

October 7, 2026

Designing for a More Sustainable Pet Industry

Data-Backed Trends in
Ingredients, Packaging,
and Innovation





About me

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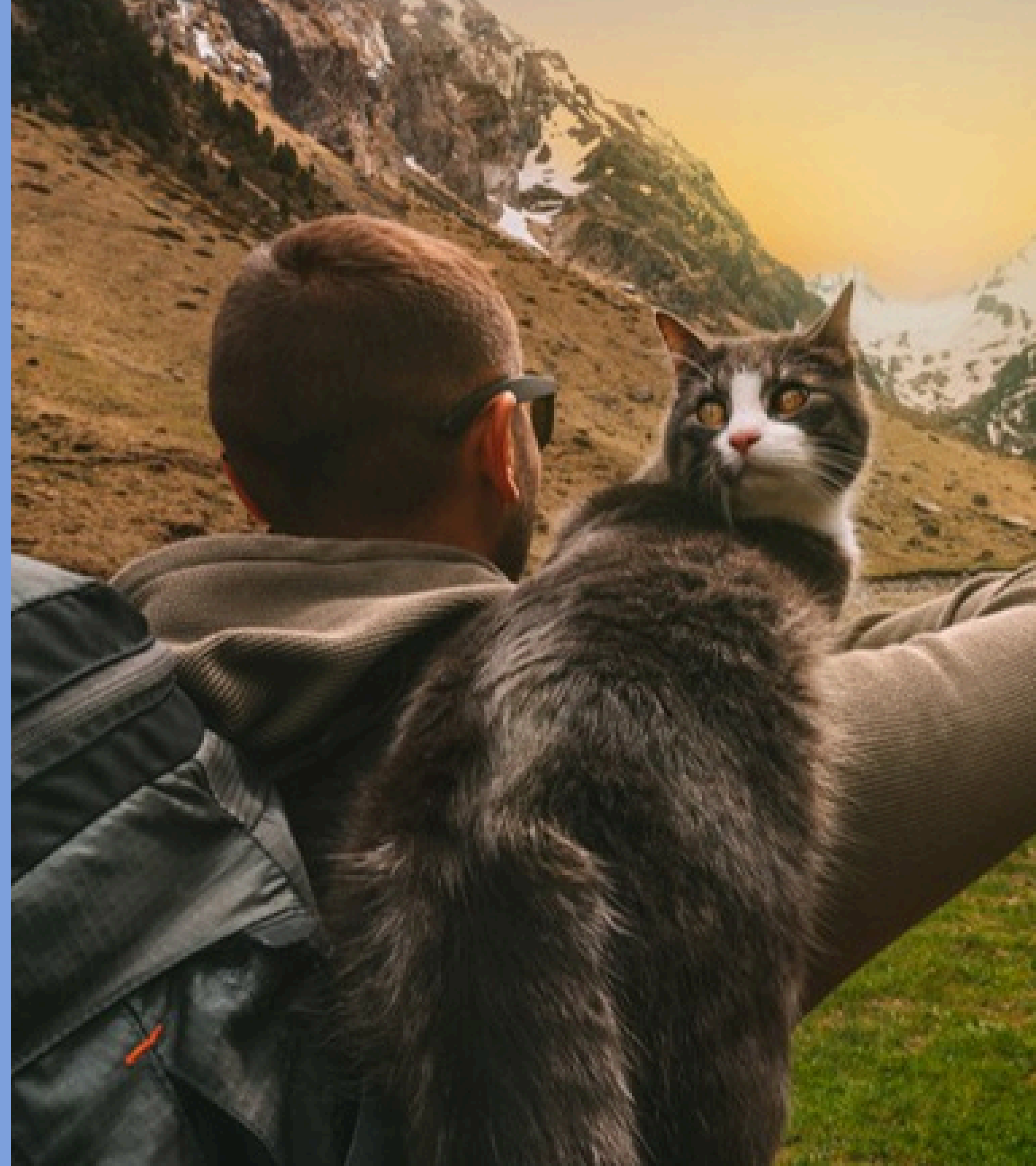
About PSC

Vision

A sustainable future where every choice for pets supports a thriving planet

Mission

To advance sustainability in the pet industry through collaboration, education, and innovation



