




READY FOR BUSINESS

LOOKING TOWARDS A SUSTAINABLE PET INDUSTRY

A joint industry report from the Pet Sustainability Coalition
and the World Pet Association



As Spencer Williams of West Paw says,

**"SUSTAINABLE BUSINESS
PRACTICES HELP OUR
COMPANY ENGAGE IN
MORE MEANINGFUL AND
LASTING RELATIONSHIPS
WITH CUSTOMERS AND
CONSUMERS. THEY FEEL
LIKE COLLABORATORS ON
A SHARED MISSION TO USE
BUSINESS AS A FORCE
FOR GOOD."**

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I AM EXCITED ABOUT THE ATTENTION BEING PLACED ON THE TOPIC OF SUSTAINABILITY AND THE GREAT INTEREST EXPRESSED BY THE PEOPLE OF OUR INDUSTRY.



We are reaching a time where ecological best practices are successfully meeting business ones. The pet industry is striving to meet the demands of conscientious pet owners who wish to minimize the environmental impact of their consumption, especially related to their pets. I am truly proud of WPA's partnership with the Pet Sustainability Coalition but even more by the fact that our industry has begun addressing

sustainability issues and is seizing opportunities to achieve goals of responsible sourcing and supply chain to provide our beloved pets with safe products and reducing waste. I want to reinforce that being smart about the preservation of our planet is not a cost issue, it is an ethical topic that now makes business sense, consumers want their needs fulfilled without compromising the ability of future generations to meet their own needs.

– Jacinthe Moreau
President, World Pet Association, Inc. (WPA)

A LETTER FROM PSC'S EXECUTIVE DIRECTOR



When we first surveyed the industry back in 2015 we were surprised at how many pet industry professionals (71%) reported increasing expectations for their business to be addressing environmental and social issues. We were blown away by the 2018 data that reveals a faster increase in expectations than originally predicted and that almost everyone (91%) is being impacted. Over the last five years our team has prioritized helping pet companies of all sizes and types build a roadmap for addressing their environmental and social impact in a way that delivers measurable

business success. Our focus on tools and education directly aligns with the needs expressed by pet industry professionals and we are delighted to see the clear advantage that our members are experiencing as a result of their investment in membership. Our goal as we pass this historic milestone is to scale our programs so that we can serve a larger percentage of the industry with a particular focus on innovating collaborative opportunities and to partner further with credible organizations like the World Pet Association to improve the industry a whole.

– Caitlyn Bolton Dudas
Executive Director, Pet Sustainability Coalition (PSC)

DURING THE 2018 WPA SUPERZOO
TRADE SHOW, PSC INTERVIEWED
OVER 250 MEMBERS OF THE PET
INDUSTRY REGARDING THEIR VIEWS
OF SUSTAINABILITY IN OUR INDUSTRY.

THIS STUDY SUMMARIZES THE RESULTS.



SURVEY RESPONDENTS

see many different areas of opportunity



THE NUMBERS PROVE

that PSC membership helps companies
to achieve sustainability goals



THE QUICK IMPACT ASSESSMENT

can help establish a much-needed measurement
system across the industry



THERE'S STILL PLENTY OF ROOM

for improvement for members and non-members alike



BETTER EDUCATION

access to tools and resources, and opportunities
for collaboration are all critical areas to explore

WHERE WE ARE TODAY



Sustainable business practices have never been more critical than they are today, and pet industry professionals know it.

When PSC asked industry professionals to look ahead into the next five years, a staggering 91% told us they expect the demand for environmentally friendly and socially conscious companies to increase. Half of the people who answered this question don't just see demand going up – they see it going up fast.

