



2022 Sustainability Report

INTRODUCTION



1.1 About the Report

GRI 2-3 | 2-14

This is the first sustainability report from Petz Group.

This publication, which summarizes the Company's data and performance from January 1 to December 31, 2022, is being presented to all of our stakeholders with great pleasure. This publication has become a key management and transparency tool for the Company.

Throughout this document, you will find the practices and initiatives that are part of the Petz Group's value creation, focusing on the environmental, social, and corporate governance (ESG) pillars.

In 2022, we celebrated 20 years of history, a journey in which we have been able to build solid foundations that have made the Group the largest Company in the pet sector in Brazil today, creating value when interacting with pet lovers and enhancing the excellent relationship between pets and their families.

In this report, we hope to share our two-decade history with all of our stakeholders, including our employees, customers (including pets and owners), suppliers, shareholders, and the general public.

Attention!

Throughout the report, we will discuss various aspects of our business. When we use Petz Group or Company, we refer to the entire group of the Company's businesses. The term Petz, on the other hand, refers only to Petz "Standalone".

This Report was approved by the Board of Directors, Executive Board and Sustainability Committee and published on 11/06/2023



QUESTIONS OR SUGGESTIONS?

Get in touch with us:

esg@petz.com.br 



Reading tools

This publication was drawn up based on the international sustainability reporting guidelines: Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), as well as our actions and efforts related to the United Nations' Sustainable Development Goals (SDGs) in a structure governed by the Company's materiality study.



Global Reporting Initiative (GRI)

The GRI standards assist us in reporting sustainability indicators.

Throughout this report you will find the tickers "GRI XXX-X" indicating which subjects we will be covering in each chapter.

Access the full GRI index on page 105.



Sustainability Accounting Standards Board (SASB)

This report guides the release of relevant information for each sector.

In this report, we will be answering the SASB indicators for retail and e-commerce.

The information is indicated with the ticker "SASB XX-XX-XXX". Access the full SASB index on page 110.



Sustainable Development Goals (SDGs)

With an eye on the 2030 Agenda and the Sustainable Development Goals outlined by the UN, we have selected seven priority SDGs for Petz Group.

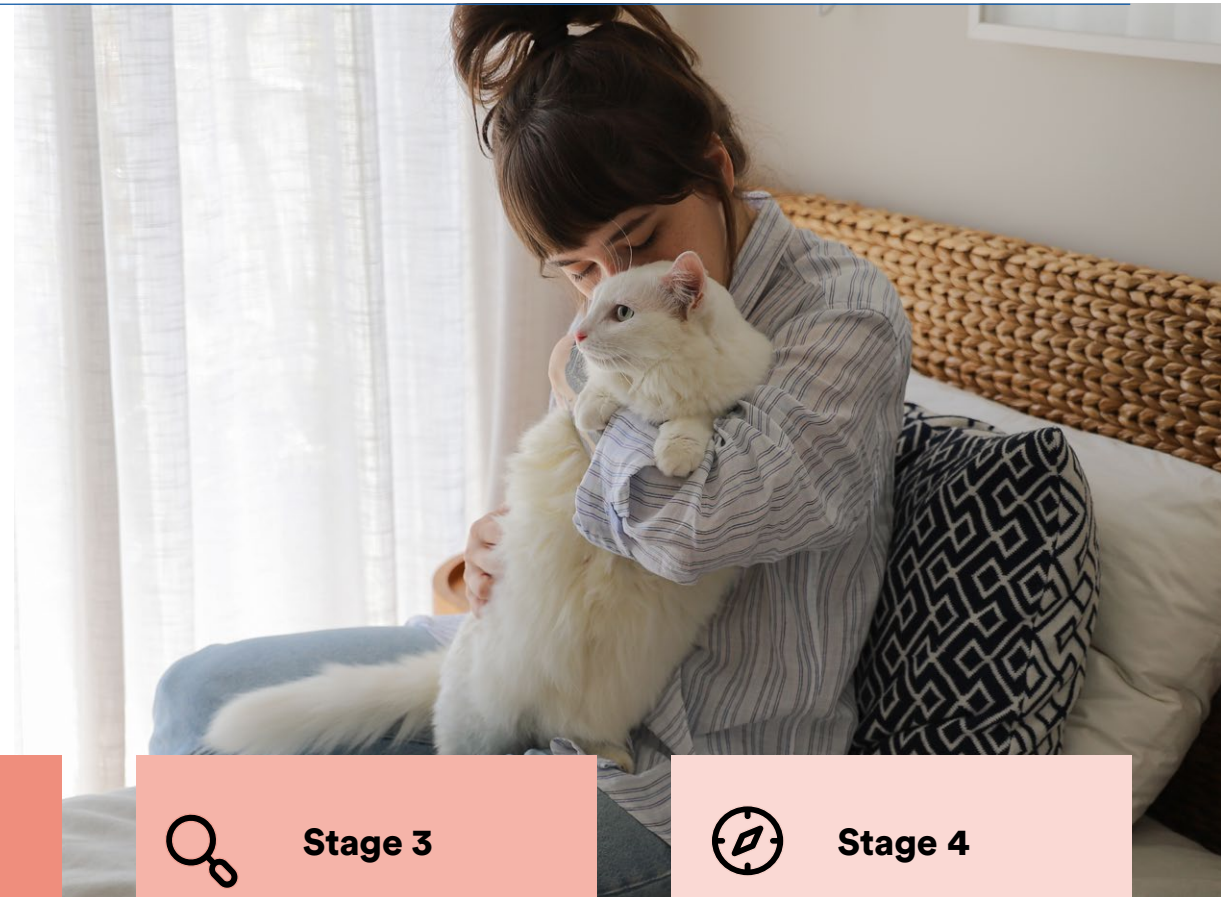
The related icons can be found at the opening of the respective chapters and in the table of contents, page 116.

1.2 Materiality

GRI 2-29 | 3-1 | 3-2 | 3-3

In 2021, we initiated our materiality study in conjunction with a specialized consultancy to consolidate the relevant topics in the context of the Petz Group.

The methodology behind this survey was based on the principle of generating and protecting value for the Company, and the work plan was divided into four stages.



Stage 1

Assessment of ESG theme maturity in society and the retail sector.



Stage 2

Market analysis and positioning of 21 players in the retail and pet sector, covering national and international companies, physical stores and e-commerce.



Stage 3

Internal assessment to define each theme's organizational maturity and the implementation of strategies to make progress on each front.



Stage 4


Defining the concept that guides Petz Group's mission and the pillars that underpin the Company's decision-making. Plus the prioritization of material themes and the SDGs.

Enhancing the relationship between pets and their families


Animal Health, Welfare And Adoption

Is the cross-cutting theme that guides all our actions


Responsible Business


 Ethics and transparency


 Information security

 Supply chain management

Creating Value For Society

 Diversity and inclusion


 Employee health and development


 Social investment

Sustainable Operation

 Climate change
















 Circularity

 Sustainable products

 Operational eco-efficiency

Our priority SDGs



| Material themes | Associated SDGs | Development |
|---------------------------------|---|--|
| Ethics and transparency |  | Continuous monitoring of legislation and compliance with best governance practices. |
| Information security |  | Creation of the Information Security Committee and the Data Privacy Commission. |
| Supply chain management |  | Progress in monitoring suppliers, with a focus on private labels. |
| Diversity and inclusion |   | Carrying out the Diversity Census and promoting gender equality in all the Company's areas. |
| Employee health and development |    | Culture and development for all employees, with performance evaluation and career management. Processes focused on employee health and well-being. |
| Social investment | | Continuous improvement of the Company's adoption program and maintenance of NGO partners. |
| Climate change |  | The 1st Greenhouse Gas Inventory was carried out and adherence to the Carbon Disclosure Program (CDP) questionnaire, using emissions data for the year 2022. |
| Circularity |   | Promoting the pillars of circularity: reuse and recycling. The acquisition of Petix has brought even more knowledge and improvements to this front. |
| Sustainable products |   | Developing collections with sustainable raw materials, with part of the proceeds going to donations, and using less packaging in our processes. |
| Operational eco-efficiency |   | Constant improvements in waste management. Energy management with significant progress in reducing consumption. |



1.3 Letter From the President

GRI 2-22

In the 20-year history of the Petz Group, the year 2022 was exceptional and will be remembered for several accomplishments. **Delivering the guidance for the launch of 50 new units**, a record number for the Company and one of the most significant growths in the Brazilian retail industry, was one of the year's main turning points.

The Petz brand and our omnichannel platform, which has a distinctive value proposition for customers, are strong, as evidenced by the fact that we also crossed **R\$1 billion in digital channel revenues** for the first time. This represented a substantial increase compared to the prior year.

As a result, the investments made throughout 2022, coupled with discipline in the capital allocation process and execution, have enabled the Company - once again - **to increase its market share and thus consolidate its leadership position in the Brazilian pet segment**.

Thanks to the skills we have acquired over the last two decades, our business is resilient and has been able to weather the country's macroeconomic challenges with sound results, even though we are not immune to adversity.

After the 2020-2021 period, a time of sharp growth in pet retail with an intense pace of store expansion, we experienced a slightly different reality regarding demand for the sector.



SERGIO ZIMERMAN
CEO

Throughout the year, we saw a drop in consumer purchasing power in discretionary categories, even with a higher level of humanization of pets. Interest rates and inflation remained at high levels for a more extended than expected period, also putting pressure on the Company's cost and expense structure.

Despite all the challenges in the macro scenario, we continue to have healthy profitability levels, which have allowed us to deliver robust growth with no structural adjustments to Petz standalone's strategy.

Productivity agendas and the quest for efficiency gains are part of the Company's culture, always based on data-driven decisions and constantly mapping of opportunities.

So, we have reached all five Brazilian regions with 218 stores, a 30% growth compared to 2021, in 23 Federative Units (UFs), offering products and services as part of a large ecosystem.

Within this context, 2022 will also be remembered for the commencement of the **integration process of Zee.Dog and Petix**. These acquisitions have added new skills to the Group, with unique know-how in product design, brand building, sustainability, and customer experience.

We work every day to **boost the relationship between pets and their owners**, bringing ever more solutions to this relationship. In doing so, our goal is to become an increasingly relational platform in a segment where the emotional level is crucial in deciding to buy a product and/or hire a service.

Along these lines, **Seres Veterinary Center**, which is also part of our ecosystem, offers various types of care for pets, from preventive medicine to surgeries, and will soon provide a health plan to cater to this expanding market.

Apart from offering products and services, the Company's scope includes **Adote Petz, the largest pet adoption program in the country**, bridging the gap between pets and future owners - a phenomenally successful case in animal adoption and promoting animal welfare NGOs.

We are pleased to report that in our 15 years of directing the adoption process, we have assisted more than **66,000 animals** in finding new homes. Our partner institutions in this initiative, which now

supports 133 NGOs around Brazil and made it possible to donate more than **R\$10,65 million** in 2022 alone, are there to assist us on this journey.

Our goal is to deliver outstanding results and satisfaction to our customers, resiliently and believing in the purpose of taking good care of pets and their owners, constantly focusing on animal health and well-being.

We continue to have faith in the quality of our work and would like to thank our stakeholders who have helped us along the road over the past 20 years for their partnership and confidence.

Let's proceed jointly with the Petz Group ecosystem's development. Although we are aware of the high levels of volatility and uncertainty that the scenario continues to present, we are confident that we have the knowledge and resources needed to execute our strategy effectively as we advance. We are looking for the ideal combination of growth, profitability, and innovation to maintain our position as the leading consolidator in this market in Brazil.

Thank you so much!

About Petz Group



2.1 Our Story

GRI 2-1



Inauguration of **Pet Center Marginal** in Sao Paulo (SP);



Creation of **Vale a Pena Ser Fiel**, the Company's first loyalty program and a pioneer in cash-back in the country;



Opening of the first store outside the state of São Paulo and first DC.



Pet Center Marginal is renamed **Petz**, signaling a new moment for the Company;



Launch of **Seres Veterinary Center** and **Petz app**, bringing more convenience to owners;



Milestone of R\$1 billion in turnover for the first time in history;

2002

→ 2012



The first pet shop with **24/7 service** and an **online sales platform**;



Launch of **Meu novo amigo**, a program to encourage the adoption of pets (which in 2015 will be renamed **Adote Petz**);

2013

→ 2019



Entry of the **Warburg Pincus investment fund**;



Omnichannel platform investments begin;



Opening of the first store in the northeast and south of Brazil;



Golden Lion at Cannes with the **Petcommerce** platform.



Leaders in the Brazilian pet segment, Petz goes public with IPO on B3;



Acquisition of the companies: **Cansei de ser gato, Zee.Dog, Cão cidadão and Petix** that make up our ecosystem;



Opening of the DC in Hidrolândia (GO), the first outside the state of São Paulo;



Record of stores openings.



Development of the 1st Greenhouse Gas Inventory;



Super App launch.

2020

2022

2023



First follow-on in the group's history;



Petz becomes the first pet store chain with **200 units and a presence in all five regions of the country;**



R\$1 billion in revenue through the digital channel;



Sustainability Committee meetings begin;

Petz

Petz brand refresh;

Consolidated as the leader in the Brazilian pet market, Petz's story began in 2002 in Sao Paulo (SP). Initially, under the name Pet Center Marginal, we entered the market focusing on care and convenience for owners and their pets.

So, with an innovative and entrepreneurial vision, we have launched distinctive services on the market over the years, such as the **world's first 24/7 pet shop, the first animal bath and grooming center and a pioneering loyalty plan for pet retailers in Brazil.**

In 2007, one of the programs that became a Company pillar was born, Meu Novo Amigo (My New Friend), which in 2015 was renamed **Adote Petz** (Adopt Petz). Working in partnership with animal welfare NGOs, it aims to encourage the responsible ownership and adoption of pets.

From 2008 onwards, we began expanding our stores throughout Brazil, with the first opening outside the state of São Paulo. Committed to a strategy of sustainable growth and continuous value creation, in 2013, a major and positive change came along to strengthen and expand the brand: **the entry of Warburg Pincus**, a private equity fund, which acquired a controlling stake in the Company.

This moment was a milestone in our history, increasing the maturity of many internal processes while representing a gain in financial strength for the Company, **which in 2015 was officially renamed Petz.**

In 2018, to further add value to our brand and to offer more comprehensive services to pet owners, we opened the first **Seres Veterinary Center.**



A pioneer in the sector, this business unit was designed and built with a focus on the quality of the services provided, committed to preventive medicine and unique facilities.

In the same year, Petz Standalone launched its **app** for buying products online, offering even more features and greater convenience, speed and safety for customers. Today it already has a base of one million active users.

In 2020, the Petz Standalone chain became the **country's leader in the pet segment and crowned this milestone with its initial public offering (IPO) on B3**, becoming the first pet retail Company to enter the Novo Mercado segment on the Brazilian stock exchange.

With the ambition and conviction of being a comprehensive ecosystem to assist pets and their owners, between 2021 and 2022, the Company began to make strategic moves to consolidate its planning, **formalizing the acquisition of the brands Cansei de Ser Gato (CDSG), Zee.Dog, Cão Cidadão and Petix**, as well as carrying out its first follow-on.

Our strategic thinking is geared towards incorporating the **most innovative and distinctive** in the segment, including entrepreneurs and business models with key competencies that will become crucial competitive advantages for consolidating and expanding our leadership position in the pet segment, as well as increasing the barrier for new players to enter the sector.

Zee.Dog added skills in the products and storytelling areas, as it is a benchmark in branding, technology and innovation, channel diversification and maintains an international footprint, in addition to the Zee.Dog Kitchen natural pet food factory. Petix, the market leader in its segment, brought to the Group its expertise in process sustainability and the two factories in its portfolio, as well as an exclusive and proprietary technology for recovering human diapers.

Cão Cidadão and Cansei de Ser Gato combine a qualified audience and expertise in communication and engagement, attracting audiences organically.

Furthermore, in 2022, we opened the first Distribution Center (DC) outside the state of São Paulo, in Hidrolândia (GO), which allowed us to supply stores in the country's North, Northeast and Midwest regions more efficiently and sustainably.

In 2023, we are focusing on our people department, on creating competitive advantages by consolidating the Petz ecosystem so that together we may **continue the path of success that has brought us this far, finding a balance among growth, profitability and innovation.**



LEARN MORE ABOUT
Petz Group's history [here](#). ↻



Our Mission

Create value in the interaction among pet lovers, enhancing the relationship between pets and their families.



Our Vision

To be recognized worldwide as the best ecosystem in the Pet sector by 2025



Our Values

- We are passionate about pets;
- We respect one another;
- We recognize efforts and reward results;
- We enchant our customers;
- We are pleased to serve.

2.2 Petz Group Ecosystem

GRI 2-1 | 2-6

Petz Group is the Brazilian pet segment's largest and most comprehensive ecosystem. Its pet solutions platform offers unique shopping and service experiences, with the most extensive physical store network in the country and an omnichannel strategy that integrates physical and digital channels as well as product and service segments.

In 2020, Petz became the only publicly traded Company in the pet segment in Brazil when it held its initial public offering (IPO), debuting a new phase in its history in the same year it achieved leadership in the segment.

Following the acquisitions of companies that broaden the products and services offered to its customers, including Cansei de Ser Gato, Zee.Dog, Cão Cidadão and Petix, the Company began to form the **Petz Group**, an ecosystem that aims to be a one-stop shop, in other words, to offer a wide range of products and services in its segment, so that its customers have all their needs met in one place.

We are currently the country's largest network of veterinary centers, the largest network of bath and grooming centers in Brazil - operating under the Seres brand - and responsible for the largest national dog and cat adoption program, Adote Petz.



Everything your pet needs.



**CANSEI
DE SER
GATO**



petix.
o melhor para seu pet

Petz



| | | | | | |
|-------------------------------|---|---|---|---|---|
| B2B: franchises and pet shops | | ★ | ★ | | ★ |
| Digital channel | ★ | ★ | | ★ | ★ |
| Physical channel | ★ | ★ | | ★ | ★ |
| Dog training | | ★ | | | |
| Adoption | | | | ★ | |
| Content | ★ | ★ | | ★ | ★ |
| Bath and grooming | | | | ★ | |
| Exclusive products | ★ | | ★ | ★ | ★ |
| Veterinary | | | | ★ | |

We are present in all the country's regions:



218

Petz Stores



155

Seres Veterinary Centers

17

Hospitals



The ecosystem's construction and evolution have been consolidated based on four strategic pillars that underpin our growth and relevance in the market and contribute to the Group's value generation. They are:



PHYSICAL STORES

Focused on the shopping experience, the stores offer a wide range of products, services and adoption centers. All the units operate as "mini Distribution Centers" with a strategic role in leveraging digital sales by reducing delivery times and freight costs.



DIGITAL

The digital channel, comprising the Petz website, app and super app partners (super express deliveries and marketplace), stands out for its excellence and consistency in service, browsability and customer shopping experience, with a wide assortment of products and competitive commercial conditions.



PRODUCTS

Petz Standalone brand portfolio consists of an extensive assortment of exclusive products in different price brackets in the various product categories we offer, acting as a loyalty and engagement tool for pet owners, as well as representing a distinguishing factor compared to other players in the pet market.



PEOPLE

We have a very diverse team of people who are trained, engaged and qualified to provide specialized service and offer comprehensive guidance and information on the products and services available in our stores.

As such, the acquisitions, integrations and launch of new brands within the ecosystem aim to **strengthen the Company's strategic agenda, raising profitability, competitiveness, innovation and cross-selling levels.** By doing so, we are consolidating our leadership position within the pet segment in Brazil, offering a **unique value proposition to customers.**



Petz private labels

To provide a more comprehensive service to pet owners, we have strengthened our portfolio of private label products, expanding our value proposition with products from different categories.

This aspect of our business model is a precious tool for customer loyalty and engagement, which adds to Petz's profitability and distinctiveness in the pet market.

The first half of 2023 saw good results in the sale of Petz private label products, representing a strategically advantageous avenue for growth.



24% (+5 p.p. y/y)
Private label share in the categories present in June 2023



8% (+1 p.p. y/y)
Private label share of total product sales in 2023



2x growth in product assortment, between 2021 and 2023



Share by category

(% gross revenue from Petz "Standalone" products 2Q23)

Dog pads

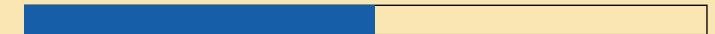
78% (+21 p.p y/y)



(FRESH, SUPER SECÃO, PETZ, ZEE.DOG)

Collars, leashes and harnesses

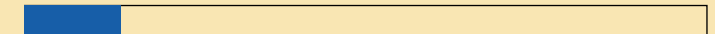
54% (+1 p.p y/y)



(SPIKE, PETZ, ZEE.DOG)

Wet dog food

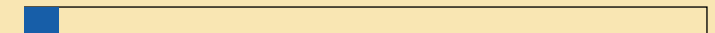
16% (+16 p.p y/y)



(SELECTIONS, ZDK, NUTRIFRESH)

Cat litter

5% (flat y/y)



(PETZ)

Seres Veterinary Center

Since 2018, Seres Veterinary Center has provided pets and their owners with a range of veterinary services, with a trained and multidisciplinary team, featuring the latest technology on the market today.

Always located right next to Petz stores, boasting an infrastructure capable of taking care of everything from preventive medicine to overly complex care, we are proud to meet medical demands while welcoming and recognizing the uniqueness of each case.

