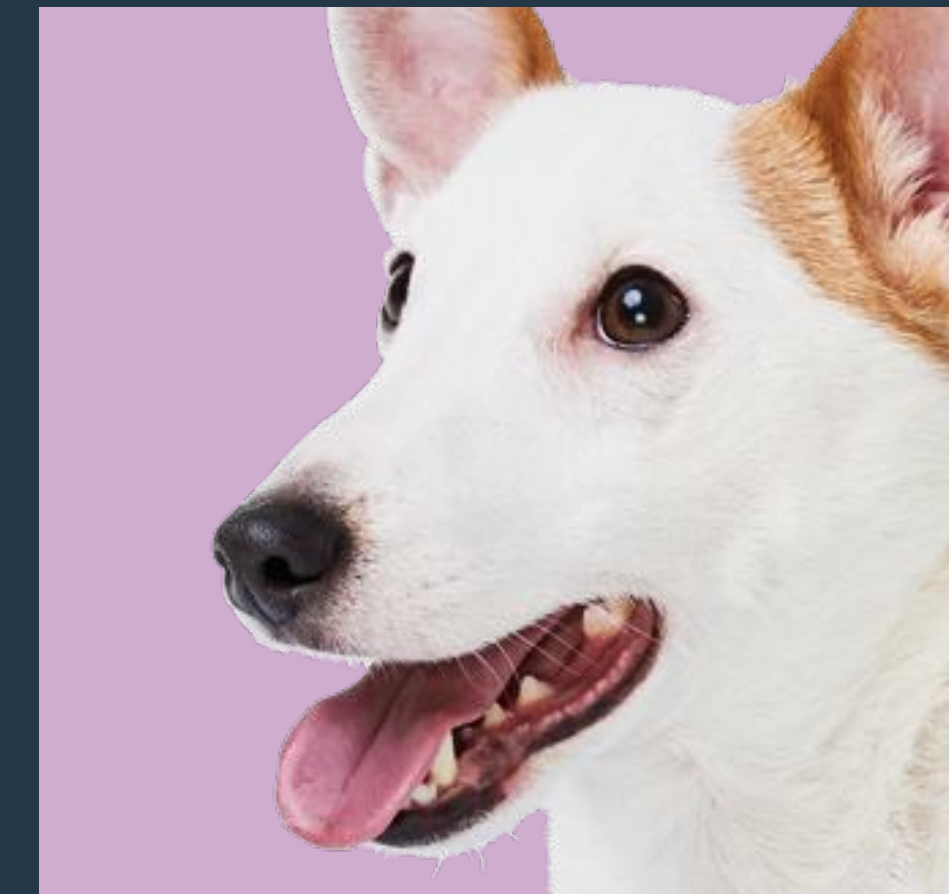


Creating Memorable Moments



DISCLAIMERS

Forward-Looking Information

This report contains forward-looking information. Forward-looking information is provided as of November 13, 2024 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 4, 2024, 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 28, 2024 and AIF dated March 4, 2024, 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

Chief Executive Officer

We are pleased to present our 2023 environmental, social, and governance (“ESG”) report, summarizing the various processes, procedures, and strategies we engage in to strengthen the sustainability of our business.

Building on the strong foundation set in our first ESG report released last year, this year’s report includes insightful updates across our nine primary ESG factors presented across five themes: Franchisee Relationships, Animal Care Expert (“ACE”) Working Environment, Energy & Emissions Management, Responsible Stewardship, and Product Safety & Quality.

Let us share some of the highlights.

In 2023, we **strengthened our engagement with and support for franchisees** of our Les Franchises Chico Inc. (“Chico”) banner to better align with Pet Valu’s industry-leading practices. This included the rollout of regular in-store “Safe & Ready” assessments, contributing to over 2,000 Safe & Ready assessments completed nation-wide in 2023. We worked with owners to form a 7-member, self-elected Chico franchisee council which we engage with regularly. We also began leveraging our proven real estate capabilities, opening the first Chico stores where Pet Valu is on the head lease.

We **enhanced the safety of our various ACE working environments**, investing over \$1 million to install new and upgraded security technology. We strengthened our leadership development pipeline with the rollout of a curated program designed for high potential talent. We clarified our diversity policy to include commitments across our ACEs, franchisees and Board, while providing initial visibility into ACE ethnic diversity.

While our growth drove higher energy consumption, emissions intensity improved as we consolidated parts of our distribution network into larger, modern facilities. At the same time, we **advanced low emissions initiatives** such as solar panels for our GTA DC and piloting electric trucks at our Surrey DC.

We continue to **utilize sound governance practices** across our organization. Earlier this year, we published our first annual report (“Modern Slavery Report”) assessing the policies, activities, and due diligence processes used to manage the potential risk of forced or child labour in our supply chain. Our review did not identify any instances of child or forced labour.

And finally, we **bolstered safety standards** of our proprietary brand hardlines suppliers, particularly those located in Asia and South America. At the same time, we expanded secondary performance and quality testing on selected products.

As we look forward, we continually strive to enhance our disclosure on the primary ESG matters that are most germane to the successful, long-term profitable growth of our Company and supportive of the local communities where our franchisees and ACEs live and work. At the same time, we are closely monitoring the regulatory landscape, including sustainability framework developments from the Canadian Sustainability Standards Board (“CSSB”). Together with industry best practices and stakeholder feedback, we plan to make any necessary enhancements to our strategies and disclosures to prepare for forthcoming disclosure obligations.

Thank you for your continued interest in Pet Valu, and we look forward to your feedback on this year’s report.

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 45 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 2023