Our members



Finley's

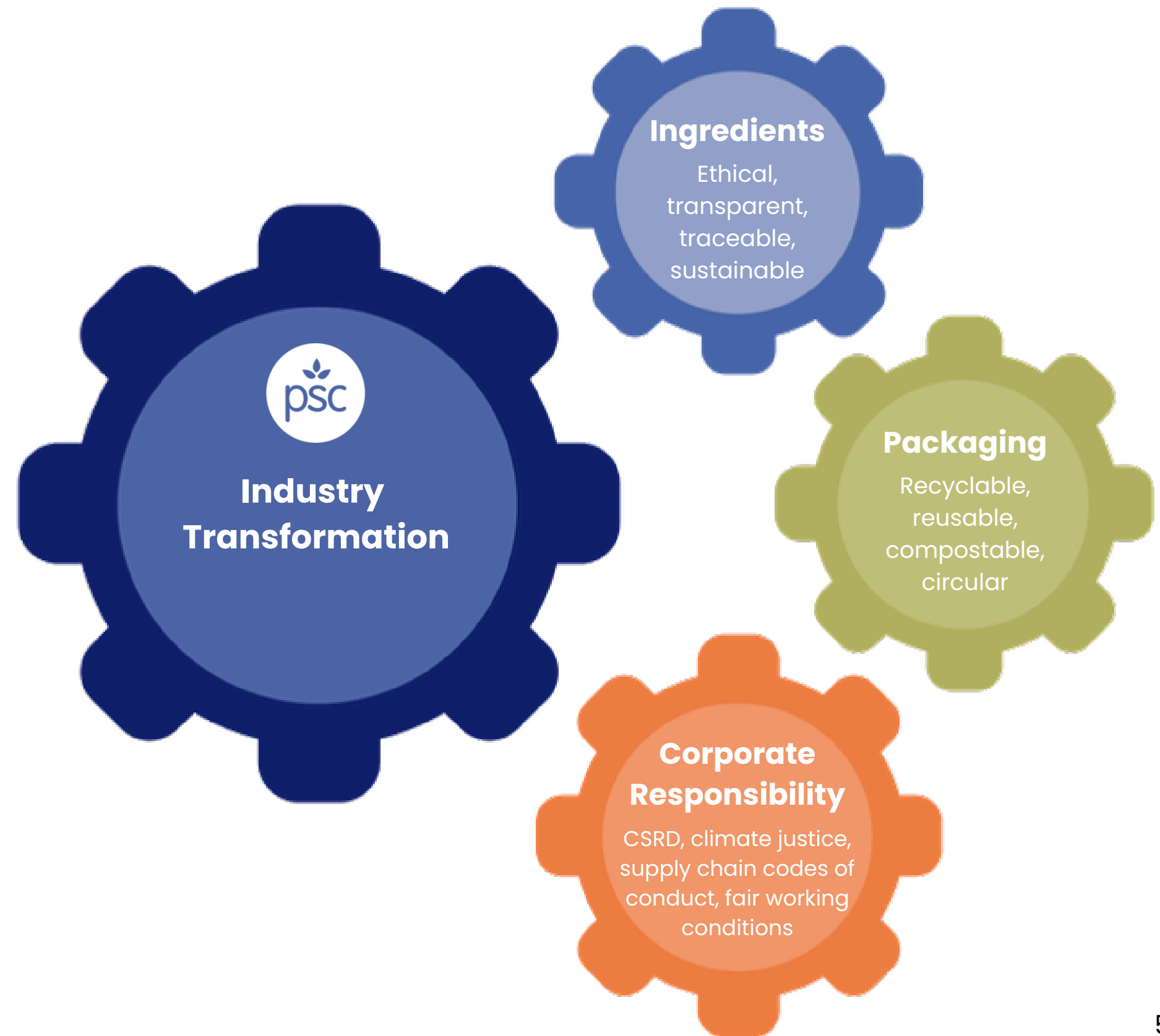


Instinct



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

- 01 Support individual companies' roadmaps and help them **achieve their goals.**
- 02 Address large-scale, industry-wide issues **too large for a single company to solve.**



Today's Agenda

01 Market and Innovation Trends

- Pet Owners are passionate for sustainable products
- Sustainability Drives Business Value
- Sustainability focus is on foundational strategy and baseline data

02 Strategic Outlook

- Ingredients will become a bigger innovation and resilience lever
- Packaging will move from design toward systems-level circularity
- Regulation

03 Conclusion and Next Steps

- Turning insight into action

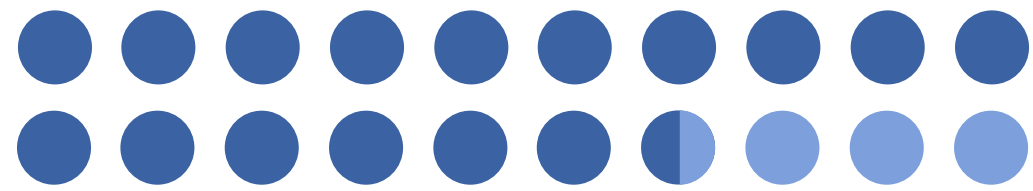
Market and Innovation Trends



KEY INSIGHT 1

Pet Owners are Passionate
about Sustainable Products

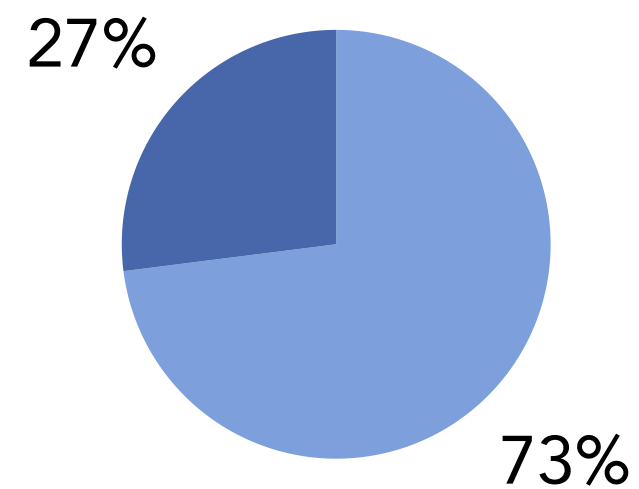
84%



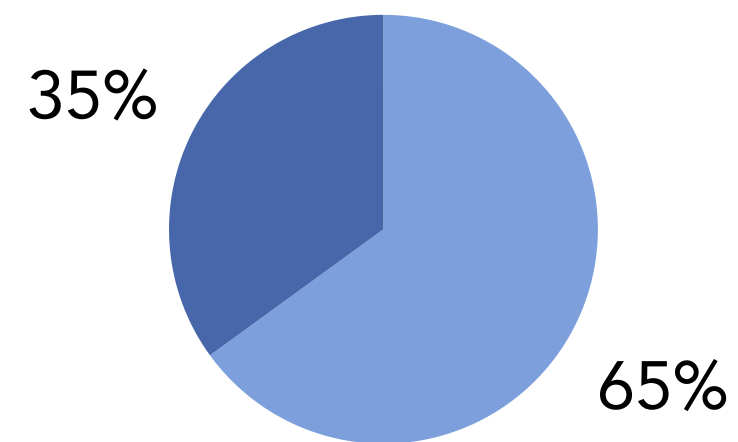
of pet parents hold companies responsible
to address climate change...