We have specific offices for felines with artificial pheromones and separate hospitalization environments for dogs, cats and an exclusive area for patients suspected of having infectious diseases. In addition, we have a central wing for emergency care, a 360° vision for swift care and easy interaction among the care teams.

To provide complete care for patients and their owners, we have our own clinical analysis laboratory and telemedicine services with flexible opening hours. Seres network hospitals have their own clinical analysis laboratory with point-of-care equipment for emergency tests to be carried out by the veterinarians on duty.

Moreover, our surgery centers have been designed with separate entrances and exits, in order to improve the movement flow and avoid cross-contamination. This means that the well-being of pets is the starting point for all our processes.



24H HOSPITALS

At the 24-hour hospitals we offer care in a number of areas:



ONCOLOGY



ENDOCRINOLOGY



ORTHOPEDICS



OPHTHALMOLOGY



CARDIOLOGY



ODONTOLOGY



Find out more specialties at:

<https://seres.vet/nossos-servicos/medicina-preventiva> ⓘ



Zee.Dog

Competitive edge
✓

New Skills
✓

Segment leadership
✓

Exclusive products
✓

Founder's mindset
✓

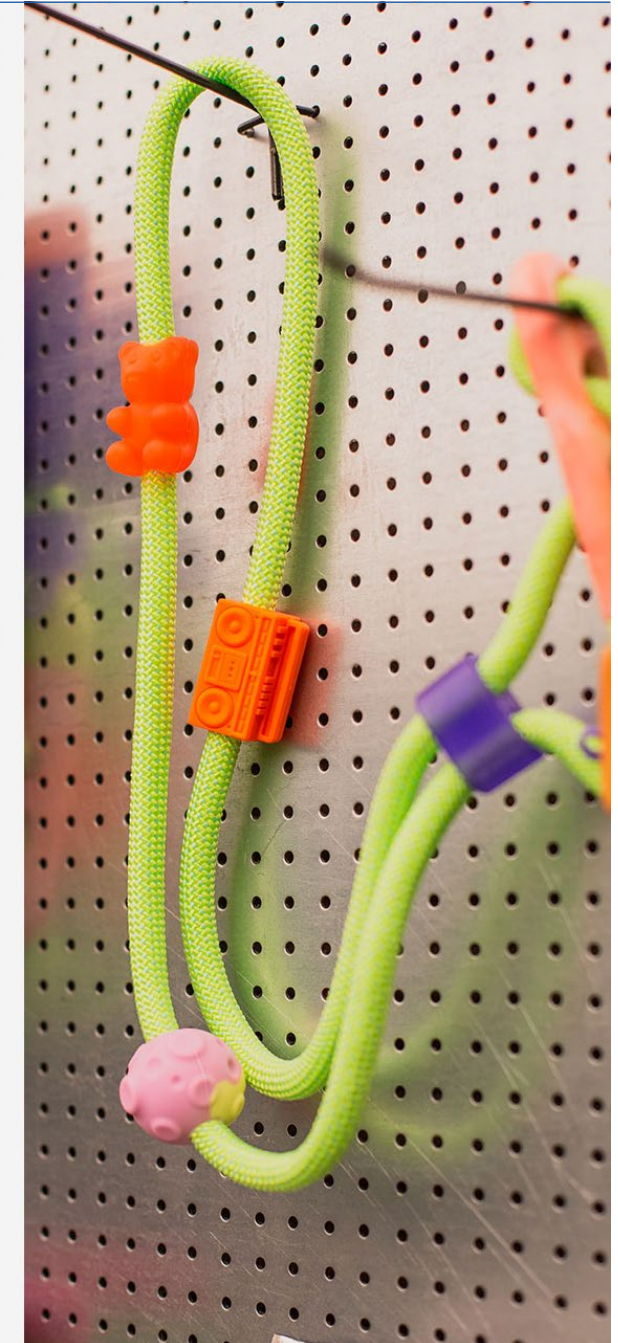
Zee.Dog emerged in 2011 and has become the most disruptive pet platform on the market today. The Company's focus is to match pet accessories to the lifestyle of pet owners, bringing personality, design and quality to its products.

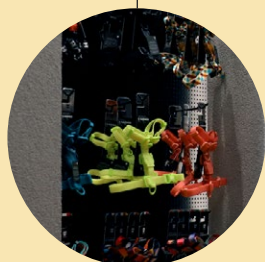
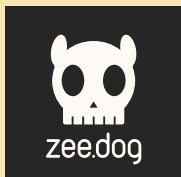
Visually appealing, Zee.Dog's products are a reference in branding, technology and present engaging storytelling. As a result, Zee.Dog has built up a loyal customer base both nationally and internationally.

Part of the Company's purpose of building a comprehensive ecosystem made up of the best product brands in the pet sector, Zee.Dog was acquired and integrated in 2021, keeping its founders at the head of the Company. As such, we added strategic synergies, bringing experience and excellence to a team with an innovation mindset, Zee.Dog now represents a pillar of product and channel solutions for the Petz Group.

This association widens the Company's horizons, bringing new growth avenues through Zee.Dog's expertise in brand and lifestyle management, exclusive product development, sourcing and technology, as well as the distribution network for small pet shops in Brazil and the international pet market.

Zee.Dog currently has several business fronts that supply owners with exclusive accessories, natural food and an agile and efficient delivery app in several cities in Brazil.





Zee.Dog: a reference in distinctive accessories.

The domestic market accounts for a large part of the brand's sales. Present online and in physical stores, we strengthen our identity by selling expressive products and creating communities that embrace and retain our customers.



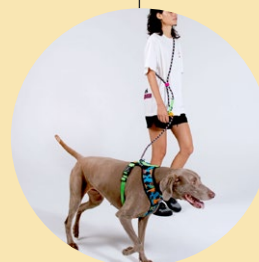
Zee.Now: super express delivery app.

Present in several cities across Brazil, Zee.Now offers the main Petz products in a functional and intuitive app. With distribution centers in several states, we offer delivery in minutes.



Zee.Dog Kitchen (ZDK): natural food.

After acquiring the natural pet food Company Eleven Chimps, we launched ZDK. With all the experience of a well-established brand in the market, the Group has perfected its processes and today has a unique, high-quality product in the sector. Food is no longer frozen, making it easier to store and increasing the shelf life of products.



Foreign market: selling distinctive accessories around the world.

Zee.Dog is present in over 40 countries around the world, with distribution centers and offices abroad. In the foreign market, we currently have B2B partners, as well as B2C sales via e-commerce.

ANIMAL CAUSE

It is part of Zee.Dog's DNA to constantly work for the animal cause. That's why, since its foundation in 2012, the anniversaries have been marked by **Zee.Dog Day**, a day on which part of our profits go to social projects focused on animal welfare.

In 2022, the **Cão de Rodinhas** was chosen to receive the donations. Aimed at pets with disabilities, its focus is to improve dogs' and cats' quality of life by raising funds, donating wheelchairs and the necessary supplies for the project's sponsees.

In 2023, the **Moradores de Rua e Seus Cães Project (MRSC)** was chosen to receive the donations. This means we can help dogs living on the streets with their owners, promoting dignity, love and attention.

Petix

- Competitive edge
✓
- New Skills
✓
- Segment leadership
✓
- Exclusive products
✓
- Founder's mindset
✓

GRI 301-2

A leader in the dog pad sector in Brazil, Petix was founded in 2007 and acquired by the Petz Group in 2022. A benchmark in high performance, the Company has a unique value proposition, serving the main players in pet retail in Brazil and the international market with its core brands SuperSecção (Brazil) and WizSmart (USA).

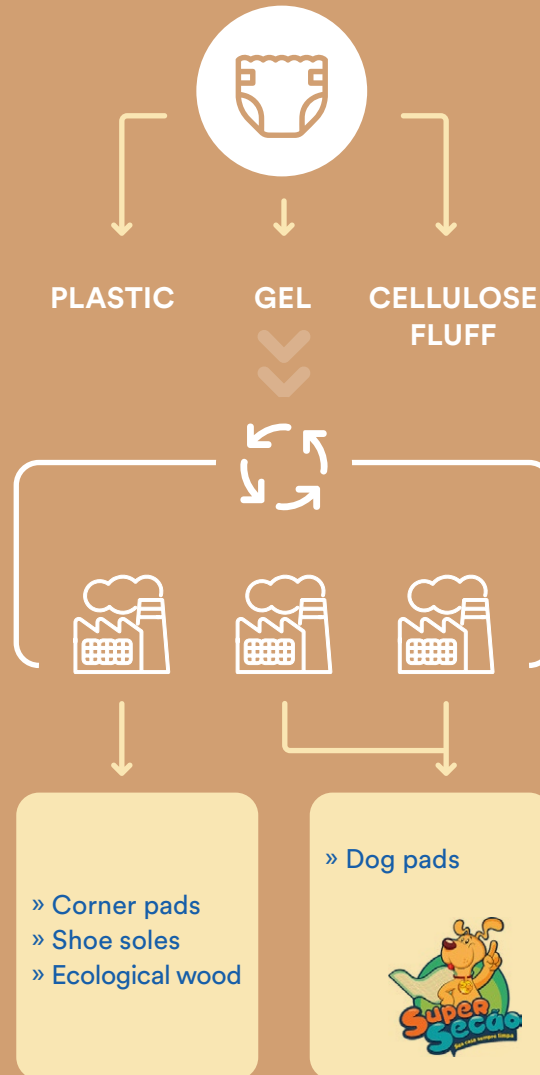
The brand commits to sustainability in its DNA with exclusive, eco-friendly technology.

Petix also adds manufacturing expertise to the Group's portfolio, with two factories in Brazil, a consolidated B2B distribution network with more than 8,000 partner pet shops and four major retailers, and a presence on the international market.

Petix dog pads are mainly made from material taken from children's and geriatric diapers that have been discarded in the production process of large companies in the human segment.

SUSTAINABLE PRODUCTION

RAW MATERIAL:
diapers discarded in the production process of large industries.



The dog pads are made with +40% reprocessed materials, as well as sustainable raw materials such as Eucafluff®, a renewable cellulose fluff from Suzano S.A., produced on high-performance eucalyptus farms, which have a lower impact on soil use and a smaller carbon footprint.

UPCYCLING



Renewable raw materials



Sustainable management practices



Lower carbon footprint

Reprocessing

- Petix reprocesses the cellulose pulp from discarded and unused children's and geriatric diapers to make the absorbent product for its hygiene pads, offering a high-quality product while reducing the environmental impact of millions of diapers a year;
- Also, with the use of high-tech equipment, we can reprocess 100% of the gel responsible for the high absorbency of slim pads.



+400 million diapers reused by 2022



Superabsorbent gel extracted via reprocessing

Reusing

- Based on Petix's internal Waste Management Program, we treat waste by properly separating each material extracted from diapers. All non-absorbent material, especially plastic, is sent to industry and reused to produce pallet corners, shoe soles and ecological wood.



+2 thousand tons of plastic waste from diapers transformed into new products

Recycling

- Plastic: all the plastic used in our production process is separated into colored and transparent and sent to partners who reprocess this material into bags and bales that return to Petix as packaging materials for storing our products;
- Paper, cardboard and wire: materials are 100% sent for separate collection and recycling.



The Petix plant aims to be zero waste in its activities

Besides the sustainable processes used in the production of Petix dog pads, the brand has launched SuperSecão Green, the first in its category to be made from 51% sugar cane polyethylene, a plastic from a renewable source.



Cansei de Ser Gato (CDSG)

- | | | | | |
|-----------------------|-----------------|-------------------------|-------------------------|------------------------|
| Competitive edge ✓ | New Skills ✓ | Segment leadership ✓ | Exclusive products ✓ | Founder's mindset ✓ |
|-----------------------|-----------------|-------------------------|-------------------------|------------------------|

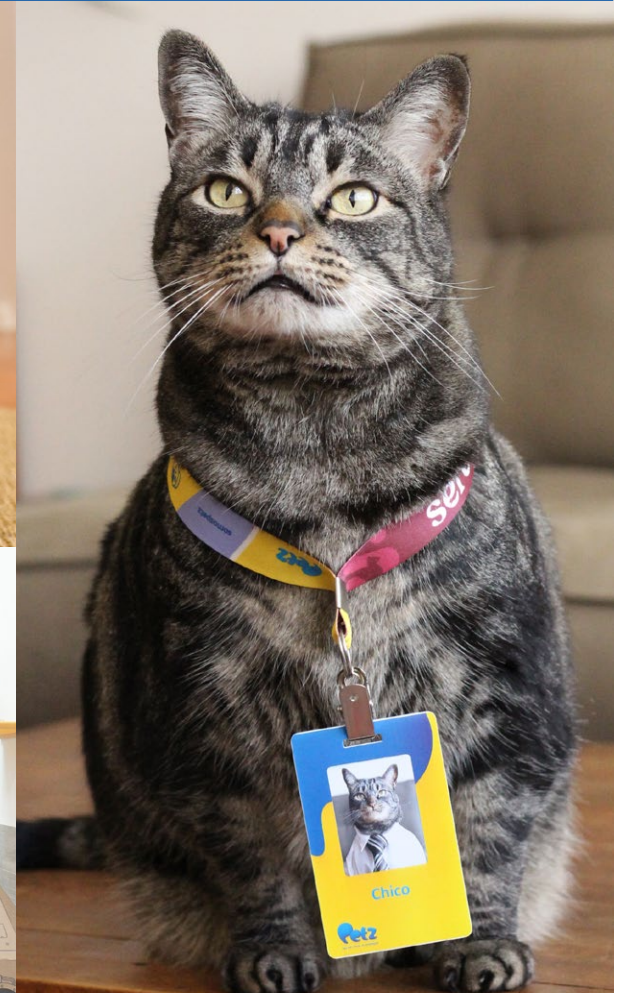
Founded in 2013, CDSG is the largest digital platform for exclusive cat content and products in Brazil.

Featuring informative and funny content, CDSG's friendly CEO character, Chico, currently has over 590,000 followers on Instagram and a successful podcast. Moreover, CDSG has a range of products for pets and their owners, sold exclusively through its e-commerce and Petz channels.

Integrated into the Group in 2021, CSDG also has an experience store in Sao Paulo (SP) to bring the brand closer to its customers since the cat products niche has grown significantly in recent years.

Since its integration, engaging and attracting a qualified audience is one of the synergies that CDSG has added to the Group. Thus, the acquisition of this platform meant the opening up of a new communication channel between the Group's companies and their audience, which is currently growing at twice the rate of the dog market:

- Content production and interaction;
- Exclusive products for cats, a market with great growth potential;
- Qualified audience with the potential to increase the engagement and flow of our digital channels.



ADOTE PETZ + CDSG

In July 2023, we opened the first cat adoption space at the Petz Augusta (SP) store in partnership with CDSG. In this way, we encourage brand awareness by displaying the products being used by cats for adoption.



Cão Cidadão

Competitive
edge
✓

New
Skills
✓

Segment
leadership
✓

Exclusive
products
✓

Founder's
mindset
✓

A benchmark in training, behavior consulting and pet welfare in Latin America, Cão Cidadão was founded in 1998 and, in 2021, became part of the Petz ecosystem.

Alexandre Rossi, also known as Dr. Pet and as an authority in the segment, is the professional behind the Company and the method present in Brazil and abroad, called “Intelligent Training”, which has already helped more than 100,000 families.

Aiming to offer a diverse range of pet services within our ecosystem, Cão Cidadão has a network of around 70 trainers in over 20 Brazilian cities, offering in-person and online training. It also shares all its dog and cat training and behavior knowledge with owners through Dr. Pet online courses.

Digital transformation

Building a digital business model requires time, infrastructure, processes and a business model that can withstand the natural innovations and transformations of technology. In this process, the search for improvements in the customer experience, productivity in internal processes and greater connectivity between all stakeholders is non-stop.

Petz's current omnichannel model began in 2015, intending to offer a high level of service at a low cost. The Company began to invest in integrating physical and online channels, creating systems and processes connected with proprietary technology. This journey has been boosted by the COVID-19 pandemic, which has further expedited digitalization worldwide.

At this point, Petz Group already had a solid technology infrastructure, and consolidated omnichannel distribution through fully operational physical stores, which set us apart from other players in the market, generating a unique value proposition for our customers.

Thanks to this path, which we began to follow in 2015, we have been able to offer promotional prices and fast deliveries through our digital channels, e-commerce and app, with a potential gain in the growing digitalization of the population.

At the close of 2022, 83% of sales made on the digital channel were delivered within one business day, of which 47% were delivered within two hours, reinforcing our excellence and commitment to quality service.

To create even more value for our business, since 2020 we have been building the Petz ecosystem, adding even more features, services and products for pet owners, keeping up with society's natural digital transformations and making it an ally in our business.

The Group's strategic agenda is underpinned by the solid omnichannel approach we have today. When combined with the evolution of the Petz Standalone ecosystem, this allows us to increase our relevance in the sector.

Our considerable digital presence and constant market share growth underline this fact. To continue gaining ground in the digital environment and expand the reach of our brands throughout Brazil, we work to create competitive advantages through investments in the omnichannel platform.





By 2022 we achieved:



R\$1 billion

in online sales, in 2022



Digital sales account for **34%** of Petz's* sales



Omnichannel index of **91%**, an unprecedented result for the Company, at the end of 2022



Omnichannel customers with an average monthly spend between **55% and 60%** higher compared to the physical channel



1 million

active customers on the app



Petz App accounted for **70%** of digital sales*



94% of sales **ship from store:** delivered in 1 working day and at a lower cost



Stores operating as **Distribution Centers**

* Petz Standalone.

CLUBZ

In 2023, we are focused on launching a new loyalty program fully integrated with our super app.

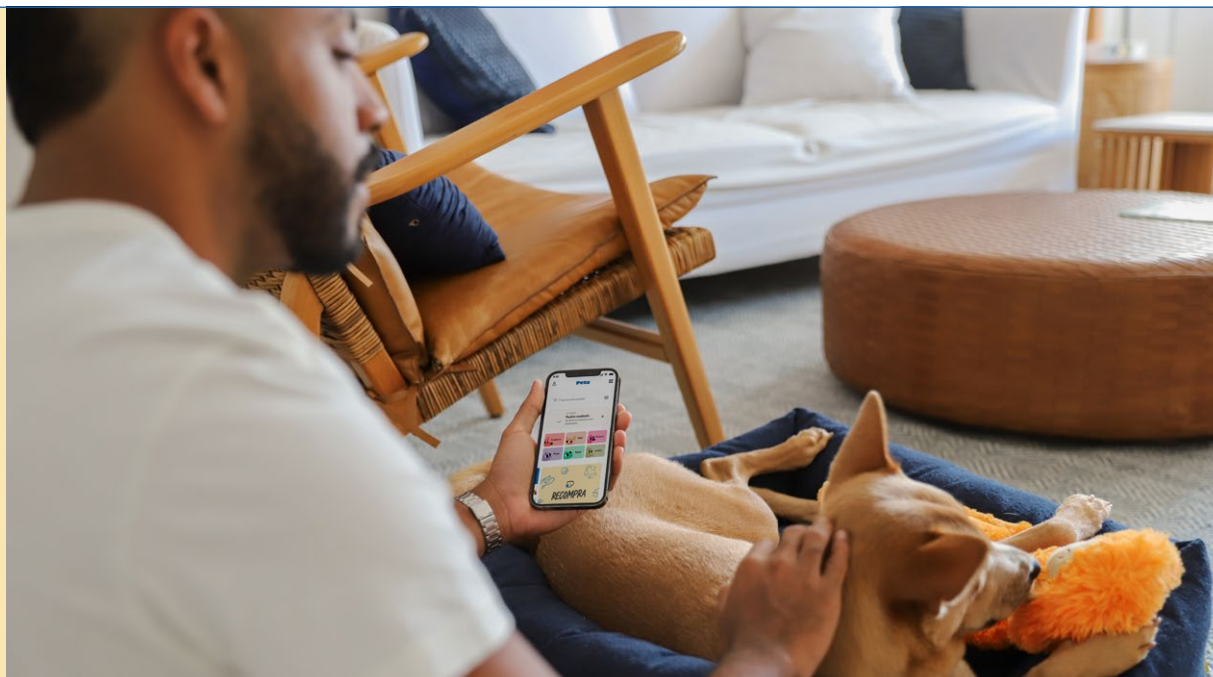
Clubz is a new benefits club designed to enhance the relationship of belonging and benefit pet owners perceive when dealing with Petz.

In it, customers have access to exclusive and personalized discounts on products and services, such as coupons on bath and grooming and special conditions on veterinary services at Seres, as well as challenges, gamified processes and cross-selling of products and services.

Another new feature is **Cash Petz**, a revamp of the cashback program which, together with Clubz, aims to offer more customization and incentives, to increase customer loyalty, boosting the share of wallet and recurring purchases.

All these launches also represent a lever that contributes to the ecosystem, since it can be used for purchases on all channels (website, app, stores) and services (Seres and bath and grooming).

As a result, we are growing steadily and sustainably, with a focus on the customer and allied to technology.