18%

market share in Canadian pet industry

2,135

full-time equivalent corporate employees

\$1.4B

system-wide sales

\$1.1B

revenue

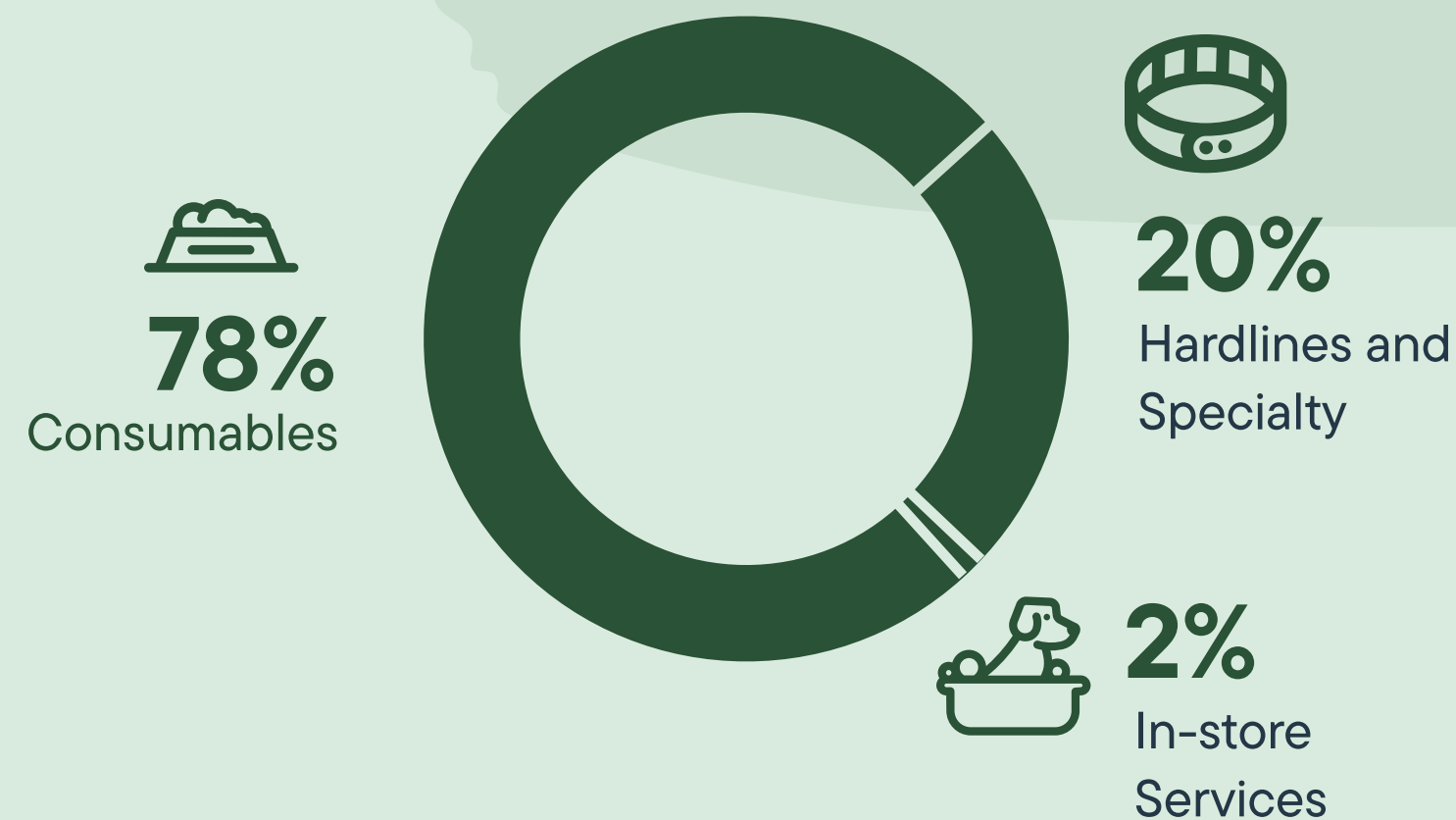
81%

system-wide sales from ~2.9M active loyalty members

25%

proprietary brand penetration of system-wide product sales

SYSTEM-WIDE SALES, BY CATEGORY



Our Stores

FISCAL 2023

72%
Franchised Stores



28%
Corporate Stores

>75%
Canadians within 5km of our stores

Our Banners

petvalu

bosley's
BY PET VALU

Paulmac's
Pets

Tisol
Pet Nutrition & Supply Stores

Chico

Total Pet

Our Digital Touchpoints

FISCAL 2023

Nationwide Direct-to-Customer e-commerce site

Click-and-Collect across all stores outside Quebec

AutoShip subscription service

Our Distribution Network

FISCAL 2023

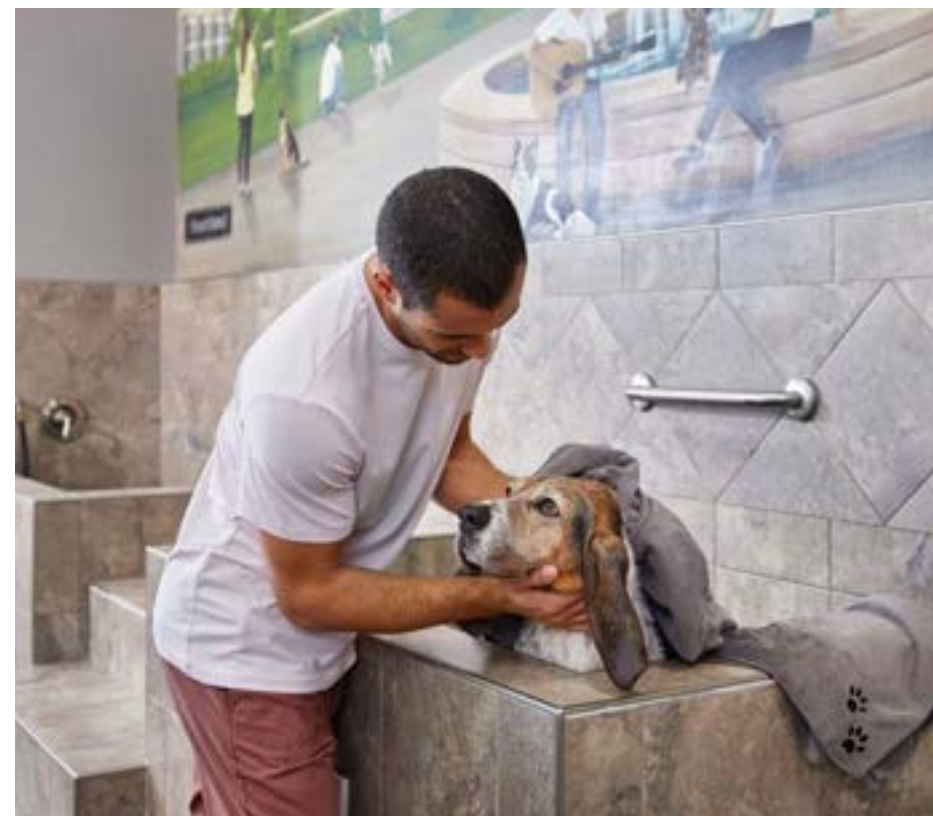
7 warehouses and forward deployment centres ("FDCs")

31 company-operated distribution vehicles

86% 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



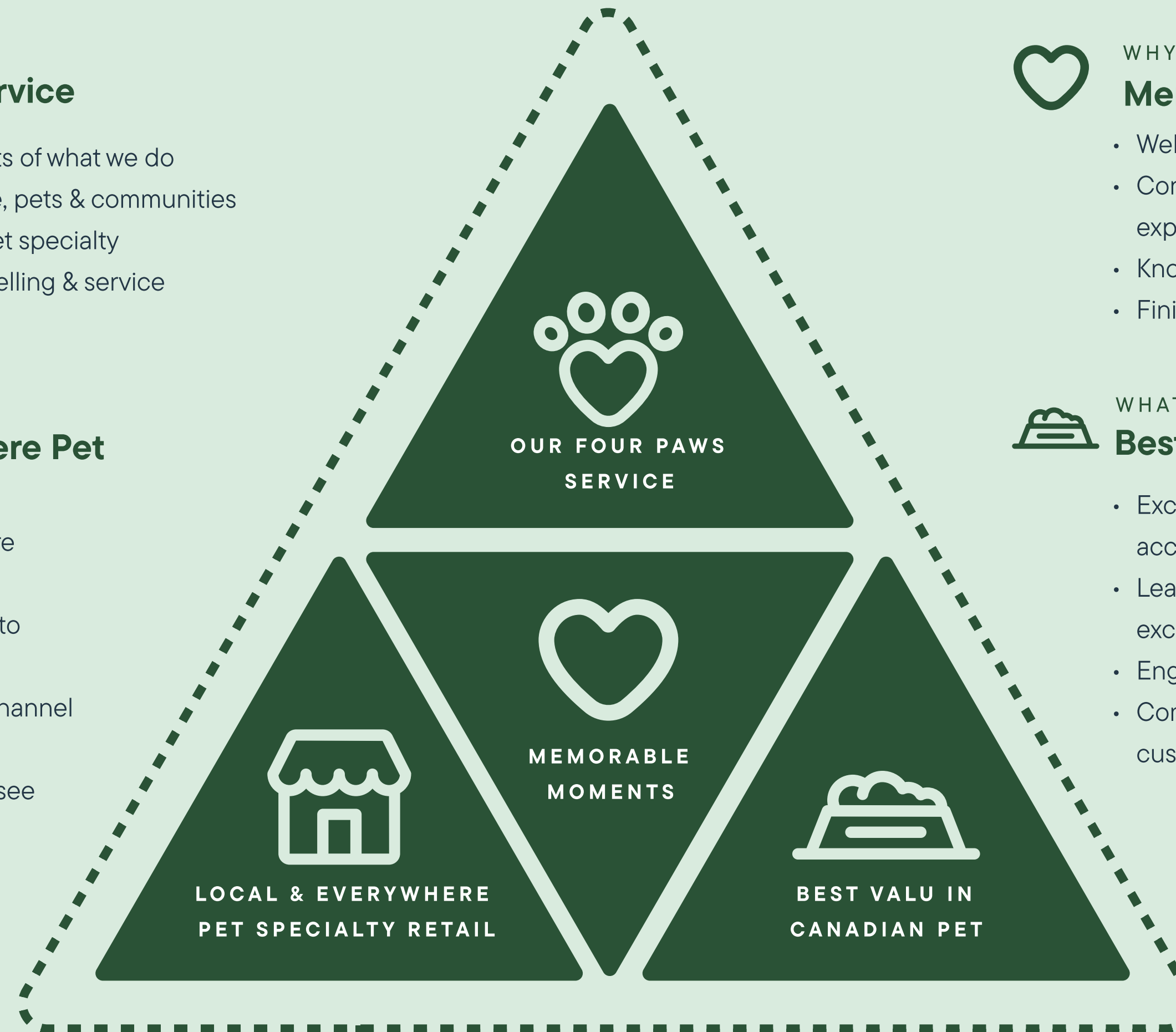
WHY CUSTOMERS LOVE US: Memorable Moments

- 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...

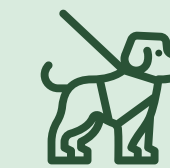


National Campaigns

Raised over \$28 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.



COMPANIONS™ FOR CHANGE



Supporting Dog Guides

Sponsored over 200 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 46,000 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 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.



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.



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 30, 2023 (“Fiscal 2023” or “2023”). Where applicable, we have supplemented this with data and references pertaining to our fiscal year ended December 31, 2022 (“Fiscal 2022” or “2022”) and fiscal year ended January 1, 2022 (“Fiscal 2021” or “2021”). We plan to publish ESG-related reporting annually.

Materiality Assessment

In 2022, Pet Valu, working with a third-party, performed a comprehensive materiality assessment 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 (e.g. SASB), 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 serve as considerations to Pet Valu as we develop and execute initiatives aligned with our Pinnacle Strategy.

SECTION	PRIMARY ESG FACTOR(S)
 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 franchised stores collectively account for 72% 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 of 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 supporting growth and retention of our franchise community.



Jinho and Sooyoung Lee
Franchisees of three Pet Valu stores in Markham and Richmond Hill, 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 2023, we received over 1,600 formal franchising inquiries, of which less than 1% were awarded a Pet Valu franchise.

Prior to taking possession of their 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.

