



OUR PURPOSE IN ACTION

PETCO 2021 SUSTAINABILITY REPORT

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About This Report

We strive to provide environmental, social and governance information to our investors and stakeholders that they deem important. As such, we have aligned our reporting approach to the requirements set forth by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) Universal Standards.

For additional information on our [ESG progress](#), relevant [policies](#) and periodic updates, please visit our website.

ABOUT

A Note on Terms

Throughout this report, we will use the following terms, which reflect the language we use throughout our business:



Pet Care Center in place of **Store**



Support Center in place of **Corporate Office**



Guest in place of **Customer**



Partner in place of **Employee**

Forward-Looking Statements and Website References

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including statements regarding our progress, plans, and goals with respect to environmental and sustainability initiatives, and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in our filings with the U.S. Securities and Exchange Commission (the “SEC”). Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, including the risk factors that we identify in our SEC filings, and actual results may differ materially from the results discussed in such forward-looking statements. We undertake no duty to update publicly any forward-looking statement that we may make, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority. In addition, our environmental, social and governance plans and goals are aspirational and may change, and statements regarding such plans and goals are not guarantees or promises that they will be met. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Website references (including hyperlinks) throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report.

LETTER FROM THE CEO

2021 was an incredible year in Petco's quest to deliver Purpose Driven Performance. As the consumer landscape around us continued to change rapidly, we moved boldly in our effort to shape the future of pet health and wellness and made a tangible impact on pet, pet parent and partner lives, as well as the world around us, while achieving outstanding business results.

Impacting Pet Lives

During the year, we continued to see a growing demand for healthy, premium pet products, and a comprehensive one-stop-shop for pet needs, with products and services that are good for the planet and society. Our one-of-a-kind ecosystem of offerings allows us to meet this demand and be a disruptive, leading force for transformation in our industry.

Beyond simply meeting a demand, we see ourselves as playing a leadership role in helping pets lead full, rewarding lives, by educating pet parents on all aspects of pet wellbeing, and inspiring a greater relationship between animals and people at home, in the workplace, and in our communities. As pet parents ourselves, we too are aware of the benefits it can bring, especially for mental health, and we want to share that benefit as widely as possible.

We are led, always, by our purpose to improve the lives of pets and have long been at the forefront of pet health and wellness. New and expanded initiatives addressing the Whole Health of pets – physical, mental, social, emotional, and home – enable us to be a trusted partner for pet parents everywhere. We've remained steadfast in our commitment to keeping food and treat products containing artificial ingredients off our shelves, expanded our curated nutrition assortment, and increased transparency into the ingredients of our grooming products. We believe these initiatives, and more, are having a positive impact on pet lives – after all, it's what we'd want if we were pets.

In the first quarter of 2022, we became the first ever retailer to be awarded the American Humane Certified Seal of Approval across our companion animal and aquatic life

business. This honor exemplifies our commitment to animal welfare and is something we're very proud of; we thank our partners and vendors who continuously strive to uphold our extremely high standards.

Bold Environmental Commitments

This year, we've taken bold steps forward in our effort to reduce our impact on the planet: we are developing detailed, science-based plans to enable a Net-Zero commitment in 2023. We are ready to rise to the challenge for the health of our planet and all that live on it. Over the past year, we have already made significant progress in our data collection and analysis and are publishing our Scope 3 footprint for the first time in this report, an important step for addressing our a significant area of impact. We've also continued to reduce our year-on-year emissions and energy intensity based on sales.

We also committed to increasing our assortment of sustainable products to 50% by the end of 2025 and are working with both our internal teams and our vendors to find opportunities that encourage and promote sustainable innovation in our industry. In 2021, we held our first Sustainability Vendor Summit, connecting with more than 150 brands to drive progress and lead in this area. In 2021, we were honored to be awarded the Pet Sustainability Coalition Earth Hero Award for being a sustainability champion within the industry.

As we consider our products' impacts on the environment, it's vital we look at their entire lifecycle. During 2021, initiatives to reduce packaging allowed us to eliminate approximately 66,000 pounds of plastic waste and nearly 8 million pounds of cardboard waste. We also eliminated 6.5 million single-use plastic bags within our Owned Brand supply chain. In 2021, we were honored to be awarded the Pet Sustainability Coalition Earth Hero Award for being a sustainability champion within the industry.



LETTER FROM THE CEO

Elevating Our People

As always, we continue to prioritize the wellbeing of those who work at Petco and believe our partners are worth investing in. The Board and I have committed that as the company does better, our partners will continue to do better too. That is why in 2021 we increased average wage rates by double digit percentages for partners with us since the beginning of the pandemic, paid out bonuses over 200%, and invested nearly \$12 million in benefits premiums and enhancements since the pandemic began. Separately, through our Petco Partner Assistance Fund, launched in 2020 to provide financial assistance to Petco partners in times of need, we provided nearly \$372,000 of funding to support 322 partners in 2021.

We've strengthened our people strategies to advance our culture of inclusion, respect, and empowerment. We believe that fostering a diverse, equitable and inclusive environment for our partners is not only the right thing to do, but a key piece of servicing our more than 24 million unique and diverse guests. We've hired a new Head of Diversity, Equity & Inclusion to lead and enhance our strategy in this area and are transforming the way we're involving ourselves: every member of the executive committee is involved in activities to drive improvements in this area, and 93% of participants who completed diversity & inclusion training during the past year felt they could apply their learnings. As a result of our focused effort in this area, in 2021 more than 50% of our new hires and promotions at the director level and above were filled by women and people of color. In line with these efforts, we were pleased to promote Amy College as our new Chief Merchandise officer earlier this year and Katie Nauman as our new Chief Marketing Officer in 2021.

We also extend our support to our communities through Petco Love and other organizations that protect animal welfare and promote healthy environments for animals. This year we saved nearly 400,000 pet lives, distributed over 500,000 free vaccines to under-resourced communities, and reunited approximately 4,000 pets with their loving parents.

Transforming for the Future

I'm more excited than ever about Petco's future: we're reinventing how pet parents care for their beloved pets and we're transforming the way our industry approaches pet health and wellbeing as well as sustainability. All of this is supported by the continued enthusiasm and dedication of our incredible partners. As we look to the future, I'm confident about our ability to continue to drive Purpose Driven Performance, and to tangibly improve the lives of pets, pet parents and our Petco partners.



Ron Coughlin,
Chairman and Chief Executive Officer



WHO WE ARE

Our Company

Petco is a fully integrated health and wellness company on a mission to improve the lives of pets, pet parents, and the more than 28,000 partners who work for us.

From our National Support Center in San Diego where we are headquartered, to our more than 1,500 Pet Care Centers across the U.S., Mexico, and Puerto Rico, and through our integrated digital platforms, we are fueled by our desire to provide the best care for pets.

In January 2021, we became a public company listed on Nasdaq. We had a very successful year, delivering stellar financial performance, with an 18% increase in net revenue to \$5.8 billion, and ending the year with 24.1 million total active guests. More information on our 2021 financial performance can be found on our [investor relations website](#).

We provide a comprehensive portfolio of products, services, and veterinary care to address pet health and wellness needs, including high-quality, innovative and scientifically led nutrition options free from artificial ingredients¹. Through our owned and exclusive brands and partnerships with premium third parties, we provide our guests with a wide array of options to purchase high-quality, healthy, and more sustainable items for their pets.

We are committed to being the most trusted resource in pet care, trailblazing new standards, and leading the industry in our comprehensive approach to pet health and wellness. In recent years, we have embarked on a significant transformation, repositioning our business from a successful yet traditional retailer to a disruptive force in the industry and a partner to pets and pet parents, providing guidance and support to improve their lives while offering premium pet products and fully integrated services. This gives us unique positioning to continue leading the market, deliver on our purpose to improve the lives of pets, and provide growth and value for our stakeholders, because what's good for pets is good for Petco.

1. See how Petco defines artificial ingredients at petco.com/nutritionstandards

PETCO OWNED BRANDS PORTFOLIO



SUSTAINABILITY AT PETCO

Our approach to sustainability is built on our mission to improve the lives of pets, pet parents and our own partners.

Doing so requires us to put animal health and welfare at the center of our approach, to foster an environment where our partners are motivated and empowered to service the needs of pet parents, and to preserve the health of the natural world. We've developed a sustainability platform focused on Pets, People, and the Planet. By doing well in these areas, we believe we will also support the success of our business.

We've been building a strong foundation for positive societal impact for more than 55 years, but over the past several years we've been especially focused on becoming a disruptive, leading force for change in setting standards for responsible pet care. We've taken bold, unapologetic stances on pet nutrition — eliminating [artificial ingredients](#)¹ from our products — and promoted positive training methods by eliminating bark- and human-activated shock collars from our shelves through our #stoptheshock campaign. In 2021, we continued to press forward with our aspiration to truly change the game when it comes to pet health and wellness. We launched our [Whole Health](#) philosophy, including a campaign to educate pet parents about protecting the mental health of their pets, a Together Strong pet cancer awareness campaign and we began offering OncoK9™ – a groundbreaking multi-cancer early detection test for dogs – at vet hospitals in select locations. We also removed all traditional rawhide options from our assortment and transitioned to selling only safe and highly digestible alternatives.

At the same time, we've been sharpening our approach to improving the lives of people and protecting our planet. To support our goal of helping people thrive, we've enhanced our Diversity, Equity, & Inclusion strategy and have taken steps to improve our performance in this area, particularly in new hires and the promotion of women and people of color in director and above roles, published our policy on Human Rights, and continued to prioritize Covid-19 safety for our Petco partners. To help preserve the health of our planet, we've been gathering comprehensive data on our environmental performance that will help us identify key areas for improvement. We also see huge opportunities for sustainability leadership in our product lines and in packaging and have committed to increasing our assortment of sustainable products to 50% by the end of 2025.

While we are proud of what we have achieved so far, we know there is much more work to do. We plan to continue to lead and challenge our industry to find more ways to improve the lives of pets, people, and the planet over the coming years.

1. See how Petco defines artificial ingredients at petco.com/nutritionstandards



OUR SUSTAINABILITY PLATFORM



SETTING THE STANDARD IN RESPONSIBLE PET CARE

- **Pet Welfare & Humane Treatment**
- **Pet Health, Nutrition, & Wellbeing**



HELPING PEOPLE THRIVE

- **Employee Health, Safety, & Wellbeing**
- **Diversity, Equity, & Inclusion**



PRESERVING THE HEALTH OF OUR PLANET

- **Sustainable Product Offering**
- **Responsible Packaging**
- **Climate Impact**

SUSTAINABILITY AT PETCO

Sustainability Governance

We view sustainability not as a separate stream of activity to our main business, but rather integrated into our identity and practices. To support that integration, we have two groups of key internal stakeholders to help provide insight from across the business, help champion and embed our initiatives, and ensure alignment:

1. Our **Sustainability Executive Steering Committee** includes five executive-level sustainability champions, including our CEO, who oversee all important aspects of our business – products, services, Pet Care Centers, e-commerce, and supply chain.
2. Our **Sustainability Task Force** is comprised of key representatives and subject matter experts from core business areas at Petco. They drive the implementation of our initiatives within their departments and cross-functionally.

On a day-to-day basis, our Head of Sustainability leads our efforts to implement our strategy, identify and align resources and priorities, facilitate internal collaboration, and drive our performance. The role reports to the Chief Strategy Officer, reflecting our commitment to place sustainability as a central element of our corporate strategy.

Ultimately, our Board of Directors oversees and is responsible for our Environmental, Social, and Governance (ESG) initiatives through its Nominating and Corporate Governance Committee, which reviews and provides guidance on our sustainability efforts, progress, and priorities. Our directors, including our Chairman and CEO, believe in the importance of sustainability for the long-term success of our business and strive to position Petco as an industry leader in this area.



Stakeholder Engagement

We gain valuable insights through active engagement with our key stakeholders, which include our partners and business leaders, investors, suppliers, customers, animal welfare experts, policymakers, industry trade groups, and nongovernmental organizations (NGOs). During 2021, our Lead Independent Director and members of our management team spent time discussing ESG issues with our major stockholders. The valuable feedback we received was communicated to and considered by the board and has helped inform our decisions and strategy.

Petco is a founding member of the [Pet Sustainability Coalition](#), a founding partner of the [Human Animal Bond Research Institute](#) (HABRI), and a member of the [Retail Industry Leaders Association](#) (RILA) and several of their respective sustainability-related sub-committees. Our participation in these organizations enables us to build a collective understanding of ESG risks, developments, and opportunities for our industry. We also engage a wide range of stakeholders in our materiality process.

