



ANNUAL BENEFIT REPORT

Fiscal Year 2021

Certified



Corporation

“If you find a path with no obstacles, it probably doesn’t lead anywhere.”

- Frank A. Clark



Hello from beautiful Bozeman, Montana.

2021 was a special year for West Paw as we celebrated 25 years of designing and manufacturing eco-friendly dog products! We were fortunate to celebrate the occasion with a summer party that included family, friends, and former and current employees. We are so appreciative to everyone who has been a part of making West Paw what it is has become over the past 25 years - a business that uses its force for good.

We would love to say that the challenges of 2020 did not carry over into 2021 but, as the year got going it felt very much like 2020. However with the Covid-19 vaccine on the horizon, and our unwavering commitment to “sustained growth,” we accomplished what we set out to do despite the challenges that came our way.

Keeping sustainable growth in mind led us leverage product raw materials as a means to scale our positive impact. Seaflex™ is our new collection of sustainable dog products made partially from ocean-bound plastics. With our purchases of this unique plastic source, West Paw is helping turn off the tap on plastics entering the ocean. Our purchases also create an economic driver by paying for the collection of plastics in communities where sanitation resources are lacking. Moving from toys into treats, we also kept focused on sustainably-sourced Bison treats. As with Seaflex, West Paw is purchasing a waste stream of organ meat that isn't readily consumed by humans and safely processing this high-value protein for treats that dogs love.

We also opened West Paw North - a second injection molding facility in northern Montana that nearly doubles our injection molding capacity. This new facility allows us to decrease our need for overnight shifts and increases work-life balance. Additionally, we are better equipped to support the increased demand for our products while continuing to hire more American workers.

In our 25th year, I think more about culture now than ever - both about what we must retain and what can continue to evolve. Culture is not a static thing, but rather a living force inside and around a company. Guiding, developing, and nurturing our culture takes intention from all areas of the company. One person or role does not own it. It starts with leadership, but involves all employees.

This is why we are especially proud that we were recognized locally for having the best “Overall Leadership” and “Best Company Culture”. We have always had a unique culture that is purpose-driven and led by individuals who provide clarity of direction, and affirmation of what is acceptable, and what is not. And because we lean heavily on our core values, we took time this year to refresh them to reflect on what is important to us now and to guide us into the future.

West Paw continues to have a dynamic, focused, and motivated team that desires for our culture to grow stronger and deeper as we work toward celebrating our next 25 years.

Onward!

Handwritten signature of Spencer Williams in blue ink.

Spencer Williams,
CEO and Owner

OUR VISION

We envision a world where business success is friendly to people and the planet.



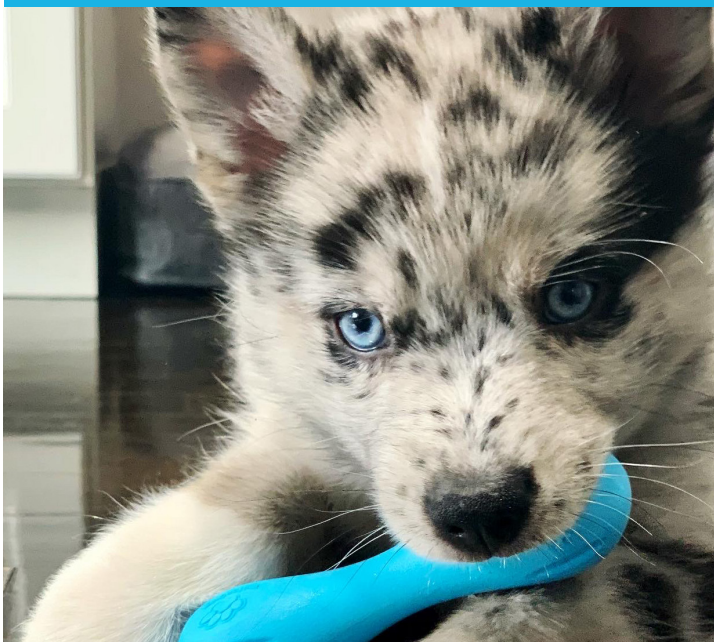
WHAT MAKES US A BETTER COMPANY?

