

## 2021 IMPACT REPORT



## **CONTENTS**

**2021 IMPACT REPORT** 

- **01** CLIMATE ACTION PLAN
- **02 PRODUCT RESPONSIBILITY**
- **03** SUPPLY CHAIN RESPONSIBILITY
- **04** PAW IT FORWARD

## **THE TRAIL AHEAD**

**2021 IMPACT REPORT** 

In the woods not far from the Ruffwear office in Central Oregon, my dog, Junior, manages to find the "awesome" in what might otherwise seem like "just a walk." There's an ease about the way he finds enjoyment in these everyday moments. It's contagious, and I find myself shifting to see the world his way.

Ruffwear's purpose has always been grounded in these moments. We're here to help dogs and humans unleash possibility through a life of discovery together.

And as gear makers, Ruffwear's responsibility to own its impacts on the planet and people is also grounded in these simple moments like my walks with Junior. Because it's not just the grand, epic adventures at risk. It's our everyday lives, our whole planet, and every person and canine companion on it that face devastating climate change if action isn't taken.

As we grow, so does the tension between the impact we have as gear makers and the impact we can have as a purpose-driven company.

This tension we've always lived in is now an imperative. It challenges us daily. And, while it's not always an easy balance to navigate, we're holding ourselves accountable to minimizing our negative impacts and maximizing the good we can bring to humans, their dogs, and the world they play in.

In this report, we'll cover some steps we took in 2021. Some highlights: we took our commitment to responsible material sourcing to the next level by becoming Bluesign System Partners.

We also signed on as a founding member of the Climate Action Corps where we'll work with other brands in the outdoor industry towards a common goal: becoming the world's first climate positive industry by 2030.

In 2022, we applied years of gaining greater visibility and a deeper understanding of our impacts to setting science-based reduction targets for the years to come. We're sharing some of those bold moves for the first time in this report.

We've got a lot of work ahead of us, and we're energized by the challenge. We know we won't always get it right because we haven't always gotten it right in the past. And, we know that progress and learning come from taking a step – and then another, and then another.

That's the journey we're committed to. And we hope you (and your dogs) will join us for it.

Brandan Hill President



## **CLIMATE ACTION PLAN**

#### **2021 IMPACT REPORT**

We've made some bold goals, and we're working hard to reach them. Here's a look at some of what we've done so far and where we're headed.



#### **Carbon Neutral by 2027**

Committed to balancing our cradle-to-customer greenhouse gas (GHG) emissions with an equivalent reduction of emissions avoided or removed.



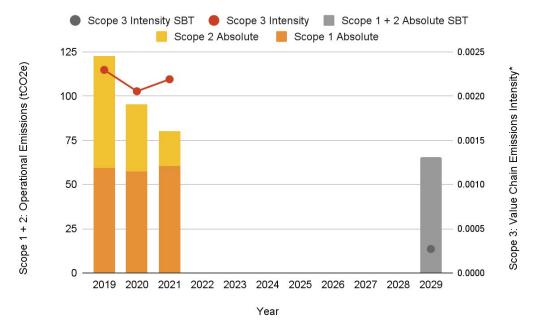
#### **Achieve Science-Based Targets (SBTs) by 2029**

46% reduction of absolute scope 1 and 2 GHG emissions and 88% reduction of scope 3 GHG emissions per dollar of gross profit by 2029 from a 2019 base year.



#### **Climate Positive by 2030**

Removing more greenhouse gas emissions than we emit, and working toward systemic change that preserves natural climate solutions, builds climate-resilient communities, and accelerates the transition to renewable energy.



\*The majority of our value chain (scope 3) emissions are estimated based on economic spend data specific to the types of materials purchased and the manufacturing region in which those materials were produced.

In the chart, scope 3 emissions are given in intensity figures (tCO2e per \$ of gross profit) to match with our science-based target (SBT) for scope 3 which is also in terms of emissions intensity. In short, we expect our business to grow and are committed to decarbonizing it as we do.

