



pet  
sustainability  
coalition

# Pet Sustainability Trends

November, 2024



# Sustainability Trends & Opportunities in the Pet Industry

## *Agenda*

01 About the Pet Sustainability Coalition

02 Why care?

03 Legislation & Reporting

04 Supply Chain Resilience

05 Consumer Demand

06 Sustainable Ingredients

07 Sustainable Packaging



# 01

## About The Pet Sustainability Coalition



# About PSC

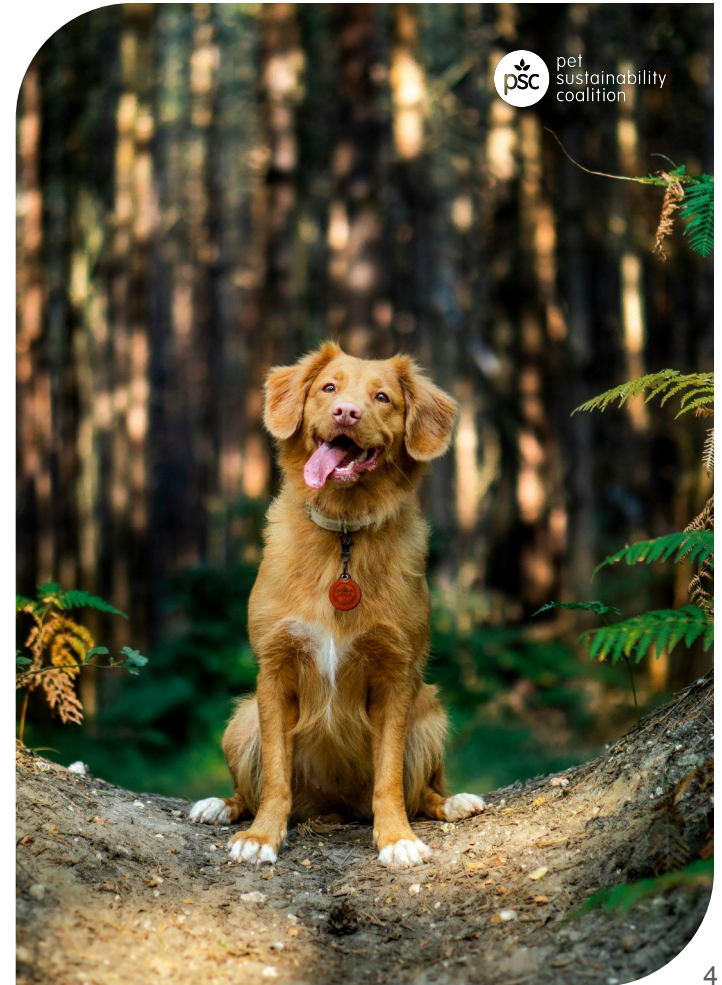
---

## *Our Vision:*

We envision a thriving and collaborative pet industry that creates positive impact for the communities and environments where we do business

## *Our Mission:*

We advance business through profitable environmental and social practices





# We Have 200+ Members in 18 Countries

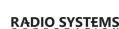
---

- Australia
- Belgium
- Brazil
- Canada
- Czechia
- Denmark
- Finland
- France
- Germany
- Italy
- Netherlands
- New Zealand
- South Africa
- Spain
- United Kingdom  
of Great Britain
- Northern Ireland
- United States
- Vietnam



# We Are Taking Action

With retailers, distributors, manufacturers, & brands



& Many More: Advocate Members Listed On Our [Website](#)

# European Members



# How We Work Towards a Better Future for Pets, People & Planet

1 Support individual companies roadmap and achieve their goals.

2 Address large scale industry wide issues too large for a single company to solve



# Sustainability Challenges in the Pet Industry

---

- Ingredients contribute to 70-90% of total emissions
- 660M kg of pet plastic packaging is found in 50%+ of EU households and 99% goes into the landfill each year
- The global pet industry will double by 2030





02

Why Care?