>1,600

formal franchising inquiries in 2023

>100

qualified franchising applications in 2023

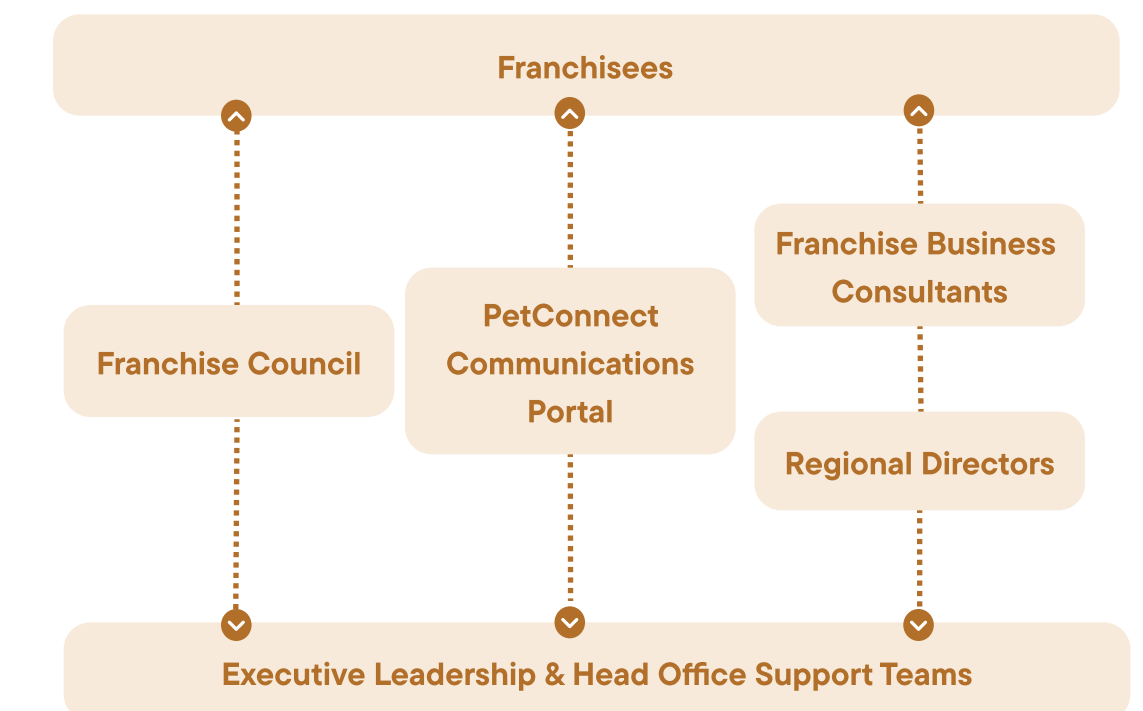
14

franchises awarded to new applicants in 2023

FRANCHISEE SCREENING PROCESS

- 1 **Meet & Greet**
Initial contact and opportunities discussion
- 2 **Disclosure**
Review site-specific documentation and agreements
- 3 **Discovery Day**
One-on-one meetings with senior leadership to assess fit
- 4 **Financing**
Secure appropriate financing, if needed
- 5 **Franchise Agreement**
Sign agreement and provide initial franchise fee

Pet Valu has established robust engagement processes to facilitate clear communication, administer ongoing training and achieve effective resolutions. The collective voice of our franchisees is represented by two franchise councils elected by franchisees: a 14-member council consisting of representatives from districts outside of Quebec, and a 7-member Quebec-based council, each which meet with Pet Valu's senior leaders through the year to discuss systems, procedures and initiatives to drive continued success. Additionally, each franchisee is supported by one of our 23 franchise business consultants, who on a day-to-day basis, provide ongoing training, monitor standards compliance and collect feedback. And finally, we provide franchisees outside of Quebec with access to a central portal, for communication, sales analysis and documentation retrieval.



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 productivity and profitability. Between 2021 and 2023, Average Unit Volume or “AUV” of mature franchise stores increased 18% to \$2.0 million, and we estimate 4-Wall EBITDA was approximately \$250,000 in 2023, with over 99% of mature franchisees generating 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 regular reviews (“Safe & Ready” assessments), both scheduled and unscheduled. In 2023, after successfully rolling out our Safe & Ready process to our Les Franchises Chico Inc. (“Chico”) banner, we performed over 2,000 Safe & Ready assessments across our franchisee network nation-wide, with stores receiving an average score of 93%.

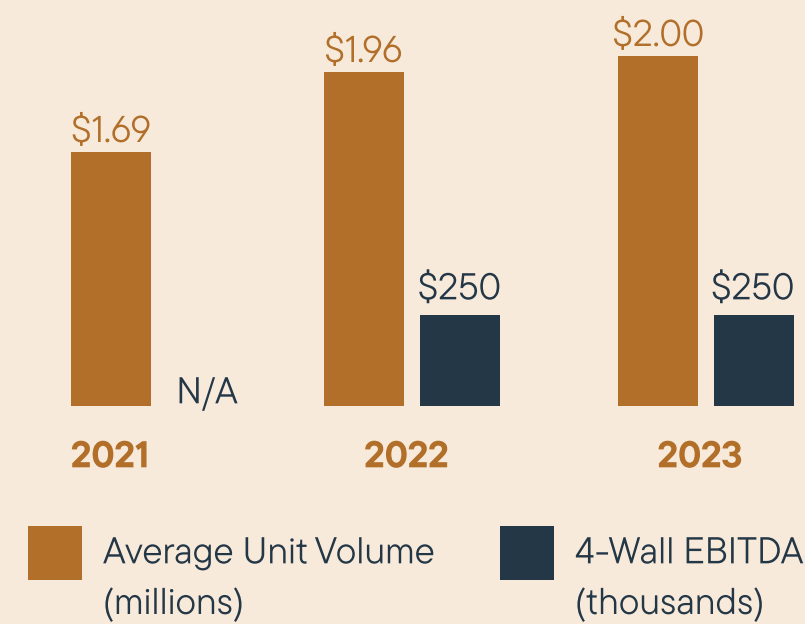
>2,000

Safe & Ready assessments performed at franchise stores in 2023

93%

Average franchised store Safe & Ready score in 2023

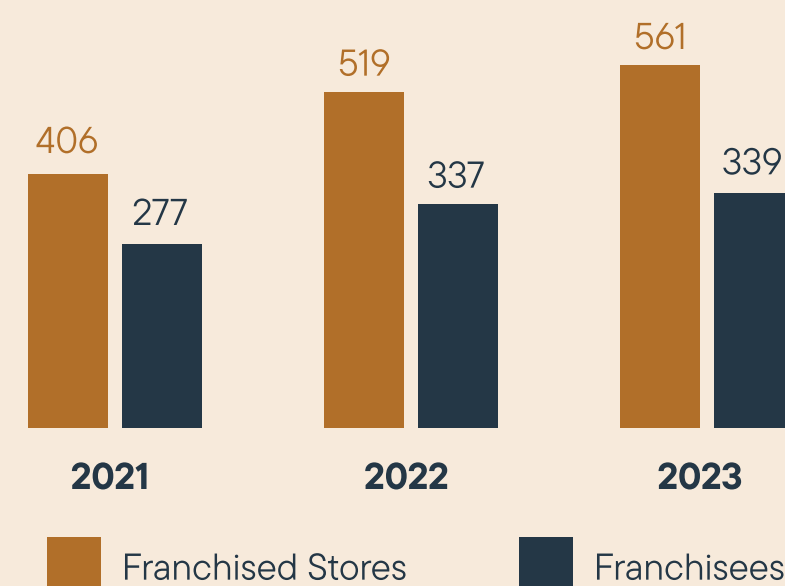
FRANCHISE UNIT ECONOMICS



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 over time. Between 2021 and 2023, we expanded our franchise store network by 38% to 561 locations and grew our franchise community by 22% to 339 members. In addition to new franchisees, we continue to see robust demand for additional stores from our existing franchisees, who purchased approximately 60% of new or resale franchise stores between 2021 and 2023.

As of December 30, 2023, 61% of our franchisees owned one store, 23% owned two stores, and 16% owned three or more stores. With the opportunity to own up to five 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 ten years, as of December 30, 2023. Additionally, between 2019 and 2023, renewal rates have averaged 99%, while annual turnover averaged approximately 3%, most of which being franchise-to-franchise transfers to support well-earned retirements. Annual turnover rates for Chico franchisees are consistent with the Company average, indicating strong retention since Pet Valu acquired Chico in early 2022.

~60%

new or resale franchise stores purchased by existing franchisees 2021-2023

10 years

average franchisees tenure as of December 29, 2023

99%

average franchisee renewal rate 2019-2023

~3%

average annual franchisee turnover 2019-2023



Shyam and Lalita Kansal - Franchisees of four Pet Valu stores along the Calgary-Edmonton Corridor, Alberta



Karalee Brennan - Franchisee of two Pet Valu stores in Kitchener, Ontario

SPOTLIGHT

PetConnect

Franchisee Communications Portal



In 2023, we successfully relaunched our franchisee communications portal, rebranded as PetConnect, powered by FranConnect, a third-party provider of industry-leading franchise management solutions. The enhanced portal provides a one-stop platform for franchisees outside Quebec to receive timely communication related to upcoming events and new products, analyze sales trends, and review documentation. PetConnect has enabled stronger franchisee engagement, based on usage tracking and feedback from franchisees.

OUTLOOK

Pet Valu strives to continually enhance our franchising program to foster healthy franchisee relationships and support our collective long-term, sustainable growth.

We are enhancing our Safe & Ready protocols to further encourage and reward adherence to Pet Valu’s operating standards. Starting in 2024, all Safe & Ready assessments will be unscheduled, allowing for an authentic evaluation of everyday standards. Additionally, franchisees receiving an excellence score (>95%) will be granted a one-quarter exemption of our quarterly Safe & Ready assessments, enabling those franchisees to dedicate more time to serving customers and performing day-to-day tasks.

In 2024, together with feedback from franchisee councils, the Company identified opportunities to provide target training to empower franchisees in their day-to-day tasks. Titled “Ask the Experts”, these virtual, live sessions provide attendees with a refresh of key system features and operational best practices. To provide further execution support, we are also offering our franchisees training on an enhanced customer service model currently utilized within our corporate store network, designed to drive deeper engagement with devoted pet lovers.