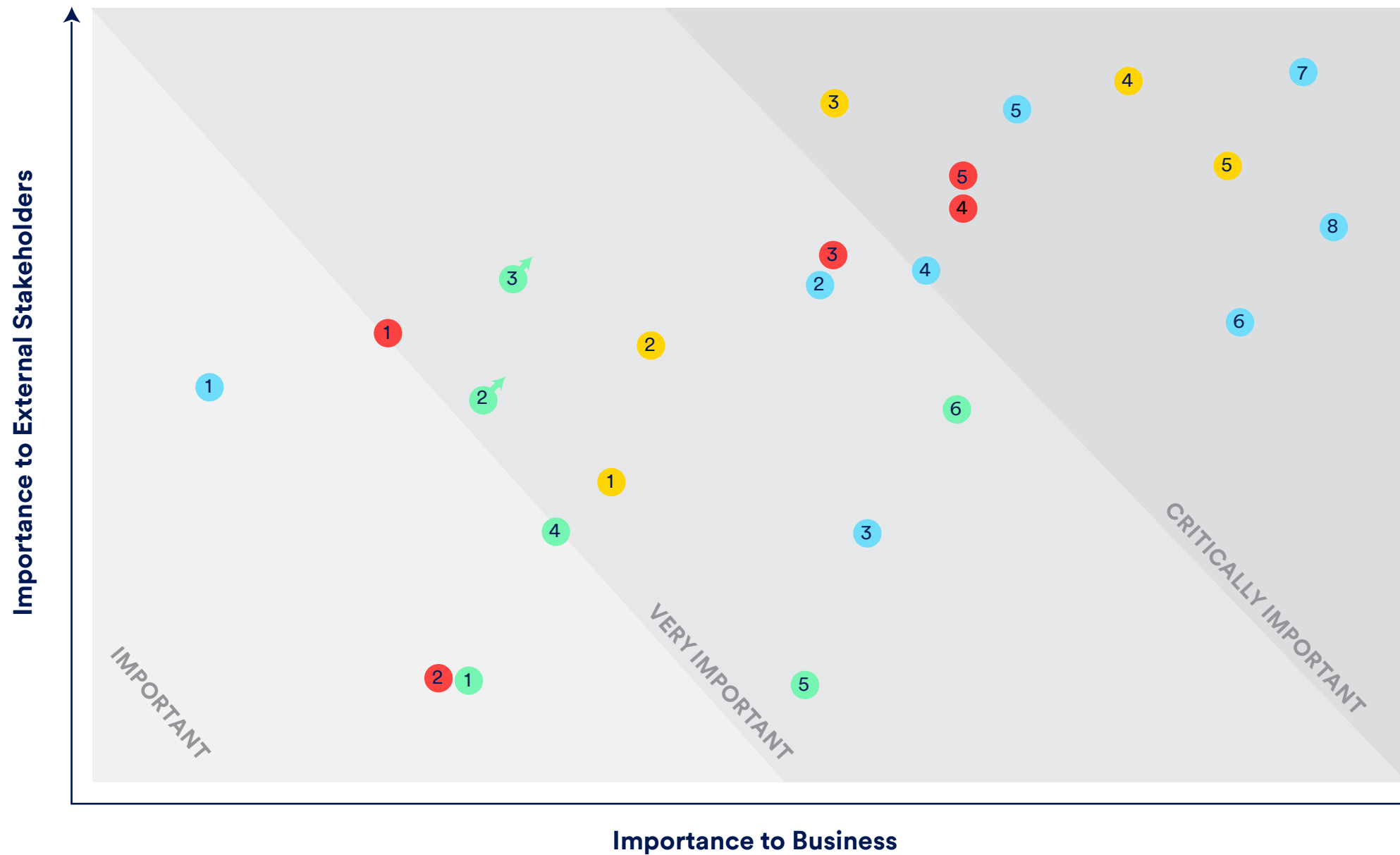
ESG Materiality²

To help us prioritize key areas of focus and drive our sustainability approach, we conducted a materiality identification process and analysis. In 2020, we engaged a third party to support a rigorous materiality assessment, engaging key stakeholders' input on ESG topics that are critically important to Petco's business. These included external stakeholders, such as suppliers, industry trade groups, non-governmental organizations, animal welfare experts, internal stakeholders across the business, and a consumer survey that generated more than 900 responses. From this process, we identified 24 material issues and prioritized ten areas of critical importance to our business and stakeholders that drive our sustainability approach, as shown in the matrix below. Some of the material issues identified, such as climate impact and circular economy and waste, were of rising importance, and we are acting now in these areas to remain ahead of the curve.

2. Inclusion of information in this Report or identifying it as material for purposes of such report or assessing our ESG initiatives, should not be construed as a characterization of the materiality or financial impact of that information with respect to Petco or for purposes of any SEC filings of Petco. For cautionary information and forward-looking statements regarding our sustainability efforts and other ESG information, see page 1 of this Report.

SUSTAINABILITY AT PETCO

Materiality Matrix



● Products, Services, & Animal Welfare

1. Product Information & Labeling
2. Ethics, Business Conduct, & Corporate Governance
3. Accessibility, Affordability, & Inclusivity of Pet Parenthood
4. Animal Welfare in the Supply Chain
5. Product Quality & Safety
6. High Quality Delivery of Pet Care
7. Pet Health, Nutrition, & Wellbeing
8. Pet Welfare & Humane Treatment

● Social

1. Community Engagement & Philanthropy
2. Talent Attraction & Development
3. Human Rights & Fair Labor Practices
4. Employee Health, Safety, & Wellbeing
5. Diversity, Equity, & Inclusion

● Environmental

1. Water-Related Risks
2. Circular Economy & Waste
3. Climate Impact
4. Energy Management
5. Transportation & Logistics Impacts
6. Responsible Packaging

● Governance

1. Government Affairs
2. Consumer Engagement & Promoting Sustainable Consumption
3. Sustainable Product Offering
4. Data Privacy & Cyber Security
5. Responsible Sourcing & Supply Chain Practices

● Rising Importance

ESG Priorities: Looking Ahead

Over the past year, we conducted a company-wide assessment based on our materiality work. We also identified ESG metrics in order to develop a long-term and integrated ESG strategy with targets and roadmaps for priority impact areas, as well as a short- to mid-term framework of ESG initiatives to undertake. These include reducing our climate impact by working towards developing and disclosing policies on emissions, energy consumption, waste, water usage, and biodiversity, and science-based targets for Scope 1, 2, and 3 emissions, and increasing the sustainability of our products with more disclosure on our packaging sustainability and the eco-design of our products. Our social priorities for the next year will include developing, tracking and disclosing additional Diversity, Equity and Inclusion policies, processes and metrics, reporting additional workforce statistics, and evolving our human rights and fair labor policies. Governance priorities will include developing and disclosing additional policies in the areas of ethics and business conduct, cyber security, and suppliers and third parties.

Key Performance Indicators

To track our high-level performance, success, and impact across the business, we use a dashboard of several Key Sustainability Performance Indicators (KPIs) which we update on a quarterly basis. In past years, we tracked our energy, emissions, waste, and water data, but this year we began to implement a more comprehensive ESG data platform that covers a broad range of ESG performance metrics. We plan to track these on an ongoing basis and have them reported consistently to various third-party raters and rankers, along with our annual sustainability report, to provide more transparency and accountability into our performance.

PETS

Setting the standard in
responsible pet care



Caring for pets and fostering the human animal-bond is core to our business. Our decisions are guided by our commitment to do the right thing for pets, always.

Caring for pets and fostering the human animal-bond is core to our business. Our decisions are guided by our commitment to do the right thing for pets, always. We aim to be industry-defining in our standards of companion animal care and welfare and in our approach to pet wellbeing and health. We have taken a leading and uncompromising stance on pet nutrition since 2018, and we continue to be on the forefront of pet health and wellness today; our [Whole Health](#) philosophy underpins everything we do, and informs how we educate and equip pet parents to support the Whole Health of their pets.

We also extend our support to our communities through Petco Love and other organizations that protect animal welfare and promote healthy environments for animals.

PET WELFARE & HUMANE TREATMENT

Pet Welfare & Humane Treatment

The humane and responsible treatment of animals is of paramount importance to us, and we have a zero-tolerance policy for animal abuse or neglect of any kind.

Our partners undergo extensive training designed to equip them with the knowledge and skills to tend to all the animals in their care in all situations, whether in our daily care at Pet Care Centers, visiting for a service, participating in marketing activities, or in an emergency. Our vendors are required to uphold the same high standards of animal welfare by meeting our stringent vendor protocols, and we conduct inspections and audits to ensure they do.

In March 2022, we were proud to become the first retailer in the world to be awarded the American Humane Certified™ Seal of Approval across all our companion animal and aquatic life businesses. [American Humane](#) is the world's largest certifier of animal welfare, certifying the humane treatment of more than 1 billion animals around the globe with the most recognized, credible, and respected humane programs. The Seal of Approval certifies that companion animals and aquatic life in our Pet Care Centers and animal supplier facilities are receiving excellent care and was awarded to us following rigorous independent audits of Petco and our vendor facilities over several months. These audits evaluated the veterinary care, habitats, nutrition, and safety provided to all small mammals, birds, reptiles, amphibians, invertebrates, and aquatic life, sold by Petco at every step of the retail process.



“We applaud Petco for being a progressive industry leader committed to independent third-party audits, a first in the industry. Pet parents can rest assured that when they see the American Humane Certified Seal of Approval, they know the pets they are welcoming into their homes have been cared for by a team of pet lovers committed to excellent care.”

Dr. Robin Ganzert, President and CEO,
American Humane



PET WELFARE & HUMANE TREATMENT



Protecting the Welfare of Animals in Our Care

All Pet Care Center partners must successfully complete a Beginner Animal Care Curriculum, comprised of 12 courses and 46 individual lessons, and an 8-part Aquatic Basics Curriculum as part of their onboarding process before they can work with animals and aquatic life. Certain partners also need to complete intermediate Companion Animal Training and Advanced Aquatics lessons, depending on their roles. All Pet Care Center partners continue to receive training, knowledge checks, and access to detailed animal care information throughout their time working with us.

Partners conduct hourly health checks on each animal to ensure their continued safety and wellbeing. If any issues are identified, they must be addressed immediately. Ill or injured animals, as well as overstock, adoption, and maternity animals are cared for in our Wellness Rooms. We have special protocols in place to protect the health and wellbeing of animals in our Wellness Rooms, which all Pet Care Center partners are trained in, and keep the area to our highest health and cleanliness standards.

At more than 200 of our Pet Care Centers, we have on-site vet hospitals which are overseen by our Veterinary Advisory Council (VAC). The group meets periodically during the year to discuss medical quality standards and pet welfare during veterinary services. Pet Care Centers that do not have a full-service hospital on-site and therefore do not have a qualified veterinarian readily available have relationships with designated local veterinary partners to provide care as needed.

Just as we plan for partner safety, we also plan and prepare for animal care and safety in emergency situations. Our detailed procedures outline the steps that must be taken for animal care, evacuation, and transportation in natural disaster and emergency situations, and are activated as soon as concerns are identified.

During photo or video shoots for marketing purposes, an animal care representative attends in person or virtually to validate that the animals are handled according to our detailed standards and guidelines, which have been informed by the American Humane Association.

PET WELFARE & HUMANE TREATMENT

Petco Pet Wellness Council

To support our mission of serving the best interest of pets, our [Petco Pet Wellness Council](#) (PPWC), a coalition of independent, leading experts in veterinary science and animal care, inform both company- and industry-wide education and evolution in support of overall pet health and wellness. The council meets regularly to discuss and review animal care topics and issues such as pet nutrition, veterinary care, behavior, animal sourcing, and ethics. The PPWC includes veterinarians and other doctoral-level professionals with expertise in nutrition, zoonotic diseases, preventive medicine, oncology, pet behavior, education, clinical veterinary medicine, animal ethics and telehealth. During 2021, we added three new veterinary experts to the council, bringing the total number of members to 11.

“The Petco Pet Wellness Council is a tremendous resource and one of Petco’s greatest assets. The impartial, science-based viewpoints brought forth by each member have been instrumental in guiding our successful transformation from a traditional retailer to a complete health and wellness company that helps pet parents care for the pets they love. With their thoughtful expert input and deep commitment to pet wellness, we continue raising the bar for the entire pet industry in the name of doing what’s best for pets.”

RON COUGHLIN
Chairman and CEO

Animal Welfare in the Supply Chain

Our responsibility to animal wellbeing starts before animals arrive in our care. We require all our companion animal and aquatic life vendors to participate in our Petco Vendor Certification and Standards of Excellence Program which ensures that our high standards of animal care extend throughout our supply chain. Vendors are inspected and must pass a rigorous certification process before we begin working with them. Usually, Petco conducts unannounced onsite audits at least once a year for all our vendors to ensure they continue to comply with our requirements. Due to Covid-19, however, we were unable to conduct in person audits of all our vendors last year. Instead, we prioritized higher risk vendors for in person audits and asked other vendors to complete self-audits which were reviewed by our Animal Care Education and Vendor Operations teams.



PET WELFARE & HUMANE TREATMENT

Supporting Pet Parents with Animal Welfare

To support pet parents in caring for their companion animals and aquatic life, and ensure they can meet their wellbeing needs, we provide vet-developed Care Sheets covering each companion animal that we sell. These include information about diet, feeding, housing, and habitat maintenance, behavior, grooming, and hygiene, as well as common health issues and red flags to look out for. In 2021 all our educational Care Sheets were reviewed and revamped by our internal veterinary, aquatic and animal care experts, including a board-certified veterinarian specializing in non-dog and cat companion animal medicine.

Our partners are always on hand to answer additional questions, and we model responsible pet care through our own interactions with animals, including in our marketing practices. For example, by specifying in our marketing guidelines that dogs and cats photographed outside must be seen wearing a collar and ID tag, we are sending a message that this is the right thing for pet parents to do.

We strongly believe in the use of positive reinforcement training methods, which have been shown to be more effective than aversive methods and punishments. We offer Positive Dog Training classes focused on promoting a relationship of mutual respect and trust between pets and pet parents. Our classes use positive, voluntary, and reward-based training methods to encourage appropriate pet behavior. At the heart of all our education, we strive to help pet parents understand how their dogs think, learn, and communicate. In October 2020, we became the first major pet retailer to stop selling any human or bark-activated shock collars in our Pet Care Centers or online. We also called on the rest of the pet industry and consumers to join our movement to #stoptheshock by launching an online petition aimed at creating responsible regulation for the retail sale of shock collars to general consumers. For pet parents interested in exploring positive reinforcement training, we offer online and in-store group classes and private lessons led by Petco-certified dog trainers to help them see the benefits of this method and improve their relationship with their pet.

PET HEALTH, NUTRITION, & WELLBEING

It's our goal to help pets lead full, rewarding lives. That's why we're revolutionizing the way the industry and pet parents think about pet health and wellness.

In March 2021, we introduced our [Whole Health](#) philosophy to support pet wellbeing, a framework that consists of five interconnected areas of pet health - physical, mental, social, home, and accessible health. As part of this, we launched several initiatives for pet parents in 2021 focused on raising awareness of pet health issues, such as the importance of preventative care, physical activity, and mental health.



Physical Health and Nutrition

We've been committed to leading pet nutrition standards since we became the only national pet retailer to remove dog and cat food and treats containing artificial ingredients from our assortment in 2019. By the end of 2021, we removed all artificial ingredients from most small animal and all aquatic life food. In addition, we're committed to offering high-quality ingredients that are minimally processed and easy to digest, as well as scientifically led precise nutrition options to address the most common pet health issues.

In June 2021, we expanded our curated nutrition assortment to include WholeHearted Plus, an extension of our budget-friendly WholeHearted owned brand, to give pet parents even more affordable, high-quality, nutrient-dense options. Since January 2021, we've partnered with The Honest Kitchen to make human-grade dog food available to Petco guests. The Honest Kitchen's recipes use the same high-quality ingredients that people eat, are produced in human food facilities with the same rigorous quality and safety standards as human food and are dehydrated or baked to preserve nutrients.

In addition, we expanded our offering of veterinary diet solutions, which are formulated to treat a variety of common issues such as digestive problems, obesity, and allergies, to help optimize pets' overall health and wellbeing. Pet parents can come into our Pet Care Centers to talk to our licensed veterinarians and knowledgeable partners for personalized recommendations and to help find the right food for their pets. We also offer an online tool called Right Food Finder that allows pet parents to input basic details about their pets, such as their age, weight, breed, specialized needs and food preferences, and receive personalized nutrition recommendations.

In April 2021, we took another step to remove potentially unsafe products from our shelves by removing all traditional rawhide options. [Rawhide](#) is a delicious, long-lasting treat, but it can be tough on a dog's stomach, so we have transitioned to selling only safe and highly digestible alternatives.

“While many dogs enjoy traditional rawhide, the fact that they pose even a minimal risk to pet health led to the conclusion that we should exclusively focus on products that better align with our mission and Whole Health philosophy.”

