

Doing the right thing for pets, people & the planet

Fiscal Year 2022
Sustainability Impact Report

June 1, 2021 - May 31, 2022



petcurean

Table of contents

Introduction	<u>3</u>	Employee experience in numbers.....	<u>18</u>
Achievement highlights.....	<u>6</u>	Supporting physical & mental health.....	<u>19</u>
United Nations sustainable development goals.....	<u>7</u>	Advancing diversity & equity.....	<u>20</u>
Protecting the planet	<u>8</u>	Continuous learning	<u>21</u>
Our journey to carbon neutrality.....	<u>9</u>	Uplifting the community	<u>22</u>
Greenhouse gasses.....	<u>10</u>	Community support.....	<u>23</u>
Manufacturing - Equipment.....	<u>11</u>	Sustainability leadership in action	<u>24</u>
Headquarters.....	<u>13</u>	Progress with partners	<u>25</u>
Marketing	<u>14</u>	Commitment to governance	<u>26</u>
Sales team	<u>15</u>	Maintaining trust.....	<u>27</u>
IT.....	<u>15</u>	Pet sustainability accreditation	<u>28</u>
Empowering our team	<u>16</u>	First class customer care.....	<u>29</u>
Empowering our team.....	<u>17</u>		



An aerial photograph of a tropical beach. The water is a vibrant turquoise color, transitioning to a lighter, foamy white as waves break onto a sandy beach. The beach is bordered by a dense, lush green forest of palm trees and other tropical vegetation. Several people are visible on the beach, some sitting and some standing. The overall scene is bright and sunny, suggesting a warm, tropical climate.

Introduction

Fiscal year 2022 was a year defined by momentum!

After laying the foundation for our four year sustainability plan in fiscal year 2021, our team kicked things up a notch (or two!) in fiscal year 2022 to gain traction and push our sustainability efforts even further. With our Sustainability Manager charting the path forward, each and every department across our organisation stepped up and undertook sustainability initiatives to support one or more of our Impact Areas: Protecting the Planet, Empowering our Team, Uplifting the Community, and Commitment to Governance.

In addition to internal progress, we turned our attention outwards to expand our scope and demonstrate sustainability leadership to our partners, customers and consumers alike. We engaged partners in our supply chain to set expectations for sustainability standards, transparency and accountability. Individual team members shared sustainability expertise through podcasts, webinars, and interviews. And collectively our small but mighty pack earned "Top Company" in a pet industry-wide sustainability challenge.

To set ourselves up for future success, we had to take stock of the present. Our team worked hard to track, measure and establish

baseline metrics for greenhouse gas emissions, water and energy usage. And our Sustainability Committee was instrumental in driving cross-departmental projects that will shape sustainability decisions and innovations for years to come.

Throughout the year we were picking up steam and by the end of fiscal year 2022 we saw a real shift in sustainability perspectives. Our team's passion and commitment to DO better and BE better has reached an all-time high. From packaging assessments to Bring your Dog to Work Day, our team is constantly challenging the status quo and seeking ways to be more sustainable.

Sustainability progress comes in all shapes and sizes, sometimes with much fanfare, other times it's quiet and in the background. From Great Dane-sized projects like rolling out a Supplier Code of Conduct, to tiny kitten initiatives like recycling every mouse battery, every single action matters and is having a positive impact!

Our team is pack of purpose-driven pet people, striving to give all dogs and cats happier, healthier and longer lives. We're doing this as sustainably as we can today, and our deep-rooted sense of responsibility is pushing us to do better for tomorrow.

Read on to see our momentum in action



Achievement highlights

Our team has achieved a lot over the last year. Here are three highlights that we're especially proud of.



We're carbon neutral!

We calculated our scope 1 & 2 greenhouse gas emissions and offset 100% of our emissions.

105 tonnes CO₂e offset!

We introduced a supplier code of conduct

We implemented a supplier code of conduct to hold all of our major suppliers accountable for environmental and social performance.

80% of our suppliers have signed, to date!



We're making the switch

We're switching to recyclable packaging for GO! SOLUTIONS and NOW FRESH dry food.

The majority of our bags will be **100% recyclable** by the end of 2025!