OUR CORE VALUES

Grow for Good
Be Real
Humanize Business
Create Joyful Connection
Solve for Tomorrow

OUR PROMISE

We are a good company making great products for dogs.
We are Dog's Best Friend®



OUR NICHE

Creating sustainable pet products that bring joy

Impact Assessment™



-  **101.3 Overall B Impact Score**
-  **80 Qualifies for B Corp Certification**
-  **50.9 Median Score for Ordinary Business**

Based on the B Impact assessment, West Paw, Inc. earned an overall score of 101.3. The median score for ordinary businesses who complete the assessment is currently 50.9.

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.

Detailed Report Available from B Lab™ at: www.bcorporation.net/community/west-paw-inc

IMPACT AREA SCORES

Assessment scores are verified by B Lab™ every three years. These scores are from West Paw's last verified B Impact assessment in 2021.

GOVERNANCE 15.8

Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.

Mission & Engagement	3.4
Ethics & Transparency	2.4
+ Mission Locked*	10

WORKERS 23.8

Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.

Financial Security	7.7
Health, Wellness, & Safety	7.3
Career Development	3.7
Engagement & Satisfaction	5.0

COMMUNITY 22.1

Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments.

Diversity, Equity, & Inclusion	5.1
Economic Impact	6.1
Civic Engagement & Giving	4.6
Supply Chain Management	4.7
+ Local Economic Development*	0

ENVIRONMENT 34.9

Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company's operations and, when applicable its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.

Environmental Management	7.8
Air & Climate	4.6
Water	3.2
Land & Life	7.7
+ Resource Conservation*	10.3

CUSTOMERS 4.5

Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations.

Customer Stewardship	4.5
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COMMUNITY

As the pandemic continued throughout the year, we limited community events to only events where we could safely socially distance while continuing to volunteering where and when we could.

Supporting where we live:

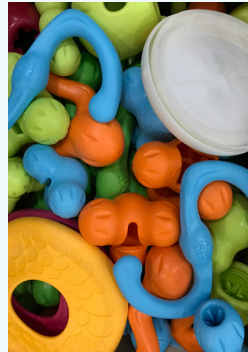
In spite of Covid-19 dominating our lives in 2021, our employees were able to safely donate 1173 hours of volunteer time - an increase of over 43% from 2020!

West Paw continues to match employee donations up to \$30 to any non-profit organization of the employees choosing. West Paw remains committed to protect the Places Where We Play and Supporting the Community Where We Live. As opportunities become available, West Paw's employees look forward to volunteering in the place we call home. And West Paw continues to pay our employees for 8 hours of community work per year.

IN 2021, WEST PAW HIRED OUR 100TH EMPLOYEE

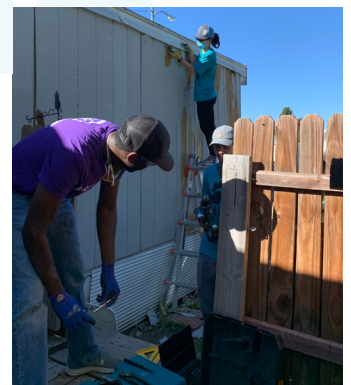


- We sponsored and participated in the Gallatin Valley Land Trust's Summer Trails Challenge, helping them raise \$77,500 to aid in their conservation efforts.
- We sold \$2000 worth of seconds toys to employees. All proceeds are donated to local shelters.
- We donated numerous boxes of 2nds and discontinued toys to local shelters/rescues.



COMMUNITY

We participated in the Fix Up Festival by adopting a home. 13 employees spent a day completing maintenance and safety enhancement projects for a Bozeman resident.



WORKERS & GOVERNANCE



2021 continued to keep us all grounded and reminded all of us of the important things in life. It also provided hope as it marked the rollout of the Covid-19 vaccines.

As a result of the hardships we all faced, we can safely say our team has grown closer and become stronger over the past year. We have allowed the challenges of this season in life to unite us under the common purpose of seeing West Paw thrive beyond COVID-19.

West Paw provided paid time off for employees to get their Covid-19 vaccine as well as sheltered them from using their own PTO banks if they experienced any side effects from the vaccine. We also voluntarily continued to offer Covid-19 Paid Time Off even after others in the industry stopped with the expiration of the American Rescue Plan/Families First Act Coronavirus Response.