# Why Care?

---

- Regulations are requiring action
- A warming globe will create business disruptions and supply chain problems
- Consumers care and vote with their wallet
- Taking action is possible with ingredients and packaging



03

## Legislation & Reporting



# Rapidly Changing Regulatory Environment

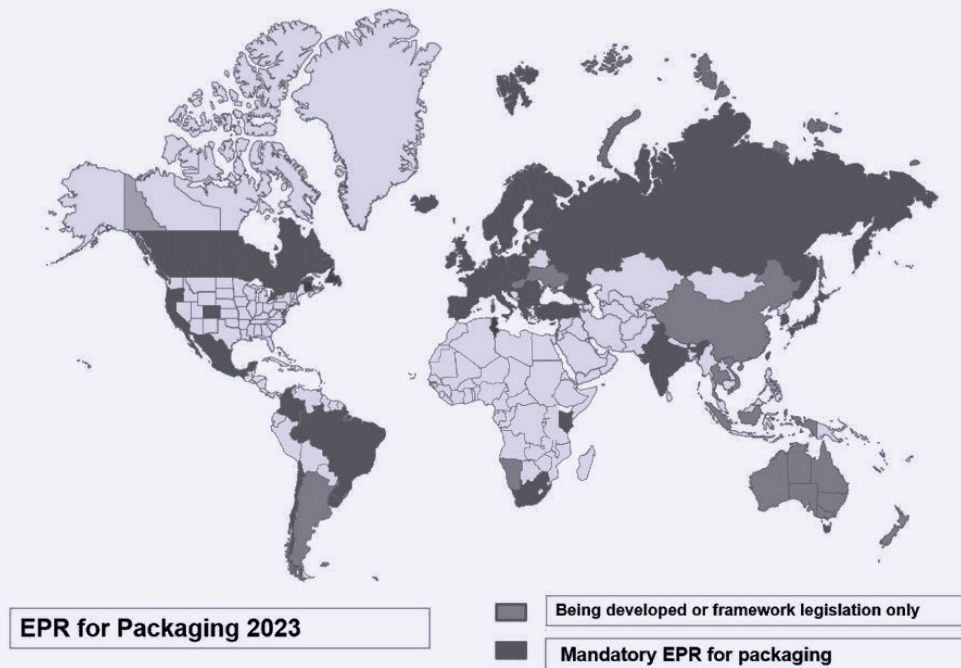
Regulation	What it Means for You
<p>Extended Producer Responsibility (EPR) and Plastic Packaging Taxes will require businesses to pay taxes on packaging. Conversely, discounts on EPR for sustainable packaging</p>	<ul style="list-style-type: none"> <li>● Registration, data collection, and reporting</li> <li>● Review your portfolio, identify plastic containing items and calculate liabilities in each territory</li> <li>● Consider material choice carefully, focus on recyclability and reuse, circularity</li> </ul>
<p>Empowering Consumers for the Green Transition Directive (EmpCo)            Directive on Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive)</p>	<ul style="list-style-type: none"> <li>● Accuracy and transparency, compliance, obtaining certifications that verify eco-friendliness.</li> <li>● Non-compliance can lead to penalties</li> </ul>
<p>Corporate Sustainability Reporting Directive (CSRD) begins in EU in 2024 for large companies that are headquartered or operate in the EU</p>	<ul style="list-style-type: none"> <li>● Companies with operations in EU are required to report at a dramatically deeper level</li> <li>● Double Materiality (financial &amp; sustainability) required + Assurance required (audit)</li> </ul>

# Extended Producer Responsibility

25 European countries have enacted EPR.

Shift the financial burden of waste management from local governments to the **producers of packaging materials**.

Businesses are responsible for the costs associated with the collection, recycling, or disposal of their packaging.