United Nations sustainable development goals

In 2015 the United Nations developed 17 Sustainable Development Goals (SDGs) to achieve a better and more sustainable future for all by 2030. These goals address the global challenges we face, including: poverty, inequality, climate change, and more.

Our sustainability plan ladders up to the United Nations SDGs for 2030.

In fiscal year 2022 we had a direct impact with the 10 SDGs below, with a focus on SDG3, SDG8, and SDG12!

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



13 CLIMATE ACTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS





Protecting the planet

Optimizing business practices to reduce our environmental footprint, protect the natural world around us, and contribute to a more sustainable future

Our journey to carbon neutrality

Calculating our greenhouse gas emissions

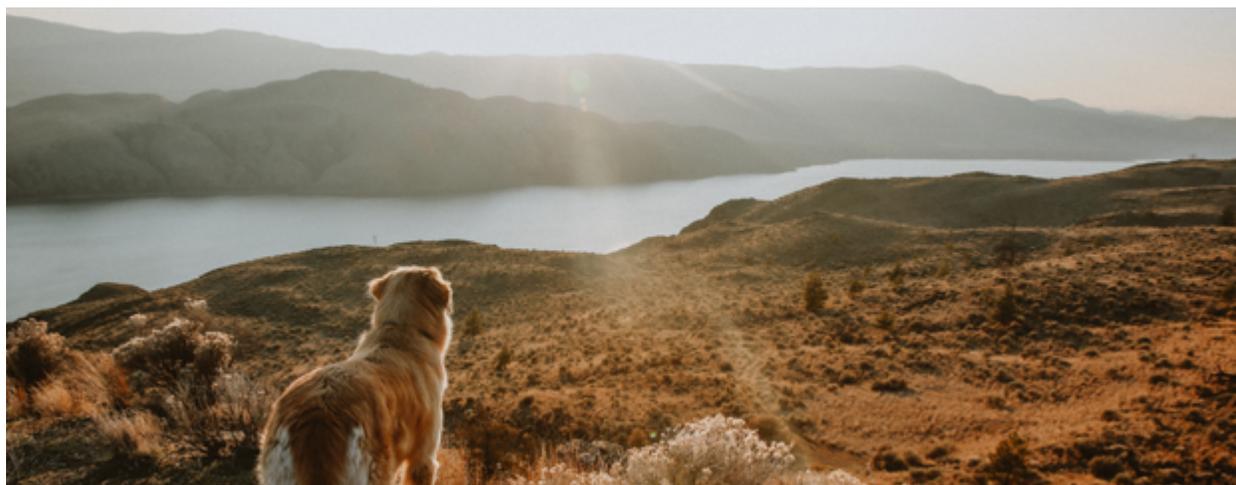
Our first step was to partner with a 3rd party company to calculate our Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

Now that we have established our baseline emissions, we will set reduction goals for fiscal year 2023. Our priority will be to reduce our GHG emissions and then to offset any remaining emissions.

Scope	Activity Type	FY20 Emissions* (CO ₂ e tonnes)
Scope 1	Mobile combustion	70.55
	Scope 1 - Total	70.55
Scope 2	Purchased electricity	0.91
	Purchased heat	32.97
	Scope 2 - Total	33.88
Scopes 1 & 2	Grand total	104.43

*Notes:

1. Emissions for fiscal year 2020 -fiscal year 2020 selected to establish baseline emissions, pre-COVID-19
2. CO₂e (carbon dioxide equivalent) is a metric measure that is used to compare emissions from various greenhouse gases on the basis of their Global Warming potential (GWP) by converting amounts of other gases to the equivalent amount of CO₂.
3. A tonne, also known as a metric Ton, ie equal to 1,000kg (or 2,204.6 pounds).



How we are offsetting our green house gas emissions

We partnered with Native Energy to offset 105 tonnes CO₂e through their Northern Great Plains Regenerative Grazing Project. Native Energy is B Corp Certified and they pioneer projects to preserve biodiversity.

Our carbon neutrality is for all of our Scope 1 and Scope 2 (see above table) greenhouse gas emissions in fiscal year 2020.

To learn more about GHGs see next page.