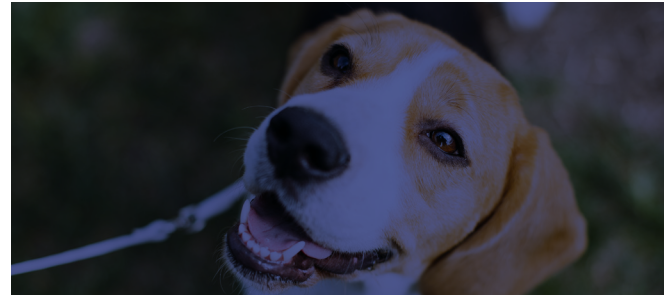
When we asked the same question in our 2015 survey, it was just a fifth. That's an increase of 30% over the past three years in industry professionals – the people who know the business best – who agree that the future of sustainability is moving fast. Now more than ever, the industry needs to equip itself to keep up with the changing world and its changing consumer base.



91%

Report increasing expectations for sustainable products

WHERE WE ARE TODAY



Sustainability is in demand and expectations are on the rise.

An entire 36% of the professionals surveyed say that their company doesn't have a sustainability program at all. With demand increasing and expectations high, the road ahead is crowded with opportunities, and we can't fall behind.

"There is no business case for depleting our natural resources or the communities that supply our industry with materials, ingredients, and labor," says Ted Mischaikov of Healthy Pet. "For the pet industry to remain financially healthy in the long term, each business must account for the full costs associated with [it]."

Only 23% of respondents call their company's sustainability program "effective" or "very effective," a decline of about seven percent compared to the 2015 survey.

23%

WHERE WE ARE TODAY



When asked to judge the current sustainability performance of the industry as a whole, the wide majority gives it a mediocre grade of “somewhat sustainable.” Only 16% call the industry “sustainable” or “extremely sustainable.”

This doesn’t mean that sustainability programs are in decline. We already know that the demand for environmentally conscious companies is expected to keep rising – it’s only logical that standards and expectations rise with it.

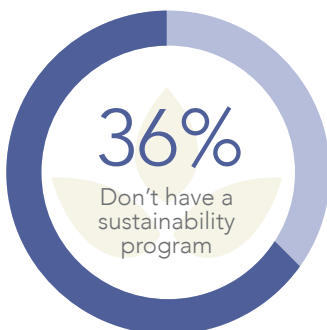
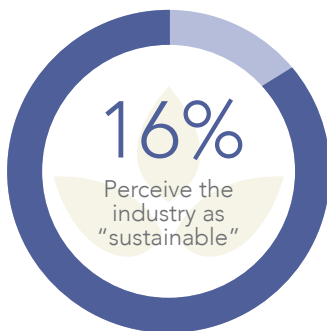
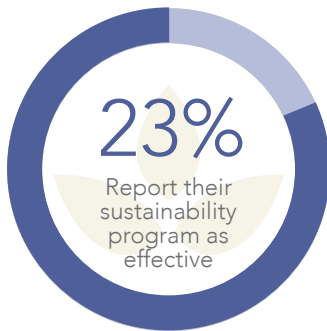
Therefore, the decline in reported effectiveness of sustainability programs likely reflects an inability for companies to keep pace with the rapidly increasing expectations.

“As the market evolves and pet parents demand transparency, we need to be able to stand tall and proud on the safety and quality of our food, and a big part of this is the impact we have on the environment. Without this focus, I am not sure how brands would survive.”

Camelle Kent of WellPet



WHAT THE DATA SAYS



"With the ever increasing amount of information and data out there it has become very apparent the positive and negative affects a business and or an industry can have on the environment, communities and families that they are a part of. Armed with this new information consumers have widening expectations about the role business can play in the future of our world and better information also equips businesses to properly steward us toward a more sustainable future."

David Dieter of Zoo Med



As Stephanie Volo of Earth Animal says,

**“IT’S UP TO US TO SHOW OUR
INDUSTRY WHAT [WE] CAN BE.”**

Evidence suggests that businesses who integrate sustainable business practices can see a variety of business benefits including decreased costs through efficiency improvements, increased attraction, retention, and employee productivity, reduced supply chain risk, increased customer loyalty, and increased innovation.

PEOPLE WHO CARE

The numbers tell a compelling story about the underlying sense of stewardship; the pet industry is committed to making a positive impact on the environment and on our communities. The overwhelming majority of industry professionals who participated in the survey say that their company's impact matters to them.

