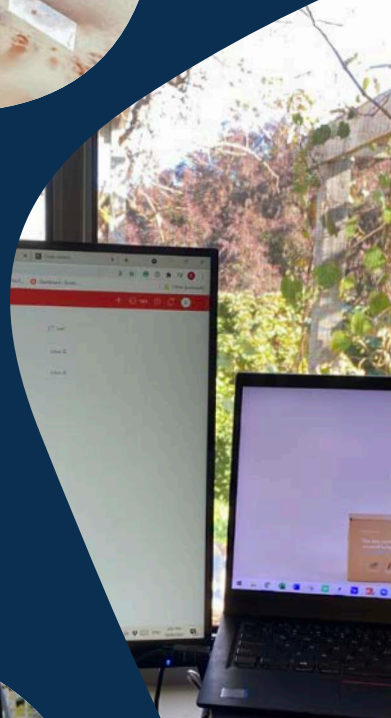


**scratch**

# 2021 Impact report



## Acknowledgement of Country

We acknowledge the Traditional Owners of the country on which Scratch's Melbourne office is located, the Wurundjeri and Boon Wurrung people of the Kulin Nation, and recognise their continuing connection to the land, waters and culture. We pay our respects to their Elders past, present and emerging.



# Contents

**4** Honestly good dog food

**5** Letter from the founders

**6** How we did in 2021

**8** Key sustainability metrics

**9** Paws for the Planet

**12** Transparency

**14** 22/23 targets



# Honestly good dog food

Scratch is the game-changing dog food putting dogs and the planet first. By making personalised food plans for dogs around the country instead of selling through stores, Scratch is able to invest approx 40% more on higher quality ingredients and send freshly made food when your dog needs it. Our food contains only local protein from the human food supply chain and we swap ultra-processed fillers for whole, Australian produce.

As part of our Paws for the Planet program we donate 2% of revenue to dog welfare and climate action initiatives. We're proudly 100% independent and Aussie made and owned.

4

## Letter from the founders:

### We're a B Corp!

After 3 years of planning and action taking, it feels wild to finally say that. Yep. We're a B Corp. The first certified dog food company in Australia. Hell. Only the fifth in the world.

B Corps are the world's leading measure of how consciously a business makes its products, treats its people, chooses its suppliers, governs its actions, respects its community, and helps the environment. Basically, it's about sacrificing profits to make more sustainable products and not being dicks in how we do business.

You've probably shopped from some Aussie B Corps that have been a big inspiration for us – Who Gives a Crap, Koala, Stone & Wood. They've set the bar on what it looks like to use business as a force for good.

I guess we should give a shout out to Nestle, Mars and Hoson Capital too. Together, they own over 90% of our industry and pissed us off enough to make us want to do things completely differently.

The Scratch book of business is pretty simple. Do whatever the opposite of 'globodogfood' do. The planet and your dog will be better off for it. Not sure why we're telling you – you're already doing more than your bit!

In 2021, you've helped us to donate over \$100,000 in cash to climate action and dog welfare through our Paws for the Planet program. Old mate's treats have moved over to recyclable packaging. 98% of orders got there quickly (maybe an AusPost implosion or two aside) while avoiding high-pollution air freight, and we've carbon offset 100% of our deliveries since February 2021.

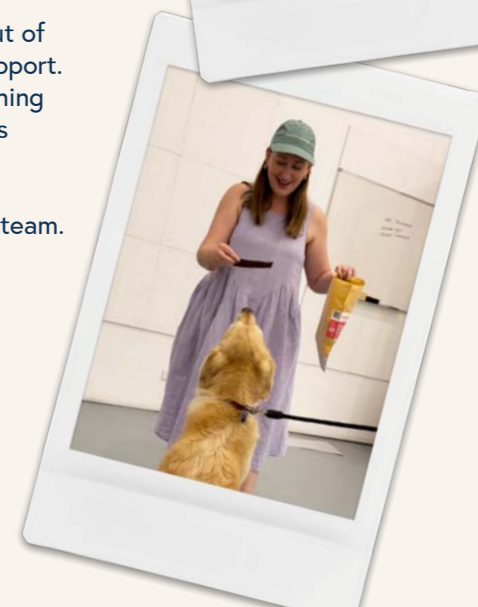
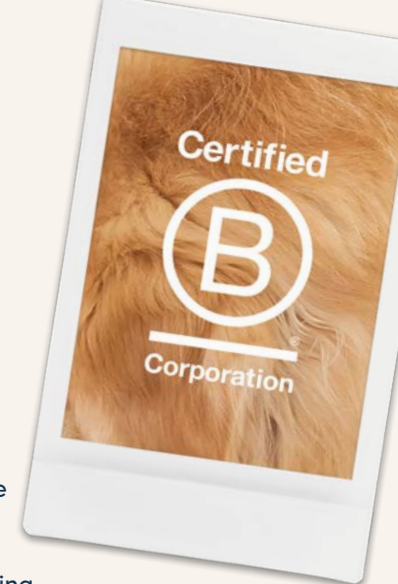
We've wrapped all of this up here in our second annual impact report. Dig into how we choose to do business, where our hearts and dollars go and what's in store for us next. You might even find a very worthy cause to contribute to if you find yourself in a position to in 2022.