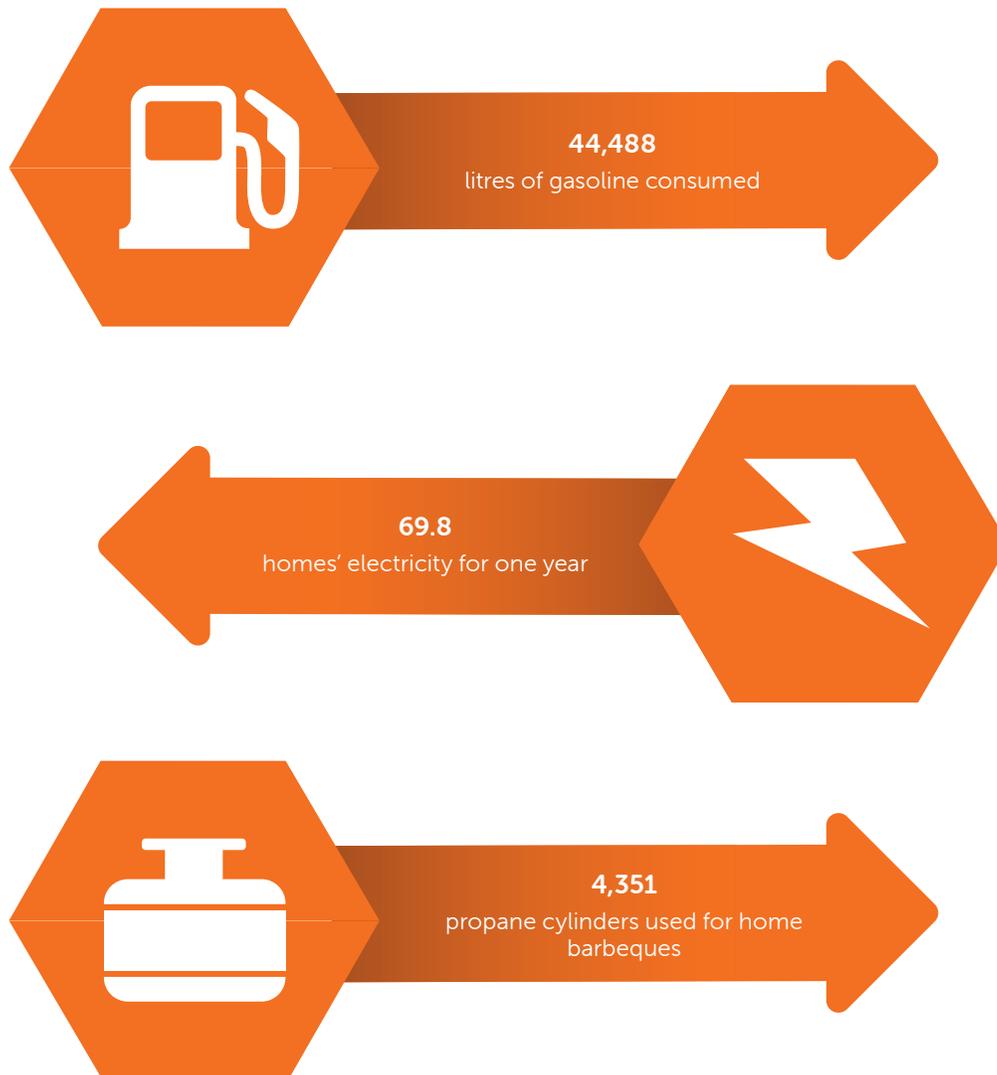
Greenhouse gasses

Most of us have heard of the term “greenhouse gasses” and know that they are not good for the atmosphere, but what exactly are greenhouse gasses, or GHGs? The best known GHGs are carbon dioxide, methane, and nitrous oxide. These can be naturally found in low concentrations in the atmosphere, however there has been a significant increase in GHGs in the atmosphere due to various man made sources. These GHGs absorb and emit radiation, trapping

heat inside of the earth’s atmosphere. In turn, the trapped heat causes global warming, surface temperatures rising, and climate change.

Here at Petcurean, we want to do our part to help protect the planet and reduce and offset our GHG emissions. For fiscal year 2020 (our baseline year), we calculated that we emitted 104.43 CO₂e tonnes of greenhouse gasses, which we offset 100% with the help of Native Energy.

