



scr[🐾]atch

2022

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.



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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.



Letter from the founders:

It's been a rough old year. Like most, we hit the ground running in 2022, full of enthusiasm for getting back to improving things. Things like packaging. Like supply chain sustainability. Like higher-welfare protein options.

We quickly learnt that the covid effect wasn't done, and that global warming was showing serious signs of things to come if business and government don't pull our fingers out. For basically all of the year, our suppliers have been understaffed, our industry at capacity and our people exhausted.

Here's the thing with big new shiny developments though. They're not always that necessary. If you get your daily commitments right, hold yourself accountable and treat them with the same seriousness as making a profit, you don't need huge breakthroughs to help the environment.

I started this annual report pretty downcast, feeling embarrassed that we're not too much further along the journey of revolutionising dog food packaging, or bringing the stale old dog food industry along for a more sustainable and transparent journey with us.

You'll see throughout this report that the day to day stuff really adds up. Things like our new Tasmanian warehouse saw us avoid air freight and ship from local warehouses, or our Paws for the Planet program ending the year a whisker away from passing \$350,000 in donations.

Those nuts and bolts of everyday sustainability aren't sexy but they really add up for a small business like ours.

We're a drop in the ocean of this roughly \$3,000,000,000 industry in

Australia and while we have no interest in being the biggest, we want to spark a change much bigger than ourselves. In June we took our first big step beyond our own decision making and started to shake up the industry a bit more with our 'Undercover' marketing campaign.

The idea is simple - raise awareness of dog owners about how the industry operates so that consumer expectations force the big multinationals (G'day Mars, Nestlé and Hosen Capital) into being more transparent. Transparency is boring but so important. It helps us all to make more informed decisions about what's going into our dog's bodies each meal and removes incentives for companies to sacrifice health for profit.

We'll keep fighting the good fight and using our passionate community to help improve the industry around us, but we're far from done improving our own backyard. As we saw with the collapse of RedCycle, continuing to use LDPE soft plastics in dog food packaging is a pretty shitty option. Unfortunately no-one in Australia can pack alternatives yet without a \$1m investment in new machinery, but we're setting our sights on being in a position to invest in bringing this and other big things to market in the future. For now, sit back and learn about the amazing organisations that we support while we get to work behind the scenes in bringing some of these bigger ambitions to life.

Give your dogs a pat for me!

- Mike and Doug



Mike pictured with his pup Mello

How we did in 2022



Carbon offset 100% of last-mile deliveries

Our partnership with Greenfleet saw the entire 529 Tonnes of CO2 that our deliveries contributed too, completely offset.



Local deliveries to avoid air freight emissions

With the opening of our newest warehouse in Hobart, we were able to ship 97.6% of our orders within the same state - avoiding air freight and long miles on the road.



Investigate feasibility study into biodegradable and other bio-based plastics

Sadly, no-one in Australia can pack bags in the material that we think is best for the environment. We found a form of plastic that is curbside recyclable, but that most councils can't sort flat plastics so customers would have to roll it up to look like a plastic bottle. Things are happening here though.



99% of items with 100% recyclable packaging

No more paper & plastic combination treat bags. Our entire lineup is now recyclable. Now we're setting our sights for home biodegradable or curbside recyclable!



No progress made on alternate protein dog food

Our annual customer surveys show that attitudes to insect-protein are changing, but we're not convinced that we can make an insect-protein food just yet without sacrificing freshness. Minimum runs are high (10-20 tonnes) and we think that'd take us over 6 months to get through - hardly the freshly made promise that we make on other recipes.



Haven't influenced other brands

Work to be done here. We launched our first campaign to put pressure on big dog food, but over 4 years since the government senate inquiry into pet food found an industry full of marketing manipulation and desperately in need of regulation, nothing has changed. Scratch is still the only dog food company in the country (dry, wet, 'lightly cooked', raw or otherwise) to disclose ingredient quantities in our recipes. We need to do better in convincing others to join us!



Sustainability metrics

529

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.



99%

of items with 100% recyclable packaging.



97.6%

of ingredients and
packaging from

local
suppliers.



96.6%

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



Paws for the Planet

We're passionate about creating a better, more sustainable world for dogs and the humans who love them.

That's why we donate 2% of all our revenue to high-impact charities and nonprofits that focus on dog welfare or the fight against climate change as part of our Paws for the Planet Project. (Yup, we said revenue not just profits!)

\$179,322
donated
in 2022

(Increase of 72% from \$104k)



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.



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.



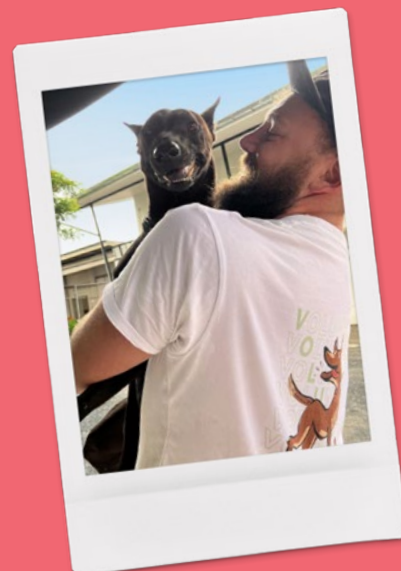
SAFE PETS SAFE FAMILIES

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.



Animal Management in Rural and Remote Indigenous Communities

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.