DR. WHITNEY MILLER
Head of Veterinary Medicine

PET HEALTH, NUTRITION, & WELLBEING

Grooming products can also impact pet health as ingredients can enter a pet's body through their skin. We use signage in our Pet Care Centers to provide ingredient transparency for grooming products and help pet parents make choices about the grooming products they use for their pets. The signage features a series of wellness icons that align with product benefits that are most meaningful to consumers (based on a survey of Petco guests). These benefits vary by brand and include paraben-free, phthalate-free, and chemical free dyes.



Cruelty Free



No Chemical Dyes



Paraben-Free



Dye Free



Plant-derived Cleansers



HIGH QUALITY DELIVERY OF PET CARE

Cancer Prevention Care

Cancer is one of the biggest threats to a pet's life—approximately one in three dogs and one in five cats will get cancer at some point during their lives—but catching it early increases their chance of winning the fight. In May 2021 we launched [Together Strong](#), a pet cancer awareness campaign that brings two- and four-legged survivors together to highlight how routine preventative care is as vital for pets as it is for humans in the fight against cancer. We also began offering OncoK9™ – a groundbreaking multi-cancer early detection test for dogs – at vet hospitals in select locations. By the end of 2021, there were 57 Vetco Total Care hospitals offering OncoK9™ and we plan to roll this out to more hospitals in the coming year.



HIGH QUALITY DELIVERY OF PET CARE

Mental Health

Mental health is an important element of overall health for pets, as it is for humans. Stimulating their minds every day helps prevent boredom and exercises their brain, helping deter unwanted behaviors. During 2021, we started a campaign, reviewed and curated by our PPWC experts, to raise awareness of the importance of [mental health](#) for pets, educate pet parents, help them recognize signs of anxiety and stress, and provide them with the knowledge and resources to address these issues and support their pets.

In June 2021, we launched a campaign shining a light on the health [benefits of exercise and play](#) for physical, mental, and social health. We shared advice and recommendations to help encourage fun and safe activities for pets with a seasonal focus. In September 2021, with routines starting to change once again as people returned to work and schools, we were concerned that pets would experience social and separation anxiety. To help, we launched a free virtual training seminar and a separation anxiety training course to help pet parents recognize signs of stress in their pets and learn relaxation techniques and enrichment solutions.

7-Point Pet Care Check

We want to make it easy and affordable for pet parents to provide their pets with the comprehensive and high-quality health and wellness care that they need. In doing so, we put the experience of pets at the center of our services, ensuring that the best outcome for them is our utmost priority, and always looking for ways to optimize their health.

Pets that come in for grooming receive a [7-Point Pet Care Check](#) before their sessions where partners look for signs of any concern that could put a pet at risk during the grooming process. The Pet Care Check is also used to recommend targeted services unique to the pet's needs. If a stylist notes anything of concern that could potentially affect the pet's safety or health, the guest is referred to their veterinarian for follow up.



COMMUNITY ENGAGEMENT & PHILANTHROPY

We are a purpose-driven company dedicated to improving the lives of pets and pet parents. Our dedication does not end with the pets and companion animals who visit our Pet Care Centers, or whose pet parents are guests of ours. We want to improve the lives of pets and people throughout the communities in which we are located. We do so with programs that promote the benefits of pet companionship for people, healthy environments for animals, and improving animal welfare through our Petco Love foundation.

Promoting the Benefits of Pet Companionship

A growing body of scientific research shows having a pet – or even interacting with one – has positive effects on both animals and people. We were a founding member of The Human Animal Bond Research Institute (HABRI), an organization that believes in the powerful relationship between animals and people, as well as the impact of this relationship on the health of individuals, families, and communities. Through HABRI, we funded research programs on the benefits of companion animals on specific groups such as children, older adults, those on the autism spectrum, veterans, and more. Our nonprofit partner Petco Love serves on HABRI's Board of Trustees and continues to support this important ongoing research.

One of the groups that clearly benefit from interaction with pets is children. That's why we partner with [Pets in the Classroom](#), a program of the Pet Care Trust, to fund grants for classroom pets to thousands of classrooms nationwide. Of these classrooms, 49% are schools with a high proportion of students of low-income families and 44% of grants go to classrooms that support students with disabilities. Teachers reported that a classroom pet enhances student compassion, responsibility, engagement, attendance, social skills, self-esteem, and even academic performance.

As a pet-friendly workplace, we see firsthand the benefits of pet-human companionship at the workplace. Our partners are encouraged to bring their pets with them to work, which gives them peace of mind about the wellbeing of their pets, more freedom to participate in after-work activities, and increased engagement with Petco. We want more people, pets and businesses to be able to experience these benefits, so we established April 19 as a National Pets at Workday to encourage businesses to experience for themselves the benefits of adopting pet-friendly workplaces.

To [encourage businesses](#) to make a permanent transition to a pet friendly environment and support them in doing so, we published a transformation guide on how to create a safe, healthy, and productive environment for both people and pets, as well as a guide for employees to help them steer the conversation with their colleagues and employers. If they need more advice, we are on hand to answer their questions through a dedicated email address.



COMMUNITY ENGAGEMENT & PHILANTHROPY

\$900k+

**DONATED TO DATE TO OUR
PETCO OCEAN FUND PARTNERS**

Promoting Healthy Environments for Marine Animals

As one of the world's largest buyers of marine aquatic life, we strive to lead the way in conserving ocean life. Our marine life is aquaculture (born, bred, and raised in an aquarium environment) wherever possible, otherwise it is sustainably collected following strict standards. In 2021, 96% of the total aquatic life we sold was bred via aquaculture. Our Vendor Certification Program allows us to track our aquatic life down to the collection or breeding site and ensure vendors meet our requirements. These sites are audited annually. Our commitment to aquaculture has helped support the breeding of marine species that were not previously available through aquaculture, helping us make progress that impacts the entire industry.

Beyond this, we support organizations that help conserve marine life and aquatic environments. Habitattitude™ is a national initiative to eliminate the release of unwanted fish and aquatic plants into public areas, which can cause ecological harm and costs billions of dollars in damages every year. We share their message with guests when they purchase aquatic life, emphasizing the responsibilities of aquatic life pet parents and providing direction on what to do should they no longer want to keep their aquatic life.

During 2021, we continued to donate 1% of the sale of all our marine aquatic life to aquaculture research and ocean conservation efforts through our Petco Ocean Fund. Through this fund, we donated to charities like the Coral Restoration Foundation, the world's largest non-profit marine-conservation organization dedicated to restoring coral reefs to a healthy state, as well as Rising Tide Conservation, a group dedicated to developing and promoting aquaculture of marine ornamental fish. These groups and others supported through the fund do important work to conserve marine life now and for generations to come.

COMMUNITY ENGAGEMENT & PHILANTHROPY



Petco Love is our independent, non-profit foundation dedicated to creating a better world for animals and the people who love and need them.

With more than 4,000 animal welfare partners, more than \$330 million invested in lifesaving animal welfare work to date, and over 6.5 million animals saved through Petco Pet Care Centers, Petco Love inspires and empowers communities to make a difference in the lives of animals through pet adoption, medical care programs, spay and neuter services, pet cancer research, service and therapy animals, and numerous other lifesaving initiatives. Between our Petco partners and donations at the credit card terminal, we raised approximately \$35.7 million for Petco Love in 2021.

In April 2021, Petco Love adopted its new name, to reflect the source of its efforts and mission. In the same month, Petco Love Lost was launched - a national lost and found database for pets that uses innovative pet facial recognition technology to reunite lost pets with their families. From mid-July 2021 to the end of the year, Petco Love Lost reunited approximately 4,000 lost pets with their owners.

This year, Petco Love also pledged to provide 1 million free vaccines to Petco's community-based animal welfare partners for distribution to pets in need, with the aim to end deadly preventable diseases in pets. Although vaccines are highly effective in preventing deadly diseases, many pet parents either cannot afford or are unaware of how important it is to administer this preventative care. By creating greater awareness and making vaccines more accessible, we can prevent the dangerous spread of disease and save lives. So far, more than 533,000 free pet vaccines have already been distributed to our animal welfare partners.

Petco Love supports the Veterinary Innovation Council, a nonprofit organization dedicated to improving access and quality care to pets by championing and developing disruptive solutions surrounding key emerging issues.



**MORE THAN
\$330 MILLION
INVESTED IN LIFESAVING ANIMAL
WELFARE WORK**

COMMUNITY ENGAGEMENT & PHILANTHROPY

Think Adoption First

At Petco, we follow and promote a Think Adoption First philosophy, which strongly encourages prospective pet parents to consider adopting a homeless animal rather than purchasing one, and we do not sell dogs, cats, or rabbits.

In parallel, one of Petco Love's goals is to help every pet find the loving home they deserve. Working in partnership together, along with thousands of local animal welfare organizations, we run events at Petco Pet Care Centers to offer dogs, cats, rabbits, and other companion animals for adoption. This year, Petco Love went further and celebrated 100 amazing adoption stories by surprising animal welfare organizations across the country with \$1 million in grant awards during the holiday season to make more adoption matches possible.

OVER
6.5 MILLION
ANIMALS SAVED THROUGH
PETCO PET CARE CENTERS

PEOPLE

Helping people thrive



Our partners are our most valued asset – they ensure that we can deliver on our purpose and provide exceptional service to pet parents.

In return, we want to provide them with a safe, healthy, and fulfilling work environment where everyone feels included, respected, and empowered. We prioritize an inclusive and diverse culture of openness and transparency where everyone has the opportunity to grow, develop, and build their careers. We also want to ensure that all those who contribute to our business throughout our supply chain are treated with the respect and dignity they deserve.

Finally, we want to support as many people as possible in benefitting from the enrichment of being a pet parent by making it more affordable and accessible.

DIVERSITY, EQUITY, & INCLUSION

Diversity, Equity, & Inclusion

We strive to create an environment that embraces diverse backgrounds and perspectives, and where everyone is truly seen as partners to one another. We are committed to creating a culture where partners feel that they can achieve their career goals through growth and development opportunities, and fair and transparent performance management and promotion processes.

Over the past two years, we have been transforming our approach to Diversity, Equity, & Inclusion (DEI) so that we can make these aims a reality.

Our workforce of more than 28,000 partners is comprised of approximately 65% women and 35% people of color. Compared to the previous year, in 2021 we increased women's representation by 2.5% and people of color by 1.9%. We recognize that we have more work to do to fully reflect the diversity of our customers and communities, and we have been actively working to achieve this goal by increasing representation of women and people of color at all levels of our organization. In 2021, more than 50% of our director and above new hires and promotions were filled by women and people of color.

In 2021, **more than 50%** of our director & above new hires & promotions were filled by women and people of color.



DIVERSITY, EQUITY, & INCLUSION

Gender Representation at Petco (2021)	Male	Female
Board of Directors	64%	36%
Senior Officers	73%	27%
Vice Presidents	56%	44%
Managers and Directors	51%	49%
Non Management	33%	67%
Total Workforce	34.4%	65.6%

Ethnic Representation at Petco (2021)	Total People of Color	White
Board of Directors	36%	64%
Senior Officers	21%	79%
Vice Presidents	22%	78%
Managers and Directors	24%	76%
Non Management	36%	64%
Total Workforce	35.5%	64.5%

DIVERSITY, EQUITY, & INCLUSION

The Journey Towards DEI

Our DEI Strategy is focused on attracting and retaining diverse talent, ensuring equitable career outcomes for our partners, and fostering an inclusive culture where our partners feel respected for who they are, and valued for their contributions to the company. This approach evolved during the past year from our earlier Diversity, Inclusion, and Belonging (DIB) strategy, with equity being added as a key area of focus. Equity is about fair access to opportunities and advancements for all, and we are passionate about creating a company that provides equitable opportunities for all our partners.

As part of this enhanced approach, we took several key steps to transform the management and oversight of DEI during 2021. We recruited a new Head of DEI, Colleen Mitchell, to lead and advance our strategy, and we transitioned our DIB council, which was formed from a subset of our Executive Leaders to engagement of the full Executive Committee through Executive Sponsorship of Partner Resource Groups (PRGs), inclusive leadership actions, and accountability for achievement of enterprise-wide DEI goals.



DIVERSITY, EQUITY, & INCLUSION

Leading from the Top

Our commitment to fostering a diverse, equitable, and inclusive workplace culture begins at the top. In June 2020, our CEO, Ron Coughlin, made five commitments that have guided our approach over the past two years, including to re-focus our efforts around hiring, developing and promoting underrepresented communities, and holding ourselves accountable with tangible annual progress objectives we are currently developing, and to continue to drive a more inclusive and diverse culture by listening to and educating our Petco family with appropriate diversity and inclusion awareness training, focus groups, roundtable discussions, and more.

In addition, our CEO sets annual goals related to achieving long term workforce diversity, equity, and inclusion. Progress against these goals is tracked and reviewed regularly with our executive team and our board of directors. For 2022 these are:

- 1. Increase Black, Indigenous & People of Color (BIPOC) representation of new hires by 4% YoY and maintain strong representation of women new hires**
- 2. Increase BIPOC representation of new hires in people leader roles**
- 3. Reduce full-time total attrition of BIPOC partners**
- 4. Increase “Recommend Petco as a place to work” and partner “Intent to Stay” in our Voice of the Partner survey**

To deepen our culture of inclusion, we held our first annual Celebrate Diversity All Hands event in 2021, which included participation from our CEO, Chief Human Resources Officer, and head of DEI. The event showcased our new DEI strategy, demonstrated how it is aligned with our overall business strategy, and included a panel discussion from our PRG leaders.

DIVERSITY, EQUITY, & INCLUSION

Pay Equity

In May 2021, we engaged a third-party partner, Syndio, to conduct a pay equity analysis for our entire Support Center and Upper Field/ Distribution Center leadership partners. The analysis provided a baseline for measuring progress against our DEI and Talent initiatives. We maintain internal goals to reduce or eliminate statistical pay gaps associated with that analysis, and we intend to continue performing additional pay equity analyses in 2022 and beyond.



DIVERSITY, EQUITY, & INCLUSION

DEI Training and Education

Upon starting employment with Petco, all new partners must acknowledge that they have read and agree to the expectations set out in our Partner Handbook, which includes our commitment to zero tolerance of harassment and discrimination. We provided harassment and discrimination awareness training to leaders, and in 2021, we also extended this training to partners throughout the company. So far, more than 84% of partners have completed this training.

As part of their onboarding, leaders learn how to recognize and prevent subtle exclusion and bias and foster an inclusive workplace for all partners. This is followed with activation e-packs that include exercises, tools, and discussion prompts to help them apply what they've learned and shift behaviors within their teams.