Graphic Source: Derek Stephenson, Strategy Matters



# PSC Packaging Legislation Tool

Updated every 6 months and covers USA, EU, UK, Canada



Date of Last PSC Update	State of Enactment	Bill/Act	Name/Description	Purpose	Status of Legislation	Pass Date	Enforcement Date	Type of Regulation	On-Pack Label Implications?
4/18/2024	Austria	Austrian Packaging Ordinance 2023	Austrian Packaging Ordinance (VVO)	Austrian implementation of the European Packaging Directive. It imposes new EPR requirements on online platforms (i.e. digital marketplaces), and their business partners.	Passed		January 1, 2023	Fee/Tax	
4/18/2024	Belgium		Belgian Royal Decree - Article 10	Imposes a PFAS ban on on-market packaging.	Introduced			Ban	
4/18/2024	Belgium		Royal Decree on single-use products and promoting reusable products	Imposes a ban on single use plastics, mostly in catering packaging. Includes a ban on products with oxo-degradable plastics.	Passed	December 9, 2021	January 24, 2022	Ban	No
4/18/2024	Belgium		Policy for Prevention and Reuse	Producers/importers of specific single-use plastic packaging are to cover expenses for public waste collection by participating in an EPR program.	Passed		January 1, 2023	Fee/Tax	
4/18/2024	Czechia	Act No. 541/2020 Coll.	Packaging Act	Establishes an EPR scheme for packaging produced and sold in Czechia.	Passed		January 1, 2021	Fee/Tax	
4/18/2024	Czechia	Decree No. 641/2004 Coll.	Decree on the scope and manner of keeping records of packaging and reporting the data from these records	A person who places packaging or packaged products on the market or puts them into circulation shall continuously keep records of packaging in compliance with the standards set forth in this Decree, at minimum.	Passed	December 8, 2004	January 1, 2005	Directive	No
4/18/2024	Estonia	RT I 2004, 41, 278	Packaging Act	Amdended 2004 act. Changes outlined in the law introduce nationwide, legally-binding restrictions on single-use plastic products placed on the market and their labelling; wider extended producer responsibility obligations; product design requirements; and greater separate collection for plastic bottles.	Passed	February 1, 2023	January 1, 2024	Ban	Yes
4/18/2024	European Union	Directive 2018/852	Packaging and Packaging Waste Directive (PPWR or PPWD)	Several changes and measures to the current directive (from 1994) aiming to avoid packaging waste, increase recyclability, establish labeling requirements, increase use of recycled materials, promote reuse, utilize extended producer responsibility (EPR) schemes, etc.	Amended		2025	Directive	Yes
4/18/2024	European Union	Directive 2018/851	Waste Framework Directive	An amendment to the Waste Framework Directive (2008/98/EC), aiming to strengthen the legal groundwork for treating waste within the EU.	Passed	May 30, 2018	July 5, 2020	Directive	Yes

# Anti-Greenwashing Legislation

*EU countries have 24 months to incorporate the update into their national law.*

---

New rules aim to make **product labelling clearer and more trustworthy** by banning the use of general environmental claims like “environmentally friendly”, “natural”, “biodegradable”, “climate neutral” or “eco” **without proof**.