104.43 CO₂e tonnes is equivalent to greenhouse gas emissions from:



Manufacturing - Equipment

We replaced end-of-line bundling equipment on three small bag packaging lines, resulting in a reduction of single-use plastic & energy consumption:

Single use plastic

One year savings

- + 13,500 kg of single-use plastic
- + Equivalent to 1.1 Million plastic bottles



Five year savings

- + 67,500 kg of single-use plastic
- + Equivalent to 5.5 Million plastic bottles



Energy consumption

One year savings

- + 1,360 kg of CO2 emissions
- + Equivalent to the GHG emissions from 582 liters of gasoline consumed



Five year savings

- + 6,800 kg of CO2 emissions
- + Equivalent to the GHG emissions from 2,909 liters of gasoline consumed





Manufacturing - Additional Achievements

Petcurean has achieved many more manufacturing wins in fiscal year 2022, including:

1. We conducted a 3rd party Life Cycle Assessment on our GO! SOLUTIONS, NOW FRESH & GATHER kibble bags to identify opportunities to minimize environmental impact.
2. 1,300+ lbs of our food saved annually - we're now redirecting our expired Quality Assurance samples to local compost.
3. We are no longer shrink-wrapping our 12lb bags in bales for our Asia-Pacific markets.
4. Started manufacturing in Europe for our Europe, Middle East, and Africa markets to reduce transport GHG emissions.

Headquarters

One of many things we hold dear to us is our headquarters in beautiful British Columbia, Canada. We've made our workplace friendlier to the planet by:

1. Monitoring and recording usage to establish baseline metrics for:
 - + Water usage
 - + Energy usage including electricity, heat, hot water, etc.
2. Water efficiency improvements:
 - + Aerators were added to all faucets throughout head office to conserve water
 - + Dishwashers have been replaced with Energy Star appliances
3. Making the decision to switch to hybrid vehicles for our leased fleet; new vehicles have been ordered.
4. Making the switch to electronic files from paper files for our Human Resources department.



Marketing

Petcarean's marketing team is very passionate about doing better for the planet. They did some heavy lifting in fiscal year 2022 to support our sustainability efforts:

1. Switched to display shelves that are made with recycled PVC - 98% post consumer recycled material.
2. Switched to metal display units that have a longer life-cycle vs. regular cardboard displays, which means reducing displays being thrown out.
3. 95% paperless at our Tradeshows.
4. Sourced sustainably-made trade show apparel from sustainability-focused companies (ex. Ten Tree).
5. Purchased supplies locally at international tradeshows to avoid overseas shipments.
6. Reduced the amount of swag handed out and switched to sustainable, locally-made, high quality swag for the items we do give away.
7. Changed our fulfillment strategy for retailer supplies and swag to reduce GHG emissions from shipping.
8. Prioritized digital over paper coupons when possible.





