



Creating Memorable Moments

2022 ESG Report

petvalu®

bosley's
BY PET VALU

Chico

Total Pet

Paulmac's
Pets

Tisol
Pet Nutrition & Supply Stores

DISCLAIMERS

Forward-Looking Information

This report contains forward-looking information. Forward-looking information is provided as of November 15, 2023 and is based on management’s opinions, estimates and assumptions in light of its experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. Such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Pet Valu does not undertake to update any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

Particularly, the information under the headings “Outlook” in the Franchisee Relationships, ACE Working Environment, Energy & Emissions Management, and Product Safety & Quality sections of this report, and under the heading “Spotlight” in the Energy & Emissions Management section of this report related to our plans to install rooftop solar panels at our GTA DC (defined herein), constitute forward-looking information.

Many factors could cause the Company’s actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking information, including, without limitation, the factors discussed in the “Risk Factors” section in our most recent annual information form (“AIF”) dated March 6, 2023, which can be accessed under our profile on SEDAR+ at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully.

The forward-looking information contained in this report is expressly qualified by this cautionary statement.

Supplementary Financial Measures

This report makes reference to certain supplementary financial measures that are commonly used in the retail industry, including “System-wide sales”, “Average Unit Volume” or “AUV”, and “4-Wall EBITDA.” These supplementary financial measures are used to provide investors with supplemental measures of Pet Valu’s operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use these supplementary financial measures in the evaluation of issuers. Management uses supplementary financial measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Refer to our management’s discussion and analysis (“MD&A”) for the third quarter ended September 30, 2023 and AIF dated March 6, 2023, for further information on supplementary financial measures, including for their definition, which definitions are incorporated by reference herein.

Letter to Our Stakeholders



Anthony Truesdale
Chair, Board of Directors



Richard Maltsbarger
President & Chief Executive Officer

We are excited to present our first report summarizing how Pet Valu addresses environmental, social, and governance (“ESG”) factors relevant to our business.

Our mission, values and strategy are anchored in the belief that utilizing sustainable business practices helps deliver profitable growth and create value over the long-term. As a result, many ESG considerations have long been embedded in how we operate, from fostering strong relationships amongst franchisees and Animal Care Experts (“ACEs”) to employing good governance practices throughout our organization.

In our first ESG report, we discuss our approach to addressing ESG factors across five topics: Franchisee Relationships, ACE Working Environment, Energy & Emissions Management, Responsible Stewardship, and Product Safety & Quality. Representing key areas important both to our shareholders and our business, we have presented these discussions in a decision-useful format, summarizing our strategy, governance and key success metrics.

Note:

AUV, 4-Wall EBITDA and System-wide Sales are supplementary financial measures. AUV is calculated by dividing system-wide sales by store count. Refer to our AIF dated March 6, 2023, for definitions of 4-Wall EBITDA and System-wide sales, which are incorporated by reference herein.

We foster strong **relationships with our franchisees**, whose stores account for over 70% of our network and represent our primary growth platform. In 2022, we added 60 new franchisees to our community, increased the proportion of multi-store owners, and supported franchisee Average Unit Volume (“AUV”) and 4-Wall EBITDA growth of 16%.

We strive to provide a safe, inclusive, supportive and fulfilling **work environment for our ACEs**. In 2022, we performed over 4,000 “Safe & Ready” assessments, invested to provide all full-time corporate ACEs with at least one year of tenure with a living wage, and fostered continued learning through our expanding ACE Academy training platform. We also continued to benefit from strong diversity throughout our organization.

We strive to **manage our energy and emissions** responsibly. Building on actions in recent years, we recently completed an initial assessment of our 2022 energy consumption and emissions profile. This data will assist us as we develop our comprehensive energy and climate strategy for Pet Valu.

Responsible stewardship is a critical component to how we build trust with all our stakeholders and drive our success. We accomplish this through a majority independent, diverse and well rounded Board of Directors (the “Board”).

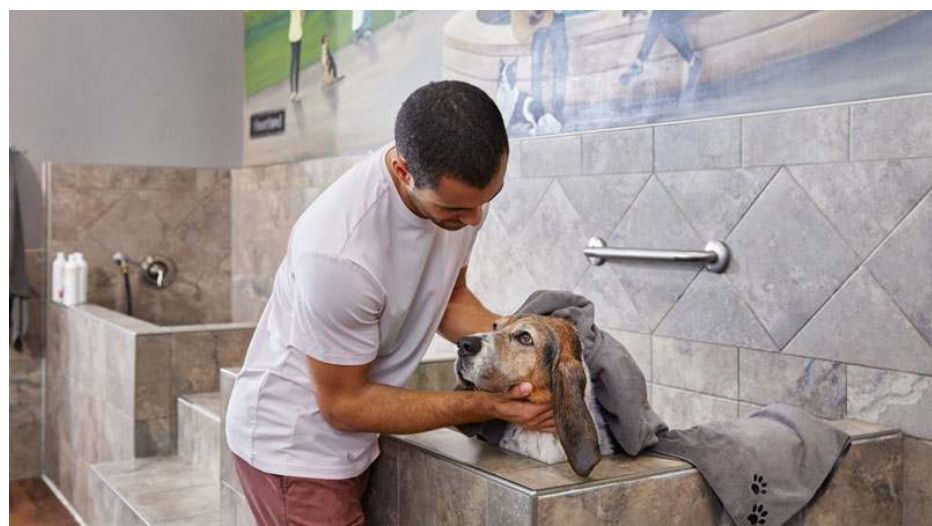
We protect devoted pet lovers and their pets by adhering to strict processes and policies governing the **safety and quality of products we sell**. In 2022, we experienced limited recalls equating to 0.03% of our system-wide sales. Of these, less than 1% of impacted units were our proprietary brands.

As we look forward, we plan to build upon the foundation set by our first ESG report and enhance our disclosure. As we monitor our ongoing performance across key ESG metrics, we will begin to assess establishing time-based targets, where appropriate, which we believe will create value over time. We also plan to strengthen our approach and oversight of key ESG matters as we grow.

We hope you enjoy our first ESG report and thank you for your ongoing support.

Our Business

We are Canada's leading retailer of pet food and pet-related supplies, with an unmatched network of franchised and corporate locations complemented by a robust suite of digital capabilities. For more than 40 years, Pet Valu has earned the trust and loyalty of devoted pet lovers by offering knowledgeable customer service, a premium product offering and engaging in-store services. To learn more, please visit petvalu.ca.



Pet Valu Snapshot

FISCAL 2022

18%

market share in Canadian pet industry

2,135

full-time equivalent corporate employees

\$1.3B

system-wide sales

\$1.0B

revenue

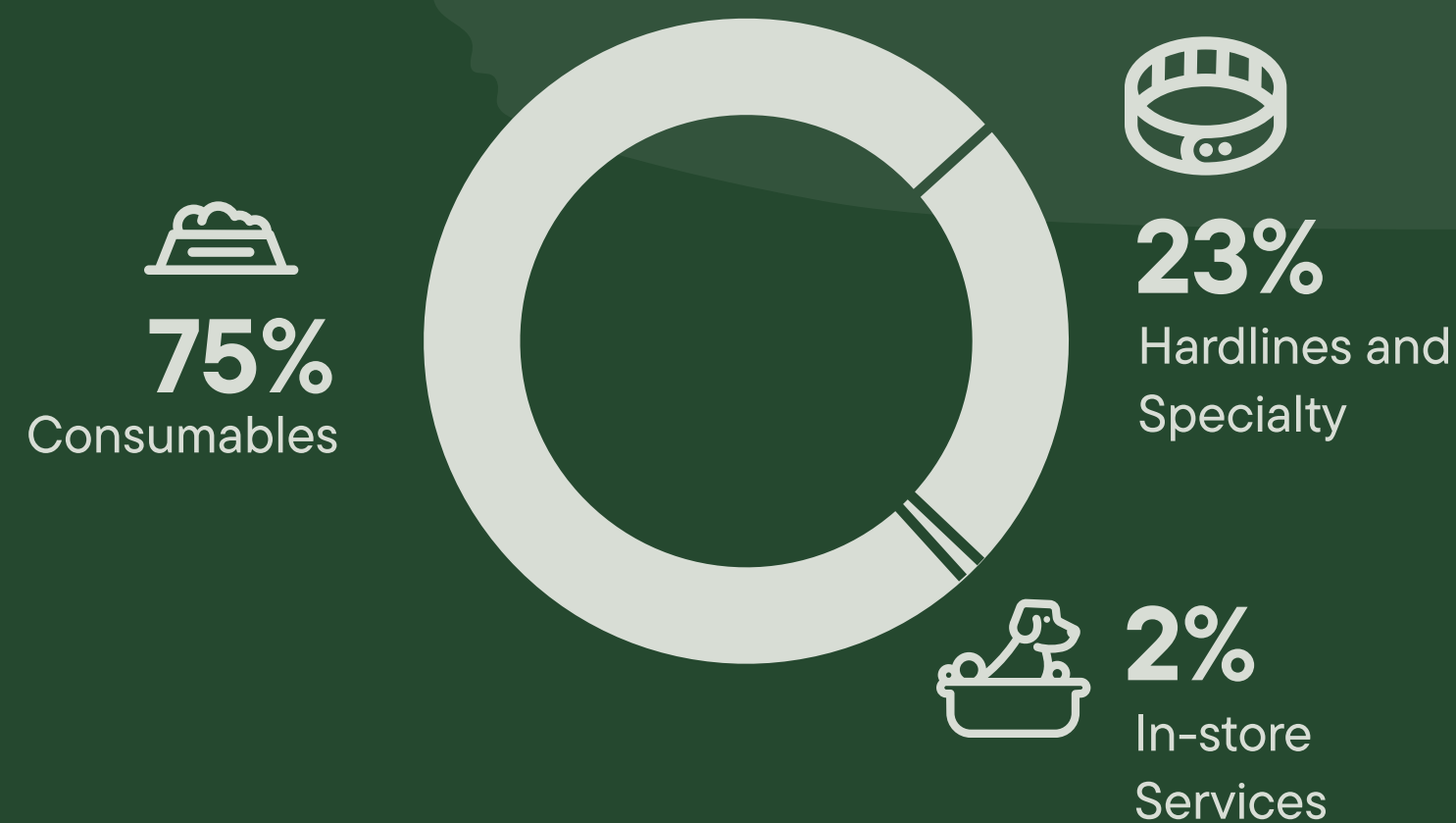
75%

system-wide sales from ~2.4M active loyalty members

26%

proprietary brand penetration of system-wide product sales

SYSTEM-WIDE SALES, BY CATEGORY



Our Stores

FISCAL 2022

744

corporate and franchised stores across Canada

74%

Canadians within 5km of our stores

6

store banners

petvalu

bosley's
BY PET VALU

Paulmac's
Pets

Tisol
Pet Nutrition & Supply Stores

Chico

Total Pet

Our Digital Touchpoints

FISCAL 2022



Nationwide Direct-to-Customer e-commerce site



Click-and-Collect across all stores outside Quebec



AutoShip subscription service

Our Distribution Network

FISCAL 2022



7

warehouses and forward deployment centres ("FDCs")



27

company-operated distribution vehicles



87%

in-store products distributed through our network

Our Purpose & Values

Our mission: **is to be Canada's preferred pet retailer delivering the products, care, expertise and memorable moments that devoted pet lovers want... locally in stores and everywhere online.**

Our Culture

Our culture is grounded in “9 Core Beliefs” that begin with designing our operations and merchandising mix with devoted pet lovers and efficiency in mind, followed by influencing how we and our franchisees hire and develop people committed to becoming ACEs, setting expectations for our teams and leaders, connecting with our franchisees, driving long-term returns, and having a little fun in our daily work.