### 100%

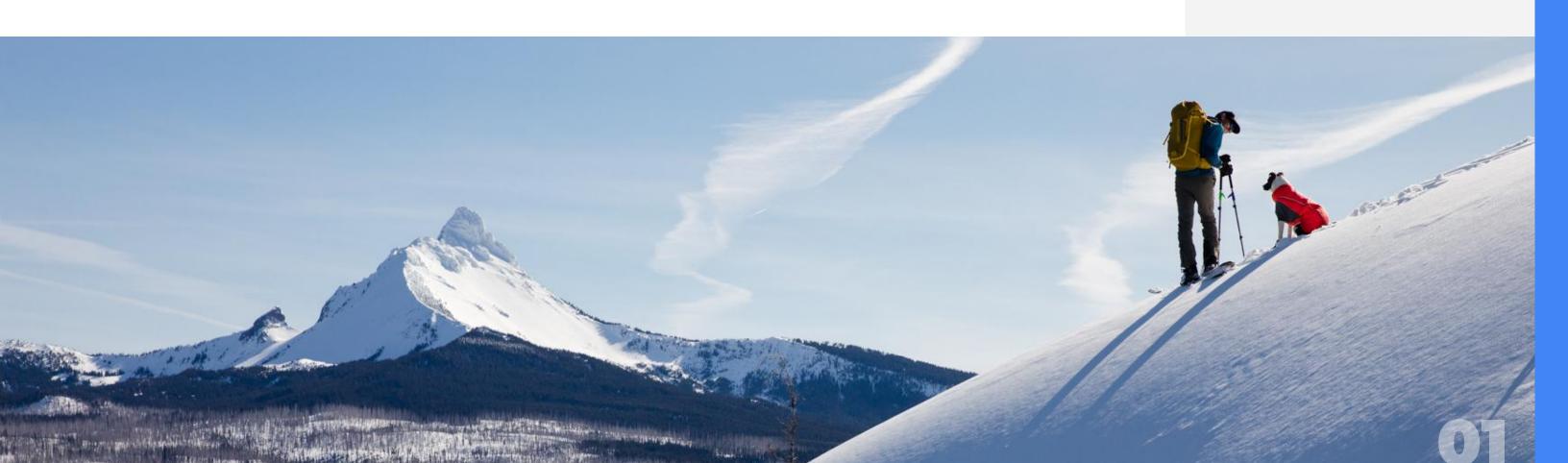
The percentage of electricity consumption at our headquarters that is sourced from renewable sources: a mix of electricity generated and consumed on-site from our rooftop system (~40%) in combination with Green-e certified RECs purchased from our local utility provider.

## 80,080 kWh

Total kilowatt hours of surplus solar electricity that we have sent to our local grid.

## 69%

Reduction from 2019 to 2021 in greenhouse gas emissions from Purchased Electricity (scope 2); From 63 to 20 metric tons of CO2 equivalents.



## **PRODUCT** RESPONSIBILITY

**2021 IMPACT REPORT** 

Most of the impacts from our business stem from the materials we select for the products we make. To minimize those impacts, make effective material choices, and continuously improve, we rely on data to quantify the environmental impacts of our material selection and guide decision making.

Our belief is that each time we make any changes to an existing product, we should be able to demonstrate some degree of improvement in the environmental performance of that product compared to its previous version.

Foundational components of Ruffwear's approach to product responsibility include our use of a chemicals management agreement in combination with a restricted substances list (RSL) in order to avoid, identify, and eliminate chemicals of concern from our products and the associated manufacturing processes.

#### CHEMICALS MANAGEMENT AGREEMENT

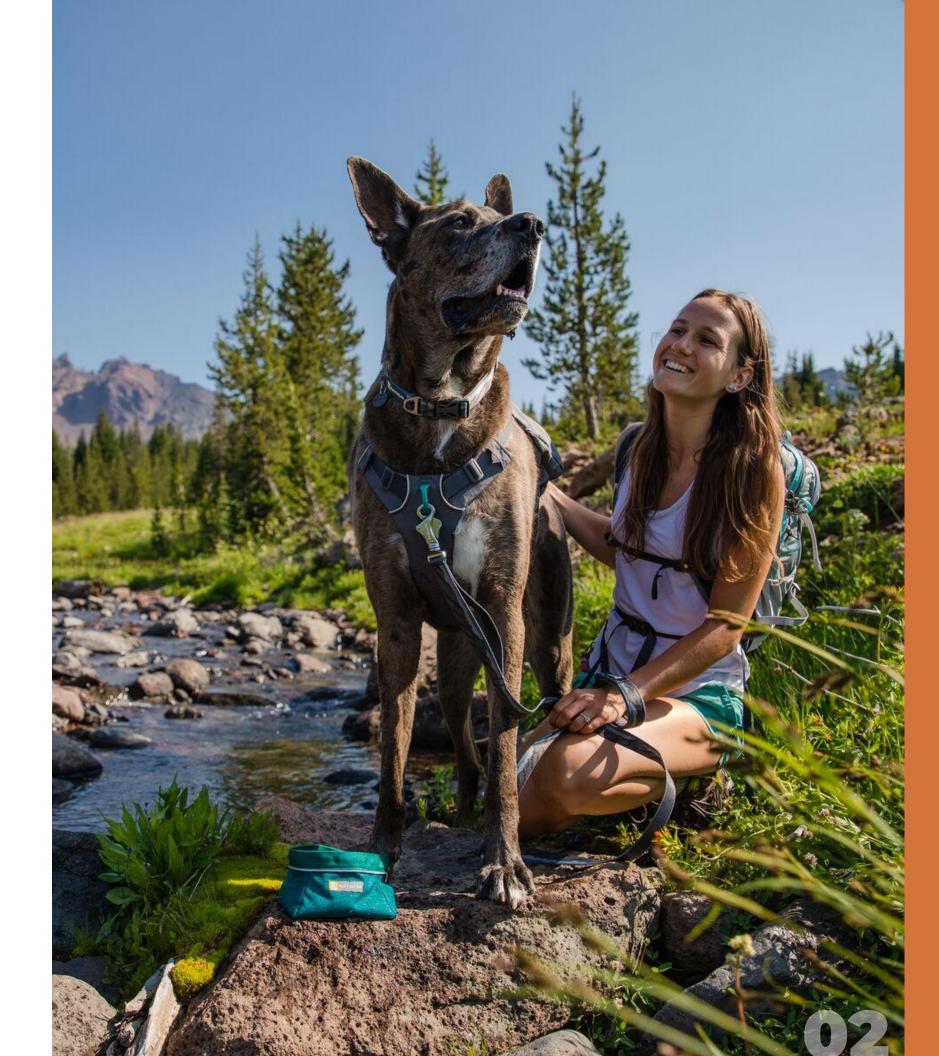
Before doing business with Ruffwear, we ask each of our suppliers to sign our Chemicals Management Agreement in which they declare their willingness and ability to comply with the <u>AFIRM RSL</u>, the EU REACH <u>Substances of Very High Concern</u>, California's <u>Proposition 65 List</u> and the <u>EU RoHS Directive</u>.