SPOTLIGHT

Benjamin Russell

Franchisee of a Chico store in Blainville, Quebec

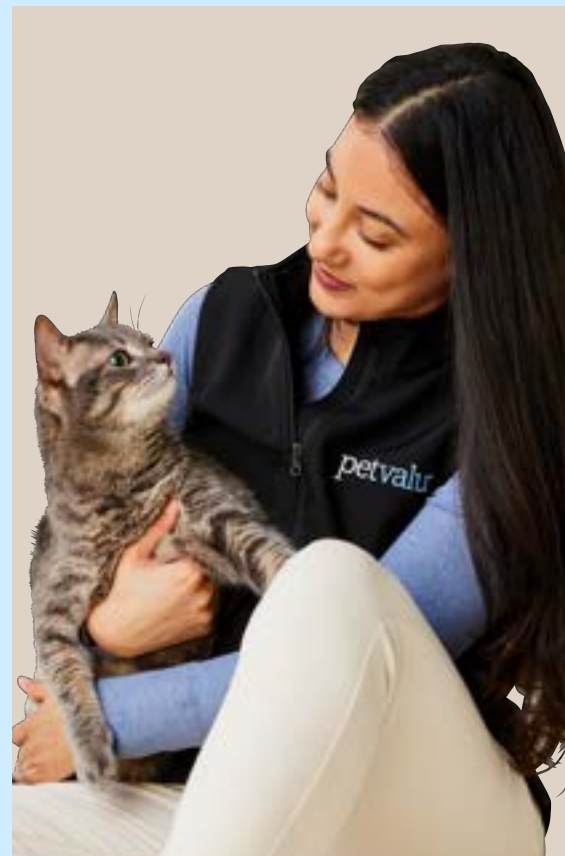


Benjamin began his journey with Chico in 2019, working in family and friend-owned stores, before purchasing the Blainville location in February 2021. He emphasizes that Chico stands out for its wide selection of high-quality products, complemented by exceptional customer service. "We are committed to delivering personalized service,

so that we can develop a strong connection with our customers and their pets."

Benjamin noted several benefits since Chico joined Pet Valu’s family of stores, including enhanced support refining day-to-day tasks and access to its growing wholesale catalogue including its large proprietary brand offering. "I also value the clear lines of communication we share with Pet Valu, both through our Franchise Council and my dedicated franchisee business consultant who I can call whenever I have questions."

Looking ahead, he is excited about the continued for growth of Chico’s store network, which should drive stronger recognition among local pet owners, and potentially provide an opportunity for Benjamin to acquire a second store.



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 and standardized processes



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. For the safety of our in-store corporate ACEs and devoted pet lovers we serve, all of our corporate stores also feature alarm and camera security systems, supplemented by third-party security services provided at select locations. In Fiscal 2023, we invested over \$1 million to install new and upgraded security technology across select stores, distribution centres and head office.

>4,500

Safe & Ready assessments performed across all stores in 2023

96%

Average corporate store Safe & Ready score in 2023

93%

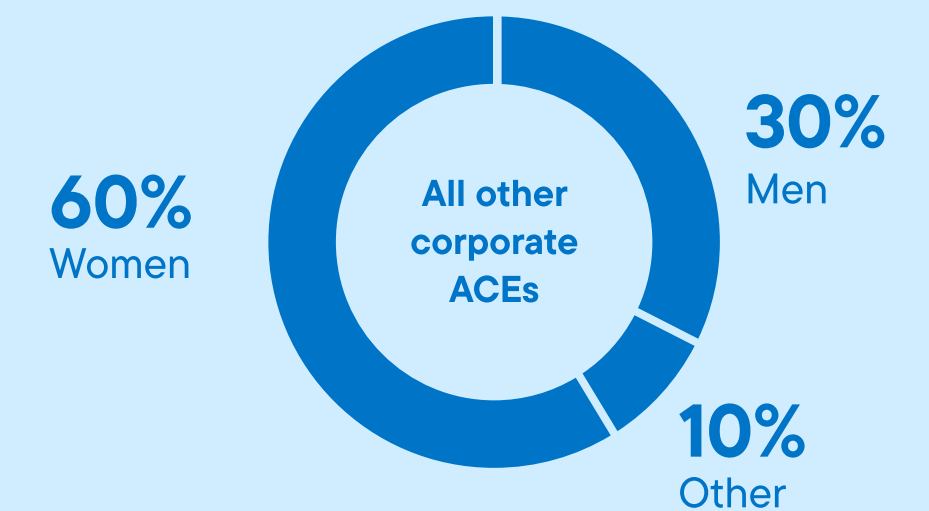
Average franchised store Safe & Ready score in 2023

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"). Historically, focused on Board and senior management diversity, the Company's Diversity Policy was clarified in 2023 to include diversity commitments across all its employees, franchisees and the Board.

Pet Valu is pleased to support strong gender and ethnic diversity within our ELT, with 45% identifying as women and 18% identifying as visible minorities, as of December 30, 2023. More broadly across our corporate ACEs in management roles, 69% identified as women and 26% identified as visible minorities. For all other corporate ACEs, 60% identified as female and 35% identified as visible minorities. We are currently measuring diversity amongst our franchisee community and their stores and plan to share this data in future reports.

GENDER DIVERSITY (FISCAL 2023)



ETHNIC DIVERSITY (FISCAL 2023)



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 recent years, 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

100%

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

In 2023, we maintained our practice of compensating 100% of our in-store and distribution centre corporate ACEs above minimum wage. We also continued to make targeted investments to maintain wages above living wage thresholds according to regional benchmarks for all full-time corporate ACEs with a tenure at Pet Valu of at least one year.

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 on an annual basis. In addition, all our in-store corporate ACEs and many corporate ACEs in management roles are eligible for monthly, quarterly and/or annual bonus rewards tied to achievement of operational and financial goals.

We actively develop talent across our organization by administering training on-the-job as well as online through 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.

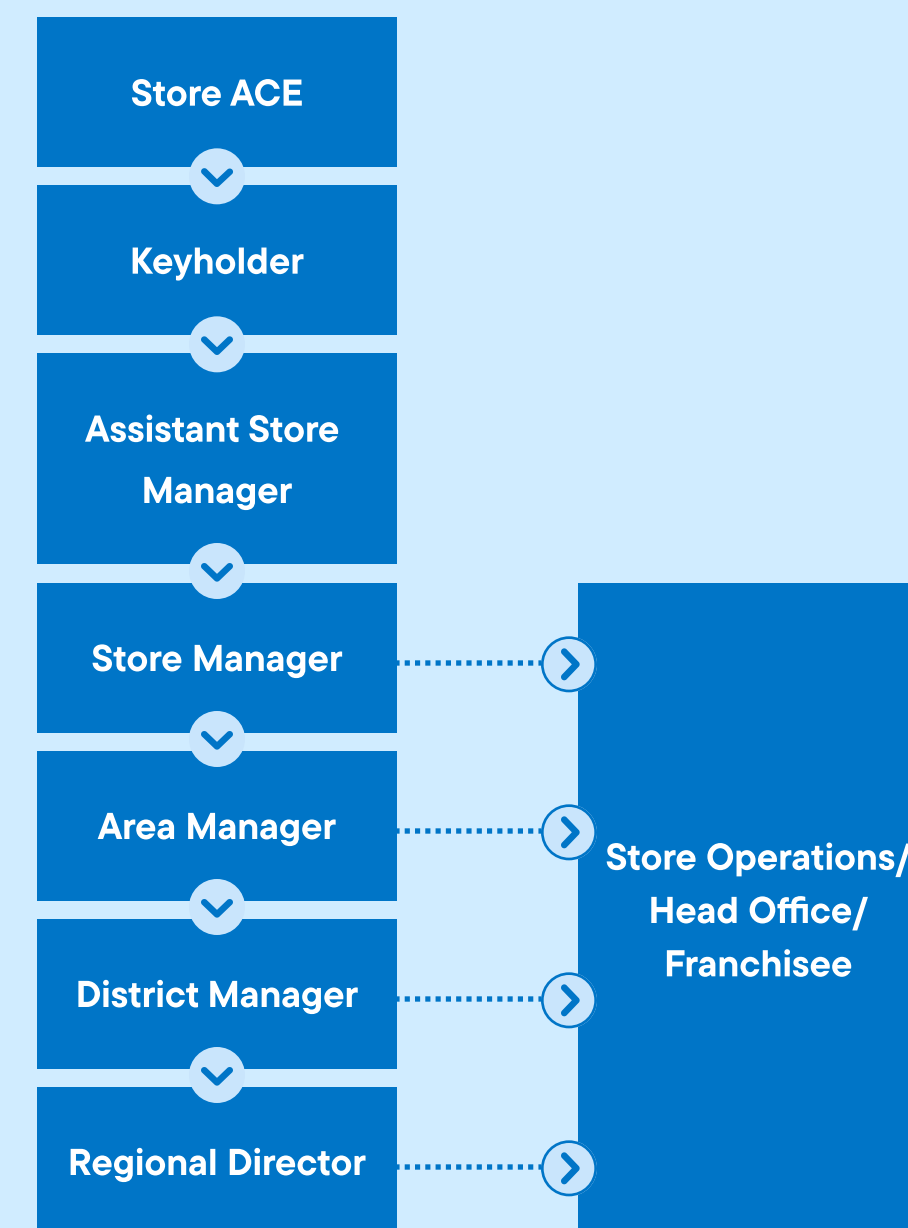
Our flagship ACE Academy program is ACE 180, which provides all ACEs with 18 hours of comprehensive, self-paced learning to support onboarding in their first 180 days at Pet Valu. ACEs are introduced to key elements of our business, such as corporate culture, workplace health and safety, pet care and nutrition, and service-based selling, culminating in designation as an Animal Care Expert and rewarded with incremental wage increases. As of December 30, 2023, 92% of our in-store corporate ACEs had completed our ACE 180 program. Our ACE 180 program is also made available to our franchisees and their in-store ACEs.