In addition to the training received during onboarding, this year we delivered 26 DEI Workshops, the equivalent of almost 1,500 hours of DEI training, on topics including the cornerstones of an inclusive environment, how to be inclusion catalysts, and building a strong and inclusive team identity. In addition, we incorporated 4 DEI eLearning courses into our "Leadership Essentials" program (see Talent Attraction & Development section for more details).

For those that completed the DEI training in 2021, 93% said they were able to apply the knowledge and skills they gained in their roles to improve DEI behaviors almost immediately. 77% felt the training had improved their ability to spot and challenge unconscious bias, 58% felt it helped them create deeper connections with Petco partners and 65% said it helped them spot subtle signals they may be sending and adapt their styles.

93% of DEI training participants felt they could apply the learnings.

In 2021, we delivered **26 DEI Workshops**, the equivalent of almost **1,500 hours** of DEI training.



DIVERSITY, EQUITY, & INCLUSION

Partner Resource Groups

Partner Resource Groups (PRGs) are voluntary, partner-led groups, open to all Petco partners, providing an opportunity for diverse groups to exchange ideas, build connections, and promote inclusive activities. In addition to arranging internal activities, our seven PRGs also represent Petco in our local communities through outreach and relationships with community organizations.

All our PRGs are supported by Executive Sponsors who are vital to advancing their work, amplifying the visibility of our PRG network, and supporting the career advancement of the partners who lead them. Two thirds of our Executive Committee serve as executive sponsors for a PRG and as part of that responsibility they act as an advocate for the PRG by actively engaging in events and initiatives that support the group's aim. They also strive to eliminate within our company the unique barriers faced by the community the group represents, and ensure fair treatment, access, opportunity, and advancement for its members.

PRGs host activities throughout the year to support the personal and professional development of their members, and are responsible for arranging a program of activities during their affinity month to educate partners on the unique experiences of their group. During 2021, our PRGs hosted 50 events for Petco partners including:

1. Conversation on Social Justice with John Yang for Asian American and Pacific Islander Heritage Month
2. Panel on Working While Disabled or Caregiving during Disability Awareness Month
3. An American Sign Language learning course
4. Juneteenth Progress Forum in partnership with Hill's Pet Nutrition Black Leadership Council
5. Selena Watch Party and Networking Event for Latinx partners
6. Participating in the Susan G. Komen Race for a Cure



**WOMEN
AT PETCO**
Partner Resource Group



**LGBTQ+
AT PETCO**
Partner Resource Group



**PETCONTIGO
AT PETCO**
Partner Resource Group



**MILITARY & VETERANS
AT PETCO**
Partner Resource Group



**BLACK
AT PETCO**
Partner Resource Group



**PAN ASIAN AMERICAN
AT PETCO**
Partner Resource Group



**ABILITY
AT PETCO**
Partner Resource Group

DIVERSITY, EQUITY, & INCLUSION

Supporting LGBTQ+ People and The Trevor Project

For Pride Month 2021, in collaboration with our LGBTQ+ PRG, we partnered with [The Trevor Project](#), the world's largest suicide prevention and crisis organization for LGBTQ young people. During the month, 10% of all purchases from our expanded Youly Pride collection was donated to The Trevor Project, and we encouraged pets and pet parents to show off their pride and celebrate what makes them unique with festive pieces from the new collection, including trendy apparel, toys, and accessories for dogs, cats and small animals, as well as human "match-back" apparel. The campaign raised \$242,000 for The Trevor Project.



Hiring from Diverse Groups

We know that to ensure a diverse workplace, we must start by looking at our hiring processes. During 2021, we launched a multi-phase program and toolkit to create consistency and reduce bias in our retail General Manager hiring process called Project C.A.R.E. (Candidate Acceleration and Recruiting Experience). We trained our field leaders on using the toolkit and we will continue to inspect and update our hiring processes as needed to ensure equitable outcomes in 2022 and beyond. With help from our PRGs, we also produced spotlight videos sharing personal stories from members highlighting what it means to be part of a resource group at Petco and how it's helped members find a greater sense of community and belonging. These videos were shared on our [YouTube page](#) so external candidates from diverse backgrounds can learn more about Petco's culture of inclusion and belonging as they consider where they'd like to work.

Petco also partners with the Professional Diversity Network – a platform that connects job seekers with companies who promote a diverse workforce. They help Petco expand our recruiting reach and ensure we are connecting with diverse audiences.

DIVERSITY, EQUITY, & INCLUSION

DEI Outside of Petco

Our focus on DEI extends beyond our internal Petco practices and initiatives and as such, we actively seek ways to promote and support external DEI opportunities. In 2021, this included a partnership with the [Alliance for Inclusive and Multicultural Marketing](#) and becoming a member of the [RILA Diversity & Inclusion Council](#) to share knowledge with other organizations.

Petco is also a proud member of [CEO Action for Diversity & Inclusion](#), the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. The commitment made by this group is driven by a realization that addressing diversity and inclusion is not a competitive issue, but a societal issue. Recognizing that change starts at the executive level, Petco has joined nearly 2,000 CEOs of the world's leading companies and business organizations to leverage their individual and collective voices to advance diversity and inclusion in the workplace.



CEO **ACT!ON FOR
DIVERSITY & INCLUSION**

HUMAN RIGHTS & FAIR LABOR PRACTICES

Human Rights & Fair Labor Practices

We are committed to the protection and respect of human rights for our partners, and all those who contribute to our business throughout our supply chain, including their rights to be treated with dignity and respect, to have equal opportunities, and to be free from harassment and discrimination. We place great emphasis on the importance of a safe and healthy workplace and comply with all applicable standards and laws governing maximum hours, days of service, rest periods, overtime pay and restrictions, worker benefits, and leaves of absence.

In 2021, we formalized our approach through a new [Human Rights Policy](#), building on our existing [Code of Business Conduct and Ethics](#), and our [Harassment, Discrimination and Workplace Conduct Policy](#), which set out our expectations for our partners and is available to them through our Petco partners' intranet. We also published an updated Vendor Guide to further outline our expectations for vendors, as described in the Planet section. Our approach and policies are informed by international instruments such as the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

We have zero-tolerance towards any violations of our policies and operate a confidential ethics hotline which can be used to report any concerns regarding human rights and potential breaches of this policy, as described in the Governance section. During the first half of 2021, Petco's Owned Brand Sourcing team led the XUAR Certificate of Compliance Project through which Owned Brand, China-based manufacturers of cotton products signed a letter certifying that they do not source cotton from any subsuppliers utilizing forced labor. This letter was sent as an extension of Petco's Vendor Code of Conduct.



EMPLOYEE HEALTH, SAFETY, & WELLBEING



Employee Health, Safety, & Wellbeing

The health, safety, and well-being of all Petco partners is our top priority.

We have a thorough Injury and Illness Prevention Program incorporating safety policies, procedures, work practices, and training, clearly defined responsibilities, regular assessments, and corrective action requirements to help us minimize injuries and incidents. We also have detailed procedures in place to prevent and respond to zoonotic diseases, in line with CDC recommendations. A Zoonotic group with representatives from various key departments ensure the procedures are followed correctly and immediately address any issues that arise.

In addition to a strong management system and leadership on safety issues from our senior management, partner engagement is a key element of success in safety excellence. We promote a culture of accountability and cooperation, where every Petco partner takes responsibility for complying with our Health & Safety policies and procedures. To ensure that they fully understand how to do so, we conduct regular safety meetings at our Pet Care and Distribution Centers and make safety training a central component of our approach. Upon starting their employment with us, every new Petco partner is provided with robust online training covering occupational health and safety, environmental compliance, and additional health and safety topics specific to their roles. Partners receive ongoing training from line-managers, and we run quarterly enterprise-wide training on key safety topics such as hazard communication, emergency action preparedness, safe lifting, injury and illness prevention, incident reporting and investigation, as well as job-specific training sessions for partners in certain roles.

During the past year, we worked hard to reduce injuries and incidents in our Distribution Centers. We used safety boards and other recognition programs to promote safe behaviors and conducted daily safety meetings at the start of each working day as well as weekly safety leadership meetings. As a result, we were able to drive down injuries despite an increase in shipments. During 2022, we plan to further solidify our EHS excellence through improved use of analytics, digital tools, engineering controls, and incident management.

EMPLOYEE HEALTH, SAFETY, & WELLBEING

Employee Safety KPIs

	2018*	2019*	2020*	2021*
Indemnity Claims	543	582	565	614
Total Claims	2144	2680	2361	2895
Fatalities from work-related injuries	0	0	0	0
Lost-Time Injury Rate	1.7	1.7	1.66	1.9
Lost-Time Injuries Frequency Rate	8.5	8.5	11.10	9.5

*Petco tracks workplace injury during calendar year instead of fiscal year.



EMPLOYEE HEALTH, SAFETY, & WELLBEING



Wellbeing

We promote partner wellbeing through various resources focused on helping foster mindfulness, self-care, stress-reduction, and fitness. For example, we have an active stretching program in the grooming salons and an ergonomics program. At our corporate office locations, we have fitness centers, as well as dog parks to encourage partners to bring their pets to work and spend time outdoors. We orchestrate and promote activities and touchpoints that build a feeling of community and encourage resilience for our partners by using #PetcoStrong themes and messaging woven throughout partner communications.

**OUR PETCO PARTNER ASSISTANCE FUND,
LAUNCHED IN 2020 TO PROVIDE FINANCIAL
ASSISTANCE TO PETCO PARTNERS IN TIMES
OF NEED PROVIDED**

\$371,875

OF FUNDING TO 322 PARTNERS IN 2021

EMPLOYEE HEALTH, SAFETY, & WELLBEING

Our Continued Response to COVID-19

During 2021, we continued to follow scientific advice and guidance from the U.S. Centers for Disease Control and Prevention (CDC) to ensure we met or exceeded local, state, and federal regulations and recommended health and safety guidelines in our response to Covid-19. We continued with the programs we had put in place in 2020, including increased cleaning frequency and practices, acrylic barriers at our register and grooming salon counters, providing hand-sanitizer stations, temperature screening tools, free facial coverings, and gloves in Pet Care Centers, and monitoring the health of our partners with daily health and temperature checks.

In 2021, based on updated scientific guidance and following the state and federal guidelines, we updated our requirements for guests, with facial coverings now strongly recommended but not required. In areas deemed to be medium or high risk according to the CDC Covid-19 Community Level, we still require our partners to wear masks, but have adjusted our requirements in low-risk communities. Our support centers remained closed through March 2022, with our partners working remotely. Until March 2022, we continued to monitor the health of our partners with daily health and temperature checks to be able to return to the office. To date, we are only allowing vaccinated or approved accommodation individuals into our support centers. We've been encouraging our partners to get vaccinated with emails and information campaigns sharing the importance of the vaccine, in partnership with medical experts. To incentivize partners, we give each partner who receives the vaccine a \$75 gift and donate an additional \$25 to our Petco Partner Assistance Fund. We also ran a raffle for vaccinated partners from 2021 to 2022, awarding nearly \$300,000 to 300 partners as of close of the raffle in March 2022.

We have also continued with new programs and services for pet parents that allow reduced contact such as curbside pickup, same-day delivery, a reduced threshold for free shipping on online orders and even virtual dog training services. These programs have been extremely successful and will allow us to better serve pet parents in the long term.



TALENT ATTRACTION & DEVELOPMENT

Talent Attraction & Development

We aim to provide an inspiring and rewarding work environment with opportunities to grow and progress based on clear expectations, defined career paths, and targeted training for specific roles. We believe our inclusive and empowering culture, along with an attractive benefits package, will allow us to attract and retain partners with a passion for pets and pet parents, who will contribute to the success of our business.



Training

All our new partners receive a Welcome to Petco orientation to provide them with a comprehensive understanding of our business, strategy, culture, and expectations.

Average hours of training per Pet Care Center partner: **21.8**

As part of this training, all partners are provided with core Petco policies and procedures, including the Code of Business Conduct and Ethics, as well as our Employee Handbook. At any time during their employment with Petco, partners may access enterprise policies and procedures via the company's intranet, PetNet. Pet Care Center partners also complete a role-specific Learning Journey, which includes a combination of digital resources, leader-led learning, and on-the-floor job aids that specifically prepare them for key responsibilities in the Pet Care Center, including guest service, animal care, pet wellness, product knowledge, and merchandising.

In 2021, we enhanced our training curriculum by adding a "Leadership Essentials" program to embed foundational leadership skills in all new and newly promoted managers. This program is a blended learning experience that spans a new leader's first 90 days and includes topics ranging from Leadership Expectations, Inspiring Purpose-Driven Performance, Coaching & Delivering Feedback, and Leading Inclusively.

We have specific training programs for our different levels of emerging senior leaders. Our Next Generation General Manager and Next Generation Field Leader programs provide 20 General Managers and 20 top performing Field Leaders with learning experiences and networking opportunities to prepare them for their next leadership role. For our Director and VP leaders, we added two targeted development experiences in 2021 to accelerate the development of these future enterprise leaders. Our Director "Elevate" program is a five-month development experience targeting one of three focus areas most appropriate for the individual: Business Strategy, Executive Communications, or Team Leadership. The development experience also includes a 360-leadership assessment and roundtable discussions with our executive officer team. Our new "Ascent" program for VP leaders is a 3-day intensive experience with extensive involvement from our Board of Directors, outside consultants, external speakers, and the executive officer team.

% of the total workforce across all locations who received career- or skills-related training: **95%**

TALENT ATTRACTION & DEVELOPMENT



To reduce bias and ensure consistent talent processes, we leverage a set of Operational and Leadership Competencies when evaluating candidates for open roles, promotion, and in talent assessment processes for our Pet Care Center partners.

These tools help us to set clear expectations about what is required to be successful and provide a common language in development discussions.

In support center organizations, managers are encouraged to conduct quarterly check-ins with partners to discuss past performance, priorities for the upcoming quarter and ongoing development. We provide detailed guidance to leaders on how to have these effective performance and career development conversations. At the end of the fiscal year, partners receive a formal performance review to assess and provide feedback on their overall contribution against pre-defined objectives.

In addition, we conduct an enterprise-wide talent review for directors and vice presidents to identify those with the most potential to become senior leaders at Petco and targeted development activities to position them for growth. Consistent leadership criteria are used in this process and the assessment results are calibrated at the team and enterprise level with our senior executives. These talent calibration discussions ensure cross-functional feedback is considered, consistency in assessment, and thoughtful development actions and investments.

TALENT ATTRACTION & DEVELOPMENT



Penn Foster Vet Tech Program

We have partnered with [Penn Foster College](#) to sponsor 100 partners annually to advance their career through an accredited Veterinary Technician career pathway program. Veterinary Technicians play an important role in our Hospital and Mobile Vaccination locations and are in high demand. This program is open to all partners with a minimum of six months of service. Featuring self-paced, mobile friendly access, this program is accessible anywhere with on demand learning. Partners are highly supported throughout the process with mentors and monthly check-ins, and have up to four years to complete the program and meet the licensing requirements of a registered Veterinary Technician.