Sales team

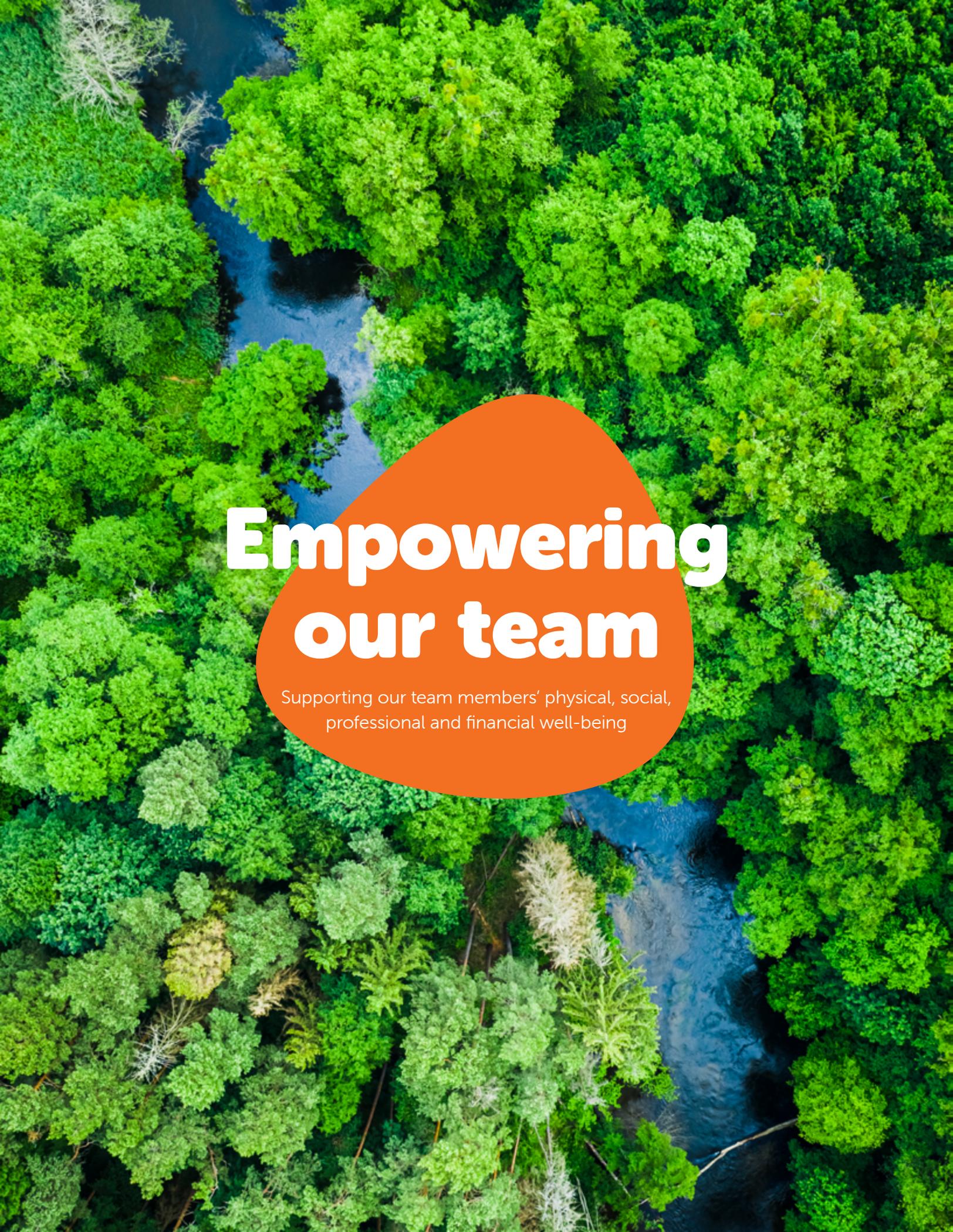
No one can deny that we have a fantastic sales team, and one of the reasons they're so amazing is that they truly care about our efforts to protect the planet:

1. Customer visit schedules are planned in advance to minimize driving.
2. Driving apps are used to ensure shortest driving distances.
3. Customer visits are done via conference call when possible.
4. Credit memo process was changed to reduce paper – approx. 1/3 reduction in paper.

IT

Our IT department has always done a fantastic job at supporting our sustainability efforts, and here are the many achievements they've accomplished this past fiscal year:

1. 50% decommissioned electronics were repurposed, 50% were recycled.
2. All used batteries were recycled.
3. All new electronics purchased were Energy Star rated.



Empowering our team

Supporting our team members' physical, social,
professional and financial well-being



Empowering our team

Our people make us who we are, and represent the true heart and soul of Petcurean.

Over the past year, our people's strength and resilience have stood out more than ever. They have adapted and collaborated to propel us forward and serve our customers and communities, and support each other, through the challenges.

The past year has been a time to listen and adapt-responding in real time with support and empathy.

To support an ongoing dialogue, we put a proactive listening strategy in place, conducting several employee surveys where employees can share experiences and share the support they needed, in their work and personal lives. The information gathered has been used to adapt to the needs of our people.

The adaptations have included flexible hours of work, as many people were working from home with children or needed to provide care for other family members. We listened to the desires of our people and implemented a distributed team approach, which included providing training to set-up safe and healthy home offices.

Throughout the past year, our culture and values have continued to guide our actions and responses, ensuring we live our employer purpose of nurturing an irresistible employee experience that enables and inspires employees to be successful.