Pet Parents



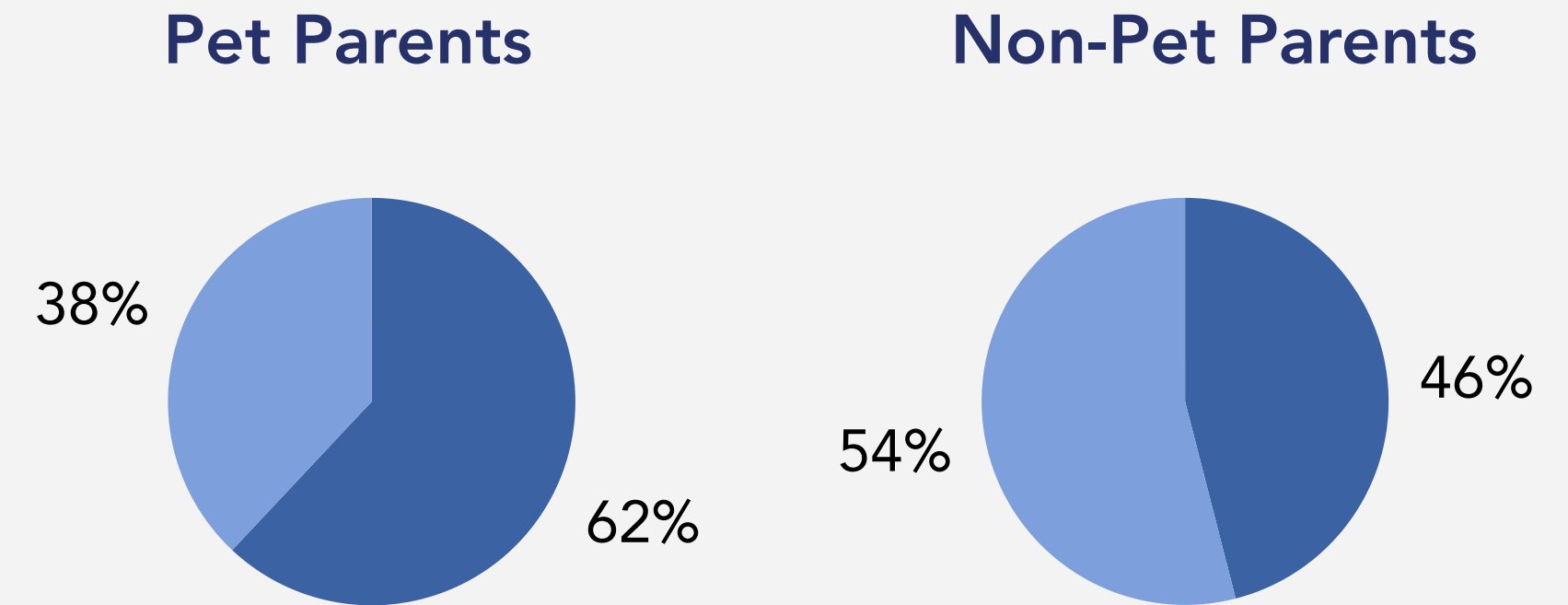
Non-Pet Parents



...And they are **9% more likely** than non-pet parents to say people should also be responsible to address climate change (73% pet parents vs. 65% non-pet parents)