Customized advantages, coupons, cashpetz and exclusive member benefits



Greater conversion efficiency, monetization and organic flow for our ecosystem



Gamified and fun journey, creating value during the interaction between customer and brand

2.3 2022 Highlights



Inauguration of the Distribution Center in Hidrolandia (GO),
Hidrolandia (GO), the first outside the state of São Paulo



Gross revenue
R\$3,4 bi
36% growth compared
to the previous year



Petix acquisition
Industry leader and
benchmark in upcycling



Over
66 thousand
pets adopted by the
Adote Petz program,
since 2007



Digital revenues
hit the
R\$1 bi
mark for the
first time



Record
50 new
Petz stores



Launch
Zee.Dog Kitchen
Zee.Dog's natural food line



Omnichannel
index of
91%
a Company
record

Customer relations

GRI 2-29

One of the values that drives Petz Group is our commitment to delighting customers. To keep track of this relationship, we have continuously monitored the Net Promoter Score (NPS) indicator since 2021, which provides a snapshot of customer satisfaction with the Company's product and service purchasing experiences.

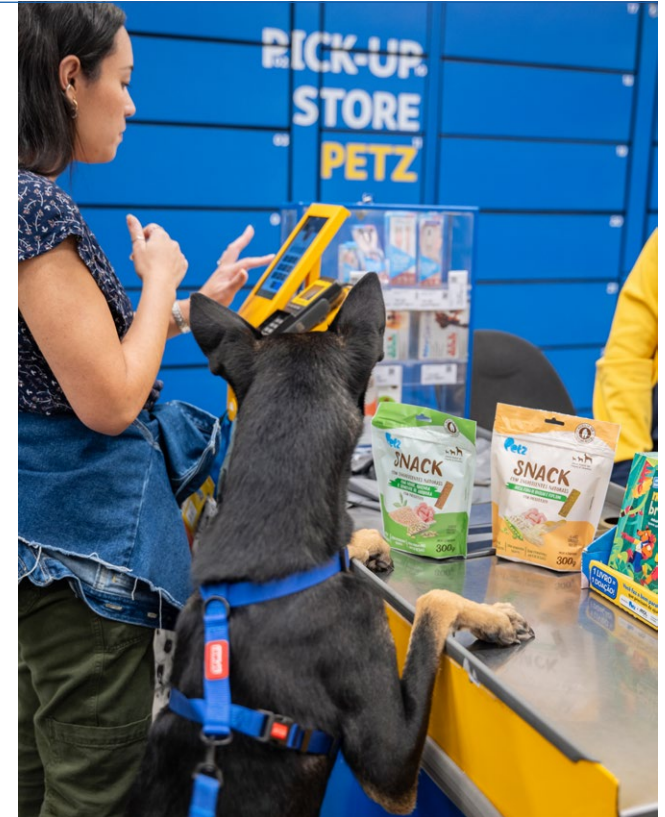
In 2022, the Company's NPS consistently evolved in all the different channels and we operate. We are proud of the progress made in recent years,

with a consolidated NPS that remains in the zone of excellence, above 80.

Furthermore, the low dispersion shown in the period, in all the regions where we operate, indicates that we are on the right track regarding our customer relationship strategy, even during the fast-track expansion process we are promoting, opening 50 stores by 2022.

The digital channel's NPS rose from 68 to 80 in 2022, mainly due to the pickup experience, which had an NPS above 85.

In 2023, we continue working to enhance this relationship further, with multidisciplinary teams dedicated to eliminating any friction points - always focusing on offering the best customer experience.



After interacting with Petz, regardless of the sales channel or service, the owner is invited to tell us about their experience



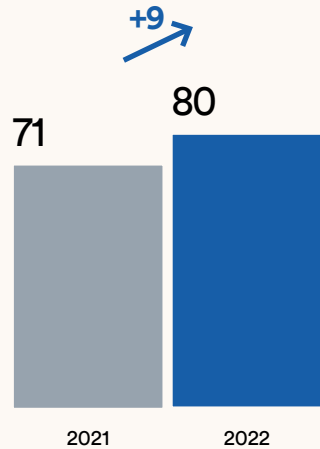
On a scale of 0 to 10, how likely are you to recommend Petz to a friend or relative?



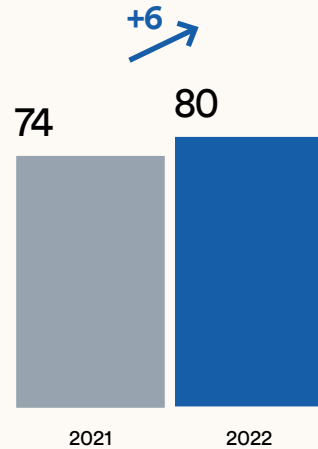
Result for 2022
↑ 80

NPS in the excellence zone

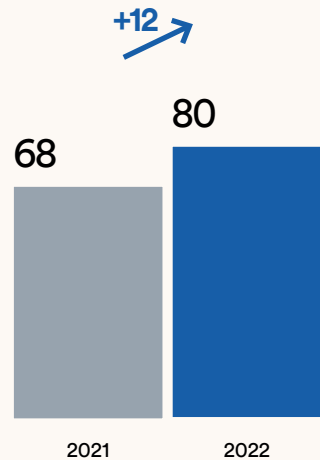
NPS Petz



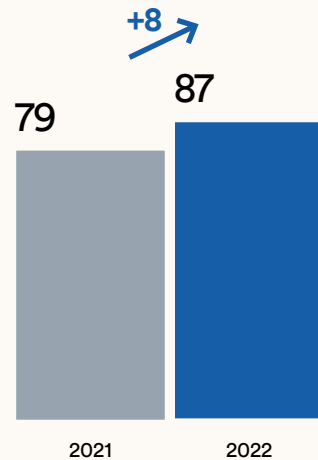
NPS Store



NPS Digital



NPS Services
(bath and grooming + veterinary)



We also carry out a number of surveys focused on the purchasing behavior and motivational factors of our current and potential customers through interviews with different profiles of owners and their locations. This is a crucial process for making decisions based on data intelligence.

The surveys presented topics such as health care, brand strength and consumption of items in the recurring and discretionary categories.

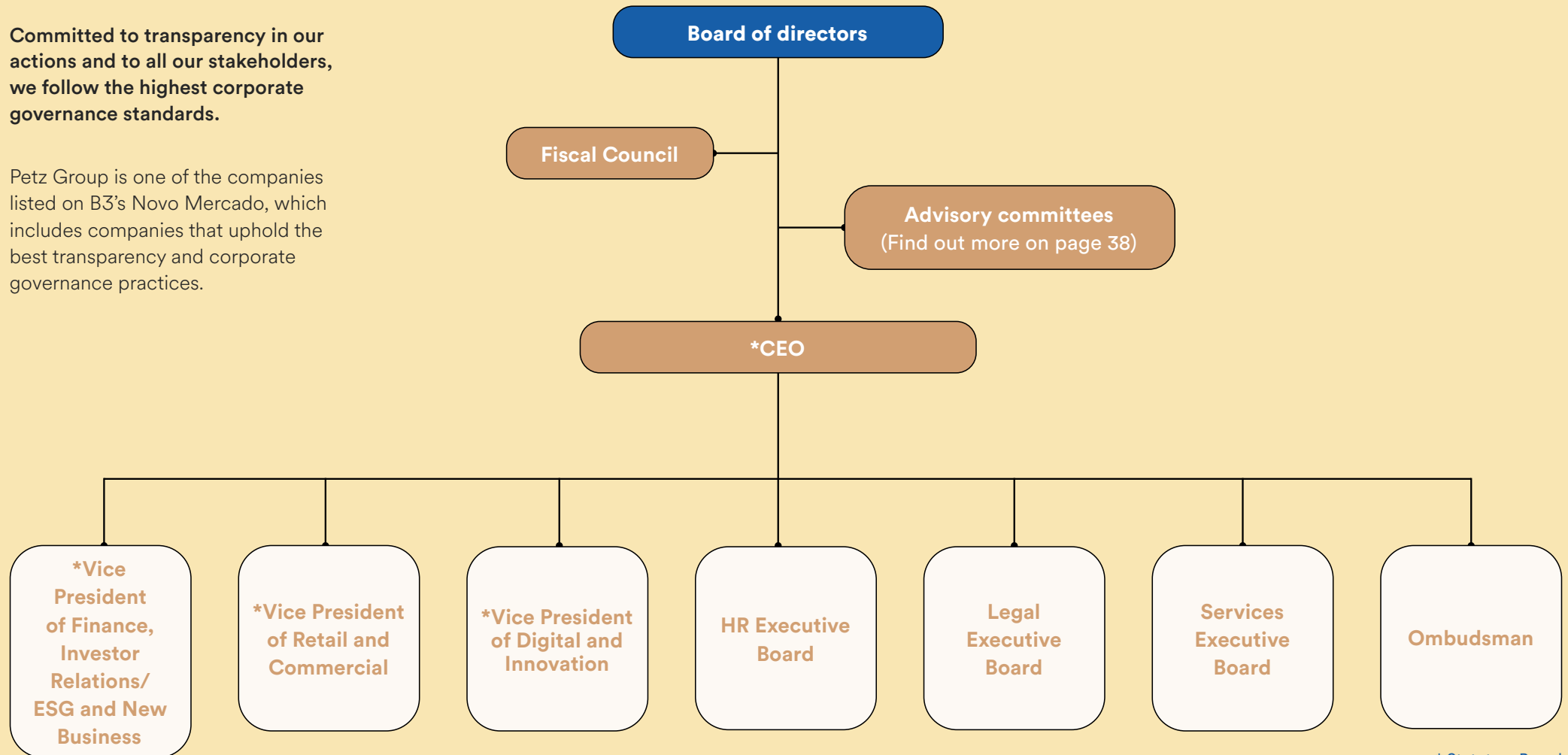


2.4 Corporate Governance

GRI 2-9 | 2-11 | 405-1

Committed to transparency in our actions and to all our stakeholders, we follow the highest corporate governance standards.

Petz Group is one of the companies listed on B3's Novo Mercado, which includes companies that uphold the best transparency and corporate governance practices.



* Statutory Board















Board of Directors

GRI 2-9 | 2-11 | 405-1

The Petz Group’s Board of Directors is currently made up of seven sitting members, with the election of the same number of alternates being permitted. All have a unified term of office of two years, with the possibility of re-election, and are subject to removal by a general shareholders’ meeting.

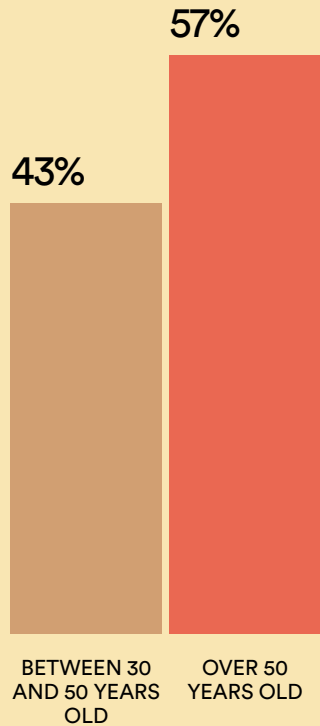
According to the Novo Mercado regulations, 20% of these members must be independent directors, i.e., they must meet the conditions of independence and cannot be shareholders of the Company, related to the controlling shareholder or manager, or earn any other compensation from the Group. Currently, four independent directors sit on the body.

- Between 30 and 50 years old
- Over 50 years old

| Personal information | Name | Cláudio Roberto Ely | Eduardo Terra | Gregory Louis Reider | Ricardo Dias Mieskalo Silva | Sergio Zimmerman | Sylvia de Souza Leão Wanderley | Tania Zimmerman |
|----------------------|--------------------------------------|---|---|---|---|---|---|---|
| | Position | Chairman | Member | Member | Member | Member | Member | Member |
| Diversity | Gender |  |  |  |  |  |  |  |
| | Age group | ● | ● | ● | ● | ● | ● | ● |
| | Total mandates (until 06/23) | 9 years | 3 years | 9 years | 1 year | 9 years | 1 year | 4 years |
| Effectiveness | Permanent | ★ | ★ | ★ | ★ | ★ | ★ | ★ |
| | Independent | ★ | ★ | | ★ | | ★ | |
| | Participation in councils/committees |  |  |  |  |  |  |  |
| Experience | Management | ★ | ★ | ★ | ★ | ★ | ★ | ★ |
| | ESG | | ★ | | | | ★ | |
| | Marketing | | ★ | | ★ | | ★ | |
| | Financial market | ★ | | ★ | | | | |
| | People | ★ | | | ★ | | ★ | ★ |
| | Retail | ★ | ★ | ★ | ★ | ★ | ★ | ★ |

Note: Composition in June 2023

**Board of directors
by age group**



**Board of directors
by gender**



71%



29%

47%



LEARN MORE ABOUT
the Board of Directors' nominations [here](#).

Fiscal Council

In 2022, a non-permanent Fiscal Council was set up at the Company, activated in the fiscal years in which it is convened. The Council is made up of three effective members and three alternates, whether shareholders or not, elected and removed at any time by the general shareholders' meeting.

These members take on a supervisory role in the Company and their role is to request information from management bodies, including information on the preparation of financial statements or particular accounting information, as well as to request explanations or information on specific facts from independent auditors.



Advisory Committees

GRI 2-9 | 2-12 | 2-13 | 2-14 | 2-17

The Petz Group has five advisory committees in different areas, whose purpose is to assist the Board of Directors in the Company's decision-making. This way, the Board's resolutions are carried out more assertively and in line with the Group's strategy.



AUDIT COMMITTEE

The body is responsible for advising the Board of Directors concerning the quality and integrity of the Company's financial reports.

STRATEGIC COMMITTEE

Its aim is to advise the Board of Directors on issues relating to brands, expansion, sales, marketing, logistics, information technology, omnichannel, services and the technical area (animal welfare).

FINANCE COMMITTEE

Its role is to assist and advise the Company's Board of Directors on matters of an administrative and financial nature.

HUMAN RESOURCES COMMITTEE

Body responsible for advising the Board of Directors on issues associated with Human Resources throughout the Company.

SUSTAINABILITY COMMITTEE

This Committee is a collegiate, non-deliberative body that advises and counsels the Board of Directors on matters that deal with sustainability issues. Its duties include:

- Monitor and evaluate the sustainability strategies implemented in the Company;
- Monitoring the progress and effectiveness of these strategies;
- Monitoring projects and investments in the area, recommending possible alternatives.

Meetings are held ordinarily on a quarterly basis and extraordinarily when social interests so demand.

Term of office: two years - renewable.



FIND OUT MORE ABOUT
each Committee [here](#). ↻

Executive Board

GRI 2-9 | 2-11 | 405-1

According to the Company's bylaws, the executive board must have a minimum of two and a maximum of six directors, one of whom must necessarily be the chief executive officer, a chief financial officer and an investor relations officer.

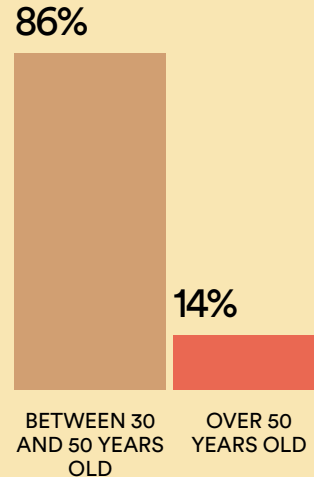
The Board of Directors elects these directors and their term of office is two years, with re-election possible.

Like the board of directors, the executive officers also report directly to the CEO. It is up to them to ensure the proper management of the Company's business, in line with the objectives and goals designed and assigned to them.

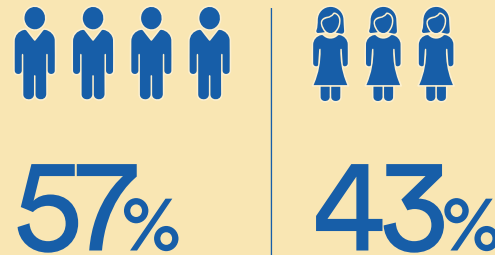


FIND OUT MORE ABOUT
the appointments of the executive board [here](#). ↻

Executive board by age group





Executive board by gender





Awards


Petz was recognized by Institutional Investor in several categories that evaluate the best professionals in Latin America. This is the result of our efforts and confirmation that we are on the right track.

-  1st place in Latin America's retail sector








-  1st Place CEO – Sergio Zimmerman

-  1st Place CFO – Aline Penna

-  1st Place IR professional – Matheus Nascimento

-  1st Place IR Program and Team

● Between 30 and 50 years old
● Over 50 years old

| | Name | Sergio Zimerman | Aline Ferreira Penna Peli | Flávia Pontes | Marcelo Silveira Maia | Paulo Cicogna | Rodrigo Fernandes Cruz | Thalyta Losano |
|-----------------------------|------------------------|---|---|---|---|---|---|---|
| Personal information | Position | CEO | Vice President of Finance, Investor Relations/ESG and New Business | Executive Director of People, Culture and Integration | Vice President of Digital and Innovation | Director of Services | VP Retail & Commercial | Legal Director |
| Diversity | Gender |  |  |  |  |  |  |  |
| | Age Group | ● | ● | ● | ● | ● | ● | ● |
| | Total mandates (06/23) | 21 years | 2 years | 1 year | 10 years | 1 year | 8 years | 10 years |
| Board | Statutory | ★ | ★ | | ★ | | ★ | |
| Experience | Tecnology | | | | ★ | | | |
| | M&A e RI | ★ | ★ | | | | | |
| | Operations | ★ | | | ★ | | ★ | |
| | People | | | ★ | | | | |
| | Health | | | ★ | | ★ | | |
| | Legal | | | | | | | ★ |
| | Retail | ★ | ★ | ★ | ★ | | ★ | ★ |

Note: Composition in June 2023.



WOMEN IN LEADERSHIP


In 2023, Teva Índices - a Company specializing in providing indices on the Brazilian market - conducted the first quantitative study to measure female leadership in publicly traded companies in Brazil.

Over 300 companies were analyzed, recovering a six-year history, which considered the positions of Boards of Directors, Fiscal Councils, Executive Boards and various committees.

The study revealed that 54% of the companies evaluated have no women in the above mentioned positions.

Petz Group came 16th in the ranking*, having women on all the committees, the Board of Directors, the statutory board, the fiscal council and the executive boards.



FIND OUT MORE ABOUT
the Teva Indices study
[here.](#) 

Also, in 2023 we joined the **Women on Board (WOB)**, an initiative that recognizes those Companies that effectively have at least two women on their Board of Directors.

This shows that the Petz Group is aligned with the world's best corporate governance practices and stands out in Brazil when it comes to diversity in leadership positions. The WOB is an independent initiative supported by UN Women.

* July/2023 portfolio

IDIVERSA

[B]³

A B3 new feature in 2023 was the launch of the first diversity portfolio called **IDIVERSA B3**. Petz Group is proud to be part of the 75 companies that make up the first Latin American index to combine gender and race criteria in ten economic sectors.

This outcome reflects the Company's commitment to diversity, right from the senior management and throughout its hierarchy.



Best practices

GRI 2-10 | 2-18 | 2-19 | 2-20

Petz Group's senior leadership nomination and compensation processes follow strict policies that have been in place since 2020.

NOMINATION AND SELECTION

The Nomination Policy implemented at the Company is followed to nominate members of the Board of Directors and the Executive Board. It takes into account the alignment of candidates with the Company's values and culture, reputation, education and experience, as well as not having conflicts of interest with the Group's business. In the case of executive officers, their ability to implement strategies and take on the challenges of the position as guardians of the Company's objectives are also assessed.

COMPENSATION

Executive compensation is based on the Compensation Policy, which establishes guidelines for senior management fees. It comprises fixed compensation, based on market practices and the

scope of operations, and variable Profit Sharing (PLR), which is contingent on the executives' collective and individual performance based on previously established targets. The executive directors' compensation is fixed, based on their dedication of time and responsibilities.