Employee experience in numbers

Several employee engagement surveys were conducted delivering strong engagement scores:



I feel motivated to show up for work every day



I have access to the things I need to do my job well



I feel like part of the team even though we are a distributed team (*remote/in-office/mobile work*)



I feel my work is appreciated





Supporting physical & mental health

Petcrean puts our people's physical and mental health first. Programs and initiatives are created with our people's safety, well-being and fulfillment in mind. The past year has been strenuous and protecting the health of our people enables them to be effective and productive.

1. The COVID-19 pandemic changed many things in the world, and it was no different for us. We embraced a distributed team approach during this time for the health and safety of our employees, and have continued after the pandemic for a number of reasons. This work model has significantly reduced the GHG emissions caused by employees commuting to the office.
2. Employees were provided the software and hardware needed to support our new distributed work model.
3. Training was given to ensure in-home workstations are ergonomically safe.
4. Mental health is important to us, and so we hold many activities to help support our team: volunteer days, escape rooms, cooking classes, Guess that Sound, etc.
5. Senior management addresses safety issues through written communications bi-annually.
6. We're monitoring indoor environmental quality to ensure a healthy & comfortable work space.

Advancing diversity & equity

We now recognise Canada's **National Day for Truth & Reconciliation** to provide employees an opportunity for reflection. We want to foster education and understanding about the Canadian Residential School System and the intergenerational impact of removing generations of Indigenous children from their families and homes



Continuous learning

Petcarean puts our people's physical and mental health first. Programs and initiatives are created with our people's safety, well-being and fulfillment in mind. The past year has been strenuous and protecting the health of our people enables them to be effective and productive.

1. Management team developed and launched their own People Leadership Philosophy
2. Management team continued to attend regular development via the Developing Leadership Program
3. Successful launch of job specific performance profiles, increasing our people's awareness of their performance and will link to a career path tool launching this coming year.
4. The majority of employees took 1-4 hours paid professional development days.
5. Eighteen internal promotions were awarded over the past year within the company!



An aerial photograph of a rocky coastline. The water is a vibrant turquoise color, contrasting with the dark blue of the deeper sea. The rocks are brown and tan, with some white foam from the waves. A large, semi-transparent orange circle is overlaid on the center of the image, containing the main text.

Uplifting the community

Giving back purposefully to the communities we serve through year-round support and leadership

Community support

Supporting the communities where we live, work, and do business (locally and all around the world) has been part of our corporate DNA since Day 1. In fiscal year 2022:

- 1. 40% of our employees took paid time off for volunteer service.
- 2. We made several donations:



775,187 meals donated to 269 rescues, shelters, food banks



985 trees planted



\$460 donated to bee conservation



- 3. We partnered with RAPS (Regional Animal Protection Society) here in British Columbia and Cuddly in California, who both do incredible work helping pets in need and those without pet parents of their own. We're passionate about partnering with organizations whose values align with our own and are excited to bolster the good work they are doing through these new partnerships.

- 4. We posted 12 blog posts to highlight social and environmental topics – that's a 33% increase from last year!



Sustainability leadership in action

As you can likely see by now, we value sustainability here at Petcurean. We have made many efforts, especially over the last couple years, to do better and be better for the planet and for our employees. Here are some of the great things our sustainability leaders are doing:

1. Natalie Asaro, Nutrition Manager:
 - + Guest speaker for PSC webinar: Sustainable Proteins in the Pet Industry
 - + Guest speaker for Veramaris Pets podcast: "The importance of EPA & DHA Omega-3 in companion animals"
2. Christine Mallier, Sustainability Manager:
 - + Guest speaker for Veramaris Pets podcast: "Improving your paw print - sustainability in pet food"
3. Petcurean won TOP COMPANY in the pet industry for PSC's 30-Day Earth Day Challenge.
4. Petcurean employees Brandi Piche, Christine Mallier, & Theresa Lantz were 3 of the TOP 5 INDIVIDUALS in the pet industry for PSC's 30-Day Earth Day Challenge.

Progress with partners

We have a vast network of trusted partners at Petcurean, and over the past year we made great strides to hold our partners to the same sustainability standards that we hold ourselves to.