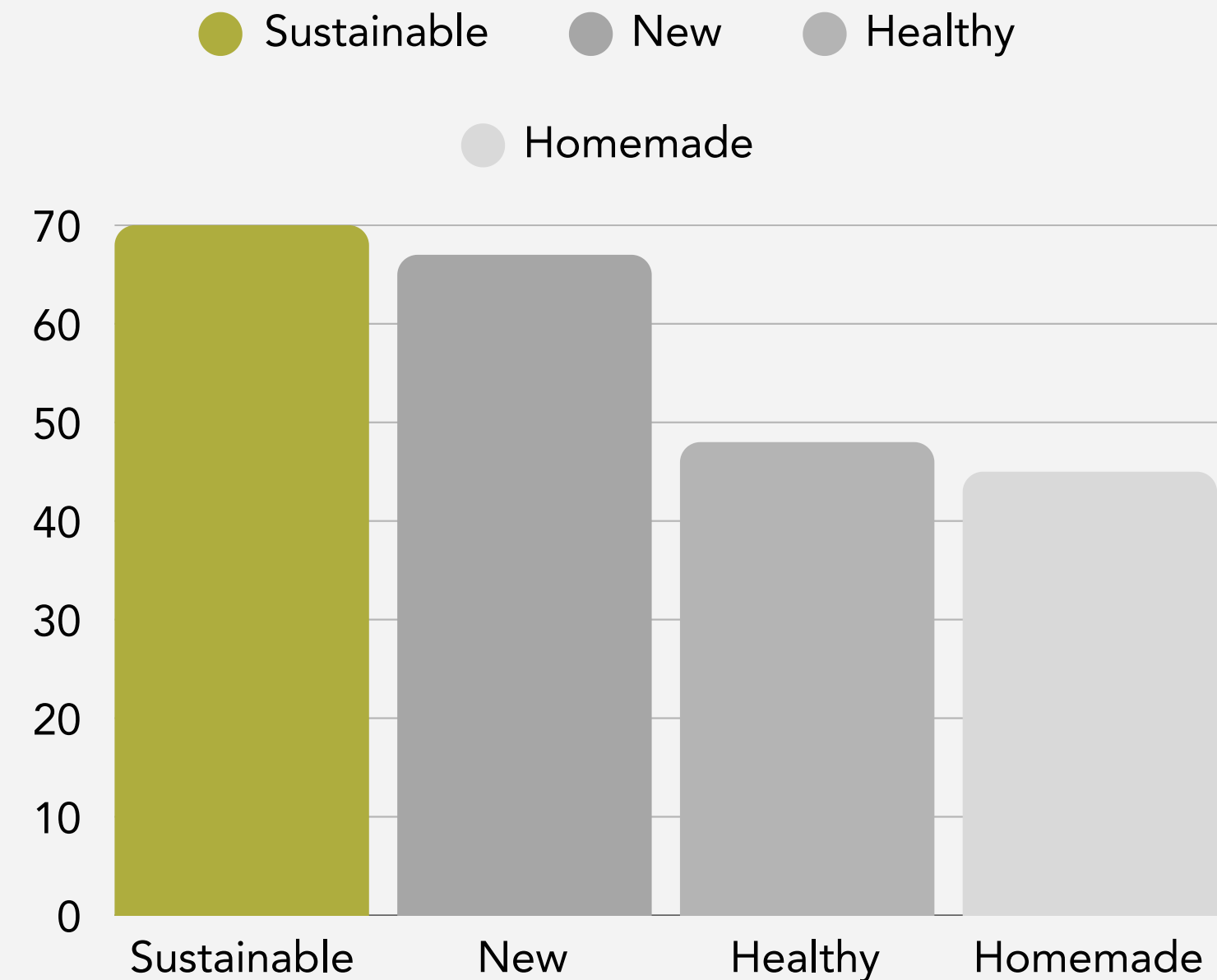
Pet parents are much more likely to purchase sustainable products.



62% bought an environmentally friendly product in the past month (vs only 46% of non-pet owners) +16 pts*

Consumer Purchase Drivers: Affordability + Various Affinities (NIQ 2025)

Even in an affordability-focused market, sustainability has become the leading influence on brand choice once cost expectations are satisfied.



Education Opportunity: Consumers Aren't Aware of the Sustainable Choices They Make



Recyclable packaging



Sustainable protein and other ingredient sources



Eco-friendly attributes



Products that support a cause

Pet Owners are Passionate about Sustainable Products

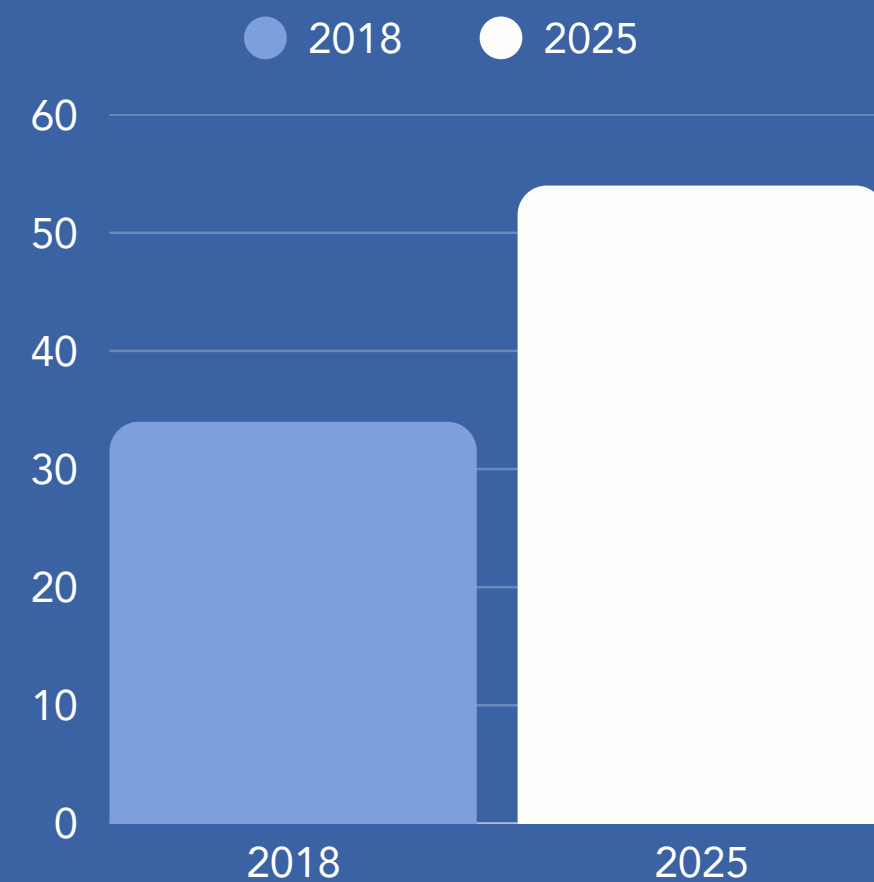
What this means for you:
Activating Consumer
Trust