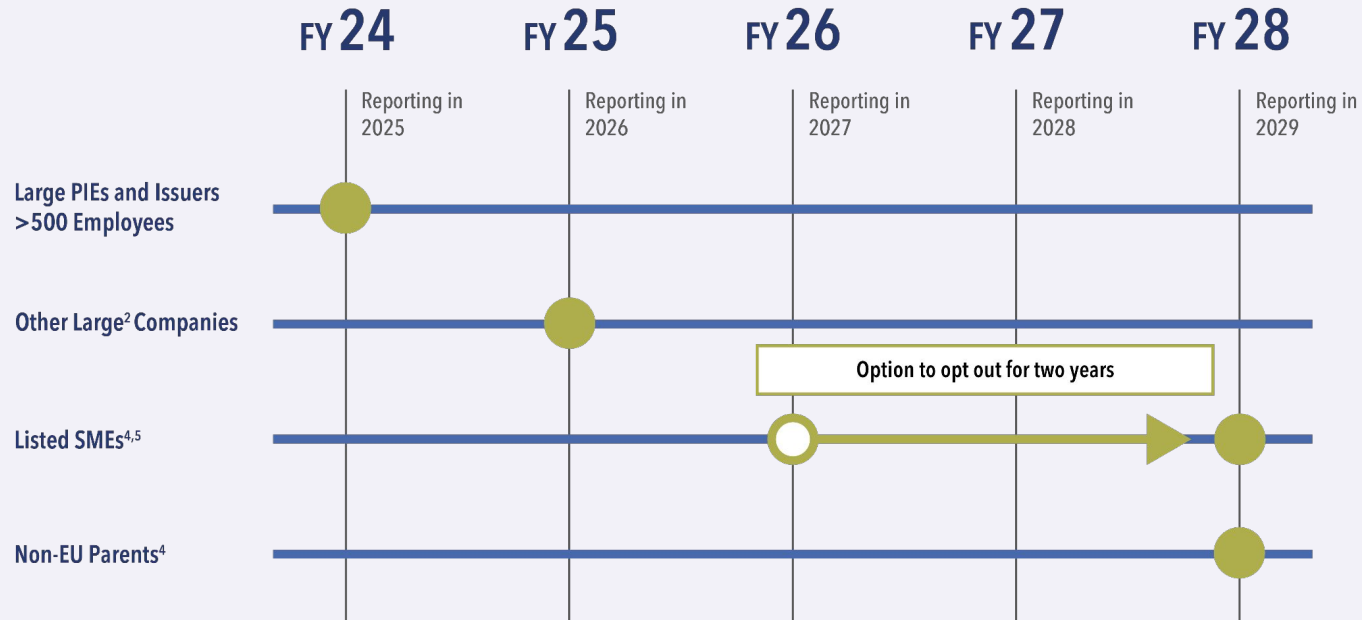
The use of sustainability labels will also **now be regulated**, due to failure to use comparative data. **Fines of up to 4% of turnover can be levied**.

In the future, only sustainability labels based on **official certification schemes or established by public authorities** will be allowed in the EU.

Additionally, the directive will **ban claims** that a product has a neutral, reduced or positive impact on the environment because of **emissions offsetting schemes**.



# CSRD: When is Reporting Required



# CSRD: The Corporate Sustainability Reporting Directive

## Cross-Cutting Disclosures

Two cross-cutting standards **tightly aligned with TCFD**. Disclosure requirements include:

- Material ESG risks, opportunities, and impacts (operational and across the value chain)
- Impact of risks and opportunities on business model
- Sustainability due diligence processes
- Risk management processes, board oversight, integration of sustainability KPIs into incentivization schemes
- Policies to manage material ESG impacts
- Sustainability targets, goals, and metrics
- Action plans for addressing material ESG topics

## Double Materiality

The CSRD is the first set of **global reporting requirements that mandates a double materiality approach** to all sustainability topics. This means you'll need to consider how each sustainability issue financially impacts your business and how your business positively or negatively impacts that issue.

## Reporting Across ESG Topics

On top of the mandatory cross-cutting disclosures listed above, the CSRD requires disclosures on **material** impacts, risks, and opportunities across **various ESG topics**. While these issues are technically subject to double materiality, many apply to all businesses - such as Climate Change, Biodiversity, Own Workforce, Workers in the Value Chain, and Affected Communities.

## Assurance and EU Taxonomy

**All disclosures governed by the CSRD and ESRS are subject to assurance** – required beginning for FY26 and reasonable assurance beginning for FY28.

Finally, if you're required to report under the CSRD, you're also required to disclose your company's percentage to turnover, revenue, and capital expenditures **aligned with the EU Taxonomy**.

