



2022 Impact Report





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A Message from our CEO



At Wellness Pet Company we are passionate about crafting natural, proven nutrition that sits at the nexus of nature and science. We understand that our role, beyond creating delicious and nutritious meals and treats, is critical: we enable a lifetime of cherished moments, memories, and connections between people and pets. We refer to this as shared wellbeing, and it drives everything we do. It starts with cultivating each pet and parent relationship and ultimately encompasses every facet of our business, from supporting our people and our communities to minimizing our environmental impact so the world can be a better, cleaner, and more sustainable place for pets and pet parents to enjoy. It's the Wellie Way. That's why we have worked diligently to take steps to be a more transparent and sustainable company focused on reducing our environmental footprint across our operations and the products that we create with care.

Building a sustainable business requires deliberate focus and an evolution in not just how we do business, but also our business impact. Our goal in this journey is full of both

purpose and pride, augmenting the good we're doing in the world through natural nutrition that powers millions of pets' lives around the world, while also taking a hard look at where we can improve our organization. We've chosen to focus our development goals on Company Culture and Diversity, Community Engagement, and Minimizing our Environmental Impact. I am pleased to share this year's consolidated inaugural Impact Report that highlights the progress we have made and supports our commitment to provide clear, transparent progress toward those goals.

We hope you find this a meaningful update on the important work and progress Wellness Pet Company has made. We will continue to look ahead with optimism to a future of shared wellbeing and sustainability so we can build a better tomorrow for pets, their parents, and the world.

A handwritten signature in black ink, appearing to read 'Reed Howlett'.

Reed Howlett
CEO

Our Approach to Governance & Engagement

Our cross-functional governance model was established in 2020 to ensure we have a broad set of voices from across the organization. We have an established communication framework for reporting and consultation at the senior leadership and board-level of the organization.

Our ESG Governance includes:

- Monthly sustainability updates by the ESG Task Force to the Senior Leadership team
- Quarterly ESG updates to external Board of Directors
- Annual ESG external audit and report by third parties
- The ESG Task Force: led by the Global Vice President of Advanced Innovation, R&D, and Sustainability and includes a cross-functional group of passionate team members that represent all functions in the company

We are building a sustainable company by focusing on these priorities:

- Company Culture and Diversity
- Community Engagement
- Minimizing our Environmental Impact



Our Purpose

Fulfilling a Life of Wellbeing Together

The Wellie Way



Obsessed:

It's who we are and how we win for pets and their parents



Wellies:

Each of us make a difference every day



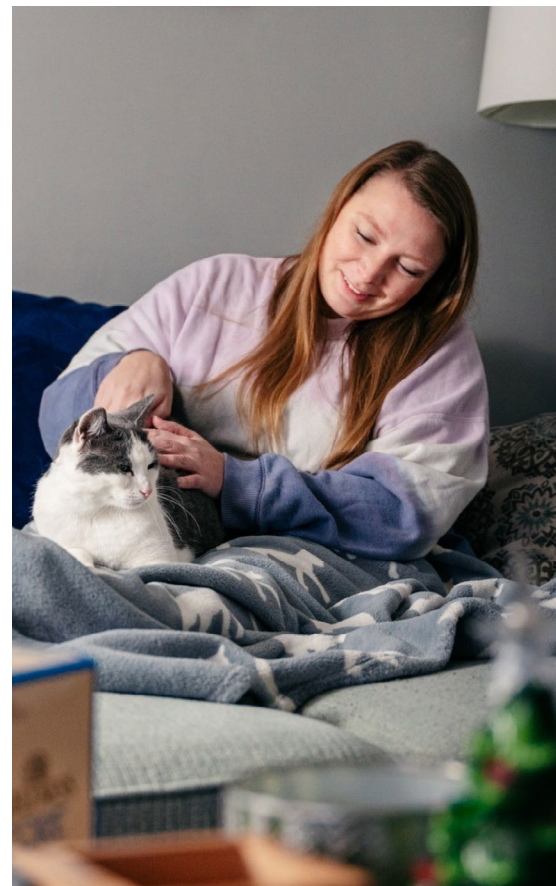
Winning:

Together, we are unstoppable



For the World:

We are building a better tomorrow for pets, their parents, and the world





Community-Centric Outlook

Wellness Pet partnered with [Pet Partners](#) in 2022, the national leader in demonstrating and promoting the health and wellbeing benefits of animal-assisted therapy, activities, and education. We sponsored the World's Largest Pet Walk, raising more than \$105,000 with more than 2,000 walkers across 11 countries.