- Translate sustainability into product attributes consumers can understand
- Build claims around evidence, not aspiration
- Connect Marketing, R&D, and Regulatory early so the story matches the product

KEY INSIGHT 2

Sustainability Drives Business Value

In 2025, **54% of CEOs linked sustainability directly to business performance**, up from 34% in 2018



Key Results in Business Performance Due to Sustainability Prioritization

- Operational Excellence
- Innovation as an Enabler
- Attracting and retaining strong talent
- Data-driven decision making

Mitigating Material Financial Risk



Example 1

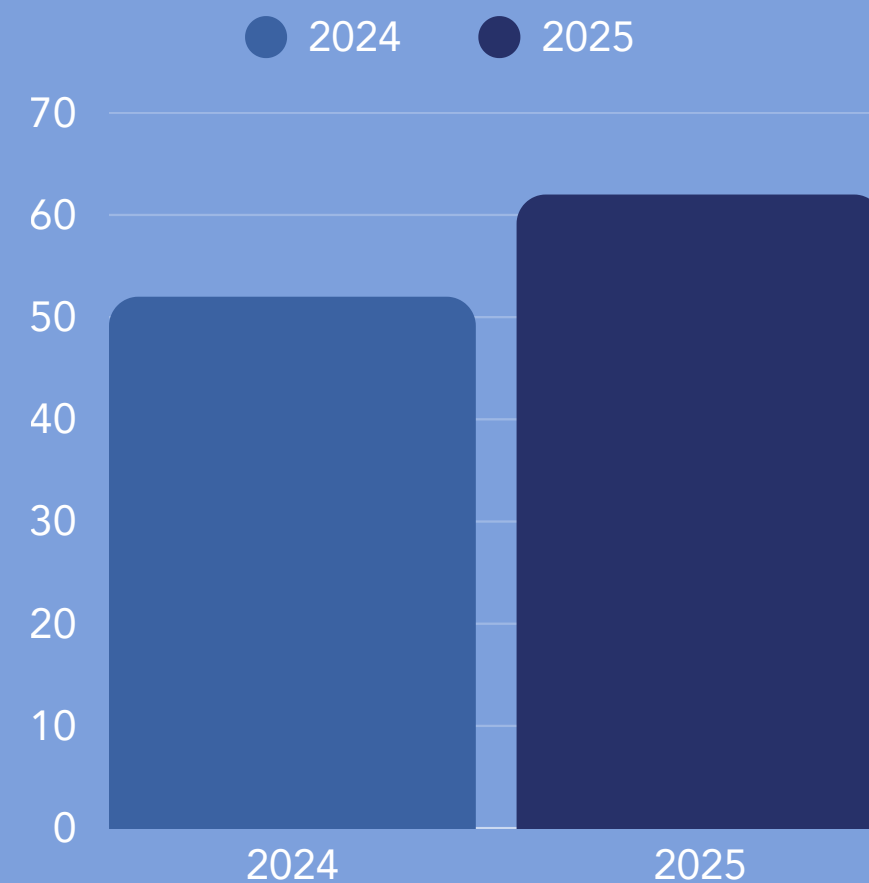
Protein & Ingredient Volatility: Global meat and fish sourcing, which forms the backbone of most commercial pet food, is extremely exposed to weather-related risk.