Due to concerns regarding the negative short and long-term human health and environmental impacts that certain hazardous substances may have, we have eliminated the use of polyvinyl chloride (PVC) and bisphenol A (BPA) in all Ruffwear gear.



#### PFAS-free by 2024

We currently use only short-chain PFAS-based water repellent treatments where necessary. In 2022, we began our efforts to eliminate the use of all PFAS (per- and polyfluoroalkyl substances) across our product line by 2024. All products requiring a water repellent finish manufactured on or after January 1, 2024 will use bluesign® approved PFAS-free DWR/WR.



## PRODUCT RESPONSIBILITY

**2021 IMPACT REPORT** 

#### RESTRICTED SUBSTANCES TESTING

On a semi-annual basis, we send a subset of our finished materials to a third-party laboratory where each of the materials undergo chemical analyses. Specifically, we are testing to assess whether or not any of our products or their input materials include substances in quantities beyond the allowable limits outlined in our Chemicals Management Agreement.

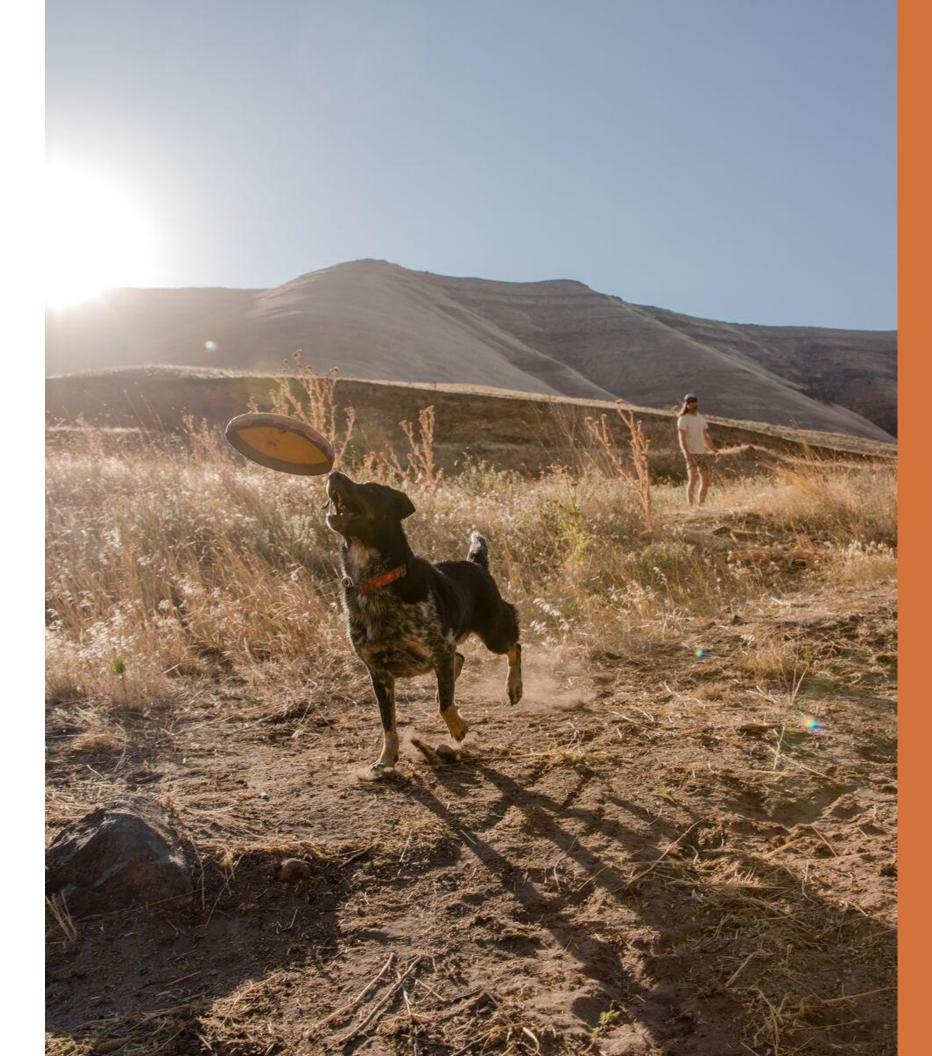
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#### **BLUESIGN® SYSTEM**

