



2023 ESG REPORT

petco

THE HEALTH +
WELLNESS CO.

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About This Report

We are pleased to present our fourth annual ESG Report (this Report), which covers our environmental, social, and governance (ESG)-related performance relating to our fiscal year 2023.

This Report was developed to inform our stakeholders of the impacts that our organization may have on economic, social, and environmental topics. In it, we provide an overview of who we are as a company, our ESG commitments, how we engage stakeholders, and our approach to addressing our sustainability-related impacts. The scope of applicable portions of this Report has been determined based on material sustainability topics, which are addressed in the Materiality section. Unless stated otherwise, the scope of our ESG data encompasses all of Petco's activities, and reporting boundary encapsulates our more than 1,500 Pet Care Centers across the U.S., Mexico, and Puerto Rico. This report is the most up-to-date source of Petco's ESG data as figures published in previous reports may have been updated.

To align our non-financial reporting with global sustainability indicators, we have referenced selected disclosures, or parts of their content, from the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) Standards frameworks. A content index is included as a tool to help readers more easily locate relevant information across this Report as well as from Petco's web-based resources. For additional information on our ESG progress, relevant [policies](#), and periodic updates, please visit our [ESG website](#).

Forward-Looking Statements and Website References Regarding Our Progress

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, but not limited to, 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. 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 Securities and Exchange Commission 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. Furthermore, 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.

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

In past reports, we also used the terms:

- **Guest** in place of Customer
- **Partner** in place of Employee

However, in this Report, we use the more common "customer" and "employee" terms to better align with stakeholder expectations.

Contact and Feedback

We welcome feedback on our performance and this Report; please contact sustainability@petco.com.

Executive Summary

It's an honor to introduce Petco's 2023 ESG report, which outlines the many ways in which sustainability is intertwined with our purpose of improving the lives of pets, pet parents, and our Petco partners.

2023 saw meaningful progress in ESG initiatives that support environmental and social causes but also helped us further connect with customers, efforts which were again recognized by a number of respected organizations. We were ranked 10th among retailers in Newsweek's "America's Most Responsible Companies 2024" list and in the top 8% of North American retailers in the S&P Global Corporate Sustainability Assessment.

At Petco, we believe pet parenthood should be accessible, inclusive and convenient. We offer convenient access to high-quality products and services so that customers can provide pets with healthy, happy lives at an affordable cost. Clean ingredients that support the whole health of pets through high-quality nutrition are a key part of what we offer, and in April 2023, we extended this effort to our grooming services with the launch of our Clean Grooming Initiative. And our omnichannel offering, which includes affordable grooming and veterinary services, makes it convenient to meet the health & wellness needs of every pet.

Importantly the energy, enthusiasm and hard work of our Petco partners is what differentiates us as a retailer and is a key part of the customer experience. This means taking care of our partners remains paramount to our success, and this year was no exception with both our training and benefit offerings.



And of course, no mention of our purpose in action would be complete without celebrating the amazing work of Petco Love. Through our partnership with Petco Love, we've helped save nearly 7 million pet lives to date. The Vaccinated and Loved initiative reached the milestone of 2.2 million vaccines, providing this vital form of care to pets in under-resourced communities. In 2023 alone, our efforts alongside Petco Love led to more than 132,000 adoptions and \$33.5 million in grants donated to 2,000 shelters and animal welfare organizations throughout the country.

As we look to the future, the impact we have on the lives of pets, people and the planet we all share will always play a key role in our strategy as a leading pet retailer. We'll work hard to ensure we deliver products and services that meet the needs and expectations of customers, while being ever mindful of the impact on the planet, giving back and supporting animal welfare and the communities we share with pet parents, and supporting an inclusive and rewarding workplace for all our people.

R. Michael Mohan
Interim Chief Executive Officer



Q&A With our VP of Sustainability

What do you believe is Petco's role in influencing the pet industry's approach to sustainability?

We have an incredible opportunity to influence the purchasing decisions of pet parents in our industry by offering them options that best meet their needs and are also better for the planet. This is particularly true of our Petco Owned Brand product portfolio where we control virtually every aspect of product design and development, and across the services we offer, like grooming and veterinary care. Across our business, we're able to apply sustainable thinking into decisions that are made, from initial concept through execution. Because of our scale and impact in the pet industry, we hope that some of those big decisions we make – such as transitioning to clean ingredients across our grooming salons – and the way we raise awareness with pet parents about how they can make more sustainable choices, will create a 'new normal' across our industry.

We're also able to leverage the expertise we've developed in-house when partnering with our suppliers and vendors. We host planning and innovation sessions, including a Sustainable Product Vendor Summit to discuss ways we can advance sustainability efforts together and accelerate the expansion of sustainable products. Initiatives we collaborate on, whether creating more sustainable products, gaining certifications, reducing the impact of packaging, or even designing more sustainable logistics and transportation solutions, enhance vendors' ability to implement these sustainability initiatives throughout their own networks.

Beyond our own direct operations, we also contribute to a number of industry organizations, including Retail Industry Leaders Association (RILA), the Pet Sustainability Coalition, and Sustainable Brands, to name a few. We believe we're uniquely positioned to provide a key guiding voice in the pet industry, where we share challenges and learnings with each other, and collectively work towards solutions that will have a positive impact on both pet lives and sustainability, continuously pushing our industry forward.



How does Petco balance innovation in sustainability with business growth and customer demands?

Simply put, business growth and sustainability are not at odds. In fact, we know that pet parents, especially the ones who shop at Petco, increasingly care about sustainability. So ensuring we have an assortment of products and services that enable them to make more sustainable choices that matter to them is a key part of meeting customer demand. In 2023, we refreshed our consumer insights with an updated study into our customers' sentiments about key sustainability issues, including waste and plastic reduction, eco-friendly products, and animal welfare, which will help guide our strategy and priorities and ensure we are focused on the issues our customers care most about.

We also know that many pet parents care about accessing well-priced products, so a key part of our approach is to make sustainable choices affordable. For example, we offer a refillable cat litter program within our Pet Care Centers, where customers can refill a plastic pail with So Phresh cat litter, reducing the amount of new plastic litter containers purchased while saving money in the process. This also drives customers to our store, where they are likely to purchase other items during their shopping trip.

Outside of meeting customer demands, sustainability innovations often also lead to efficiency improvements, cost savings and new market opportunities, all of which support the success of our business. By working to reduce unnecessary packaging, for example, not only do we benefit the planet by reducing the use of virgin materials, we also save money – both because we need less material and because smaller, lighter loads cost less to transport.

What are your top fun and easy tips for pet owners looking to make their pet care routine more sustainable?

It's easy to get overwhelmed with all the things we could do as pet parents, but if we all took just one extra step to be more sustainable, together we could create some incredible impact! Here are easy ways pet parents can make more sustainable choices:

- We all love to buy fun toys and accessories for our pets. Purchasing toys made from **recycled rubber or plastic** or pet beds made with organic cotton or recycled poly-fill is a very easy way to be more sustainable.
- Poop might be one of the least fun aspects of pet ownership, but when taking your pup for a walk, opt to choose **waste bags made from recycled or biobased materials**, or use other plastic bags you may have in your house like newspaper bags or plastic wrappers.



- When shopping for pet shampoos and conditioner, choose **Clean Grooming** options that are free of parabens, phthalates, and chemical dyes so your pet is not exposed to unnecessary ingredients that may be irritating to their skin.

During your time at Petco, what project has excited you the most?

One of the most rewarding aspects of my role is seeing Petco teams coming together on a shared mission. Our partners are incredibly passionate about sustainability, and it's been amazing seeing this passion turn into tangible initiatives that drive positive change.

One of the most memorable recent projects has been a plastic recycling bag pilot in 41 Pet Care Centers. This project brought together many Petco teams—including our sustainability team, store operations, waste team, and distribution center leads—with the unified goal of diverting plastic waste (bags, film, shrink wrap, etc.) from landfills and converting it into composite decking for commercial and residential use.

We realized early on that not all Pet Care Centers have third party recycling programs available in their regions for plastic film. So, we leveraged our transportation network to deliver products directly to Pet Care Centers and then back to our distribution centers to dispose of plastic waste more responsibly. At the distribution centers, our collection partner picks up the plastic waste and upcycles it into decking.

Partners have been very positive about the program. During the seven-month pilot, 4 tons of plastic were diverted from landfill, and I'm proud to share that, based on the successful pilot, we are expanding this program to nearly 1000 Pet Care Centers that have backhaul distribution in place which will increase our impact even further!

Introduction

Our Company

Petco is a fully integrated omnichannel provider of pet health & wellness offerings, providing our more than 25 million customers with a comprehensive selection of differentiated products, services and veterinary care to fulfill their pets’ health & wellness needs. We are headquartered in San Diego, where our National Support Center is located, and have more than 1,500 Pet Care Centers across the U.S., Mexico, and Puerto Rico.

We are committed to being the most trusted resource in pet care, leading the industry and trailblazing new standards. Our mission is to improve the lives of pets, pet parents, and the approximately 29,000 employees who work for us. We aim to be a disruptive force in the industry and a partner to pets and pet parents, offering products and services that meet the budgetary needs of all pet parents. This includes providing guidance and support on pet health and welfare, offering premium pet products and fully integrated services in response to the megatrends of premiumization and humanization, and at the same time increasing access and affordability of pet parenthood and offering products and services for value-seeking consumers that fulfill their needs without sacrificing quality.

Through our owned and exclusive brands, and partnerships with third parties, we provide our customers with a wide array of options to purchase high-quality, healthy, and more sustainable items for their pets, including innovative and scientifically led nutrition options. We offer integrated digital platforms and flexible fulfillment options to make access easier, and offer grooming, veterinary care and dog training services which help support the whole health of pets. Convenient and full-service veterinary hospitals within many of our Pet Care Centers provide a one-stop solution to pet parents’ needs.

Our partnerships allow increased accessibility for pet parents in many different ways, including with DoorDash, Nationwide Insurance, Marriott Bonvoy, Rover, Canadian Tire, and Lowe’s. In 2023, we increased our Shop-in-Shops offering through expanded partnerships with Lowe’s and Canadian Tire. In Canada, we now have Shop-in-Shops at 90% of Canadian Tire’s locations nationwide, as well as online, significantly improving access to pet health & wellness products throughout North America. And in the U.S., our partnership with Lowe’s expanded from 15 pilot locations in 2022 to nearly 300 this year, most of which are in rural communities. We’re also expanding into rural markets with our 16 (and growing) Neighborhood Farm & Pet Supply locations (see the Making Pet Parenthood More Affordable and Accessible section for more). Through our

expanded partnership with DoorDash, pet parents nationwide have greater access to products supporting pets’ whole health through on-demand delivery.

In June 2023, we launched a revolutionary flagship one-stop destination for pet health & wellness in New York. This location aims to blend the best elements of our physical and digital offerings and incorporates a grooming salon, veterinary hospital, JustFoodForDogs kitchen and a curated merchandise selection. This highly differentiated Pet Care Center offers a premium, humanized experience for pets and pet parents and embodies our fully integrated pet health & wellness ecosystem.

Like many of our peers in retail, 2023 was a year of moderation. While we saw growth in parts of our business, pressures on discretionary spending coupled with a more value-seeking consumer environment impacted that growth and our profitability.

In response, our Board of Directors decided to implement a number of changes to our management and senior leadership team this year in order to strengthen our business performance. These changes have been implemented alongside a sharper focus on fewer and more clearly stated priorities and outcomes to help us better fulfill more customers’ needs and deliver on our full potential.

That said, in 2023, we continued to increase sales and revenue, and we remain confident that our unique omnichannel offering, including both merchandise and services, as well as a sharp focus on customer needs, keeps us well positioned to execute against our long-term strategy – capturing the long-term megatrends of the pet category. More information on our 2023 financial performance can be found on our [investor relations website](#).



PETCO VALUES

WE LOVE ALL PETS LIKE OUR OWN

We make pet parenting easier by:

- Putting the needs of pets and pet parents at the center of everything we do.
- Giving pet parents expert service and advice through our unmatched focus on health & wellness.
- Improving the whole health of pets with data-driven insights.

WE'RE THE FUTURE OF THE PET INDUSTRY

We're redefining the pet industry by:

- Bringing together a one-stop shop for pets and pet parents that only we can provide.
- Challenging the status quo and making groundbreaking choices for pet health & wellness.
- Building a brighter future for pets by innovating and constantly improving.

WE'RE HERE TO IMPROVE LIVES

We improve the lives of pets, pet parents and partners by

- Advancing health & wellness through the products and services we offer and through the lifesaving work of Petco Love.
- Empowering partners and investing in our wellbeing so we can thrive and build purpose-driven careers.
- Operating with sustainable business practices.

WE DRIVE OUTSTANDING RESULTS TOGETHER

We work together to unlock our collective power by:

- Acting with integrity and holding ourselves and each other accountable to deliver strong results.
- Working through challenges together with empathy and respect.
- Celebrating achievements and having fun at work with pets and people.

WE'RE WELCOME AS WE ARE

We value each partner's unique talent and perspective by:

- Supporting partners in being their whole, authentic selves.
- Creating a workplace that is welcoming, respectful, and safe.
- Listening and communicating honestly and clearly.



PETCO ESG HIGHLIGHTS



Ranked in the top 8% of North American retailers in the S&P Global Corporate Sustainability Assessment, up four percentile points from last year.



Ranked 10th among retailers by Newsweek's "America's Most Responsible Companies 2024", up one place from last year.



Awarded the American Humane Certified™ Seal of Approval for the third year in a row, the only pet retailer with this certification.



PETS

- Launched our **Clean Grooming** initiative, which eliminated unnecessary ingredients from grooming products on our shelves and in our salons, including parabens, phthalates, and chemical dyes.
- Distributed **2 million** free vaccines by November 2023.
- Donated nearly **\$3.5 million** in grants in grants to over **100 partners** to make veterinary care more accessible where cost is a barrier, supporting services like wellness care, treatment for illnesses and injuries, and spay/neuter services.
- Increased access to veterinary care by expanding our full-service veterinary hospitals to **288 locations** and our weekly Vetco mobile clinics to **1,400 locations**.
- Sourced nearly **92%** of the aquatic life sold at our Pet Care Centers from aquaculture, including freshwater fish and coral.

PEOPLE

- Increased every non-trainee partner's base wage to at least **\$15 an hour** in fiscal 2023. This change, along with other adjustments, resulted in approximately **8%** average wage increases for our Pet Care Center partners.
- Provided nearly **650,000 hours** of training across our Pet Care Center partners, underscoring Petco's dedication to continuous learning and professional development.
- Continued support through the Petco Partner Assistance Fund, which has provided over **\$2 million** in financial assistance to nearly **2,000** Petco employees experiencing hardship.
- Provided career- or skills-related training to **91%** of our total workforce across all Petco locations.
- Supported our **partner resource groups**, which enable partners to build connections among themselves and their communities, as well as our diversity, inclusion, and belonging programs to encourage partners to bring their "whole selves" to work.

PLANET

- Launched a new recycling program in **41 Pet Care Centers** to divert plastic waste from landfill, collecting **4 tons** of LDPE plastic and converting it into composite decking material.
- Removed more than **1,100 pounds** of trash from entering our waterways through company-wide community cleanup events.
- Reallocated **5,665 pounds** of inventory that would have previously been discarded through our repurposing inventory program.
- Offered training on hazardous waste to all our employees, with an over **97%** completion rate in 2023.

Sustainability at Petco

Our sustainability platform is built around our mission to improve the lives of pets, pet parents, and our own employees. It is a constant that keeps our business on the right path through growth and changes, ensuring we remain focused on our impact and purpose. Pet health & wellness is the cornerstone of our approach, and we ensure our employees are able to support the needs of pets and pet parents through a supportive work environment that allows all people to thrive. Underpinning the health of pets and people is the health of the planet that sustains us, so we also prioritize behaviors, products and materials that helps us achieve this.

We believe that by making a difference in these areas, as well as by having strong governance practices and ethics, we will support the success of our business. Consumers increasingly look to companies to take the lead in global challenges, and by doing so alongside providing exceptional standards of product, service, and animal welfare, we maintain our customers’ trust and advocacy. In addition, it helps us attract and—in conjunction with providing a safe and welcoming place to work, where everyone’s rights are protected—retain passionate and committed employees. As well as addressing the concerns of our customers and employees, addressing environmental issues also helps us find cost efficiencies and challenges us to stay innovative and look for new solutions.

OUR SUSTAINABILITY PLATFORM

- 

Setting the Standard in Responsible Pet Care

 - Pet Welfare and Humane Treatment
 - Pet Health, Nutrition and Wellbeing
- 

Helping People Thrive

 - Employee Health, Safety and Wellbeing
 - Diversity, Equity and Inclusion
- 

Preserving the Health of our Planet

 - Sustainable Product Offering
 - Responsible Packaging
 - Climate Impact





Measuring Our Impact

To track our ESG performance, success and impact across the business, we use an internal dashboard of several Key Sustainability Performance Indicators (KPIs) which we update on a quarterly basis. We track a broad range of ESG performance metrics including energy, emissions, waste, and water data, which are reported annually in this report, as well as to third-party raters and rankers, to provide more transparency and accountability in our performance.

Materiality at Petco¹

As part of our process of developing our ESG priorities and identifying our key areas of focus, we conducted a materiality identification process and analysis in 2020. This included interviews with key internal and external stakeholders, including suppliers, industry trade groups, nongovernmental organizations and animal welfare experts, as well as a consumer survey that generated more than 900 responses.

We identified 24 material issues in all and prioritized 10 of these as being of critical importance to our business and stakeholders, as shown in the matrix on the following page. We aim to provide updates on all of these issues within this report.