We believe we are the best choice for people who are devoted to their pets. Meeting the higher expectations of these pet lovers drives what, how, and why we do what we do.



We are committed to providing the best products and services that create the healthiest, most playful life possible for the pet you love.



We hire and invest in people committed to becoming the best ACEs for our devoted pet lovers.



We believe consistently great execution allows us to invest in meaningful time with our devoted pet lovers.



We believe better results come from working as a team. We unite and solve our business challenges together.



We believe franchisees are an invaluable part of the team who provide a unique perspective and help us grow.



We believe our leaders must create an inspired, informed, and supportive working environment.



We believe there are moments of fun in every day. We will look for them and celebrate them.



Finally, we believe taking these actions drives profits that fuel our growth and future success.

Our Four Paws

We have distilled the essence of these beliefs into the “Our Four Paws” service model. Our highly trained and passionate ACEs bring “Our Four Paws” to life by utilizing a consultative, compassionate approach to deliver knowledgeable advice and superior experiences to our devoted pet lovers.



Safety

We operate in a way that builds trust with our devoted pet lovers, pets, and ACEs.



Compassion

We communicate and act from the heart with genuine care and courtesy.



Expertise

We provide knowledge in an understanding and informative way.



Efficiency

We use time and resources responsibly.

Our Pinnacle Strategy

Our Pinnacle Strategy forms the basis upon which Pet Valu pursues its mission to be Canada's preferred pet retailer. Every action we take as an organization ties back to one or more elements of our Pinnacle Strategy, ultimately enhancing what we do, how we do it, what we offer, why customers love us and what it earns.



HOW WE DO IT: Our Four Paws Service

- Safety first, in all aspects of what we do
- Compassion for people, pets & communities
- Leading expertise in pet specialty
- Efficiency to invest in selling & service



WHAT WE DO: Local & Everywhere Pet Specialty Retail

- Safe & consistent in-store experiences, every day
- On-time, in-full delivery to wholesale, retail & home
- Always available omni-channel tools & technology
- Strong, effective franchisee relationships



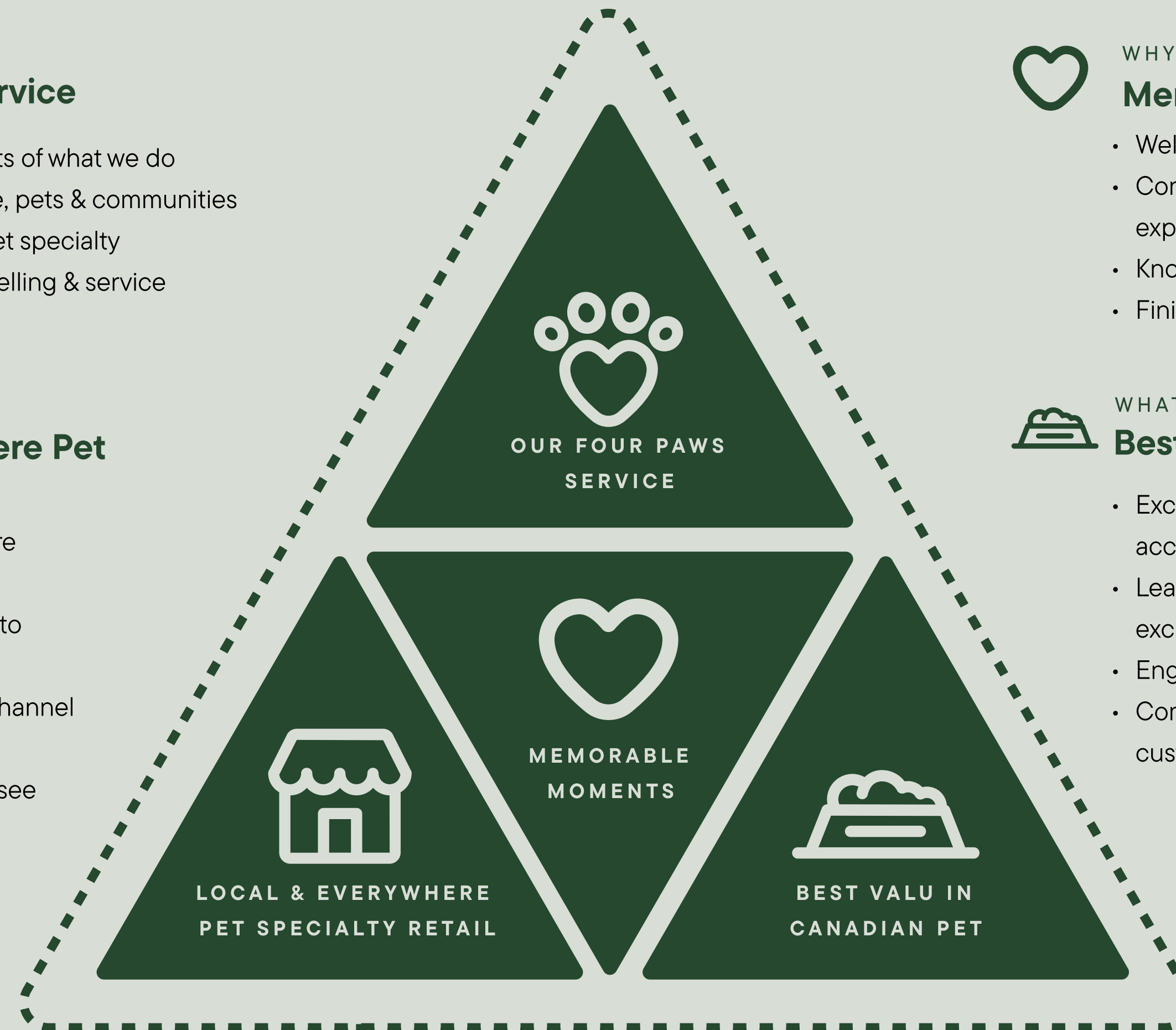
WHY CUSTOMERS LOVE US: Memorable Moments

- Welcoming impressions at every step
- Convenient, seamless & fun experiences
- Knowledge to support pet lover's firsts
- Finishing touches



WHAT WE OFFER: Best Valu in Canadian Pet

- Exceptional pet food & accessory aisles
- Leading proprietary & exclusive pet brands
- Engaging in-store services
- Compelling rewards for loyal customers



WHAT IT EARNS: Profit to Fuel Growth

- Track record of consistent sales & revenue growth
- Stable gross margins at competitive prices
- Enhanced operating margins over the long-term
- Efficient deployment of capital resources

Our Impact

Pet Valu is deeply committed to supporting the communities in which we serve, fulfilling our role as Canada's local pet authority. Through our Companions for Change initiatives, support of Lions Foundation of Canada Dog Guides ("Dog Guides"), and collaboration with local, pet-friendly organizations, we endeavour to improve the lives of pets and devoted pet lovers from coast-to-coast.

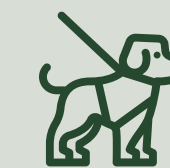


WE SERVE OUR COMMUNITIES THROUGH...



National Campaigns

Raised over \$24 million in funds since 2010 through our Pet Appreciation Month, Companions for Change Month, Round Up Fur Love, and our fundraising calendar. Monetary and product donations are used to support local shelters, rescues and other pet related causes, with large capital projects and awareness building campaigns.



Supporting Dog Guides

Sponsored over 190 guide dogs since 2014 to be trained by the Dog Guides program and placed with a Canadian in need, including serving as national feeding sponsor for puppies and dogs in training since 2019. Pet Valu is also the named sponsor for the annual Walk for Dog Guides with participation from many corporate and franchised stores.



Adoption Events

Helped over 43,000 pets find their forever homes since 2010, through our in-store program and national adoption events. Each store is encouraged to collaborate with a local rescue or shelter to help match pets in need with their forever homes.



Local Events

Our corporate and franchised stores collaborate with local, complementary pet businesses to host events such as nail trimming clinics, teeth scaling services and photo days. These specialized events provide an opportunity to bring our community of devoted pet lovers together to celebrate their pets.

Our Approach to ESG

In our first ESG report, we provide a comprehensive overview of ESG factors that play a critical role in delivering Pet Valu's strategic, operational and financial aspirations. Our discussion focuses on our approach to, performance on, and outlook for each factor. We plan to build on this foundation in subsequent ESG reports, including consideration of establishing time-based targets where appropriate, while continuing to monitor progress and enhance processes.

Reporting Basis & Integrity

Where applicable, key performance indicators used in this report are aligned with internationally recognized standards and frameworks relevant to the specialty retail industry, and, in particular, standards from the Sustainability Accounting Standards Board ("SASB") – Multiline and Specialty Retailers & Distributors. For future reports, we intend to provide supplementary disclosure compliant with the Taskforce for Climate-related Financial Disclosure ("TCFD") recommendations.



Collection methodologies for data presented in this report are aligned with applicable regulations and standards, and results have been reviewed by Pet Valu's Executive Leadership Team ("ELT") and the Board. No external assurance was sought for the content of this report.

Scope & Boundary

Unless otherwise noted, all data, activities and outcomes presented in this report pertain to our fiscal year ended December 31, 2022 ("Fiscal 2022" or "2022"). Where applicable, we have supplemented this with data and references pertaining to our fiscal year ended January 1, 2022 ("Fiscal 2021" or "2021") and fiscal year ended January 2, 2021 ("Fiscal 2020" or "2020"). We plan to publish ESG-related reporting annually.

Materiality Assessment

Pet Valu, working with a third-party, performed a comprehensive materiality assessment in 2022 to identify environmental, social and governance factors ("primary ESG factors") that can reasonably be expected to affect Pet Valu's prospects and influence decisions by existing and potential investors. This assessment included engagement with internal and external stakeholders, as well as review of leading ESG disclosure frameworks (SASB, TCFD), emerging standards and regulations, and peer disclosures. We identified nine primary ESG factors, which we discuss across five distinct sections of this report: Franchisee Relationships, ACE Working Environment, Energy & Emissions Management, Responsible Stewardship, and Product Safety & Quality. Our primary ESG factors will serve as key considerations for Pet Valu as we execute upon and develop new initiatives aligned with our Pinnacle Strategy.