**BREATHE**





04

# Supply Chain Resilience

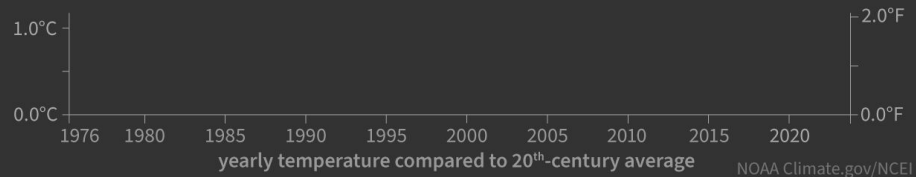
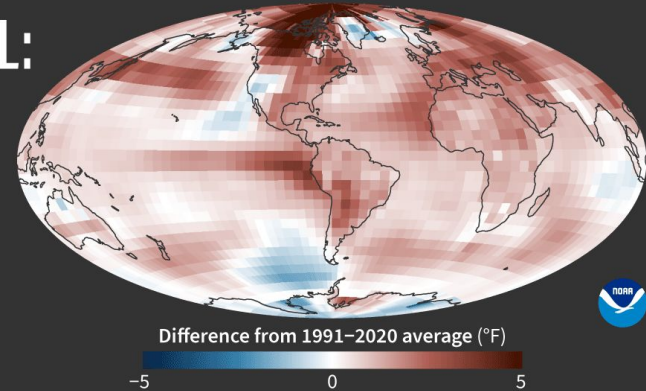


# Supply Chain Instability & Climate Change

Summer 2024: The average temperature for June–August 2024 was the highest on record, 0.69°C above the 1991–2020 average. This was 0.03°C warmer than the previous record set in 2023

138 countries broke all-time records between July 2023 and June 2024

IT'S OFFICIAL:



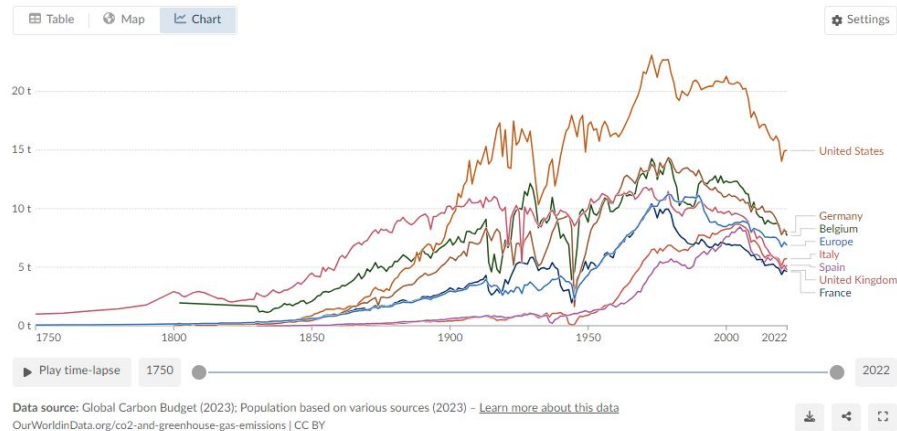
# Greenhouse Gas Emissions

In 2008 the EU set a target to cut greenhouse gas emissions by 20% by 2020 compared to 1990 levels. The target was fully achieved: in 2020, EU's greenhouse gas emissions were 32% lower than in 1990.





In 2021, the EU made climate neutrality by 2050 legally binding in the EU. It set an interim target of 55% emission reduction by 2030.

## Per capita CO<sub>2</sub> emissions

Carbon dioxide (CO<sub>2</sub>) emissions from fossil fuels and industry. Land-use change is not included.



# How Climate Impacts Your Supply Chain

-  **Resource Scarcity:** A changing climate affects agricultural production which leads to fluctuations in the availability and cost of food and raw materials, affects consistency and inventory levels.
-  **Transportation and Logistics Challenges from Extreme Weather Events:** Halts production, logistics and route delays & interruptions.
-  **Geopolitical Instability and Conflict:** Resource scarcity and environmental stresses can lead to geopolitical instability and conflict, impacting global trade routes and access to materials.
-  **Increasing energy costs:** energy prices correlate to increasing cost of goods, production, and transportation.