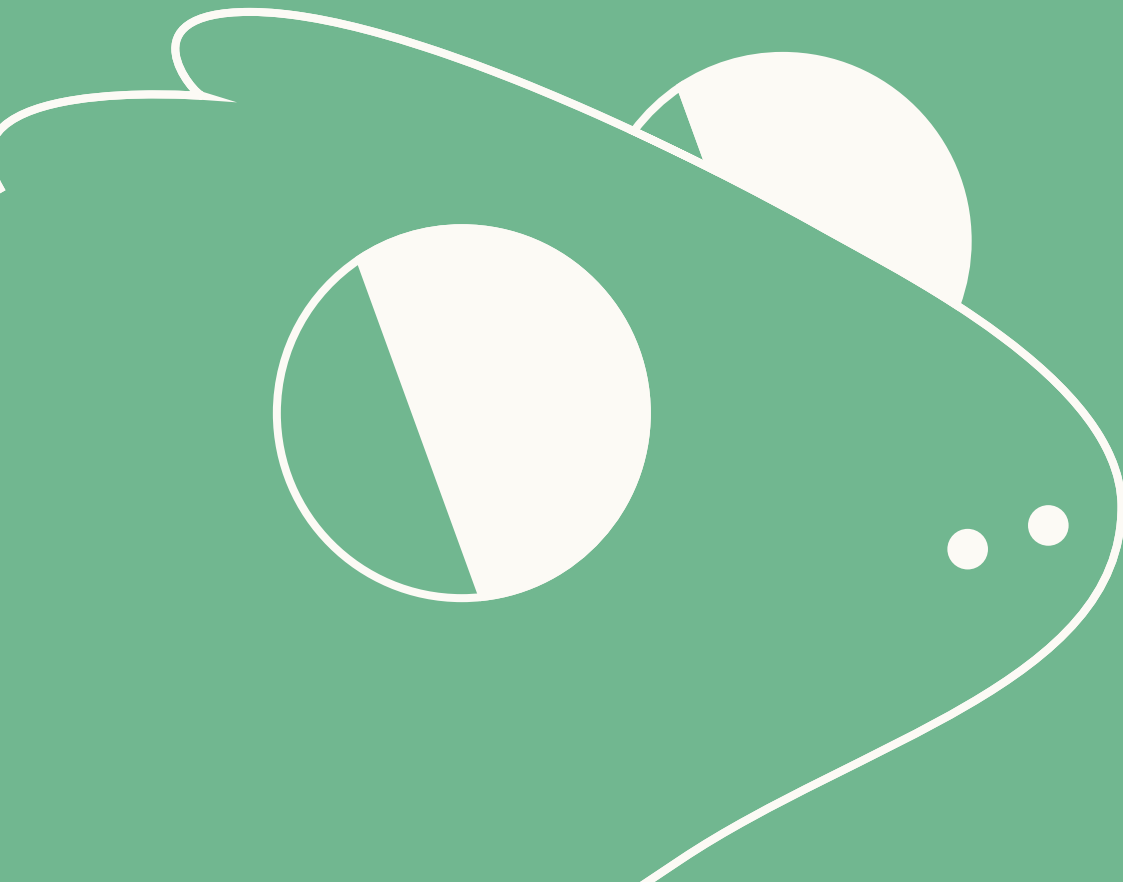
Moreover, the Company has two stock option plans in force, both approved at general meetings, which consider market practices and the long-term alignment of the participants' interests with those of the shareholders. More information on the current plans can be found in the Reference Form.

PERFORMANCE EVALUATION

The Company has an annual performance evaluation process for the Board of Directors, designed to maintain the consistency and effectiveness of the Petz Group's executives and directors. This process also aims to draw up action plans for continuous improvement.

In 2022, the chairman of the board of directors and the individual directors took part in these evaluations. The results are discussed in feedback sessions with the chairman of the BD.

Animal health, welfare and adoption



3.1 Strengthening Relationships

Petz Group exists to enhance the good relationship between pets and their families. To this end, ensuring animal welfare within the Petz premises is a priority in our services.

At Seres Veterinary Centers, as well as at bath and grooming facilities and adoption spaces in Petz stores, we follow protocols drawn up by the quality department. In this way, we guarantee the integrity and well-being of pets, owners and our professionals.

Our quality department comprises 12 professionals 100% dedicated to owners' and patients' health, safety and comfort. The sector is made up of five areas, each responsible for a stage of quality assurance:



Processes

Structuring processes for mapping, organizing flows, managing risks and non-conformities.

Continued education

Creating, validating, reviewing and updating internal content for theoretical and practical training for teams, including the School of Experts (bathing and grooming), as well as publishing academic articles.

Regulation

Validating the addition of new specialists to the network, as well as technical authorizations, in order to standardize our services.

Audit

Ensuring that processes are implemented and consolidated. Audits are carried out through visits, analysis of medical records and charts.

PSC

Patient Safety Center: currently being implemented, the PSC is an educational tool that will help with the continuous improvement of internal processes, based on previously observed adverse effects.

The quality department is also responsible for producing content that is later included in Unipetz, Petz's employee training platform (find out more on page 76). Practical training, which is crucial to the activities carried out by these professionals, is carried out at the Pet Expert Academy, where employees practice the knowledge they have acquired in theory.

In the service sections, we offer a welcoming experience for pets and their families. It is part of our goal to transform our services, building an emotional relationship with our customers. Our employees are assessed during audits, not only for their technical skills, but also for the promptness and comfort they provide to the owners. In this way, we respond to needs while at the same time building loyalty.

CARE LINE

Seres Veterinary Centers cherish pets' health, quality of life and well-being, and preventive medicine is the best way to achieve these goals.

Based on scientific studies, we have developed a line of care that promotes the health and care of pets, from the first to the last days of life, in an integral way. We define an individual and personalized journey for each animal according to its needs.

SCHOOL OF EXPERTS

GRI 3-3 | 404-1

Created in 2020, the **School of Experts** aims to train professionals to work in Petz's bath and grooming sectors.

This initiative offers a 40-hour apprenticeship course for employees who work in other Petz departments, such as cashiers, cleaning assistants and re-stockers, and are interested in migrating their careers to the animal care department. This means we can build up a base of qualified employees and create a talent pool in a highly specific market area, which is essential for the Group.

The program is free and operates on an itinerant basis. In 2022, 11 states received the School of Experts, benefiting 188 professionals. At the end of the program, participants undergo theoretical and practical tests for approval. In total, 139 employees were effectively hired to start their careers as beauticians in Petz stores.

In figures:



1,254 veterinarians and specialists worked directly on pet health at Seres*



704 employees helped make pets even more beautiful in the bath and grooming area*



188 employees from 11 states trained by the School of Experts, in 2022



Approximately **150 THOUSAND** vaccines administered in 2022

*Data from June 2023

3.2 Animal care and welfare

Adote Petz

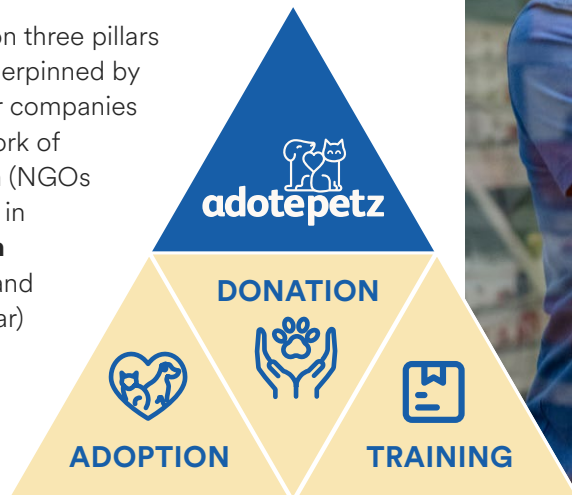
GRI 3-3 | 203-1

Adote Petz Program’s mission is to connect pets in need of a home with future owners looking for a companion.

Having been working for the animal cause for 15 years, the program has already made a difference in the lives of thousands of abandoned animals and is one of the Company’s pillars of sustainability.

In total, Petz invested R\$6.46 million in Adote Petz, in 2022.

We base our actions on three pillars which, in turn, are underpinned by the NGOs and partner companies that strengthen the work of Adote Petz: **Adoption** (NGOs and dedicated spaces in Petz stores), **Donation** (Válidos, Editora Mol and Movimento Arredondar) and **Training** (Phomenta).



UNITED FOR THE COMMON GOOD

In 2007, Petz embraced the cause of abandoned animals and created **Adote Petz**.

Since then, we have put together a network to support and encourage responsible adoption, which already includes 133 NGOs and animal protectors, as well as the vital partnership of Editora MOL, Movimento Arredondar and Phomenta.

Our efforts have already helped over 66 thousand pets find a new home.

[Watch the video and understand the positive impact of United for the Common Good.](#)



PARTNER SELECTION CRITERIA

Petz Group follows a stringent protocol for approving partner NGOs in order to safeguard the welfare of rescued animals until they are adopted. To this end, the approval process for institutions or independent protectors consists of three stages:



Validation of documents with the Petz legal department ([check all the documentation required for membership here](#));



Visit to the shelter or temporary home by a technical team made up of biologists, veterinarians and technical assistants, issuing a report for analysis by the technical board (visits take place regularly, every six months);



Signing of the partnership contract, defining the obligations of the partner and Petz.

ADOPTION

We currently have a **network of 133 NGOs and independent animal protectors**¹ who do the work of sheltering, neutering (in accordance with current legislation), vaccinating, microchipping and finally preparing the animals for adoption.

The Company supports these partners by donating assorted supplies and financial contributions focused on the organizations' financial sustainability. This whole process is also aimed at population control

of diseases and accidents that have an impact on public health as a whole.

We have dedicated physical areas in the stores for Adote Petz and recurring adoption events in 115 stores, as well as a [website](#) promoting pets looking for a home. The entire adoption process is the responsibility of the NGOs and independent protectors, from the interview with the owners to the final approval.

Our social commitment doesn't end with adoption. To ensure their well-being, **all adopted animals are monitored by a multidisciplinary team for up to a year following adoption.** In addition to the monitoring, adopters enjoy exclusive conditions and advantages throughout the Petz and Seres network, such as discounts on medicines, supplies, baths and grooming, among others.

¹NGOs are institutions that operate on a voluntary basis and rely on the donation of funds. They don't receive any financial aid from governments. Independent animal protectors, on the other hand, work with their own resources, unsupported by organizations.



The animals arrive at the stores according to appointments made by the partner NGOs and protectors, in safe transportation and boxes compatible with their sizes. After a clinical assessment, they are made available for adoption



All are microchipped, vaccinated according to their age and neutered (in accordance with current legislation), as well as being given medication to control worms, fleas and ticks



The environments that house pets in the stores are sanitized with specific products aimed at their well-being and comfort. Furthermore, the spaces are air-conditioned, and the temperature is controlled three times a day



Pets are fed three times a day with balanced food specifically for cats and dogs. In addition, the water offered is filtered and changed frequently to keep it fresh



Pets available for adoption engage in various physical activities, undergo behavioral techniques, cognitive and sensory stimulation to work on perception, memory and reasoning



Adoption requires an interview and, once approved, the pet can go to its new home. They are also monitored by a multidisciplinary team for up to a year

Adoption stories

“I adopted Nelson in 2020, it was love at first sight when I saw him in the room and I’m already in the process of adopting him. I was newly married at the time, and we prepared to welcome him with all our love. Today we are a family and he is our bedtime companion.”

Lais Silva
Adote Petz technical assistant



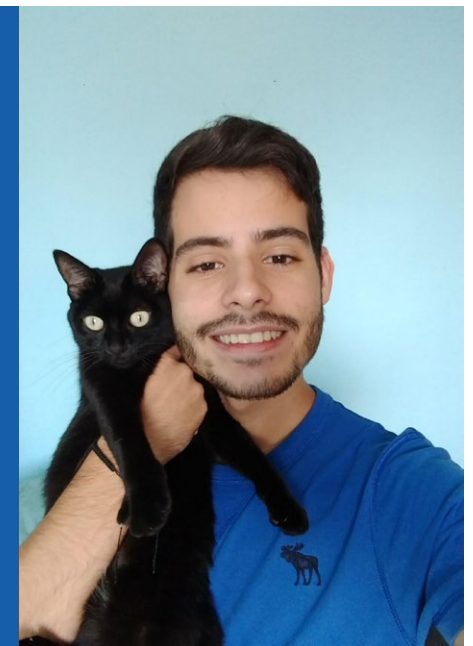
“While I was making a technical visit to one of our partner NGOs, a cat jumped on my shoulder and wouldn’t get off my lap. I went away and left the feline, but after weeks of thinking about him I finally decided to contact the partner and went through the whole adoption process. After buying the cat’s things, I picked Bartô up to take him to his new home and since then we’ve been together for two months. As I say: he adopted me!”

Dr. Tatiana Lina dos Santos
Adote Petz program coordinator



“My mother and I went to Petz on Marginal Tietê for an adoption event and discovered the first thing about being a cat owner: you don’t choose the cat; the cat chooses you! And so, we found an all-black kitten who kept playing with us, meowing and asking for affection. Love at first sight! We bought her a set of cat accessories at the store and took her home. She was all black with greenish eyes and couldn’t be called anything other than Kiwi. After four years with Kiwi, I realized that a feline companion could be very good for her. That’s when Enzo came along, an orange crossbred kitten born to a coworker’s kitten. Today I can say that Kiwi and Enzo are some of the best decisions I’ve ever made, they’re both my life.”

Lincoln de Oliveira Dias
Senior Marketing Analyst





Estou disponível para receber carinho

Aqui, no **Adote Petz**, você pode iniciar o processo de adoção online

Escaneie o código e acesse o formulário



From 2007 to 2022, more than 66k pets have been adopted



In 2022:
9,596
adoptions



+ R\$6 million
in Company investments and product donation



23 social actions
in favor of animal welfare in various Brazilian states, in 2022



133
partner NGOs



EASTER BUNNY SHOPPING

Since 2019, Petz has suspended the sale of rabbits during the Easter period. Many of these animals are bought on impulse at this time of year and are abandoned shortly afterwards.

This decision was based on the welfare and future of the rabbits.

“The Adote Petz program connects us with the purpose of our business. The program makes us sure that, every day, we provide happiness, make dreams come true, find homes and families and, above all, offer well-being and a new perspective on life for thousands of abandoned dogs and cats throughout Brazil. What’s more, being able to carry out this action in our stores also puts our purpose into practice with our team, helping us to be a lighter, more supportive and welcoming Company, concerned about the environment and the society in which we live. The Adote Petz program makes us believe every day that we can make a significant contribution to living in a better world.”

Rodrigo Cruz
Vice President Retail & Commercial

DONATION

Válidos program

In the social sphere, as part of Adote Petz, the Company created the Válidos Program. In this program, products close to the expiration date are sent to partner NGOs so that they can be used instead of discarded.

In 2022, over 53 thousand store items were donated to the organizations, including medicines, animal feed and hygiene products.



Over 935 million
meals donated



Over 13 thousand
animals medicated



Over 53 thousand
items sent to organizations

Donation of **R\$5.5 million** in products

Editora MOL

The world's largest social impact publisher.

Editora MOL was founded in 2007 with the innovative proposal of creating a business model based on **socio-editorial projects**: printed publications from which part of the profits are donated to social projects.

The partnership between MOL and Petz began in 2017 and, over the course of this collaboration, has supported **113 Brazilian NGOs dedicated to animal protection in cases of abandonment and mistreatment**. These institutions offer shelter, veterinary care, neutering, vaccinations and promote adoption fairs to find responsible homes for these pets.

Since 2017:



Over R\$8
million

Donated in Pets + MOL
partnership



22
publications



Over 2
million
publications sold



113 NGOs
benefited





With the funds raised from the 2022 projects, MOL and Petz carried out a number of joint actions such as:



Renovations and improvements to
34 shelters



Around
6,000
neutering
carried out



Over R\$3 million

Donated to partner
NGOs of Adote Petz



Over 119 tons
of feed funded by the
project



Arredondar Movement

A solution to turn shopping into a solidarity experience: that's how the Arredondar Movement defines itself.

On a mission to expand the culture of giving in Brazil, Arredondar has partnered with several retailers in the country, making it possible for pennies from purchases to make a difference in social projects.

For physical purchases, customers are asked to round up pennies from their order to the following whole number and donate the difference. For example, if the total amount to be paid is R\$14.90, the customer can round up their payment to R\$15.00. This R\$0.10 is donated to the Arredondar Movement, which donates the money to NGOs selected by Petz.

Moreover, Arredondar also carries out activities such as engaging with store teams to build a connection with the cause and increase collections, monitoring results and numerical indicators, communication and transparency with customers.

The partnership with Petz began in May 2019, benefiting NGOs working for animal welfare through donations.

Several stakeholders are key players in this project:

- **Operations teams:** these are the spokespeople for the cause who invite customers to round up their payments, generating a positive impact for animal organizations;
- **Corporate:** several internal Company departments also foster the culture of giving on a daily basis, such as finance, when closing out donation amounts, marketing, with communications that make the impact of the partnership transparent to customers, and even senior management, taking the culture of giving to the essence of the Company and engaging employees;
- **Customers:** by agreeing to donate a few cents to social causes, they transform their shopping routine into a philanthropic act to change the reality of animals in need of support;
- **NGOs:** the focus of all actions, micro-donations strengthen the financial sustainability of partner organizations that work directly on the animal cause.



R\$14.90



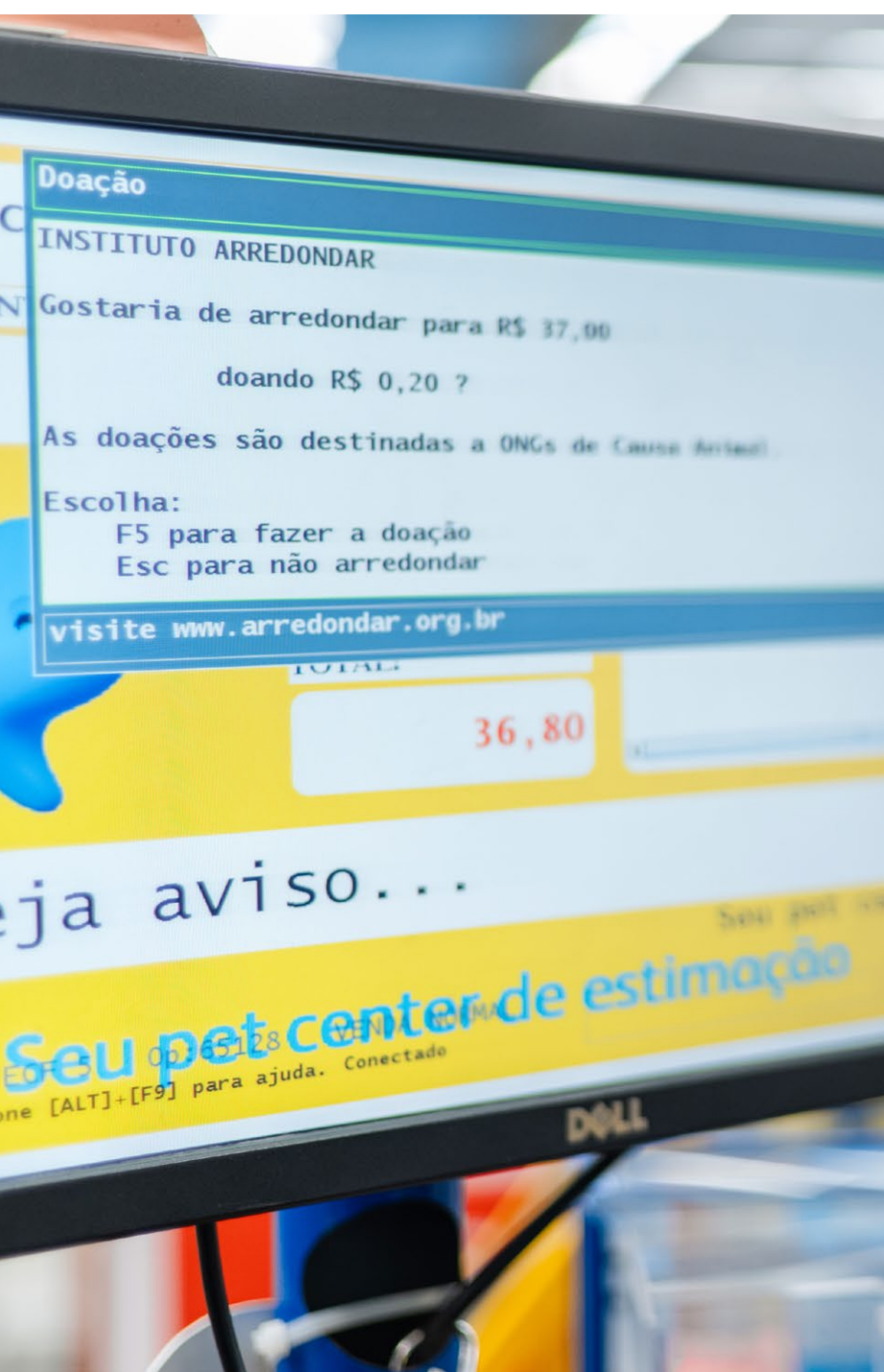
Round up to

R\$15.00



R\$0.10

donated to
support causes



Petz is proud to declare that it was Arredondar's largest donation fundraiser, in 2022



R\$1.2 million
Raised in micro-donations



On average,
1 in 2 purchases made at Petz are rounded up, helping the animal cause



17 NGOs
Have already benefited



Petz currently has the highest consecutive growth in fundraising and conversion of sales into donations in the program (between 2019 and 2022)



11.9 donations
Per minute

TRAINING

Phomenta

Phomenta is one of the partner companies of Adote Petz, which helps with the management and governance of NGOs and third-sector entrepreneurs.

Since 2021, Petz has been working together with the Phomenta Institute to strengthen the organizations we work with, so that they can continually increase their positive impact on the animal cause.

Phomenta is also a member of the International Committee on Fundraising Organizations (ICFO). In this way, it instructs and certifies NGOs linked to animal protection that have best practices in terms of governance and transparency, which leads to stronger and more organized institutions working towards the adoption of dogs and cats in the country.

Part of Adote Petz's funds go to Phomenta to conduct analyses, diagnoses and certifications for partner NGOs and protectors.

Animal welfare

Besides animals linked to NGOs and animal protectors, we are also concerned with looking after animals in vulnerable situations.

In 2022, the Seres Veterinary Center performed neutering in an initiative in the Paraisópolis (SP) community, thus preventing the multiplication of animals on city streets. Furthermore, over **18,000 animals were treated free of charge and 2,330 vaccines were administered, also free of charge.** In these actions, Petz has invested over **R\$200,000** in community services, ensuring the well-being of pets and their families.



Corporate Volunteering

Petz has a corporate volunteer program for employees to take part in social actions held throughout the year in several Brazilian cities. In 2022, 23 actions were held for the animal cause, in which volunteers had the opportunity to help organize the events and provide veterinary care by physically evaluating the pets and administering vaccines and preventatives such as dewormers and antiparasitics.