-  **Franchisee Relationships** Franchisee Relationships
-  **ACE Working Environment** Labour Practices & Retention
Diversity, Equity & Inclusion
Development and Training
-  **Energy & Emissions Management** Greenhouse Gas Emissions
Energy Management
-  **Responsible Stewardship** Corporate Governance
Data Privacy & Information Security
-  **Product Safety & Quality** Product Safety & Quality



Franchisee Relationships

WHY THIS IS IMPORTANT TO US

Pet Valu recognizes the significant role our franchisees play in the long-term success of our business. Our franchisees collectively account for 70% of our existing store network, represent the primary growth engine for our future store expansion and provide significant revenues to Pet Valu. As local ambassadors for Pet Valu to communities across Canada, our franchisees help preserve and promote our brand equity and foster lasting relationships and loyalty with devoted pet lovers. And as entrepreneurs, our franchisees provide necessary capital to help fund new store openings and ongoing store refresh programs. We believe upholding strong franchisee relationships is critical to driving the long-term success of our franchisees and to delivering long-term, profitable growth for Pet Valu.

OUR APPROACH

We are committed to upholding strong franchisee relationships, which we believe enable Pet Valu to attract and retain successful franchise owners over the long-term. We support this commitment through robust screening, onboarding and engagement processes, as well as thorough monitoring procedures and tools.



James & Pam Rothwell
Franchisees of a Pet Valu store in Midland, Ontario

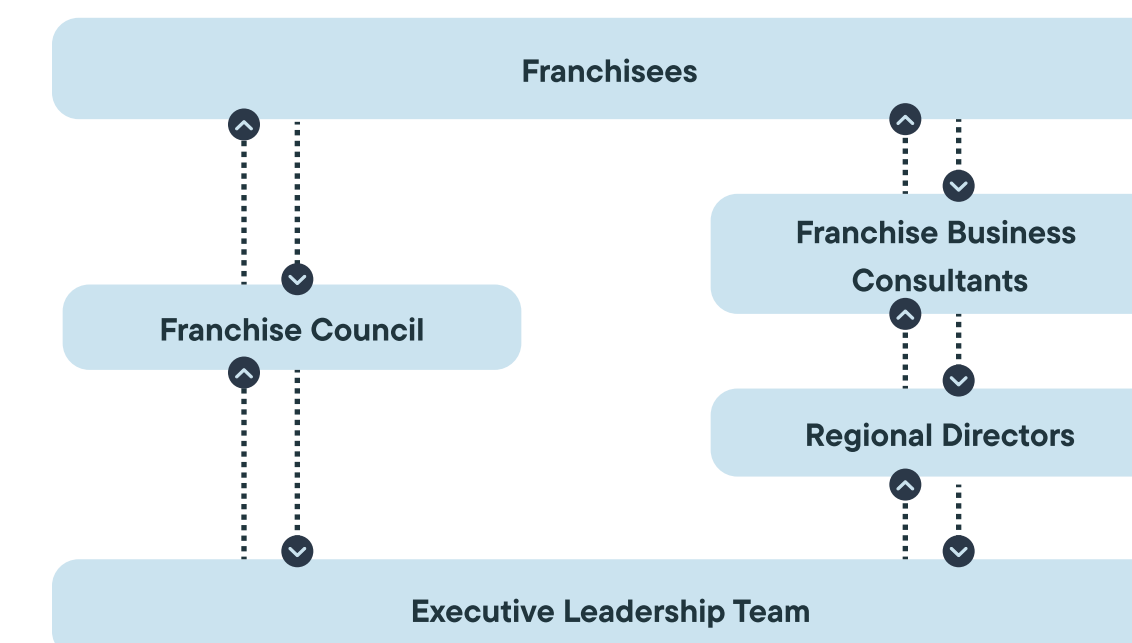
Screening, Onboarding & Engagement

We aspire to attract, train and retain high-performing and committed franchisees. New franchise applicants follow a thorough, multi-step screening process through which we can assess operational and financial suitability. This includes providing background on our operations, review of our franchise agreement and site-specific information, interviews with senior executives as well as credit and background checks. In 2022, we received over 1,400 formal inquiries from prospective franchisees, of which less than 2% were awarded Pet Valu franchises.



Prior to taking possession of a store, new franchisees are trained on important aspects of operating a successful location. This includes an arranged 10-day in-store training period with an existing franchisee, to review general store operations such as store opening/closing and product ordering/receiving. We also arrange a 2-day training period with our head office for new franchisees to meet with representatives from our franchise support teams. Once a new franchisee has opened their store, we provide further, ongoing support through our in-field franchise business consultants.

Pet Valu has established robust engagement processes to facilitate clear communication, administer ongoing training and achieve effective resolutions. The collective voice of our franchisees (outside of Quebec) is represented by a 14-member franchise council elected by franchisees, who typically meet with Pet Valu's senior leaders six times a year to discuss systems, procedures and initiatives to drive continued success. As of December 31, 2022, we also employed 20 franchise business consultants who support individual franchisees on a day-to-day basis, provide ongoing training, monitor standards compliance and collect feedback.



1,400 

formal inquiries from
perspective franchisees
in 2022

Monitoring Procedures & Tools

We employ monitoring procedures and tools to effectively assess the health and compliance of our franchisee network. Our systems provide visibility into sales and specific expenses of our franchisees, enabling us to estimate their profitability. Between 2020 and 2022, AUV of mature franchise stores increased 32% to \$2.0 million, and we estimate 4-Wall EBITDA increased 39% to \$215,000. In 2022, we estimate 99% of mature franchisees generated positive 4-Wall EBITDA. On occasion, we provide limited relief for specific franchise stores, such as stores in their first year of operation, to support their long-term success.

Our franchisees are responsible for adhering to specific operating standards to promote safety and consistency across our franchisee network. Administered by our franchise business consultants, each franchise store receives quarterly reviews (“Safe & Ready” assessments); two scheduled and two unscheduled. In 2022, we performed over 1,450 Safe & Ready assessments across our franchisee network, with stores receiving an average score of 91%.

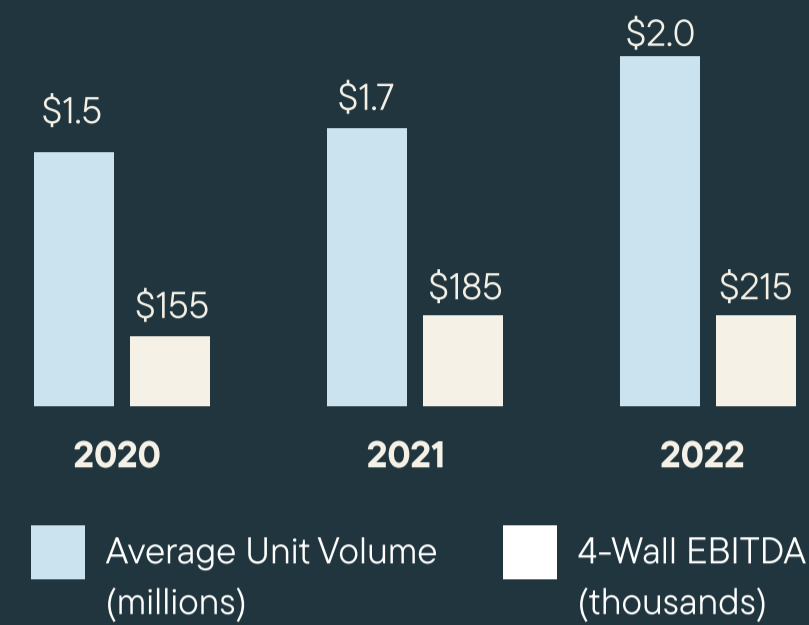
91%

Average franchised store Safe & Ready score in 2022

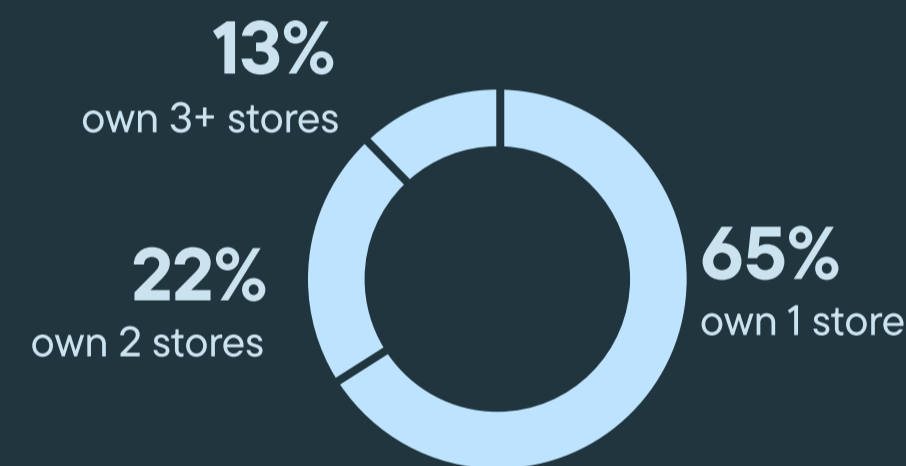
>1,450

Safe & Ready assessments performed across franchisee network in 2022

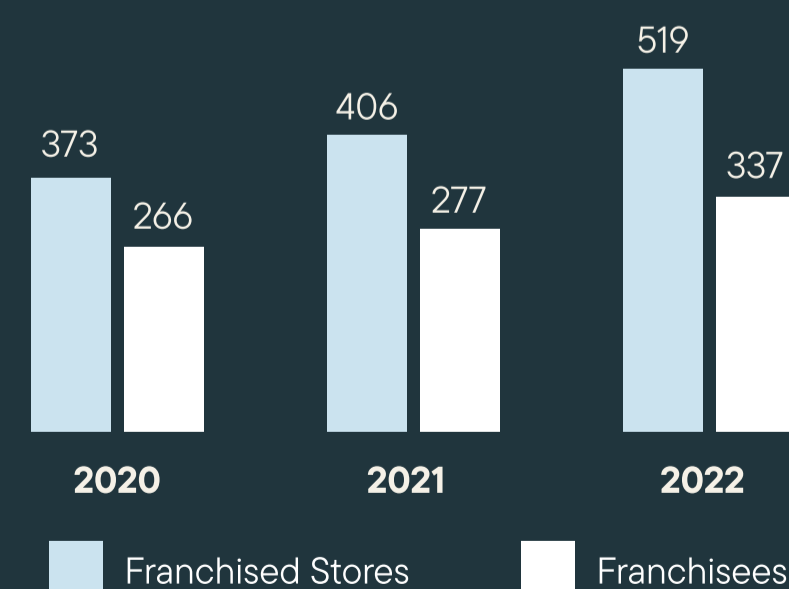
FRANCHISE UNIT ECONOMICS



FRANCHISEE OWNERSHIP



FRANCHISEES & STORES



Supporting Growth & Retention

We believe our track record of upholding strong relationships and delivering compelling economic benefits to our franchisees has enabled us to retain and grow our franchise network. Between 2020 and 2022, we expanded our franchise store network by 39% to 519 locations and grew our franchise community by 27% to 337 members. In addition to new franchisees, we continue to see robust demand for additional stores from our existing franchisees, who purchased over 50% of new or resale franchise stores between 2020 and 2022.