# 5 Things Sustainable Businesses Do To Create Supply Chain Resiliency

1. They have detailed knowledge of their products, suppliers, and **raw material origins**.
2. A **hotspot map identifies high-risk areas** in their supply chain due to resource shortages, weather, politics, or weak regulations.
3. A **supplier code of conduct** with clear environmental and social standards is in place, along with actions for noncompliance.
4. They've **diversified suppliers** and plan to transition to more sustainable materials.
5. They maintain strong, **values-aligned partnerships**, avoiding purely transactional relationships



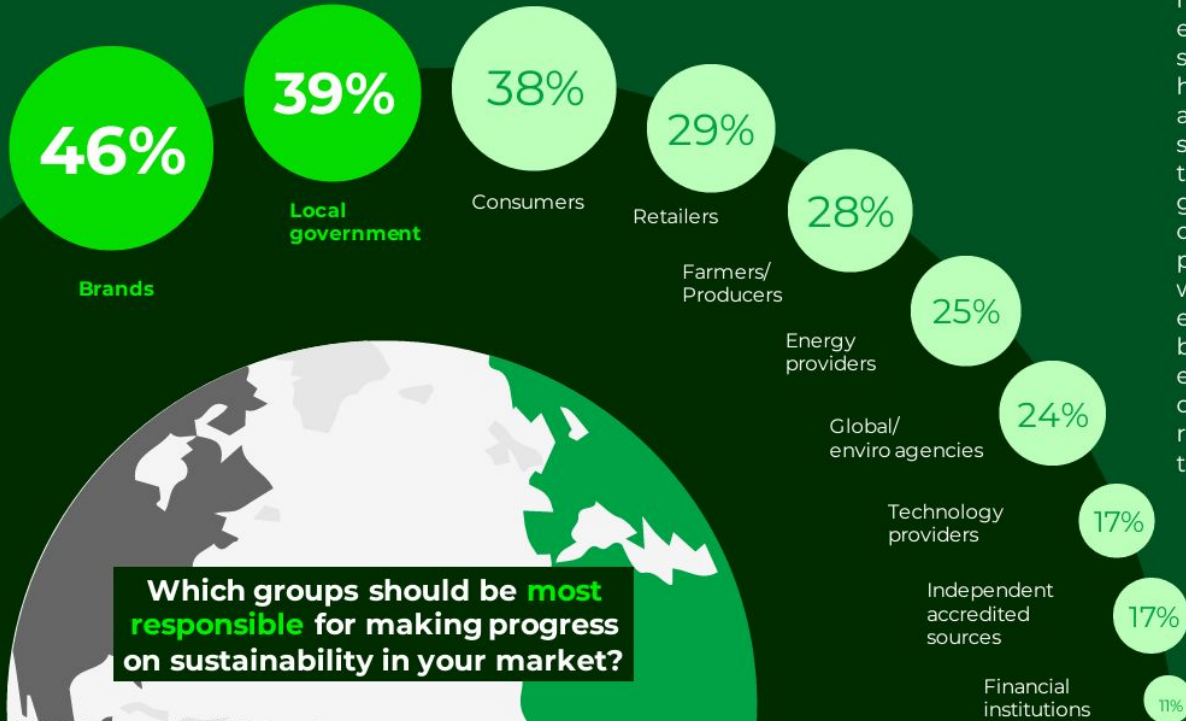
05

Consumer Demand



# Sustainability is Increasingly Important to Consumers

Responsibility must be shared but consumers hold brands and government most responsible for sustainable progress



Brands, retailers, and producers need to be very clear on the expectation from consumers in sustainable progress. Consumers have signaled that they see Brands as playing the leading role toward sustainable practices and although they have named local governments and their fellow consumers as well, the responses place a focus on industry action with retailers, producers, and energy providers all doing their bit. The risks of not meeting these expectations range from an erosion of brand equity, to a weakened relationship, to a complete switch to another brand or provider.