To better understand any hesitations about the Covid-19 vaccine, we hosted an "All-staff" forum and invited employees to express any concerns they might have about the vaccine. We encouraged people to seek reliable resources on the vaccine and welcomed dialogue in a safe space with peers.

What changed?

- West Paw NORTH - added capacity allowed us to decrease our need for overnight shift and increase worklife balance (limit overtime work).
- Healthy Is Wellness once a month - employees and their companions receive free coaching, goal setting tips, and body biometric screens, participate in challenges, and track results through small steps with a customized coaching plan.
- 1/2 day Fridays!
- Integrated Employee Self Service for free on our movement series.
- At work-employees can self-sign up for a meeting with a licensed PT on site and receive consultation for safety and health at work and outside of work.
- We had 11 internal promotions in 2021- talk about growing our team and Grow for Good!
- Reinvigorated and refreshed our Leadership training series for all employees.

Employees who were certified through the Montana Apprenticeship Program in 2021.



What stayed the same

- We proudly continue to offer a no-cost health insurance coverage option for individual employees as well as negotiated lower costs for insurance premiums during a year of rising health care costs.
- Our employees continued to receive flexible scheduling and benefits including health, dental, and life insurance.
- We also offered discounted gym memberships, free counseling service, and short-term sabbaticals.
- To ensure our employees are staying healthy, we encourage hourly stretch breaks, and provide free Physical Therapy consultations to prevent workplace injury.
- 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's financial information to engage and empower employees to be a part of our financial success, as well as learn how to better manage their own personal budgets.
- Early in 2021, West Paw offered our employees a convenient way to keep track and work towards optimal health by offering monthly health check-ins from a local company called, Healthy Is Wellness.
- Employee wellness plans create real results company wide. Healthy Is Wellness focused on behavioral changes to reduce employee absenteeism and related expenses by having a positive impact on individual health by tracking their own data over time.



What also stayed the same is Jackie and Erica continuing to voluntarily keep our front entrance beautiful and blooming!



West Paw[®]

NORTH

West Paw opened a second injection molding facility in northern Montana that nearly doubles our injection molding capacity. This was a strategic move to ensure we can support the increased demand for our award-winning Zogoflex products while continuing to hire more American workers.

This added capacity allows us to decrease our need for overnight shift and increase work-life balance. By limiting overtime work our people are able to live their lives in the best ways they see fit, balancing work and life.



West Paw® TURNS



IT ALL STARTED WITH A DREAM . . . AND A RECIPE BOX!

Bozeman, Montana-based West Paw celebrates 25 years of designing and sustainably manufacturing award-winning, eco-friendly pet products for dogs. Since August 1st, 1996, West Paw has successfully done what many thought would be impossible — and it all started with a recipe box.

When Spencer Williams purchased Pet Pals, a small cut and sew company that made fabric toys for dogs and cats, he kept the name of potential and current retailers in a small recipe box (it was 1996 after all). This box contained the people who would help propel us, inspired us, and most importantly, gave us a chance before we had a website, Zogoflex, or even a factory.

Now, 25 years later, West Paw employs over 100 people, sells award-winning dog toys, beds, leashes, collars, and treats to over 6,000 US retailers as well as in 40 + countries around the world. 99.9% of our products continue to be manufactured in the USA.

In 2013, West Paw became a Certified B Corp (the first for pet product manufacturer), a founding member of the Pet Sustainability Coalition, and now a member of the American Council on Sustainability. This is all in addition to saving 16 million pounds of plastic from going into landfills and oceans, guaranteeing local jobs, and delighting dogs and pet parents alike.

“None of our successes would have happened without the relationships we formed all those years ago, many of which are still going strong today,” Spencer Williams, CEO, and Owner, West Paw. Continues Williams, “the trust placed in us, to design and manufacture our sustainable line of pet products, continues to inspire us toward a vibrant and fun future.”

ENVIRONMENT

We're committed to decreasing our environmental footprint—er, pawprint—while increasing our positive impact.