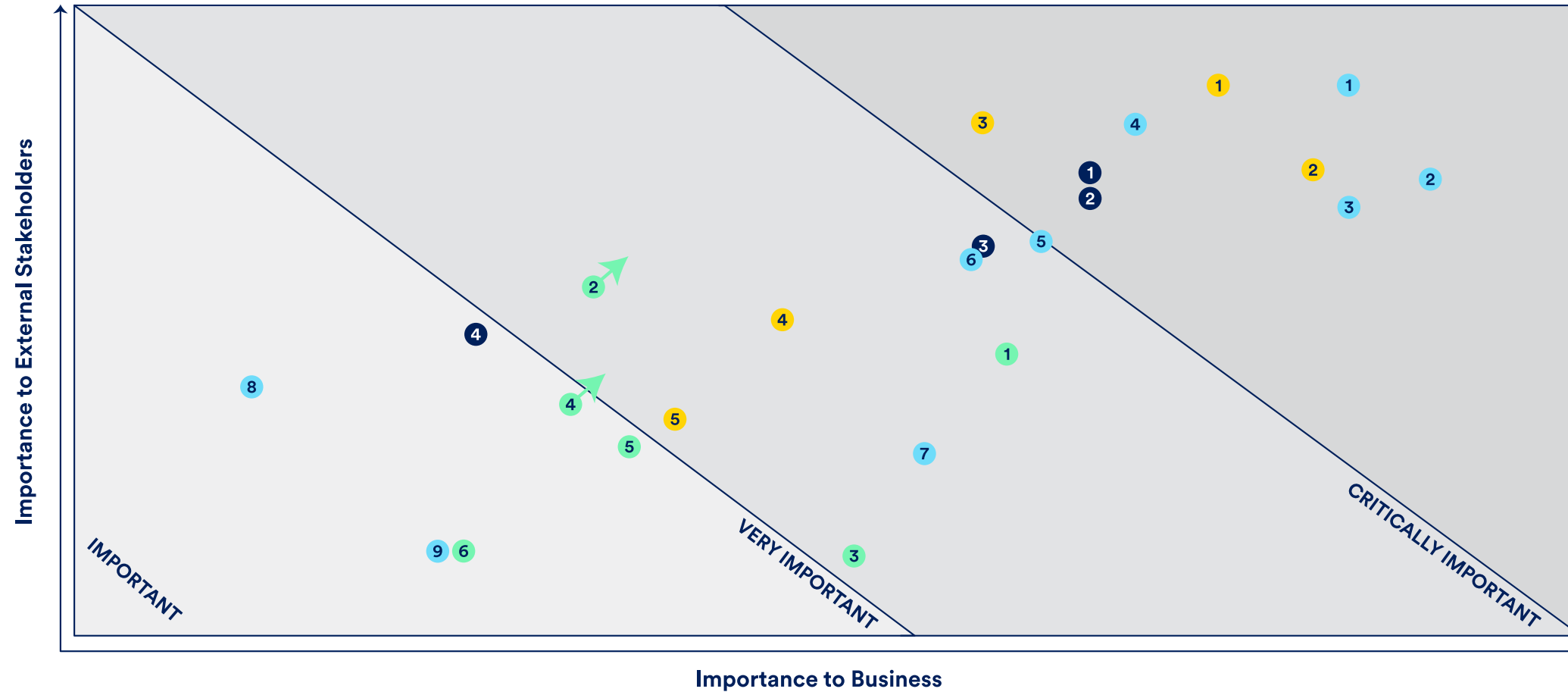
Stakeholder Engagement

We actively engage with our key stakeholders, including employees, business leaders, investors, suppliers, customers, animal welfare experts, policymakers, industry trade groups, and nongovernmental organizations (NGOs) in multiple ways. For example, our Veterinary Advisory Council (see the [Pets](#) section) provides us with direct access to animal welfare experts, and our Voice of the Partner survey (see the [People](#) section) provides a mechanism for our employees to provide comprehensive feedback.

Through our participation in industry trade groups such as the [Pet Sustainability Coalition](#) and the [Human Animal Bond Research Institute \(HABRI\)](#), of which we are founding members, as well as the [Retail Industry Leaders Association \(RILA\)](#), we aim to build a collective understanding of ESG risks, developments, and opportunities for our industry. We sit on several of these groups' respective sustainability-related committees, which allows us to further learn from and influence our industry. Learn more about our advocacy efforts in the [Government Affairs](#) section.

¹Inclusion 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 3 of this Report.

Materiality Matrix*



- Products, Services & Animal Welfare**
 1. Pet Health, Nutrition & Wellbeing
 2. Pet Welfare & Humane Treatment
 3. High Quality Delivery of Pet Care
 4. Product Quality & Safety
 5. Animal Welfare in the Supply Chain
 6. Sustainable Product Offering
 7. Accessibility, Affordability & Inclusivity of Pet Parenthood
 8. Product Information & Labeling
 9. Consumer Engagement & Promoting Sustainable Consumption

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

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

- Governance**
 1. Data Privacy & Cyber Security
 2. Responsible Sourcing & Supply Chain Practices
 3. Ethics, Business Conduct & Corporate Governance
 4. Government Affairs

- Rising Importance**

*The numbering of the topics is for labeling purposes and is not necessarily an indication of prioritization. This matrix has been updated to reflect recategorization of issues- the material topics remain the same as in previous years.

Channels of Stakeholder Engagement

Stakeholders	Relevant ESG Material Issues	How We Engage
Employees	Talent Attraction & Development; Human Rights & Fair Labor Practices; Employee Health, Safety & Wellbeing; Diversity, Equity & Inclusion	Employee engagement survey (“Voice of the Partner” survey); Voice of the Partner councils; Partner Resource Groups; leader-led roundtables; team meetings; company intranet; company social media pages
Customers	Product Information & Labeling; Accessibility, Affordability & Inclusivity of Pet Parenthood; Product Quality & Safety; High-Quality Delivery of Pet Care; Consumer Engagement & Promoting Sustainable Consumption; Sustainable Product Offering; Responsible Packaging; Circular Economy & Waste	<p>Digital:</p> <ul style="list-style-type: none"> • Website • Online satisfaction surveys • Social media monitoring and engagement • Loyalty programs <p>In-person:</p> <ul style="list-style-type: none"> • In-store interactions • Focus groups • Guest services • In-store marketing • Physical mailers
Suppliers	Responsible Sourcing & Supply Chain Practices; Animal Welfare in the Supply Chain; Circular Economy & Waste	Vendor Code of Conduct; engagement through our supply chain team; in-person or virtual meetings with Petco teams
Animal Welfare Organizations	Pet Welfare & Humane Treatment; Pet Health, Nutrition & Wellbeing; Animal Welfare in the Supply Chain	Petco Pet Wellness Council; Veterinary Advisory Council; Pet Sustainability Coalition; Human Animal Bond Research Institute; American Humane; Petco Love
Shareholders	Government Affairs; Ethics, Business Conduct & Corporate Governance; Data Privacy & Cyber Security	Annual report and quarterly financial statements; direct conversations with management and investors
Industry Groups	Pet Welfare & Humane Treatment; Pet Health, Nutrition & Wellbeing;	Pet Advocacy Network; Retail Industry Leaders Association; Pet Sustainability Coalition
Policymakers and Regulators	Government Affairs; Ethics, Business Conduct & Corporate Governance; Data Privacy & Cyber Security; Climate Impact; Water-Related Risks; Energy Management; Transportation & Logistics Impacts	Pet Advocacy Network participation in conferences, trade associations, and policy-based organizations

Corporate Governance

We maintain rigorous ethical business conduct and governance standards, act with integrity towards all our stakeholders, and foster a culture of honesty and accountability throughout our company. We have robust governance structures and processes in place, including managing enterprise risks, protecting customer and employee data, and ensuring information and cybersecurity. Our [Management Team](#) is 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, which incorporates ESG activities.

11 members currently sit on our [Board of Directors](#), five of whom are independent. The Executive Chairman of the Board provides executive insight to all areas of the business, including ESG issues, to the rest of our directors. Guided by our Principles of Corporate Governance, the Board has three standing committees:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

ESG Governance

This year, as part of the changes we have made at the senior level to realign the organization, we created a new ESG function and a new role, Chief ESG & Communications Officer, that encompasses both Sustainability and Diversity, Equity & Inclusion (DEI), as well as Communications, and reports directly to the CEO. This new function on our Executive Leadership Team highlights the importance we place on ESG issues and the central role we see them playing in the success of our business. The Vice President of Sustainability reports to the Chief ESG & Communications Officer and is responsible for leading our efforts and driving our performance in this area on a day-to-day basis.

To embed sustainability into our business activities, ensure alignment, provide insight, and champion sustainability initiatives, executive-level sustainability champions sit on a Sustainability Executive Steering Committee. These individuals oversee important aspects of our business and are able to ensure sustainability issues are addressed and implemented throughout our operations.

The Nominating and Corporate Governance Committee is tasked with overseeing and reporting to the Board (including, where appropriate, making recommendations to the

Board) regarding sustainability efforts, progress, and priorities. Ultimately, our Board of Directors oversees and is responsible for our ESG initiatives and performance through its Nominating and Corporate Governance Committee.



Board of Directors

Our Board oversees ESG issues through its Nominating and Corporate Governance Committee, which reviews and provides guidance on our sustainability efforts, progress, initiatives and priorities.

Nominating and Corporate Governance Committee

Oversees and reports to the Board (including, where appropriate, making recommendations to the Board) regarding sustainability efforts, progress and priorities.

Leadership Team

Sustainability Executive Steering Committee

Our CEO and 13 executive-level sustainability champions who oversee important aspects of our business—such as products, services, Pet Care Centers, e-commerce and supply chain—ensure sustainability issues are addressed and implemented throughout our operations.

SVP Chief ESG & Communications Officer

Oversees Diversity Equity and Inclusion (DEI) and Environmental Sustainability efforts.

VP of Sustainability

Leads efforts on a day-to-day basis to drive Petco’s sustainability strategy and performance.

Ethical Business Practices

Our [Code of Business Conduct and Ethics](#) (the Code) provides guidance for corporate behavior, helps individuals recognize and manage ethical issues, and outlines mechanisms to report unethical conduct. The Code is available to our employees in both English and Spanish. It is supplemented by a number of additional policies and procedures to guide our behavior, including our:

- Employee Handbook
- [Human Rights Policy](#)
- [Harassment, Discrimination and Workplace Conduct Policy](#)
- [Anti-Corruption Policy](#) (which includes prohibition of bribery)

All our employees must acknowledge and agree to the Code and related Petco policies and procedures (such as our Insider Trading Policy and Anti-Corruption Policy) within our Workday software as a condition of employment. To help ensure employees understand their responsibilities, we conduct training on ethical conduct and their obligations under the Code and related policies, including anti-corruption. In addition, employees 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.

All our suppliers and owned brand vendors are required to agree to our [Vendor Code of Conduct](#), which sets out our expectations of them for 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. They do this when they sign their agreement to our terms and conditions. More information can be found in our Responsible Sourcing & Supply Chain practices section.

We expect all our employees, 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. Should they have any ethics or compliance concerns, both employees and suppliers can call or email our Compliance department or the confidential Petco Hotline, available 24 hours a day, seven days a week. We commit to resolving each concern in a thorough and timely manner and assign a case manager with relevant expertise to investigate each concern as soon as possible after it is received. If we find that there has been a policy violation, we implement appropriate remedial measures—up to and including termination of employment, or the relationship with the vendor or supplier, as applicable. Adherence to our ethical business practices and policies is overseen by our Management Team, Audit Committee, and Board as part of their executive oversight.



Government Affairs

We advocate for animal wellbeing, responsible pet ownership, and environmental stewardship through transparent, constructive dialogue with policymakers and regulators, and through membership of, and participation in, the [Pet Advocacy Network](#) (formerly the Pet Industry Joint Advisory Council). One of our Directors of Merchandising sits on the board of Pet Advocacy Network. In addition, as members of [RILA](#), the trade association for retail leaders, we collaborate with peers in order to advance operational excellence and innovation, economic growth and sustainability, and public policy advocacy.

Other than through our involvement in the Pet Advocacy Network, which represents a responsible pet care community in engaging with legislative, regulatory, and governing bodies, we do not make political contributions. Our Code of Business Conduct and Ethics prohibits us from giving Petco funds or services to any political party or any candidate for, or incumbent in, any public office.

Enterprise Risk Management

Our extensive risk assessment process is designed to identify and mitigate internal and external risks to our business, such as climate change, data privacy and cybersecurity. It operates independently of other business functions, departments, and divisions and is led by our Chief Administrative Officer.

We conduct quarterly risk assessments to identify, assess and review emerging risks, which are then discussed with subject matter experts within the business to review

and ensure the continued appropriateness of mitigation and remediation plans. A risk assessment update is presented to the Board at least annually.

Our internal Risk Management Steering Committee meets quarterly and is comprised of senior executives from across all our operations who have both topic-specific risk expertise as well as overarching company and industry risk experience. As part of our risk mitigation process, employees are provided training to ensure they are aware of company policies and emerging data and cybersecurity risks. Our Internal Audit Department provides additional assurance and advisory services to the Audit Committee and management team regarding the effectiveness of our governance, risk management, and internal control processes.

Assessing Climate-Related Impacts on Petco

We recognize that climate change can have significant implications for companies like ours and we have taken a science-based, pragmatic approach to climate resilience. Inspired by Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we have been identifying, assessing, and managing risks and opportunities that support the resilience of our business, assets, communities, customers, and employees, and integrating those into our existing Enterprise Risk Management (ERM) process.

Building on the TCFD gap analysis we completed the previous year, which enabled us to identify a comprehensive long list of climate-related risks and opportunities, and outline a priority action plan, we've made significant progress over the last year. This includes:

- Refining our long list of risks and opportunities into a focused set of priorities that are most important to our operations and strategic direction, enabling us to concentrate our efforts on the areas where we can make the most impact.
- Conducting a qualitative climate scenario analysis to explore a range of potential climate change implications, providing us with valuable insights into the resilience of our strategic plans against various climate scenarios. Leveraging these insights, we will implement targeted mitigation and adaptation strategies, aiming to bolster our organization's strategic and business resilience to climate-related risks and opportunities.
- Enhancing the process for integrating climate-related risks into our risk management framework, ensuring that climate-related issues are regularly reviewed and addressed at the highest levels.
- Increasing the frequency of reporting to the Board of Directors and management, to improve governance and oversight of climate-related targets.

As we move forward, our efforts to enhance our strategic and operational resilience will continue, guided by insights and findings from our ongoing analyses.

We discuss in further detail how climate risks might impact our business, for example through customer preferences, physical and transitional disruptions caused by extreme weather, and potential costs of complying with new legislations and regulations, in our Annual Report on [Form 10-K](#) filed with the Securities and Exchange Commission.

Data Privacy

Our customers and employees trust us to handle their personal information with the utmost care and respect, and to protect it from misuse or unauthorized disclosure. We take this responsibility very seriously and recognize that complying with applicable data protection laws and regulations is fundamental to our success. Our approach is outlined in our [Privacy Policy](#) and is overseen by the Audit Committee of the Board. Our Chief Information Security Officer leads our cybersecurity operations.

Since this is an area of constantly evolving risks and regulations, we update our internal and external privacy policies and programs each year, including revisions to Petco's Sensitive Personal Information Policy, Vendor Privacy Standards, and revised Standard Operating Procedures for processing data subject requests, in compliance with U.S. privacy laws.

We are committed to providing transparent information to our customers about what personal information we will collect, and how we will use and disclose that information. We aim to limit our collection and use of personal information to that which is consistent with our publicly available privacy policies, and that which is necessary to accomplish our business purposes. Our highest data subject rights—such as the rights of deletion, access, and correction, as well as the right to opt out of targeted advertising on petco.com—is available to all consumers regardless of their geographic location.

To ensure our employees know what they must do to help protect our customers' privacy, we provide annual online privacy training for all our employees as well as additional privacy awareness and specialized training as needed. We regularly conduct Privacy Impact Assessments to assess the privacy risks of new projects and technologies.

We had no known data breaches in 2023.



Cybersecurity

Our extensive Information Security Program (ISP) encompasses administrative, technical, and physical safeguards for sensitive information including an advanced e-waste and electronic equipment end of life program that protects our data from being accessed from old electronics. The ISP is monitored 24/7 and is based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). Cybersecurity and the ISP are managed by our Chief Information Security Officer and overseen by designated members of Petco's management team through our Information Security Steering Committee, which coordinates security and customer information protection activities throughout our company.

To maintain compliance with our Information Protection Policy, employees are required to complete Information Security Awareness Training as part of their orientation process and annually thereafter on topics including ransomware, data privacy, phishing, and password security. Anyone found to be in violation of our Information Protection Policy may be subject to disciplinary action, including termination of employment.

In December 2023, to further enhance cyber safety awareness and education, we hosted a lunch-and-learn session with an FBI special agent to educate around 250 employees at our head office about how they could protect themselves, their families, and Petco from cybercriminals, and achieve safety, security and confidence in a digitally connected world.

Each year, we review opportunities for control, process, and governance improvements, and map these initiatives to the corresponding NIST CSF functions. Our risk diligence processes include conducting year-round phishing assessments across the enterprise, remedial training for employees as needed, and a vendor risk management program to ensure third-party employees are also complying with our ISP and relevant standards and regulations. In addition to our formal risk assessment process and security strategy, we conduct ongoing security assessments through Petco's bug bounty program to identify potential technical security issues, as well as occasional independent security audits as needed.

Our Security Incident Response Plan includes procedures for responding to and mitigating security incidents. It is reviewed and updated on an annual basis, and was last updated in March 2024. Petco subsidiaries, including entities and/or businesses that we acquire through acquisitions, are also required to operate on Petco IT-managed systems to allow us to better control and manage security.



PETS

A ginger and white cat is sitting on a rope-covered scratching post. The cat is looking directly at the camera with its green eyes. The background is a dark, textured wall with some green foliage on the left side.

Pets are why we are here. We are absolutely committed to leading our industry and revolutionizing new standards of pet health & wellness in a holistic way. This means taking into account their whole health including through nutrition standards, increasing access to veterinary and preventative care to help pets have the best outcomes possible, and supporting their welfare in every possible way.

We give back to pets in our communities, helping to save lives and reunite families, through our independent nonprofit, Petco Love. And we support pet parents by increasing access in more communities and offering budget-friendly products and services without sacrificing quality.