Which groups should be **most responsible** for making progress on sustainability in your market?

# Sustainability Drives Loyalty and Revenue



The 2023 Sustainable Market Share Index™ finds that products marketed as sustainable are responsible for nearly a **third of the growth** in consumer packaged goods (CPGs) from 2013 to 2023

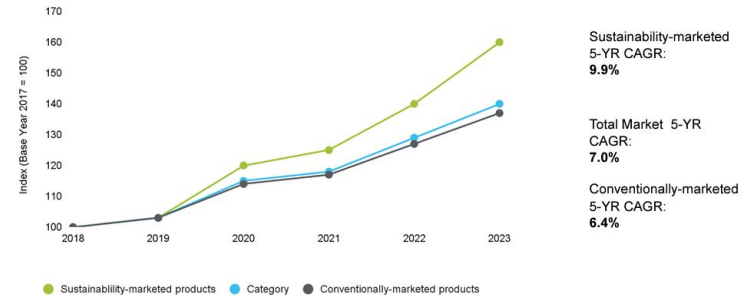
Products marketed as sustainable achieved a **5-YR CAGR of 9.9% vs. 6.4%** for its conventional counterpart

Products marketed as sustainable now hold an **21.2 % market share**

According to the study, **82% of respondents would be willing to pay more for sustainable packaging**, up 4% from 2022, and 8% from 2021.

## Sustainable Market Share Index™: Growth Rate

Sustainability-marketed products grew at **~10% 5-YR CAGR**, outperforming the market and conventionally marketed products



06

Sustainable Ingredients



# Sustainable Ingredients: Protein Sourcing

---

**Protein is where the impact lives** - LCA data shows formulation accounts for 70% to 90% of total environmental impacts. <sup>1</sup>

**Traceability and Transparency** - Following trends in human food, consumers want to know what they are feeding their pet and where it came from.

**Humanization trends** - Pet food plays a critical role in food supply chains through utilization of the whole animal.

**High protein formulations** - Formulations with protein content that exceed needs of pets have environmental consequences.

**Alternative proteins** - Opportunities for alternative protein sources, plant based and other viable solutions can meet nutritional needs of animals



# Steps You Can Take

---

1. Understand current environmental impact for each ingredient across multiple criteria
2. Identify potential replacement ingredients with lower impact
3. Work with a pet nutritionist to ensure nutritional needs are met



# Sustainable Ingredients - Understand the Impact

Ingredient/Standard/Location	HowGood Impact Score ↑	Land Management	Land Use Change (	Processing	Blue Water Usage	Land Occupation	Soil Health	Biodiversity	Labor Risk	Animal Welfar
> cooked chicken	47 									
> cooked beef	50 									
> Pea Protein Isolate	50 									
> textured pea protein	51 									
> dried beef by-product	51 									
> beef by-product	57 									
> Hydrolyzed Pea Protein	59 									
> pea protein concentrate	60 									
> chicken by-product	64 									
> black soldier fly larvae meal	68 									
> salmon by-product	71 									

Annual  
Carbon Footprint  
**13.79K kg CO<sub>2</sub>e**  
Example Product with **Chicken Bi-Product** as main ingredient

Annual  
Carbon Footprint  
**268.3K kg CO<sub>2</sub>e**  
Example Product with **Cooked Chicken** as main ingredient



# Tools to Help You: Ingredients

## **4-Factor Framework For Sustainable Protein Evaluation in Pet Food:**

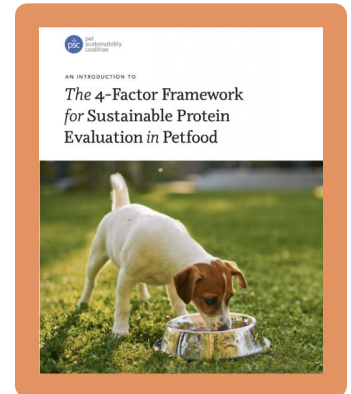
Free downloadable guide to considerations across social, environmental, nutritional and animal welfare