As of December 31, 2022, 65% of our franchisees owned one store, 22% owned two stores, and 13% owned three or more stores. With the opportunity to own up to six stores, this leaves ample runway for continued store demand from our existing franchisees.

We have also maintained strong franchisee retention metrics, demonstrated by franchisee average tenure of nine years. Additionally, between 2018 and 2022, renewal rates have averaged 99%, while annual turnover averaged less than 4%, most of which being franchise-to-franchise transfers to support well-earned retirements.

>50% 

new or resale franchise stores purchased by existing franchisees 2020-2022

9 years 

average franchisees tenure as of December 31, 2022

99% 

average franchisee renewal rate 2018-2022

<4% 

average annual franchisee turnover 2018-2022



Atery and Pooja Gupta - Franchisees of Pet Valu stores in Stouffville & Toronto, ON



Matt, Dave and Tori Filipenko - Franchisees of a Bosley's store in Surrey, British Columbia

SPOTLIGHT

Nina & Greg Querin

Franchisees of Pet Valu stores in Fergus and Cambridge, Ontario



After an important life event, Greg and Nina sought a new challenge following a successful career as a franchisee in the home services sector. “We wanted an opportunity where we felt connected to our community, that could involve our family, and would provide more stability. Pet Valu checked all those boxes.” They purchased a Pet Valu store in Fergus, Ontario in early 2011, and opened a second store in Cambridge later that year. “From day one, Pet Valu was very personable. They provided help at critical stages, including how to become successful multi-store owners.”



SPOTLIGHT

Jalal Mirfakhrai

Franchisee of a Pet Valu store in Richmond Hill, Ontario

Jalal moved to Canada in 2021, following a 15-year career wholesaling pet food and supplies in Iran. With aspirations to operate a pet specialty franchise, he reached out to all the franchisors in his region. “Pet Valu quickly went to the top of my list. Their brand recognition, together with the success of other franchisees provided me with confidence they were the right choice.”

Jalal purchased a new Pet Valu store in Richmond Hill, Ontario in the summer of 2022 and has enjoyed the support he received in his first year. “I had a strong understanding of the pet industry, but not in retail, and so the training I received from Pet Valu was very helpful.”

“It was a very smooth and organized process to become a Pet Valu franchisee. I feel like I am part of a team, working with other franchisees and corporate stores towards the same goal. And if I ever have a question, they are only a phone call away.”

OUTLOOK

We plan to enhance several aspects of our franchising program to foster the continuation of healthy franchisee relationships and support their long-term, sustainable growth.

Following the acquisition of Les Franchises Chico Inc. (“Chico”) in early 2022, we have made great strides integrating its operations and franchisees with Pet Valu, including the introduction of franchise business consultants dedicated to Chico in 2022. We plan to refine our oversight of and engagement with Chico franchisees in 2023, including establishing a 7-member franchise council representing Chico franchisees, as well as implementation of Safe & Ready assessments across our Chico franchise store network. We also plan to expand financing options for new and existing Chico franchisees by leveraging our existing relationships with financial institutions.

We are also considering initiatives which could further enhance demand for future franchise store opportunities. These include exploring opportunities to ease the financial hurdle to purchase a new store or renovate an existing location, and formalizing on-demand coaching to single-store franchisees aspiring to be effective multi-store owners.



ACE Working Environment

WHY THIS IS IMPORTANT TO US

Our corporate ACEs, together with our franchisees and their ACEs, represent Pet Valu's most prominent point of difference in our marketplace. Combining compassion, expertise and experience, they help form lasting bonds with devoted pet lovers, enabling us to drive higher sales productivity, earn market share and deliver operational efficiencies. We believe our focus on safety, diversity, compelling compensation and career progression opportunities creates a sustainable and collaborative working environment, which in turn drives greater engagement, tenure and outcomes from our ACEs and franchisees.

OUR APPROACH

We aspire to provide the same welcoming and engaging environment for our ACEs and franchisees as we do for devoted pet lovers. We accomplish this by aligning our actions in accordance with Our Four Paws service model:

- Safety through sound labour practices
- Compassion through diversity, equity and inclusion
- Expertise through compensation, training and development opportunities
- Efficiency through lower turnover

Safe Labour Practices

We believe the foundation of a sustainable working environment is grounded in safety. Through initial and on-going training modules, our corporate ACEs are informed of health and safety considerations for customers, pets, products and services, store operations and other role-specific programs. These same modules are also made available to our franchisees and their in-store ACEs. At our corporate stores, we administer and monitor several recurring safety tasks such as daily store walks to assess safety readiness, monthly Safe & Ready assessments and annual hazard and violence risk assessments. At our franchise stores, we perform quarterly Safe & Ready assessments to validate compliance with our safety standards.

>4,000

Safe & Ready assessments performed across all stores in 2022

95%

Average corporate store Safe & Ready score in 2022

91%

Average franchised store Safe & Ready score in 2022

Diversity, Equity & Inclusion

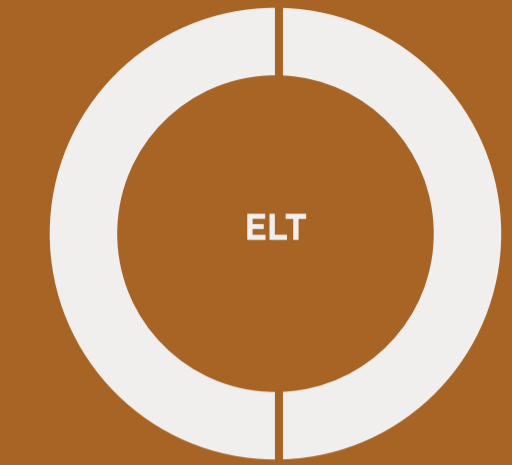
Pet Valu is committed to fostering an open, equitable and inclusive workplace culture. Central to this is our aspiration to have our corporate ACE and franchisee staff reflect the diversity of the devoted pet lovers and neighbourhoods we serve. To demonstrate our commitment, we conduct a search for diverse candidates for all senior leadership positions, as well as potential director nominees for election to our Board. Our Board has adopted, and annually reviews, a written policy concerning diversity at Pet Valu ("Diversity Policy"), currently focused on Board and senior management diversity.

Pet Valu is pleased to support strong gender and ethnic diversity within our ELT, with 50% identifying as female and 20% identifying as visible minorities, as of December 31, 2022. More broadly, individuals identifying as female accounted for 68% of our corporate ACEs in management roles, compared to 63% of all other corporate ACEs. We are currently collecting ethnicity measures of our broader ACE population, to be shared in future reports. We also plan to measure diversity amongst our franchisee community and their stores.



GENDER DIVERSITY (FISCAL 2022)

50% Female



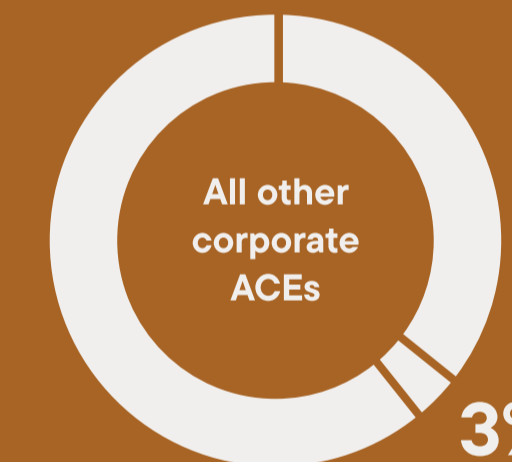
50% Male

68% Female



32% Male

63% Female

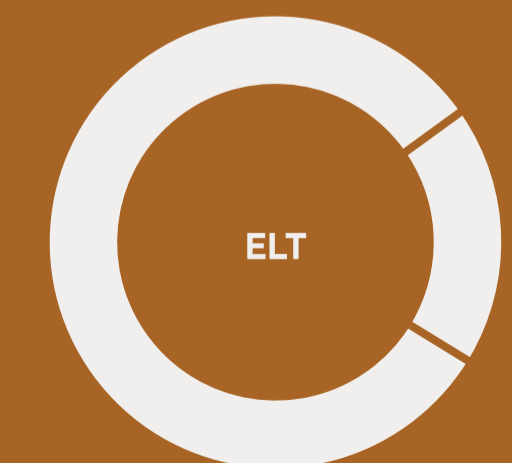


34% Male

3% Undisclosed

ETHNIC DIVERSITY (FISCAL 2022)

80% Not a visible minority



20% Visible minority

Compensation & Talent Development

By creating compelling career opportunities, we can attract and retain our best ACEs, and drive better experiences for our devoted pet lovers. To accomplish this, we focus on providing compelling compensation, comprehensive training and ample development opportunities to our corporate ACEs, while sharing best practices and resources with our franchisees.

Pet Valu believes our ACEs deserve fair, competitive compensation and access to benefits. In Fiscal 2021 and Fiscal 2022, we made significant enhancements to how we reward our corporate ACEs, through higher base wage scales, additional wage increases tied to specific training completion and expansion of benefit eligibility to all part-time, permanent corporate ACEs.

100%

in-store and distribution centre corporate ACEs earned above minimum wage

In our endeavour to create career opportunities at Pet Valu, in Fiscal 2022 we made targeted investments to raise wages for all full-time corporate ACEs with tenure at Pet Valu for at least one year above living wage thresholds according to regional benchmarks.

100%

full-time corporate ACEs with Pet Valu for >1 year earned above a living wage

We believe performance reviews and rewards are effective tools to drive better engagement with our ACEs. Pet Valu administers performance reviews to all our corporate ACEs at least annually. In addition, all our in-store corporate ACEs and many corporate ACEs in management roles are eligible for monthly and/or annual bonus rewards tied to achievement of operational and financial goals.

We actively develop talent across our organization by administering training under our learning umbrella, ACE Academy. Curated for ACEs at all stages of career development and tenure at Pet Valu, ACE Academy provides an array of programs designed to deepen expertise, broaden skills, enrich workplace experiences and open career opportunities.

Our flagship program is ACE 180, which provides all ACEs with 18 hours of comprehensive, self-paced learning to support onboarding in their first 180 days at Pet Valu. ACEs are introduced to key elements of our business, such as corporate culture, workplace health and safety, pet care and nutrition, and service-based selling, culminating in designation as an Animal Care Expert. As of December 31, 2022, 91% of our in-store corporate ACEs had completed our ACE 180 program.