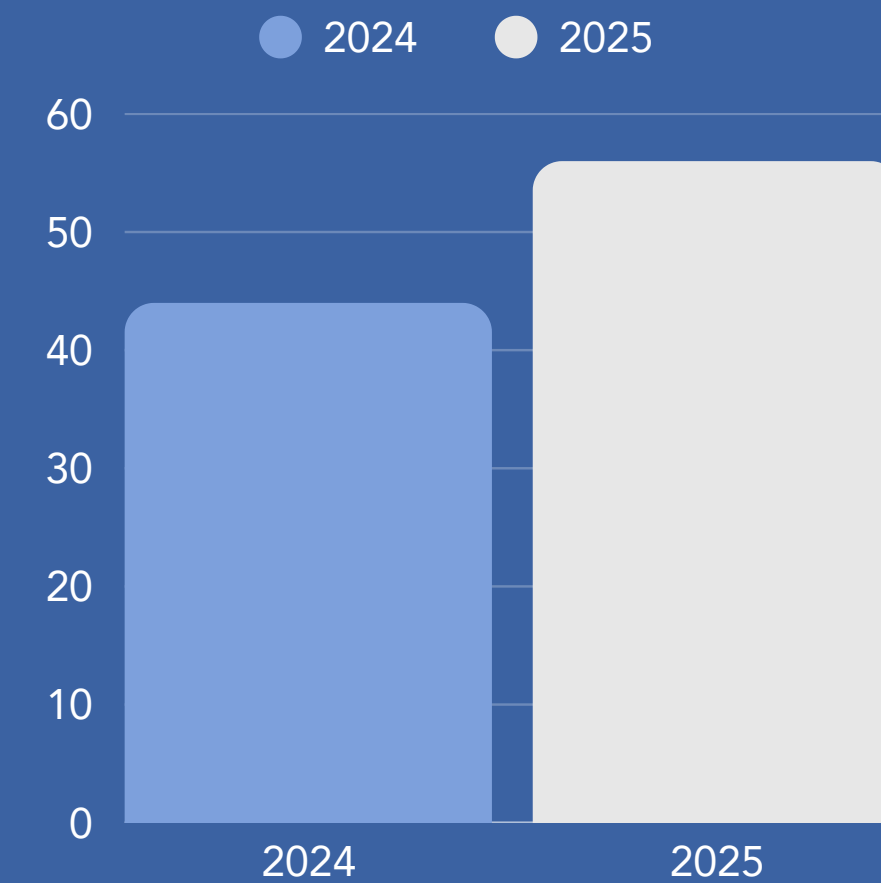
Example 2

Water Stress in Manufacturing: Pet food processing, especially for wet-canned products, is water-intensive. Widespread water scarcity can force pet product manufacturers to transport water in or scale back production in high-stress areas.

Sustainability investment grows despite uncertainty



62% of business leaders plan to increase sustainability investments in 2025, a **10% jump from last year.**



56% of respondents said that sustainability actions helped drive supply chain resiliency, up from only 44% last year.

Sustainability Drives Business Value

What this means for you:
Operationalizing Resilience

- Integrate sustainability risks into business and sourcing decisions
- Use sustainability data to strengthen supply-chain resilience and operational efficiency
- Prioritize solutions that improve both environmental performance and business outcomes

KEY INSIGHT 3

Sustainability Focus is on
Foundational Strategy and
Baseline Data

Signals of Sustainability Maturity

- Public Commitment to Advancing Sustainability
- Strategic Integration
- Voluntary Reporting
- Climate Action and Ambition
- Alignment with Global Goals and Frameworks
- Risk Management



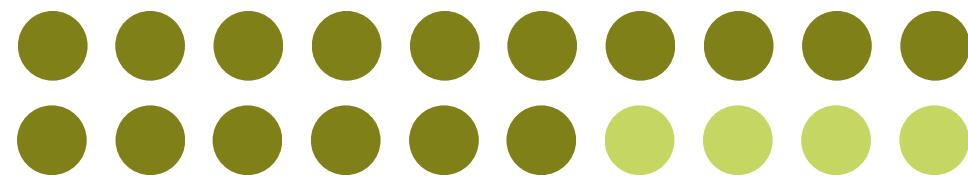
About PSC's Benchmark

In 2025, the PSC launched the PSC Annual Benchmark Assessment, the first comprehensive snapshot of sustainable business practices for companies in the pet industry. Developed with reference to global standards like the Taskforce on Climate Related Financial Disclosures framework (TCFD) and the EU's Corporate Sustainability Reporting Directive (CSRD), this tool is designed to give companies of all sizes a foundation of strategic insights to build future impact. The inaugural Assessment supports data collection to establish a baseline, from which future organizational progress can be built and measured on the company and industry level.



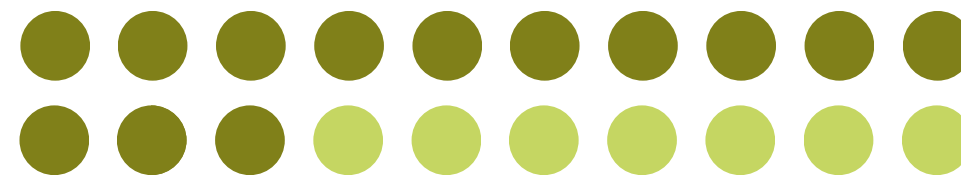
2025 Industry Baseline Results - Higher Adoption

79%



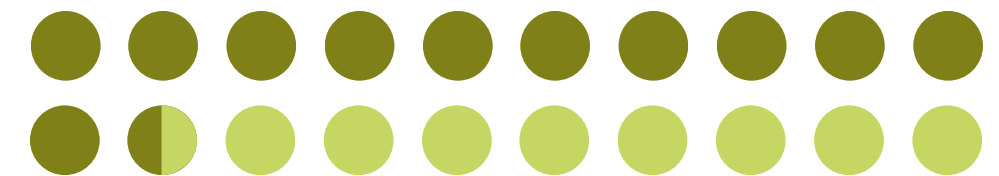
have a formal
sustainability role or
team

64%



measure their operational
Scope 1 and 2 emissions

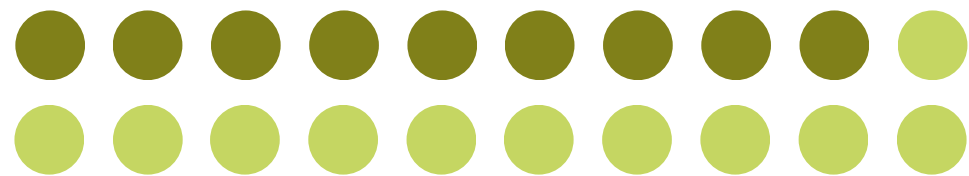
56%



integrate sustainability
into business strategy

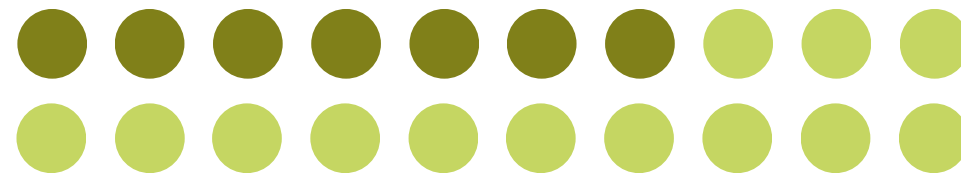
2025 Industry Baseline Results - Lower Adoption