Pet Welfare & Humane Treatment

The humane and responsible treatment of animals is of paramount importance to us, and we do not tolerate pet abuse or neglect of any kind.

America Humane Certification

For the third year in a row, we are proud to have been awarded the coveted American Humane Certified™ seal of approval for our industry-leading standards. To be awarded with this achievement, Petco Pet Care Centers and animal supplier facilities underwent rigorous examinations by American Humane inspectors over the course of several months. Audits included observing animal behavior, veterinary care, habitats, nutrition, and safety processes. The comprehensive audit was outlined and directed by an independent Scientific Advisory Committee comprised of highly respected experts in animal welfare, science, behavior and ethics.



We take animal welfare into account in all situations when they are in our care. For example, 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 American Humane. We also make sure that we model responsible pet care in our marketing practices, such as by making sure cats shown outdoors and dogs are seen wearing collars with ID tags.



Recognizing our Chief Veterinarian



The **Allan L. Levey Chair's Award of Excellence** was presented to Dr. Whitney Miller, Petco Chief Veterinarian, in March 2023, in recognition of her work on Pet Advocacy Network's Zoonosis Committee and her efforts to promote responsible pet care. Dr. Miller is a vocal advocate for the importance of veterinary care and has worked to foster closer collaboration between the veterinary service community and the pet trade.

Petco Pet Wellness Council

Our approach to animal welfare is guided by the advice of experts in veterinary science and animal care, particularly those on our Petco Pet Wellness Council (PPWC), a coalition of 11 independent, leading experts. They meet regularly to discuss and review animal care topics and issues such as pet nutrition, veterinary care, behavior, animal sourcing, and ethics, and provide both company- and industry-wide education in support of advancing pet health & wellness.

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
- Telehealth

Animal Welfare at Every Step

Our responsibility to animal wellbeing starts before animals arrive in our care through our vendor protocols and extends throughout all situations during their time with us. It also includes supporting pet parents with animal welfare and providing them with the resources they need to meet the wellbeing needs of their pets.



- 1 In Our Supply Chain:** Our companion animal and aquatic life vendors are required to uphold the same high standards of animal care and welfare as we do by participating in our Petco Vendor Certification and Standards of Excellence Program. This includes a rigorous certification process and regular audits. More information on how we uphold these standards can be found on our [website](#).
- 2 During Transportation:** The comfort and safety of the animal is our primary focus at all times, including during transportation. We provide animals with a comfortable habitat and try to limit transportation time to reduce stress for the animals.
- 3 At Pet Care Centers:** Our employees undergo extensive training to equip them with the knowledge and skills to tend to the animals in their care. More information can be found on our [website](#). While in our care, every animal receives an hourly health check to maintain their continued safety and wellbeing. If any issues are identified, they are addressed immediately.
- 4 Wellness Rooms:** Ill or injured animals as well as overstock, adoption and maternity animals are cared for in our Wellness Rooms, which are kept to our highest health and cleanliness standards. Pet Care Center employees are trained in the special protocols we have in place for these rooms.
- 5 Veterinary Care:** At more than 280 of our Pet Care Centers, we have on-site vet hospitals which are overseen by our Veterinary Advisory Council. The group meets periodically to discuss medical quality standards and pet welfare during veterinary services. Pet Care Centers that do not have a full-service hospital on-site have relationships with designated local veterinary partners to provide care as needed.
- 6 At Home:** We provide pet parents with the information they need to take care of and meet the wellbeing needs of their pets. We also advocate for humane pet parenting practices such as positive reinforcements and provide support for pet parents with these methods. For more information, see [Supporting Pet Parents with Animal Welfare](#).

We even have plans in place for animal care and safety during emergency situations. Our detailed procedures outline the steps to take to care for, evacuate, and transport animals in natural disaster and emergency situations, and are activated when concerns are identified. An Emergency Action Preparedness binder is required to be present at all Petco locations. This binder includes details of our emergency response procedures, and is regularly updated with contact information for all employees on site. All managers are expected to be fully familiar with our processes and are responsible for following them. We hold seasonal and regional sessions about issues such as wildfires and hurricanes to keep all sites prepared. If an emergency occurs, we hold calls as required with site managers until all locations are safely reopened for business. We also provide pet parents with advice on how to care for animals in emergency situations.

Supporting Pet Parents with Animal Welfare

For each companion animal and aquatic life that we sell, we offer a QR code that takes pet parents to Care Sheets developed by experts that include information about applicable topics like:

- Diet and feeding
- Housing and habitat maintenance
- Behavior
- Grooming and hygiene
- Common health issues and red flags to look out for

This provides pet parents with critical information to meet the wellbeing needs of their pets; our employees are also on hand to answer additional questions as needed.

We also help pet parents prepare for and respond to out of the ordinary situations. For example, during July 2023, the temperatures skyrocketed in many parts of the country. To help pets stay cool and hydrated, we opened our doors to offer them and their families a safe haven to retreat, rehydrate and pick up cooling solutions. We also shared tips with pet parents on how to recognize signs of dehydration and heat exhaustion, and how to help their pets stay comfortable.

In addition, we believe we have a responsibility to advocate for behaviors that support humane pet parenting, such as positive reinforcement training methods, which have been shown to be more effective than aversive methods and punishments. To support pet parents in applying this approach, we offer online and in-store group classes, as well as private lessons, in Positive Reinforcement Dog Training methods focused on promoting a relationship of mutual respect and trust between pets and pet parents.





Pet Health, Nutrition & Wellbeing

Our Whole Health philosophy is revolutionary within our industry and is designed to help pet parents support all aspects of their pet’s health and wellbeing through a framework of five interconnected areas of pet health.

Pet Nutrition

Good nutrition is essential to physical health; that’s why we provide complete and balanced nutrition options for all types of pets. Our leading nutrition assortment meets all federal and industry regulatory requirements for food safety and includes a variety of high-quality, minimally processed, and scientifically led nutrition options to address the most common pet health issues such as digestive problems, obesity, and allergies. Our licensed veterinarians and knowledgeable employees are always available to provide personalized recommendations and help pet parents find the right food for their pets.

Nutritional Products

We are dedicated to partnering with incredible brands that reflect our values and align with our philosophy of providing pet parents with the best nutrition available for pets. In addition, we also carry brands that are innovating to create a more positive impact on pets and the planet.



Ollie provides the highest quality human-grade food in personalized portions that lead to happy pups, healthy weights, and longer, more active lives. Ollie's uses pet-level data to continuously improve recipes, and favors processes and ingredients that respect the planet that we all depend on. In August 2023, we launched an exclusive partnership that allows our customers more convenient options to purchase Ollie.



JustFoodForDogs, a fresh and frozen pet food pioneer, is a long-standing Petco partner offering human-grade products for dogs.



Native Pet is committed to offering dog supplements made with only the best ingredients, minimally processed, and without unnecessary additives. We are delighted to have added them to our shelves in 2023, providing pet parents with the option of purchasing the cleanest-label supplements on the market.



The Honest Kitchen pioneered the standard of human-grade pet food; making products from real, thoughtfully-sourced ingredients. They're also a certified B corporation, meaning they meet rigorous standards on governance, environment and sustainability. We're proud to carry their high-quality dog and cat food and treats.



We've removed all traditional rawhide from our shelves because it can be tough on a dog's stomach and replaced them with more digestible alternatives such as Earth Animal No-Hide Chews. These products contain six clean ingredients, plus one sustainably sourced protein—humanely raised chicken; humanely raised, grass-fed beef; wild-caught salmon; humanely raised pork; or free-range, grass-fed venison.



Stella & Chewy's offers high-quality, raw, and natural pet food made from premium, responsibly sourced ingredients. Additionally, they have begun transitioning to recyclable food & treat packaging—we're excited to carry several of their products that have fully transitioned over to recyclable packaging.



Clean Grooming

Whether at home or in one of our grooming salons, we want to make it easy for pet parents to give their pets the same high-quality options and ingredients they would choose for themselves. Over the past three years, we have been gradually removing unnecessary ingredients from the grooming products we sell and use, including parabens, phthalates and chemical dyes.

In April 2023, we launched our Clean Grooming Campaign, which extended this effort to our grooming services and self-serve dog wash stations, making us the first national omnichannel pet retailer to offer designated Clean Grooming services and products. The vast majority of products used in grooming services and on shelves – including shampoos, conditioners and balms – are now clearly highlighted for pet parents with a “Clean Ingredients” badge. The badge appears on the grooming salon menu, product shelves in-store, and throughout the Petco app and on the Petco website.



In addition to grooming salon services like baths and baths with a haircut, upgraded packages —such as the Essentials Plus package for routine care, the Shed Release package that targets de-shedding, and the Calm & Refresh package that helps support dogs with anxiety — have all been designated as Clean services. Additionally, our seasonal grooming packages at Christmas and Halloween were also Clean this year.

Pet Mental and Social 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 and contributing to a joyful, enriching life. Since 2021, we have been educating pet parents on the importance of mental health for pets, helping them recognize signs of anxiety and stress, sharing the importance of exercise and play and providing them with the knowledge and resources to address these issues and support their pets.

In addition to encouraging pet parents to prioritize pet mental health year-round, we share advice and recommendations from our expert trainers to help encourage fun, safe seasonal activities for pets, and support such activities through our product offerings. For example, our summer owned brand product range included a pool, water toys and a water sprinkler to support outdoor engagement and cooling products such as vests and toys to help pets enjoy the outdoors safely, even during the hot weather.

Making Pet Parenthood More Affordable and Accessible

We are passionate about the benefits of pet parenthood, and we want to help as many people as possible have access to the products and services they need to provide pets with healthy, happy lives at an affordable cost. We try to make pet parenthood easier through our omnichannel offering which includes easy and affordable access to grooming and veterinary services alongside bringing our products and services to more communities and people through new rural locations as well as a number of partnerships.

Expanding Access to Veterinary Services

We put the experience of pets at the center of our services. We offer free Whole Health check-ins at our Pet Care Centers, and our Vetco Total Care offering and insurance plans, are designed to make access to veterinary care easier. By offering full-service veterinary hospitals within Petco Pet Care Centers through Vetco Total Care, we help more pets access the care they need. By the end of fiscal 2023, we had 288 full-service veterinary hospitals and 1,400 mobile clinics per week providing pet parents with increased access to veterinary care.

In 2023, to enhance our standard of care and diagnostic capability, we adopted the use of Vetology Radiograph Interpretation AI in all Vetco Total Care hospitals. The radiograph uses more efficient and cost-efficient AI-powered software to read the radiographs, improving the adoption of care protocols and helping veterinarians make informed decisions.

Our Vital Care Premier 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 pets including unlimited vet exams at all Vetco Total Care locations and discounts on nutrition, grooming and other products and services. We even reward them for routine vet exams with a vet outside of Petco. In addition, we've teamed up with Hill's Pet Nutrition, which supports shelters through its Food, Shelter & Love program, to offer exclusive Vital Care Premier benefits and discounts to shelters across the country with the goal of providing post-adoption support and ensuring adopted pets stay in their loving homes.

In late 2023, in an endeavor to expand access to affordable veterinary care, we launched a new assortment of preventive package bundles that include vaccinations, diagnostics and discounted flea, tick and heartworm protection in our clinics and hospitals. These help provide high-quality veterinary care at discounted prices, helping more pet parents keep their pets protected.



We want to make it easy and affordable for pet parents to provide their pets with the comprehensive and high-quality health & wellness care that they need. This includes providing our doctors with access to the latest veterinary tools and diagnostic technology, empowering them to obtain accurate information at rapid speed, accelerate treatment and improve patient outcomes while saving pet parents time and money.



**Dr. Ashlee Redmond,
Medical Special Projects Director**

Ongoing veterinary care is key to pets' overall health & wellness and helps them enjoy long, happy, healthy lives. Pet insurance plays a significant role in helping families say "yes" to care they may not otherwise be able to afford. Our partnership with Nationwide, the largest pet insurer in the country, provides integrated and affordable pet health, wellness and protection solutions for every stage of a pet's life, with comprehensive and customized program for dogs, cats, small pets, reptiles and birds. The program became available in late 2023 and includes routine preventive care like vaccinations, as well as unexpected medical needs related to accidents or serious illnesses. Pet parents benefit from expanded access to a full range of pet care services including first-of-its-kind, in-network discounted pricing on every visit to Petco veterinary services.

Through Together Strong, our pet cancer awareness campaign, we highlight how routine preventive care is as vital for pets as it is for humans in the fight against cancer, and in 2023, we offered OncoK9™—a groundbreaking multi-cancer early detection test for dogs—at vet hospitals in select locations. We are also supporting the fight against pet cancer through Petco Love’s Yummy Memorial Cancer Fund, described in the Petco Love section.

Expanding Access to Pet Products and Services

Through our partnership with Lowe’s in the U.S. and Canadian Tire in Canada, we offer a curated assortment of Petco’s high-quality pet nutrition, health & wellness supplies and services at select stores through a Shop-in-Shop concept that helps increase pet parents’ access to essential products and services. In 2023, we expanded our Lowe’s partnership into nearly 300 locations, mostly serving rural communities, and our Canadian Tire partnership into 90% of their locations nationwide, as well as online. Our partnership with DoorDash, which was expanded in 2023, also gives pet parents nationwide greater access to products supporting pets’ whole health through on-demand delivery.

In June 2022, we launched our first Neighborhood Farm & Pet Supply Pet Care Center in Floresville, Texas, designed to serve the health & wellness needs of pets and farm animals in rural communities. These Pet Care Centers feature brand-new, stand-alone



retail locations strategically and conveniently situated at the heart of rural communities; in partnership with Petco Love, they will also offer adoption services and other health & wellness programs to further support local pets. Five locations were opened in 2022 and a further 10 in 2023, with more planned in 2024.

We have also entered into a partnership with Homes & Villas by Marriott Bonvoy to elevate the vacation experience for pet parents and their furry family members. Launched in November 2022, our partnership helps pet parents identify pet-friendly vacation properties, make essential pet travel items available for shipping to rental properties and provide information and packing checklists to make traveling with pets easier and more rewarding.

Community Engagement & Philanthropy

We are a purpose-driven company dedicated to improving the lives of pets and pet parents throughout the communities in which we are located, not only those who visit or shop with us. We do so with programs that promote the benefits of pet companionship, healthy environments and improving animal welfare through Petco Love.

Promoting the Benefits of Pet Companionship

Scientific research shows having a pet—or even interacting with one—has positive effects on both animals and people. As a pet-friendly workplace, we see firsthand the benefits of pet-human companionship in the workplace, including:

- Improved physical health
- Reduced stress
- Increased productivity
- Increased creativity

A survey we conducted in 2021 showed that nearly half of U.S. pet parents wanted their employer to adopt a pet-friendly workplace, and 41% would consider switching jobs if it meant they could bring their pet to work. To encourage more businesses to experience these benefits, we established April 19 as National Pets at Work Day, and have published a pet-friendly workplace playbook and toolkit with information and resources on policy guidelines, etiquette, how to develop and implement an effective action plan, and more, to help employers transition their workplace into a safe, healthy and productive environment for both people and pets.

We are founding members of [HABRI](#), an organization that believes in the powerful relationship between animals and people, and its impact on the health of individuals, families, and communities, and our nonprofit partner Petco Love serves on HABRI’s

Board of Trustees. Through HABRI, we fund research programs on the benefits of companion animals for specific groups such as children, older adults, those on the autism spectrum, veterans, and more.

Teachers report that a classroom pet enhances student compassion, responsibility, engagement, attendance, social skills, self-esteem, and even academic performance. In 2023, we continued to partner with [Pets in the Classroom](#), a program of the Pet Care Trust, to fund grants for classroom pets to thousands of classrooms nationwide. In 2023, more than 6,500 classrooms applied for, and received, this grant. Of these classrooms, 52% are schools with a high proportion of students from low-income families and 48% of grants go to classrooms that support students with disabilities, with 99% of teachers once again reporting that having a pet in the classroom was a positive experience.

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. Wherever possible, our marine life is aquacultured (born, bred and raised in an aquarium environment), and if this is not possible, then it is sustainably collected following strict standards. In 2023, nearly 92% of the total aquatic life we sold was bred via aquaculture. Our Vendor Certification Program helps us track the collection or breeding sites of our aquatic life, which are audited annually, and ensure vendors meet our requirements. Our commitment to aquaculture has encouraged 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, such as [Habitattitude™](#), a national initiative to eliminate the ecologically harmful release of unwanted fish and aquatic plants into public areas. We share their message with customers, emphasizing the responsibilities of aquatic life ownership and providing direction on what to do should they no longer want to keep their aquatic life. During 2023, we donated \$113,000 to charities focused on ocean conservation efforts and aquaculture research like the [Coral Restoration Foundation](#) and [Rising Tide Conservation](#). Since 2017, we have donated nearly \$1 million to causes supporting ocean conservation and aquaculture research.



Take Your Kids to Work Day

At our 2023 Take your Kids to Work Day, we hosted more than 150 children at our Support Centers to participate in activities that allowed them to learn more about pets and being responsible pet parents. Activities included office tours, educational sessions with dog trainers and vet services to learn skills such as how to approach unknown dogs, appropriate foods for pets and recognizing signs of distress, a “Meet the Critters” opportunity to connect with various small animals, as well as games and crafts.



Petco Love

Petco Love is an independent national nonprofit dedicated to creating a lifesaving nation and improving the lives of pets and their people. Petco Love harnesses the power of love to make communities and pet families closer, stronger, and healthier.

Petco Love accomplishes its mission by investing in animal welfare organizations with grant funding and taking action in three focus areas:

- Ending unnecessary euthanasia through fostering and adoption programs
- Increasing access to veterinary care, including through its free pet vaccine initiative
- Reuniting lost pets with the families that love them

Between our Petco employees and donations during checkout online and at the credit card terminal in our Pet Care Centers, we raised more than \$32.5 million for Petco Love in 2023.