16 hours

online training completed in 2023 by corporate ACEs in management roles, on average



POTENTIAL CAREER PROGRESSION



To support on-going development and provide career progression opportunities, we deliver multiple leadership programs. In Fiscal 2021, we launched our Leadership Development Program consisting of five live sessions annually, each led 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. And in Fiscal 2023, we unveiled the Reach Accelerated Leadership Development program designed to cultivate a diverse pool of identified high potential talent through external learning and internal networking opportunities. Altogether, our corporate ACEs in management roles completed 16 hours of online training on average in 2023 through our ACE Academy, in addition to substantial in-person and/or on-the-job training provided throughout the year.

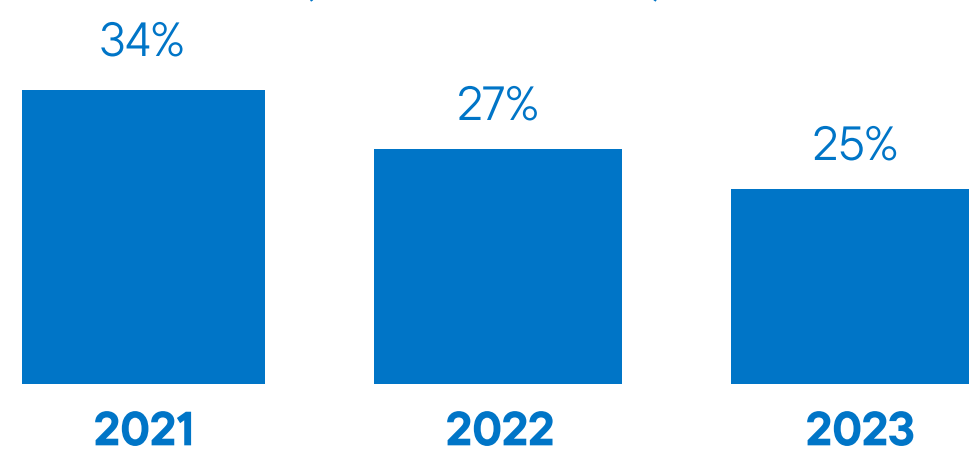
Our talent development enables clear paths for career progression at Pet Valu. Our performance review processes help foster constructive discussions related to career aspirations and opportunities to develop career roadmaps. As a result, we help facilitate advancements both within and across functional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

Standardized Processes & Corporate ACE Retention

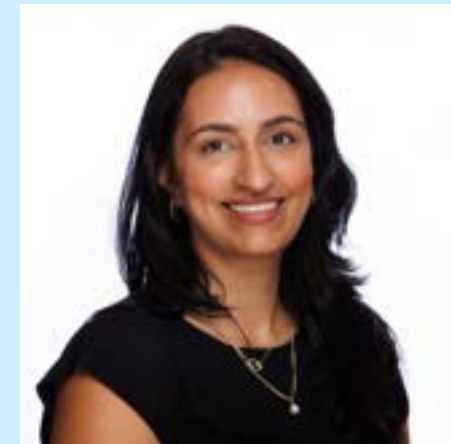
We continually seek out opportunities to standardize routine processes to provide our ACEs with more time to invest in rewarding and value-adding tasks. New processes are first piloted by our corporate advisory team, composed of representative store managers across the country, before a general rollout is commenced. If successful, materials and outcomes are shared with franchisees so that they may consider adopting similar practices. In 2023, we rolled out an enhanced customer service model across our corporate stores to drive deeper, more meaningful interactions with devoted pet lovers.

We believe our focus on providing 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 voluntary turnover rates to 25% in Fiscal 2023 compared to 34% in Fiscal 2021. Importantly, we see strong stability with our corporate store managers, whose tenure with Pet Valu averaged over 5 years in Fiscal 2023.

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



SPOTLIGHT



Farheen Visram
Director,
Talent and Training

Farheen, a former educator with 15 years in corporate training and talent development, joined Pet Valu in July 2021 to lead the Company’s Learning & Development and Talent Management programs. Her role focuses on enhancing the progression of Pet Valu’s ACEs, from candidacy and onboarding to succession planning.

Farheen believes in a people-first philosophy, noting, “my experience has taught me that if we get the people pieces right – purpose, vision, growth, recognition – performance will naturally follow.”

During her tenure, she has successfully implemented key training initiatives, including our Expert-level certification process for all ACEs and learning enablement initiatives such as our Managers Essentials program. Farheen appreciates Pet Valu’s collaborative learning environment. “I’ve never seen an executive team that is this committed to learning, not just in dollars but in their time.” Looking ahead, she is excited about career mobility opportunities for Pet Valu’s ACEs, with her team building career path initiatives and fostering broader talent discussions.

SPOTLIGHT



Michael Billingsley
Assistant General Manager,
GTA DC

Michael joined Pet Valu in February 2023, leveraging over a decade of distribution experience in high-velocity goods to help oversee the Company’s distribution centre operations in the Greater Toronto Area (“GTA”).

With firsthand experience at one of our legacy

distribution centres in the GTA, Michael observed the significant enhancements in ACE welfare at the new GTA facility. Key features include a large cafeteria with subsidized food options, prayer and ablution rooms, and a driver’s lounge. He noted, “it is incredible to see a company put employee wellness at the forefront of their plans and investment.”

The positive impact of these enhancements on employee satisfaction is evident. “There is a renewed sense of energy in our ACEs who, like me, value working in a well-lit, clean and thoughtfully designed environment. Retention has been strong as we transitioned our workforce to the new facility, which speaks to the appeal of its amenities.”

OUTLOOK

Pet Valu’s development of programs and tools to support our ACE working environment is on-going. To further enhance safety, we will gradually centralize security equipment to provide enterprise-wide oversight. Additionally, in 2024 we formalized loss prevention training through online learning and monthly newsletters.

Our efforts to broaden support of our diverse workplace continue as we seek to reflect the communities that we serve. We are assessing opportunities to collaborate with specialized recruiting agencies to broaden awareness and appeal of Pet Valu with indigenous communities.

To broaden career discussions beyond traditional paths and support continued development of our people, we have begun providing quarterly career discovery seminars in 2024 to spotlight different roles and functions across our organization.

And finally, we are continuing our efforts 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

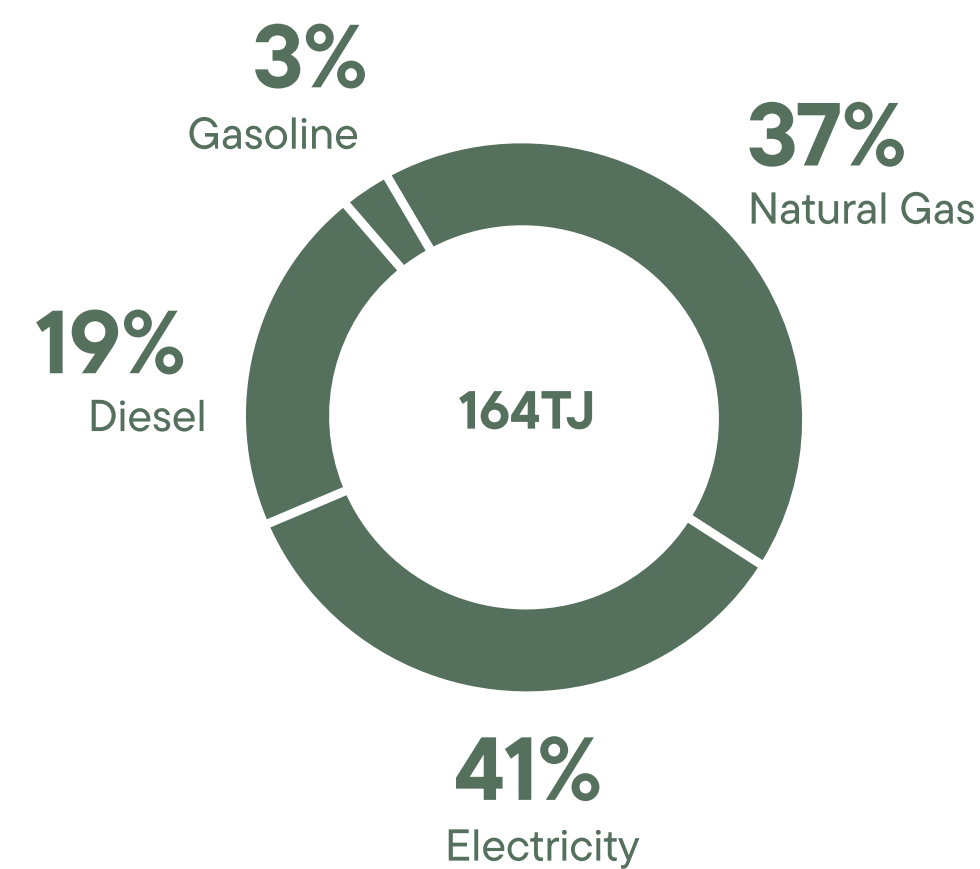
WHY THIS IS IMPORTANT TO US

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.