13 hours

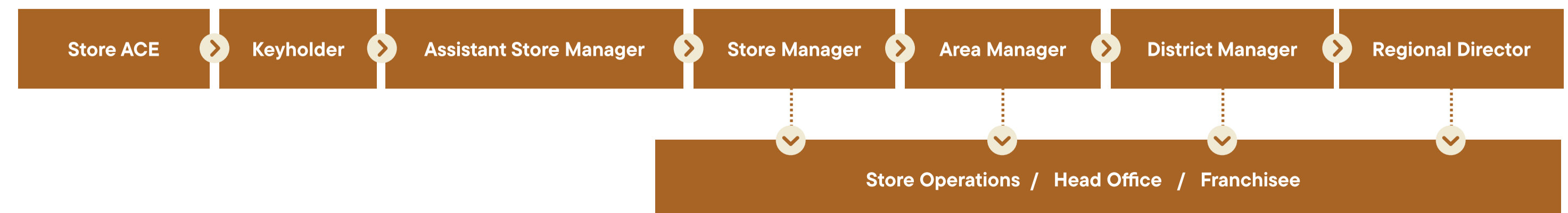
online training completed in 2022 by corporate ACEs in management roles, on average



To support on-going development and provide career progression opportunities, we deliver multiple leadership programs. First launched in Fiscal 2021, our Leadership Development Program consists of five live sessions annually administered by members of our ELT, which tie leading retail management disciplines together with key leadership practices in the context of our culture. In Fiscal 2022, we introduced Manager Essentials, a four-part series providing new and existing ACEs in management positions with knowledge and tools to successfully manage people and performance, drive talent development and foster a diverse, equitable and inclusive environment. Altogether, our corporate ACEs in management roles completed 13 hours of online training on average in 2022 through our ACE Academy, in addition to substantial in-person training provided throughout the year.

Our talent development enables clear paths for career progression at Pet Valu. Our performance review processes help foster constructive discussions related to career aspirations and opportunities to develop career roadmaps. As a result, we help facilitate advancements both within and across functional areas.

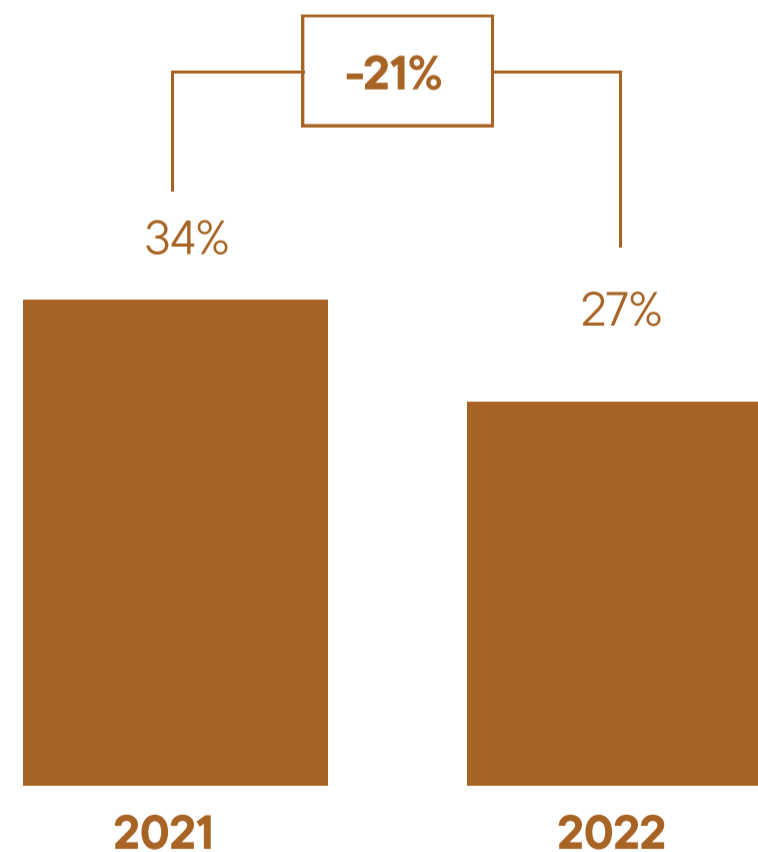
POTENTIAL CAREER PROGRESSION PATH



Corporate ACE Retention

We believe our focus on delivering a safe and accepting workplace, together with compelling career opportunities, is a key contributor towards driving strong engagement with, and retention of, our corporate ACEs across our organization. This is particularly evident with our full-time, in-store corporate ACEs, where our efforts helped to reduce turnover rates by over 20% in Fiscal 2022 compared to Fiscal 2021. Importantly, we see strong stability with our corporate store managers, whose tenure with Pet Valu averaged over 5 years in Fiscal 2022.

IN-STORE CORPORATE ACE TURNOVER (FULL-TIME ONLY)



SPOTLIGHT

Christine Martin-Bevilacqua
Chief Administrative Officer



“Over the last several years, we have made great strides in the areas critical to fostering a supportive work environment. Our focus on safety, inclusivity, compensation and development is transforming jobs into careers at Pet Valu, delivering better outcomes for our stakeholders. Our people are the hearts of the pet communities we serve, and we look forward to sharing that opportunity with future ACEs.”

SPOTLIGHT

Ami Turcotte
Product Manager, Store Systems



Ami started her journey with Pet Valu in 2008 as a part-time in-store ACE after raising her two boys. As a natural leader, she quickly rose to store manager a year later, before transitioning to head office as a field trainer for store operations in 2011. Over the next 8 years, Ami served in multiple onboarding and training roles, following her strong passion for helping others. When a temporary need for greater work flexibility arose in 2019, she became a franchise business consultant. Through this role, she led deployment and training for several key store systems, enabling the opportunity to transition to product manager of stores systems in 2022. “Over the last 15 years, Pet Valu has provided flexibility for me to wear many hats and adapt to the needs of my family. At every step, I have felt valued and supported.”

OUTLOOK

Pet Valu’s development of programs and tools to support our ACE working environment is on-going. We see opportunity to continue to improve our approach to supporting diversity, equity and inclusion within our workplace. We are currently updating our Diversity Policy to encompass all our corporate ACEs and franchise community. With training, we are exploring ways to increase ACE development opportunities, particularly with those who identify as women. We are also enhancing our family friendly policies where roles allow, including hybrid work opportunities.

Under our ACE Academy, in 2023 we are enhancing training in verticals outside of customer-facing expertise, while expanding bilingual courses for the benefit of our Chico franchisees.

And finally, we seek to enhance our collection of key data including broader measurements of diversity, equity and inclusion, training completed by our franchise community and promotion of our ACEs. We hope to share insights on these measures in future years.





Energy & Emissions Management

WHY THIS IS IMPORTANT TO US

Pet Valu acknowledges the risk climate change poses to all businesses, resulting from greenhouse gas (“GHG”) emissions tied to consumption of non-renewable energy sources. As a corporate citizen, we have a responsibility to help facilitate the change necessary to reduce global GHG emissions and limit the impact of climate change. As a business, we have a responsibility to optimize the type and quantity of energy consumed to lower our cost base, limit exposure to potentially volatile commodity markets, and further align our actions with expectations of our stakeholders.

OUR APPROACH

As Canada’s leading pet specialty retailer, Pet Valu utilizes energy from a variety of sources across its operations. These include our corporate stores, our distribution network and our head offices.

COMPANY-OPERATED FACILITIES & VEHICLES



225 corporate stores



7 warehouses and FDCs
27 company-operated delivery trucks



3 head office buildings

2022 SCOPE 1&2 EMISSIONS PROFILE

5.7kt

CO₂e Scope 1 GHG Emissions

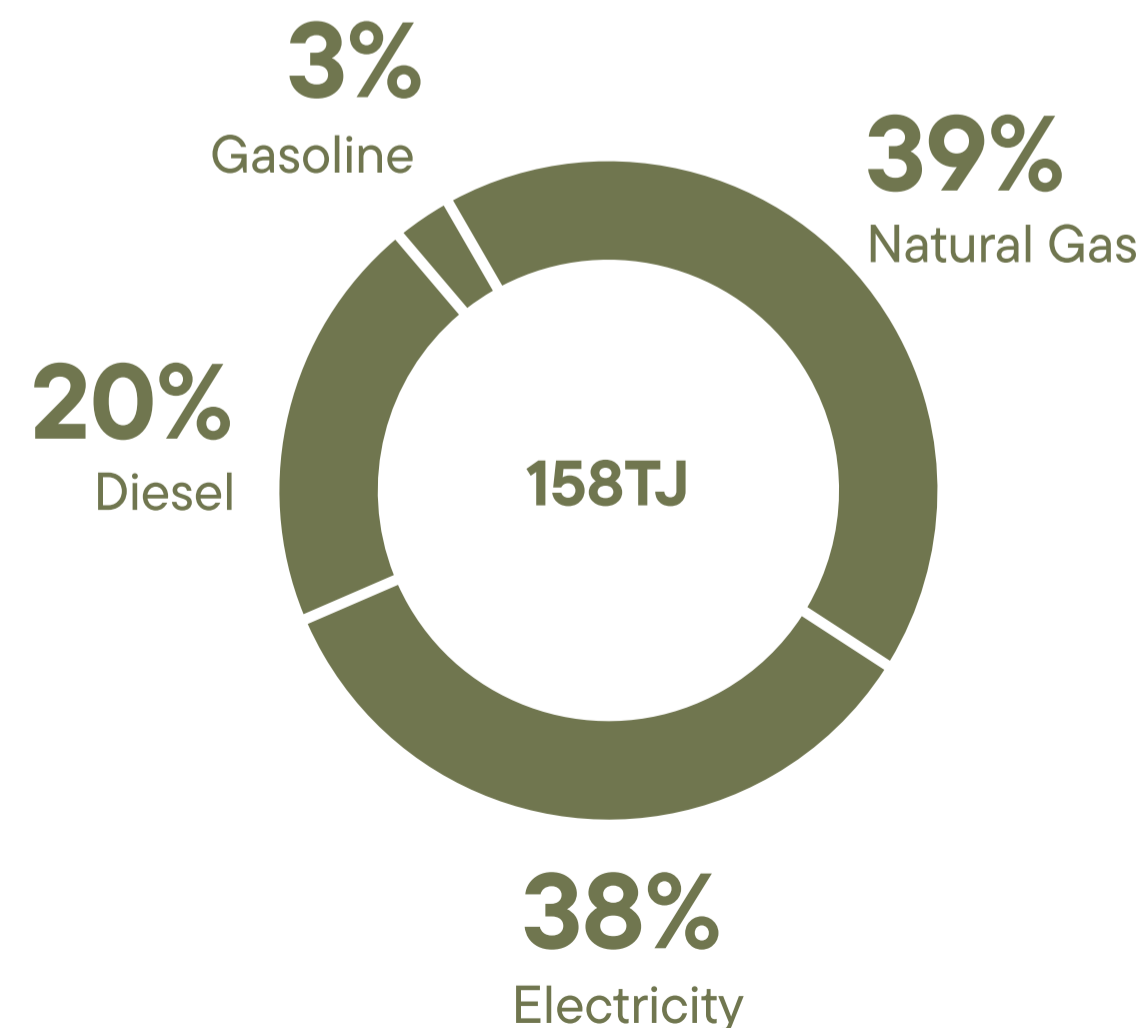
3.4kt

CO₂e Scope 2 GHG Emissions

Measuring our Carbon Footprint

Building on actions in recent years to improve our energy management practices, Pet Valu is in the early stages of developing a comprehensive energy and climate strategy. As a first step, we recognize the importance of understanding our energy consumption and associated GHG emissions profile to inform how we will manage our footprint over time. For Fiscal 2022, we have calculated our consumption by energy type and our corresponding Scope 1 and Scope 2 GHG emissions using recognized standards and protocols, such as the Greenhouse Gas Protocol. All of Pet Valu’s corporately-operated assets were included in our consumption and emissions inventory.