Adoption and Fostering

Petco follows and promotes a Think Adoption First philosophy, which strongly encourages prospective pet parents to adopt a homeless animal rather than purchasing one. We do not sell dogs, cats or rabbits, but in partnership with Petco Love, which aims to help every pet find the loving home they deserve, along with thousands of local animal welfare organizations, we run events at Petco Pet Care Centers to promote the adoption of dogs, cats, rabbits and other companion animals. During 2023, our combined efforts led to more than 132,000 adoptions in Petco Pet Care Centers.

In October 2023, Petco Love teamed up with Bobs from Skechers and animal welfare organizations to host a Mega Adoption Event, finding homes for over 900 pets in need in Houston, Texas. Through this and other large scale community adoption events across the country during 2023, Petco Love helped over 10,000 additional pets find their families.

Not everyone can adopt, but research shows that if only 2% more of the 85 million pet-owning households in the U.S. fostered one pet a year, we could eliminate preventable euthanasia in shelter pets. That's why Petco Love is investing in animal shelter and rescue partners across the U.S. who are doing such important work in increasing fostering rates and reducing euthanasia.

In June 2023—National Foster a Pet Month—Petco Love teamed up with animal welfare organizations to raise awareness about pet fostering by promoting the fun aspects, alongside the lifesaving importance, of fostering shelter pets.



2023 Petco Love Highlights

\$33.5 million

Nearly \$33.5 million in grants donated

2,000

More than 2,000 shelters and other animal welfare organizations helped

17,000

Nearly 17,000 lost pets reunited with their pet parents

132,000

More than 132,000 adoptions facilitated in conjunction with Petco’s activities in Pet Care Centers, in addition to more than 10,000 through community adoption events

900,000

More than 900,000 free vaccines distributed

To date Petco Love has:

\$380 million

Invested nearly \$380 million in lifesaving animal welfare work

34,000

Reunited more than 34,000 pets with their pet parents through Petco Love Lost

4,000

Helped more than 4,000 animal welfare partners

6.8 million

Helped save more than 6.8 million animals through adoptions in Petco Pet Care Centers

2.2 million

Distributed more than 2.2 million free vaccines



Access to Care and Vaccination

Petco Love champions initiatives to keep pets healthy by providing free pet vaccines and affordable treatment options, including by supporting the Veterinary Innovation Council, a nonprofit organization dedicated to improving access and quality care to pets by promoting and developing disruptive solutions surrounding key emerging issues.

One important way to save pet lives is by vaccinating them against deadly diseases. 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 preventive care. In 2021, Petco Love launched a vaccination campaign to distribute free pet vaccines to community-based animal welfare partners to help pets in need, particularly targeting high-impact areas where fatal pet diseases are prevalent. By November 2023, 2 million free vaccines had been distributed to pets who had never seen a private vet, making it clear that the initiative is meeting its goal of reaching the pets that are most in need. As a result, Petco Love recommitted to distributing another 1 million vaccines.

In 2023, Petco Love also announced more than \$3.1 million in Access to Care investment grants to over 100 partners across the U.S. to help make access to veterinary care available where cost is a barrier. These investments support vulnerable families and their pets by funding animal welfare organizations that provide vital community services such as preventative and wellness veterinary care, treatment for illness and injury and spay/neuter services.

Pet cancer is one of the biggest threats to a pet’s life; and unfortunately, many pet families can’t afford treatment. The Yummy Memorial Pet Cancer Fund, launched in February 2023 in partnership with Blue Buffalo, provides financial support to Petco employees whose pets have been diagnosed with cancer and who might otherwise not be able to afford treatment, and is part of our support for the fight against pet cancer and ensuring everyone can access care for their pets.

Reuniting Pet Parents with Lost Pets

Petco Love Lost is a national lost and found database for pets that uses innovative pet image recognition technology to reunite lost pets with their families. In 2023, Petco Love Lost launched a technology integration with Amazon’s Ring and Neighbors applications, using our image recognition technology to help lost and found pets posted on those platforms find their way home as well, significantly increasing the reach and impact of the program. Since its launch in 2021, the technology has helped reunite more than 34,000 pets with their pet parents, including almost 17,000 in 2023.

PEOPLE



We refer to our employees as our partners because we believe that they are our partners in delivering our purpose, providing exceptional service to pet parents and the success of our ESG programs. We value each one and are committed to creating a culture where every employee can bring their whole self to work, perform at their best, and feel they have the opportunity to grow, develop and build their careers in a safe, healthy and fulfilling work environment. 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.

Talent Attraction and Development

Our employees have a passion for pets and pet parents; we want to nurture that passion by providing an inspiring work environment where they can grow and develop. We also want to reward them fairly for their work, which is why we provide a competitive benefits package, including a minimum wage for non-trainee hourly employees of \$15 an hour. We believe that this empowering work environment will help us attract and retain the most passionate employees, contributing to the success of our business.

Training and Development KPIs

91%

of the total workforce across all locations received career- or skills-related training

650,000

Nearly 650,000 hours of training for Pet Care Center employees

37%

of General Manager and District General Manager positions filled by internal promotions

Training

All new employees receive orientation training that provides them with a comprehensive understanding of our business, strategy, culture and expectations, including the Code of Business Conduct and Ethics, our Employee Handbook and other core policies and procedures. These are also available on our intranet and can be accessed at any time. New Pet Care Center employees complete role-specific learning, which includes a combination of digital resources, leader-led learning, and on-the-floor activities that specifically prepare them for their responsibilities in the Pet Care Center.

Additionally, we provide a number of specialized training programs that allow our employees to enhance their skills and deepen their knowledge, with a particular focus on leadership skills across the organization. This benefits them with career progression opportunities and also benefits pet parents as we fill roles with experienced and skillful employees. These programs include:

- **Leadership Essentials:** Provides foundational leadership skills to all new and newly promoted managers over their first 90 days in the role. In 2023, almost 400 leaders participated in the program.
- **Next Generation General Manager and Next Generation Field Leader:** 33 emerging general managers and top performing field leaders were selected to participate in this program. They receive learning experiences and networking

opportunities to prepare them for their next leadership role. Six have already been promoted into a new role. Since 2020 133 leaders have completed the program, with 32 promoted into a new role as a result.

- **Retail Leadership Cycle:** Aimed at developing the leadership skills of all Pet Care Centers and field employees. This series is a leader-led cascade that takes place three times a year, focused on empowering our Pet Care Centers and field leaders with skills and knowledge to build effective teams, drive purpose-driven performance, lead a culture of change and lead through disruption.
- **The Health & Wellness Certification Program:** This program is for employees in our Pet Care Centers and provides role-based learning pathways to elevate their sales and customer engagement skills, and the opportunity to advance into key roles over time. Employees can earn certification in cat, dog, companion animal and aquatic life health & wellness. In addition to providing development benefits for our employees, the program helps us embed more expertise in pet health & wellness throughout our Pet Care Centers. This program is currently available in 367 stores (26% of Petco stores), and we plan to expand it into all remaining stores over the next year.
- **LinkedIn Learning:** In FY23, we piloted the use of the LinkedIn Learning platform, which teaches software, creative and business skills, with Support Center employees. The 449 employees who participated in the 5-month pilot viewed over 2,600 courses and completed over 12,000 videos. Based on survey data and overall usage of this platform, we intend to continue investing in this tool to further develop employees' leadership and technical skills.
- **RED (Reflect, Engage, Develop):** These employee-led sessions provide peer-to-peer learning experiences on crowd-sourced topics within the areas of leadership development, career/personal development, Petco acumen or health & wellness. They also provide a special opportunity to build connections. Partners routinely report the usefulness of the sessions, which although optional, have a very high-level of participation — around 200 participants on average. Leaders volunteer to share their expertise, experience and passion to create meaningful sessions for peers. In 2023 we hosted two sessions, one on the topic of self-sabotage and getting out of your own way and the other on leadership development. RED is a special opportunity.

Career Development

We want to set clear expectations about what is required to be successful at Petco and offer all our employees equal opportunities to progress. As such, we provide detailed guidance to leaders on how to have effective performance and career development conversations with their teams.

At the end of each fiscal year, employees receive a formal performance review to assess and provide feedback on their overall contribution against predefined objectives. Additionally, managers are encouraged to conduct quarterly check-ins with employees at support centers to discuss past performance, priorities for the upcoming quarter and ongoing development.

As part of our focus on development, we use a set of consistent criteria to identify leaders with high potential to become directors and vice presidents. Assessments are calibrated at the team and enterprise level with our senior executives to ensure cross-functional feedback is considered, consistency in assessment and thoughtful development actions and investments that position these leaders for growth.

Developing Veterinary Skills

Veterinary technicians play an important role in our Vetco Total Care hospitals and are in high demand. Through a partnership with Penn Foster College, we provide tuition-free education to employees who wish to advance their career through an accredited veterinary technician associate degree program. All employees with a minimum of six months of service are eligible to apply for this on-demand program. Employees are highly supported throughout the process with mentors and monthly check-ins and have up to four years to complete the program. Once the program has been completed, graduates must then pass the Veterinary Technician National Exam (VTNE) to be credentialed.

In 2023, we were delighted to congratulate our first three graduates from the program, one of whom has already passed the VTNE exam. As a result, she will be rewarded with a bonus and pay increase to compensate her for this accomplishment.

This year we are piloting additional education programs with Penn Foster including:

- The Veterinary Practice Management Certificate Program, which is applicable toward the formal education requirement for the Certified Veterinary Practice Manager (CVPM) program offered by the Veterinary Hospital Managers Association (VHMA).
- The Vet Assistant Program, which helps partners prepare to sit for the Approved Veterinary Assistant (AVA) exam.
- The Veterinary Technology Bachelor's Degree accredited through AVMA-CVTEA. This program is specifically designed for students who have already earned an AVMA-accredited Vet Tech Associate degree.

In 2023, we piloted an Externship Program with 15 Future Veterinary Doctors from different medical programs across the US. This educational initiative was designed to provide aspiring veterinarians with hands-on, real-world experiences in our Vetco Total Care Hospitals. It allowed students to apply theoretical knowledge in a practical context,



Being in the Petco Penn Foster Program was an amazing opportunity that I am extremely thankful for. Without the support of the Petco team and my hospital team, I do not think I would have ever tried to obtain my Veterinary Technician license. I have gained so many great experiences, as well as new friends and allies in the veterinary medical industry. I have been in the veterinary field for 10 years now and I still learned much more through this program. I am excited to bring all my new knowledge to my team and our pet parents, which in turn will help improve the care of pets.

Mika Milholland,
Veterinary Technician and
Penn Foster College graduate

working alongside experienced veterinarians. By supporting Veterinary Externship Programs, we are contributing to the cultivation of a well-prepared, new generation of veterinarians who can effectively address the diverse healthcare needs of animals. We are further developing this program in 2024 through partnerships with select schools, the first of which is PIMA Medical Institute in San Diego, CA. In the summer of 2024, we will also launch a Doctors of Veterinary Medicine Mentorship Program for new graduates.

Annual Leadership Summit

Our Annual Leadership Summit is a four-day event for Pet Care Center General Managers and other leaders across the business. The high-energy event promotes the company's vision, values and culture and is intended to inspire General Managers to return to their pet care centers and cascade that same enthusiasm to the employees they manage.

As well as general sessions, which are recorded and made available to those who cannot attend in person, the event incorporates exhibitor booths, vendor-delivered educational workshops, leadership training, and a Health & Wellness exposition. In 2023, one of our training programs, "All In on You," focused on the five elements of Wellbeing: Career, Social, Financial, Physical and Community. 1,485 employees and 340 sponsors attended the 2023 Summit.

Epic Achievers

Our Epic Achievers program, recognizes and rewards high-performing Pet Care Center General Managers, District General Managers, Vet Hospital Leaders, Territory and Market leadership teams and leaders from our Support Centers and Distribution Centers. In 2023, 306 Petco employees and 191 of their guests — as well as almost 43 vendors — attended this exclusive event, which included workshops, wellness activities, excursions, an awards dinner and an opportunity to connect with our senior leadership team.

Total Rewards

Our compensation and benefits programs are designed to show our appreciation for and retain highly skilled, performance-oriented employees. We regularly evaluate the competitiveness and effectiveness of our compensation programs as well as our Corporate Annual Incentive Plan for eligible employees. In 2023, our Total Rewards package continued to provide employees with competitive wages and bonus opportunities, and we increased every non-trainee hourly partner's base wage to at least \$15 an hour. This change, along with other adjustments, resulted in approximately 8% average wage increases for our Pet Care Center partners.





In addition to financial compensation, Petco employees can enjoy:

- Medical, dental and vision plans
- Robust Employee Assistance Program with wellness guides and counseling sessions
- Flexible spending accounts and disability assistance
- 401(k) with matching contributions, employee stock purchase program
- Insurance and cell phone plan discounts
- The option to enroll their pets in Nationwide’s budget-friendly and comprehensive “My Pet Protection” insurance plan

In fiscal 2023, we’re proud to have continued to offer competitive benefits by keeping premiums flat, reducing deductibles and out-of-pocket maximums on health plans for all Petco employees, while at the same time enhancing our Employee Assistance Program to provide better access to mental and physical healthcare through improved user experience and access to care providers. We also added a Roth component to our Petco partners’ 401k plans and extended the availability of emergency and hardship withdrawals.

Our paid time off programs include six weeks of parental leave for the birth or adoption of a child for all employees with over one year of service and pet bereavement leave. In 2023, we expanded our family planning benefits by adding fertility coverage and an adoption assistance program, as well as a travel for medical reasons benefit.

Salaried employees may take unlimited personal time away from work with their supervisor’s approval, while hourly and field employees have competitive time off programs including floating holidays for Martin Luther King Jr Day and over Thanksgiving and Christmas to allow for more flexibility. To support employees with disabilities, our Leave and Accommodations department assesses each request for accommodation and provides support as needed.

Petco Partner Assistance Fund

Sometimes emergencies, hardship or natural disasters will occur that will cause financial strain for our employees. Our Petco Partner Assistance Fund, launched in 2020 as a response to the COVID-19 pandemic, provides financial assistance to Petco employees in times of need. In 2022, we increased the maximum funding that could be received from \$1,500 to \$2,500. Since the launch of the program, it has provided funding to over 2,000 employees and over \$2 million in grants.

Diversity, Equity & Inclusion

At Petco, we are committed to creating an inclusive, diverse and equitable culture where our partners are safe, accepted and welcome as they are. This objective extends to the businesses we partner with, our customers, and the communities we serve. We are proud of the continued progress we are making on our diversity, equity and inclusion (DEI) agenda as we deliver our purpose to improve the lives of pets and each other.

In 2023, we are proud to have received a score of 95/100 by the HRC in their Corporate Equality Index.

DEI Council

The DEI Council is a group of visible and vocal DEI Advocates from senior management across the organization. The council aims to help Petco work towards a fully inclusive workplace in which every member has an equitable opportunity to achieve their individual success, and to foster a culture of belonging that welcomes innovation, celebrates diversity and promotes equity to create a safe and effective workplace where partners are motivated to create the best solutions for pets, pet parents and fellow Petco partners. The Council has developed the following objectives for itself:

- Serving as DEI role models through the consistent and contentious modeling of inclusive leadership and active allyship
- Developing innovative solutions to meet the ever-changing needs of our workforce and guests
- Driving change by leading the implementation of DEI initiatives and tracking for progress
- Championing all DEI efforts by supporting all segments of the work across the enterprise