“I was so excited to learn about this program when my manager brought it to my attention. I have my own school loans that I’ve been trying to pay off, and so pursuing my Registered Veterinary Technician certificate had been put on hold until I found out about this. Through this self-paced, online program, I’m able to further my scientific knowledge of the skills I’ve learned hands-on by working at Vetco Total Care.”

KATHY MCKNIGHT
Hospital Veterinary Assistant

TALENT ATTRACTION & DEVELOPMENT

Total Rewards

Our compensation and benefits programs are designed to attract and retain highly skilled, performance-oriented partners who thrive in a culture focused on delivering purpose-driven results. We regularly evaluate the competitiveness and effectiveness of our compensation programs. We also updated our Corporate Annual Incentive Plan for eligible partners. Leaders are incentivized to deliver the highest levels of execution and business results through compensation packages aligned with the achievement of operational and financial results, increases in stockholder value, and the delivery of our mission. We are committed that as the company does better, our partners will continue to do better too. That is why we increased average hourly wage rates by double-digit percentages for partners with us since the beginning of the pandemic, paid out bonuses over 200% in 2021, and invested nearly \$12 million in benefits premiums and enhancements since the pandemic.

In addition to financial compensation and the incomparable benefit that comes from helping improve the lives of animals, Petco partners can enjoy medical, dental, and vision plans, a robust Employee Assistance Program with wellness guides and counselling sessions, flexible spending accounts, disability assistance, 401(k) with matching contributions, employee stock purchase program, as well as insurance and cell phone plan discounts.

We have generous paid time off programs including parental leave for the birth or adoption of a child for all partners with over one year of service, in addition to pet bereavement leave. Salaried partners may take unlimited personal time away from work with their supervisor's approval while hourly and field partners have competitive time off programs including a floating holiday for Martin Luther King Jr Day. To support partners with disabilities, our Leave and Accommodations department assesses each request for accommodation and provides support as needed.

INVESTED NEARLY
\$12 MILLION
IN BENEFITS PREMIUMS AND ENHANCEMENTS
SINCE THE PANDEMIC

Partner Satisfaction & Engagement

We want to make sure all our partners have the opportunity to provide us with feedback on their experiences working with us so that we can learn and improve. We strive to keep partners informed about our business and listen to what they have to say to us through regular town halls, round tables, team meetings, and intranet and social media pages. We also provide opportunities to share feedback anonymously through our annual Voice of the Partner engagement survey. Our survey asks partners how satisfied they are with various elements of their work at Petco and provides us with insight into how partners feel about a variety of topics, including leadership, diversity, benefits, career development, engagement, and more.

In our fiscal year 2021 survey, 82% of partners participated and 67.5% of these showed a high level of engagement with Petco. One of the areas we did best in, according to our partners, was in empowering them to do the right thing and provide our guests with a great experience. We also increased both our Inclusion and Leadership effectiveness scores. Conversely, the area they were least satisfied with was their salaries. We have taken this feedback into account and have since been reviewing our compensation programs and designing improvements which we hope will improve our partners' satisfaction in this area.

VOICE OF
THE PARTNER

ACCESSIBILITY, AFFORDABILITY, & INCLUSIVITY OF PET PARENTHOOD

Accessibility, Affordability, & Inclusivity of Pet Parenthood

We want to make the lives of pet parents easier by offering them affordable and accessible access to all their pet care needs, including high-quality veterinary care, grooming, dog training, and more. To increase pets' access to veterinary care, we expanded our network of veterinary care facilities to 197 full-service vet hospitals and 1,000 weekly Vetco mobile clinics by the end of 2021, continuing one of the fastest Vet buildouts in history.

Our Vital Care membership program helps pet parents take care of their pets' routine wellness needs in a convenient, affordable way. By enrolling in this annual plan, pet parents can enjoy exclusive benefits for their dog or cat including unlimited vet exams at all Vetco Total Care locations and discounts off nutrition, grooming, and other products and services. We even reward them for taking routine vet exams with a vet outside of Petco through our Pals Rewards program.

Petco Insurance plans provide pet parents with trusted protection from pet experts and can help keep the cost of non-routine vet services down. This dependable and flexible insurance coverage covers a variety of health needs ranging from sick exams to emergency surgeries at any vet, specialist, or emergency clinic in the nation.



COMMUNITY: CIVIC ALLIANCE

Civic Alliance

In 2021, we proudly joined the [Civic Alliance](#), a nonpartisan group of over 1,000 organizations that reach more than 5 million employees and are collectively working to build a future where everyone has the ability and access to participate in shaping our country.

At Petco, we are steadfast in our commitment to help our more than 28,000 partners to exercise their fundamental right to vote. We support efforts to increase voter participation, and we call on elected leaders at the federal, state, and local levels to work across the aisle to help all Americans have the right and freedom to vote in every election when and where they're eligible.

AS PART OF OUR COMMITMENT AND OUR MEMBERSHIP WITH THE CIVIC ALLIANCE, PETCO PROPOSES TO:

Encourage our U.S. audiences to participate in local, state, and federal elections

Empower our partners to vote and be civically active

Champion civic engagement opportunities in our communities

As a nation, we are stronger when everyone can participate in the democratic process and supporting broad voter participation is one of the most important ways to allow everyone's voice to be heard.



PLANET

Preserving the health
of our planet



OUR IMPACT ON THE PLANET

A concern for the health of our planet is a natural extension of our concern for the health and wellbeing of pets. We are proud of the role we have played in leading our industry in the protection of pet welfare for many years, and we plan to do the same for the welfare of our planet.

In addition to the responsibility we feel to play our part in protecting the natural world, doing so also responds to the growing concerns and purchasing decisions of pet parents, and will support the growth of our business.

That's why we are developing detailed plans to enable a science-based Net-Zero commitment in 2023.

We have conducted significant work over the past year to expand our data on our environmental performance, including historical data of our 2018 & 2019 performance for GHG emissions, energy use, and water consumption, and 2019 data for waste. This additional data helps us analyze trends in our performance and better identify opportunities for improvement. Our main operational environmental impacts arise from energy use at our facilities and emissions from distribution, so we are prioritizing looking for ways to reduce our impact in these two areas while working on identifying our SBTi targets and approach. We are also very focused on improving the impact of our products through reduction of virgin materials and packaging waste, and by inspiring pet parents to choose options that are more sustainable.

In the spirit of collaborating with our industry to embed sustainability practices across products and sustainable operations, we are founding members of the Pet Sustainability Coalition, a non-profit organization dedicated to creating a more sustainable pet industry and driving positive impact for the environment and communities. In 2021, we were honored to be awarded the Pet Sustainability Coalition Earth Hero Award for being a sustainability champion within the industry. The Earth Hero Award recognizes a member of the coalition whose sustainability efforts during the year have been exceptional and have had a significant impact on the industry.

“Petco has inspired the entire industry, not only by setting ambitious goals, but also by backing them up with the resources, support and leadership to make the goals attainable.”

CAITLYN DUDAS

Co-Founder and Executive Director
Pet Sustainability Coalition



OUR IMPACT ON THE PLANET

Over the past several years, we've been dedicated to addressing the direct impact we have on the climate from energy use at our facilities and emissions from distribution as this is the area where we could most quickly make changes to improve our performance.

We have now gathered 4 years of data for Scope 1 & 2, which helps us identify overall trends and better analyze and drill into our data. Although our absolute Scope 1 & 2 emissions have increased slightly year over year, we are proud that our emissions intensity per dollar of sales has decreased for the fourth consecutive year, showing that our emissions reduction initiatives are effective – and we'll continue to reduce further.. Over the next two years, we will be using this data to develop targets aligned with science-based criteria, as well as develop detailed plans to enable a Net-Zero commitment in 2023.

Petco Carbon Footprint, Scope 1 + 2

Activity	Units	2018	2019	2020	2021
Scope 1 GHG emissions*	tCO ₂ e	18,254	18,758	17,284	18,268
Scope 2** GHG emissions	tCO ₂ e	144,530	134,090	129,100	126,673
TOTAL Scope 1 & 2 emissions	tCO₂e	162,784	152,847	146,384	144,941
Scope 1 & 2 intensity	tCO ₂ e / SF	0.00697	0.00662	0.00639	0.00640
Scope 1 & 2 intensity	tCO ₂ e / \$M Sales	37.1	34.5	29.8	25.0

* Scope 1 includes fuel consumption in buildings (natural gas, propane) and fuel consumption in vehicles at Distribution Centers. Excluded are fugitive emissions from air conditioning and freezer and refrigerator units. Also excluded are emissions associated with mobile pet service vehicles, which includes 126 vans.

** Scope 2 includes electricity consumption. Scope 2 emissions are calculated only according to the location-based method using grid-average emissions factors from the EPA Emissions & Generation Resource Integrated Database (eGRID). Market-based emissions factors are not available



OUR IMPACT ON THE PLANET

Scope 3 Emissions

While we have been making progress with our Scope 1 & 2 emissions, we know we need to reduce GHG emissions across our value chain. Our impact extends back up the supply chain to our sourcing from third party brands and suppliers, and forward to the way our products are used and disposed of once purchased by pet parents. That's why, over the past year, we've been working to identify our relevant Scope 3 emissions categories and conduct an analysis of our Scope 3 impacts. We will then be able to use this data to identify key areas for improvement and track our progress. The following table outlines our current emissions performance in the areas we have identified as being most relevant to our business, based on our work this year. As we expected, our Purchased Goods & Services and Upstream Transportation & Distribution are our greatest areas of impact and will therefore be the areas we will look to address first.



Category	Activity	tCO ₂ e	Headline Description
1	Purchased goods & services	548,622	All product and non-product spend not accounted for elsewhere
2	Capital goods	14,522	Equipment and fleet purchases, building construction
3	Fuel- and energy-related activities	43,817	Upstream energy-related emissions not included in Scope 1 & 2
4	Upstream transportation & distribution	154,652	All contracted transport and third-party freight from tier 1 suppliers
5	Waste generation in operations	17,111	Treatment of solid and recycled waste, and wastewater
6	Business travel	2,051	Travel, hotels and expenses
7	Employee commuting	6,077	All employee commuting to and from Petco workplace
8	Upstream leased assets		Not relevant to Petco
9	Downstream transportation and distribution		Not relevant to Petco
10	Processing of sold products		Not relevant to Petco
11	Use of sold products	In progress	Lifetime energy use of sold electrical devices
12	End-of-life treatment of sold products	In progress	End of life treatment of product and packaging materials
13	Downstream leased assets		Not relevant to Petco
14	Franchises	In progress	
15	Investments	In progress	

OUR IMPACT ON THE PLANET

Petco Energy Consumption

Activity	Units	2018	2019	2020	2021
Fossil fuels (natural gas, propane)	Mwh	98,968	101,660	93,534	99,944
Grid-purchased electricity	Mwh	365,323	358,506	346,270	359,220
Self-generated solar electricity	Mwh	72	1,257	1,221	1,097
Total energy consumption	MWh	464,363	461,423	441,024	460,261
Energy intensity (electricity)	kWh / SF	15.6	15.5	15.1	15.6
Energy intensity (electricity)	kWh / \$M Sales	83,192	81,128	70,625	62,047

Energy Management

Our main source of direct energy consumption is electricity use at our Pet Care Centers. Since 2015, we have used an Energy Management System (EMS) that monitors the energy consumption within Pet Care Centers and performs real-time analysis of equipment and processes such as lighting schedules and temperature control. Doing so allows us to quickly identify and respond to any areas that are not operating as efficiently as they should, as well as find additional opportunities to save energy. All newly constructed and remodeled Pet Care Centers are fitted with energy efficient lighting and HVAC systems. For the fourth consecutive year, our efforts enabled us to decrease our energy intensity per dollar of sales.

One of our key energy saving programs over these years has been a lighting retrofit program to convert older fluorescent bulbs to more energy efficient LED bulbs. In addition, we introduced a lighting curtailment program at Pet Care Centers that deactivates half of the sales floor lighting for 1.5 hours a day, which has a negligible impact on guests and partners, but a huge cumulative impact on energy use. We have been working to extend this to more and more Pet Care Centers, and by the end of January 2022, more than half of our Pet Care Centers were participating in this program.



OUR IMPACT ON THE PLANET

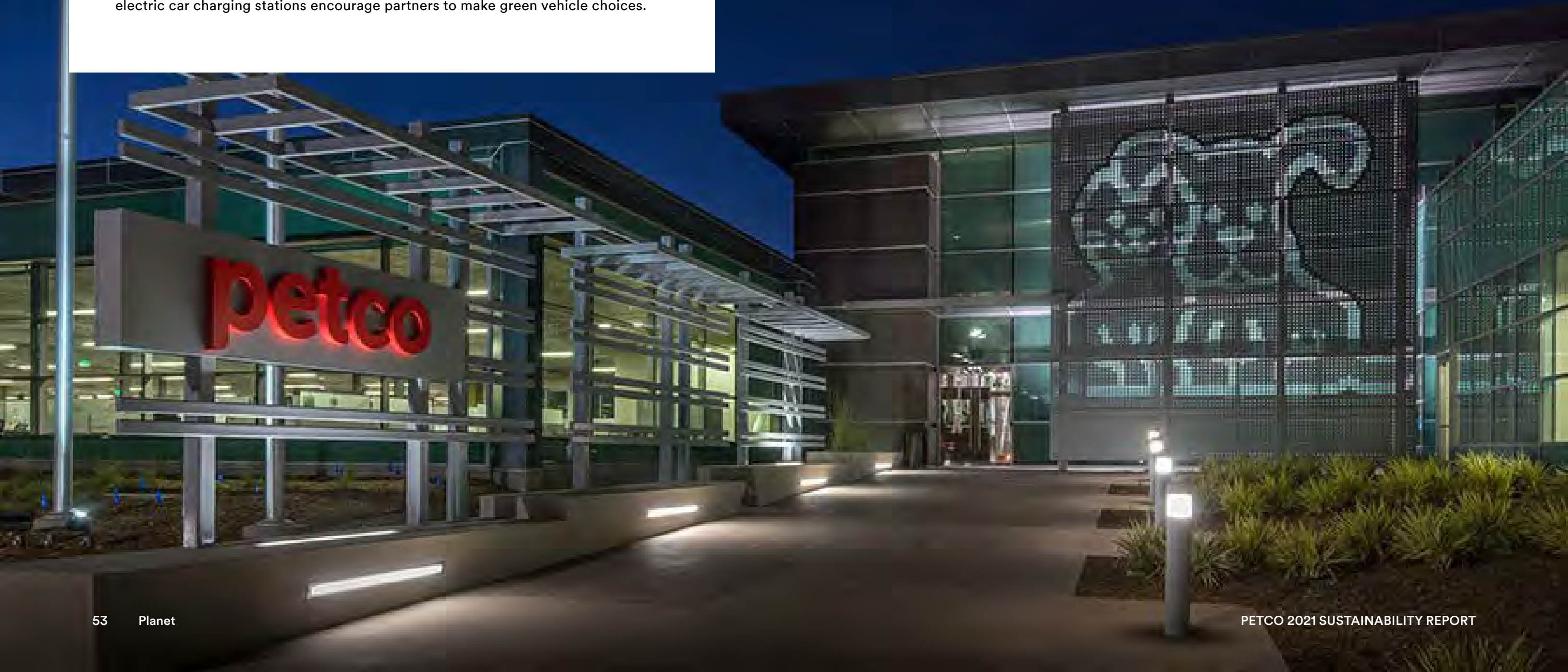
National Support Center Sustainability

Our National Support Center in San Diego was designed with sustainability in mind. The building is topped with a solar panel system that produced approximately 1.1 GWh of renewable electricity in 2021 and provides nearly half of the building's electricity use in a typical year. In addition, drought-tolerant landscaping minimizes water use for landscaping while maintaining beautiful grounds for our partners, and electric car charging stations encourage partners to make green vehicle choices.

