the initial audit, a factory must rank in one of the first three designations listed above to be approved for sourcing and placement of the first order. They must also have shown a concerted effort to correct any audit findings and fill out, submit and/or sign all of our required CR program documents.