



Annual Benefit Report

Fiscal Year 2019

Hello from beautiful Bozeman, Montana.

Welcome to West Paw's annual B Impact Annual Report. West Paw is proud that we have been a certified B Corp for seven years and Montana's first Benefit Corporation since 2015. Our commitment to our people, pets and the planet remains as strong as it has been since we began manufacturing pet products in 1996.

In 2019, West Paw integrated social and environmental performance into our decision-making process. We consider our performance in these two areas important to the success and profitability of our business. We also continued our commitment to our employees by offering fully paid wellness activities and programs and continue to provide access to our internal professional development and training programs.

Keeping our values front and center, West Paw gave a \$50,000 gift to the Trust For Public Land to build the West Paw off-leash dog park at Bozeman's Story Mill Community Park, the largest city park undertaken by The Trust For Public Lands in the entire US. This gift guarantees people and their pets will have a space to play for many years to come, while preserving essential wildlife habitat.

Reducing our materials waste output is front and center top of mind for everyone at West Paw. We recycled over 1,048 lbs. of post-consumer plastic from our Zogoflex toys. The waste from the Zogoflex manufacturing process was only 0.12%, while the industry goal is between 2 - 20%! A huge win for all of us and the planet. We incorporate recycled materials into new product lines whenever possible as a way to prioritize our commitment to the environment.

West Paw remains committed to our employee's well-being, our environmental work, the vibrant community we live in and the pets who bring so much joy to our lives. We continue to work to towards a world where business success is friendly to people and the planet.

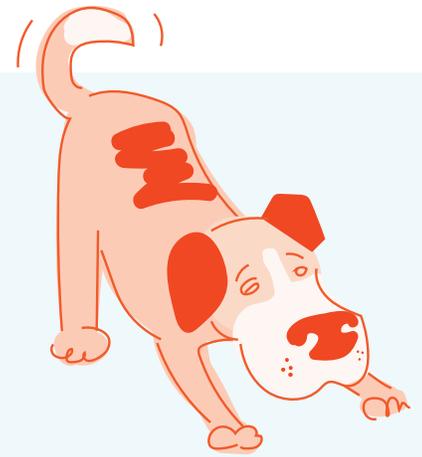
Onward!


Spencer Williams,
CEO and President

OUR VISION

WE ENVISION A WORLD
WHERE BUSINESS SUCCESS
IS FRIENDLY TO PEOPLE
AND THE PLANET.

What Makes Us a Better Company?



OUR PURPOSE

To humanize business by creating lasting connections with our people, communities, customers and their pets.

OUR PROMISE

To inspire joy in the lives of people and their pets, by designing and manufacturing high performing products with a conscience.

OUR CORE VALUES

Act with Integrity, Be Accountable,
Be Tenacious, Be Friendly, Be Healthy,
Continuous Improvement, & Create Value.

B Impact Assessment™

Impact Area Scores: **West Paw**

Governance	14.8
Workers	22.8
Customers	20.1
Environment	35.3

Scores for Certified B Corporations are verified by the non-profit B Lab.

To certify as a B Corp, a company must achieve a minimum verified score of 80 points on the B Impact Assessment. The B Impact Assessment asks questions about how the day-to-day operations of a company create positive impact for the company's workers, community, and environment. Additionally, companies can earn further points if their overall business model can be shown to create positive social and environmental impact as well, qualifying the company for specific Impact Business Model points.

Overall B Impact Score:

93

50.9

Median Score for Ordinary Businesses

80

Minimum Score Required to Certify

0

100

200

COMMUNITY

At West Paw, we are focused on protecting the Places Where We Play and Supporting the Community Where We Live. This is why West Paw pays employees (8 hours per year) to volunteer in the place we call home. In 2019 alone, half of our employees used 164.5 hours of paid volunteer time.



Supporting Where We Live:

West Paw pledged **\$2500 to the Gallatin Valley Land Trust** "Trails Challenge", and held an internal Trails competition and our team walked over 725 miles.

In 2019, we teamed up with the Trust for Public Land and **gifted the West Paw Dog Park to the Story Mill Community Park**. We dedicated a bench to our founder, Spencer Williams.