This strong sense of caring suggests an optimistic future for the pet industry and for its efforts to fulfill the increasing demands by pet owners,

retailers, NGOs, and employees looking for purposeful work. The road ahead may include expanding the industry's sense of caring into business practices – but based on the data, the industry already cares enough to consider such actions.

But sustainability is about more than just numbers, and implementing sustainable practices is more than just caring – it is a good business strategy.

Responsibility matters to our industry

1% Not true at all
8% Somewhat true
40% True
51% Very true

It is important to me that my company is making a positive impact on the communities and environments where we do business.

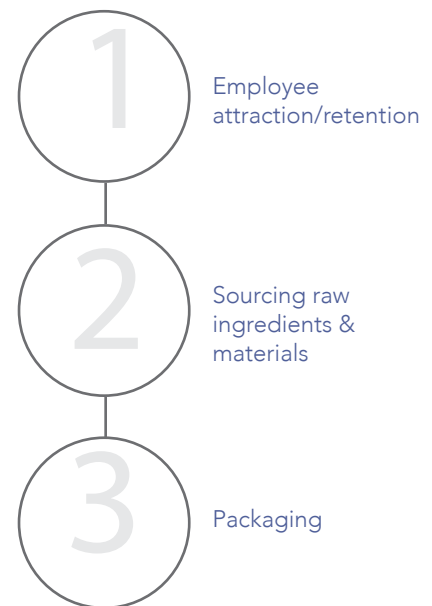
OPPORTUNITIES ABOUND

So we have the drive to achieve sustainability in our industry, but what's the best way to get it done? When PSC asked industry professionals which opportunities would most help their companies, the results were nearly too close to count.

It turns out there isn't just one "best way," there are a lot of them.

Employee attraction and retention, sourcing of materials and ingredients, and packaging come in as the top three areas of opportunity, each getting between 30% and 31% of the "very important" vote. These razor-thin margins mean that our opportunities for improvement are widespread and varied. There's no shortage of ways to move ahead.

THE TOP THREE AREAS OF OPPORTUNITY IDENTIFIED BY RESPONDENTS



THE QUICK IMPACT ASSESSMENT

With such a variety of potential paths for improvement, the industry needs a reliable method to evaluate our progress. However, half the participants in PSC's survey say their company doesn't have a system in place to track and measure the effectiveness of its sustainability program, and those that do use different systems that measure sustainability by different metrics.

"As the CEO of a company committed to improving the wellness and longevity of animals, people, and the Earth, being able to quantify our sustainability promises is an important part of us living up to who we say we are,"

Stewart Shanley of Earth Animal

That's where PSC's Quick Impact Assessment (QIA) comes in. The QIA is a free tool that companies can use to gauge their sustainability performance, and offers a more consistent way for the industry to measure how we're doing across the board. Completing the QIA also helps PSC evaluate your company's strengths and weaknesses to tailor a customized sustainability strategy that will be most successful for each company.

"Dip your toe in. Take the Quick Impact Assessment. And join the movement."

Chris Bentley of Co Founder PSC

The QIA is a tool that helps companies gauge their performance

THE QUICK IMPACT ASSESSMENT

The Quick Impact Assessment is a 3rd party, globally recognized tool to evaluate business sustainability performance. Developed in partnership with the non profit B-Lab, the assessment asks customized questions depending on a variety of factors including business size, location, and sector.

For more information visit: <https://petsustainability.org/qia/>



WAYS FORWARD

PSC asked industry professionals about a variety of topics in our survey, but no question is more important or more powerful than How can we help? We had survey respondents rank the resources that could most benefit their companies' sustainability programs.

Tools and resources, like templates and webinars to aid in implementation, ranked highest on most people's wish lists with 37% of responses. But a fifth of survey participants said they currently have no access at all to those types of resources, and most (45%) give their access to tools and experts only a lukewarm rating.