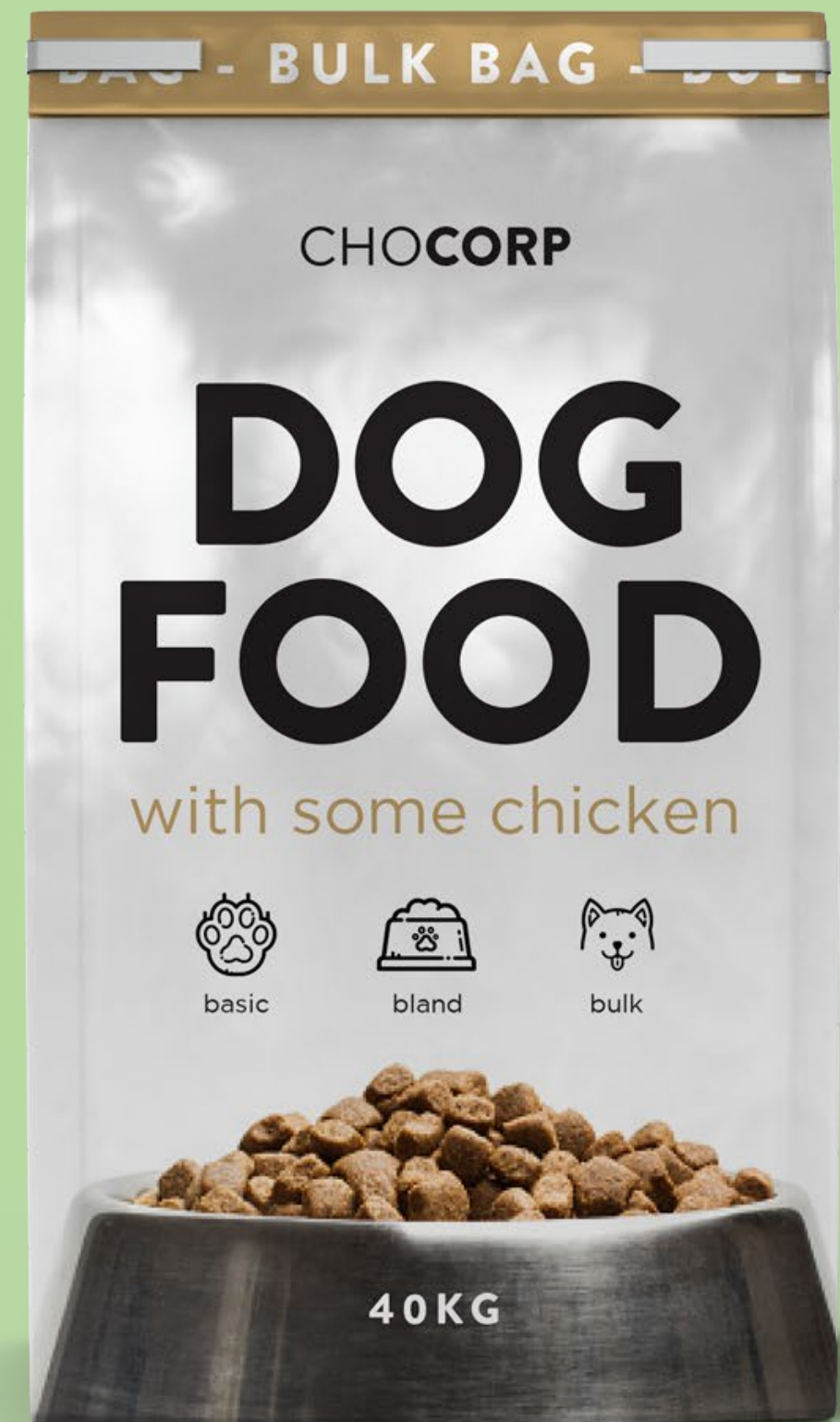
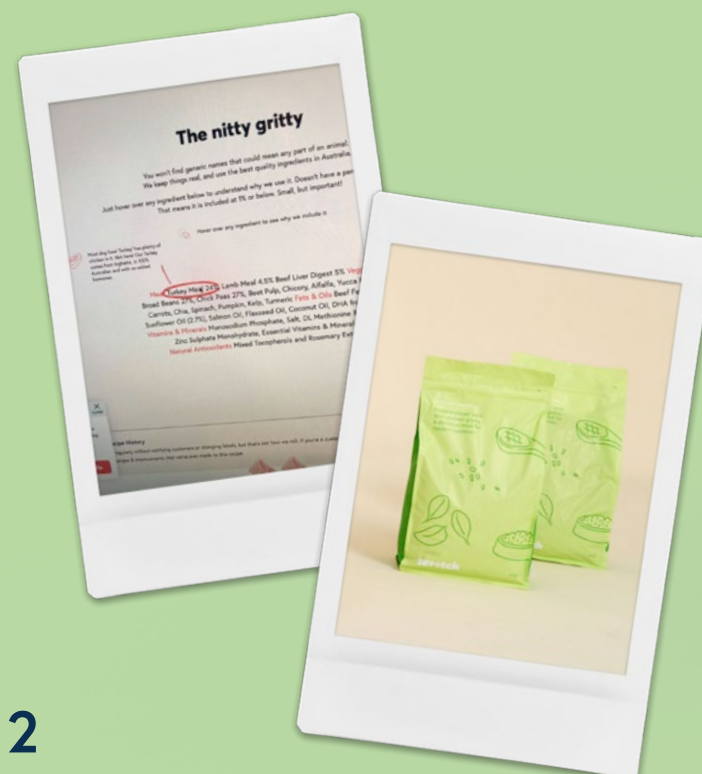
The biggest harm to Australian dogs is the lack of transparency that prevents owners from making truly informed health and diet decisions for their dog.

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-yo-ing, 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 2023, 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.





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Paws for
the Planet



FOR THE
PLANET

Certified



Corporation