Wellness Pet donations supported the recruitment, registration, education, and insurance coverage for 200+ out of a total 1,600+ new therapy animal teams who joined Pet Partners in 2022.



Path Forward to Minimize the Environmental Impact of Our Supply Chain

Organization-Wide Emphasis on Environmental Impact

FOCUS AREAS

OUR AMBITION

OUR ACTIONS

Manufacturing



Drive lower environmental manufacturing impact

- ✓ Completed life cycle analysis at Veendam site
- ✓ Increased solar panels use
- ✓ Prioritized packaging material changes

Waste Reduction



Reduce landfill waste caused by multi-laminate plastic packaging

- ✓ Currently developing sustainability roadmap with goal of transitioning to monolayer packaging by 2025

Animal Protein



Lower animal protein usage to minimize environmental and animal welfare impact

- ✓ Created a plant-forward dog recipe template for the future of R&D
- ✓ Conducted consumer insight research on attitudes regarding alternative proteins recipes
- ✓ Ongoing discussion on precision fermentation opportunities

Sustainability at Wellness Pet

Being a more sustainable company requires several key ingredients: optimism for a better future, the desire to learn, measurable goals, and the support of our entire organization and our industry partners. We have worked closely with the [Pet Sustainability Coalition \(PSC\)](#) as active partners for the past five years and are proud to be an ICON member of the organization. It is through this relationship and others that we have advanced our sustainability goals, which include the environmental impact of our products, as well as the welfare of people and our communities. The PSC collaboration has been a source of education and encouragement for Wellness Pet to take meaningful steps in our journey.



**ACCREDITED
BUSINESS**
PET SUSTAINABILITY



SUSTAINABLE DEVELOPMENT GOALS

This report and much of the progress we have made over the past year are informed by the United Nations Global Compact's Sustainable Development Goals (SDGs). The UN SDGs are a globally recognized framework that drives business action toward addressing some of the world's most challenging issues. We are actively utilizing SDGs 3, 5, 7, 8, 12 and 13 to identify opportunities, set goals, and measure progress over time.



Sustainability Commitments & Highlights

Pets

Food safety practices contribute to sustainability. By making safe food, we ensure the health and safety of pets and prevent food waste. At Wellness Pet, we make it our daily job to ensure our products are developed with nutritional excellence and manufactured safely. Food safety in the manufacturing process is critical to the part we play in converting high-quality ingredients into complete and balanced food or healthy treats. Establishing a high food safety standard and quality program requires an ongoing process of training, monitoring, trending, as well as adjusting programs when necessary.

We also believe it is important to have third-party certifications of our operations for an objective assessment of our food safety and quality systems. We are proud to operate manufacturing facilities that have attained the British Retail Consortium's (BRC) ratings of A+ and AA with our newly acquired fourth facility located in Decatur, AR being audited later in 2023. BRC is one of the Global Food Safety Initiatives (GFSI) certifications that a company can achieve following a stringent third party audit of company culture, processes, training, and compliance practices. GFSI is a coalition of leading food retailers and brands that provide oversight of standards for businesses with the goal of assuring access to safe food for people and pets. Today, 95% of our suppliers have GFSI accreditation.