We annually measure our energy usage, water usage, carbon emissions (greenhouse gas emissions) and waste output. In 2021, these data were:

Energy usage

Total kilowatt usage = 725,849 kWh.
Average kilowatt usage per unit manufactured = 0.251 kWh/unit.

Water usage

Total water used in 2021 = 102,095 gallons, with a monthly average of 8,508 gallons. This is a 15% increase in our water use over 2020 (7,259 gallons), which we attribute to a higher number of employees throughout 2021.

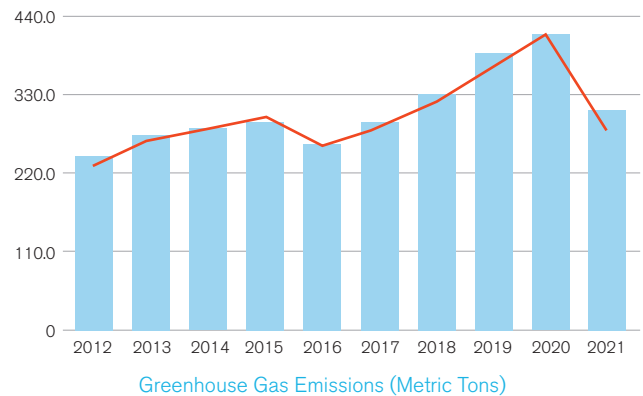
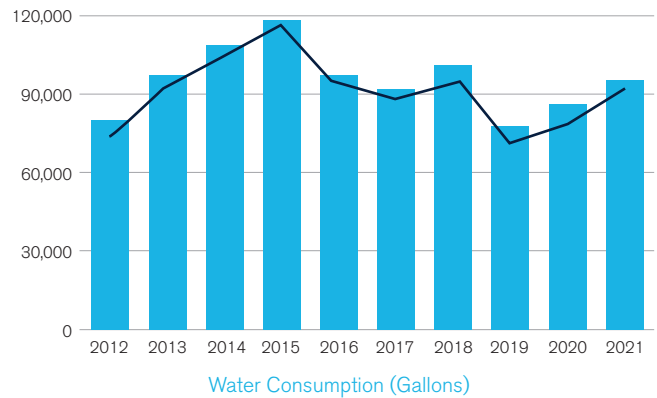
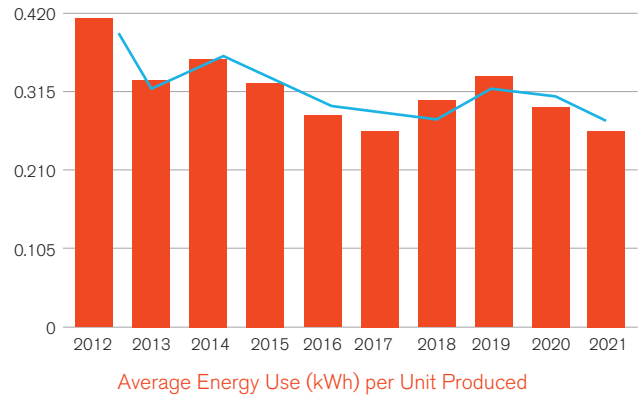
Carbon emissions

Green House Gas (GHG) emissions for 2021 = 292.1 metric tons of carbon dioxide, which is a significant decrease over 2020 related to lower natural gas usage.

Our natural gas usage was significantly reduced in 2021 compared to 2020 and earlier. As we replaced/repared one of our heating units (RTU 2) in September 2020 and January 2021. Following these repairs, our natural gas consumption was reduced by more than half from prior years (<2020) (from 1,435 therms in 2020 to 568 therms in 2021). That also directly reduced our greenhouse gas emissions (GHG) as it is a calculation of therms and kWh used.

Waste output

Total waste disposed of = 42.5 metric tons. No change in waste output in 2021 vs. 2020.



ENVIRONMENT

When Americans were asked to stay at (and work from) home to stay safe, pet companions were in high-demand. Pet ownership skyrocketed and as a result, West Paw experienced significant growth in 2021.