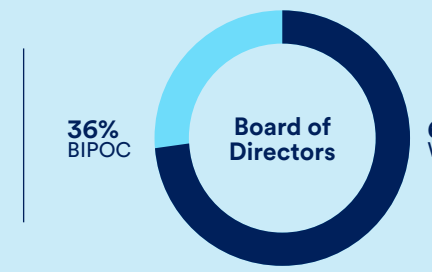
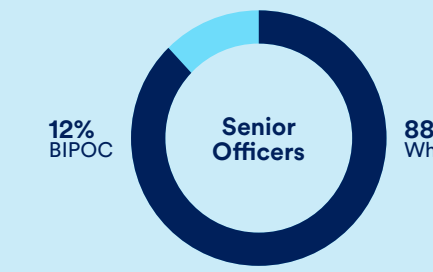
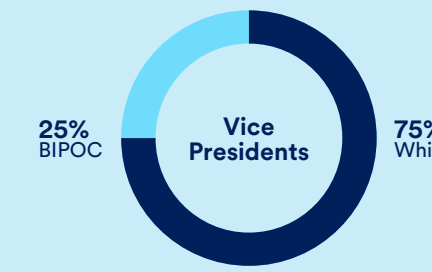
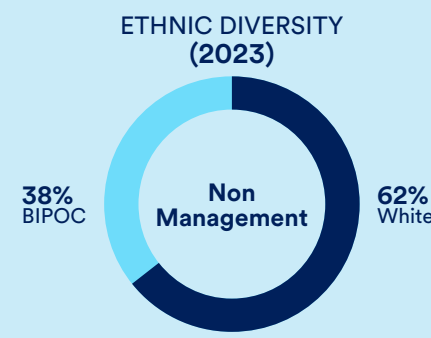
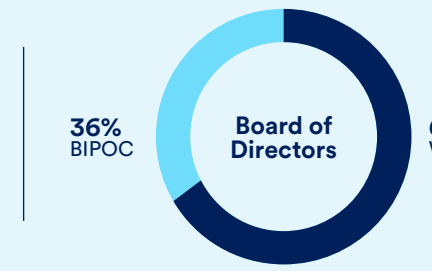
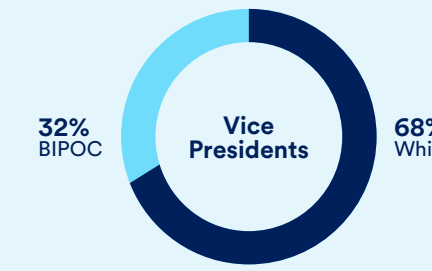
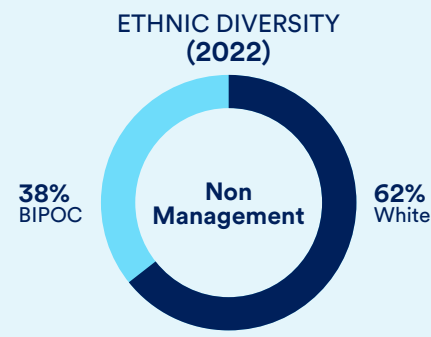
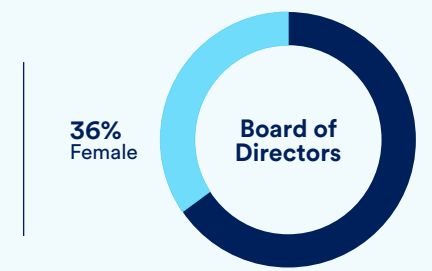
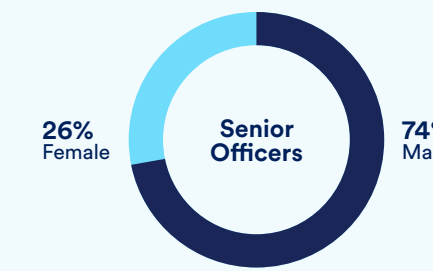
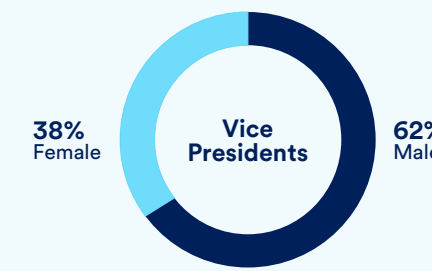
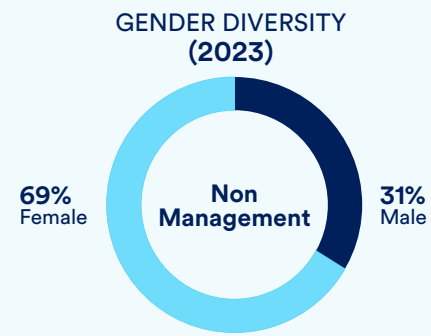
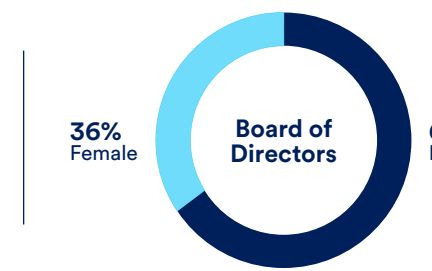
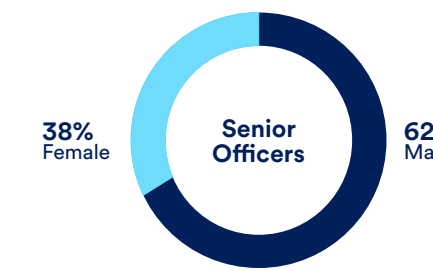
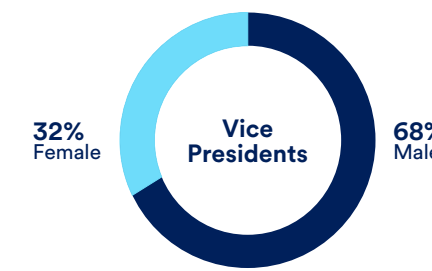
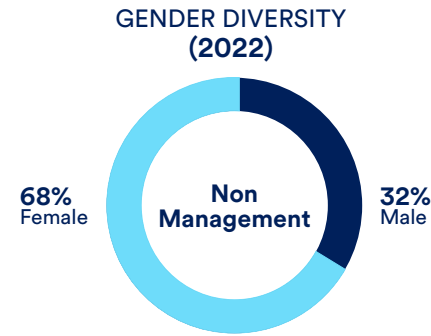
DEI Training and Awareness

Awareness is an important part of the effort to achieve DEI. In 2023, we continued to raise awareness of DEI issues throughout our company, including by hosting many roundtable discussions for both general employees and executives. We also use our Voice of the Partner survey to help us identify opportunities for continued improvement and make sure we are responding to the issues of most importance in this area.

All employees who are hired as people leaders or promoted to people leader roles receive training and support materials on how to build respect in the workplace, recognize and prevent exclusion and bias, and foster an inclusive workplace for all employees. These leaders receive activation e-packs which include exercises, tools, and discussion prompts to help them apply what they've learned and shift behaviors within



Our DEI Progress and Performance



Gender and Ethnic Representation figures are based on self-reported data and some individuals may choose to not disclose gender and/or ethnicity. Total figures do not include board of directors.

their teams. Additionally, these leaders are assigned the digital DEI courses that also tie to our core values, including “Knowing Me, Knowing You,” “Micromessages,” “Minus the Bias” and “The In-Crowd.” In 2023, we had average completion rates of 82% for our digital DEI courses, delivered as part of our “Leadership Essentials” program.

Upon starting employment with Petco, all new employees must complete a Preventing Workplace Harassment training as part of their onboarding process and acknowledge that they have read and agree to the expectations set out in our Employee Handbook, which includes zero tolerance of harassment and discrimination. New leaders must also complete this training, and it is additionally systematically assigned to employees throughout the company, based on geographic location. In early 2023, we announced a partnership with Open to All, a national nondiscrimination campaign. Over the coming months, we’ll be working with them to develop resources and training materials on inclusive and welcoming workplaces and retail practices.

In 2022, Petco & Petco Love partnered with the American Veterinary Medical Association (AVMA) and Veterinary Medical Association Executives (VMAE) as a Trailblazer sponsor for Journey for Teams, which provides a pathway for veterinary professionals to deepen their knowledge of diversity, equity and inclusion (DEI) and foster the advancement of DEI in veterinary workplaces through access to complimentary resources and educational modules. We will be sharing these resources with our Veterinary Community through our Vetco Total Care Newsletters that are published monthly and reach hundreds of partners across our hospitals and clinics, as well as veterinary professionals in our external talent community.



ABILITY 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



LGBTQIA+ AT PETCO
Partner Resource Group



WOMEN AT PETCO
Partner Resource Group



PETCONTIGO AT PETCO
Partner Resource Group

Partner Resource Groups

Partner Resource Groups (PRGs) are employee-led and provide an opportunity for diverse employee groups to exchange ideas, build connections and

promote inclusive activities. All our PRGs are supported by Executive Sponsors who actively engage in the group’s events and initiatives, help advance their work, amplify their visibility, and support the career advancement of the employees who lead them. During 2023, our PRGs were focused on upskilling PRG leaders, integrating PRGs into Petco events and initiatives and increasing PRG engagement at Pet Care Centers and Distribution Centers.

Throughout the year, our seven PRGs host activities to support the personal and professional development of their members and educate employees on the unique experiences of their group with information from leading organizations and guest speakers. For example, in 2023, these included events and information sharing on fertility awareness by Women at Petco, gender identity legislation by LGBTQIA+ at Petco and the impacts of Juneteenth by Black at Petco. To showcase what our PRGs can offer partners, we additionally hosted a PRG Virtual Open House; our PRGs also came together to celebrate our third annual Diversity Month All-Hands.

In addition to arranging internal activities, our seven PRGs are also actively engaged in our local communities through outreach and partnerships. Through volunteerism, charitable initiatives, and advocacy work, they amplify our impact and contribute positively to the broader social landscape by helping to build an inclusive community.

Providing Opportunities for Diverse Communities

We know that to ensure a diverse workplace, we must start by looking at our hiring processes. During 2022, we introduced new, company-wide guidelines to help facilitate a competitive hiring process internally and externally. The guidelines require that all

2023 Objectives

We set annual objectives to help us continuously make progress with our workforce diversity, equity and inclusion performance. These are tracked and reviewed regularly with our executive team and our Board of Directors. In 2023, these are:

GOAL	OBJECTIVE
External communication	Identify, prioritize and strategically invest in diverse community and professional organizations through PRG activations and ESG initiatives
PRG and DEI Council	Support, develop and leverage PRGs to build Petco’s culture of inclusion and improve retention of underrepresented communities
Aligning to leadership goals	Engage senior leadership, the DEI Council, and PRG Sponsors as decision-making bodies establishing strategy, objectives, measurement and accountability
Attract, develop and retain BIPOC Talent	Develop and retain BIPOC talent through targeted training programs and opportunities to advance
Standardize business practices	Integrate DEI into business practices including talent, merchandising, marketing, communications and ESG
DEI +	Additional work that supports partner experience and/or formally falls under DEI responsibility



open roles below VP be posted internally for a minimum of 5 days to ensure employee visibility to available opportunities and that efforts are made to include at least one BIPOC candidate and one person who identifies as a woman in the interview process. In 2023, we enhanced the resources available to hiring managers in our Pet Care Centers with an interviewing and selection toolkit that provides them with a framework for non-biased interviewing and unbiased, consistent candidate assessment against the key job skills and competencies required for the role.

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.

In 2023, we conducted a pay equity analysis for our entire Petco population, which showed progress against our DEI and Talent initiatives. We plan on updating this analysis in 2024 and to take action as appropriate.

Diversity and Excellence Outside of Petco

To show our employees and customers that we truly support them, we believe we have a responsibility to extend our DEI efforts beyond our internal practices. We work with RILA Diversity & Inclusion Leaders Council and [CEO Action for Diversity & Inclusion](#), to share knowledge and leverage our collective voices to advance diversity and inclusion within the workplace.

Supporting inclusion from an early age

We know that tackling exclusion at a societal level requires interventions from an early age. That’s why we support two educational institutions for school-aged children near our National Support Center in San Diego.

The [Barrio Logan College Institute \(BCLI\)](#) and [Preuss School](#) help underserved students become the first in their families to go to college. During August and September 2023, our Petcontigo PRG hosted a back-to-school drive to help the students at BCLI collect supplies for the school year. In November, we also hosted a day-long career day for students from BCLI and Preuss School to give them an opportunity to connect with some of our partners and learn about the different functions of our business. As part of this, we also hosted a “Meet the Critters” showcase on campus so the students could interact with all kinds of furry, feathered, finned and scaly pets.

Employee Engagement

We strive to keep employees informed about our business and listen to what they have to say to us through regular Town Hall meetings, leader-led roundtables, team meetings,

Sponsorship

In 2023 we provided sponsorship for a number of organizations that support diversity in the veterinary field:



Latinx Veterinary Medical Association

We are a proud sponsor of Latinx VMA, which empowers Latinx professionals in veterinary medicine and support the next generation of Latinx veterinarians.



Pride Veterinary Medical Community

We are a proud sponsor and supporter of Pride VMC and their mission to create a better world for the LGBTQIA+ veterinary community.



Veterinary Medical Association Executives (VMAE)

We are a proud member of the VMAE which provides effective leadership within the veterinary profession.



MentorVet

Merck sponsors free MentorVet Lift memberships and access to other MentorVet programs for our early career veterinarians.



AVMA Journey for Teams

We proudly sponsor Journey for Teams to help veterinary workplaces incorporate diversity, equity and inclusion.

our company intranet and our social media pages. We also want to make sure all our employees can provide us with feedback on their experiences working with us so that we can learn and improve. We provide opportunities to share feedback anonymously through our employee engagement survey titled “Voice of the Partner” or VOP. In 2023, nearly 87% of our employees actively participated in the survey, showcasing their commitment to providing valuable feedback. We are encouraged by the progress observed in certain areas, particularly the improvement in our Inclusion Index and a higher than 2022 number of employees recommending Petco as an employer. Moving forward into 2024, we will continue hosting executive-led roundtables aimed at gaining deeper insights into the factors influencing these scores. These discussions will guide us in identifying actionable steps to enhance employees’ experiences positively. In 2023, we implemented an AD-HOC Survey system to promptly address any interim concerns that may arise, further demonstrating our dedication to addressing employee feedback in real-time.

Human Rights & Fair Labor Practices

We are committed to protecting the human rights of all those who contribute to our business—whether they are employees or within our supply chain—including their rights to be treated with dignity and respect, to a safe and healthy workplace, to have equal opportunities and to be free from harassment and discrimination. Our approach is informed by international guidance such as the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and we comply with applicable standards and laws governing maximum hours, days of service, rest periods, overtime pay and restrictions, worker benefits and leaves of absence.

Our [Human Rights Policy](#), [Code of Ethics](#), and our [Harassment, Discrimination and Workplace Conduct Policy](#) together set out our expectations for our employees and are available to them through our Petco employees’ intranet. Our Vendor Guide further outlines our expectations for vendors, as described in the [Planet section](#). We have zero tolerance towards 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 a policy, as described in the [Governance section](#).

Employee Health, Safety & Wellbeing

The health, safety and wellbeing of all Petco employees is among our top priorities, and we continuously work on programs and communication efforts that support these areas and drive down injuries.



Injury & Illness Prevention

To help us minimize injuries and incidents, our Injury and Illness Prevention

Program incorporates:

- Safety policies and procedures
- Work practices
- Training
- Clearly defined responsibilities
- Regular assessments
- Corrective action requirements.

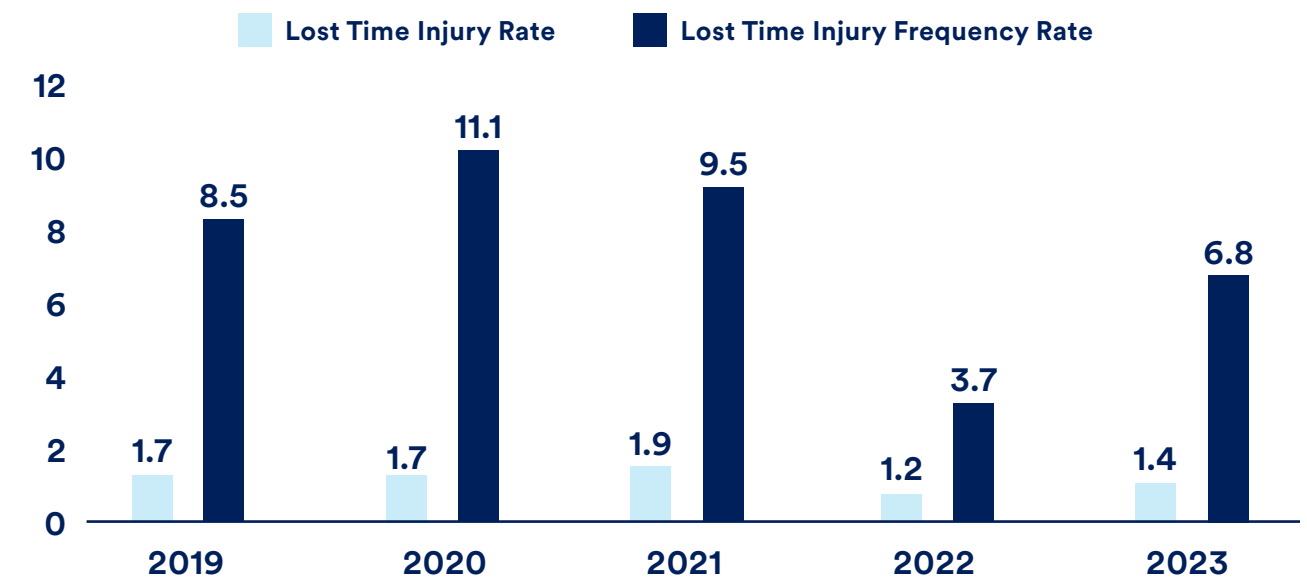
In addition, detailed procedures help us prevent and respond to zoonotic diseases, in line with CDC recommendations. A zoonotic group with representatives from various key departments monitors compliance with procedures and address any issues that arise. We also continue to monitor pandemic-related conditions across the country and communicate critical updates to our employees.

Employee engagement is a key element of success in safety excellence, so we promote a culture of accountability and cooperation, where every Petco employee takes responsibility for complying with our Health & Safety policies and procedures. We conduct regular safety meetings at our Pet Care Centers and Distribution Centers and make safety training a central component of our approach. Every new Petco employee is provided with robust online training covering occupational health and safety, environmental compliance and additional health and safety topics specific to their roles as part of their onboarding process. Employees receive ongoing training from line managers, and we run quarterly enterprise-wide training on topics such as:

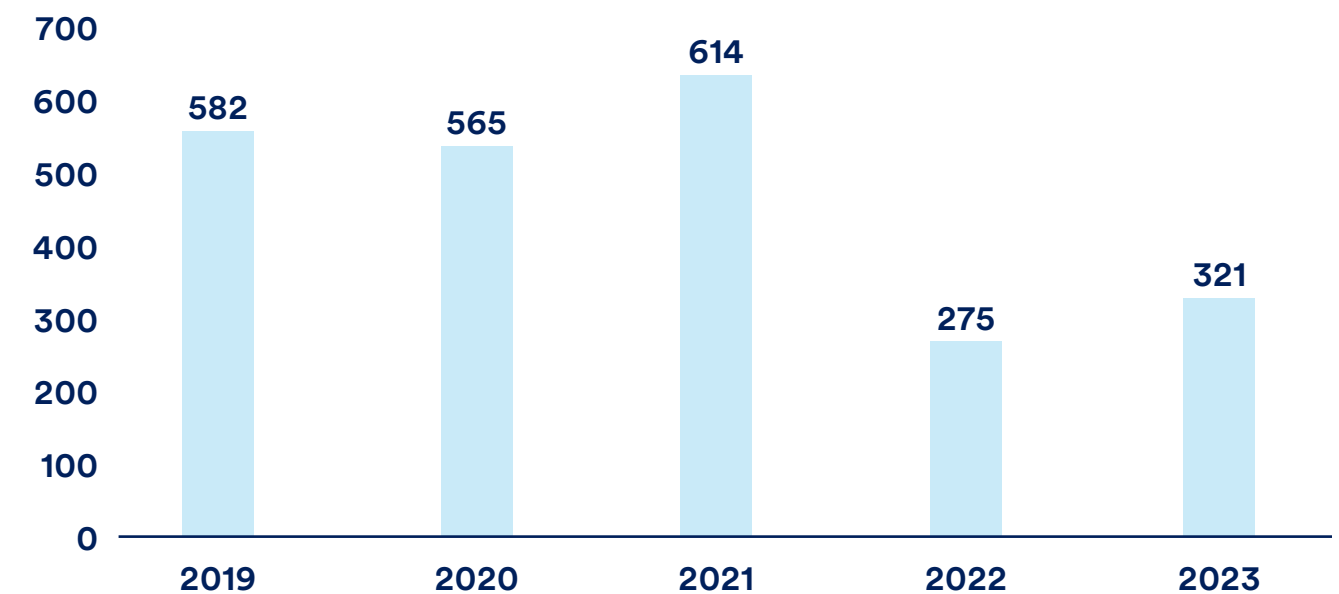
- Hazard communication
- Emergency action preparedness
- Safe lifting
- Injury and illness prevention
- Incident reporting and investigation
- Job-specific training sessions for employees in certain roles

	2022	2023
Number of partner fatalities as a result of work related ill health	0	0
Number of partner cases of recordable work related ill health	0	1

Employee Safety - Lost Time Rates



Indemnity Claims





During 2023, the focus of our safety communication campaign at both Pet Care Centers and Distribution Centers was “Back to Basics,” spotlighting safety fundamentals in training sessions, stand up talks and through our Intranet portal Workplace.