VEENDAM, THE NETHERLANDS: A+ RATING



MISHAWAKA, IN: AA RATING



SOUTH ST. PAUL, MN: AA RATING

Animal Welfare

At Wellness Pet, we recognize that animal agriculture has gaps with respect to animal welfare that need to be addressed. As animal lovers, we support the need to improve conditions and practices related to the five freedoms: freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, and disease; freedom to express normal behavior, and freedom from fear and distress. Wellness Pet is actively looking to partner with industry groups that can collectively make a positive impact to support working towards these freedoms across animal husbandry. In addition, we have a goal to reduce our percent contribution of animal protein in our diets by 20% by the year 2030. As part of this effort, we are currently engaged in reviewing the nutritive values and benefits of non-animal protein sources.



THROUGH OUR GLOBAL COMMUNITY SERVICE PROGRAM, WE OFFER EACH FULL-TIME EMPLOYEE EIGHT HOURS OF PAID TIME PER YEAR TO STEP AWAY FROM THEIR DESK AND PROVIDE DIRECT SERVICE TO A NOT-FOR-PROFIT ORGANIZATION OF THEIR CHOOSING, AND CONDUCT AN ALL-EMPLOYEE GLOBAL DAY OF SERVICE EACH SPRING.

People: Community Engagement

Our desire to build a better tomorrow for pets, their parents and the world shows up in our community engagement. The company's charitable and community programs are run through the Wellness Foundation. At the organizational level, the Wellness Foundation's vision is to enhance the human experience and promote the mutually beneficial relationship between people and pets. The Wellness Foundation has aligned itself with partners who share this vision.

In 2022, the Wellness Foundation donated more than 100,000 pounds of food for pets in need in shelters and foster situations across the US.

In 2022, 463 employees participated in the World's Largest Pet Walk in support of Pet Partners, raising more than \$6,000 in funds for the organization. But Wellies go beyond fundraising and believe in the power of sweat equity. Our employees have the opportunity to become involved in a volunteer capacity with the [Pets & People Foundation \(P&PF\)](#) operating within the New England region. P&PF provides training for individuals with pets in their local communities. Wellness Pet has held informational sessions and is in the process of organizing training for Wellness Pet employees in 2023.

In addition to these partnerships, the Foundation donates products to shelters across the US and the Netherlands. We are also providing ongoing support for the K-9 unit in Mishawaka, Indiana, home of our flagship kibble production facility. In 2022, the Wellness Foundation donated more than 100,000 pounds of food for pets in need in shelters and foster situations across the US.

Wellies are also encouraged to get involved in volunteer efforts within their local communities in other ways. Through our Global Community Service Program, we offer each full-time employee eight hours of paid time per year to provide direct service to a not-for-profit organization of their choosing. Collectively, we put in over 900 hours of service in 2022.

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hours of service
in 2022.**

Every fall the Wellness Pet community joins together for the Annual Virtual 5K. Each year we choose an organization to support, and a donation is made in honor of each Wellie Walker. Wellies are also able to campaign on their own to solicit sponsorship for their run or walk. While we all complete the 5K individually, our app for the event, the Virtual Watercooler, and the quarterly employee newsletter allow us to share the experience with one another.



WE LAUNCH EACH CALENDAR YEAR WITH THE WINTER WELLIES WELLBEING CAMPAIGN DESIGNED TO GET OUR EMPLOYEES INTO THE WELLBEING MINDSET.

People: Employee Wellbeing

All of our US-based full-time employees have the option of participating in our employee benefits programs, providing insurance for preventative and urgent care needs for medical, dental, and vision. Wellness Pet works to ensure employee contributions to such plans remain both competitive and affordable for our participants.

In late 2022 we launched our first employee engagement survey and were excited to see 89% of global employees participate. Since that time, we have gathered as teams to understand and act on what we heard and have implemented quarterly pulse surveys to measure our progress on our actions.