Ruffwear has sourced bluesign® approved materials in some capacity since 2018. In January 2021, we amplified our work within the bluesign® system by becoming a bluesign® system partner brand.

This partnership provides an unmatched opportunity for working within our supply chain to evaluate and verify the environmental impacts of the chemicals, dyes, fibers and manufacturing processes that go into our gear. Through applying bluesign® standards in our selection of materials and suppliers, we are working to ensure that our products and the processes through which they're made are safe for our environment, our workers, and our customers.

of styles in 2021 had at least one bluesign® approved component
of dollars spent in 2021 on materials were used to purchase bluesign® approved materials
of our 2021 plastic hardware consumption (in # of pieces) were bluesign® approved components
of our 2021 fabric consumption (in yards) were bluesign® approved fabrics



## PRODUCT RESPONSIBILITY

**2021 IMPACT REPORT** 

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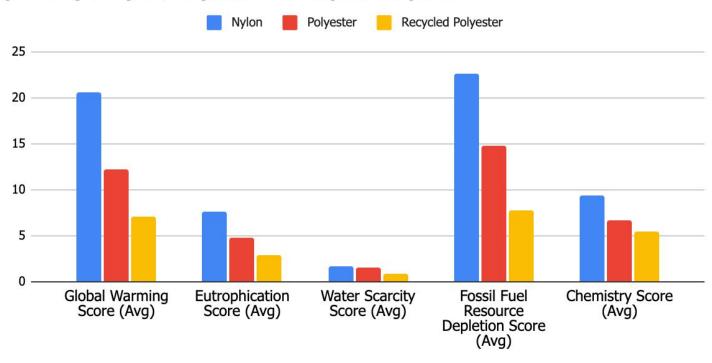
## ENVIRONMENTAL IMPACT MAPPING OF OUR MATERIALS

The platform we use to assess our materials (from raw material inputs to finished goods manufacturing) is a family of tools known as the Higg Index. By measuring and scoring the environmental impacts of the materials we select, we can identify opportunities to design products with reduced impacts across the following impact categories:

- GLOBAL WARMING POTENTIAL
- FOSSIL FUEL RESOURCE DEPLETION
- EUTROPHICATION
- WATER SCARCITY
- CHEMISTRY

Primary Material* of Custom Fabrics	2021 Fabric Consumption (yards)
Polyester	963,100
Nylon	250,507
Recycled Polyester	58,066
Elastane	7,500
Polyurethane	6,053
Other	3,591

## Average Environmental Impact Scores of Ruffwear's Custom Fabrics made primarily of Nylon, Polyester and Recycled Polyester



These results were calculated using the Higg MSI 3.3. They were calculated by Ruffwear and are not 3rd party verified.

**LEFT:** Polyester was the primary material of a majority of fabrics consumed to make our products in 2021, followed by Nylon and Recycled Polyester.

**ABOVE:** The Higg MSI Scores expressed in the chart represent a normalization of the environmental impacts associated with the cradle-to-gate life stages (i.e. raw material extraction/recycling to finished fabric) of our custom fabrics; the higher the score, the more environmental impact of that material choice. The bars are averages and the Higg MSI assessment is based on 1 kilogram of the custom fabrics modeled.