23 social actions
in 2022



over 1,700
animals benefited



over 100
animals neutered,
with the help of
Seres volunteers



293 volunteers
in 9 brazilian cities

“I’m loving taking part in the actions. I’ve always wanted to do voluntary work and I’ve come to really identify with Petz’s social actions. Everything is organized, everyone is very receptive and the interactions with the NGOs are very rich. That’s one of the best parts of being Petz. I’m very happy to be a part of it!”

Carla Araújo
Quality assurance assistant - Embu DC



INSTITUTO CÃO TERAPEUTA

Instituto Cão Terapeuta

The role of the Cão Terapeuta Institute is to promote health and quality of life for people in hospitals, nursing homes and vulnerable situations through Animal Assisted Interventions (“IAA”). **Since its inception, over 20,000 people have benefited from the project.**

The Cão Terapeuta Institute is one of the NGOs supported by Petz’s partnership with Movimento Arredondar.

MRSC

Moradores de Rua e Seus Cães

The creator of the MRSC project, Edu Leporo, won an award for his exhibition Homeless people and their dogs. So he decided to direct his earnings from this work to the people who starred in his photos. And so MRSC was born. **Today there are 14 cities throughout Brazil that host social actions aimed at this public.** The actions are focused on distributing basic food staples and hygiene kits for the owners, as well as feed, vaccinations, neuterings and care for the animals.

Grupo de
Resgate de
Animais em
Desastres

GRAD

The Grupo Resgate de Animais em Desastres (GRAD) has been operating since 2011 with the aim of providing help to animals in distress in a variety of situations, and relies on a multidisciplinary team of volunteers to assist in this mission. Throughout 2022, the Petz Group contributed to GRAD on several fronts, such as: a team of Seres vets in equipped tents and hospital supplies for care, vaccination drives, making hospitals available for complex cases, as well as Petz stores acting as collection points for donations.

In all, around four tons of pet food, hygiene items and medicines were donated.



Inataa

The Instituto Nacional de Ações e Terapias Assistidas por Animais (Inataa) was founded in 2008 and **today assists over 450 people every month.** There are a total of 50 volunteers and 15 dogs trained for the animal assisted interventions, as well as a team of psychologists, veterinarians and animal behavior specialists who help with the services.



ACTIONS IN THE SURROUNDINGS - PRAÇA DO PARI

The Praça do Pari social action aims to support pets living in the squares of the Pari neighborhood in Sao Paulo (SP), where the Petz corporate office is located. This project began in 2023, when observations were made of the five squares in the area and a survey was carried out to see how many pets would be cared for. Clinical care was provided, vaccines were administered, flea and tick preventatives and dewormers, as well as a physical assessment of the animals. A neutering was also carried out and the pet in question was put up for adoption.



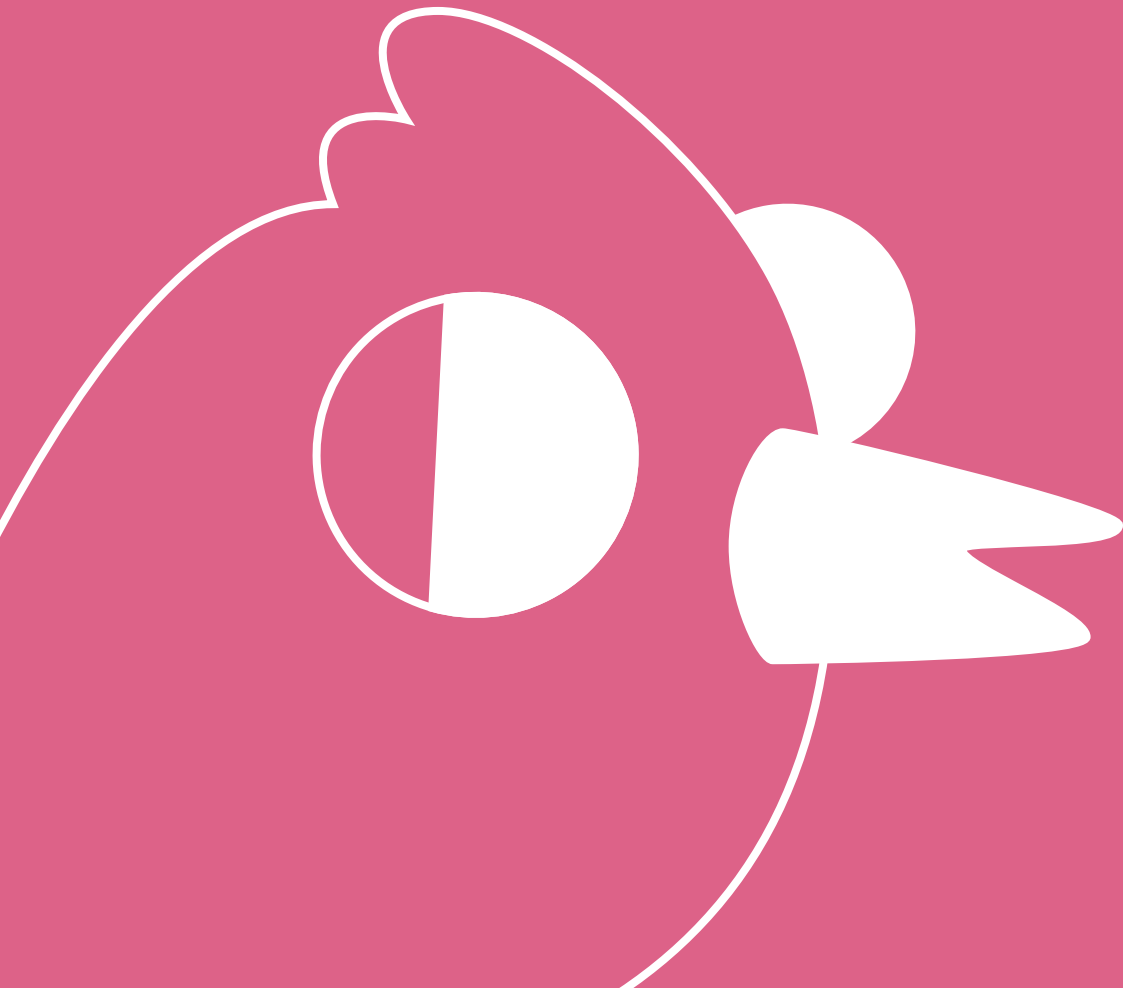
ACTIONS ON SÃO PAULO'S NORTH COAST

After the tragedy that struck the northern coast of the state of São Paulo at the beginning of 2023, Petz, through Editora MOL, donated R\$50,000 to the NGO Grupo de Resgate de Animais em Desastres (Grad), which transformed this amount into four tons of food for dogs and cats in the region.

We also sent nine veterinarians and two assistants to help care for the pets and various hospital supplies to support this action. In the week following the tragedy, a vaccination drive was carried out that benefited 185 animals to prevent zoonoses.

At the three Petz stores in Guarujá (SP), we collected food for the local population, which the same NGO distributed.

Responsible Business





4.1 Ethics and Transparency

GRI 2-1 | 2-6

The entry of the Warburg Pincus investment fund was a milestone for the Company, including corporate governance. From that moment on, in 2013, we began to structure and formalize all our processes, especially concerning ethics, transparency and the policies that guide our actions.

In 2020, our governance practices became even more robust with our initial public offering (IPO) and going public. We follow all the requirements of the Brazilian Securities and Exchange Commission (CVM) and focus our efforts on ensuring that our business complies with the law.

Code of Conduct

GRI 2-15 | 2-23

Regardless of the hierarchical level, all the companies that make up the Petz ecosystem and their employees, suppliers, partners (and any public acting on behalf of the Company) must be aware of and in agreement with the Group's established Code of Conduct. The material is public and can be accessed [here](#).

The Code reinforces our alignment as a Group concerning our daily actions focused on our **commitment to integrity, honesty, loyalty and responsibility** towards all the stakeholders in our chain. The best practices described in the Code and policies also aim to avoid conflicts of interest.

POLICIES THAT GUIDE THE PETZ GROUP'S BEST PRACTICES:

- **Referral Policy:** aims to set criteria for the composition of the Company's Board of Directors, Advisory Committees and Executive Board, in line with best corporate governance practices;
- **Risk Management Policy:** this Policy aims to help identify, assess, forecast and monitor the risks to which the Company is subject, providing greater safety for its shareholders and business continuity;
- **Related Party Transactions Policy:** its objective is to ensure that the decisions taken by the Company are driven by the interests of the Group and its shareholders, avoiding conflicts of interest;
- **Remuneration Policy:** lays down guidelines and rules for setting the compensation and benefits granted to Directors, Board of Directors and Fiscal Council members and Company Committees, making this process transparent;
- **Disclosure Policy:** its purpose is to regulate internal procedures in order to establish standards of conduct and transparency in the disclosure of Company information, in compliance with legal provisions;
- **Negotiation Policy:** is intended to establish rules to ensure best practices in the trading of Securities issued by the Company, avoiding the use of inside information.



FOR MORE DETAILS
on our policies, see:

<https://ri.petz.com.br/en/corporate-governance/bylaws-and-policies/> ⓘ

HOTLINE

GRI 2-25 | 2-26

To maintain compliance with our Code of Conduct at all times and in all sectors of the Company, we have made our hotline available since 2020.

This tool is open to all, making it possible to report misconduct by employees, suppliers and service providers who act in such a way as to cause damage to the Company's image, assets or reputation.

The hotline is operated by an independent Company, which handles all complaints anonymously, ensuring the confidentiality of each case. Investigations are carried out by a Group investigation team, involving the Legal Department and the Human Resources area.

If misconduct is confirmed, disciplinary and legal measures are taken to ensure the effectiveness of our hotline.



HOTLINE

**this channel is open 24/7 via the
website or telephone**

<http://canaldedenuncia.com.br/petz/> ⓘ

0800 882 0612



Risk Management

GRI 2-25

We have a Risk Management Policy, the purpose of which is to formalize the guidelines, identification and management of the risks to which the Company is exposed.

MARKET RISKS

Petz Group is mainly included in the retail sector. As such, we are exposed to the global economic, political and market scenario. Our Reference Form indicates the three main market risks we are currently exposed to: interest rate risk, interest rate sensitivity analysis and exchange rate risk.

In order to constantly identify, assess and monitor these risks, we rely on the Risk Management Policy, which has been in force since 2020, providing greater security for the Company and its shareholders.

ENVIRONMENTAL RISKS

Sustainability is part of Petz's DNA. We understand that our actions as a retail Company have an impact on the environment.

To mitigate these harmful effects on the planet, we have implemented the Sustainability Committee, which advises the Board of Directors in order to move towards an increasingly cleaner operation.



LEARN MORE ABOUT
our risk management policy
[here.](#) ↻

4.2 Information Security & Data Privacy

GRI 3-3 | SASB CG-MR-230a.1 | CG-EC-220a.2 | CG-EC-230a.1

In 2022, we created 100% dedicated Information Security and Data Privacy departments.

We have developed the Information Security Program (PDSI), aligned with the strategic objectives of our business and the best practices of the National Institute of Standards and Technology (NIST).

Thus, the Information Security Committee and the Data Privacy Committee were set up, the latter comprising a multidisciplinary team that aims to ensure that the Company complies with the LGPD and to guide employees with regard to their personal data.

Committed to our customers' and employees' respect and integrity, data security and privacy is an extremely important issue. To ensure the efficient protection of our systems and the personal information entrusted to us, we maintain continuous investments in security technology, training and awareness of our stakeholders, as well as constantly improving our processes.

Our in-house teams lead these processes, with the support of specialized and trained third-party partners. Together, they regularly assess risks and weaknesses through penetration tests, as well as the respective impacts on our systems, providing advisory support in the design of new projects, implementing state-of-the-art security technologies and following best

practices to protect, monitor and respond quickly and effectively to security incidents.

The weaknesses, risks and impacts that may be encountered during the execution of these processes are analyzed, classified and reported to the Committee, which determines the procedures for their mitigation or elimination.

For our customers' safety, we have published a Privacy Policy on our website. In this policy, our customers can see how their personal data is handled and exercise their rights under the LGPD.

The Company has also adopted technical, procedural and organizational measures to comply with applicable data protection laws.

PROTECTION OF PERSONAL DATA

Internally, we take great care and attention to the personal data of employees and the Company. We constantly take administrative, operational and technical measures to preserve data privacy.

In order to prevent any incidents related to data issues, we promote employee training and information pills on the subject, which are published weekly on our internal communication channels. Furthermore, we internally announce the contact details of our Data Protection Officer (DPO), who is a bridge between the Company and the data subjects, preventing possible events from escalating.



LEARN MORE ABOUT

our Privacy Policy and point of contact at

<http://www.petz.com.br/institucional/politica-de-privacidade> ↻

4.3 Supply Chain Management

GRI 2-6 | 3-3 | 204-1 | CG-MR-410a.1

As a leading Company in its retail segment, Petz Group relies on several partners in its supply chain to provide an increasingly comprehensive service to pet owners.

Supply chain management is a material theme for Petz Group and a priority on our strategic agenda as a Company.

We are working to evolve on this complex front, which has kept pace with the rapid expansion of our business fronts.

In 2022, 4,719 companies were part of the supply chain for the entire Petz Group, from the supply of products for resale in our retail business fronts,

veterinary supplies for the Seres Veterinary Center, to office products and building materials.

Around 500 of them actively comprise our product supply chain, of which 97.7% are domestic suppliers (representing 98.5% of our total product cost).

The selection process takes into account alignment with the Petz Group's commercial strategy and values and the quality of the products offered. Additionally, the guidelines in the Company's Code of Conduct (page 62) cover internal and external audiences, including suppliers.



61%
of our sold
products come
from suppliers with
social certificates

(such as ISO 14001
and eureciclo)



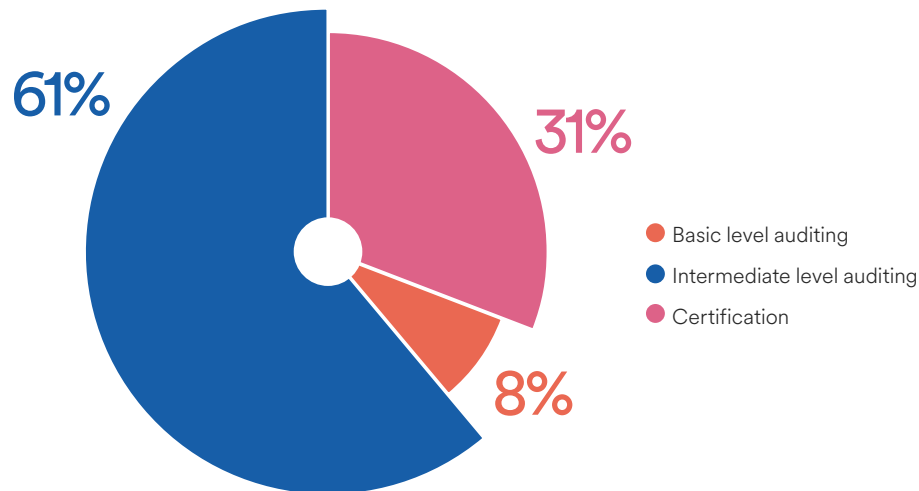
Petz private-labels management

We understand that the value creation that goes hand in hand with supply chain compliance will bring noticeable gains for the companies that comprise the Petz Group. That's why we're taking a careful look at the theme and prioritizing our private-label suppliers at the moment.

We have identified points for improvement in our relationship with direct suppliers and are working to monitor these partners more closely, with a view to quality and customer safety.

In 2022, 27 companies listed as active suppliers in our private label base have undergone quality audits and obtained adequate performance from approved certifiers.

Private label suppliers



SUPPLY CHAIN MONITORING

We work continuously to improve the monitoring of the chain effectively and strictly. Our approval process, which involves a compliance audit (to assess the technical side of the products), goes through the same requirements process as the human food industry standard, using a protocol adopted worldwide.

We already had this same standard in place for our snack suppliers, and since the incident with Bassar (find out more on page 69), we have created even more restrictive steps, such as evaluating the raw material suppliers of our finished product suppliers.

In addition, a policy of unannounced audits (factory evaluations on a surprise date) has been implemented in industries that supply any product related to animal feed, such as: snacks, feed and food supplements.

Also involved in the process of monitoring food products, the Company aims to offer high-quality products whose raw materials and ethylene glycol are of traceable origin. All products containing ethylene glycol in their composition must undergo laboratory analysis in order to certify their safety, whether they come from domestic or imported sources.

This whole process is constantly evolving. With internal and external challenges in mind, we also intend to include an ESG diagnostic audit of our main private label partner suppliers, to keep companies in our chain that hold the same values as the Petz Group.

CONTINUOUS MONITORING PROGRAM

- **Technical documentation:** presentation of documentation (e.g. CEPAS) for products and industry (e.g. licenses, permits);
- **Re-audits:** constant factory audits and action plans;
- **Reviews:** three types of product evaluations: technical, sensory and performance;
- **Laboratory analysis:** analysis at least once a year or whenever necessary (e.g. microbiology, contaminants, specifications);
- **Handling Customer Service:** monitoring of incidents by supplier and turnaround time;
- **Other:** recalls and external inspections (ex: ANVISA, INMETRO, Procon).



The Bassar case

In September 2022, one of our private label suppliers, Bassar Pet Food, faced a crisis involving the contamination of some of its products, caused by a substance called ethylene glycol. The Company was responsible for manufacturing the Petz Oral Care product, which was **promptly withdrawn from all our stores**, along with the other items under analysis at the time.

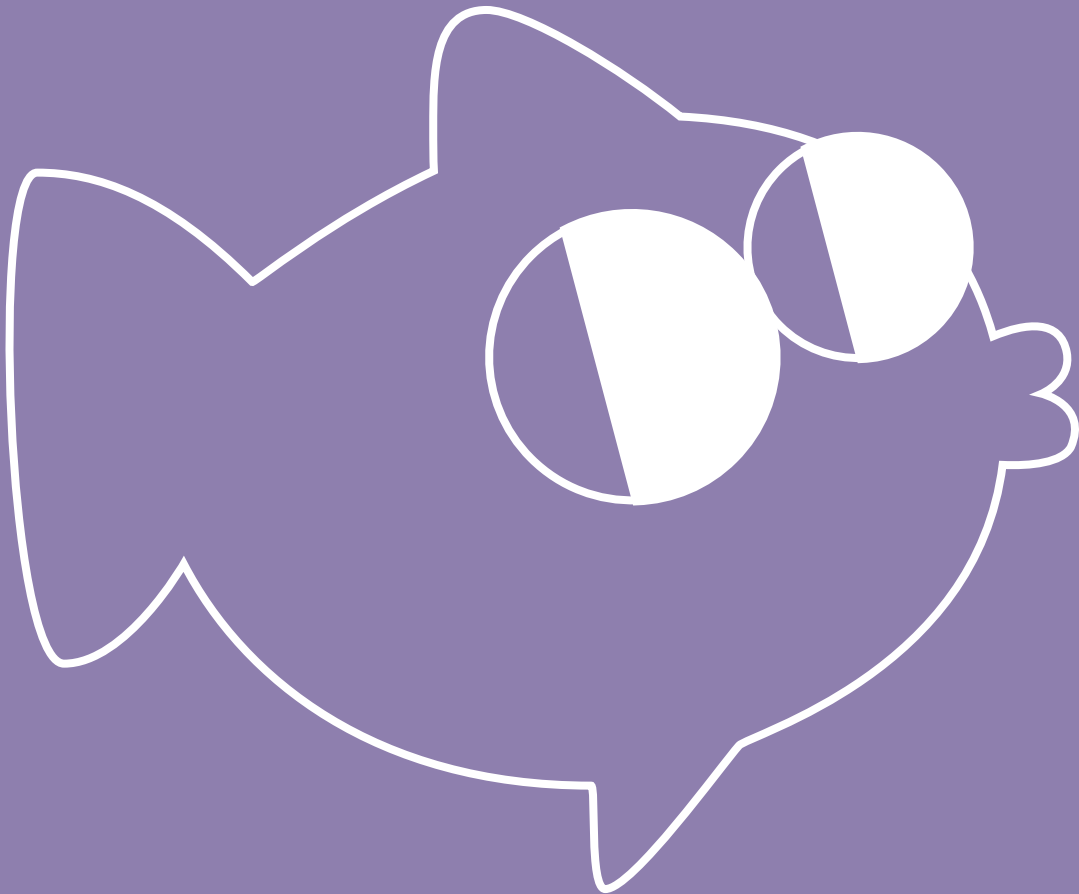
All the products were disposed of correctly, avoiding any further incidents.

As part of our commitment to our customers and to clear and transparent communication, we offer a tele-guidance service with a team of veterinarians to guide pet owners when they identify anything suspicious about their pet's health. We also provide support throughout the incident via our service channels.

Bassar Pet Food was one of the private label suppliers audited and approved at the time of the incident. Following this event, the Petz Group reinforced - to the companies contracted to select and approve its private label suppliers - the relevance of demanding protocols and monitoring the factories that produce Petz private label items. In this way, we added requirements, although not imposed by public bodies, such as implementing specific laboratory analyses for ethylene glycol, unannounced audits and evaluation of raw material suppliers.