2022 ENERGY CONSUMPTION PROFILE



SPOTLIGHT

In 2019, lighting at all existing corporate-owned stores and distribution centres was converted to LED, resulting in an approximate 15% reduction in electricity usage per store. Pet Valu realized further energy consumption savings with the implementation of energy management systems, which include smart thermostats and portal-based reporting to monitor and adjust energy consumption, at all existing corporate-owned stores between 2019 and 2021. This resulted in an approximate 15% reduction in natural gas usage and an additional approximate 15% reduction in electricity usage per store.

SPOTLIGHT

We have initiated plans to install rooftop solar panels at our newly constructed distribution centre in Brampton, Ontario (“GTA DC”). Based on current projections, we estimate these panels will generate sufficient energy to meet the normal operating power needs of the GTA DC, weather permitting. This will also serve to mitigate electricity grid dependency and reduce exposure to potentially volatile electricity costs. We plan to assess viability of similar projects at other facilities within our distribution network over time.

OUTLOOK

Using our 2022 energy consumption and GHG emissions profile, Pet Valu will begin development of our energy and climate strategy. Our ELT will carefully consider the needs and objectives of our business together with actions that will make meaningful contributions to global emission reduction efforts, with the goal of delivering value to all of our stakeholders.

Pet Valu is committed to reporting openly and transparently on our journey and the challenges we will face along the way. We recognize the TCFD framework as the globally emerging standard for the disclosure of climate-related risks and opportunities and commit to providing TCFD-aligned disclosure in future reports.

As part of the development of the energy and climate strategy, Pet Valu will assess our feasibility of adopting time-bound emissions reduction targets. Any targets that may be adopted will be considered in the context of how quickly changes to current operational practices and technologies can be implemented, considering such factors as cost and available resources.

In the short-term, we will continue to take actions to optimize our energy consumption, such as our supply chain transformation, which is currently underway. We are investing approximately \$110 million over four years to consolidate our legacy network of four company-operated and five third-party warehouses, into three modern, partially automated facilities. Where possible, we are assessing opportunities to incorporate sustainable technologies to minimize direct and indirect usage of fossil fuels.



Responsible Stewardship

WHY THIS IS IMPORTANT TO US

Sound corporate governance practices play a critical role in the strategic, operational and financial success of Pet Valu, while simultaneously building trust with our stakeholders. Our actions must be supported by clear governance frameworks, which are inclusive of ESG considerations alongside other business factors, to facilitate appropriate oversight and accountability. Primary ESG factors are reviewed and discussed as part of our strategic planning and risk management processes, with clear accountabilities and oversight residing with the Board, Board committees and the ELT, as applicable.

OUR APPROACH

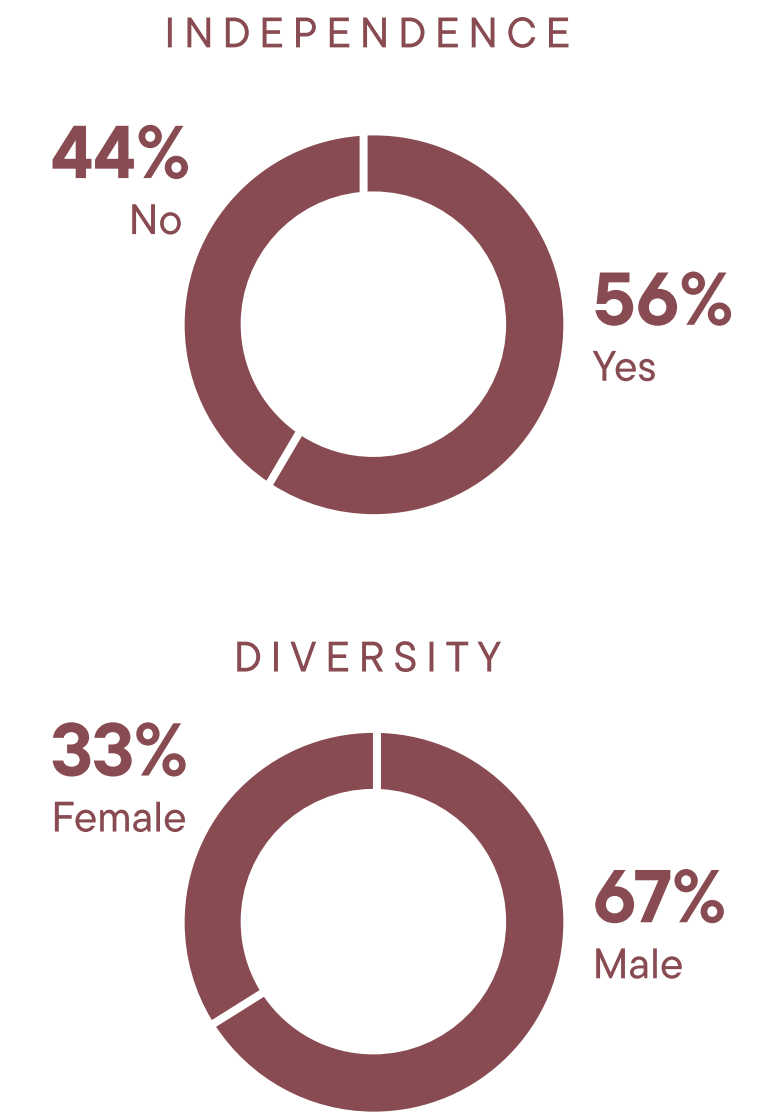
Pet Valu is committed to implementing and upholding strong governance practices, which strive to represent and protect the interests of our stakeholders. We accomplish this through an elected Board, the majority of whom are independent, who bring a wealth of experience, diverse perspectives, and insight to our organization. Pet Valu also administers a comprehensive executive compensation program designed to retain, motivate and reward our executive officers for performance and contribution to Pet Valu’s short- and long-term success.

Board Independence, Diversity & Skills

As of September 30, 2023, our Board is composed of nine directors, five of whom are independent, with an average tenure of approximately three years. To further support impartial, objective governance, the Board has appointed independent directors to chair all Board committees, which are comprised of the Audit Committee, Compensation Committee, and Governance and Nominating Committee.

The Board acknowledges Pet Valu’s commitment to fostering an open and inclusive workplace culture, and recognizes it must lead by example to further this pursuit. It has adopted a Diversity Policy, which

includes a target of at least 30% of Board directors identifying as female by the Company’s annual general meeting of shareholders in 2024. As of September 30, 2023, 33% of Board directors identify as female. With the assistance of the Governance and Nominating Committee, the Board regularly reviews the experience, qualifications and skills of its directors and potential candidates to assess its ability to meet the needs of our business over the long term. The Board believes its nine directors currently possess the right mix of experience, perspective and insight as summarized below.



BOARD ATTRIBUTES MATRIX
(AS OF SEPTEMBER 30, 2023)

Director	Independent	Tenure (years)	Gender	CEO/ Senior Executive	Governance	Financial/ Accounting	HR/Employee Engagement	Retail/ Supply Chain	Information Technology	Marketing/ Branding	E-commerce/ Online Retailing	Transformational Change	Real Estate	Franchising/ Wholesale	ESG
Danielle Barran	●	<1	F	●	●	●	●	●		●		●		●	●
Sarah Davis	●	2	F	●	●	●	●	●	●	●	●	●	●	●	●
Clayton Harmon		3	M		●	●	●			●		●		●	
Patrick Hillegass		3	M		●	●	●			●		●		●	
Kevin Hofmann		4	M	●	●			●	●	●	●	●		●	●
Richard Maltsbarger		5	M	●	●	●	●	●	●	●	●	●	●	●	●
Lawrence Molloy	●	<1	M	●	●	●		●					●		
Anthony Truesdale	●	4	M	●	●	●	●	●		●	●	●	●	●	●
Erin Young	●	3	F	●	●		●	●		●	●	●		●	●

Governance of ESG

The Board has delegated oversight of Pet Valu’s activities and disclosure related to ESG matters to the Governance and Nominating Committee. This includes identification of primary ESG factors, implementation and adherence to appropriate procedures and disclosure of key performance indicators. To demonstrate Pet Valu’s commitment to managing ESG factors, the Board has adopted a policy (“ESG Policy”), which will be reviewed annually, setting out Pet Valu’s strategic approach, governance of and broad-based commitments to ESG factors.

Pet Valu’s approach to ESG factors, including development and execution of appropriate strategies, is consistent with our approach to other business factors. As such, we have designated our ELT, comprised of Pet Valu’s Chief Executive Officer (“CEO”) and the CEO’s direct reports, as our ESG steering committee. This committee, supported by appropriate working groups and accountable executive sponsors, is responsible for identifying and managing ESG activities and disclosures, and provides quarterly progress reports to the Governance and Nominating Committee.

Executive Compensation

Pet Valu’s executive compensation program is designed to attract, retain, motivate, and reward leaders who possess strong leadership capabilities to manage day-to-day operations, to deliver strong performance that is aligned with our long-term business objectives and strategy, and to exemplify and enhance Pet Valu’s culture.

Our approach to executive compensation is grounded in a pay-for-performance philosophy, whereby we provide fair and competitive compensation with a significant component dependent on performance of a suite of financial and operational metrics. Our program includes base salary, short-term incentives (“STI”), and long-term incentives (“LTI”), which are composed of restricted share units, performance share units and stock options. As a result, a significant portion of executive compensation is “at risk”.