Now that we're officially a B-Corp (did we mention that already?), we're not quite ready to start singing kumbaya around the campfire and pronounce ourselves earth children. Most of us still bathe and haven't been completely overcome with B-Corp-smugitis.

We'll continue to give anyone interested quarterly impact updates but for the most part, the things we do to earn our certification will remain behind the scenes and you can look forward to the same silly Scratch emails whenever we feel like we've got something worth saying.

On that note, we've run out of words. Thanks for your support. You all rock and make running this growing little business of ours a pleasure.

Mike, Doug & the Scratch team.



5

# How we did in 2021



## Carbon offset 100% of last-mile deliveries

As an eCommerce company sending hundreds of boxes to customers each day, reducing the environmental effects of our business model was crucial. We've been carbon offsetting 100% of our deliveries since February 2021 through our work with Greenfleet. It's saved 320 tonnes of Co2 and helped them plant native Australian trees across 500 forests (so far).



## Launch biodegradable compostable poop bags

Over 500,000 grade A Scratch nuggets have been disposed of in the most sustainable way with our 100% biodegradable and compostable poop bags. Poop responsibly people.



## Complete feasibility study into alternate proteins in dog food

2021 was a great year of progress for alternate proteins such as Black Soldier Fly Larvae (BSFL). BSFL is now approved for use in adult dog food! Next step for us it is about finding reliable supply at the quality level we require.



96%

## Launch 2 new local warehouses

These being in our remaining non-local markets, to achieve 98% of deliveries serviced locally.

Logistics got away from us as we dealt with the chaotic effect of lockdowns. We were able to open our new South Australian warehouse early in Q1 but still have Tasmania to come.



## Complete feasibility study into biodegradable and other bio-based plastics

Recycling is a start, but we'd love to bring fully biodegradable packaging to the market – ideally without the need to commercially compost. Watch this space.

93%

## 95% of items with 100% recyclable packaging

We fell just short, with 93% of items sold with 100% recyclable packaging as we only were able to introduce our new recyclable treats packaging in Q4. We're on track to meet this goal in 2022.

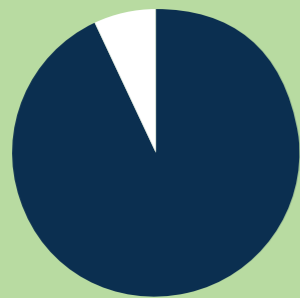


## Become B Corp certified

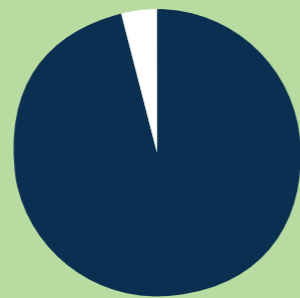
Yup, we're officially a B Corp. And couldn't be prouder.



# Key sustainability metrics



93% of items with 100% recyclable packaging.



96% of ingredients & packaging from local suppliers.



96% of orders fulfilled from local warehousing. Up from 93% in 2020.

# 320

 tonnes of Co2 offset from deliveries.

Shout-out to Greenfleet, who are on a mission to protect our climate by restoring native biodiverse forests to capture carbon emissions and help fight the impacts of climate change. Since 1997, they have planted over 9.6 million trees across over 500 forests in Australia and New Zealand.



# Paws for the Planet

We are passionate about creating a better, more sustainable world for dogs and the humans who love them. That's why we launched our Paws for the Planet program – an ongoing charity partnership project that works towards a more sustainable future by going twice as far to do double the good. As members of 1% for the Planet since 2018, we already donated one percent of all our revenue to certified high-impact nonprofits taking climate action. In 2021, we doubled down on our donations with a further one percent going to home-grown charities focusing on dog welfare and

prevention. By aligning our donation commitments with our revenue, not just profits, we have built giving into our business model in a more impactful way. The more we grow, the more we can give.

**\$104,000**  
**donated**  
**in 2021**

(an increase of 160%)



# For the Paws



Pet ownership enriches the quality of life for people facing homelessness – but comes with expenses that can be difficult to meet. To prevent owners surrendering their pets or sacrificing their own welfare, Pets in the Park provide much-needed support and free access to preventative care.



## SAFE PETS SAFE FAMILIES

The Paws & Pals Program removes barriers for the homeless and their pets by running outreach support services as well as pop up vet clinics where their pets can receive essential health care. They also run Fill Their Bowl, a pet food bank initiative taking pet food donations from the public to help the pets of those struggling financially.



Despite high levels of pet ownership in Aus, 23 healthy animals are still being euthanized every hour of every day due to overpopulation. The National Desexing Network (NDN) provides discounted desexing for pet owners in financial need. By supporting the NDN, we can help ensure fewer dogs end up abandoned in the future.

## PETS OF THE HOMELESS

Keeping best friends together

POTH provides food, vet care and other support to the pets of people facing or experiencing homelessness. With a belief in keeping pets and humans together through difficult times, their mission helps reduce the number of healthy pets surrendered or euthanised due to financial hardship.