42%



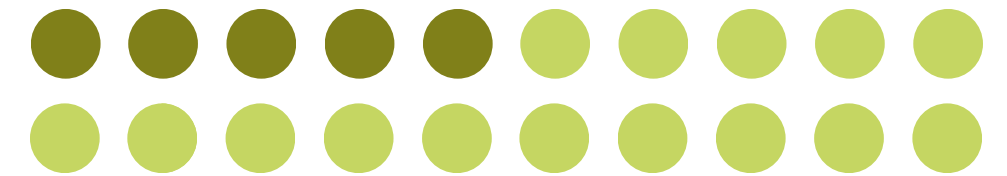
publish a formal
sustainability report on a
regular cadence

36%



reported community
support and volunteer
time as one of their
sustainability actions

24%



completed a formal ESG
materiality assessment

Sustainability Maturity in the Pet Industry

- The Industry Is in Early-to-Mid Stage Maturity
- Foundational Governance Is Advancing, but Not Yet Universal
- Scope 3 and Full Value-Chain Measurement Remain Major Gaps



Sustainability Focus is on Foundational Strategy and Baseline Data

What this means for you:
Become a leader!

- Know your biggest impacts before choosing solutions
- Build reliable ingredient, packaging, and supplier data into existing workflows
- Use that baseline to prioritize changes you can measure and defend

Strategic Outlook for 2026 and Beyond —→

Ingredients will become
a bigger innovation and
resilience lever



The goal is not to identify one “best” ingredient. It is to make better-informed sourcing decisions.

Ingredients are where much of the impact and risk sit

Agricultural systems are influenced by and influence climate, land and water use, biodiversity, animal welfare, and supply resilience.

- Ingredients, especially proteins, drive much of pet food’s environmental impact and supply-chain risk.
- Most of that impact sits upstream, before ingredients reach the manufacturing facility.
- Different protein sources come with different tradeoffs; no single option is inherently best.

Three ways to make ingredient sourcing more resilient and lower-impact

1. Improve traceability

Know where priority ingredients come from and how far upstream you can trace them, so you can assess risk and support credible claims.

2. Measure impacts and diversify strategically

Use Scope 3, lifecycle, and sourcing data to identify which proteins and ingredients drive the greatest impacts and risks, then diversify across options such as muscle meat, by-products, regeneratively produced proteins, novel proteins, and alternative proteins where they improve the overall outcome.

3. Verify progress

Use credible standards, supplier expectations, and outcome data to confirm whether changes are actually improving emissions, soil, water, biodiversity, welfare, or farmer resilience.

No single protein type is inherently “best.” The right mix depends on environmental impact, animal welfare, nutrition, cost, availability, traceability, and supply resilience.

Packaging will move from
design toward systems-
level circularity



Packaging circularity starts with design, but it doesn't end there

EPR is pushing packaging decisions into core business strategy, but compliance alone does not create a circular system.

“Recyclable” doesn’t mean “recycled”, and “recycled” doesn’t mean “circular”.

- Packaging circularity is now a business issue, not just a design issue.
- Recyclability depends on the system around the package, not the package alone.
- Recycling is a critical near-term step, but circularity ultimately requires reuse, refill, recovery, and longer material life.

Make packaging decisions based on the whole system

1. Protect the product first

Food safety, shelf life, and product protection remain essential. Packaging changes that increase spoilage or product loss can create greater impacts elsewhere.

2. Evaluate lifecycle impact and realistic recovery together

Consider material use, transport efficiency, recyclability, collection access, sortation, and viable end markets together rather than optimizing for a single attribute.

3. Invest in the system, not just your own package

Contribute to the infrastructure needed to recover today's materials, and participate in cross-industry efforts to test and scale circular systems such as effective composting and refill/reuse models that no single company can build alone.

Better packaging decisions require both better design and active contribution to the systems that make circularity possible.

AND ONE FORCE UNDERPINNING THE OTHERS...

Regulation

Key Regulations to Monitor

01 European Union Accountability & Reporting

02 European Union Waste Framework (Packaging & Product Focus), Packaging and Packaging Waste Regulation (PPWR)

03 United States Climate & Waste Legislation

- California SB 253 and SB 261 (Climate Disclosure)
- U.S. State Extended Producer Responsibility (EPR) for Packaging

04 Canadian Disclosure Standards (ISSB Alignment)

05 Sustainability Claims Regulations

06 Labelling Laws



PSC MEMBER-ONLY TOOL

Navigating packaging regulations can be complex, but with our Packaging Legislation Tracker, you can determine the best packaging strategy for your business with ease.