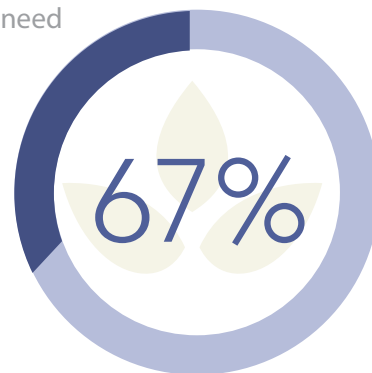
Respondents also identified education as critical for improving sustainability efforts, and only a little over half are confident that they understand sustainable business practices.

Just under a fifth of our survey participants (19%) say it's "very true" that they understand sustainability practices.

Those numbers need to be higher, and we can make them higher. "[PSC] can provide the tools, education and the inspiration to companies that don't know what they need in order to succeed in a landscape that's evolving so quickly," says Sarah Julian of OffLeash Communications.

RESOURCES RANKED IN ORDER OF IMPORTANCE

- 1 TOOLS
- 2 EDUCATION
- 3 BUDGET
- 4 COLLABORATION



In general 67% report that they are unable or only somewhat able to find tools and experts.

YOUR PARTNER IN SUSTAINABILITY

Pursuing sustainable business practices can seem like a daunting task, especially for small businesses, but PSC is here to help.



That's because PSC membership improves access to both tools and education, both of which are identified as necessary resources for implementing more effective sustainability programs.

The data comparing access to education and tools by members and non members shows that PSC members fare far better. Almost a third of non-PSC members surveyed say they have no access at all to tools and experts, while only 4% of members said the same.

When it comes to education, a commendable 0% of PSC members say they don't know anything about sustainability.

And the number of PSC members who say it's "very true" that they understand sustainable practices is more than double the number of non-members with that same confidence. PSC members also describe their companies' sustainability programs as more effective than non-members, while non-PSC members are almost four times more likely to report that their

company has no sustainability program at all.

"[PSC] made this really overwhelming task seem a lot easier."

Nadia Westra of Kong Company

"The Pet Sustainability Coalition is a catalyst... It can be a great help to people that just don't know where to get started, or those who are ready to take their company to the next level."

Tony De Vos of Cardinal Pet Care

PSC Members report more effective sustainability programs, better access to education, tools and experts.

I know what sustainable business practices are and how they can benefit my company.