The bar chart proves out the importance of our decision to shift away from Nylon- to Polyester-based fabrics in recent years. Additionally, the choice to use Recycled Polyester, over fossil fuel-based virgin Polyester, as the dominant raw material substrate in some of our custom fabrics has further reduced the Global Warming Potential and Fossil Fuel Resource Depletion impacts of our fabric portfolio. Continuing to find lower carbon alternatives to virgin Nylon and Polyester is a critical strategy in our Climate Action Plan.



#### **Better With Each Design**

As part of our process of continuous improvement, every time we re-design an in-line product, we're committed to reducing its environmental impact.

## **SUPPLY CHAIN**RESPONSIBILITY

**2021 IMPACT REPORT** 

To establish safe and healthy conditions for the workers and the communities we operate in, we require our suppliers to adhere to our manufacturing <u>Code of Conduct</u>. It's our primary tool for communicating the social and environmental standards we expect to be upheld by our suppliers across our entire supply chain. Our code of conduct covers:

- Compliance with Laws and Workplace Regulations
- Prohibition of Forced Labor
- Prohibition of Child Labor
- Prohibition of Harassment and Abuse
- Prohibition of Discrimination
- Prohibition of Excessive Working Hours

- Prohibition of Unfair or Untimely Compensation and Benefits
- Assurance of Worker Health and Safety
- Freedom of Association and Collective Bargaining
- Assurance of Sustainable Practices
- Disclosed and Approved Subcontracting



## SUPPLY CHAIN RESPONSIBILITY

**2021 IMPACT REPORT** 

Our Vietnam team is the figurative glue that binds our brand to our key factory partners and material suppliers. They work closely with the U.S.-based Product Team and the sample rooms at each factory to ensure product design and development goes as smoothly as possible. They also keep Ruffwear's U.S.-based Supply Chain Team, the factories, and our 3rd party logistics providers connected and synced to ensure that product flows through production, to the consolidating warehouse, and out to global distributors at a pace that keeps up with worldwide demand.

Our suppliers get regular in-person visits from our Vietnam team members thanks to the close physical proximity of our Vietnam office. The relationships this team fosters are critical for implementing Ruffwear's high standards for design, quality, sustainability, and service level.

> 95% of Ruffwear products are manufactured in Vietnam, and over half of our materials are also produced in Vietnam. Other countries of origin for our materials in descending order are China, Taiwan, and South Korea.

#### **CONNECTIONS BUILT TO LAST**

"As we transition from bluesign® approved PFAS-based (C6) DWR to bluesign® approved PFAS-Free (C0) DWR across our entire line, we were looking to move away from one of our current fabric suppliers to another source due to a lack in closeness of that relationship.

Leave it to our Vietnam team to invite the representatives of our current supplier to our office in Ho Chi Minh City, bridge the communication gap we were experiencing, and identify important sustainability alignments between our companies. Now, instead of moving away from this supplier, the relationship is being elevated. And, it's all thanks to the incredible community-building capacity of our Vietnam team."

