

patagonia

"We're in business to save our home planet."

Value Proposition

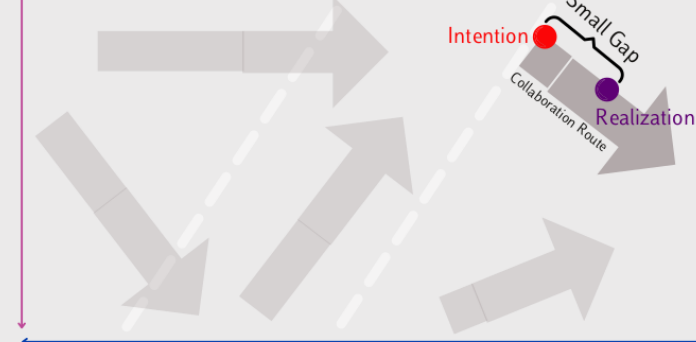


Looking at the value proposition and the motives are important to understand Patagonia's ICR. Patagonia moves away from simple added value and strives towards shared-value creation. It is inspired by serving societal needs, rather than serving markets only. [5]

Mapping motivations^[10]

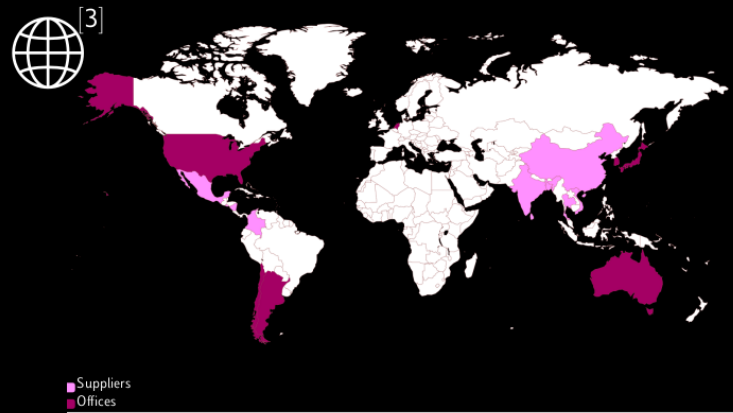
	Inactive	Reactive	Active	Proactive
Generic Motivations			✓	✓
Systemic motivations			✓	
ICR Approach			✓	
Supply Chain				✓
Marketing				✓
HRM				✓
Finance				✓
Natural Sourcing				✓
Innovation			✓	

Intention-Realization



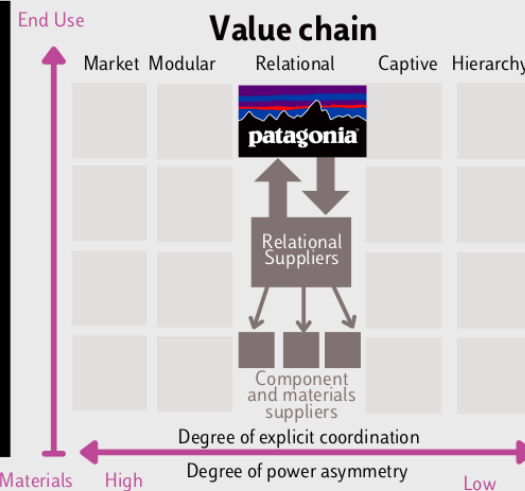
Founded by Yvon Chouinard in 1973 [1] \$800 million in revenues in 2019 [2]

Product portfolio 2400 employees[4]



Societal Triangulation

- Patagonia is a B-Corporation [6] hence it is a type 4 among the 8 archetypal organization forms[7].
- It positions itself between level 3 and 4 as it is a service-driven organization but striving towards acting collectively and forming cross-sector partnerships.[7]



Value Chain Governance structure



International Corporate Responsibility^[11]

ENVIRONMENT

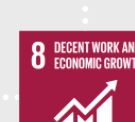
- Striving for being carbon neutral by 2025[12];
- 100% of electricity used for owned and operated facilities met with renewable sources[12];
- Low impact-high quality gear that can endure the test of time and that can be easily repaired and reused (Worn wear)[13].