NON MEMBERS | MEMBERS

Not at all true

10%

Somewhat true

43%

28%

True

33%

40%

Very true

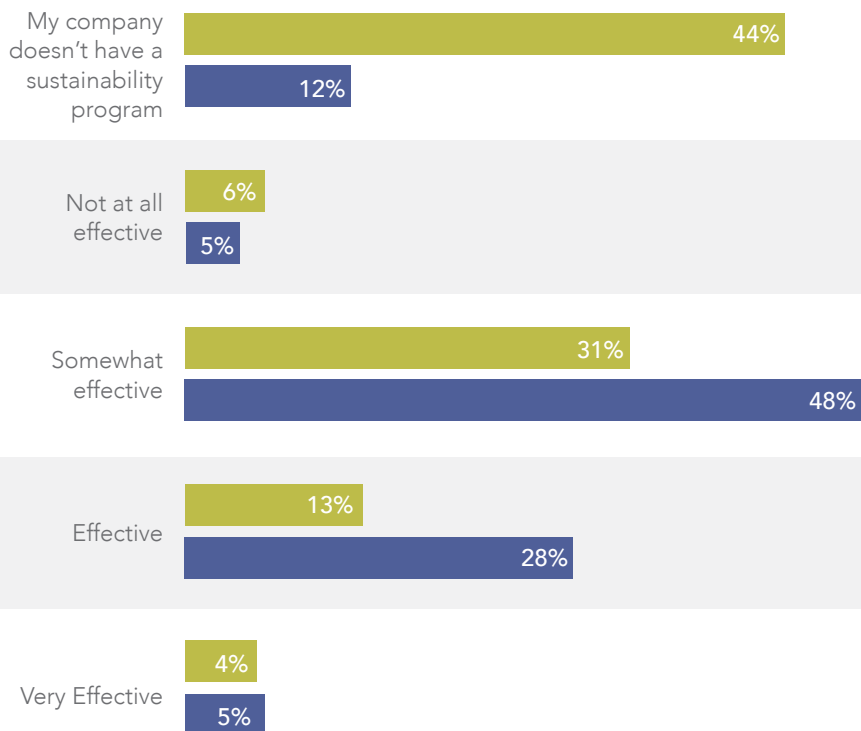
12%

31%



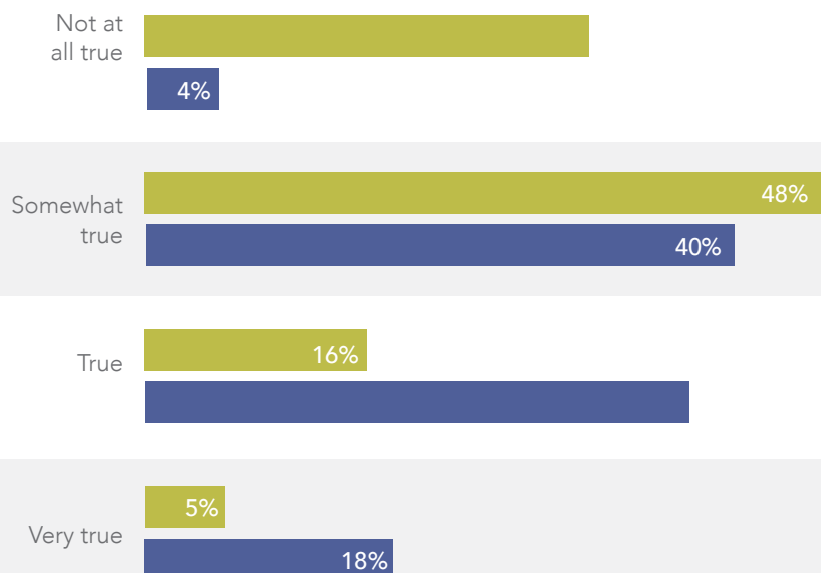
If your company has a sustainability program, how effective do you think it is?

NON MEMBERS | MEMBERS



I know where to find tools and experts that can help effectively implement sustainable practices.

NON MEMBERS | MEMBERS





0% MEMBERS

of PSC members report knowing nothing about sustainability

54% MEMBERS

of PSC members who prioritize collaboration

19% NON MEMBERS

of non members report that they understand sustainability practices

22% NON MEMBERS

of non members who prioritize collaboration



WORKING BETTER TOGETHER




The pet industry's priorities are moving toward collaboration and community. "There's a lot of talent, a lot of very intelligent people that are all working together to advance a very important cause," says Marty Grosjean of Only Natural Pet. Compared to the 2015 survey, a significantly higher number of industry professionals today want to explore opportunities to collaborate with peer companies as a potential resource for improvement. "As a small business, West Paw knows that collaboration will be necessary

to see scalable improvement to our industry's environmental and social impact," says Spencer Williams of West Paw. And compared to non-members, PSC members are far more interested in collaboration.

"Collaboration is essential when it comes to challenges in sustainability," says Andy Downs of Only Natural Pet. "Global social and environmental issues aren't someone else's problem. It's something we're all facing together. Some problems require systematic change that can only

be achieved when all players join together around the same table."

There's no denying that PSC membership helps companies do better, by a wide range of measures. But there is still plenty of room for improvement – not just for non-members, but for everyone. By expanding access to tools and resources, recognizing the value of education, and sharing ideas and support through collaboration, we can make the future of sustainability programs in our industry more effective than ever.