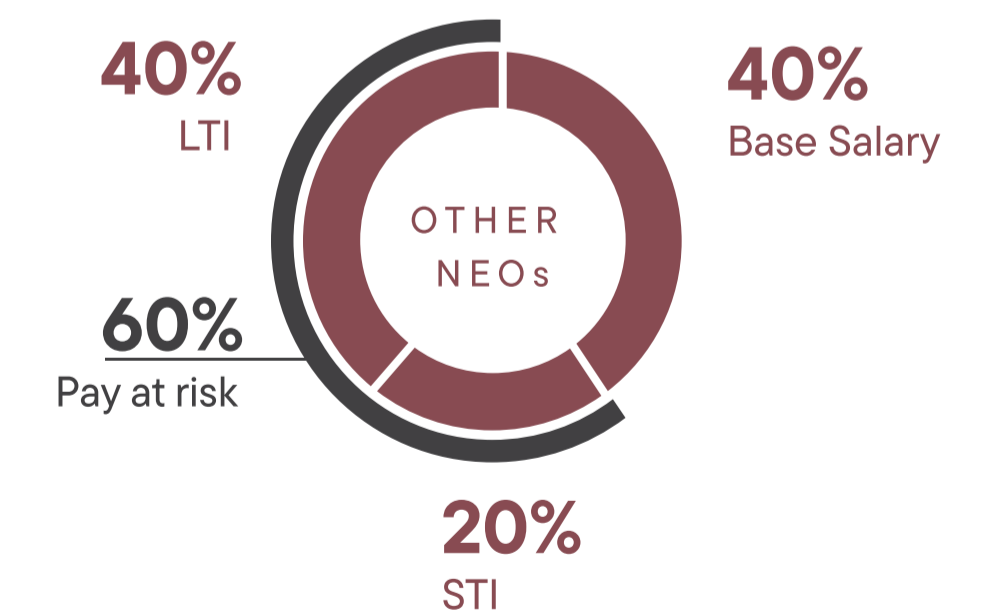
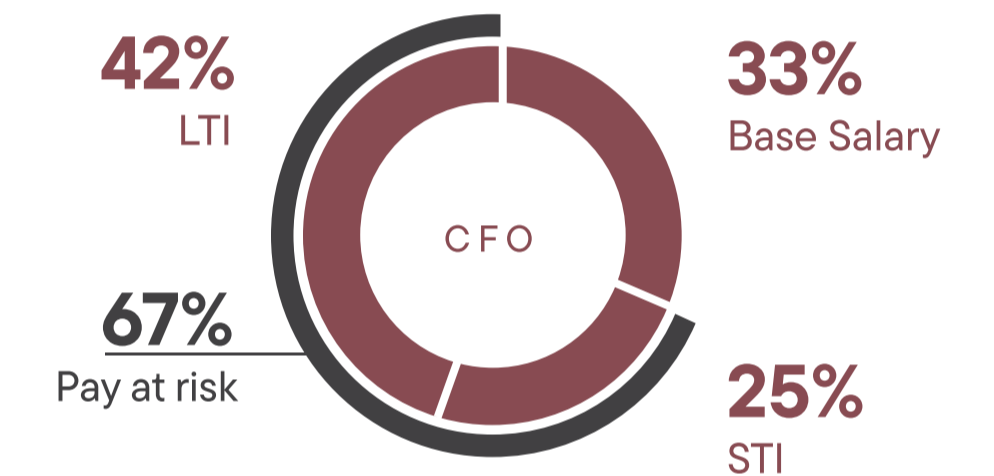
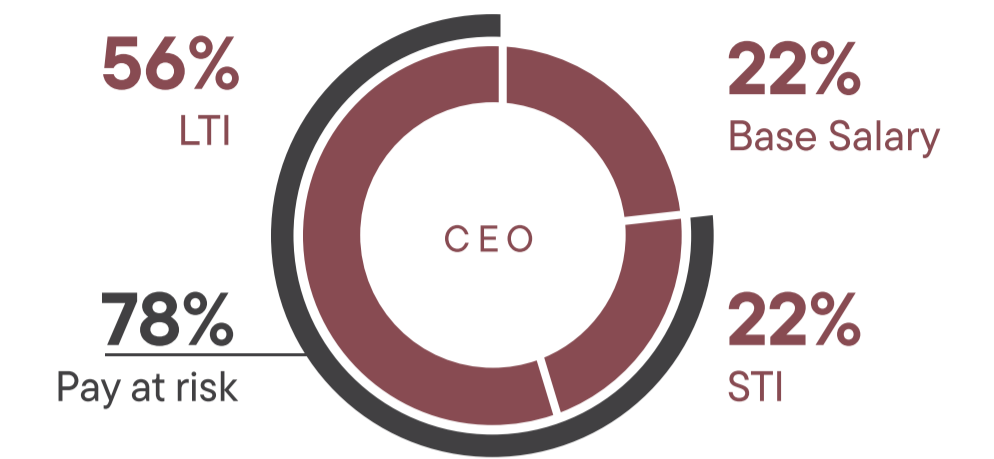
In Fiscal 2022, Pet Valu's target pay mix "at risk" was 78% for our CEO, 67% for our Chief Financial Officer (“CFO”) and 60% for other named executive officers (“NEOs”).

We believe our program demonstrates Pet Valu’s commitment to good governance, while facilitating frequent, in-depth discussion among the Board, the ELT and other senior leaders throughout the year.

Financial and operational targets governing performance-based compensation are established by the Board, with the assistance of the Compensation Committee. Further, Pet Valu provides shareholders with an opportunity to participate in a non-binding advisory vote on our approach to executive compensation at our Annual General Meeting of Shareholders (“AGM”). At our 2023 AGM, over 98% of votes cast were in favour of Pet Valu’s approach to executive compensation.



TARGET TOTAL COMPENSATION MIX (FISCAL 2022)



Snapshot: Data Privacy & Information Security

Pet Valu acknowledges the importance of delivering reliable performance across our network infrastructure and digital platforms to protect the privacy of consumer and employee data, and enable our ability to acquire, retain and serve devoted pet lovers.

We employ a comprehensive framework to manage cyber security, focused around five key aspects: Identify, Protect, Detect, Respond and Recover. Pet Valu continually invests in technology, including third-party subscriptions and related network infrastructure, to support the operation of our digital platforms and internal systems. We also implemented a wide range of measures to support availability, integrity and confidentiality of data, including quarterly security consulting and assessments, identity and data protection, incident management, security intelligence and analysis, and security remediation.

We strengthen our governance of cyber security through various levels of training administered throughout our organization. For example, we administer courses to all in-store corporate ACEs at least annually to assist in recognition, avoidance, and response to cyber security threats. We have also facilitated proactive simulations, such as email phishing, across broader ACE populations.

As delegated by the Board, the Audit Committee reviews quarterly reports containing an assessment of the adequacy of Pet Valu's computerized information system controls and security and related risks, including cyber security and data protection risk.

In Fiscal 2022, there were no instances of unauthorized access to confidential or sensitive information, or disruption to Pet Valu systems.

Pet Valu is committed to continually enhancing our training programs as the cyber security environment evolves.

CYBER SECURITY FRAMEWORK

- 1 Identify**
Understanding to manage cyber security risk to systems, assets, data and capabilities
- 2 Protect**
Safeguards to facilitate delivery of critical infrastructure services
- 3 Detect**
Activities to identify the occurrence of a potential cyber security event
- 4 Respond**
Immediate and long-term actions following detected cyber security events
- 5 Recover**
Plans for resilience and restoration of impacted capabilities or services

OUTLOOK

Pet Valu and our Board are committed to continually reassessing our governance structures with a view to best practices and evolving shareholder expectations. The Board seeks to select director nominees with relevant experience and skills, of whom the majority are independent, while pursuing opportunities to introduce greater levels of diversity. The Board also seeks to maintain a strong link between executive compensation and business performance, and plans to assess the merits of incorporating ESG performance in future years. And finally, the Board and Pet Valu's ELT will continually assess the effectiveness of our ESG governance structures as we enhance our strategies.

SPOTLIGHT

Erin Young

Chair of Pet Valu's Governance and Nominating Committee



“Pet Valu strives to govern and operate responsibly by carefully considering factors that may impact our business and the stakeholders we serve. This includes our approach to ESG factors specifically material and important to Pet Valu. We are excited to summarize our existing approach and performance across these factors in our first ESG report, presented in a decision-useful format to our stakeholders. As we advance our ESG strategies in coming years, we expect our reporting will evolve accordingly, including, where appropriate, establishing time-bound targets for our business.”



Product Safety & Quality

WHY THIS IS IMPORTANT TO US

As the most discerning, informed and pet-centric segment in Canadian pet industry, devoted pet lovers prioritize the safety and quality of products purchased for their pets. They entrust Pet Valu to stock safe and high-quality products, and in particular pet food, from reputable national brands and our award-winning proprietary brands, forming a key element of the compelling retail experiences we provide.

With pet consumables accounting for approximately 75% of our system-wide sales, Pet Valu recognizes that favourable experiences with our products, and in particular our proprietary brands, drive stronger brand perception, deeper engagement and long-term loyalty from devoted pet lovers across Canada.

OUR APPROACH

Pet Valu is committed to protecting devoted pet lovers and their pets and adheres to strict processes and policies governing the safety and quality of the products we sell. This starts with our thorough vendor screening and onboarding process, complemented by ongoing quality assurance monitoring and proactive recall program.



Vendor Safety Standards

The majority of our retail goods are manufactured by North American-based brands in jurisdictions that mandate adherence to strict safety and quality standards, supported by in-house quality assurance teams. As an extra precaution and for congruence, we require all national brand vendors to comply with Pet Valu's safety and quality expectations as outlined in our Supplier Requirements Guide.

We hold our proprietary brand food vendors to human food safety standards, requiring they operate manufacturing sites certified under the Global Food Safety Initiative ("GFSI"), or employ leading food handling and manufacturing practices such as Good Manufacturing Practices and Hazard Analysis Critical Control Points. On an annual basis, these vendors must undergo and provide us with third-party audits assessing adherence to GFSI standards.

Upfront & Ongoing Quality Assurance

We approach creation and production of our proprietary branded foods with a safety-first mindset. Following formulations by our in-house animal nutritionist, our proprietary branded foods are tested using vendor or third-party laboratories to confirm safety and quality specifications meet the Association of American Feed Control Officials standards. We also conduct secondary quality assurance reviews of all new proprietary brand food products before they enter circulation to validate specification compliance. Protocols to assure food safety, ongoing testing, and potential investigations are established, and overseen by our in-house quality assurance team.

0.03%

Recalls as a percentage of system-wide sales in 2022

0.63%

Proprietary brand units recalled as a percentage of total units recalled in 2022



Proactive Recall Program

We administer a proactive recall program for retail goods sold in our stores and digital channels designed to identify, isolate, and investigate product safety and quality issues. Pet Valu employs multiple mechanisms to identify potential issues, including internal reviews, vendor or regulatory notification and downstream complaints.

Following an initial risk assessment, we and our franchisees take appropriate action to recall potentially impacted product within four hours of communication, with compliance checks twice within 24 hours. In Fiscal 2022, we voluntarily recalled 25 products equivalent to 0.03% of system-wide sales. Of these voluntary recalls, one was related to a proprietary brand, amounting to 0.63% of total recalled units.

PRODUCT RECALL PROCESS

- 1 **Identify product issue** through internal and external channel monitoring
- 2 **Assess risk profile** of product issue according to severity and probability
- 3 **Communicate and take immediate action** to recall, withdraw or hold impacted products
- 4 **Validate compliance** to action instructions with all appropriate departments and teams
- 5 **Investigate and review** root cause of issue with product vendor, if necessary



SPOTLIGHT



Kylie Hogan, MSc

Nutritionist & Product Developer

Since joining Pet Valu in September of 2019, Kylie has led formulation and development efforts for Pet Valu's proprietary branded consumable products.