SOCIAL

- Ensure workers are earning at least a minimum wage in the regions where they work[14];
- Due-diligence activities to promote and sustain fair labour practices, safe working conditions and environmental responsibility in the finished-goods factories (Tier 1)[14];
- Supplier Workplace Code of Conduct based on International Labour Organization (ILO) core labour standards and requires compliance[14];
- Founding member of the Fair Labor Association[14];

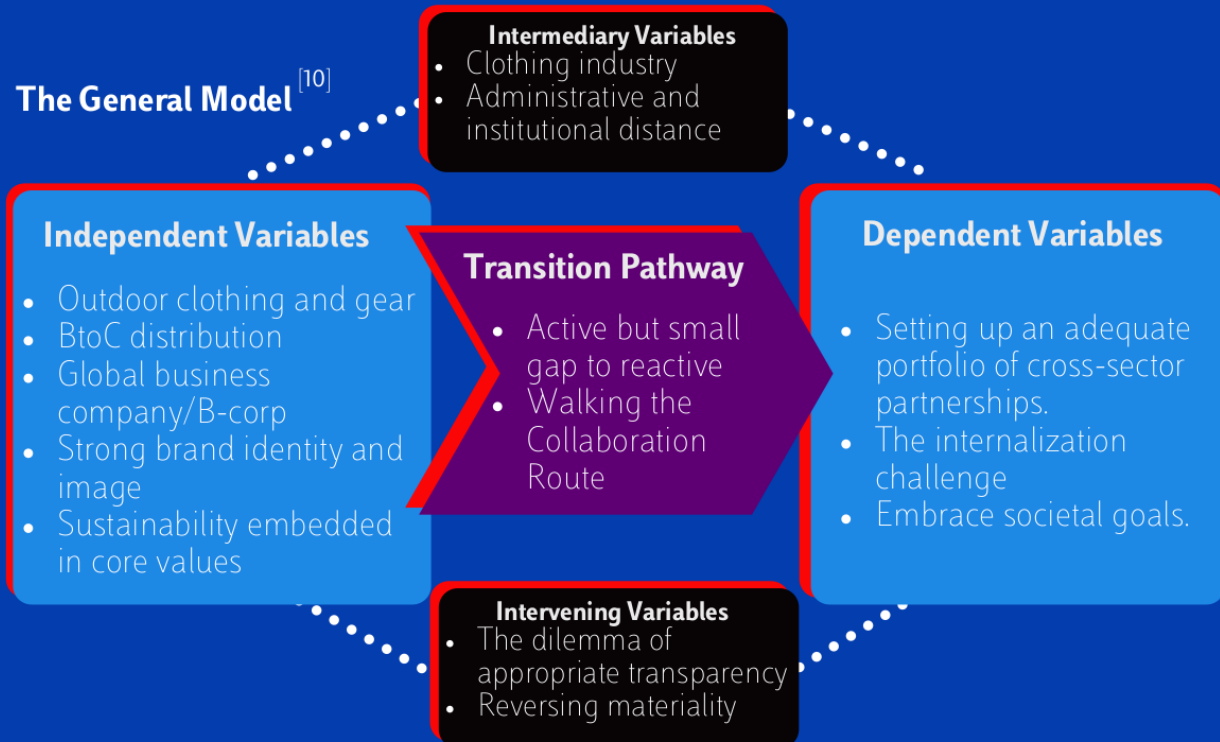
ECONOMIC

- 1% for the Planet: Patagonia's self-imposed Earth tax[13];
- Fair wages and health insurances for workers[13].



Patagonia was awarded United Nations' flagship environmental honour for entrepreneurial vision in 2019[15].

The General Model^[10]



The Challenge: Embracing societal goals by integrating SDGs

Among the challenges for Patagonia, embracing societal goals and integrating them into their existing activities is the most pressing challenge to strive towards a proactive positioning. To embrace societal goals means to truly align the expressed Patagonia's motives of "doing business to save our home planet" by linking their existing efforts to the Sustainable Development Goals (SDGs) targets. As a matter of fact, taking a global perspective, out of 8550 companies analysed by the MSCI All Country World Index only 0.2% resulted as 'strongly aligned' to the UN SDGs [16].

The dilemma of appropriate transparency

- Patagonia achieved an overall score of 56%, placing itself at the sixteenth place in the Fashion Transparency Index (2021)[17];
- Doesn't publish a sustainability report.
- Risk of blaming culture[18];
- 2 types of transparency:
- (a) Patagonia's reputation for transparency and
- (b) its efforts to communicate transparently.[19]

Solutions

- Publish Sustainability Report;
- Integrate SDGs in Patagonia's sustainability strategy;
- Operate on a broader scale of SDGs and not just "cherry pick";
- Implement a cross-partner portfolio for SDGs implementation

Reversing materiality

- Absence of embedding SDGs in strategic activities[20];
- Avoid "cherry picking" of SDGs[16];
- Making all SDGs efforts material.
- Inspiring other companies through universal standards and targets of the SDGs; materiality disclosure.
- Taking the 5th P (Partnering) to the next level by building an SDG reinforcing cross-sector partnership portfolio.

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