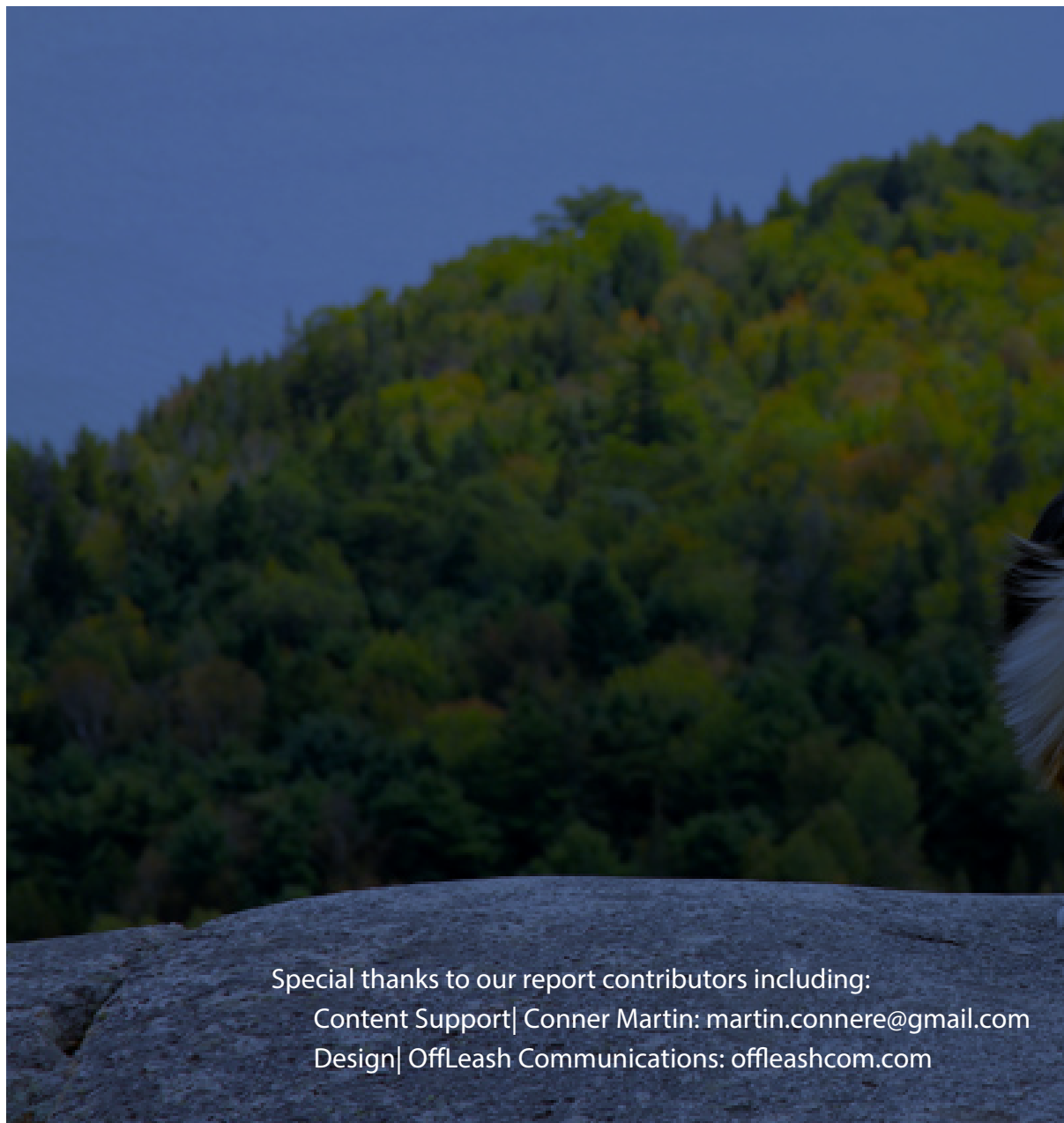
The Pet Sustainability Coalition is a non-profit membership organization founded in 2013 by a group of 8 Pet Companies who recognized the growing demand for sustainable business practices and products in the pet industry. Now with over 80 members, PSC continues to provide access to education, tools, and collaborative processes to advance pet businesses through profitable environmental and social business practices.

To learn more about PSC and join the community of brands driving positive impact to the environments and community where we do business, visit

WWW.PETSUSTAINABILITY.ORG



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