1. Launched a Supplier Code of Conduct policy that holds our major suppliers accountable for specific social & environmental performance.
 - + 80% have signed to date
2. Formally assessed the social & environmental impact of potential NEW suppliers, including:
 - + Positive practices beyond what is required by government regulations (ex. environmentally-friendly manufacturing processes, excellent labour practices)
3. Sustainability survey issued to our protein, vegetable and fruit ingredient suppliers to assess their business, labour, and environmental practices:
 - + 96% have completed to date





Commitment to governance

Becoming ever more accountable,
transparent and ethical in the way we work



Maintaining trust

Petcarean has long been a trusted brand. Transparency, ethics, and risk management are just some of the things that go into maintaining trust with our pet parents, our partners and employees. In our efforts to be even more committed to good governance:

1. We released our first ever Sustainability Impact Report to make our social and environmental performance transparent and publicly available
 - + Petcarean was the first premium pet food company to release a public Sustainability Impact Report
2. All employees received security awareness training.
3. Our Board of Directors reviewed our sustainability performance.
4. Employees received three training sessions on social and environmental issues material to our business.



Pet sustainability accreditation

We achieved Pet Sustainability Accreditation for the 4th year in a row!

- + Petcurean is one of only three pet food manufacturers to achieve accreditation.
- + Accreditation is received from the Pet Sustainability Coalition. It involves answering over 70 questions about our environmental and social performance, via the United Nations SDG Action Manager, and then undergoing a rigorous audit from a 3rd party.



First class customer care

Our customers, pets and pet parents alike, are a big family to us

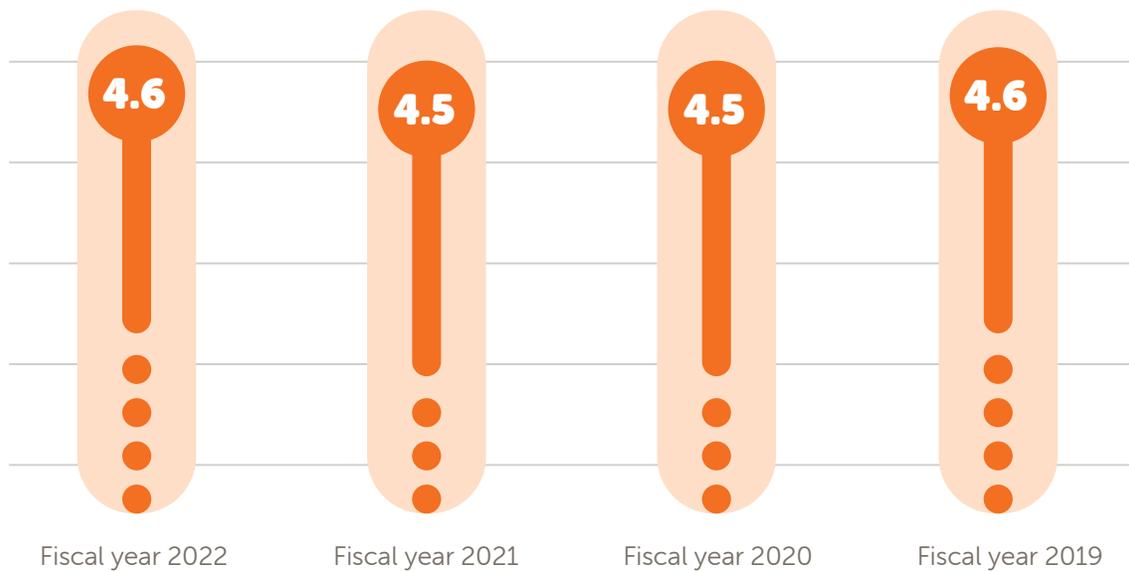
Here at Petcurean we strive for best-in-class customer care in every aspect. If you're not happy with our products we will do everything in our power to help you find a solution, even if that means recommending another pet food company that may suit your pet's needs better.

To help us measure our success in customer care, we use Net Promoter scoring to allow us to track

how well we are doing. Net Promoter Score (NPS) is used to measure customer loyalty and how likely a customer is to refer your products and services to others.

Our Customer Care Team had a Net Promoter Score of 4.5 or greater (out of 5) for four years in a row!

Annual Net Promoter Score



We are very proud of our achievements in fiscal year 2022

We look forward to maintaining our
sustainability momentum in fiscal year 2023!



Sustainability
Champions