We worked with the **Audubon Society** to learn the benefits of keeping bird habitats free of dogs. Some West Paw employees become trail ambassadors for the park.

Seven employees participated in our **local Fix Up Festival** to help repair a local house for a resident in need.

West Paw and their employees bought and delivered toys and food for **Hope for Holidays**, a holiday toy drive for children and their families.

West Paw **donated over 1,000 dog toys and mats** to local Montana shelters. Receipts included: Beaverhead Shelter, Stafford Shelter, Tiny Tails, RezQ dogs, and Beartooth Humane Alliance.

Taking our contributions further, when West Paw employees heard the Beaverhead Animal Shelter in Dillon, MT was struggling, West Paw and its employees **held a food drive** for the pets, and were able to donate blankets, mats, toys and a cash donation.

Protecting Where We Play:

Story Mill Community Park:

The West Paw off-leash Dog Park opened in July as part of Bozeman's flagship Story Mill Community Park. The park will protect 60+ Acres for future generations.

WORKERS & GOVERNANCE

As a member of the B Corp Community, West Paw works to increase our collective positive impact and move toward an inclusive economy. An inclusive economy is one that is equitable and creates opportunity for all people of all backgrounds and experiences to live with dignity, to support themselves and their families, and to help their communities thrive. The B Corp Community's vision of a shared and durable prosperity is not possible without an inclusive economy.

Compensation:

- We spend roughly 33% of our revenue on wages and benefits
- Our employees receive flexible scheduling, benefits including dental, life and disability insurance offered to all workers. Gym membership discount, free counseling service, and short-term sabbaticals. Lowest starting wage is 53% over minimum wage.
- 100% of West Paw employees are paid a living wage (defined by federal guidelines)
 - Montana minimum wage is \$8.65 and West Paw's entry level wage is \$13.00 per hr.

Worker Satisfaction and Health:

We allow flexible schedules so employees can take care of themselves and their families.

West Paw's culture and work environment is committed to providing a safe workplace and regularly conducts audits to review the safety of our workplace as well as partakes in external audits.

To ensure our employees are staying healthy, we have weight loss groups, hourly stretch breaks, and free Physical Therapy consultations to prevent workplace injury.

100% of West Paw's employees have access to fully paid wellness activities and programs including:

- Health Fair / screening in July of 2018 (our first health screening with Interactive Health).
- Free PT & ergonomics consultations on site.
- More than 80% of employees surveyed said they are satisfied at their job.
- Wellness related lunch & learns, offering 30 minutes paid time per month.

Continuing Education:

Since 2012, West Paw has invested in the Great Game of Business (GGoB) teachings. This is a financial literacy tool we use to keep our staff informed of West Paw financial information to engage and empower employees to be a part of our financial success.

HOW?

- Financial Literacy Lunch & Learns
- Team Scoreboards
- Mini Games
- Financial Literacy Training Bites
- Two meeting per month
- Weekly forecasting

All West Paw employees have access to eight hours of paid training. We offer internal professional development and training programs. Trainings of interest to employees are offered at least quarterly every year including:

Financial literacy, conflict management, emotional intelligence, boundary setting, leadership skills, accountability, and company values.

Additionally, we offer the following:

- An apprenticeship program for injection molding. West Paw was the first manufacturer in the State of Montana to initiate an apprenticeship program in 2018 to provide training in this specialized field.
- Teamed up with fellow B Corp, HoneyBee to provide employee loans and financial education.



ENVIRONMENT

We annually measure our energy usage, water usage, carbon emissions (greenhouse gas emissions) and waste output. In 2019, these data were:

ENERGY USAGE

Total kilowatt usage = 502,755 kWh. Average kilowatt usage per unit manufactured = 0.336 kWh/unit.

Up 9% over 2018 due to replacement of room membrane that required heaters to thaw it during cold weather.

WATER USAGE

Total water used = 77,717 gallons, with a monthly average of 6,476 gallons.

Down 24% from 2018 due to less construction at building.