SOLAR PANEL SYSTEM
PRODUCED APPROXIMATELY

1.1 GWh

OF RENEWABLE ELECTRICITY FOR OUR
NATIONAL SUPPORT CENTER IN
SAN DIEGO IN 2021



OUR IMPACT ON THE PLANET

Transportation & Logistics

Over the past few years, we've been analyzing our approach to transportation and logistics to identify ways to increase efficiency and reduce fuel use and carbon emissions. By increasing the amount of inventory kept in Pet Care Centers so they need re-stocking less frequently, and opening micro and metro fulfillment center locations to keep products closer to where our guests live, we've been able to reduce the number and distance of journeys made. We also reduced emissions per journey by reducing our pallet use, which cuts down weight and waste.

SUSTAINABLE PRODUCT OFFERING



Sustainable Product Offering

We are dedicated to offering more sustainable products that benefit the planet and communicating our assortment clearly to customers so that they can make sustainable choices, which is why we have made a bold commitment to increasing our assortment of sustainable products to 50% by the end of 2025; this will also support us as we develop plans to achieve net-zero emissions across our operations. To achieve this, we will need to increase both our own Owned Brands assortment of sustainable products and expand sustainable product sourcing from vendors.

In considering our products' impacts on the environment, we look at their entire lifecycle - from sourcing sustainable materials and ingredients, responsible manufacturing and packaging, to their end-of-life disposal. For our Owned Brands, we work with vendors who can provide us with more sustainable materials such as those with Global Recycled Standard (GRS), Okeo-Tex®, and organic certifications.

To extend our sustainable product sourcing, we are building partnerships with vendors and encouraging sustainable innovation across their brand portfolios so that we can collectively offer pet parents even more sustainable options. In 2021, we integrated sustainable product attributes into vendor intake forms to help us more easily identify prospective vendors that meet our sustainability requirements. We conducted training for our partners responsible for purchasing decisions to ensure they fully understand our sustainable product attribute requirements, and what to look for when making product development or assortment decisions regarding sustainability. In addition, we engaged directly with vendors to connect with suppliers with sustainable products and educate them on our sustainability priorities through informational presentations and training webinars.

OUR COMMITMENT: WE'RE INCREASING OUR ASSORTMENT OF SUSTAINABLE PRODUCTS TO

50%

BY THE END OF 2025

SUSTAINABLE PRODUCT OFFERING

Sustainable Product Offering

Some of the brands we are delighted to have on our shelves are:

1. Canidae Sustain, which features premium recipes made with responsibly sourced proteins such as wild-caught salmon and cage-free chicken, as well as plant-based protein alternatives. Canidae Sustain also uses packaging comprised of 40% post-consumer recycled materials. Their products were available in 800 of our Pet Care Centers in 2021 and will become available in 1,000 locations by the end of 2022.
2. Hill's, all six of whose owned facilities are certified under the TRUE® certification program for zero waste.
3. Jiminy's which uses highly nutritious cricket protein in their dog food and treats. This has a much lower environmental footprint than traditional meat proteins.

Sustainability Vendor Summit

In 2021, we held our first Sustainability Vendor Summit to connect with vendors in the marketplace who offer more sustainable product options. We sent an open invitation to manufacturers of pet products that align with at least one of our sustainability pillars to attend virtually and connect directly with our merchandising team. Over several days, we engaged with 150 brands during this event helping to educate them on Petco's sustainable product program and commitment and encouraging them to approach us with their sustainable products.

We also partnered with the Pet Sustainability Coalition to host webinars on each of the 5 pillars of our product commitment to further educate our vendor community on the avenues of sustainability we are prioritizing. These events had over 200 participants, increasing the reach of our sustainable product commitment.

We will continue our training and communication efforts in 2022 to support both vendors and our internal teams in identifying and developing more sustainable products.



SUSTAINABLE PRODUCT OFFERING



Partnering with Jiminy's for the Health of Pets and Planet

Jiminy's is a uniquely sustainable pet food brand that offers a collection of nutritious and ecofriendly food and treats formulated with insect-based protein instead of traditional protein options such as beef or poultry, which have a significant impact on the environment.

The brand has pioneered the standard of insect protein-based foods for dogs, and we are proud to partner with them and bring their products to around 800 of our stores and online, challenging pet parents to rethink their dogs' diet by making this healthy and sustainable choice more readily available. Farming insects releases substantially less carbon and methane, and switching to insect-based protein also saves a significant amount of water compared with traditional meat-based proteins. For example, one 5oz bag of Jiminy's dog treats uses 220 gallons of water less than a traditional bag of treats. At the same time, insect-based treats emit 2.3 times less greenhouse gases than the same amount of chicken-based treats and 7.4 times less than beef-based treats.

“These savings are significant, which is why we're so thrilled to be the only national, omni-channel retailer that is bringing Jiminy's sustainable, unique-to-market food and treats to even more pets nationwide. They are both good for our beloved four-legged friends and good for the planet.”

SHARI WHITE
SVP of Merchandising
Petco

SUSTAINABLE PRODUCT OFFERING

Consumer Engagement & Promoting Sustainable Consumption

Our data shows that many pet parents already look for sustainable options. We want to help them easily access those options while inspiring them to go even further, for example, by promoting reusable and refillable items rather than single-use or individually packaged items, as described in the Circular Economy & Waste section of this report.

In addition to engaging with our customers and vendors, we also aim to promote sustainable consumption throughout our industry. In 2021, we participated in the Sustainable Brands conference to share our Sustainable Product Commitment and inspire others. This annual conference, held in our hometown of San Diego, convenes sustainability professionals from all industries to drive transformation across brands. We shared details of our 2025 Sustainable Product Commitment, with a specific focus on customer sentiment. This gave us the opportunity to engage suppliers and peers, share our learnings thus far, and help others as they develop similar strategies.

SUSTAINABLE PRODUCT OFFERING

Product Information & Labeling

To help make choosing sustainable products easier for pet parents, we provide clear in-aisle signage in our Pet Care Centers and have a dedicated shopping destination online that highlights the sustainable attributes of our products and allows pet parents to filter by the issues that are most important to them.

Our Sustainability Pillars

RESPONSIBLE MANUFACTURING

Brands and products use responsible manufacturing practices during production.



SUSTAINABLY SOURCED MATERIALS

Products are made with solutions featuring organic material, recycled content and biobased material.



SUSTAINABLY SOURCED INGREDIENTS

Food and treats are made with ingredients that are more environmentally friendly or emit fewer greenhouse gases.



RESPONSIBLE PACKAGING

Packaging is designed to be refilled with the same type of product or for multiple uses.



PET WELFARE

Brands help ensure that pets are treated humanely and products meet Petco's Cruelty-Free Standard.



SUSTAINABLE PRODUCT OFFERING



Reddy Boutique

First launched in 2018, Reddy quickly became one of our most popular brands, offering high-quality, innovative, functional, and sustainably made apparel and accessories for pets. In fact, 85% of the current product portfolio is created with recycled content such as plastic bottles.

As part of the brand's innovative spirit and its goal to pioneer a pet friendly path to sustainability, Reddy opened a flagship boutique in the heart of SoHo, New York in October 2021, offering an elevated shopping experience featuring curated Reddy merchandise and new, exclusive, pet-centric experiences. The first-of-its-kind boutique aims to give pet parents a hub to bond, recharge, and find the latest must-have gear that's stylish for the city, rugged for the trails, and more sustainable for the planet.

SUSTAINABLE PRODUCT OFFERING

Product Quality & Safety

The safety of our products and services for those who use them is paramount.

The safety of our products and services for those who use them is paramount. Our Six Steps to Total Quality assurance process is designed to ensure the safety, quality, and reliable performance of our Owned Brand products and encompasses each stage of the product lifecycle. Before any product goes to market, it must undergo rigorous testing at a certified third-party testing lab. Our test protocols are designed by quality assurance professionals with strong knowledge of animal safety and behavior. In developing these protocols, we use stringent global safety standards and tailor them to each animal type's behaviors and needs. Our international and domestic vendor partners are required to comply with all federal and state quality and safety regulations.

We regularly review Pet Care Center and guest feedback to determine where improvement is needed. In addition, we conduct random sampling from Pet Care Centers to test and validate continuing performance using certified, independent testing labs. This allows us to learn and improve upon our product designs and testing protocols. Reporting tools are in place for our Distribution Centers and Pet Care Centers for product quality and safety concerns to be reported to the appropriate Quality Assurance teams.



SIX STEPS TO TOTAL QUALITY

- 01 **Vendor Selection**
- 02 **Product Conception**
- 03 **Design & Development**
- 04 **Production & Testing**
- 05 **Consumer Monitoring**
- 06 **Continuous Improvement**

CIRCULAR ECONOMY & WASTE

We look for ways to minimize waste and the use of virgin materials throughout our operations – from the way our products are designed, packaged, and disposed of, to our use of printed materials in Pet Care Centers. Over the past three years that we have been tracking our data in this area, our performance has remained consistent in terms of the percentage of waste we are diverting from landfill, however, we know that there is much more we could do, and we will be searching for ways to improve our performance over the coming year.

Petco Operational Waste at Distribution Centers

Activity	Units	2019	2020	2021
Landfill	tons	3,946	3,659	4,510
Recycled	tons	6,682	6,902	7,974
Total waste generated	tons	10,628	10,561	12,484
Diverted from Landfill	%	63%	65%	64%

Petco Operational Waste at Pet Care Centers

Activity	Units	2019	2020	2021
Landfill	tons	22,322	21,469	21,851
Recycled	tons	15,644	14,307	14,478
Total waste generated	tons	37,965	35,776	36,329
Diverted from Landfill	%	41%	40%	40%

Petco Hazardous Waste

While minimizing all waste where possible, we also have a company-wide hazardous waste management program that includes strict responsibilities with daily and weekly hazardous waste station checks and thorough training so that these products are properly disposed of and any unavoidable hazardous waste, such as cleaning and pharmaceutical products from our veterinary clinics, are managed appropriately. We provided training on hazardous waste to 95% of our partners in 2021.

	Units	Total	Recycled	Landfill	Diversion Rate
2019*	Metric tons	144.51	65.18	79.33	45%
2020*	Metric tons	102.13	57.36	44.77	56%
2021	Metric tons	132.63	87.20	45.42	66%

* 2019 and 2020 figures are restated due to improved data accuracy

E-waste

We partner with National Association of Information Destruction (NAID) AAA certified vendors to ensure the secure remarketing and disposal of our electronic waste (e-waste). Since 2020, we have processed 129,307 pounds of e-waste.

CIRCULAR ECONOMY & WASTE

Using Recycled Materials in our Products

We aim to contribute to a circular economy and minimize the use of virgin materials in our products by looking for ways to use upcycled materials instead. For example, our Started as a Bottle and Homegrown lines include pet apparel, accessories, toys, and more made from recycled plastic. Our Reddy and Youly brands reduced the use of virgin plastics in 2021 by converting their hangers to 50% recycled content.

sophresh[®]

Our So Phresh brand promotes sustainability using recycled, biobased, and durable materials, as well as refillable packaging. So Phresh refillable litter has been a guest favorite for over two decades and promotes the reduction of plastic waste while offering quality performance at a very competitive price.

In addition to the refillable offer, So Phresh has been reducing the use of virgin materials in small animal bedding and litter, bird bedding, and cat litter. One of the ways the brand has done so is by switching the paper portion of most of the bedding and litter to 95% or more post-consumer recycled paper. The paper used for these products is collected by our vendor through its [PaperGator®](#) recycling program which gives schools, companies, and community groups the opportunity to raise funds for collecting paper for recycling, and treats it to make it safe for use by pets.

The So Phresh dog waste bags assortment is made with 30% post-consumer recycled content or 38% biobased content depending on the product. Disposable cat litter boxes are made with 55% biobased PIR foam. Although they are disposable, the boxes are made with durable materials that promote long-term use.



CIRCULAR ECONOMY & WASTE

Responsible Packaging

As a retailer, packaging waste is a key area for us, and we continuously look for ways to reduce unnecessary packaging without compromising the safety and quality of our products.

For example, over the past year, we identified and added more product categories to our polybag reduction initiative, which reduces the number of protective polybags used in the packaging of individual products when shipping to our Pet Care Centers and keeps only one outer polybag per carton. These included dog cleanup, companion animal supplies, grooming, and travel supplies. The program helped us avoid the use of approximately 6.5 million polybags in 2021. We are also testing innovative materials such as stretch fabric, recyclable honeycomb, Stygreen™, and other sustainable packaging options that will help us reduce waste and the use of virgin materials during product shipping.

Providing same-day delivery and “buy online, pick up in store” options for our guests helps reduce packaging waste at the point of sale as these orders can be fulfilled from local Pet Care Centers and therefore don’t require the same use of protective packaging that traditional online orders would. In 2021 we saved nearly 8 million pounds of cardboard and more than 66,000 pounds of plastic packaging material for guests who would have otherwise chosen e-commerce fulfillment.

WE SAVED

NEARLY **8 MILLION** **&** APPROXIMATELY **66,000**

POUNDS OF CARDBOARD **POUNDS OF PLASTIC PACKAGING MATERIAL**



CIRCULAR ECONOMY & WASTE



Refilling Stations

Using refillable containers rather than single-use ones also helps reduce packaging waste. For example, our refillable cat litter station allows guests to buy one filled hard plastic bucket, and then bring that bucket back to the Pet Care Center to be filled again and again, eliminating the need for plastic packaging each time.