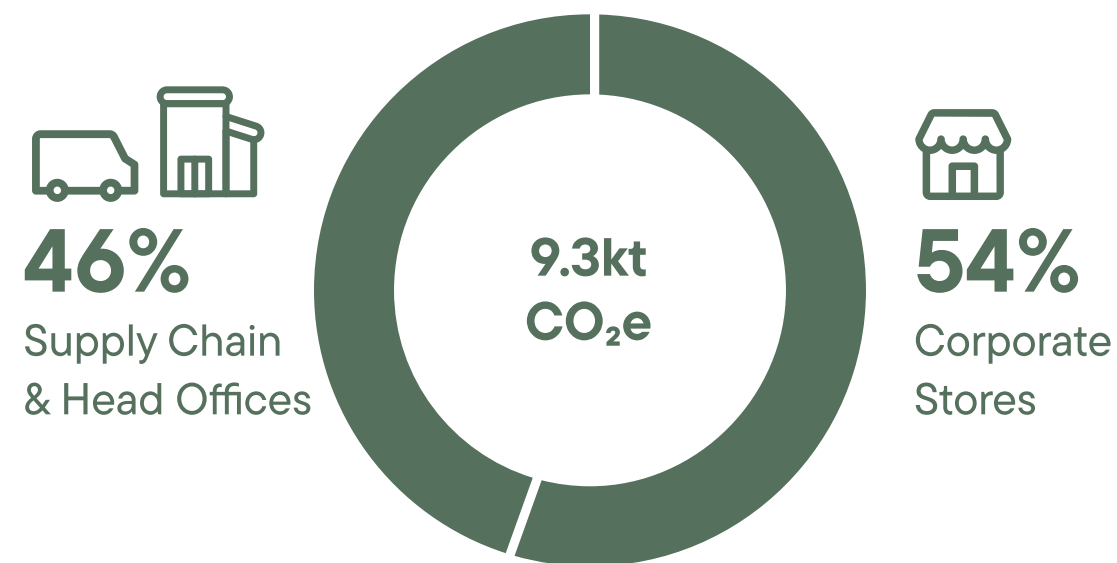
OUR APPROACH

Pet Valu utilizes energy from a variety of sources across its operations. These include our corporate stores, distribution network, our head offices and vehicle fleet.

2023 ENERGY CONSUMPTION PROFILE



SCOPE 1 & 2 GHG EMISSIONS BY TYPE

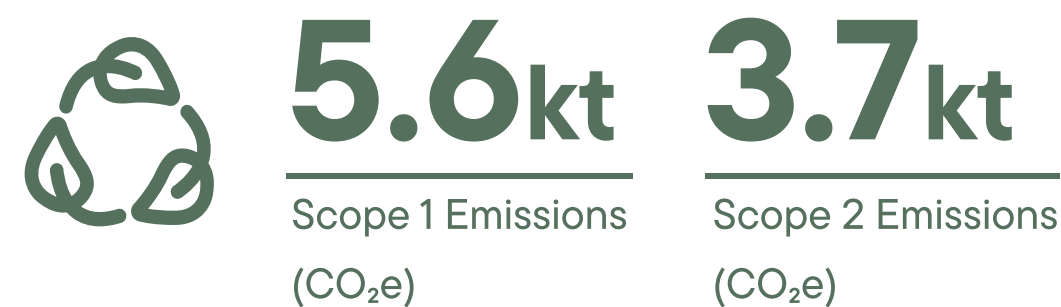


Measuring our Carbon Footprint

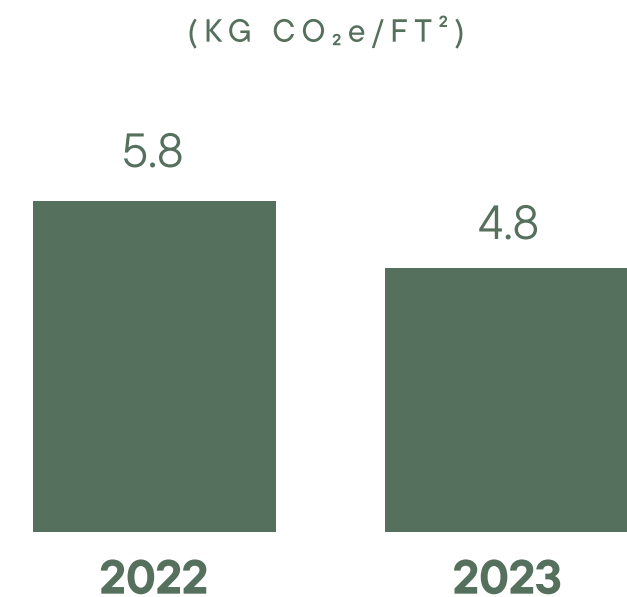
Building on actions in recent years to improve our energy management practices, Pet Valu is in the early stages of developing a comprehensive energy and climate strategy. Starting in Fiscal 2022, we monitor our energy consumption and associated Scope 1 and 2 GHG emissions profile using recognized standards and protocols, such as the Greenhouse Gas Protocol.

While absolute Scope 1 and 2 emissions increased by 3% to 9.3kt in Fiscal 2023, this was primarily driven by our growth. On a per square foot basis, our Scope 1 and 2 emissions intensity decreased to 4.8kg CO₂e/ft² attributable to a skew towards lower footprint warehousing space, weather and general grid decarbonization.

2023 GHG EMISSIONS PROFILE



SCOPE 1 & 2 GHG EMISSIONS INTENSITY



SPOTLIGHT

We continue to advance plans to install rooftop solar panels at our distribution centre in Brampton, Ontario (“GTA DC”). Based on current designs, the panels are expected to generate up to 1 megawatt of power, and once completed in Fiscal 2025, we estimate they will significantly contribute to the energy needs of the GTA DC, including its goods-to-picker automation. This will also serve to mitigate electricity grid dependency and reduce exposure to potentially volatile electricity costs. We plan to assess the viability of harnessing solar energy at other facilities over time.

SPOTLIGHT

As part of our multi-year supply chain transformation, in Fiscal 2024, we transitioned into our new 350K sq. ft. distribution centre (“Surrey DC”) in the Metro Vancouver Region. The newly constructed facility has received LEED Gold certification, recognizing the building’s holistic design to minimize environmental and social impact. Additionally, Pet Valu will pilot the use of two electric trucks as part of the Surrey DC’s delivery fleet. Each electric delivery truck represents an opportunity to avoid consumption of over 25,000 litres of diesel fuel or 65 tonnes of CO₂e per year.



OUTLOOK

Pet Valu plans to 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.

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.





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.

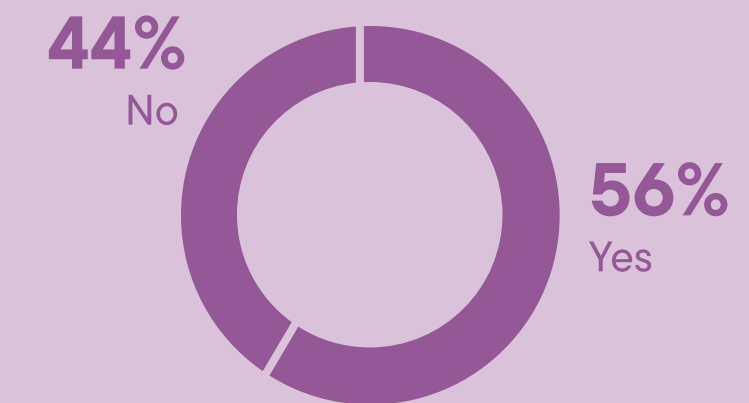
Board Independence, Diversity & Skills

As of September 28, 2024, our Board is composed of nine directors, five of whom are independent, with an average tenure of approximately four 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.

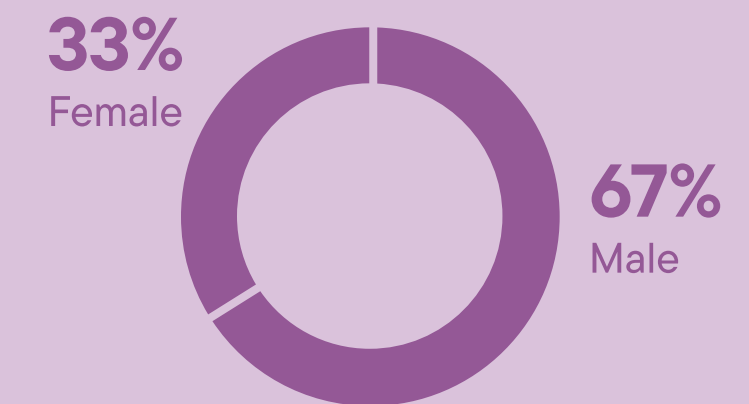
The Board acknowledges Pet Valu’s commitment to fostering an open and inclusive workplace culture, and recognizes it must lead by example to further this pursuit. It has adopted a Diversity Policy, which

includes a target to maintain least 30% of Board directors identifying as female. As of September 28, 2024, 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, to oversee Pet Valu’s pursuit of its mission.

INDEPENDENCE



DIVERSITY



BOARD ATTRIBUTES MATRIX
(AS OF SEPTEMBER 28, 2024)

Director	Independent	Tenure (years)	Gender	Senior Executive/ Strategic Planning	Governance	Financial/ Accounting	Risk Management/ Compliance	HR/Employee Engagement	Retail/ Supply Chain	Information Technology/ Cyber Security	Marketing/ Branding	E-commerce/ Online Retailing	Change Management/ Transformation	Real Estate	Franchising/ Wholesale	ESG
Danielle Barran	●	1	F	●	●	●	●	●	●		●		●		●	●
Sarah Davis	●	3	F	●	●	●	●	●	●	●	●	●	●	●	●	●
Clayton Harmon		4	M		●	●		●			●		●		●	
Patrick Hillegass		4	M	●	●	●		●			●		●		●	
Kevin Hofmann		5	M	●	●		●	●	●	●	●	●	●		●	●
Richard Maltzbarger		6	M	●	●	●	●	●	●	●	●	●	●	●	●	●
Lawrence Molloy	●	1	M	●	●	●	●		●	●			●	●		
Anthony Truesdale	●	5	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”.