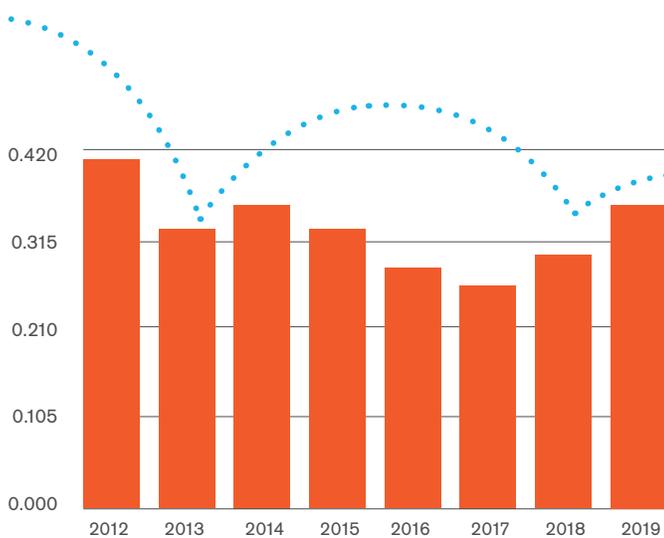
CARBON EMISSIONS:

Green House Gas (GHG) emissions for 2019 = 391.8 metric tons carbon dioxide, which is an increase over 2018 and is directly tied to our electricity use.

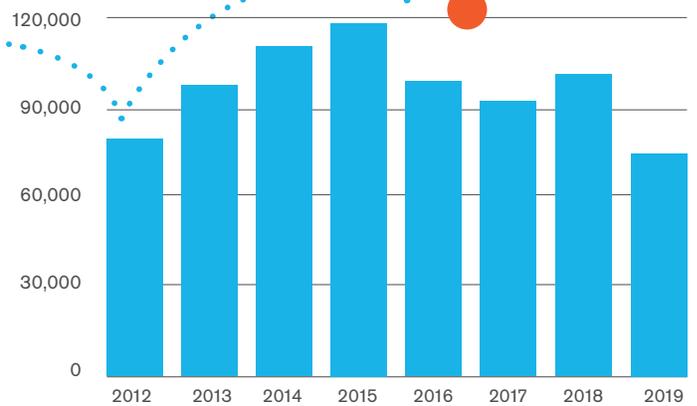
West Paw did offset our carbon emissions from airline travel through purchased of 30.17 carbon removal tons through Nori in 2019.

WASTE OUTPUT:

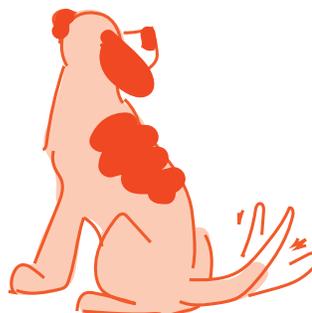
Total waste disposed = 42.5 metric tons



Average Energy Use (kWh) per Unit Produced



Average Water Use (gallon)



West Paw integrates social and environmental performance into our decision-making throughout the company, as we consider it important to the success and profitability of our business. Simple ideas, such as alternating the way we cut the shapes of our toys to save 1/4" of fabric, or eliminating a paper-using process, can have a huge impact over the course of a year.

Planet Friendly Initiatives:

- In 2019, over 1,048 pounds of post-consumer Zogoflex® were recycled. Through our Join The Loop® recycling program West Paw has recycled over 8,773 pounds of post-consumer Zogoflex material back into our Zogoflex toys since 2014.
- To date, West Paw has kept over 15,778,078 plastic bottles out of landfills by turning them into the stuffing used in our beds and plush toys.
- West Paw has continued to reduce our paper use. Since implementation in late 2016, through our Scan-Verify system we have saved approximately 110,000 sheets of paper (over 1,400 pounds). In 2019 alone, our use of Scan-Verify saved over 36,000 sheets of paper, our electronic HR system, BambooHR, saved over 1,500 sheets of paper, and changes in our WIP system saved approximately 1,000 sheets of paper. Through use of these electronic systems, West Paw saved over 38,500 sheets of paper (almost 500 pounds) in 2019!
- West Paw incorporates recycled materials into new product lines whenever possible including recycled polyester in all our collar and leash products.
- Our Big Sky collection (mats, blankets and toys) were OEKO-TEX® Certified in 2019. We pay attention to our sourcing and supply chain. West Paw has Supplier Guidelines in place, which outline our expectations for our suppliers with regard to their labor practices, environmental compliance, and transparency in their business dealings. We also work to educate our Suppliers about West Paw and our values, and why we choose to work with them.