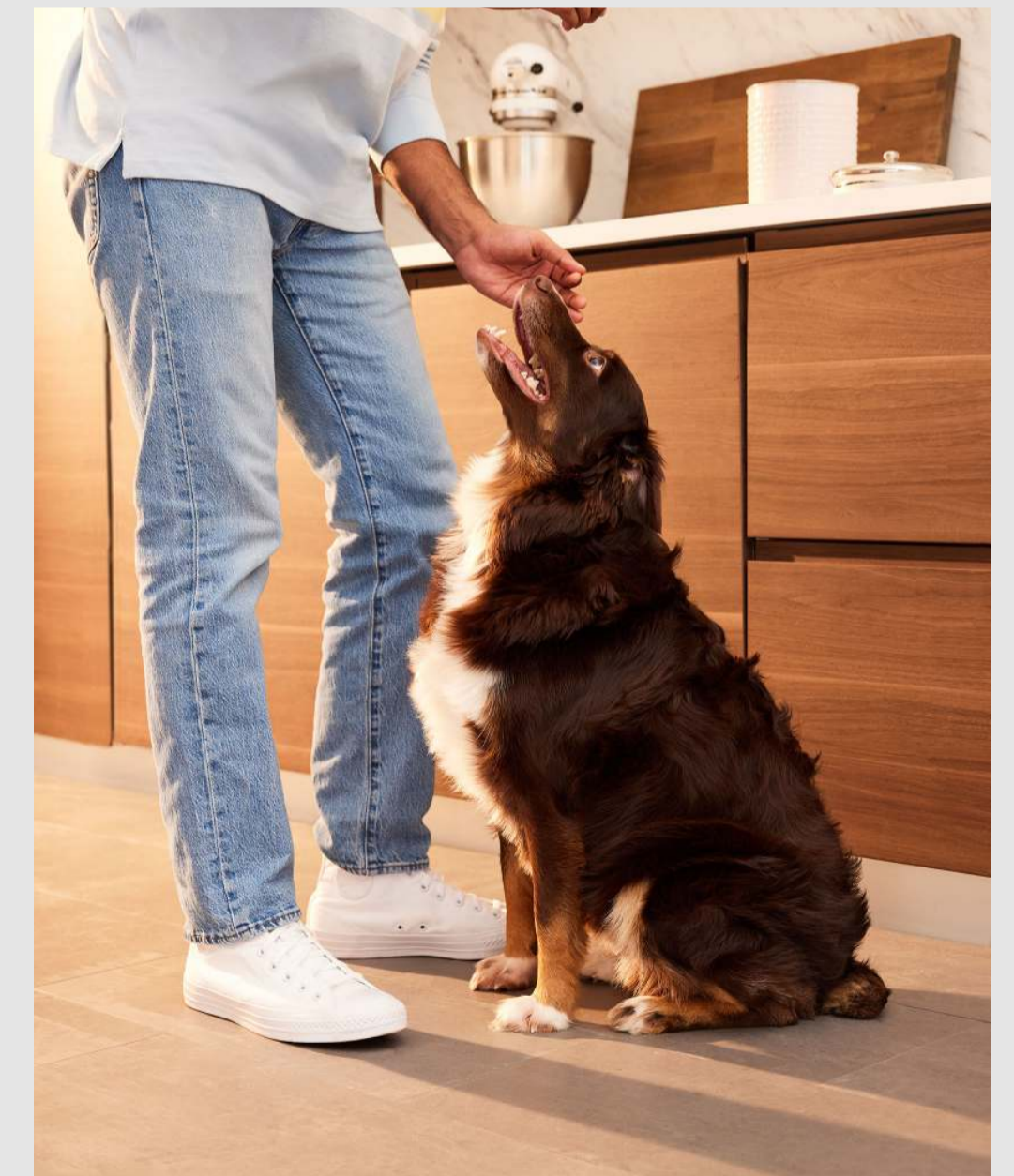
"I have had the opportunity to help craft some very exciting new products in recent years, including the launch of our new Performtrin Ultra freeze-dried raw line-up and the expansion of our Performtrin Prime offerings to include sensitive skin & stomach and urinary care solutions."

She also works closely with our customer service, quality assurance and risk assessment teams to provide high-quality recommendations and solutions for devoted pet lovers. Kylie's mindset on feeding philosophies truly embodies Pet Valu's pursuit of inclusivity in how we serve all our stakeholders.

"Each pet's nutritional needs may be unique, and so we are focused on creating safe and high-quality products across different formulation and format factor types, with no bias towards one or another. We believe all nutrition is good nutrition."

OUTLOOK

Pet Valu continually optimizes its product safety and quality practices to enhance alignment with industry best practices. We plan to make continual improvements to our vendor screening and selection process such as standardized certification requirements by product category for our hardline suppliers, as well as increased frequency and scope of our product monitoring program, with particular focus on our expanding proprietary branded hardlines products and key consumable product categories.



ESG DATA INDEX

Franchisee Relationships

Topic	Metric	2022	2021	2020	SASB Code
Screening, Onboarding & Engagement					
Formal franchise inquiries	Number	>1,400	>1,500	>800	
Monitoring Procedures & Tools					
AUV for mature franchised stores ¹	Dollars (millions)	\$1.96	\$1.69	\$1.49	
4-Wall EBITDA for mature franchised stores ¹	Dollars (thousands)	\$215	\$185	\$155	
Franchised stores with positive 4-Wall EBITDA	Percentage	99%	Not disclosed	Not disclosed	
Safe & Ready assessments for franchised stores	Number	1,456	Not disclosed	Not disclosed	
Average Safe & Ready score for franchised stores	Percentage	91%	Not disclosed	Not disclosed	
Supporting Growth & Retention					
Franchisees ²	Number	337	277	266	
Franchised stores ²	Number	519	406	373	
Franchised stores purchased by existing franchisees (trailing 3 years)	Percentage	>50%	>50%	n.a.	
Franchise store ownership ²	Percentage (1 store/2 stores/3+ stores)	65% / 22% / 13%	67% / 23% / 10%	66% / 23% / 11%	
Average franchisee tenure ²	Years	9	10	9	
Average renewal rate (trailing 5 years)	Percentage	99%	99%	98%	
Average annual turnover rate (trailing 5 years)	Percentage	<4%	Not disclosed	Not disclosed	

Footnotes:

¹ Represents franchised stores open for at least 12 months, excluding Chico.

² As at fiscal year end.

ESG DATA INDEX

ACE Working Environment

Topic	Metric	2022	2021	2020	SASB Code
Safe Labour Practices					
Safe & Ready assessments for corporate and franchised stores	Number	4,083	Not disclosed	Not disclosed	
Average Safe & Ready score	Percentage (corporate/franchise)	95% / 91%	Not disclosed	Not disclosed	
Diversity, Equity & Inclusion					
Gender diversity for management employees ^{1,2}	Percentage (Female/Male/Undisclosed)	68% / 32% / <1%	Not disclosed	Not disclosed	CG-MR-330a.1
Gender diversity for all other employees ^{1,2}	Percentage (Female/Male/Undisclosed)	63% / 34% / 3%	Not disclosed	Not disclosed	CG-MR-330a.1
Racial/ethnic diversity for ELT ²	Percentage (Visible minority/Not a visible minority)	20% / 80%	20% / 80%	Not disclosed	
Compensation & Talent Development					
Average hourly wage	Dollars (in-store/distribution centre)	\$18.66 / \$17.53	Not disclosed	Not disclosed	CG-MR-310a.1
Employees earning minimum wage ²	Percentage (in-store/distribution centre)	0% / 0%	Not disclosed	Not disclosed	CG-MR-310a.1
Employees administered performance reviews	Percentage	100%	Not disclosed	Not disclosed	
Average annual training completed per employee	Hours (management/all other employees)	13.0 / 8.3	Not disclosed	Not disclosed	
In-store employees completing ACE180 training ^{2,3}	Percentage	91%	Not disclosed	Not disclosed	
Corporate ACE Retention					
Voluntary turnover rate for in-store employees ⁴	Percentage	27%	34%	Not disclosed	CG-MR-310a.2

Footnotes:

¹ Expressed on a full-time equivalent basis.

² As at fiscal year end.

³ Excludes in-store employees whose training is still in progress and have been in role for less than 180 days

⁴ Excludes part-time in-store employees.

ESG DATA INDEX

Energy & Emissions Management

Topic	Metric	2022	2021	2020	SASB Code
Energy Consumed					
Total energy consumed ¹	Gigajoules (GJ)	158,239 GJ	Not disclosed	Not disclosed	CG-MR-130a.1
Proportion of energy consumed from grid electricity ¹	Percentage	38%	Not disclosed	Not disclosed	CG-MR-130a.1
Proportion of energy consumed that is renewable ¹	Percentage	0%	Not disclosed	Not disclosed	CG-MR-130a.1
Greenhouse Gas Emissions					
Scope 1 ^{1,2}	Metric tons (t) CO ₂ -e	5,651.2	Not disclosed	Not disclosed	
Scope 2 ^{1,2}	Metric tons (t) CO ₂ -e	3,359.5	Not disclosed	Not disclosed	

Responsible Stewardship

Topic	Metric	2022	2021	2020	SASB Code
Corporate Governance					
Board independence ³	Percentage (Independent/Not independent)	56% / 44%	60% / 40%	Not disclosed	
Board gender diversity ³	Percentage (Female/Male)	33% / 67%	30% / 70%	Not disclosed	
Executive Compensation					
Target compensation "at risk"	Percentage (CEO/CFO/Other NEOs)	78% / 67% / 60%	Not disclosed	Not disclosed	
Non-binding advisory vote on approach to executive compensation	Percentage (Votes For/ Votes Against)	98% / 2%	96% / 4%	Not disclosed	
Data Privacy & Information Security					
Number of data breaches	Number	0	Not disclosed	Not disclosed	CG-MR-230a.2
Proportion involving personally identifiable information	Percentage	0%	Not disclosed	Not disclosed	CG-MR-230a.2

Footnotes:

¹ Includes corporately-operated facilities and vehicles, including head offices, warehouses, FDCs, delivery vehicles and company cars, and corporate stores.

² Calculated in compliance with recommendations of the Greenhouse Gas Protocol.

³ 2022 data as of September 30, 2023.

ESG DATA INDEX

Product Safety & Quality

Topic	Metric	2022	2021	2020	SASB Code
Recalls	Number (Involuntary/voluntary)	0 / 25	Not disclosed	Not disclosed	FB-FR-250a.2
Units recalled	Number	27,736	Not disclosed	Not disclosed	FB-FR-250a.2
Private-label products as proportion of total units recalled	Percentage	0.63%	Not disclosed	Not disclosed	FB-FR-250a.2

Activity Metrics

Topic	Metric	2022	2021	2020	SASB Code
Unit count					
Corporate retail locations ¹	Number	225	227	232	CG-MR-000.A
Franchised retail locations ¹	Number	519	406	373	CG-MR-000.A
Warehouses and FDCs ¹	Number	7	6	6	CG-MR-000.A
Head offices ¹	Number	3	2	2	
Area					
Corporate retail locations ¹	Square metres (m ²)	86,629	84,159	84,768	CG-MR-000.B
Franchised retail locations ¹	Square metres (m ²)	165,457	129,036	114,713	CG-MR-000.B
Warehouses and FDCs ¹	Square metres (m ²)	51,539	49,086	49,086	CG-MR-000.B
Head offices ¹	Square metres (m ²)	9,414	8,753	8,753	

Footnotes:

¹ As at fiscal year end.