We recognize our “Safety Stars” by showcasing employees who have demonstrated exemplary safety leadership and achieved injury-free results at our Pet Care and Distribution Centers through a monthly spotlight on our internal web portal.

Wellbeing

We promote employee wellbeing through various resources focused on helping foster mindfulness, self-care, stress-reduction and physical health. For example, we have an active stretching program in our grooming salons and an ergonomics program. At our Support Center locations, we have fitness centers, as well as dog parks to encourage employees to bring their pets to work and spend time outdoors. We organize activities and touchpoints that build a feeling of community, and promote resilience in our messaging to employees. In 2023, we extended our support of employee wellbeing by offering on-site and on-demand fitness classes, as well as mental health and financial wellbeing webinars. We use a virtual fitness program that all employees can access at a time convenient for them, to help make fitness as accessible as possible. On-demand classes include yoga, bootcamp, targeted muscle toning and training, spin, mind and body TRX, and more. Employees have provided very positive feedback about the program.

PLANET

**RETURN TO DC FOR
REUSE AND RECYCLE**

A concern for the health of our planet is a natural extension of our concern for the health and wellbeing of pets and our employees and is a key part of our ESG efforts. We aim to reduce our impact on the planet by taking action to decrease emissions and water use, minimizing waste and the use of virgin materials in products and packaging, and looking for innovative ways to develop truly sustainable products.

Our Impact on the Planet

We take our responsibility to reduce our impact on the climate very seriously. Over the past several years, we have taken steps to reduce our impact in those areas where we could most quickly and significantly make changes to improve our performance—energy use at our facilities and emissions from distribution—and we continue to work to reduce our energy and emissions intensity in these areas. We are investing significantly in our efforts to improve the quality of our data. This will allow us to improve the accuracy with which we manage our impacts. Additionally, we are continuing to engage senior executives and Board members, supporting functions across Petco to help them understand their roles in managing our impact. This, combined with our ongoing assessment of climate-related risks and opportunities, supports us in our need to provide critical information to our stakeholders and comply with climate disclosure regulations in the near future.

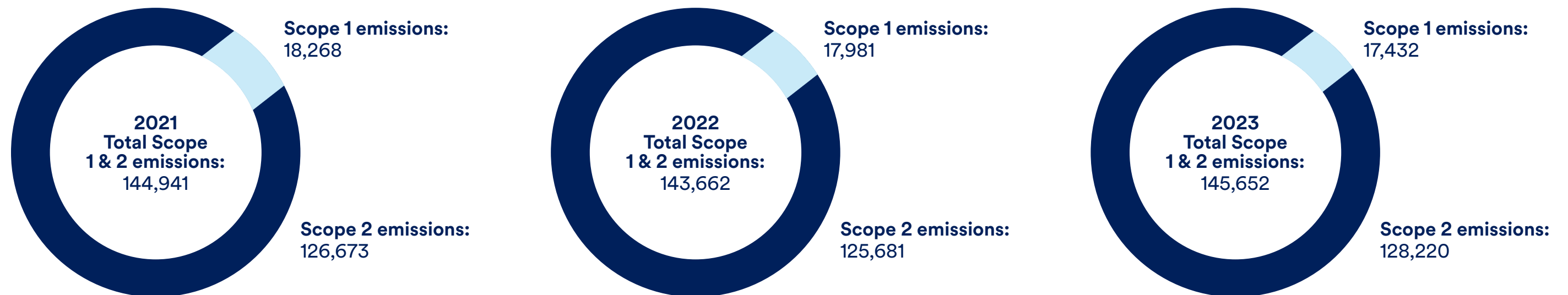
[Please see the Appendix section for details on our environmental data](#)

Emissions

We are committed to continuing to improve our performance. As we prepare to meet the requirements of new and proposed climate disclosure legislation, we continue to invest in the integrity of our data. This includes assessing and implementing data management systems as well as continually reviewing our data in order to improve confidence in the information we disclose. Over the past year, we've continued to assess our internal capabilities and model the effectiveness of short- and long-term investments in addressing Scopes 1 & 2 emissions, as well as the functions that need to be in place to successfully engage with our supply chain on Scope 3 emissions.

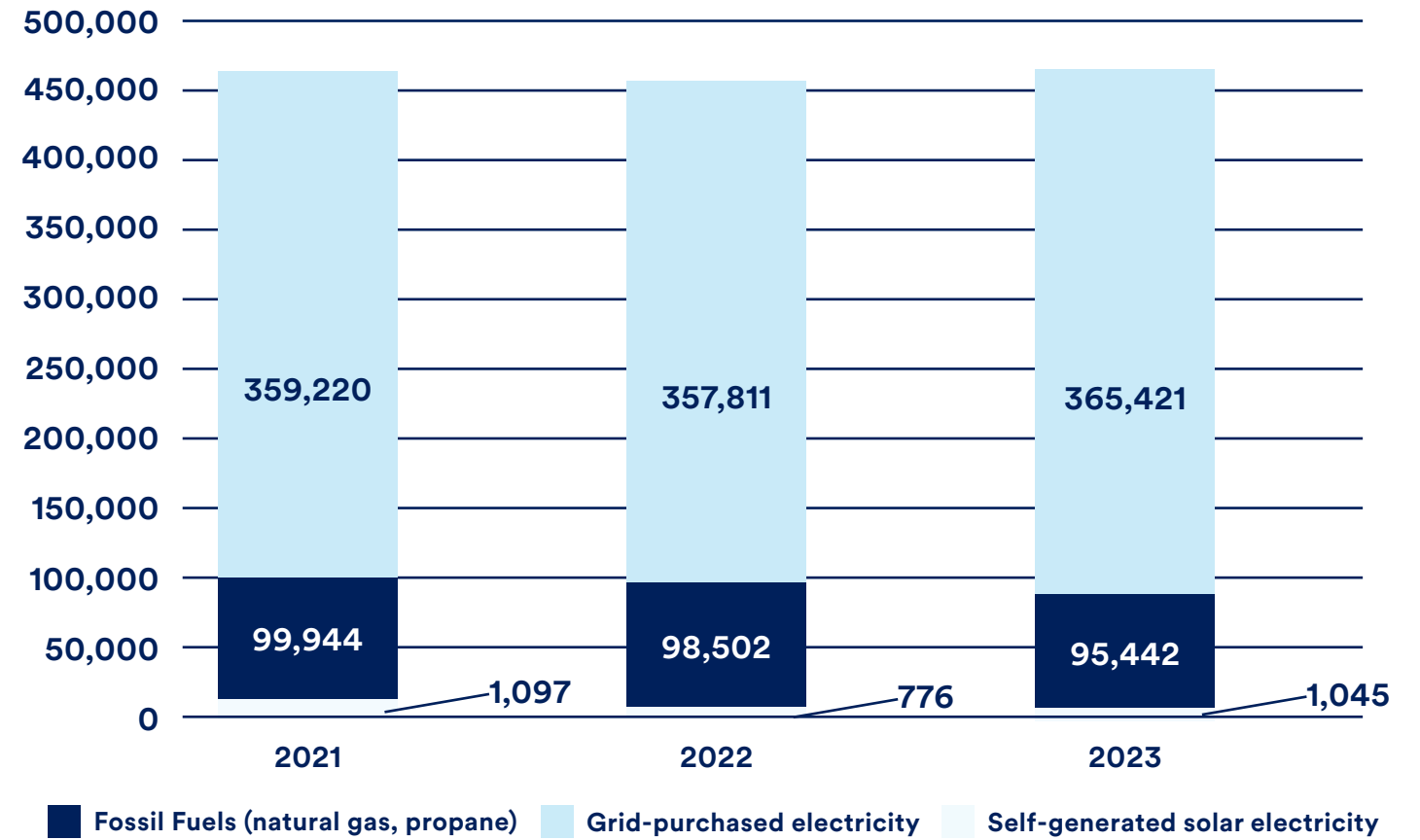
Carbon Footprint Scope 1 & 2 emissions (tCO2e)

■ Scope 1 GHG emissions (tCO2e) ■ Scope 2 GHG emissions (tCO2e)





Energy Consumption (MWh)



Energy Consumption and Management

At the start of 2019, we accepted the challenge to initiate Energy Management Reduction programs discussed below in the pursuit of a reduced carbon footprint. Petco, along with our vendor partners, continues to develop, measure, implement and manage program revisions to support energy reduction.

Partnering with our solution providers, we have implemented several programs that impact our Pet Care Centers energy consumption:

- **Store Lighting Curtailment:** This program allows our Pet Care Centers to take advantage of natural light in the early morning hours by reducing our lighting by 50% for a duration of 1.5 hours on the main sales floor. With over 1,400 Pet Care Centers participating we can contribute more than 4 million kWh annually to the carbon reduction targets and not negatively impact our customers & Pet Care Center employees.
- **Energy Efficient Temperature Management:** Petco developed and implemented cooling and heating programs that monitor local Pet Care Center climates and adjust temperatures overnight, accounting for various location climates, to ensure they are kept at an adequate temperature while minimizing daytime recovery efforts to avoid higher energy usage.

- **Demand Management:** At the start of 2021 and working closely with our Energy Management System provider, we launched a summer load shedding program to effectively manage the Pet Care Center cooling system energy consumption. The program operates during the day for 15-minute intervals and raises the cooling system temperature by 3 degrees which results in reduced demand from the electric grid while maintaining the targeted temperature. Today, we maintain a 90% Pet Care Center mechanical participation rate during the summer months.

Transportation & Logistics

We aim to maximize our fuel efficiency and minimize the carbon emissions of our transportation and logistics activities. We do so by using industry-leading fuel and emissions rating platform Breakthrough Fuel. This platform leverages smart technology to monitor all inbound and outbound transportation to help provide solutions to reduce emissions for Petco's multi-modal supply chain. With the support of this platform, Petco has developed more fuel-efficient carriers, opening strategically located distribution and fulfillment centers to reduce journey distance, reducing container space used for the same amount of inventory and more.

We've opened micro and metro fulfillment center locations to keep products closer to where our customers live, and combined transportation of grooming service products and for-sale products in order to reduce the number and distance of journeys made. At the same time, to better serve customers in rural areas, we've opened additional stores in more remote locations, which means more journeys. We're working to maximize other forms of transport and fuel savings in order to offset these additional journeys.

One of the ways we reduced fuel consumption in 2023 is by increasing our fuel-efficiency requirements for carriers from 6.8 to 7 miles per gallon. As a result, since June 2023 when this was implemented, we've been able to reduce fuel consumption by almost 45,000 gallons, avoid 456 metric tons of CO2 and saved nearly \$155,000.

Another new initiative in 2023 has been the implementation of Uber Freights shared freight and shipment level visibility tools. By sharing freight space with other customers, we are able to make better use of truckload capacity. While the program is still in its infancy we are expecting a 1% reduction in Petco shipments. The shipment visibility tool allows us to track the shipment throughout the process, helping to reduce idle times, layovers and inefficient down time, as well as ensuring that labor is available at the same time the truck arrives for delivery.

Water Related Risk & 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 for our dog grooming process, we have updated their bathing system to dispense shampoo within the water stream, reducing the time needed and, therefore, the amount of water used for each dog grooming. For our aquatic systems, when they are due for an upgrade, we replace them with systems that include a water change feature that allows us to filter and recycle water back into the tank rather than draining it.





Volunteering to Clean waterways

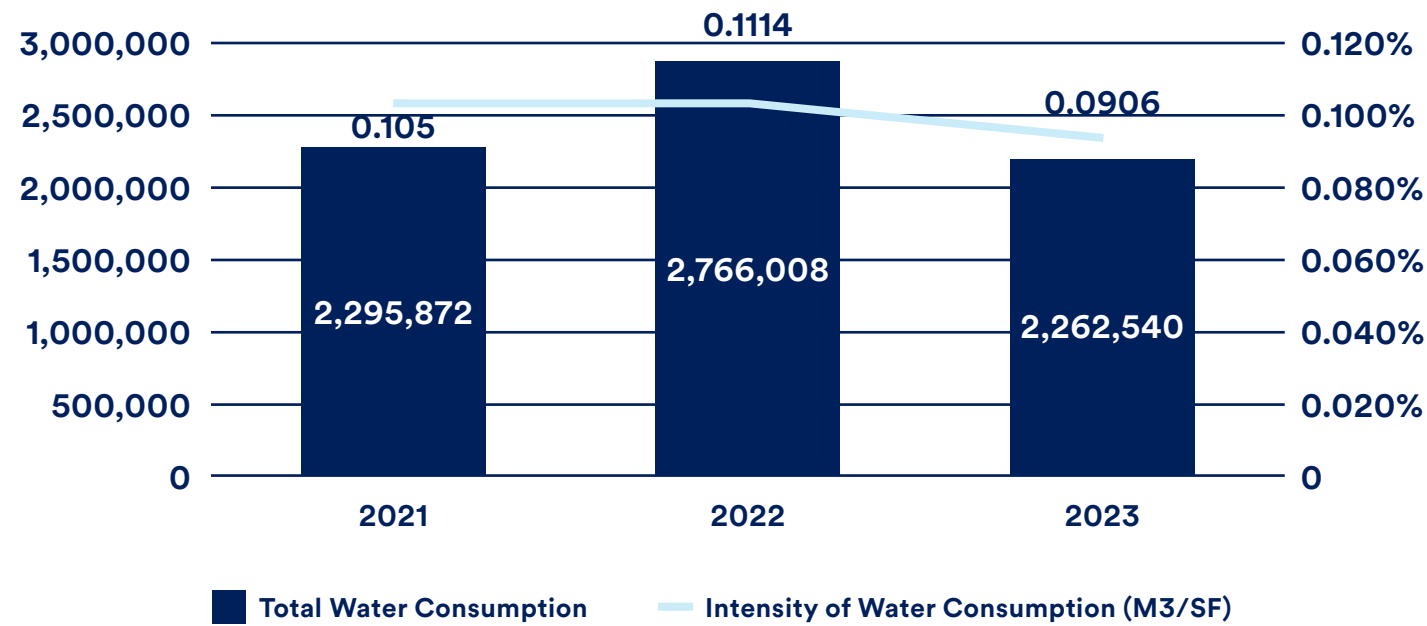
Trash in waterways is a big environmental issue; By 2050, it is estimated there will be more plastic than fish in the ocean. We want to do our part to help and each year look for opportunities to volunteer our time to support efforts to clean waterways. In 2023, 86 of our California employees volunteered to spend 3 hours each cleaning the San Diego River of trash. Both our San Diego and San Antonio partners volunteered in community beautification projects. In total, our partners removed 1,105 pounds of trash through these events.