Similarly, our Purchasing Guidelines help to ensure that products and services purchased or contracted for will satisfy the goals of our company's Environmental Statement, which is that we strive, where feasible, to purchase environmentally preferable products and services that meet the company's needs. These guidelines ensure our customers are getting products made from materials that have been thoughtfully sourced.

West Paw is a founding member of the Pet Sustainability Coalition:

As a founding member of the Pet Sustainability Coalition, we are key leaders in building a pet industry that is committed to implementing sustainable business practices that minimize our impact on the environment and the communities where we do business both in the United States and now in Europe. We believe sustainability is a critical component of any successful business strategy and are proud to say that we are taking steps towards a more sustainable future for our customers and the pets they love.



Looking forward to 2020:

West Paw is conducting a Life Cycle Analysis and review of our Zogoflex® Join the Loop® recycling program with the aim to increase the amount of post-consumer Zogoflex material returned so we can turn it back into new Zogoflex toys.

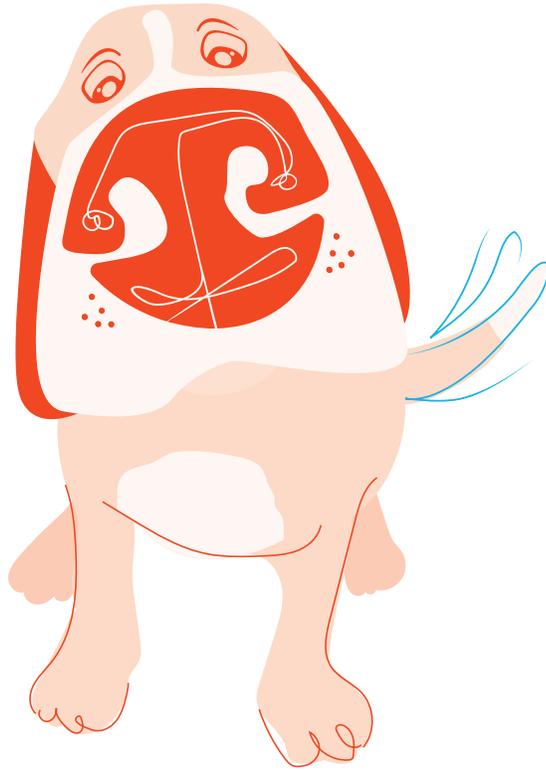
West Paw will introduce a new wellness program called "Healthy Is Wellness". This program is available to all employees and their families. Medical-grade machinery will be used to gauge physical changes over time so employees and their families can track their overall fitness and wellness.

Detailed Report About West Paw, Inc. from B Lab:
<https://www.bcorporation.net/community/west-paw-inc>

Impact Area Scores

GOVERNANCE	14.8
Mission & Engagement	0.9
Corporate Accountability	0.0
Ethics	1.1
Transparency	2.7
+ Mission Locked	10.0
WORKERS	22.8
Compensation & Wages	8.1
Benefits	5.5
Training & Education	1.6
Worker Ownership	1.6
Management & Workers Communication	2.2
Job Flexibility/Corporate Culture	2.2
Occupational Health & Safety	1.1
COMMUNITY	20.1
Job Creation	1.0
Diversity & Inclusion	3.5
Civic Engagement & Giving	6.0
Local Involvement	5.5
Supplier, Distributors & Product	4.0
ENVIRONMENT	35.3
Land, Office, Plant	6.0
Inputs	5.0
Outputs	4.2
Transportation, Distribution & Suppliers	5.4
Designed to Conserve Manufacturing Process	N/A
Environment Products & Services Introduction	N/A
Resource Conservation	11.0
To Reduction / Remediation	2.5
N/A	1.1

† These scores are from West Paw's last verified B Impact Assessment in 2018. Assessments are verified by B Lab every 3 years.



Thanks for Wagging along!

We look forward to another year of using our business as a force for good where we work towards creating a world where business success is friendly to people and the planet.

– Spencer Williams, CEO and President

West Paw™

Certified



Corporation

Certified B Corp
Since October 2015.

westpaw.com