Creating value for society



5.1 Our People

GRI 2-7 | 2-8 | 2-30 | 405-1

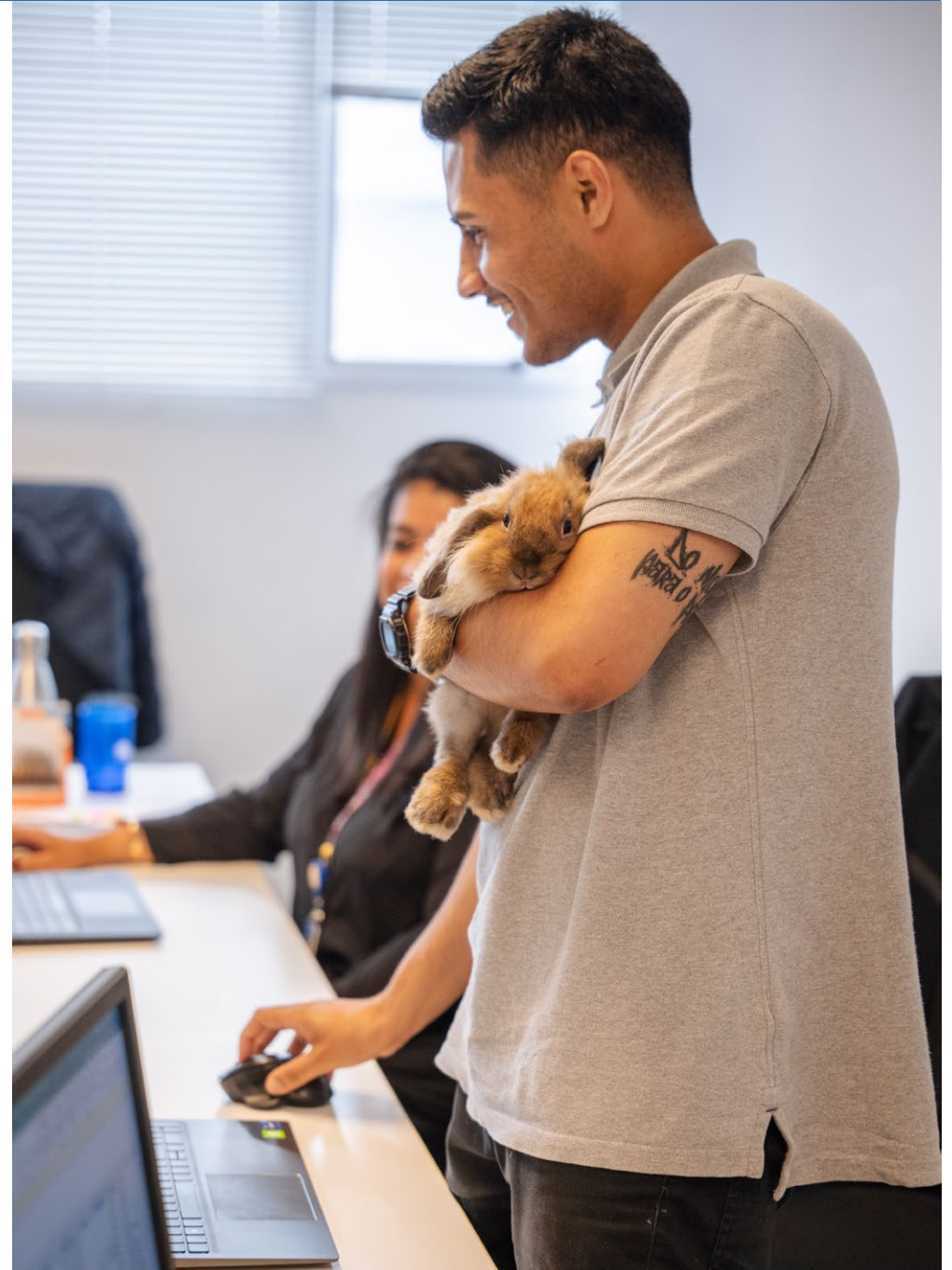
In its 20-year history, Petz Group has been built on the work and commitment of professionals who are passionate about improving the lives of pets and their families.

In August 2022, we evolved our people agenda by hiring the Executive Director of People and Culture, Flavia Pontes, to transform the way Petz impacts its employees.

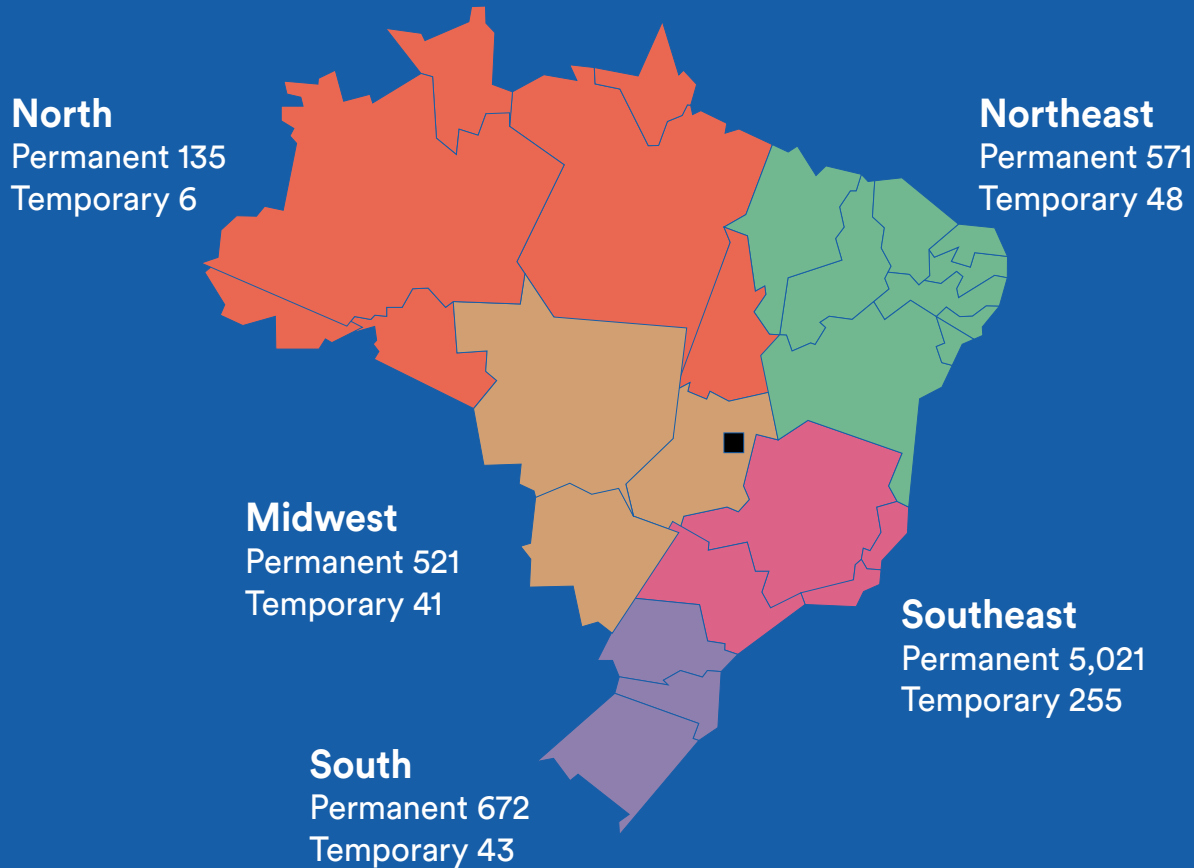
As a result, the department was reformulated and dedicated to the transformation plan, focusing on getting closer to the business and integrating teams.

Much of this change is reflected in the projects conceived in 2022 and implemented throughout 2023, especially those related to structuring communication channels and the employee experience, reviewing benefits, position structure, analysis and continuous monitoring of climate and engagement, optimizing hiring processes and Petz leadership development programs, thus covering the entire employee journey.

Respect is a non-negotiable pillar of the Group, we generate value through interaction and exchange, learning from each other's individualities on a daily basis. In our internal culture, we work to encourage individual skills, valuing merit, equality and recognition in all our units throughout Brazil. These values are discussed with employees even before their first day at work.




Distribution of employees across Brazil



 **7,313**
Own
Employees


 **1,818**
Outsourced


Temporary employees include trainees and apprentices.


 Birthday day-off

 Food vouchers

 Gympass

 Long weekend
(corporate)

 Life insurance

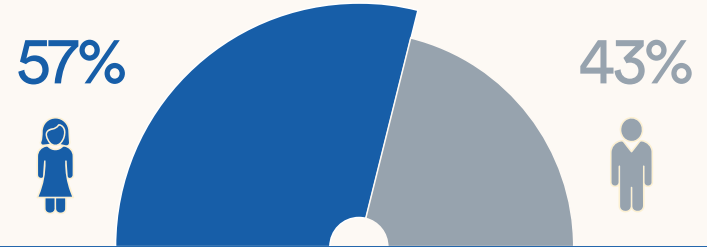
 Discounts on products
and services



100%
of employees hired under
the CLT system are
linked to a union

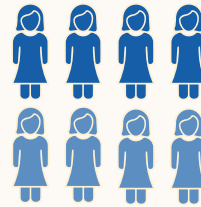


Breakdown of employees by gender

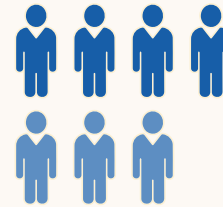


By employment contract

Permanent



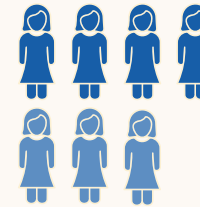
95%
3,945



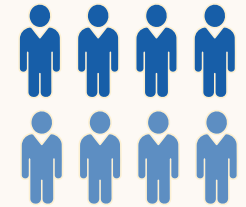
94%
2,975

By employment type

Full time

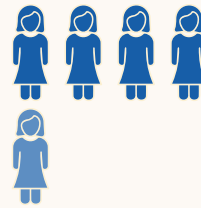


90%
3,764

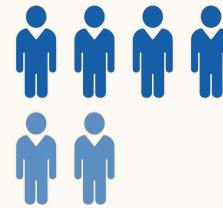


93%
2,918

Temporary

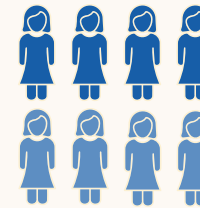


5%
215

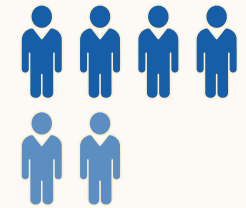


6%
178

Part-time





10%
396



7%
235

- Under 30 years old
- Between 30 and 50 years old
- Over 50 years old

Percentage of employees by job category (GRI 405-1)

| Job category | Gender | | Age group | | |
|--------------------------|---|---|------------------------------------|--------------------------------------|---------------------------------------|
| |  |  | ● | ● | ● |
| Analysts | 44.5% | 55.5% | 51.7% | 47.9% | 0.4% |
| Apprentices | 49.5% | 50.5% | 72.0% | 21.9% | 6.1% |
| CEO | 100.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| Consultants/Coordinators | 37.5% | 62.5% | 25.7% | 72.1% | 2.2% |
| Directors | 33.3% | 66.7% | 0.0% | 83.3% | 16.7% |
| Specialists | 52.6% | 47.4% | 21.1% | 78.9% | 0.0% |
| Interns | 29.3% | 70.7% | 96.3% | 3.7% | 0.0% |
| Managers | 61.0% | 39.0% | 9.0% | 88.0% | 3.0% |
| Store Leadership | 55.4% | 44.6% | 28.3% | 68.8% | 2.9% |
| Veterinarian | 12.8% | 87.2% | 37.6% | 62.4% | 0.0% |
| Operational | 42.4% | 57.6% | 66.2% | 31.2% | 2.6% |
| Supervisor | 57.6% | 42.4% | 21.2% | 75.8% | 3.0% |
| Veterinary Trainee | 5.6% | 94.4% | 83.3% | 16.7% | 0.0% |

INTERNAL COMMUNICATION

With a growing focus on employee well-being, the Company has implemented several improvements to make everyday communications and internal tasks easier.

With a structured communications calendar, we have a team dedicated to covering all the Company's areas, providing information and exposure to relevant issues for all employees.

Since January 2023, **Petz Friday news** has been implemented in the Company, boosting the number of communications sent to employees by 323%. Every Friday we release an update to all employees with the main events of the week.

We have messages that reaffirm the Company's principles on **bulletin boards across our businesses, which include stores, factories, and distribution centers**, to ensure that the material doesn't only stay in the digital realm.

A **new Intranet** is also being planned to centralize our communications more efficiently and user-friendly for all employees, as well as a podcast as an alternative format for disseminating information.

Ed. 26 OUTUBRO

Destaque!

O Ciclo de Carreira começou!

CICLO DE CARREIRA
VOCÊ EVOLUINDO COM A PETZ

Essa etapa é muito importante para acompanharmos e darmos suporte à sua carreira aqui na Petz, então não deixe de acessar o sistema e atualizar o seu perfil, todos(as) os(as) colaboradores(as) deverão realizar esse processo!

Em casos de dúvidas quanto ao acesso, fale com sua liderança.

Venda baralhos e salve o caramelo!

A Editora MOL fez um jogo para acompanharmos a trajetória do cachorro Caramelo para seu novo lar. A cada 20 mil baralhos vendidos, nosso cãozinho fica mais perto de ser adotado e destrava uma nova conquista.

Indique a franquia da Cão Cidadão

Somente no mês outubro, interessados(as) do Rio de Janeiro, Fortaleza, Recife e São Paulo terão isenção da taxa inicial de franquia da Cão Cidadão. Indique um(a) amigo(a) para fazer parte desse time!

Novo App da Petz

O Novo App é a atualização do aplicativo já existente da empresa, com mudanças visuais, melhorias e novos recursos. Caso tenha dúvidas, entre em contato com design@petz.com.br.

Parceiros: Seres, BAHNO & TOSA, Cão Cidadão, adotapetz, Zeeedog, CANSEI DE SER GATO, petix.

Adote Petz no CEU Paraisópolis

No dia 27 de maio, a equipe de Adote Petz junto à ONG APAA reuniu colaboradores(as) voluntários(as) apaixonados(as) por petz para a ação social no CEU Paraisópolis. O evento, que reforça nosso compromisso com o **bem-estar animal**, contou com microchipagem dos pets, vermifugação, preventivo para pulgas e carrapatos, além de vacinação. Entre os **201 animais atendidos**, 25 pets entre cães e gatos dos moradores atendidos da região foram selecionados para **castração gratuita** no Hospital Seres da Giovanni Gronchi.

Conexão RH

No mês de maio aconteceu o 3º **Conexão RH**, encontro em que a Diretoria de Pessoas e Cultura se reuniu para falar sobre o andamento de projetos e status das entregas do planejamento estratégico do ano. Além de ser um momento de troca e conexão com o time que tem como propósito cuidar, conectar, impactar e transformar a Petz!

Chegou mais uma loja para compor o time de apaixonados(as) por pets!

Inaugurada no dia 26/05, a **Petz Aclimação (ACLM-SP)**, faz parte das **244 lojas** espalhadas pelo Brasil.

Esse é mais um passo para atingirmos nossa visão de sermos **mundialmente reconhecidos** como o **melhor ecossistema do segmento pet até 2025**.

#PraVocê

Plano Odontológico Bradesco

A migração do nosso **Plano Odontológico** para operadora **Bradesco** aconteceu ontem, **01/05**. Essa mudança tem como o objetivo buscar um pacote de benefícios mais completo: **#PraVocê!**

No **APP Bradesco Seguros**, além de ter acesso a todas as informações sobre os prestadores de serviços disponíveis, coberturas do seu plano, carteira digital, também poderá contar com o **Clube de Vantagens** que traz ofertas exclusivas para você, beneficiário(a) do plano.

Confira no **FAQ** do arquivo anexo as principais perguntas e respostas sobre essa mudança e acesse mais esse módulo para saber!

Lojana Anália Franco

Lojana Anália Franco

Já quis fazer em pet recruta? Pois é, se não fosse a pet Thor, a Lojana jamais teria se tornado **esteticista!**

"Um dia eu olhei para ela e não tinha condições para fazer a manutenção essencial que ela precisava. Foi desde com uma ajuda da preletora, eu entrei em um curso de **banho e tosa** para poder cuidar melhor dela. Além de ser minha aliada na luta pela **depressão**, graças a Thor eu estou no maior ecossistema Petz!"

Employee health and development

GRI 3-3

CULTURE AND DEVELOPMENT

GRI 2-24 | 404-1

Unipetz – Corporate University









Developing the people who build our business is crucial to the Company’s growth. We passionately believe that this pillar will lead us to be recognized as the largest pet ecosystem.

Unipetz was developed to support the Petz Group on this journey, promoting continuous training while taking into account the specific nature of each operation in our ecosystem.

We offer content that begins with onboarding and continues throughout our employees’ journey, with soft and hard skills training and specific tracks for each position.

Moreover, the platform also supports the construction of the internal culture, reinforcing our mission, vision and values, aligning all Petz Group departments and teams.

In 2023, the **Leadership Academy** was launched, comprising seven modules covering topics such as:

| | |
|---|---|
|  Self-knowledge |  Adaptability and strategy |
|  Emotional intelligence |  Leadership |
|  Communication |  Productivity and a sense of ownership |
|  Feedback |  Managing targets and results |

We also offer diversity and HR processes and product tracks. Three modules have already been held, with the participation of over 300 leaders from store operations, Seres, DCs and AloPetz.

Onboarding and integration

Hybrid training - Online and On the Job - aligned with the new generation

Training trails :

30 days – operational team

40 days – operational leadership

Follow-up by the business partner responsible for 90 days



PEOPLE
MANAGEMENT AND
LEADERSHIP



RESULTS
MANAGEMENT



RETAIL AND
TECHNICAL
SKILLS



STRATEGY AND
BUSINESS



UNIPETZ



Technical content and knowledge tests 100% online



Self-development courses




over 700 educational contents in different formats and themes

Average hours of training by gender

 49.1 h  43.7 h

Average hours of training 2022

| Job category |  |
|--------------------------|---|
| Analysts | 8h |
| Apprentices | 8h |
| CEO | 17h |
| Consultants/Coordinators | 24h |
| Directors | 17h |
| Specialists | 8h |
| Interns | 8h |
| Managers | 24h |
| Store Manager | 290h |
| Veterinarian | 25h |
| Operational | 61h |
| Supervisor | 8h |
| Veterinary Trainee | 25h |

DIGITIZATION OF PROCESSES

In the Company's operational area, the digitalization of processes has brought efficiency and assertiveness to day-to-day people management. With the WorkForce Management (WFM) contracting in 2022, the design of retail employee scales became 100% digital. The software responsible for the process monitors punches and shifts, avoiding a variety of human errors.



PETZ LÍDERES – LEADERSHIP RITUALS

Development program focused on the Company's leaders. In 2023, the program began to work more closely with leaders affecting all employees, called the **new Petz way of communicating**.

- The Entre Líderes (Between Leaders) are monthly meetings with C-level members, aiming to reinforce symbols of culture, leadership alignment, results for the period, updates on strategic projects and target management;
- For managers (including store managers), we promote quarterly meetings, reinforcing the culture of results, as well as promoting exchanges of best management practices, bringing soft skills content;
- We also have the Company's quarterly results live casts conducted by our CEO, Sergio Zimerman, for all our employees, to present our results and provide visibility and transparency for the Petz Group's challenges.



PERFORMANCE

GRI 404-3 | SASB CG-EC-330a.1

The performance evaluation models were redesigned in 2022 and, since then, 100% of the Company's administrative staff and leaders have been through an evaluation cycle. In total, 1,642 of the Group's employees have been assessed, an increase of approximately 77% compared to the 2021 cycle.

In addition, 365 employees holding specialist positions and above were calibrated in 20 committees, which promoted collegiate discussions on the performance of results and alignment of each employee evaluated with Petz's values.

This progress in implementing the feedback culture becomes more evident when we look at the indicators for the subsequent cycle: in 2023, we progressed by 15.2 p.p. in the number of employees with feedback given, totaling 85% of those eligible.

In this review, we implemented essential concepts that will support the Company's people strategy in the coming years, such as mapping critical positions, exit risk, succession and readiness for succession for leadership positions (corporate managers and above).

These new topics underpin the importance of consequence windows as a key part of the career cycle, with merits and promotions with greater basis, transparency and clarity in our decisions regarding our people. By doing so, we further reinforce our value of recognizing efforts and rewarding results.

ASSESSMENT CENTRE

In 2023, all Petz senior managers underwent a robust assessment center process. This process was supported by the FESA consultancy, a leader in HR solutions with international recognition, and involved self-knowledge and reflection on how to boost their career/deliveries through a

structured development plan, associated with an understanding of the Petz Group's business strategy and the skills needed to accomplish it.

This methodology is divided into three stages:



Online Tools

This stage makes it possible to understand the dynamics of the employee profile using internationally applied tools.

- Behavioral profile test;
- Aptitude test;
- FRP - career history.



Assessment

Deepening and investigating the profile dynamics of each evaluated person, seeking evidence for the competencies chosen for this process.

- Competency interviews;
- Drills such as: leadership role play and analysis exercises.