- Kelly, Sustainability Program Manager



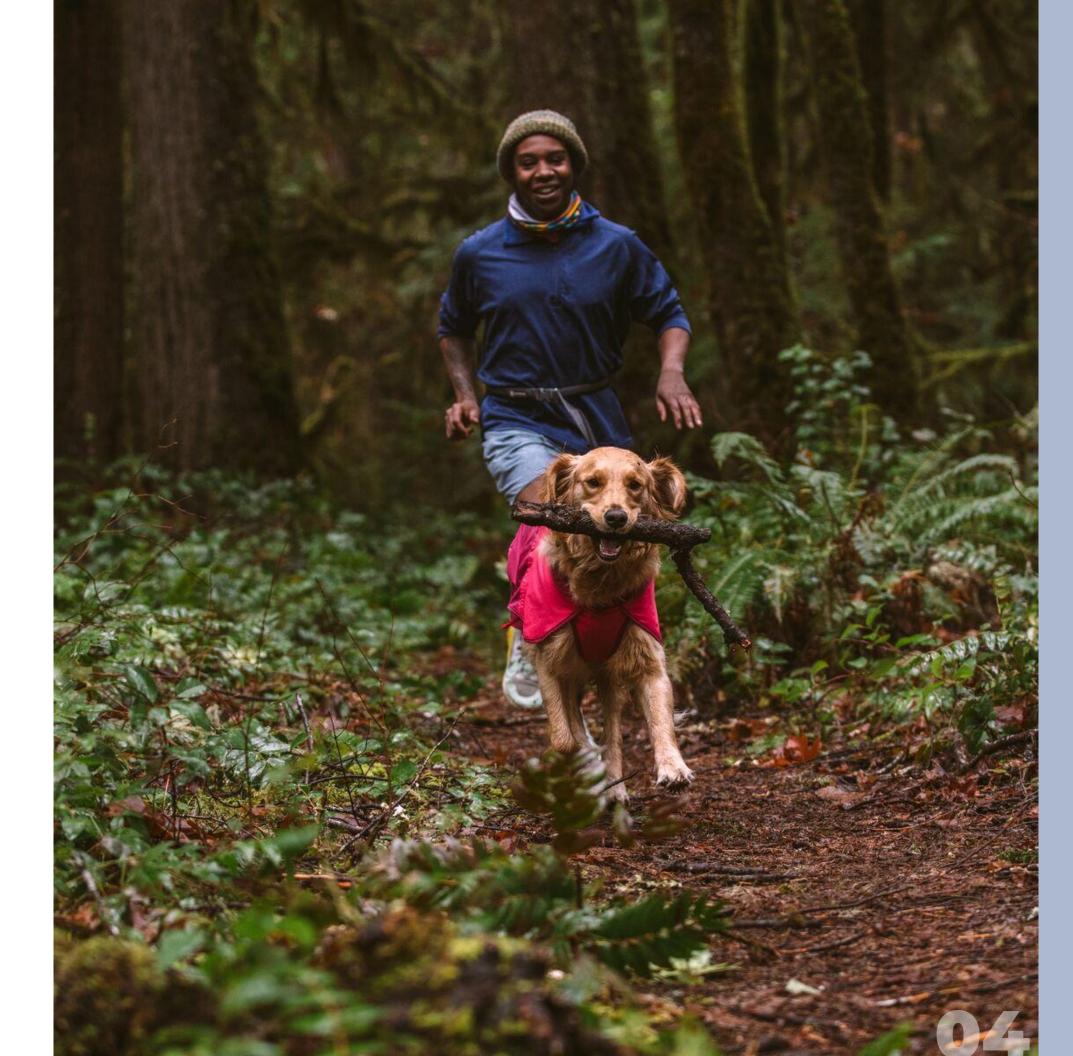
# PAW IT FORWARD

**2021 IMPACT REPORT** 

We believe in using our business for good, in cultivating a world where all dogs and their human companions thrive in the outdoors. Our Paw It Forward program is designed to give back a portion of revenue to organizations doing meaningful work.

Twice a year, Ruffwear donates a portion of our profits to non-profit organizations that operate in support of four key impact areas: land conservation, Diversity Equity & Inclusion, dog adoption, and working dogs. Organizations are nominated by and voted on by Ruffwear employees and ambassadors.

In 2021, Ruffwear donated a total of \$140,000 across these four impact areas through our Paw It Forward program.





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### **2021 CONSERVATION**

At Ruffwear, we believe deeply in the need to fund organizations that are working to protect the ecological and recreational value provided by wild and open outdoor spaces.

We look for non-profit organizations that support the protection of public lands and access to recreational outdoor spaces where people and dogs go to play.



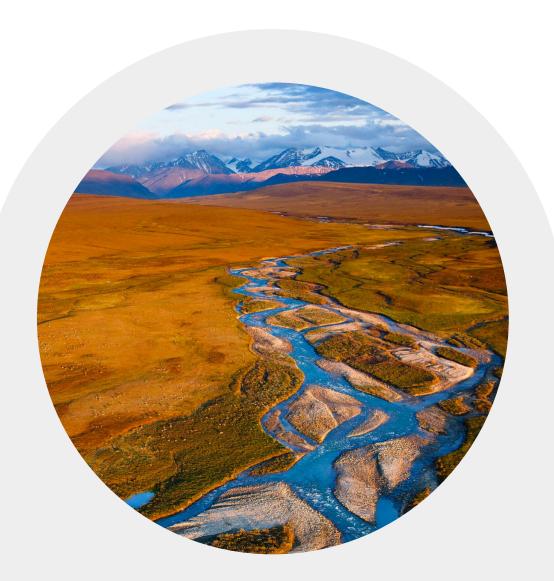
Dollars we've donated directly to land conservation organizations in 2021

In 2021, we provided donations to the following organizations in the category of Land Conservation:

- **The Nature Conservancy:** Conserving the lands and waters on which all life depends.
- MN350/RISE Opposing Line 3: MN350's Pipeline Resistance Team and RISE Coalition (Resilient Indigenous Sisters Engaging) are working in coordination to oppose Line 3, a tar sands oil pipeline through the northern part of MN which, in addition to environmental costs, also violates treaties with the Ojibwe people.









Ruffwear has been a proud member of **The Conservation Alliance** for the last decade. The Conservation Alliance is a group of outdoor businesses that works together to protect wild places throughout North America, where wildlife thrives and where we recreate. Each member company pays annual dues into a central fund, and the Alliance donates 100 percent of those dues to organizations working to protect and restore our public lands.