“ We would like to highlight and recognize Petco, who was instrumental in helping to clean up 405 pounds of trash from alongside the San Diego River on September 9, 2023. Their hard work helped to improve the health of the San Diego River and the surrounding habitat. We appreciate their environmental consciousness and community spirit and would like to thank them for making a positive difference in our community and the future of the San Diego River. ”

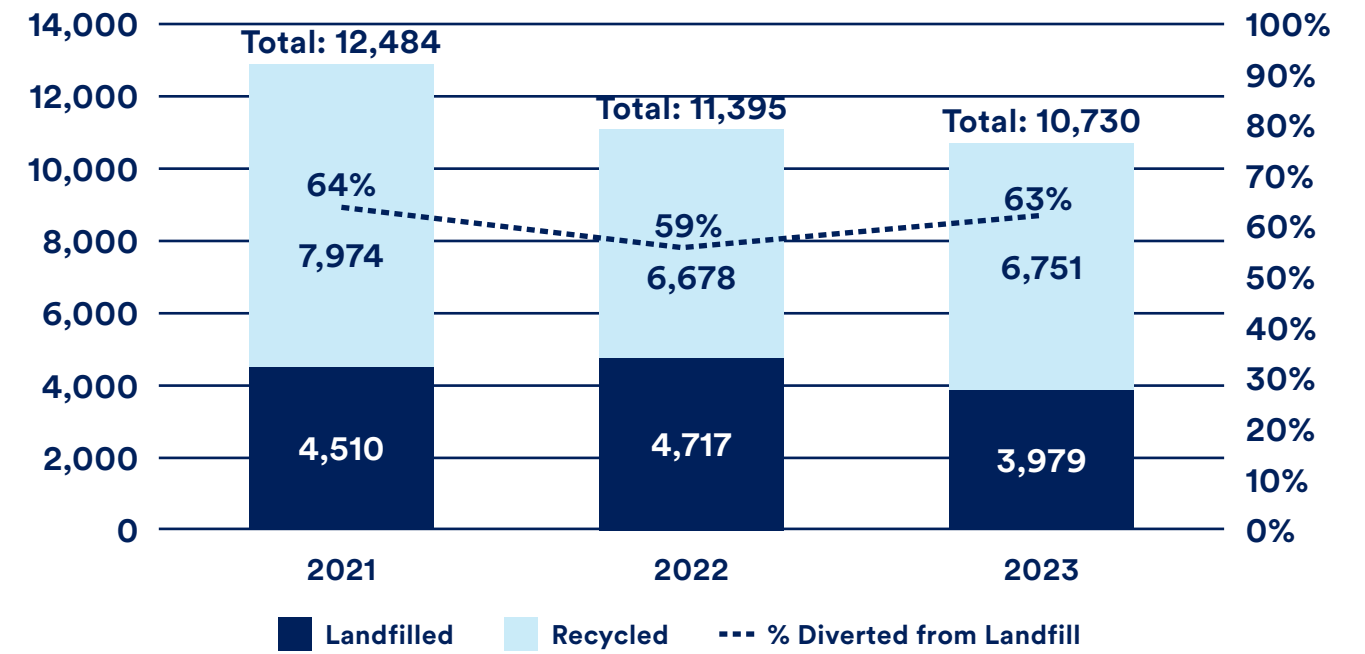
Shane Conta,
Program Manager for the
San Diego Riverpark Foundation



Total Water Consumption (M3)



Operational Waste at Distribution Centers



Waste

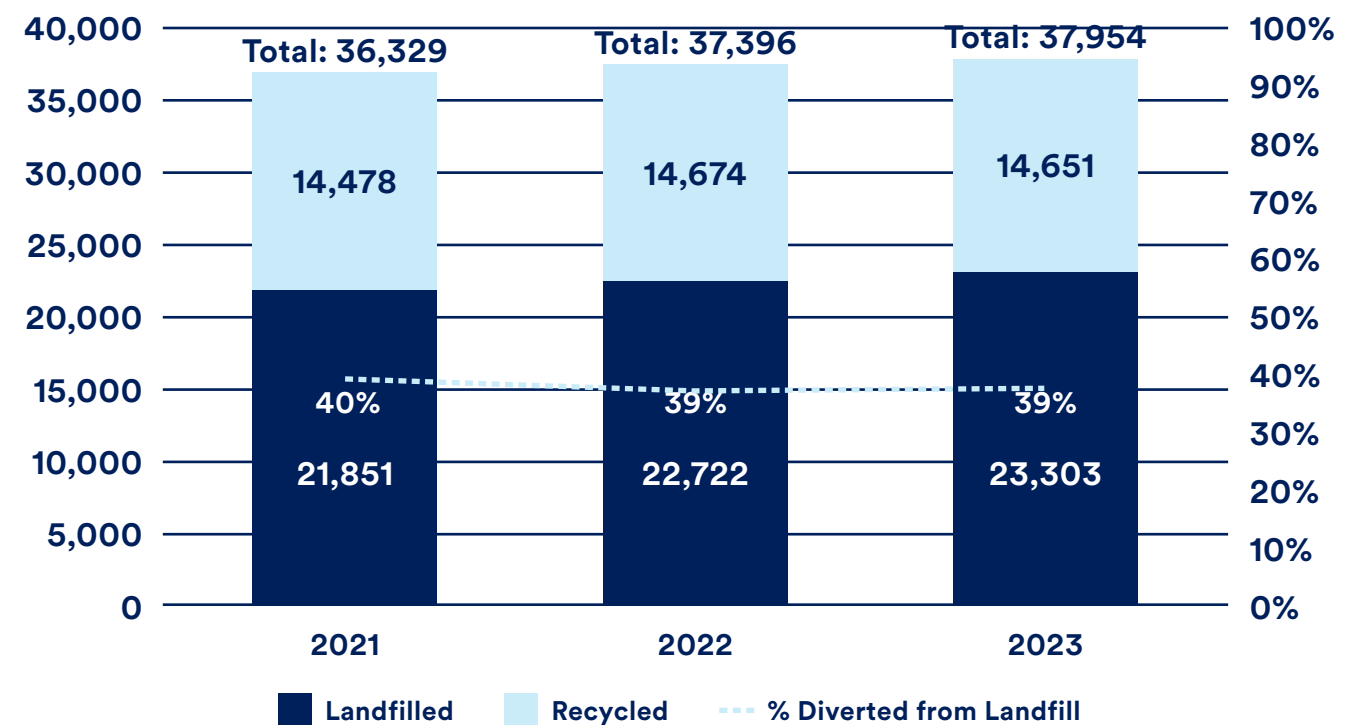
We look for ways to minimize waste and the use of virgin materials throughout our operations—from the way our products are designed, packaged, and disposed of, to our use of printed materials in Pet Care Centers. We also aim to contribute to a circular economy by looking for ways to upcycle and reuse materials wherever possible.

Waste and Recycling

The majority of our waste is produced at our Pet Care Centers, followed by our distribution centers. Across both site types, we have recycling programs for both cardboard and LDPE plastics. At our Distribution Centers we have been achieving a recycling rate of around 60%; however, at Pet Care Centers, the amount of waste diverted from landfill has historically been much lower.

To address this issue, we piloted a new recycling program in April 2023 to divert plastic waste from landfill, initially at 41 Pet Care Centers. The program includes a customer-facing bin so customers can bring in non-curb-side recyclable plastic waste such as used shopping bags and other plastic film to Petco Pet Care Centers for recycling, which we collect along with our own plastic waste such as shrink wrap from pallets. Combining both waste streams, we utilize our backhaul shipments to deliver the plastic to our Distribution Centers and combine them with the plastic collection process in place there. The waste is then collected from Distribution Centers by our recycling partner,

Operational Waste at Pet Care Centers





Repurposing Inventory

Another way we try to avoid waste is through finding useful outlets for items that are no longer productive. For example, we collaborate with the San Antonio Food Bank and adoption agencies near our Distribution Centers for the donation of pet food within a certain expiration range to avoid waste. We also reroute inventory we cannot sell directly to customers, such as e-commerce undeliverable returns or items in imperfect condition, to interested buyers at a discounted rate. In 2023, 5,665 lbs of inventory that would have previously been discarded were reallocated through this program. We are currently exploring further alternative channels for nearly expired, returned or unsold items in order to reduce waste and enhance resource utilization.

Reducing Paper Through Digital Communications

In an effort to reduce our use of materials wherever possible, we try to share information in electronic rather than paper format wherever possible. For example, in July 2023, in partnership with Petco Love, we digitized adoption forms, which will help save an estimated 225,000 sheets of paper annually. Our Vetco Total Care hospitals use digital signage, which greatly reduces paper waste and emissions from producing and shipping printed materials.

Trex, who converts the plastic waste into composite decking material for commercial and residential use. The pilot was extremely successful and received very positively by both partners and guests; over 7 months, we collected more than 4 tons of LDPE plastics, with no incremental labor needed. As a result, the program will expand to nearly 1,000 Pet Care Centers in 2024 and we expect to divert nearly 150 tons of plastic from landfills annually.

Comfortable and Sustainable Transportation of Animals

Typically, small and companion animals are transported in single-use cardboard crates lined with wood shavings. In 2021, in conjunction with one of our vendors, we started converting to reusable plastic shipping boxes for companion animals. These easily disinfected boxes are designed with comfort and safety in mind and provide good airflow and access to food and water. In 2023, 120 additional locations began using these boxes, and they have now been rolled out to 650 of our Pet Care Centers. In 2023, we also started a mobile warehouse program for small animal deliveries, using similarly easily disinfected reusable habitats, which has already been rolled out to 230 Pet Care Centers. Combined, these two programs are in place in nearly 900 Pet Care Centers.

In addition, we have implemented a Styrofoam box return system for our live animal suppliers, to reduce Styrofoam use. Styrofoam provides a safe and comfortable environment for animals during transportation as it is insulating and helps ensure animals do not overheat or get too cold during transit. Vendors who are participating in our return program leave the boxes at our Pet Care Centers when making their weekly deliveries and pick up empty boxes from the prior week's shipment to be reused. One of our vendors has integrated this system so successfully that 100% of boxes are being returned for reuse.

For live fish, we are converting to biodegradable plastic bags for transportation, which provide an equal level of safety and comfort while being better for the planet, and have put this into effect in 700 Pet Care Centers.

Limiting transportation time helps with disease management and tracking, as well as providing an environmental benefit from lower travel time, in addition to reducing stress for the animals.

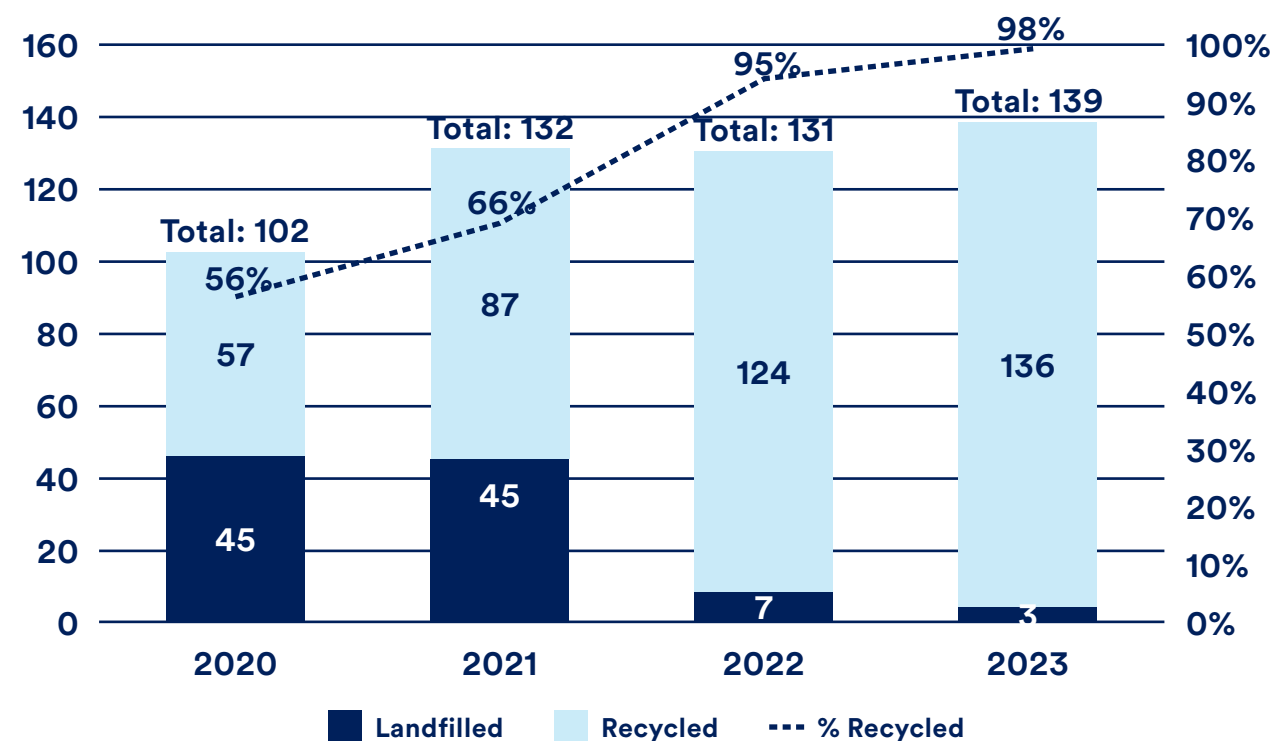
Hazardous Waste

We have a company-wide hazardous waste management program that includes strict responsibilities so that unavoidable hazardous waste, such as cleaning and pharmaceutical products from our veterinary clinics, are managed appropriately and properly disposed of. We offered training on hazardous waste to all of our employees, including an additional course for our Vet Staff in 2023, with an over 97% completion rate.

In 2023, we were able to continue to further increase our waste to landfill diversion rate but continue to evaluate the disposal methods of our chemicals. All products to be disposed of are scanned by a handheld device. If the product is considered hazardous waste, it will be identified by the device, which also informs the employee where to place the waste. We make monthly updates as we add and remove SKUs from our assortment.

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).

Hazardous Waste and Recycled Materials Chart (in tons)



Sustainable Products

We are dedicated to increasing the sustainability of our products and set ourselves a bold and ambitious target that 50% of the unique products available to purchase across our portfolio would meet our definition of sustainable by the end of 2025.

Over the past year, we’ve worked extremely hard to strengthen our sustainable products data tracking to allow us to more accurately understand our current performance. This has included extensively testing data platforms, creating an IT module that allows us to track sustainability attributes, updating customer insight data to include sustainable product tracking and more. The complexity of the issue, and number of attributes, standards and certifications to consider make identifying and tracking sustainable products a complex task. However, we are convinced that putting in the time to build these robust internal reporting systems that track our performance over time and analyzes our performance against specific metrics — including sustainability attribute, pet category, and product level details — will pay dividends as we work to identify gaps and continue improving our performance.

Although we are still working towards a seamless process to measure and track data, we’re not waiting to improve the sustainable standards of our products. For example, over the past year, we’ve gained Leaping Bunny certification for all applicable products within our own Well & Good brand, which confirms they have not been animal-tested. We also collaborate with our peers in the industry, sharing our learnings so far and discussing ways to improve product sustainability — for example, speaking at the Sustainable Brands conference and the Fortune Impact Initiative 2023.



The ambitious goal we set ourselves has challenged and encouraged us to push the boundaries of what’s possible. With a considerable segment of our product range now aligning with our rigorous sustainability criteria, we’re proud of the progress we’ve made. Although the complexities of the endeavor may require us to reassess our timeline and adjust our strategies, our efforts and dedication remain unwavering. The path to sustainability is a continuous journey, and we remain dedicated to innovating and leading in sustainable business practices, actively expanding our sustainable product lines and enhancing our sourcing practices.

How we Define a Sustainable Product

To determine whether a product can be considered sustainable, we reviewed product attributes, certifications and standards, in consultation with Petco teams and suppliers.

We also took vendor feedback and feedback from third-party pet industry experts such as the Pet Sustainability Coalition into account. This rigorous, multi-step process allowed us to establish principles regarding the criteria that can be used to meaningfully define a product as sustainable and include it within our sustainable product commitment. These are:

- Sustainability attributes must be supported by measurable, verifiable environmental impact
- Content levels must include a threshold that is significant and meaningful
- Reference a reputable third-party standard where possible
- Avoid generalizations and attributes without clear definitions or beneficial impacts

We revisit these standards periodically to ensure continued relevance, and in 2023, we added three new attributes to the list: Regenerative Agriculture, Responsibility Sourced Forestry Products and Responsibly Sourced Ingredients. To be considered sustainable, a product must also align with at least one of the following sustainability pillars:

Collaborating With Vendors

Our vision is to create a movement toward sustainable products in our industry and inspire others to make positive changes as well. We collaborate with our vendors and brand partners so that we can exchange learnings and innovate together. We push them to find new solutions, meet more standards, and consider which sustainable thresholds they can increase.

We engage regularly with our vendors to help them understand our requirements and meet our criteria. We include sustainable product attributes in our vendor intake forms to help us more easily identify prospective vendors that meet our sustainability requirements. When a vendor adds a new item or product line to our portfolio, they

complete an Attribute Request Form, which collects details on the sustainability attributes that each item meets, and these will then be shared through our Sustainable Product shop to help customers make sustainable choices. Additionally, we meet on a regular basis with strategic vendors to share progress updates, learnings and new innovations both teams are exploring in the sustainability space.

For our owned brands, we work with vendors who can provide us with more sustainable materials, such as those with Global Recycled Standard (GRS), Oeko-Tex® and USDA organic certifications.

Circular Economy and Sustainable Content

We recognize the critical importance of using more sustainable materials that are recyclable, produced with recycled content or are certified by organizations such as the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).

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 So Phresh brand uses recycled, biobased and durable materials, as well as refillable packaging; almost 70% of our So Phresh litter boxes contain repurposed plastic and are developed with reusability in mind. When available, we also choose locally-sourced business partners that produce high-quality materials, so we can benefit the local economy and reduce our carbon emissions from grower to manufacturing plant. Many of our So Phresh products meet these criteria.

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

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. Following the principles of the 3 R's (Reduce, Reuse, Recycle), our Owned Brands packaging team is working to minimize packaging size, use recycled and recyclable material and reduce unnecessary use of protective polybags.

In addition, we have been working to incentivize customers to make more efficient shipping choices that help reduce packaging waste. For example, providing Same-Day Delivery and Buy Online, Pick Up in Store options help 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.

Responsible Manufacturing	Sustainably Sourced Materials	Sustainably Sourced Ingredients	Responsible Packaging	Animal Welfare
Brands and products that use responsible manufacturing practices during production	Products made with materials like organic cotton or recycled nylon	Food and treats made with ingredients that are more environmentally friendly or emit fewer greenhouse gases	Packaging that is more sustainable, including packaging designed to be refilled, recyclable packaging, and packaging made with recycled content	Brands helping to ensure animals are treated humanely and products meet Petco's cruelty-free standard



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.

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. [The Products with Impact](#) section on our website showcases and makes it easier for pet parents to find both sustainable and clean ingredient products.

Product Quality & Safety

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. Additionally, specific products undergo further real-life pet testing to determine function and durability. Further, most of our new owned brand products require a certified third-party inspection before shipping. A Petco or vendor inspection is permitted only on low-risk products.

Our testing 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, as well as relevant state, federal and country specific regulations, and tailor them to each animal type's behaviors and needs. Our international and domestic vendor employees are required to comply with all federal and state quality and safety regulations.

We regularly review Pet Care Center and customer 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.

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 vendors are expected to read and comply with our [Code of Ethics](#) and the [Vendor Ethical Standards](#) outlined in our Vendor Guide, as well as all applicable local, federal, and international laws. In 2023, we added a clause into our Vendor Ethical Standards to explicitly state our expectation that vendors comply with the Uyghur Forced Labor Prevention Act (UFLPA) that is within the Vendor Ethical Standards section. Compliance is a condition of partnership, and we are dedicated to strict enforcement. Vendors are also required to allow their employees access to Petco's confidential whistleblower hotline to report ethics concerns.

Prior to starting a relationship with Petco, our owned brand vendors must participate in robust vendor onboarding practices. Annually thereafter, we require third-party Quality Management System audits as well as Social Compliance audits, which encompass the health, wellness and ethical treatment of their workforce, from every manufacturer of Petco owned Brand products. Violations of either are addressed through a Corrective Action process and can result in penalties including business termination if not remedied.