Feedback

Feedback with the features of the individual and/or group profile with the aspects we have identified and building a basis for self-development.

- Customized individual report and participant feedback;
- HR/Manager feedback with presentation of group results and succession map.

During the three stages of the process, 261 hours were spent with 32 senior managers and five directors of the Company, in addition to the construction and analysis of content and the building of competencies.

Percentage of employees by job category 2022²

| Job category | % |
|---------------------------|--------------------|
| Analyst | 74.9% |
| Apprentices | 0.0% |
| CEO | 100.0% |
| Consultants/ coordinators | 84.2% |
| Directors | 77.8% ³ |
| Specialists | 72.2% |
| Interns | 0.0% |
| Managers | 86.5% |
| Store Manager | 71.4% |
| Veterinarian | 86.3% |
| Operational | 8.0% |
| Supervisor | 91.7% |
| Veterinary Trainee | 0.0% |
| Total average | 57.92% |

² Calculation based on the 7,313 employees who underwent performance assessment in 2022.

³ In 2022, not all members were assessed, as they joined the Company after the assessment cycle.

CAREER CYCLE

Looking strategically at the careers of Petz employees, the human resources team is developing a performance and recognition program to ensure the prosperity of our talents and corporate meritocracy. In this new moment, we are incorporating it into the cycle:

- Communication with impacted employees;
- Leadership training for employee follow-up;
- Effective monitoring of cycle indicators;
- Training managers to calibrate talent.

We have structured the succession plan from the management level upwards to ensure our business thrives. In this way, we have established a process for defining successors by monitoring performance and retention indicators.

Petz Career Week

The first Career Week took place in November 2022 to give employees a space to develop soft skills, as an action to support and engage in the feedback and IDP stage of the career cycle.

The 13 meetings held during the event covered topics such as assertive communication, a mindset for change and emotional intelligence. To ensure that our employees are transformation agents and leaders in their careers, we also promote lectures, conversation rounds and workshops with executives from inside and outside the Company, in a 100% virtual format.

Petz Career Week



12h

exchanges with senior management



100% online



over 2 thousand hits



20h

of training



13

meetings



MOVIMENTA PETZ

This is the internal recruitment program that seeks to develop the Company's talents. To value and recognize the efforts of our employees, we encourage horizontal and vertical internal movement.

The aim of the program is to give greater visibility to internal opportunities, as well as to emphasize and encourage more proactive behavior on the part of the employee in the search for opportunities within Petz, being the main player in their career.

In 2022, 36 employees in positions such as Supervisors and Assistant Managers were promoted to Store Managers through the program.

“It was a learning experience, because I learned to improve my public speaking skills. It was also a great chance to get the job I have today. If you have the chance, join Movimenta Petz.”

Joyce Caroline Gonçalves Rozendo

She joined Petz in the Store Operations department and now works in the Delivery department.

“My journey at Petz began in 2015 as a stock clerk, when we were still Pet Center Marginal. I've been part of the construction of this great Company for eight years now. Nowadays I'm proud to be a Manager in one of the Company's largest operations, bringing with me the certainty of the importance of managing processes and, above all, people.”

Maxwell Correia

Joined Petz as a stock clerk and now works as Store Manager



Candidate's digital journey

In order to bring more flow and integration to our Human Resources processes, we have aligned aspects of our culture with the system for filling vacancies and reduced the length of the selection process, ensuring a better experience for our managers and candidates.

Since the implementation of this process, which has been under construction and evolution since 2022, we have shown important results such as the Net Promoter Score (NPS) of the manager and candidate at 78 and 65, respectively.

Climate and Engagement

CLIMATE MANAGEMENT

In order to effectively assess employee satisfaction and motivation, we have developed a new methodology for evaluating this indicator. Each of the Company's vice presidents has a business partner (BP) who is able to assess the specifics of each sector. Together with the HR team, this BP will be responsible for implementing practices relevant to the area in question, making the actions more assertive.

ENGAGEMENT SURVEY

In 2022, 6,494* employees were eligible for the Company's engagement survey, which was attended by 86.1% of this group. Based on the Likert scale, we obtained a positive result with a favorability index of over 68.2%.

The survey was applied internally using the Pin People tool.

* Compared to 1,459 the previous year.







FALA AÍ

In 2023, we implemented a new **Climate Governance and Engagement** area at Petz. With it, we structured bimonthly committees with employees we call Climate Guardians, responsible for directing the actions of teams to the most critical dimensions raised by the climate survey carried out in 2022.

This enables us to continuously work on the Company's improvement agenda, through practical actions and internal benchmarking, to maximize the opportunities and develop the points for improvement identified in the survey.

We have also set up **Fala aÍ Pulses**, an active and continuous listening tool. Pulses/surveys are sent out every two weeks, shedding light on employees' opinions, impressions and feelings on their journey at the Company. As a result, we can monitor the climate and engagement of the areas in real-time, with a more assertive diagnosis of the performance of our leaders.

Fronts of action for Fala AÍ, in 2023

| | Institutional | Executive Board/VP |
|--|---|---|
|  Guide | <p>Pinpeople and Pulses acting on the three dimensions/questions with the lowest scores in the climate survey.</p> | <p>Pinpeople e Pulses working on the two dimensions/questions with the lowest scores in the climate survey in their area.</p> |
|  Guardians | <p>1 to 2 representatives per Executive Board/VP with the organizational development department.</p> | <p>From 1 to 2 representatives per Executive Board with the Business Partner of the department who will act as facilitators of this process, building the strategy and ensuring the execution of the plans.</p> |
|  Committees | <p>Fortnightly meetings between representatives and the organizational development department.</p> | <p>Bimonthly meetings coordinated by the organizational development department with the participation of the Guardians and Business Partners to present the progress of the plans.</p> |
|  Report | <p>Bimonthly reporting to Comex, the Board of Directors and Corporate Communications, via Fala aÍ in action.</p> | <p>Bimonthly report to the Executive Board/VP, in the diaries or via e-mail.</p> |



Diversity and inclusion

GRI 2-29 | 3-3

Diversity and inclusion are essential pillars for the vision and actions of the Petz Group, which sees their promotion as a way of enhancing everyday life and celebrating pluralities.

To this end, the **Atitude Petz** program brings together the actions on this front, intensifying our focus on affirmative groups and contributing to an increasingly diverse and inclusive culture.

For 2023, we are drawing up awareness-raising booklets for each minority group, as well as actions to mitigate prejudice through education.

DECONSTRUCTING PREJUDICES

Throughout the year, several activities aimed at minorities were carried out for all the Group's stakeholders. We published educational materials in our internal communications explaining various aspects of the LGBTQIA+ community, fighting prejudice and raising awareness.

During pride month, we carried out actions with the motto "**Deconstructing prejudices**" and a week dedicated to addressing the issue with round tables, lectures, testimonies, tips on series and movies.

LGBTQIA+ PRIDE WEEK



262 people took the Implicit Association Test (IAT) on unconscious preferences and beliefs



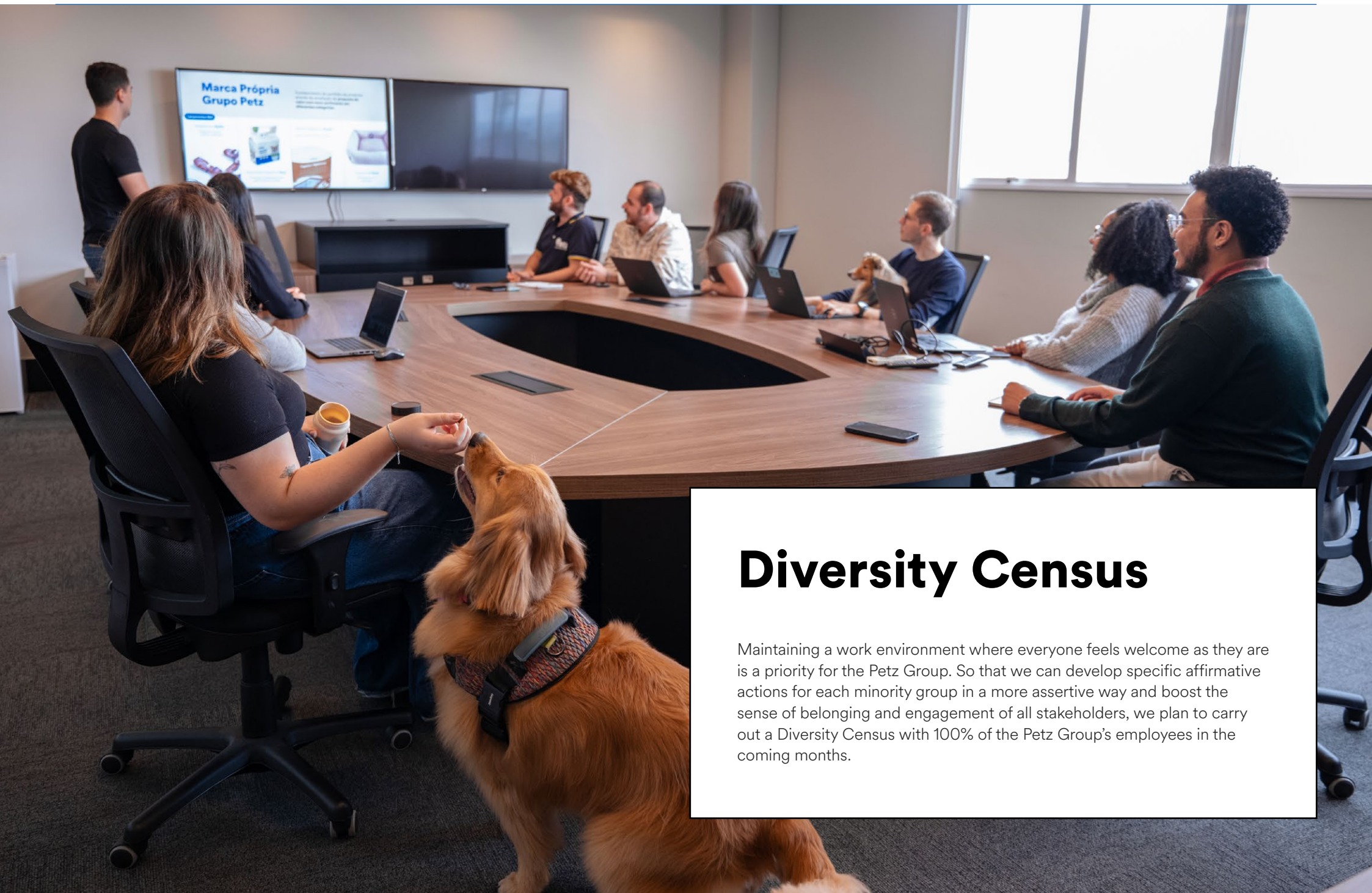
145 employees took part in conversation rounds



over 80% of those who responded to the satisfaction survey regarding the thematic week provided positive feedback



At the end, there were many positive comments and suggestions for improvements for the coming years



Diversity Census

Maintaining a work environment where everyone feels welcome as they are is a priority for the Petz Group. So that we can develop specific affirmative actions for each minority group in a more assertive way and boost the sense of belonging and engagement of all stakeholders, we plan to carry out a Diversity Census with 100% of the Petz Group's employees in the coming months.

ACCESSIBILITY

To promote the inclusion of people with disabilities in the Petz Group, the Company partnered with Ser Especial, a non-profit Work Integration Assistance Association, which stands out for its Professional Inclusion of People with Disabilities and Professional Apprenticeship Programs for people with disabilities.

To provide inclusive opportunities, we carefully direct these apprentices to environments where their individual needs can be met and their growth optimized.



+ 300 apprentices
in our business units

Libras lessons

In April, we held the Brazilian Sign Language week, spreading information on the subject. At the same time, Unipetz began offering an introductory course in Libras on its platform. With video lessons available to employees, the program covers the historical, social and pedagogical aspects of the language, as well as basic greetings and the verbs most commonly used on a daily basis.

Hand Talk

Petz Group was a pioneer in its sector in implementing the accessibility tool in Brazil.

With the help of virtual assistant Maya, Hand Talk automatically translates all e-commerce texts into Brazilian Sign Language (Libras), encouraging the inclusion of the 5% of the population who use Libras daily to communicate. In this way, we are moving forward in our commitment to provide an increasingly complete service to our customers, consolidating our position as the country's largest and most comprehensive pet ecosystem.



Parental leave

GRI 401-3

Parental leave

100% of our employees are entitled to leave



Employees who took leave in 2022

184 97

Employees who returned to work after leave (return rate)

99% 100%

Employees who remained with the Company 12 months after returning (retention rate)

40% 64%



For more information and tips on adapting to a new pet, visit:
<https://licencapeternidade.petz.com.br/>

PETERNITY LEAVE

In a pioneering move in the market, the Petz Group has launched the PETernity leave together with a group of companies.

We believe that adopting a pet is also about changing a life. That's why this initiative aims to offer adopters a free period to devote time and love to their new companion's adaptation period, so that everyone involved can learn to live together and build a healthy relationship.

The leave lasts two days and avoids stressful situations for the pet during the adaptation period. In this way, we understand that animal welfare reflects on employees' quality of life.



The employee is informed about the documents needed to obtain the benefit.



Upon adoption, the NGO responsible issues a certificate to the new owner.



With the certificate in hand, the employee agrees the length of the leave with HR.



With the leave secured, it's time to enjoy time with your new pet.



"Petz has a two-day Peternity Leave benefit and I recently took advantage of it with the arrival of my dog Fusca.

These first few days were crucial for him to build up his confidence and security, both in relation to his new environment and in relation to me. At first, he was restricted to a small enclosure, with everything he needed. It was only after these two days that I noticed that he was already very comfortable and curious, and I was finally able to open the fence so that he could get to know the rest of the house.

This restriction and initial dedication were very important in building our bond.

I credit his perfect adaptation to those first few days of total immersion. Today, he is completely safe during walks and also feels comfortable in our home."

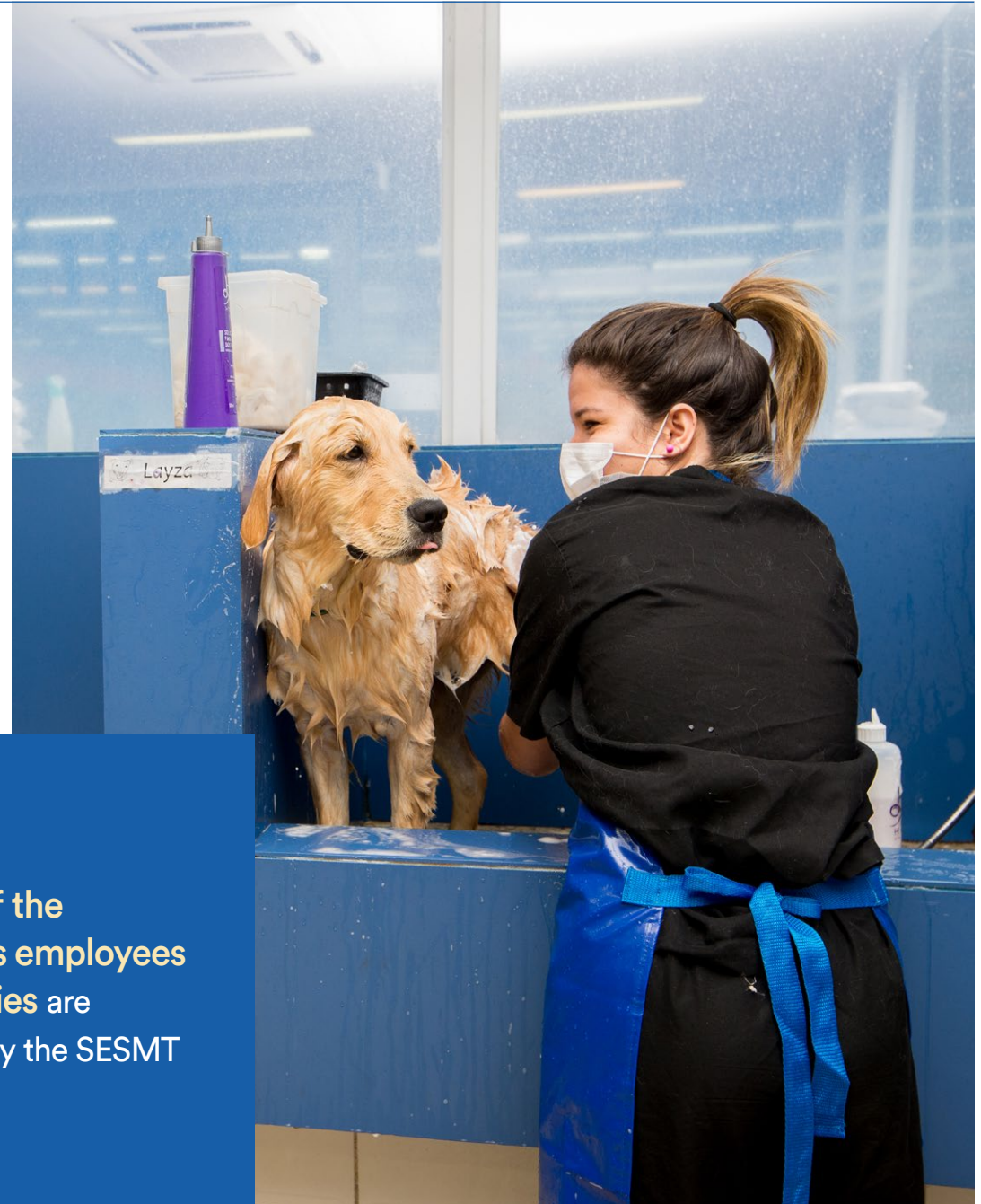
Nicole Tomazi de Pinho
Senior Designer Analyst

Occupational health and safety

GRI 403-1 | 403-6

Our employees' health and well-being are at the heart of our values. The Company has a Specialized Services in Safety and Occupational Medicine (SESMT) system that works to prevent accidents and occupational illnesses.

We follow the guidelines of Regulatory Standard No. 4, with an occupational health and safety management system aligned with our business and best market practices. Our team is made up of a team of professionals specialized in supporting all employees.



SESMT

Occupational engineers

Specialist occupational health analyst

+ outsourced team with several qualified professionals

Occupational safety technicians



100% of the Company's employees and activities are supported by the SESMT

Health promotion services and programs for employees



100% of our employees
are covered by health insurance



Amor de mãe program

A program aimed exclusively at pregnant employees who are active in the health plan offered by the Company. It provides mothers with care and guidance during their pregnancy and a maternity kit.



Chronic diseases

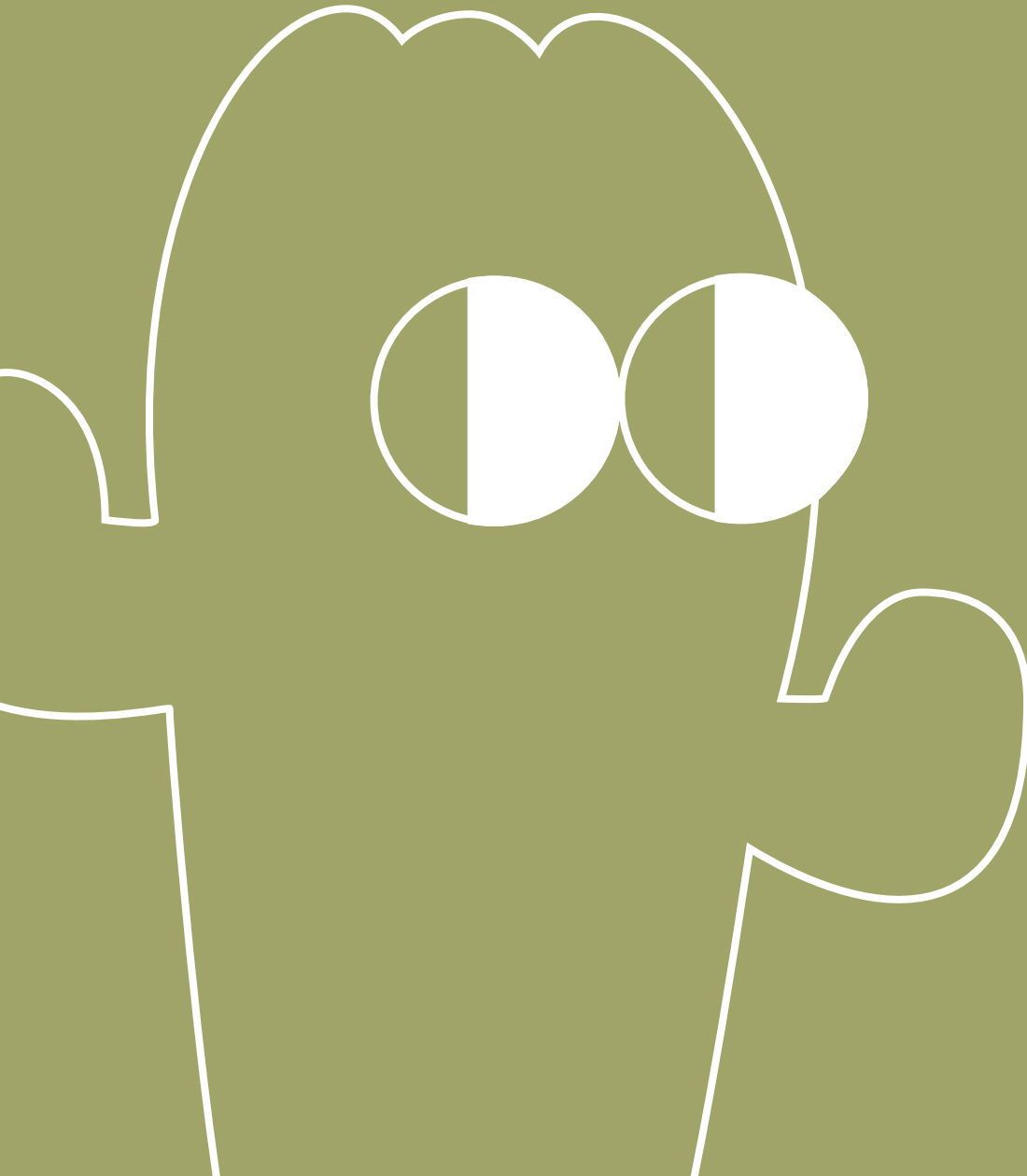
Our program is aimed at improving the quality of life of employees with Chronic Non-Communicable Diseases (CNCD), and consists of promoting preventive and educational measures for other employees and their dependents, also with consultancy from the D'or network.