## **Supply Chain Code of Conduct Tool:**

Free downloadable template to create guidance for suppliers

## **PSC x HowGood Consulting:**

Understand ingredient impact across 10 criteria. Identify ingredient replacement and sourcing options





06

# Sustainable Packaging



# The Legislative and Regulatory Landscape



## Extended Producer Responsibility

Existing: CA, CO, ME, MN, OR

Pending: CT, HI, KY MA, NJ, NH, NY, PA, RI, TN, VT, WA



## EU PPWR (Packaging Waste Regulation)

Unnecessary Packaging - Maximum 50% empty space

Chemical Bans - PFAS, BPAs, oxo-degradable

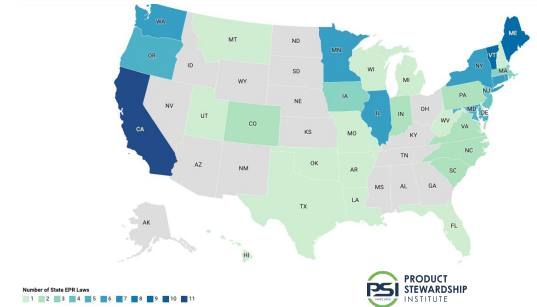
Recyclability Criteria - “Designed for recycling, at scale”



## United Kingdom

Plastic Packaging Tax - £200 per tonne on produced with <30% PCR

Single Use Bans - biodegradable, compostable and recycled plastic



# Steps You Can Take

---

Recyclable solutions exist, even for food. Innovations in paper and other renewable materials are advancing.

1. Eliminate problematic and unnecessary packaging (PFAS, Polystyrene, Oxo-degradables)
2. Transition to 100% recyclable, refillable, or compostable solutions
3. Increase use of post consumer recycled content (PCR)

*Costs are declining*

*Don't rely on data from 2+ years ago*



# Tools to Help You: Packaging



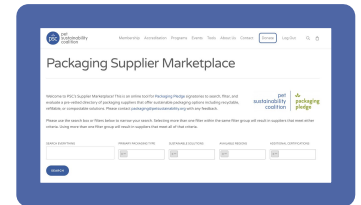
## Business Case for Sustainable Packaging:

Educate your executive leadership on cost savings and risk reduction



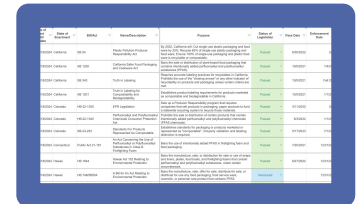
## PSC Packaging Legislation Tracker:

Free downloadable tool for current data on global legislation



## PSC Packaging Supplier Marketplace:

Database to enter packaging needs and identify vetted packaging suppliers



ID	SKU	Manufacturer	Product	Material	Price	Availability
1000000001	100-001	ABC Packaging Co.	100% Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000002	100-002	DEF Packaging Co.	Biodegradable Compostable Bags	Compostable Plastic	\$0.08	In Stock
1000000003	100-003	GHI Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000004	100-004	JKL Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000005	100-005	MNO Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000006	100-006	PQR Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000007	100-007	STU Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000008	100-008	VWX Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000009	100-009	YZA Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock
1000000010	100-010	BCD Packaging Co.	Recycled Paper Bags	Recycled Paper	\$0.05	In Stock

# Want to Learn More?

Visit:

[www.petsustainability.org](http://www.petsustainability.org)

PSC Toolkit:

<https://petsustainability.org/new-tools-page/>

Become a member:

[jlamancusa@petsustainability.org](mailto:jlamancusa@petsustainability.org)





# THANK YOU

---

JIM LAMANCUSA - EXECUTIVE DIRECTOR

[jlamancusa@petsustainability.org](mailto:jlamancusa@petsustainability.org)

[petsustainability.org](http://petsustainability.org)



pet  
sustainability  
coalition