In addition to our direct management of responsible sourcing standards and risk assessment, our efforts to increase our assortment of sustainable products support improvements in supply chain practices. Our sustainable product criteria are largely based on best practice, third-party standards; through engagement with vendors and promotion of that commitment, we incentivize and support our vendors in managing their supply chains to high ethical standards and continually improving impact.



Appendix

Our Performance

Pets

Petco Love		Unit	2021	2022	2023
Internal Metric	Pet lives helped to save	Number	396,121	381,345	442,924
	Free vaccines distributed to under-resourced communities (Goal of 2 million vaccines achieved)	Number	400,100	913,475	908,625
	Petco Love Lost: Pets reunited with parents to date	Number	3,194	17,328	16,982
	Money raised for Petco Love	\$M	\$36	\$34.6	\$32.5
	Adoptions through Petco Pet Care Centers	Number	136,121	121,345	132,658
	Grants	\$M	\$26.8	\$30.6	\$33.5

Figures for FY20-FY22 has been optimized based enhanced reporting and data availability.

People

SASB CG-MR 330a.1	GRI 405-1	Gender Representation	Unit	2021		2022		2023	
				Male	Female	Male	Female	Male	Female
		Board of Directors	Percentage	64	36	64	36	64	36
		Sr. Officers		67	33	62	38	74	26
		Vice Presidents		55	45	68	32	62	38
		Managers and Directors		51	49	48	52	46	54
		Non-Management		33	67	32	68	31	69
		Total Workforce		34	66	33	67	32	68

SASB CG-MR 330a.1	GRI 405-1	Ethnic Representation	Unit	2021		2022		2023	
				People of Color	White	People of Color	White	People of Color	White
		Board of Directors	Percentage	36	64	36	64	36	64
		Sr. Officers		0	100	0	100	12	88
		Vice Presidents		21	79	32	68	25	75
		Managers and Directors		24	76	25	75	26	74
		Non-Management		36	64	38	62	38	62
		Total workforce		36	64	37	63	37	63

Gender and Ethnic Representation figures are based on self-reported data and some individuals may choose to not disclose gender and/or ethnicity. This report is the most up-to-date source of Petco's ESG data as figures published in previous reports may have been updated.

Employee Safety*		Unit	2020	2021	2022	2023
GRI 403-9	Indemnity claims	Number	565	614	275	321
	Total claims		2,361	2,895	3,883	4,416
	Fatalities from work-related injuries		0	0	0	0
	Lost-time injury rate		1.7	1.9	1.2	1.4
	Lost time injury frequency rate		11.1	9.5	3.7	6.8

*Beginning in FY23, Petco tracks workplace injury data during fiscal year instead of calendar year.

Work-Related Ill Health		Unit	2022	2023
GRI 403-10	Fatalities as a result of work-related ill health	Number	0	0
	Cases of recordable work-related ill health		0	1

Training and Development		Unit	2022	2023
Internal Metric	% of the total workforce across all locations who received career- or skills-related training	Percentage	94	91
GRI 404-1	Hours of training for Pet Care Center Employees	Hours	500,000	642,000
Internal Metric	General Manager and District General Manager positions filled by internal promotions	Percentage	47	37

Employees receiving regular performance and career development reviews		Unit	2022	2023
GRI 404-3	Employees receiving regular performance and career development reviews	Percentage	100	100

Planet

Scope 1 and 2 Emissions		Unit	2021	2022	2023
GRI 305-1	Scope 1 GHG emissions	tCO2e	18,268	17,981	17,432
GRI 305-2	Scope 2 GHG emissions		126,673	125,681	128,220
	Total Scope 1 & 2 emissions		144,941	143,662	145,652
GRI 305-4	Scope 1 & 2 intensity	tCO2e/SF	0.00640	0.00578	0.005835
GRI 305-4	Scope 1 & 2 intensity	tCO2e/ \$M sales	25.0	23.8	23.3

Energy Consumption		Unit	2021	2022	2023
GRI 302-1	Non-renewable				
	Fossil fuels (natural gas, propane)	MWh	99,944	98,502	95,422
	Grid-purchased electricity	MWh	359,220	357,811	365,421
	Self-generated	MWh	1,097	776	1,045
	Total Energy Consumption	MWh	460,261	457,089	461,888
GRI 302-3	Energy Intensity (Electricity)	kWh/SF	15.9	14.4	14.7
	Energy Intensity (Electricity)	kWh/ \$M Sales	62,047	59,408	58,585

Operational Waste at Distribution Centers		Unit	2021	2022	2023
GRI 306-5	Landfill	Tons	4,510	4,717	3,979
GRI 306-3	Recycled		7,974	6,678	6,751
	Total Waste Generated		12,484	11,394	10,729
GRI 306-4	Diverted from Landfill	Percentage	64	59	63

Operational Waste at Pet Care Centers		Unit	2021	2022	2023
GRI 306-5	Landfilled	Tons	21,851	22,722	23,303
GRI 306-3	Recycled		14,478	14,674	14,651
	Total Waste Generated		36,329	37,395	37,954
GRI 306-4	Diverted from Landfill	Percentage	40	39	39

Hazardous Waste and Recycled Materials		Unit	2021	2022	2023
GRI 306-5	Landfilled	Tons	45	7	3
GRI 306-3	Recycled		87	124	136
	Total Waste Generated		133	131	139
GRI 306-4	Diverted from Landfill	Percentage	66	95	98

Water-Related Risks & Impacts		Unit	2021	2022	2023
GRI 303-5	Total Water Consumption	M3	2,262,540	2,766,008	2,262,540
	Intensity of Water Consumption	M3/SF	0.105	0.1114	0.0906

**All our water consumption is freshwater supplied by municipal water utilities. This total includes estimated water consumption for around 22% of our Pet Care Centers for which direct metered data is not available.

1.1 GRI Index

STATEMENT OF USE:

Petco Health and Wellness Company, Inc. has reported the information cited in this GRI content index for the period of our Fiscal Year (January 30, 2023, through January 28, 2024) with reference to the GRI Standards.

GRI 1 Used:

Foundation 2021

Applicable GRI Sector Standard(s):

N/A

GRI 2: General Disclosures 2021	Disclosure Number	Disclosure	Reporting location	Additional remarks
The organization and its reporting practices				
	2-1	Organizational details	GRI Content Index 2023 10-K, pg. 42	Petco Health and Wellness Company, Inc., a publicly-traded company. The Company's headquarters is located in San Diego, California and comprises a total of approximately 257,000 square feet, and is under a long-term lease. The Company also leases facilities for corporate functions in San Antonio, Texas and Querétaro, Mexico
	2-2	Entities included in the organization's sustainability reporting	About This Report 2023 10-K, pg. 47	--
	2-3	Reporting period, frequency and contact point	GRI Content Index	This annual report was published on June 25, 2024 and covers our 2023 Fiscal Year (January 29, 2023 - February 3, 2024), in alignment with our annual financial reporting period. For more information, contact Francesca Mahoney, VP of Sustainability; Sustainability@Petco.com
	2-4	Restatements of information	GRI Content Index	Where information is restated, we have noted it as such within the report.
	2-5	External assurance	GRI Content Index	This Report has not been assured by a third party.
	2-6	Activities, value chain, and other business relationships	2023 10-K pg. 7	--
	2-7	Employees	People Our Performance – People	Total - 29,271
Governance (Petco material topic: Ethics, Business Conduct & Corporate Governance)				
	2-9	Governance structure and composition	ESG Governance – Corporate Governance Petco website – Governance	--
	2-10	Nomination and selection of the highest governance body		--
	2-11	Chair of the highest governance body	GRI Content Index	--
	2-12	Role of the highest governance body in overseeing the management of impacts	Executive Summary Sustainability at Petco – Materiality ESG Governance	--
	2-13	Delegation of responsibility for managing impacts	ESG Governance	--
	2-14	Role of the highest governance body in sustainability reporting	Sustainability at Petco – Materiality	--
	2-15	Conflicts of interest	Code of Business Conduct and Ethics, pg. 2-3 2023 10-K, pg. 35	--
	2-19	Remuneration policies	2023 10-K pg. 8	--
	2-20	Process to determine remuneration	2023 10-K, pg. 8	--

GRI 2: General Disclosures 2021	Strategy, policies and practices (Petco material topic: Ethics, Business Conduct & Corporate Governance)			
	2-22	Statement on sustainable development strategy	Letter from our CEO	--
	2-23	Policy Commitments	ESG Governance Petco website – Policies GRI Content Index	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. Please see the Governance section to learn more and see our Policies page on our company website for all of our commitments.
	2-24	Embedding policy commitments	Petco Code of Ethics 2023 10-K, pg. 11	--
	2-25	Processes to remediate negative impacts	Petco Code of Ethics, pgs. 6-7	--
	2-26	Mechanisms for seeking advice and raising concerns	ESG Governance	We support a corporate culture based on ethical values and professional conduct, as outlined in our Code of Ethics and the Governance page on our company website.
	2-27	Compliance with laws and regulations	GRI Content Index 2023 10-K pg. 24-25	To our knowledge, no significant instances of non-compliance with laws and regulations occurred during the reporting period. No monetary fines for instances of noncompliance with laws and regulations nor from legal proceedings associated with labor law violations were paid during the reporting period.
	2-28	Membership associations	ESG Governance - Government Affairs	--
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Sustainability at Petco – Stakeholder Engagement	--
2-30	Collective bargaining agreements	GRI Content Index	There are no collective bargaining agreements in place.	
GRI 3: Material Topics 2021	Material Topics 2021			
	3-1	Process to determine material topics	Sustainability at Petco – Materiality at Petco	--
	3-2	List of material topics	Sustainability at Petco – Materiality at Petco	--

Governance

GRI 3: Material Topic 2021	Customer Privacy (Data Privacy & Cybersecurity)			
	3-3	Management of material topics	ESG Governance - Data Privacy ESG Governance - Cybersecurity	--
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Governance - Data Privacy GRI Content Index	There were no data breaches nor were any substantiated complaints concerning breaches of customer privacy and losses of customer data received during the reporting period.
GRI 418: Public Policy 2016	Public Policy (Government Affairs)			
	3-3	Management of material topics	ESG Governance – Government Affairs	--

Pets

GRI 3: Material Topic 2021	Petco material topic: Pet Health, Nutrition & Wellbeing			
	Disclosure Number	Disclosure	Reporting location	Additional remarks
	3-3	Management of material topics	Pets - Pet Health, Nutrition & Wellbeing	--
	Petco material topic: Community Engagement & Philanthropy			
	3-3	Topic management disclosures	Pets – Community Engagement & Philanthropy	--
	Petco material topic: High Quality Delivery of Pet Care			
	3-3	Topic management disclosures	Pets - Pet Welfare & Humane Treatment Pets - Pet Health, Nutrition & Wellbeing	--
	Petco material topic: Animal Welfare in the Supply Chain			
	3-3	Topic management disclosures	Pets - Pet Welfare & Humane Treatment Pets - Pet Health, Nutrition & Wellbeing	--
	Petco material topic: Pet Welfare & Humane Treatment			
3-3	Topic management disclosures	Pets - Pet Welfare & Humane Treatment	--	
Petco material topic: Accessibility, Affordability & Inclusivity of Pet Parenthood				
3-3	Management of material topics	Pet - Making Pet Parenthood More Affordable and Accessible	--	

People

GRI 3: Material Topic 2021	Disclosure Number	Disclosure	Reporting location	Additional remarks	
	Occupational Health & Safety (Employee Health, Safety & Wellbeing)				
	3-3	Management of material topics	People - Employee Health, Safety & Wellbeing	--	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	People - Employee Health, Safety & Wellbeing	--	
	403-2	Hazard identification, risk assessment, and incident investigation	People - Employee Health, Safety & Wellbeing	--	
	403-4	Worker participation, consultation, and communication on occupational health and safety	People - Employee Health, Safety & Wellbeing	--	
	403-5	Worker training on occupational health and safety	People - Employee Health, Safety & Wellbeing	--	
	403-6	Promotion of worker health	People - Employee Health, Safety & Wellbeing	--	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationshipst	People - Employee Health, Safety & Wellbeing	--	
	403-9	Work-related injuries	People - Employee Health, Safety & Wellbeing Our Performance – People	--	
	403-10	Work-related ill health	People - Employee Health, Safety & Wellbeing Our Performance – People	--	
		Training & Education (Talent Attraction & Development)			
	GRI 3: Material Topic 2021	3-3	Management of material topics	People - Talent Attraction & Development	--
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	People - Training	--	
	404-2	Programs for upgrading employee skills and transition assistance programs	People - Training People - Career Development	--	
	404-3	Percentage of employees receiving regular performance and career development reviews	People - Career Development	--	

GRI 3: Material Topic 2021	Diversity & Equal Opportunity (Diversity, Inclusion & Belonging)			
	3-3	Management of material topics	People - Diversity, Equity, & Inclusion	--
GRI 405-1: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People - Diversity, Equity, & Inclusion= SASB Index	--
	Human Rights & Fair Labor Practices			
GRI 3: Material Topic 2021	3-3	Management of material topics	People - Human Rights & Fair Labor Practices	--
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Policy	--
	Customer Health & Safety (Product Quality & Safety)			
GRI 416: Customer Health & Safety 2016	3-3	Management of material topics	Product Quality & Safety	--
	Marketing & Labeling (Product Information & Labeling)			
GRI 417: Marketing & Labelling 2016	3-3	Management of material topics	Planet - Product Information & Labeling	--

Planet

GRI 3: Material Topic 2021	Disclosure Number	Disclosure	Reporting location	Additional remarks
	Materials (Sustainable Product Offering, Responsible Packaging)			
	3-3	Management of material topics	Planet - Waste Planet - Responsible Packaging Recycled Materials in our Products	--
	Energy (Energy Management)			
	3-3	Management of material topics	Planet - Energy Consumption and Management	--
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Our Performance - Planet	--
	302-3	Energy intensity	Our Performance - Planet	--
	302-4	Reduction of energy consumption	Planet - Energy Consumption and Management	--
	GRI 303: Water and Effluents 2018 (Petco material topic: Water Related Risks)			
	3-3	Management of material topics	Planet - Water-Related Risks & Impacts	--
GRI 303: Water & Effluents 2018	303-1	Interactions with water as a shared resource	Planet - Water-Related Risks & Impacts	--
	303-5	Water consumption	Our Performance - Planet	--
	Emissions (Climate Impact, Transportation & Logistics Impacts)			
	3-3	Management of material topics	Planet - Our Impact on the Planet	--
GRI 3065: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our Performance - Planet	--
	305-2	Energy indirect (Scope 2) GHG emissions	Our Performance - Planet	--
	305-4	GHG emissions intensity	Our Performance - Planet	--
	Waste (Circular Economy & Waste)			
	3-3	Management of material topics	Planet - Circular Economy and Sustainable Content from Circular Economy & Waste	--
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Planet - Circular Economy and Sustainable Content from Circular Economy & Waste	--
	306-3	Waste generated	Our Performance - Planet	--
	306-4	Waste diverted from disposal	Our Performance - Planet	--
	306-5	Waste directed to disposal	Our Performance - Planet	--
	Petco material topic: Consumer Engagement & Promoting Sustainable Consumption			
	3-3	Topic management disclosures	Planet - Circular Economy & Sustainable Content	--
	Petco material topic: Sustainable Consumption			
	3-3	Topic management disclosures	Planet - Circular Economy & Sustainable Content	--

This report is the most up-to-date source of Petco's ESG data as figures published in previous reports may have been updated.

1.5 SASB Index

Topic	SASB code	2023 Metrics																					
Data Security	CG-MR-230a.1	<p>Approach to identifying and addressing data security risks:</p> <p><i>Petco's approach to identifying and addressing data security risks is discussed in the Data Privacy and Cyber Security of this Report and more details can be found at: https://corporate.petco.com/privacy</i></p>																					
Workforce Diversity & Inclusion	CG-MR-330a.1	<p>Percentage of gender and racial/ethnic group representation for</p> <p>(1) Management and (2) All other Employees:</p> <p>Charts Given to Update the tables below:</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>53.10%</td> <td>46.90%</td> </tr> <tr> <td>All other Employees</td> <td>68.97</td> <td>31.03</td> </tr> </tbody> </table>	Gender	Female	Male	Management	53.10%	46.90%	All other Employees	68.97	31.03												
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		All other Employees	68.97	31.03																			
		<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>4.43%</td> <td>3.16%</td> </tr> <tr> <td>Black or African American</td> <td>3.71%</td> <td>6.26%</td> </tr> <tr> <td>Hispanic or Latino</td> <td>12.58%</td> <td>20.78%</td> </tr> <tr> <td>White</td> <td>74.93%</td> <td>62.34%</td> </tr> <tr> <td>Other*</td> <td>4.35%</td> <td>7.47%</td> </tr> <tr> <td>Not Disclose/ Available</td> <td></td> <td></td> </tr> </tbody> </table>	Racial/Ethnic Group	Management	All Other Employees	Asian	4.43%	3.16%	Black or African American	3.71%	6.26%	Hispanic or Latino	12.58%	20.78%	White	74.93%	62.34%	Other*	4.35%	7.47%	Not Disclose/ Available		
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*Other includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races" classifications																							
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	<p>Processes to assess and manage risks and/or hazards associated with chemicals in products:</p> <p><i>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. 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. Before any product goes to market, it must undergo rigorous testing at a certified third-party testing lab.</i></p>																					
	CG-MR-410a.3	<p>Strategies to reduce the environmental impact of packaging:</p> <p><i>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.</i></p> <p><i>Over the past few years, we have been working to add 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.</i></p>																					
Activity Metrics	CG-MR-000.A	<p>Number of:</p> <p>(1) Retail locations: 1,423</p> <p>(2) Distribution centers: 11</p>																					
	CG-MR-000.B	<p>Total area of:</p> <p>(1) Retail space: 19,278,586 square feet</p> <p>(2) Distribution centers: 4,577,309 square feet</p>																					



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