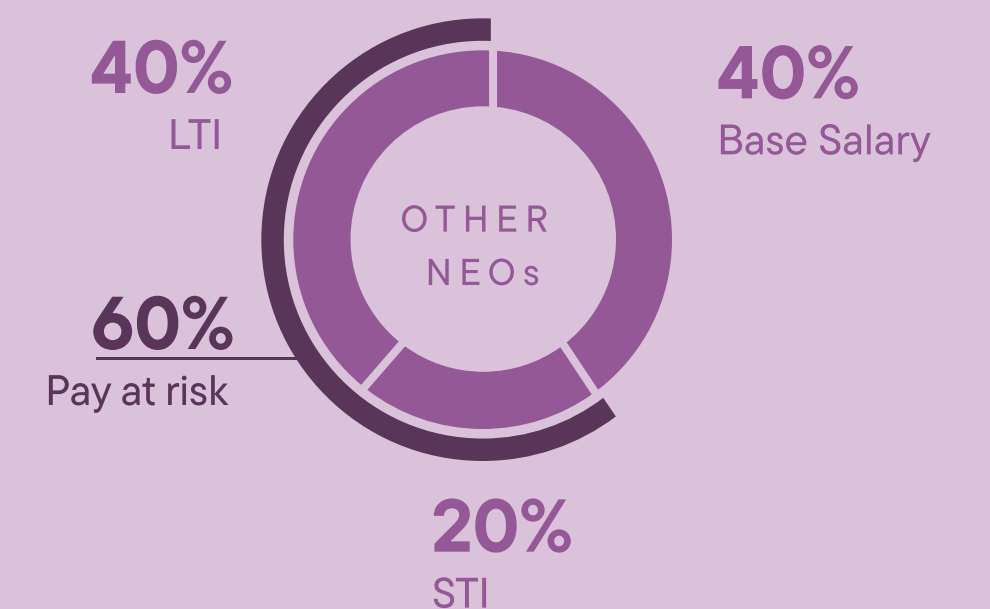
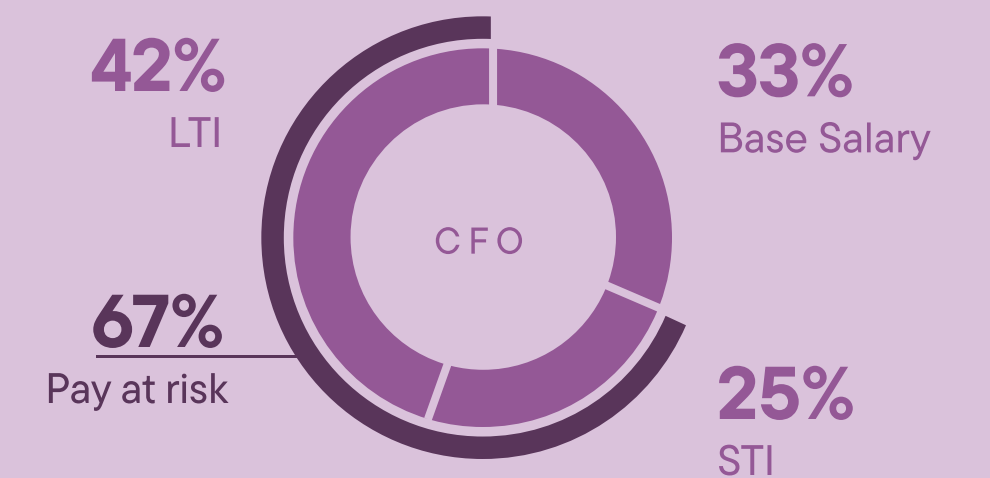
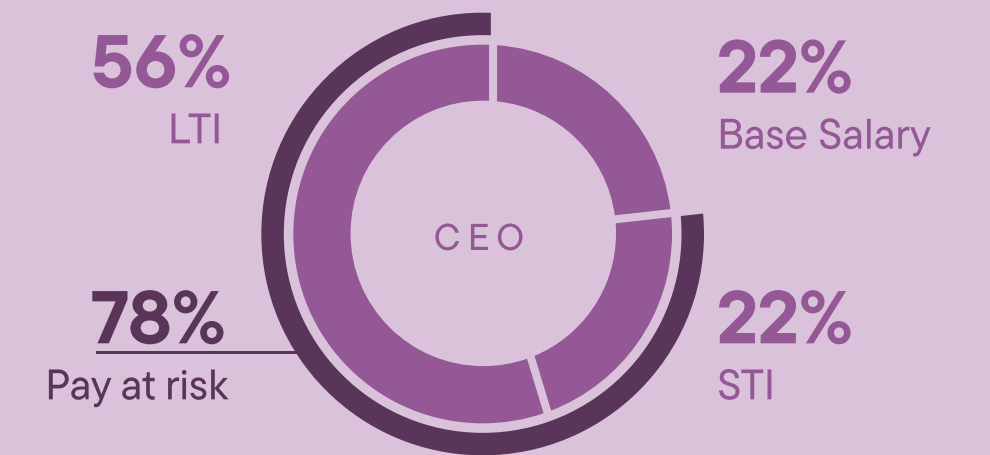
In Fiscal 2023, Pet Valu's target pay mix "at risk" was 78% for our CEO, 67% for our Chief Financial Officer (“CFO”) and 60% for other named executive officers (“NEOs”).

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 2024 AGM, over 93% of votes cast were in favour of Pet Valu’s approach to executive compensation.



TARGET TOTAL COMPENSATION MIX (FISCAL 2023)



Snapshot: Governance in our Supply Chain

To protect the integrity and reputation of our brand, and assist in delivering the best possible experiences to devoted pet lovers, our responsible stewardship practices often extend to external stakeholders. Such an example is our oversight of safe labour practices, not only in our working environments, but also with suppliers in our supply chain. Pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), in May 2024, Pet Valu issued a report summarizing its policies, activities, and due diligence processes used to manage the potential risk of forced or child labour in its supply chain.

Pet Valu has certain controls in place that assist in mitigating the potential risk of forced or child labour in its supply chain. Internally, all directors, officers and employees must, on annual basis, review the Company’s Code of Business Conduct and Ethics, (the “Code”), which sets out standards and principles that guide our actions. In Fiscal 2024, we amended the Code to include our commitment to human rights and compliance with the Act. Externally, our suppliers are expected to comply with our Vendor Supplier Requirements Guide (the “Guide”), which includes

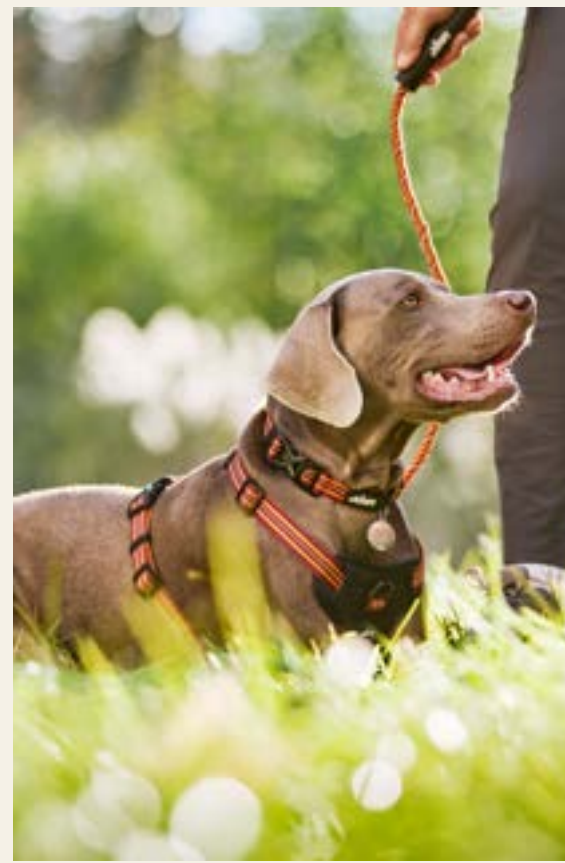
prohibitions against the use of forced and/or child labour. Standard form agreements used for the procurement of goods also include audit and inspection provisions to permit verification of compliance with applicable laws. Beginning in Fiscal 2023, all new proprietary brand manufacturers in Asia and South America must meet enhanced requirements, including acceptable third-party audit reports. Beginning in Fiscal 2024, all existing proprietary brand manufacturers in Asia and South America must provide acceptable third-party audit reports annually.

To assess the potential risk of forced or child labour in our supply chain, in Fiscal 2023 and Fiscal 2024 we conducted a due diligence review of our largest direct suppliers as well as direct suppliers of goods from jurisdictions deemed higher risk for potential occurrences of child or forced labour. Our review did not identify any instances of child or forced labour. While this does not preclude the presence of forced or child labour entirely, viewed globally, Pet Valu views the risk of child and forced labour in its supply chains as low, with some specific procurement activities carrying a moderate risk related to geographic factors.

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.





Product Safety & Quality

WHY THIS IS IMPORTANT TO US

As the most discerning, informed and pet-centric segment in the Canadian pet industry, devoted pet lovers care deeply about 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 product sales accounting for 98% of our system-wide sales, a quarter of which are composed of our proprietary brands, Pet Valu recognizes that favourable experiences with our products 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 supplier screening and onboarding process, complemented by ongoing quality assurance monitoring and proactive recall program.