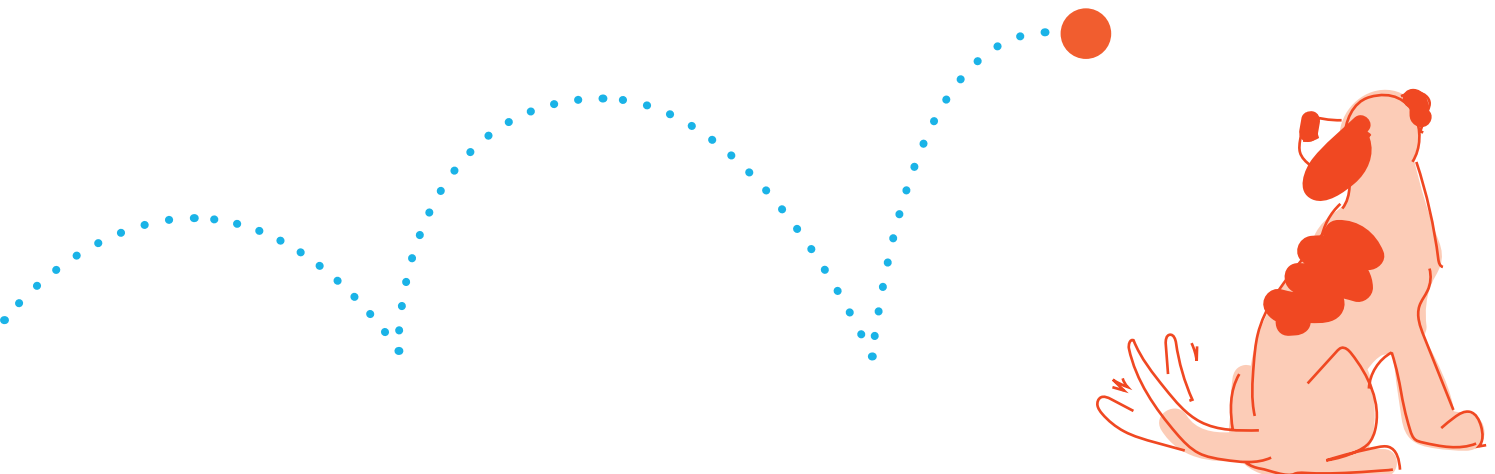
Remaining mindful of our commitment to reduce our impact on the environment, our team worked hard to meet the increased demand for our products. We are happy to report that while manufacturing 28% more units than in 2020, our total kWh/unit decreased and our waste output remained unchanged, compared to 2020.

Total Units Produced

2011		631,070
2012		733,420
2013		1,026,872
2014		1,003,831
2015		1,177,546
2016		1,151,674
2017		1,295,603
2018		1,332,897
2019		1,344,781
2020		1,718,516
2021		2,398,893

kWh Per Unit Produced

2011		0.439
2012		0.414
2013		0.331
2014		0.359
2015		0.328
2016		0.285
2017		0.265
2018		0.304
2019		0.336
2020		0.283
2021		0.251



ENVIRONMENT

THE WORLD HAS A PLASTIC PROBLEM
AND WE NEED TO HELP WORK ON SOLUTIONS!



How is West Paw addressing the world's plastic problem?

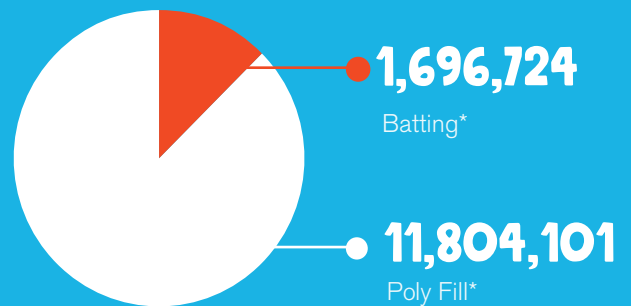
We revamped our recycling program to make it even easier for consumers to return their used Zogoflex® toys. And since the program started, West Paw has provided 272 Recycling Center kits for participating Customers. These customers include both our Pet Specialty and Corporate customers.

In 2021, we recycled an additional 281 lbs of Zogoflex, bringing the total amount recycled to date to 140,234.

More ways we're helping reduce, reuse, and recycle.