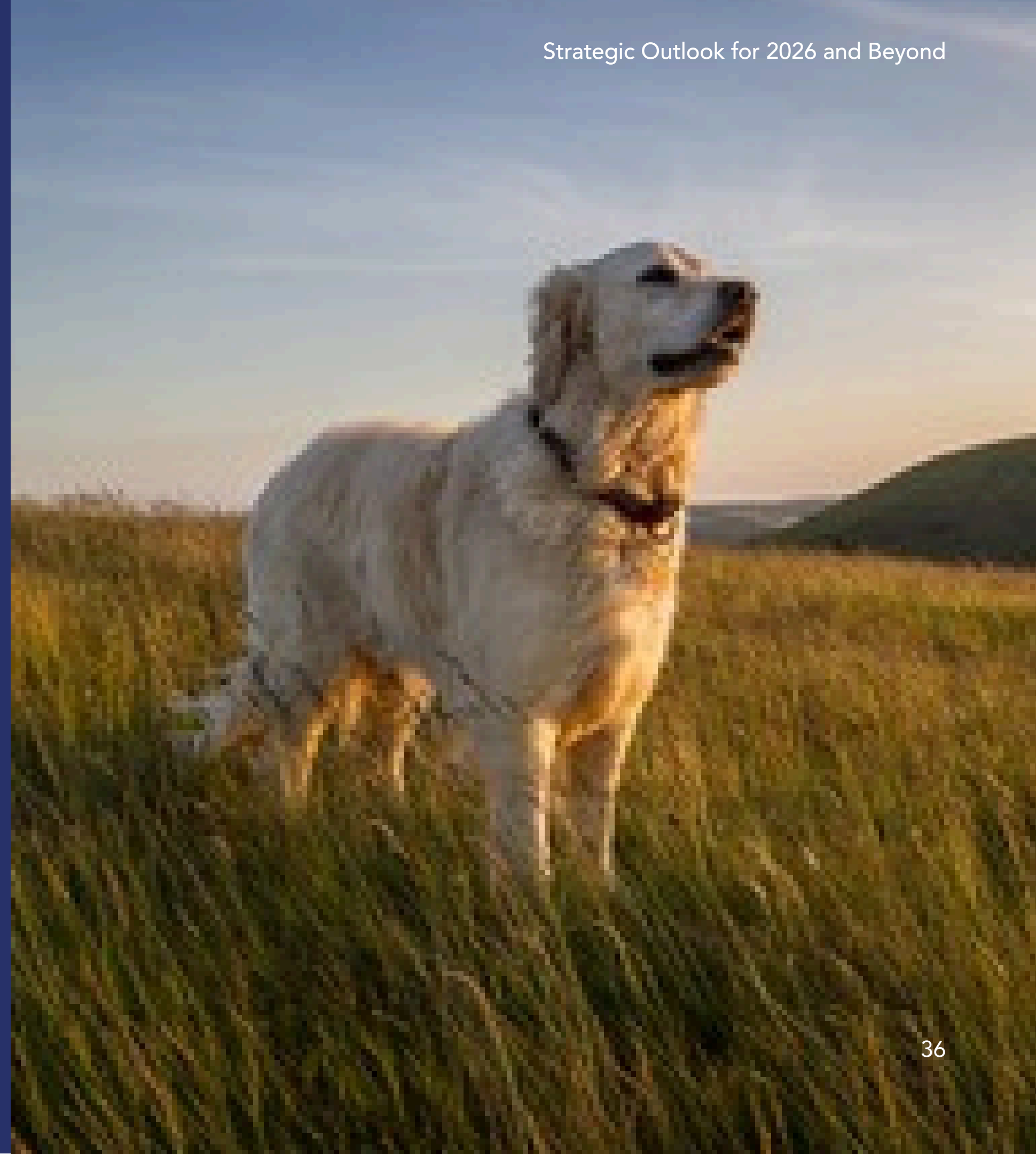
https://petsustainability.org/psc_toolkit/packaging-legislative-tracker/

Conclusion and Next Steps

Now what?

Sustainability is cross-functional and cross-industry

- R&D: formulation and material choices
- Quality & Regulatory: evidence, compliance and claims
- Marketing & Sales: credible differentiation and customer expectations
- Procurement/Supply Chain: traceability, risk and resilience
- Leadership: business strategy, industry collaboration



Turning Insights into Action

01 TAKEAWAY

Sustainability is a business issue, not just a values issue.

WHAT TO DO

Use consumer, market, and industry data to build the internal business case for sustainability and secure leadership buy-in.



State of Sustainability in the Pet Industry

Use the report's data and trends to support internal conversations on consumer expectations, resilience, innovation, and long-term business value.

https://petsustainability.org/psc_toolkit/state-of-sustainability-in-the-pet-industry-2025/

Turning Insights into Action

02 TAKEAWAY

Sustainability risks need to be integrated into business decisions.

WHAT TO DO

Identify where climate, ingredient, supplier, and resource risks could affect your business, then bring those risks into sourcing, planning, and investment decisions.



Risk & Resilience Blog Series

A practical guide to identifying exposure, translating risk into supplier conversations, and integrating sustainability into business planning.

<https://petsustainability.org/risk-to-resilience-in-the-pet-industry-part-i-the-fundamentals-of-climate-sustainability-risk/>

Turning Insights into Action

03 TAKEAWAY

Shared industry challenges require shared solutions.

WHAT TO DO

Use collaboration where infrastructure, sourcing, packaging, or innovation challenges are too large for one company to solve alone.



Impact Unleashed | Nov 9-11, 2026 | Boulder, CO
Join peers, suppliers, brands, retailers, and solution providers working together on practical sustainability challenges across the pet industry.

<https://psc.petsustainability.org/impactunleashed>

PSC as Your Sustainability Partner

PSC membership unites pet businesses of all kinds. From first steps to bold goals, every member plays a part in building a better, more sustainable future.

No judgment. No prerequisites. Just a shared purpose to do better, together.

Because the future of the pet industry depends on all of us.



<https://petsustainability.org/membership/>



Thank you

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