Supplier Safety Standards

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

We hold manufacturers of our proprietary branded food products 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 suppliers must undergo and provide us with third-party audits assessing adherence to GFSI standards.

Similarly, for our proprietary branded hardline products, we require manufacturers to provide acceptable safety and quality certifications for applicable products. Additionally, all existing proprietary brand manufacturers in Asia and South America must provide an acceptable third-party social audit when onboarded, and, starting in Fiscal 2024, must conduct and report results for similar audits annually.

Upfront & Ongoing Quality Assurance

We approach creation and production of our proprietary branded products with a safety-first mindset. For our proprietary branded foods, once formulated by our in-house animal nutritionist, products are tested using supplier 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 branded food products before they enter circulation to validate specification compliance. Thorough quality and performance testing is also administered by suppliers of all new proprietary branded hardline products, with secondary testing on select products commissioned by Pet Valu. Protocols to assure safety, ongoing testing, and potential investigations are established, and overseen by our in-house quality assurance team.



0.02%

Recalls as a percentage of system-wide sales in 2023

0.72%

Proprietary brand units recalled as a percentage of total units recalled in 2023

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, supplier or regulatory notifications 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 2023, we voluntarily recalled 12 products equivalent to 0.02% of system-wide sales. Of these voluntary recalls, one was related to a proprietary brand, amounting to 0.72% 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 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

Dolly Kaushal
Director, Proprietary Hardlines & Specialty Brands

Leveraging a career-long dedication to private brand development, Dolly leads Pet Valu’s team responsible for conception and execution of our proprietary hardlines and specialty products. Sharing her approach to development, she remarks, “safety and quality need to go hand-in-hand to create long-standing, successful products. We always keep usage and benefit at the centre of every new product and then design around that.”

A highlight during Dolly’s tenure has been the implementation of a stage gate framework for Pet Valu’s proprietary hardlines products, where specific safety, quality and social checks are performed with suppliers at key milestones of development. Dolly also was instrumental in helping define a clear mission, voice and tone for each of our hardline and specialty brands to deliver a compelling value proposition to devoted pet lovers.

“I’m proud to be part of an organization focused on continuous improvement, specifically in finding new ways to enhance product safety and quality.”

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 supplier screening and selection process with on-going quality and safety assurance processes such as commissioning safety and social audits of 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	2023	2022	2021	
Screening, Onboarding & Engagement					
Formal franchise inquiries	Number	>1,600	>1,400	>1,500	
Monitoring Procedures & Tools					
Average Unit Volume (“AUV”) for mature franchised stores ¹	Dollars (millions)	\$2.00	\$1.96	\$1.69	
4-Wall EBITDA for mature franchised stores ¹	Dollars (thousands)	\$250	\$250	Not disclosed	
Franchised stores with positive 4-Wall EBITDA	Percentage	99%	99%	Not disclosed	
Safe & Ready assessments for franchised stores	Number	2,011	1,456	Not disclosed	
Average Safe & Ready score for franchised stores	Percentage	93%	91%	Not disclosed	
Supporting Growth & Retention					
Franchisees ²	Number	339	337	277	
Franchised stores ²	Number	561	519	406	
Franchised stores purchased by existing franchisees (trailing 3 years)	Percentage	~60%	>50%	>50%	
Franchise store ownership ²	Percentage (1 store/2 stores/3+ stores)	61% / 23% / 16%	65% / 22% / 13%	67% / 23% / 10%	
Average franchisee tenure ²	Years	10	9	10	
Average renewal rate (trailing 5 years)	Percentage	99%	99%	99%	
Average annual turnover rate (trailing 5 years)	Percentage	~3%	<4%	Not disclosed	

Footnotes:

¹ Represents franchised stores open for at least 12 months, excluding Chico. The calculation of 4-Wall EBITDA was revised to include various forms of merchandise-related reimbursements in 2022 and 2023 (comparable data for 2021 not currently available).

² As at fiscal year end.

ESG DATA INDEX

ACE Working Environment

Topic	Metric	2023	2022	2021	SASB Code
Safe Labour Practices					
Safe & Ready assessments for corporate and franchised stores	Number	4,511	4,083	Not disclosed	
Average Safe & Ready score	Percentage (corporate/franchise)	96% / 93%	95% / 91%	Not disclosed	
Diversity, Equity & Inclusion ^{1,2,3}					
Gender diversity for management employees ⁴	Percentage (Women/Men/Other)	69% / 28% / 3%	Not disclosed	Not disclosed	CG-MR-330a.1
Gender diversity for all other employees ⁴	Percentage (Women/Men/Other)	60% / 30% / 10%	Not disclosed	Not disclosed	CG-MR-330a.1
Ethnic diversity for management employees ⁵	Percentage (Visible minority/Not a visible minority)	26% / 74%	Not disclosed	Not disclosed	CG-MR-330a.1
Ethnic diversity for all other employees ⁵	Percentage (Visible minority/Not a visible minority)	35% / 65%	Not disclosed	Not disclosed	CG-MR-330a.1
Compensation & Talent Development					
Average hourly wage	Dollars (in-store/distribution centre)	\$19.87 / \$17.70	\$18.66 / \$17.53	Not disclosed	CG-MR-310a.1
Employees earning minimum wage ²	Percentage (in-store/distribution centre)	0% / 0%	0% / 0%	Not disclosed	CG-MR-310a.1
Employees administered performance reviews	Percentage	100%	100%	Not disclosed	
Average annual training completed per employee	Hours (management/all other employees)	16.3 / 9.7	13.0 / 8.3	Not disclosed	
In-store employees completing ACE 180 training ^{2,6}	Percentage	92%	91%	Not disclosed	
Corporate ACE Retention...					
	Percentage	25%	27%	34%	CG-MR-310a.2

Footnotes:

¹ Expressed on a full-time equivalent ("FTE") basis.

² As at fiscal year end.

³ Includes data from employees who have voluntarily disclosed, representing approximately 40% of total employees on an FTE basis.

⁴ Revised gender diversity methodology in 2023 to better align with SASB standard. Pet Valu defines "other" to include gender neutral, non-binary, transgender, and self-disclosed "other". Comparable data prior to 2023 not available.

⁵ Pet Valu defines visible minority to include individuals who identify as Black or African American, East Asian, Non-white Latin American, Non-white West Asian/North African/Arab, People of mixed origin, South Asian or East Indian, or Southeast Asian.

⁶ Excludes in-store employees whose training is still in progress, if in the role for less than 180 days, .

⁷ Excludes part-time in-store employees.

ESG DATA INDEX

Energy & Emissions Management

Topic	Metric	2023	2022	2021	SASB Code
Energy Consumed					
Total energy consumed ¹	Gigajoules (GJ)	163,563 GJ	158,239 GJ	Not disclosed	CG-MR-130a.1
Proportion of energy consumed from grid electricity ¹	Percentage	41%	38%	Not disclosed	CG-MR-130a.1
Proportion of energy consumed that is renewable ¹	Percentage	0%	0%	Not disclosed	CG-MR-130a.1
Greenhouse Gas Emissions					
Scope 1 ^{1,2}	Metric tons (t) CO ₂ e	5,561.8	5,651.2	Not disclosed	
Scope 2 ^{1,2}	Metric tons (t) CO ₂ e	3,738.3	3,359.5	Not disclosed	

Responsible Stewardship

Topic	Metric	2023	2022	2021	SASB Code
Corporate Governance					
Board independence ³	Percentage (Independent/Not independent)	56% / 44%	56% / 44%	60% / 40%	
Board gender diversity ³	Percentage (Female/Male)	33% / 67%	30% / 70%	30% / 70%	
Executive Compensation					
Target compensation "at risk"	Percentage (CEO/CFO/Other NEOs)	78% / 67% / 60%	78% / 67% / 60%	Not disclosed	
Non-binding advisory vote on approach to executive compensation	Percentage (Votes For/ Votes Against)	93% / 7%	98% / 2%	96% / 4%	
Data Privacy & Information Security					
Number of data breaches	Number	0	0	Not disclosed	CG-MR-230a.2
Proportion involving personally identifiable information	Percentage	0%	0%	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 2023 data as of September 28, 2024.

ESG DATA INDEX

Product Safety & Quality

Topic	Metric	2023	2022	2021	SASB Code
Recalls	Number (Involuntary/voluntary)	0 / 12	0 / 25	Not disclosed	FB-FR-250a.2
Units recalled	Number	19,499	27,736	Not disclosed	FB-FR-250a.2
Private-label products as proportion of total units recalled	Percentage	0.72%	0.63%	Not disclosed	FB-FR-250a.2

Activity Metrics

Topic	Metric	2023	2022	2021	SASB Code
Unit count ¹					
Corporate retail locations	Number	222	225	227	CG-MR-000.A
Franchised retail locations	Number	561	519	406	CG-MR-000.A
Warehouses and FDCs	Number	7	7	6	CG-MR-000.A
Head offices	Number	2	3	2	
Area ¹					
Corporate retail locations	Square feet (ft ²), expressed in thousands	942	930	906	CG-MR-000.B
Franchised retail locations	Square feet (ft ²), expressed in thousands	1,956	1,776	1,390	CG-MR-000.B
Warehouses and FDCs	Square feet (ft ²), expressed in thousands	1,052	542	528	CG-MR-000.B
Head offices	Square feet (ft ²), expressed in thousands	49	98	94	

Footnotes:

¹ As at fiscal year end.