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### **2021 WORKING DOGS**

Working dogs and their human partners have been part of Ruffwear's heart and soul since we launched the first collapsible dog bowl in 1994.

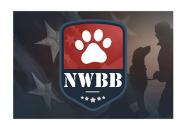
We believe in and support the critical role of working dogs in our society through non-profit organizations that support/train/raise dogs to perform specific duties in service of people, science, or the natural environment.

\$35K

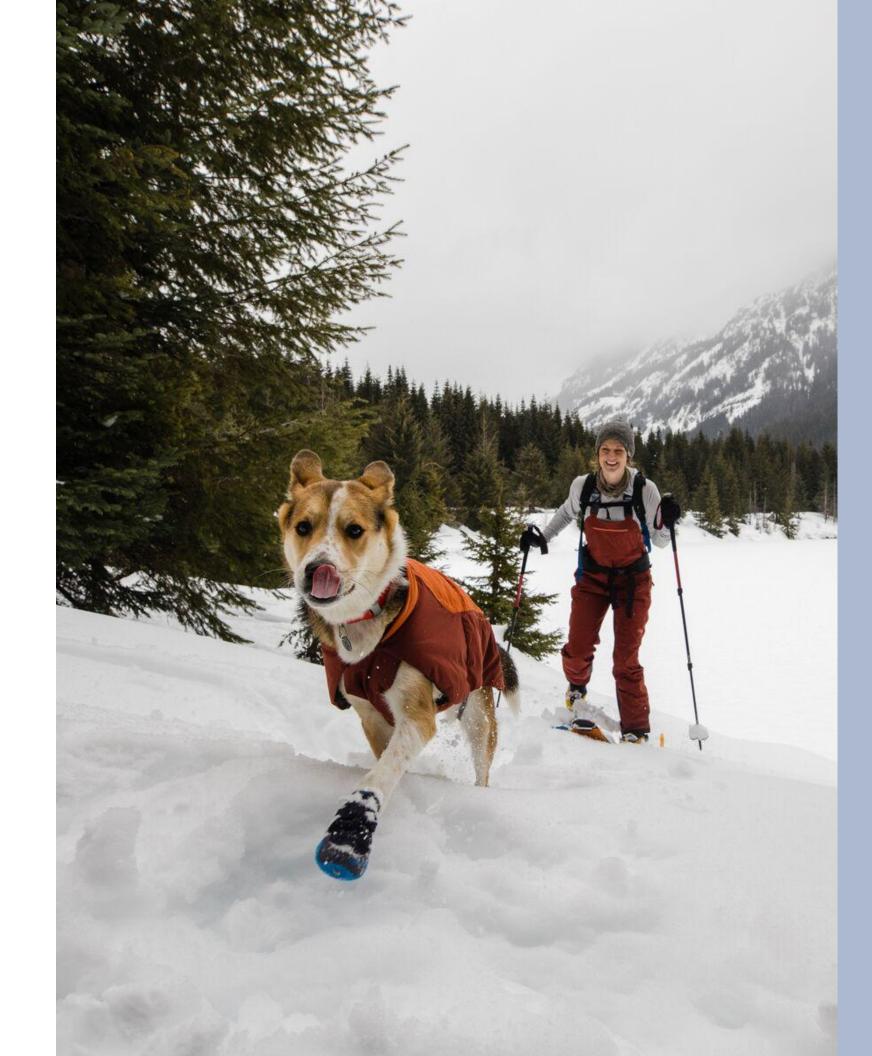
Dollars we've donated directly to working dog organizations in 2021

## In 2021, we provided donations to the following organizations in the category of Working Dogs:

- Northwest Battle Buddies: Empowering combat Veterans with post-traumatic stress disorder (PTSD) by partnering them with professionally-trained, specifically matched service dogs. There is no cure for PTSD, but service dogs can reduce PTSD symptoms with life-changing results. With a canine Battle Buddy by their side, Veterans with PTSD can regain their freedom and independence.
- **Guide Dogs for the Blind:** Empowering lives by creating exceptional partnerships between people, dogs, and communities. Envisioning a world with greater inclusion, opportunity, and independence by optimizing the unique capabilities of people and dogs.









# PAW IT FORWARD 2021 IMPACT REPORT

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### **2021 DOG ADOPTION**

As an adventure-loving, outdoor-oriented organization, we believe dogs make the best running, paddling, hiking, biking, camping, and outdoors-exploring partners.

With countless adoptable dogs currently living in shelters, and seeking an adventure partner for life. We believe in and support non-profit organizations connecting these dogs with human companions through the rescue and successful adoption of dogs needing a forever home.