In February 2022, following a successful trial at 5 stores during the latter part of 2021, we entered into a first-of-its-kind partnership with Canidae™ to help curb reliance on single-use plastics by providing self-serve bulk option to purchasing kibble. By the end of 2022, we plan on having Canidae Refillable kibble stations installed at more than 100 Pet Care Centers across the country. In addition to eliminating 50,000 dog food bags that would otherwise end up in landfill within the first year, the program will also save pet parents money – they can expect to save up to 45% per pound on their purchases.

CIRCULAR ECONOMY & WASTE



Planet-Friendly Communications

Following a review of our printed materials, we reduced printing needs by digitizing certain communication and operational materials and converted to more environmentally friendly print vendors where we could.

For example, digitizing our Companion Animal Purchase Cards and Hourly Animal Health Checks saves around 2.2 million paper cards and 500,000 sheets of paper annually. Eliminating Aquatic Purchase Cards by including information directly on fish bags saves a further 4 million slips of paper annually. In 2021, we continued this transition of paper-based systems converting our four Care Databases and Water Quality Testing Logs to digital, and estimate that across all Pet Care Centers, our efforts have saved at least 171,000 sheets of paper.

We are maximizing the use of more sustainable materials for signage in our Pet Care Centers. Additionally, we are working towards completely eliminating the use of Foamcore and Styrene, which can take hundreds of years to biodegrade. We recognize the critical importance in using more sustainable materials that are 100% recyclable, produced with recycled content, or certified by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

Live Animal Transportation

When transporting live animals, the comfort and safety of the animal is our primary focus. Typically, they are transported in single-use cardboard crates lined with wood shavings. In 2021, we started converting to reusable shipping boxes for companion animals in around 550 Pet Care Centers. These easily disinfected boxes are designed with comfort and safety in mind and provide good airflow and access to food and water. For live fish, we are converting to biodegradable plastic bags for transportation and have put this into effect in 700 Pet Care Centers during 2021. Through 2022 and 2023, we plan to expand these successful programs to all small mammal and aquatic life shipments.

WATER-RELATED RISKS

Water-Related Risks & Impacts

Our main water impacts come from our aquatic systems in Pet Care Centers and water use for animal care, particularly grooming. To reduce water, use and waste in our aquatic systems, we have introduced a water change feature that allows us to filter and recycle water back into the tank rather than draining it. As aquatic systems become due for an upgrade, we replace them with systems that use this water recycling feature – during 2021, 20 new systems were installed.

In 2020, we developed a new bathing system for dogs being groomed that reduces the time needed to bathe each pet, and therefore the amount of water used for each dog groomed by dispensing shampoo within the water stream. In 2021, we continued to roll out this upgrade to approximately 500 additional Pet Care Centers, bringing the total number of upgraded Pet Care Centers with the new bathing systems to 846.

These two programs have helped us reduce our total water consumption and intensity year on year over the past two years.

Activity	Units	2018	2019	2020	2021
Total water consumption*	M ³	2,310,284	2,594,828	2,441,674	2,295,872
Intensity of water consumption	M ³ / SF	0.097	0.108	0.103	0.105

* All our water consumption is freshwater supplied by municipal water utilities. This total includes estimated water consumption for around 30% of our Pet Care Centers for which direct metered data is not available.



SUPPLY CHAIN

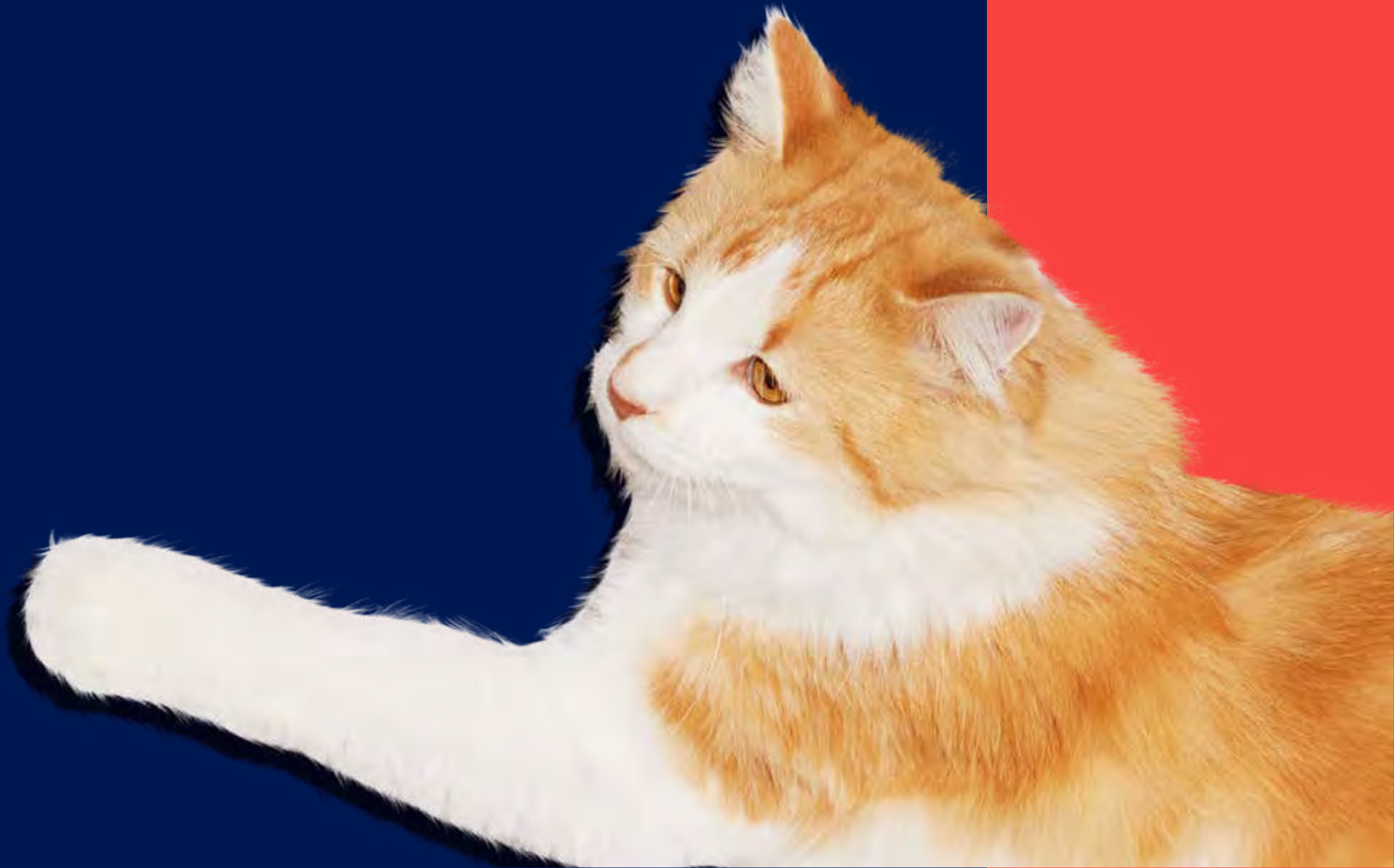
Responsible Sourcing & Supply Chain Practices

Strong, mutually beneficial partnerships with trusted suppliers who create innovative products and solutions for our customers are critical to our success as a company.

All vendor partners are expected to read and comply with our [Code of Business Conduct and Ethics](#) and the Vendor Ethical Standards outlined in our Vendor Guide, as well as all applicable local, federal, and international laws. Our Vendor Guide was updated in 2021 and outlines our expectations with respect to regulatory compliance, ethical conduct, animal welfare, human rights, discrimination, environmental protection, privacy standards, product and packaging quality, and more. Compliance is a condition of partnership, and we are dedicated to strict enforcement.

Vendors are required to allow their employees access to Petco's confidential whistleblower hotline to report ethics concerns. Prior to starting a relationship with Petco, our policies subject Owned Brand vendors to robust vendor onboarding practices, which can include third-party audits of product quality and safety and other ethical business practices such as proper treatment of their work force. Annual quality audits are normally required for vendors globally, and annual Social Compliance audits are additionally required for factories outside the United States. Violations are addressed through a Corrective Action process and can result in penalties including business termination if not remedied. In 2021, to minimize Covid-19 exposure risk among auditors and suppliers, we conducted in-person audits of our new and higher risk vendors only and asked lower risk vendors to complete a self-assessment, which we then reviewed. Risk level for compliance was determined according to the species category and prior audit scores.

GOVERNANCE



GOVERNANCE

We are a purpose-driven business, and pride ourselves on serving pets and pet parents with integrity.

That means maintaining rigorous standards for ethical business conduct at all times - in the way we conduct our business, treat our partners, vendors, and suppliers, and serve our communities. It also means we have robust governance structures and processes in place, including those to manage enterprise risks, protect customer and partner data, and ensure information and cyber security. We foster a culture of honesty and accountability, and never compromise our integrity or our reputation to achieve a business goal.

GOVERNANCE

Ethical Business Practices

In January 2021, we updated our [Code of Business Conduct](#). The Code provides guidance in areas of ethical risk, helps individuals recognize and manage ethical issues, and outlines mechanisms to report unethical conduct. It supplements policies and procedures including those outlined in our Employee Handbook, [Human Rights Policy](#), [Harassment, Discrimination and Workplace Conduct Policy](#), our recently updated [Anti-Corruption Policy](#) and others. We expect all our partners, vendors, and suppliers to comply with both the letter and spirit of these Codes and policies, follow all applicable laws and regulations, and conduct their affairs with uncompromising honesty and integrity. Our partners must agree to the Code of Business Conduct and related Petco Policies and Procedures (such as our Insider Trading Policy and Foreign Corrupt Practices Act Policy) as a condition of employment.

To help ensure partners understand their responsibilities under the Code and remain familiar with it, we conduct training on the Code. In addition, partners involved in Petco's international operations, including all officers, are required to complete an online training module on the requirements of the Foreign Corrupt Practices Act at least annually.

Should they have any ethics or compliance concerns, partners can call or email our Compliance department directly or voice a concern through the confidential Petco Hotline, available 24 hours a day, seven days a week. When a report is received, it is immediately assigned to a case manager with relevant expertise, and we commit to resolving each investigation in a thorough and timely manner. If we find a violation of a policy, we implement appropriate disciplinary measures — up to and including termination of employment.

All our suppliers must further agree to our Supplier Code of Conduct which sets out our expectations of them in regulatory compliance, ethical conduct, animal welfare, human rights, discrimination, environmental protection, product and packaging quality, vendor behavior at our Petco Pet Care Centers, and more. Petco provides suppliers with multiple ways to report concerns, including through our anonymous Petco hotline.

Strong Governance Structures

Our [Board of Directors](#) is comprised of 11 directors, four of whom are independent. Our CEO, who serves as Chairman of the Board, provides executive insight to the rest of our directors, with respect to all areas of the business, including our sustainability initiatives. Guided by our Principles of Corporate Governance, the Board has three standing committees: an Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is tasked with overseeing and —where appropriate— making recommendations to the Board regarding sustainability matters. Our [Management Team](#) is also committed to sustainability in our business, and team members help us drive and integrate Petco's sustainability priorities within their respective areas of responsibility.

Enterprise Risk Management

We have an extensive risk assessment process designed to identify and mitigate internal and external risks to our business, including data privacy and cybersecurity, which is led by our Chief Administrative Officer. The assessment process is carried out on an annual basis, with the results reported to our Board. In addition, our Internal Audit Department provides independent, objective assurance and advisory services to management and the Audit Committee regarding the effectiveness of our governance, risk management, and internal control processes.

GOVERNANCE

Data Privacy

Our guests and partners trust us to handle their personal information with the utmost care and respect, protecting it from misuse or unauthorized disclosure. We take this responsibility very seriously and comply with all applicable data protection laws and regulations. We are committed to providing transparent information to our guests about what personal information we will collect and how we will use it, and we collect only the information that is needed and use it only for the purpose intended.

To ensure we are achieving our goals, we have several procedures and governance structures in place to manage our approach and protect the personal information we gather. We provide annual privacy training for all our partners as well as additional privacy awareness and specialized training as needed and conduct quarterly audits of our data tracking systems as well as additional assessments as needed. Our [Privacy Policy](#) outlines our approach in more detail.

Since this is an area of constantly evolving risks and regulations, we monitor opportunities and requirements to develop and evolve our privacy program. In 2022, we plan to implement a data minimization program which will begin before the end of the year. This program will be aligned with stringent state-level policies such as the California Privacy Rights Act which will go into effect in 2023, in order to provide all of our pet parents nationwide with the same level of data privacy.



GOVERNANCE

Cyber Security

Our extensive Information Security Program (ISP) includes administrative, technical, and physical safeguards for sensitive information based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). The program includes product end of life for electronic equipment used at Petco and encompasses an advanced e-waste program that ensures no data can be accessed from our old electronics. The ISP is monitored 24/7, managed by our Chief Information Security Officer, and overseen by an Information Security Steering Committee (ISSC) consisting of designated members of Petco's management team. The ISSC coordinates security and guest information protection activities throughout our company. Partners are required to complete Information Security Awareness Training as part of their orientation process and annually thereafter to ensure they know how to properly protect data.

Each year, we analyze opportunities for control, process, and governance improvements, and map these initiatives to the corresponding NIST CSF functions. Our risk due diligence processes include conducting year-round phishing assessments across the enterprise, along with remedial training for partners as needed, as well as a vendor risk management program to ensure third-party partners are also complying with our ISP and relevant international standards and regulations. In addition to our formal risk assessment process and security strategy, we conduct quarterly security assessments to identify technical security issues and ensure compliance.

Our Security Incident Response Plan includes procedures for responding to and mitigating security incidents. Anyone found to be in violation of our Information Protection Policy may be subject to disciplinary action, including termination of employment. Petco acquisitions and subsidiaries will also be required to operate on Petco IT-managed systems to allow us to better control and manage security. Examples include PIQ and Pupbox which have been incorporated into Petco security policies, tools, and infrastructure.



GOVERNANCE

Government Affairs

We participate in transparent, constructive dialogue with policymakers and regulators to advocate for pet wellbeing and animal welfare issues.

We are members of the [Pet Industry Joint Advisory Council \(PIJAC\)](#), which represents a responsible pet care community to legislative, regulatory, and governing bodies. Together, we promote animal wellbeing and responsible pet ownership, foster environmental stewardship, and support the availability of healthy pets. Other than through our involvement in PIJAC, we do not make political contributions. Our Code of Business Conduct prohibits us from giving Petco funds or services to any political party or any candidate for, or incumbent in, any public office.

We are also members of Retail Industry Leaders Association (RILA), the trade association for retail leaders. It brings together industry leaders to collaborate, promotes operational excellence and innovation, propels developments that foster economic growth and sustainability through research and thought leadership, and advances the industry through public-policy advocacy.