AMRRIC (Animal Management in Rural and Remote Indigenous Communities) works with remote Aboriginal and Torres Strait Islander communities to improve the health of companion animals. By facilitating improved community access to culturally relevant services and info around pet ownership, they're helping to create healthier, safer and happier communities.



# For the Planet



Seed is Australia's first Indigenous youth climate network. In Australia, Aboriginal and Torres Strait Islander people are at the forefront of climate change, and as young people, it's their generation with the most at stake. The Seed vision is for a just and sustainable future with strong cultures and communities, powered by renewable energy.

## rainforest rescue

Since 1999, Rainforest Rescue has been on a mission to "Protect Rainforests Forever" by purchasing high conservation value rainforests in Australia and overseas, and working to preserve their biodiversity. So far, they've rescued over 1.5 million square metres of rainforest, planted 320,000 trees and more!



Each year, food waste costs Australia \$20 billion, however as many as five million people experience food insecurity. With a mission to help people and the planet, OzHarvest is Australia's leading food rescue organisation, saving surplus food from ending up in landfill and redistributing it to people who need it most.

## HalfCut

Half the world's forests have been destroyed or "half cut". HalfCut is a small and passionate non-profit with a focus on making fun campaigns that bring urgently needed funding for rainforest protection and regeneration. This year, our co-founder Mike went HalfCut and helped us donate over \$13,500, helping save and protect 5,361 sqm of Daintree Rainforest for good. Onya Mike!



# Transparency.

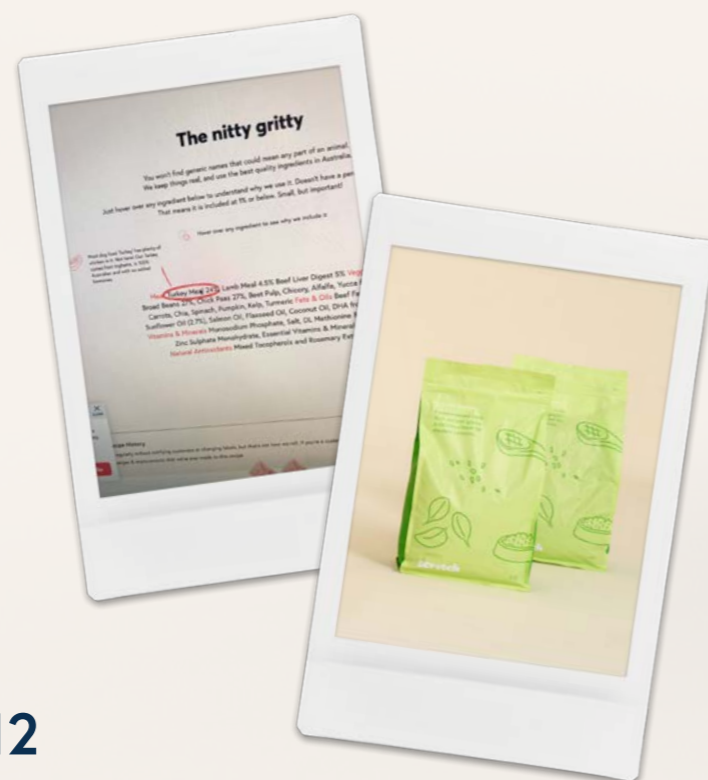
The biggest harm to Australian dogs is the lack of transparency that prevents owners from making truly informed health and diet decisions for their dog.

Since day 1, we've shown the % inclusion of all our main ingredients in our recipes and weighed them using a consistent methodology (everything weighed on a dry matter basis). Sadly, we've failed at influencing others to take a similar stand and today we remain the only dog food brand in the country to publicly disclose the quantities of ingredients in our food.

Why does it matter? There's a huge difference between whether your dog is getting 10% lamb or 28% lamb – but the front of the pack will look no different. There's an even bigger concern if that lamb is sometimes substituted out for beef when prices get too high (yup, it happens). It's just impossible to tell where protein comes from, how much of it is from animal meat, how those animals were treated, what part of it was used, how many starchy carbs are in a food. In real terms, these things don't just tell you how ethical your dog food company is, but whether your dog's diet is going to load them up with inflammation, send their blood sugar yo-yoing, trigger an intolerance that

you've been trying to avoid or any of a number of things that a well-balanced diet presents.

We're not all in a position to feed Scratch even if we'd like to, but we should all be able to compare the nutrition of our dog food easily and consistently between brands. Sadly, the PFIAA (the self-regulated dog food industry body) does not require that and no brands have (yet) started to show what's really in their food. We hope that will change in 2022, but we won't hold our breath.



# 22/23 targets

1. Complete feasibility study into alternate proteins in dog food and hopefully launch it!
2. Start shifting plastic  packaging to biodegradable (or bio-based/recycled) packaging.
3. Launch new Tasmanian warehouse, achieving 98% of deliveries serviced locally.
4. Introduce our environmental targets with key suppliers and engage a full lifecycle assessment.
5. Get at least three other dog food brands to join us on the transparency journey.



Our targets

Us



**scr<sup>at</sup>ch**

Certified



Corporation