\$35K

Dollars we've donated directly to dog adoption organizations in 2021

In 2021, we provided donations to the following organizations in the category of Dog Adoption:

- **Oregon Humane Society:** Creating a more humane society. Vision: A world where all animals are treated with compassion, kindness, and respect.
- Old Dog Haven is committed to the belief that all senior dogs should live peacefully in their final years as members of a caring family.







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## **2021 DIVERSITY, EQUITY & INCLUSION**

We believe the outdoors is for everyone and celebrate what makes each of us unique.

We support the work of non-profit organizations on a mission to diversify the outdoor community, create equitable access to outdoor spaces, and promote inclusion of all outdoor recreationalists.



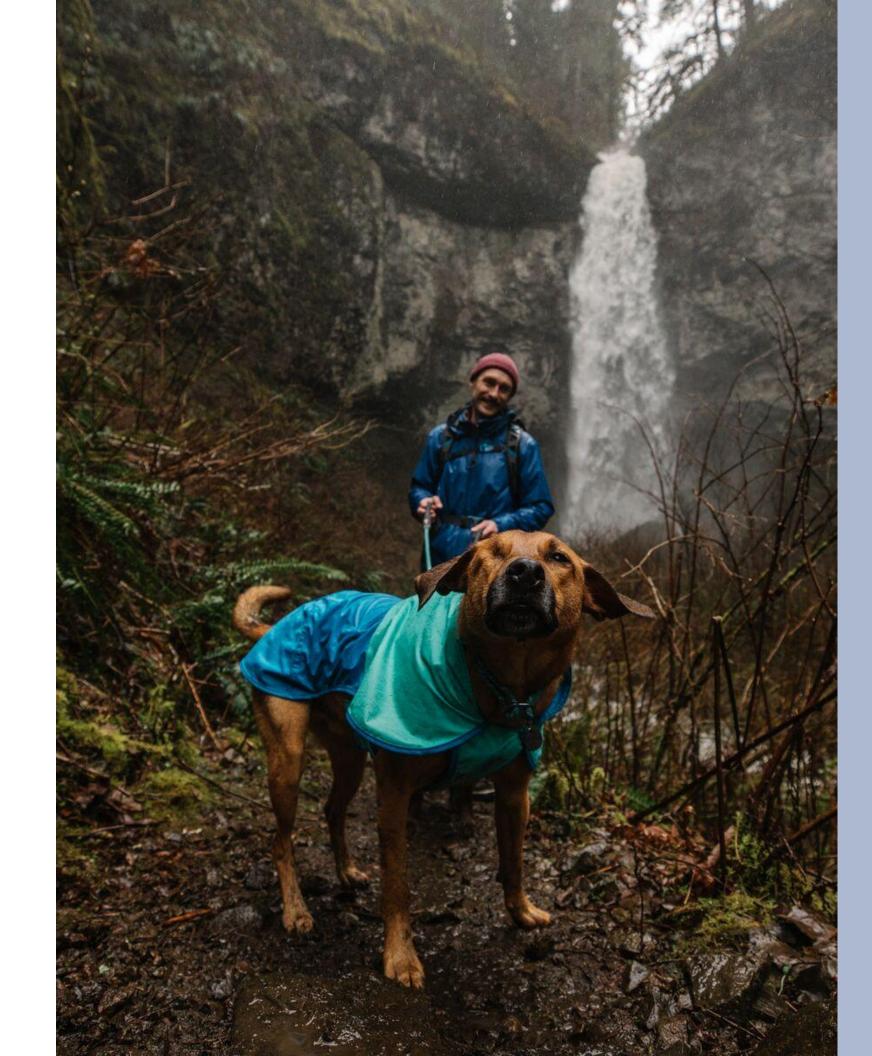
Dollars we've donated directly to DEI organizations in 2021

In 2021, we provided donations to the following organizations in the category of Diversity, Equity & Inclusion:

- Oregon Adaptive Sports: Oregon Adaptive Sports envisions a day when
  everyone has the benefits of outdoor recreation, regardless of ability. They
  provide state-of-the-art equipment, professional instruction, staff, and dedicated
  volunteers, resulting in top quality experiences for their participants.
- **Wild Diversity:** Wild Diversity helps to create a personal connection to the outdoors for Black, Indigenous, all People of Color (BIPOC), and the LGBTQ+ communities, through outdoor adventures and education.







"From the very beginning with our Quencher™ Bowl, it's been about building quality product. Product that meets a need, resonates for humans and their dogs, and does so in an elegant way.

This is the foundation that we're built on. Gear that's built to last and stay out on the trails rather than in our landfills.

There are always opportunities to improve, look at how and why we do things, drive out waste, and make decisions to reduce our impact.

This challenge excites me. And it's taking on these challenges that will help change the industry."

- Patrick Kruse, Founder