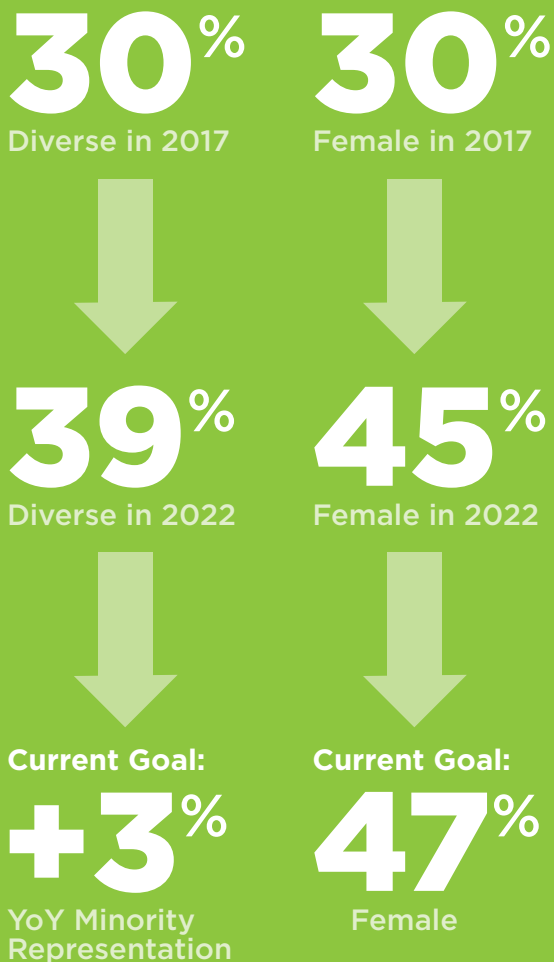
People: Diversity, Equity, and Inclusion

Understanding how we progress begins with understanding where we are today. On a quarterly basis, we examine our employee population through the lens of gender, race, and age for all locations where we have the legal ability to review the data.

On an annual basis, we offer Understanding Bias to employees seeking to improve their ability to reduce bias in their everyday decision making. All new hires participate in a new hire orientation where key policies are reviewed and acknowledged.

Doing Our Part for the Shared Wellbeing of Pets, People, and the World

Increasing workforce diversity and female representation across the organization.



Planet

At Wellness Pet, we realize that our responsibility goes beyond excellent nutrition. We also have an obligation to manufacture and package our products in an environmentally responsible manner. We have committed to the journey of carbon neutrality by taking these steps.

In the past 12 months these steps have included:

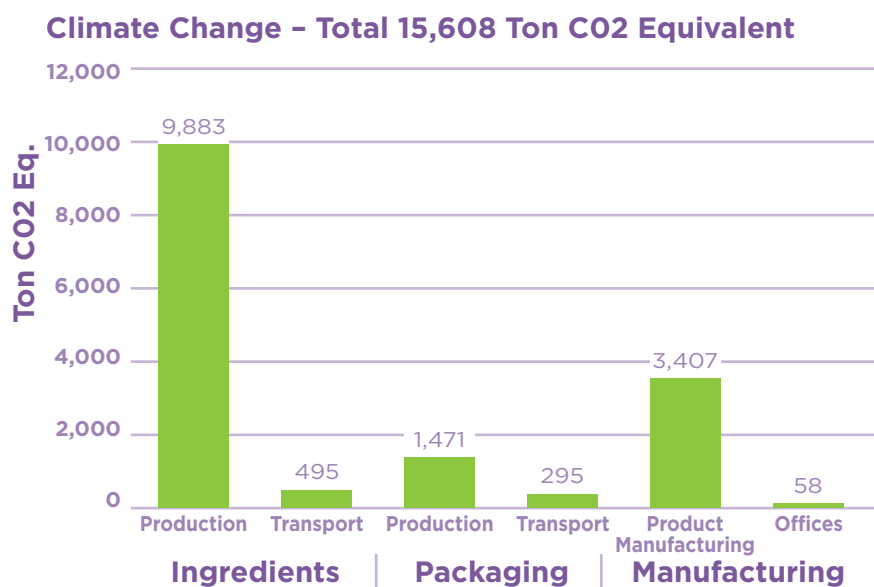
- Life Cycle Assessments
- Decreasing food waste through production efficiencies
- Defining a path to fully recyclable packaging by the end of 2025
- Achieving PSC Accreditation

Life Cycle Assessment

In 2022, we conducted a Life Cycle Assessment (LCA) at our injection molding, WHIMZEES by Wellness facility in Veendam, the Netherlands. Our goal was to use this LCA as a training exercise and learning tool as we expand data collection across our manufacturing network. This assessment focused on raw material sourcing through conversion to finished products. Below are the LCA results:



SOLAR PANELS AT OUR VEENDAM FACILITY IN THE NETHERLANDS.