In addition to encouraging customers to recycle their Zogoflex® dog toys, we have also kept over 16 million plastic bottles out of the landfill by turning them into a safe, eco-friendly fiber fill we call IntelliLoft®. IntelliLoft is used as the stuffing in our dog beds and plush toys and here's the breakdown:

As of Dec. 31st, 2021, we have kept 16,091,104 plastic bottles out of the landfill.



*used in plush toys and beds



AND COUNTING

SEAFLEX



Introduced on World Ocean Day - July 8th, 2021 - Seaflex is West Paw's latest collection of safe, nontoxic pet toys and feeding accessories that save plastic from winding up in our oceans. Made with an exclusive blend of 88% zero-waste Zogoflex, 12% reclaimed ocean bound plastic, and 0% bad stuff: No latex, No Phthalates, and No BPA.

Millions of tons of plastic head for the ocean every year—bad news for the planet but thanks to a collaboration with Oceanworks, West Paw is able to safely and responsibly source ocean-bound plastic from threatened coastal areas in Central America and make them into things dogs love.

We are inspired to use the power of business to help solve environmental and social challenges. By developing innovative materials like Seaflex, that can be turned into durable pet toys and household goods while helping stop plastic from reaching the ocean, we intend to be a part of the solution.



WHAT IS OCEAN BOUND PLASTIC?





WATERWAY

Found in waterways flowing towards the ocean.

SEA THE CHANGE™

Safe, Durable, Made in the USA
From Recycled Ocean-Bound Plastic

COASTAL

Washed up onto beaches and coastlines.



Ensures that our material meets guidelines for source authenticity of ocean-bound recycled material, supply chain transparency, and social and environmental compliance.

NEARSHORE

Material suspended in the shallow areas of the ocean that are close to shore.



OFFSHORE

Material far from shore.

ENVIRONMENT

THE JOURNEY OF A ZOGOFLEX® TOY AS TOLD BY “HANK THE HURLEY”

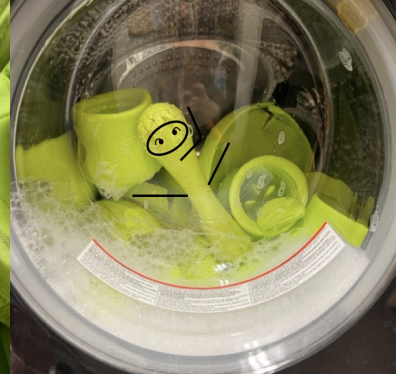
In 2006, West Paw began recycling dog tired toys and in 2009, introduced an infinite recycling program called Join the Loop®. This eco-initiative encourages consumers to return their well-loved Zogoflex toys back to us for inspection, sanitizing, and recycling. This program has been instrumental in helping to keep plastic out of the landfill.



Hi, I'm a Hurley, but my doggy's family called me, Hank the Hurley. I just arrived back in Bozeman after spending a few years with my dog family. I'm ready to be turned back into the things dog's love - another toy!



After my journey to Bozeman, MT I get to hang out with other well loved West Paw toys. It's great to see my friends Toppl, Jive and Zisc again, it's been a long time since were all together.



Time for my bath! Like all returns, I need to be sanitized and inspected before I go on my journey!



Thankfully I passed inspection and was able to be cleaned thoroughly! I'm all nice and clean. All right my turn to jump into the ...GRINDER.... is this going to hurt



All "well loved" Zogoflex toys will go through a grinder to become regrind. We can only go through the injection molding process indefinitely - we won't lose any of our durability!



I did it! I was turned into confetti and then put back into our injection molding machine, only to come out a cleaner version of ME!

LOOKING FORWARD TO 2022:

- Expanding our Seaflex Collection to prevent even more plastic from heading into our waterways
- More Volunteering Opportunities for our team to give back!
- Seeing our customers face-to-face at industry events
- Introducing even more dogs to West Paw
- In 2022, we plan on refocusing our efforts on waste and water tracking/reduction. This will involve the environment team creating a more accurate way to measure the waste we produce as a company.
- In injection molding we are going to focus on ways we can reduce our water usage by optimizing the water in our Zogoflex and Seaflex cooling tanks!



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 Owner

West Paw®



Certified B Corp™ since 2013.

First Benefit Corporation in 2015.