We sit on a large number of RILA's committees and sub-committees, including the following:

Sustainability Committee 01	Environmental Advocacy Committee 02	Environmental Compliance Network 03
Zero Waste Network 04	Energy Management Committee 05	Workplace Safety Committee 06
Retail Talent Council 07	Diversity & Inclusion Leaders Council 08	Supply Chain Leaders Council 09
Responsible Sourcing Committee 10		

SASB DISCLOSURE TABLE

TOPIC	SASB CODE	CATEGORY	2021 METRICS																														
Energy Management in Retail & Distribution	CG-MR-130a.1	Quantitative	(1) Total energy consumed: 441,024 Mwh (2) percentage grid electricity: 1221 Mwh (3) percentage renewable: 0.3%																														
Data Security	CG-MR-230a.1	Discussion and Analysis	Description of approach to identifying and addressing data security risks: Petco's approach to identifying and addressing data security risks can be found at: https://corporate.petco.com/privacy																														
Workforce Diversity & Inclusion	CG-MR-330a.1	Quantitative	<p>Percentage of gender and racial/ethnic group representation for (1) Management* and (2) All other Employees:</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>49%</td> <td>51%</td> </tr> <tr> <td>All other Employees</td> <td>67%</td> <td>33%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Racial/Ethnic Group</th> <th>Management</th> <th>All Other Employees</th> </tr> </thead> <tbody> <tr> <td>Asian</td> <td>4.87%</td> <td>2.6%</td> </tr> <tr> <td>Black or African American</td> <td>3.24%</td> <td>6.28%</td> </tr> <tr> <td>Hispanic or Latino</td> <td>11.82%</td> <td>19.52%</td> </tr> <tr> <td>White</td> <td>75.53%</td> <td>63.65%</td> </tr> <tr> <td>Other*</td> <td>4.54%</td> <td>8.03%</td> </tr> <tr> <td>Not Disclose/ Available</td> <td></td> <td></td> </tr> </tbody> </table> <p>**Other includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races" classifications</p>	Gender	Female	Male	Management	49%	51%	All other Employees	67%	33%	Racial/Ethnic Group	Management	All Other Employees	Asian	4.87%	2.6%	Black or African American	3.24%	6.28%	Hispanic or Latino	11.82%	19.52%	White	75.53%	63.65%	Other*	4.54%	8.03%	Not Disclose/ Available		
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SASB DISCLOSURE TABLE

TOPIC	SASB CODE	CATEGORY	2021 METRICS
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	Discussion and Analysis	<p>Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products</p> <p>In today's highly safety-conscious society, it is more important than ever to provide products of the utmost quality. To achieve this initiative, Petco products go through rigorous testing and extensive quality assurance. Feedback from consumers and retail stores is monitored to identify potential issues and update test standards as required. In addition, Petco regularly reviews Federal and State requirements to make sure testing standards conform to/or exceed current regulations. Petco requires both international and domestic vendor partners to comply with these regulations. Petco strives to build trust by providing safe products to consumers. These testing protocols help keep products safe for the consumer and their pets.</p>
Product Sourcing, Packaging & Marketing	CG-MR-410a.3	Discussion and Analysis	<p>Discussion of strategies to reduce the environmental impact of packaging</p> <p>As a retailer, we recognize that packaging waste is a key concern to our guests and partners. During 2019, we looked carefully at our Owned Brand products to identify where we could reduce packaging without compromising the safety and quality of our products. For example, we found that we could greatly reduce plastic use by reducing the number of protective polybags used without compromising product quality. We also identified an opportunity for waste reduction in shipments to Pet Care Centers, so in 2019 we switched from using single use corrugated boxes to reusable totes. We can also reduce waste through rethinking hangers — our Reddy and Youly brands are working to convert their hangers to 50% recycled content in 2021. These projects are just the start. Our goal is to eliminate the use of as much virgin plastic as we can across our Owned Brand supply chain within three years and convert to sustainable materials wherever possible.</p>
Activity Metric	CG-MR-000.A	Quantitative	<p>Number of:</p> <p>(1) retail locations: 1500</p> <p>(2) distribution centers: 13</p>
Activity Metric	CG-MR-000.B	Quantitative	<p>Total area of:</p> <p>(1) retail space: 19,421,929 square feet</p> <p>(2) distribution centers: 2,750,902 square feet</p>

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
GENERAL DISCLOSURES			
Organization & Reporting	GRI 2-1	Organizational details	<p>Petco Health and Wellness Company, Inc. 10850 Via Frontera San Diego, CA 92127 United States of America</p> <p>See 2022 10-K, pg. 69</p>
Organization & Reporting	GRI 2-2	Entities included in the organization's sustainability reporting	<p>See 2022 10-K, pg. 31</p>
Organization & Reporting	GRI 2-3	Reporting period, frequency and contact point	<p>Petco publishes annual sustainability reports. This report was published on June 14, 2022 and covers our 2021 Fiscal Year (January 31st, 2021 – January 29th, 2022).</p> <p>For more information, please contact Francesca Mahoney, Head of Sustainability Sustainability@Petco.com</p>
Organization & Reporting	GRI 2-4	Restatements of information	<p>Where information is restated, we have noted it as such within the report.</p>
Organization & Reporting	GRI 2-5	External assurance	<p>Petco's 2021 Sustainability Report has not been assured by a 3rd party.</p>

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Activities & Workers	GRI 2-6	Activities, value chain and other business relationships	See 2022 10-K, pg. 6
Activities & Workers	GRI 2-7	Employees	Gender Representation at Petco Ethnic Representation at Petco
Governance	GRI 2-9	Governance structure and composition	<p>Our Board of Directors is comprised of 11 directors, four of whom are independent, including our Lead Independent Director who is well-versed in the needs of a complex business and has strong, well-defined governance duties. Our CEO, who serves as Chairman of the Board, provides executive insight to the rest of our directors, including with respect to our sustainability initiatives.</p> <p>Guided by our Principles of Corporate Governance, the Board has three standing committees: an Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Our board oversees sustainability matters through its Nominating and Corporate Governance Committee, which reviews and provides guidance on our sustainability efforts, progress, initiatives, and priorities.</p> <p>Additional information is available on our website and in the report: Gender Representation Ethnic Representation</p>
Governance	GRI 2-10	Nomination and selection of the highest governance body	See 2022 10-K, pg. 16

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Governance	GRI 2-11	Chair of the highest governance body	Chairman of the Board
Governance	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance
Governance	GRI 2-13	Delegation of responsibility for managing impacts	Strong Governance Structures
Governance	GRI 2-14	Role of the highest governance body in sustainability reporting	Strong Governance Structures

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Governance	GRI 2-15	Conflicts of interest	<p>Petco Code of Ethics, pg. 2-3</p> <p>See 2022 10-K, pg. 34</p>
Governance	GRI 2-19	Remuneration policies	<p>See 2022 10-K, pg. 2</p>
Governance	GRI 2-20	Process to determine remuneration	<p>Guided by our Principles of Corporate Governance, the Board has three standing committees: an Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee.</p> <p>See 2022 10-K, pg. 10</p>
Strategy Policies & Practices	GRI 2-22	Statement on sustainable development strategy	<p>Letter from CEO in report</p>
Strategy Policies & Practices	GRI 2-23	Policy Commitments	<p>Our approach and policies are informed by international instruments such as the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.</p> <p>Governance</p> <p>Please see our Policies page for all of our commitments.</p>

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Strategy Policies & Practices	GRI 2-24	Embedding policy commitments	Petco Code of Ethics See 2022 10-K, pg. 71
Strategy Policies & Practices	GRI 2-25	Processes to remediate negative impacts	Petco Code of Ethics , pg. 7
Strategy Policies & Practices	GRI 2-26	Mechanisms for seeking advice and raising concerns	Petco Code of Ethics
Strategy Policies & Practices	GRI 2-28	Membership associations	Government Affairs
Stakeholder Engagement	GRI 2-29	Approach to stakeholder engagement	Materiality
Stakeholder Engagement	GRI 2-30	Collective bargaining agreements	There are no collective bargaining agreements in place

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
MATERIAL TOPIC DISCLOSURES			
Material Topics	GRI 3-1	Process to determine material topics	Materiality
Material Topics	GRI 3-2	List of material topics	Materiality

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
ENVIRONMENT: MATERIALS (SUSTAINABLE PRODUCT OFFERING, RESPONSIBLE PACKAGING)			
Materials	GRI 3-3	Topic management disclosures	Circular Economy & Waste

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
ENVIRONMENT: ENERGY (ENERGY MANAGEMENT)			
Energy	GRI 3-3	Topic management disclosures	Energy Management

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Energy	GRI 302-1	Energy consumption within the organization	Petco Energy Consumption
Energy	GRI 302-3	Energy intensity	Petco Energy Consumption
Energy	GRI 302-4	Reduction of energy consumption	Petco Energy Consumption
Energy	GRI 3-3	Topic management disclosures	Energy Management

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
ENVIRONMENT: WATER & EFFLUENTS (WATER RELATED RISKS)			
Water & Effluents	GRI 3-3	Topic management disclosures	Water-Related Risks & Impacts

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Water & Effluents	GRI 303-1	Interactions with water as a shared resource	Water-Related Risks & Impacts
Water & Effluents	GRI 303-5	Water consumption	Water-Related Risks & Impacts

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
ENVIRONMENT: EMISSIONS (CLIMATE IMPACT, TRANSPORTATION & LOGISTICS IMPACTS)			
Emissions	GRI 3-3	Topic management disclosures	Our Impact on the Climate
Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	Petco Carbon Footprint Scope 1 & Scope 2
Emissions	GRI 305-2	Energy indirect (Scope 2) GHG	Petco Carbon Footprint Scope 1 & Scope 2
Emissions	GRI 305-3	Other indirect (Scope 3) GHG emissions	Scope 3 emissions

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Emissions	GRI 305-4	GHG emissions intensity	Petco Carbon Footprint Scope 1 & Scope 2

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
ENVIRONMENT: WASTE (CIRCULAR ECONOMY & WASTE)			
Waste	GRI 3-3	Topic management disclosures	Circular Economy & Waste
Waste	GRI 306-2	Management of significant waste-related impacts	Circular Economy & Waste
Waste	GRI 306-3	Waste generated	Petco Operational Waste at Distribution Centers
Waste	GRI 306-4	Waste diverted from disposal	Petco Operational Waste at Distribution Centers
Waste	GRI 306-5	Waste directed to disposal	Petco Operational Waste at Distribution Centers

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: OCCUPATIONAL HEALTH & SAFETY (EMPLOYEE HEALTH, SAFETY & WELLBEING)			
Occupational Health & Safety	GRI 3-3	Topic management disclosures	Employee Health, Safety & Wellbeing
Occupational Health & Safety	GRI 403-1	Occupational health and safety management system	Employee Health, Safety & Wellbeing
Occupational Health & Safety	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Employee Health, Safety & Wellbeing Section
Occupational Health & Safety	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Employee, Health, Safety & Wellbeing
Occupational Health & Safety	GRI 403-6	Promotion of worker health	Employee Health, Safety & Wellbeing

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Occupational Health & Safety	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health, Safety & Wellbeing
Occupational Health & Safety	GRI 403-9	Work-related injuries	Employee Health, Safety & Wellbeing
Occupational Health & Safety	GRI 403-10	Work-related ill health	Employee Health, Safety & Wellbeing

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: TRAINING & EDUCATION (TALENT ATTRACTION & DEVELOPMENT)			
Training & Education	GRI 3-3	Topic management disclosures	Talent Attraction & Development
Training & Education	GRI 404-1	Average hours of training per year per employee	21.8 hours per employee

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
Training & Education	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Training
Training & Education	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Career Development

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: DIVERSITY & EQUAL OPPORTUNITY (DIVERSITY, EQUITY & INCLUSION)			
Diversity & Equal Opportunity	GRI 3-3	Topic management disclosures	Diversity, Equity, & Inclusion
Diversity & Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees	Diversity, Equity, & Inclusion SASB Index

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: HUMAN RIGHTS & FAIR LABOR PRACTICES			
Child Labor	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Policy

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: CUSTOMER HEALTH & SAFETY (PRODUCT QUALITY & SAFETY)			
Customer Health & Safety	GRI 3-3	Topic management disclosures	Consumer Engagement & Promoting Sustainable Consumption

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: MARKETING & LABELING (PRODUCT INFORMATION & LABELING)			
Marketing & Labeling	GRI 3-3	Topic management disclosures	Product Information & Labeling

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: CUSTOMER PRIVACY (DATA PRIVACY & CYBERSECURITY)			
Customer Privacy	GRI 3-3	Topic management disclosures	Data Privacy Cybersecurity
Customer Privacy	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
SOCIAL: PUBLIC POLICY (GOVERNMENT AFFAIRS)			
Government Affairs	GRI 3-3	Ethics, Business Conduct & Corporate Governance	Government Affairs

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: CONSUMER ENGAGEMENT & PROMOTING SUSTAINABLE CONSUMPTION			
Consumer Engagement & Promoting Sustainable Consumption	GRI 3-3	Topic management disclosures	Consumer Engagement & Promoting Sustainable Consumption

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: PET HEALTH, NUTRITION & WELLBEING			
Pet Health, Nutrition & Wellbeing	GRI 3-3	Topic management disclosures	Pet Health, Nutrition & Wellbeing

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: ACCESSIBILITY, AFFORDABILITY & INCLUSIVITY OF PET PARENTHOOD			
Accessibility, Affordability & Inclusivity of Pet Parenthood	GRI 3-3	Topic management disclosures	Accessibility, Affordability & Inclusivity of Pet Parenthood

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: HIGH QUALITY DELIVERY OF PET CARE			
High Quality Delivery of Pet Care	GRI 3-3	Topic management disclosures	High Quality Delivery of Pet Care

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: SUSTAINABLE CONSUMPTION			
Sustainable Consumption	GRI 3-3	Topic management disclosures	Sustainable Consumption

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: ANIMAL WELFARE IN THE SUPPLY CHAIN			
Animal Welfare in the Supply Chain	GRI 3-3	Topic management disclosures	Animal Welfare in the Supply Chain

GRI CONTENT INDEX

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: PET WELFARE & HUMANE TREATMENT			
Pet Welfare & Humane Treatment	GRI 3-3	Topic management disclosures	Pet Welfare & Humane Treatment

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: ETHICS, BUSINESS CONDUCT & CORPORATE GOVERNANCE			
Ethics, Business Conduct & Corporate Governance	GRI 3-3	Topic management disclosures	Ethics, Business Conduct & Corporate Governance

TOPIC	GRI CODE	CATEGORY	2021 DISCLOSURES
PETCO'S OTHER MATERIAL TOPICS: TRANSPARENCY & REPORTING			
Transparency & Reporting	GRI 3-3	Topic management disclosures	CEO Letter