Results: Total Emissions: 15,608-ton CO₂-equivalent in 2022

Emissions contribution by category:

Ingredients: 63.3%

Packaging: 9.4%

Transport: 5.1%

Manufacturing: 22.2%

Ingredients: Ingredients drive the greatest emissions. To better understand how we may improve the impact of ingredients, we compared the weight of ingredients used versus the CO₂ Equivalents produced. This gave us corresponding gaps and improvement goals. The largest driver of CO₂ Eq are the potatoes, but thankfully the weight to impact ratio is nearly equal as they are almost entirely locally sourced.

Packaging: The LCA identified pouches as one of our greatest areas of opportunity. We have commenced the testing and evaluation of recyclable pouches, moving toward our goal of recyclable packaging by the end of 2025.

Manufacturing: Roughly 90% of emissions at our facility are driven by electricity. We installed two phases of solar panels with a starting goal of reducing CO₂ Eq by 20% for annual electricity generation beginning in 2023. We will continue to invest in solar and other renewable energy sources to mitigate emissions.

Decrease Food Waste

Food waste represents both financial and environmental costs as the growing and transporting of ingredients contribute to greenhouse gas emissions. By minimizing ingredient and product scrap, we avoid needlessly sending products to landfills.

Some of the ways we minimize food waste are:

- Operator training on production parameters
- Quality assurance and quality control during production to avoid out of spec products
- Preventative maintenance programs to ensure equipment efficiency

Our food waste for 2022 was consistently 2% or less across our manufacturing sites.

Recyclable Packaging

Packaging is a critical component for protecting product quality and nutritional integrity. Today, roughly one-third of our product portfolio is recyclable for curbside pick-up. These products are packaged in steel and aluminum cans. However, there is a lot more work to do to move to recyclable flexible packaging as a business and industry. We were the first US-based pet food brand to partner with TerraCycle, a business focused on recycling and upcycling materials that traditional recyclers won't accept. TerraCycle uses products like our pet food bags to create upcycled products from planters to building materials for playgrounds.



We were the first US-based pet food brand to partner with TerraCycle.



Our long-term focus is converting to packaging that is fully recyclable. This process to validate new materials is underway.

Our goal is to be transitioned to recyclable packaging by the end of 2025.

How2Recycle is a system that we have begun to integrate into products. The system clarifies instructions for how to recycle or in certain cases, what packaging should not be recycled to avoid contaminating recyclable products. It empowers the consumer with transparent information.



Additional Community Partners



Conservation Canines

Conservation Canines is an organization that provides canine teams to be used in conservation field research. The organization trains and deploys their specially selected dogs to assist in a variety of duties including the search for endangered species, the survey of wildlife populations, and the detection of animal scat. The dogs are trained in a variety of tasks with the intent of improving and expediting the collection of pertinent data for the protection and conservation of wildlife. Wellness Pet has been donating food to Conservation Canines for close to 20 years.

<https://www.washington.edu/boundless/conservation-canines/>

PAWS

Through Boynton Health's Pet Away Worry & Stress (PAWS), the University of Minnesota Twin Cities provides Animal-Assisted Interactions (AAI) with registered therapy animals to support student mental health. For many young adults, starting college means being away from home and saying goodbye to their own pets. Boynton Health's PAWS offers a safe, welcoming, and fun setting to interact with the therapy animals and their handlers.

<https://boynton.umn.edu/paws>



We'd love to hear from you!

Call 1-800-225-0904 or visit us at www.wellnesspet.com

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