Our program aims to suggest control measures, changes in routines and habits, with a view to monitoring the evolution/regression of the disease, bringing greater well-being to the beneficiary.



Vaccination campaigns, promotion of physical activity, emotional well-being programs and guidance on healthy eating

Sustainable Operation



6.1 Climate Change

GRI 2-17 | 3-3 | 305-1 | 305-2 | 305-3 | 305-4

In 2023, we carried out the Company's first Greenhouse Gas (GHG) Emissions Inventory, with a base date of 2022, and answered the Carbon Disclosure Project (CDP) 2022 climate change questionnaire.

The inventory is a milestone for the Petz Group, as it measures emissions and clarifies each activity's impact, divided into categories. This makes it possible to understand where our attention points are and guides us towards possible ways of reducing emissions.



Relevance

Selecting the information required for the GHG Inventory to reflect the reality of the Company's emissions and meet Petz's decision-making needs.



Integrity

Inclusion of all GHG emission sources and activities, within the chosen inventory limit, and a justification for any exclusion.



Accuracy

Quantifying GHG emissions at values close to reality and reducing uncertainties as far as feasible.



Consistency

Methodologies must be credible in order to allow meaningful comparisons of emissions over the long term.



Transparency

Disclosure of sufficient and appropriate information relating to GHG emissions to enable the developer to make a decision with reasonable confidence.

To ensure the document's trustworthiness, the committee responsible for conducting the Inventory has defined principles and guidelines to be followed in this process.

We also answered for the first time in 2023, with a base date of 2022, the Carbon Disclosure Project (CDP) questionnaire for the first time. Based on these commitments and with the results of the Inventory in hand, the Company will be able to work on making progress in the emissions agenda, to reduce its impacts on the challenge of tackling climate change.

Brazilian GHG Protocol Program



IPCC Guidelines for GHG Inventories



Baseline methodologies (COP 26)



GHG emissions intensity rate
0,06tCO₂e/m²

The intensity rate is a metric between the total CO₂e emitted in the year and the area of the Company's stores and distribution centers in m².



Of the proceeds from sales of Petz + MOL products, **5% goes to the NGO SOS Mata Atlântica** which neutralizes the carbon emissions of the books by planting trees.





Greenhouse Gas Emissions (tCO₂e)

| Scope/Description | CO ₂ (ton) | CH ₄ (ton) | N ₂ O (ton) | HFC (ton) | Total emissions (tCO ₂ e) | Category representation (%) |
|---------------------------|-----------------------|-----------------------|------------------------|-----------|--------------------------------------|-----------------------------|
| • Scope 1 | | | | | | |
| Mobile combustion | 230.53 | 0.07 | 0.02 | - | 238.43 | 1.55% |
| Fugitive emissions | 2.03 | - | - | 0.42 | 809.20 | 5.27% |
| • Scope 2 | | | | | | |
| Purchasing electricity | 2,007.55 | - | - | - | 2,007.55 | 13.07% |
| • Scope 3 | | | | | | |
| Upstream transportation | 7,114.44 | 0.42 | 0.42 | - | 7,237.70 | 47.14% |
| Downstream transportation | 3,228.61 | 0.89 | 0.39 | - | 3,357.08 | 21.86% |
| Effluents | - | 42.52 | 0.12 | - | 1,223.55 | 7.97% |
| Business travel | 477.51 | 0.005 | 0.02 | - | 481.85 | 3.14% |
| Total | | | | | 15,355.36 | 100% |

6.2 Circularity

GRI 3-3

The circular economy model has been increasingly prominent in discussions of new business models worldwide. It makes it possible to increase the useful life of inputs and materials, reducing waste in landfills and extracting inputs from nature.


Within Petz's ecosystem structure, the circularity implemented in Petix's activities is a highlight in the sector. A large part of the raw materials used in the brand's dog pads' production process come from reprocessed and reused materials, a process known as upcycling.


In addition, the plastic waste from using materials is transformed into new products, some of which are used internally by the Company. Find out more about this business activity on page 25.



Pillars of circularity

Aware of the waste it produces and the need to reduce the amount of this material, as far as possible in the reality of its activities, the Petz Group has established three action fronts in its Distribution Centers to extend the life cycle of its waste.

 **Reuse:** we reuse the packaging we receive from suppliers, such as cardboard boxes, wooden support beams and renewable corners, minimizing the generation of usable waste in our activities;

 **Recycling:** we raise awareness among the operation's employees about the proper separation of waste. In this way, we ensure that materials are collected properly, separated by category, so that they can go through the appropriate recycling processes.



Recycling 2022



Cardboard +440 ton



Plastic +230 ton

6.3 Sustainable Products and Packaging

GRI 3-3 | 306-2 | SASB CG-EC-410a.2 | CG-MR-410a.3

Conscious Delivery

In 2023, we launched a pilot project to reduce the amount of plastic packaging and envelopes sent when shopping on online channels.

Large-volume products, such as packets of dog pads, or over five kilograms, such as bags of feed and sand, are sent free of plastic envelopes, with an explanatory label explaining to customers that packaging is unnecessary.

So far, the pilot project has been implemented in ten stores and has had good results, which should make it possible to extend it to more stores as early as the second half of 2023.

Since the start of these activities, we have avoided using packaging in more than 70,000 products shipped, contributing to reducing of waste and mitigating greenhouse gases (GHGs).

We continue introducing improvements to our delivery procedures, monitoring damage rates and customer complaints. Training is also being carried out with our customer service team to enable them to answer any questions consumers may have.

Still on the subject of packaging, in all the Brazilian states where we operate, we work to adapt our processes and strictly follow each region's environmental legislation.

Under the National Solid Waste Policy (PNRS), implemented in 2010, each state and municipality has the autonomy to increase the stringency of the measures to be adopted. In this sense, we work to comply with specific local reverse logistics legislation required of importers, distributors, manufacturers or traders who carry out local activities.





**Conscious
Delivery**
pilot project



**Over 70
thousand
orders impacted**
(March to June/23)



Zero
negative feedbacks
(until June/23)



**10
stores**
included

Entrega consciente, uma iniciativa Petz



Estamos reduzindo o envio de plástico nas nossas entregas. Este produto dispensa o uso de sacola.

Petz

Example of a label that goes with shipments

6.4 Operational Eco-Efficiency

GRI 3-3

Waste

GRI 306-2 | 306-3

The Company has a partner Company responsible for correctly collecting, transporting and disposing of its waste, as required by law. We value ethics and respect for the environment, people's health and safety throughout the recycling or disposal process.

| Hazardous waste - Stores | |
|------------------------------------|--------------|
| Type of waste | Weight (ton) |
| Infectious, chemical and/or sharps | 6.3 |
| Total | 6.3 |

| Non-hazardous waste - Stores | |
|------------------------------|--------------|
| Type of waste | Weight (ton) |
| Common | 3.9 |
| Recyclable | 141 |
| Total | 144.9 |



| Non-hazardous waste - Distribution Centers (Embu e Mauá) | |
|--|--------------|
| Type of waste | Weight (ton) |
| Cardboard | 441.7 |
| Soft plastic | 227.0 |
| Cardboard | 6.4 |
| Soft plastic | 6.9 |
| Total | 682.0 |

Energy

GRI 302-1 | 302-3 | SASB CG-MR-130a.1 | CG-EC-130a.1

To reduce energy consumption and the financial impact resulting from this reduction, we are constantly looking for alternatives and solutions that generate efficiency in our activities.

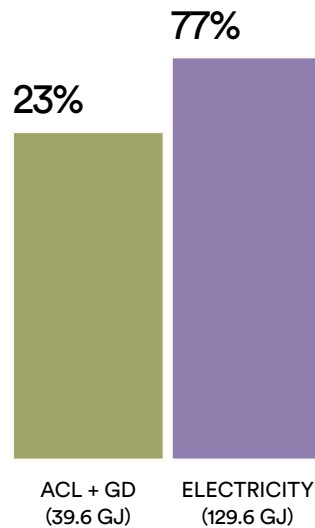
Among these solutions, one already implemented in several stores is automatic energy monitoring. This means that some equipment, such as air-conditioning, switches off automatically during non-operating hours and when the outside temperature is cold, avoiding waste and possible accidents.

Since the start of this transformation in 2022, there have already been 21 stores with this operation up and running and another 155 in the contracting phase.

Moreover, the units opened in 2018 have an LED lighting system. Added to some older units that have also been upgraded, we have a total of 191 units, i.e., 88% of the Group's stores have this efficient lighting system, reducing total energy consumption.

Also, since 2019, the Petz Group has been a member of the Free Energy Market (ACL) and Distributed Energy Generation (GD). Both currently account for 23% of the Company's total consumption.

Energy consumption



Energy intensity rate
(Petz stores area)
236,7KWh/m²

Water management

SASB CG-EC-130a.2

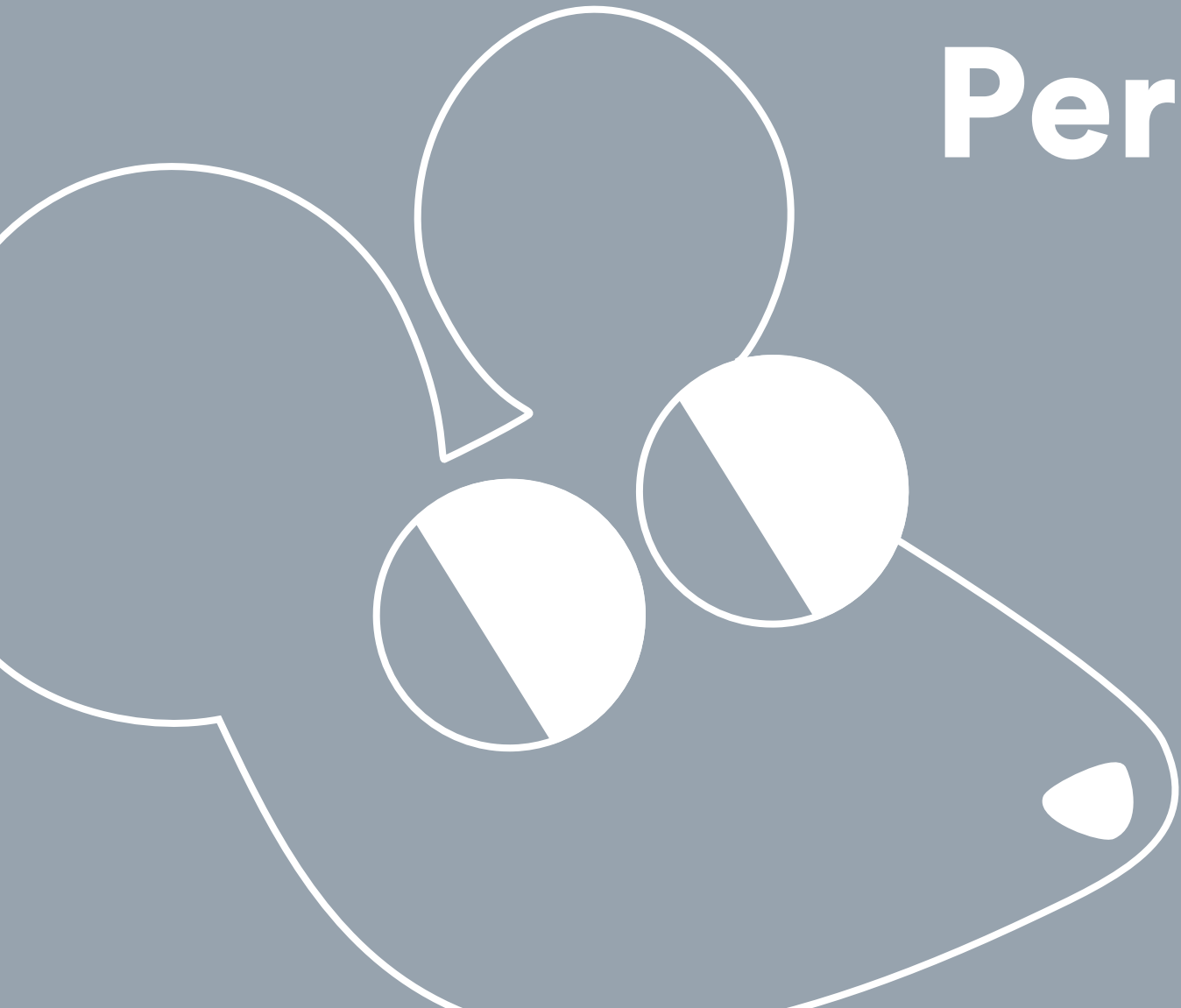
Water consumption at all Petz Group units and stores is constantly monitored by the teams responsible. As a result, possible deviations in consumption are quickly noticed and corrected, avoiding environmental and financial waste.



Total water consumed
in the period
177,152 m³



Financial Performance



7.1 Our Results

The year 2022 was highlighted by positive results for the Group, such as record store openings and turnover in the digital channel, consolidating one of the most significant growths in Brazilian retail.

This result reflects the resilience of the business, the investments made and well allocated throughout the year and our ability to grow in a market that is still booming in the country, even in adverse scenarios.

For 2023, the Petz Group's strategy continues to pursue the best balance among growth, profitability and innovation. We believe we are well positioned to consolidate our leadership position within the pet segment in Brazil, with a unique value proposition for customers and a robust cash position.

💰 **R\$3.4 BI**
Gross Revenue Petz Group,
+36% y/y and +3x vs. 2019

📈 **8.3%**
market share (around +1 p.p. y/y³)

📱 **40.6%**
growth in the Petz "Standalone" digital
channel, reaching R\$1 billion in sales

📖 **50**
store openings, record in
the Company's history,
entering 3 new States

³Market share calculated by Petz based on the Company's internal gross revenue data and supplemented by the total Pet Care market. Pet Care market based on Euromonitor International Limited, Pet Care 2024, edition published on June 26, 2023, retail sales including taxes, in local currency, in current terms.



7.2 Consolidated Data

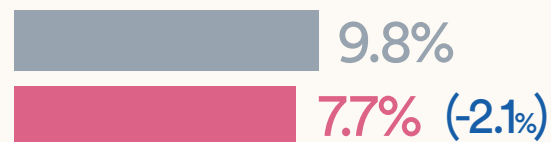
PETZ GROUP (thousands)

● 2021 ● 2022 ● % Change

Gross Revenue



Adjusted EBITDA Margin



Adjusted EBITDA



Adjusted Net Income



Petz "Standalone" (thousands)

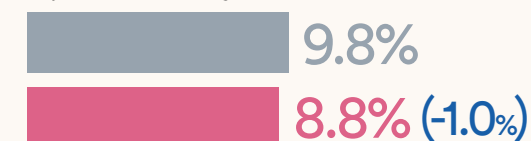
Gross Revenue

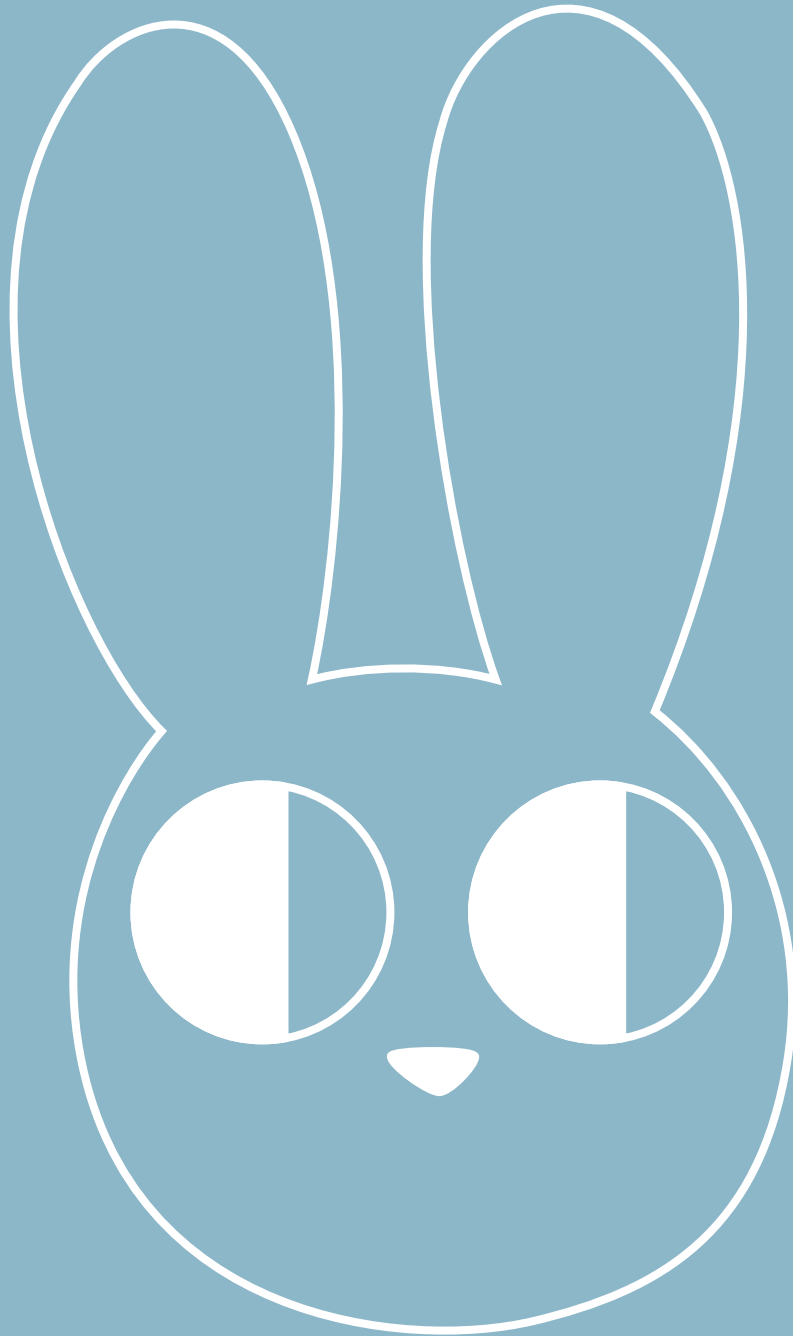


Adjusted EBITDA



Adjusted EBITDA Margin





Attachments

8.1 GRI Content Index

| Universal Standards | | Reference (pg.)/Direct answer |
|---|--|--|
| General Disclosures | | |
| <ul style="list-style-type: none"> The organization and its reporting practices | | |
| 2-1 | Organizational details | Pages 12, 16 e 61 Pet Center Marginal Ltda. is a publicly traded Company with headquarters in São Paulo (SP) and national activity. |
| 2-2 | Entities included in the organization's sustainability reporting | <ul style="list-style-type: none"> • Cansei de Ser Gato Serviços de produção de Conteúdo Ltda; • Cão Cidadão Administração de Franchising Ltda. ("Cão Cidadão"); • Pet Center Comércio e Participações S.A; • Petix Indústria, Comércio, Importação e Exportação de Produtos Gerais para Animais Domésticos Ltda; • Zee Dog S.A. ("Zee.Dog"). |
| 2-3 | Reporting period, frequency and contact point | Page 4 |
| 2-4 | Restatements of information | This is the Company's first Sustainability Report. |
| 2-5 | External assurance | This report has not been externally verified. |
| <ul style="list-style-type: none"> Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | Pages 16, 61 e 66 |
| 2-7 | Employees | Page 71 |

| Universal Standards | | Reference (pg.)/Direct answer |
|---|---|---|
| 2-8 | Workers who are not employees | Page 71 In 2022, the Petz Group had 1,818 outsourced employees, spread across cleaning, security, veterinary medicine, the administrative sector and distribution centers. |
| <ul style="list-style-type: none"> Governance | | |
| 2-9 | Governance structure and composition | Pages 35, 36, 38 e 39 |
| 2-10 | Nomination and selection of the highest governance body | Page 42 |
| 2-11 | Chair of the highest governance body | Pages 35, 36 e 39 The Chairman of the Board of Directors does not hold an executive position in the Company. |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Page 38 |
| 2-13 | Delegation of responsibility for managing impacts | Page 38 |
| 2-14 | Role of the highest governance body in sustainability reporting | Pages 4 e 38 |
| 2-15 | Conflicts of interest | Page 62 |
| 2-16 | Communication of critical concerns | In 2022 we did not receive any critical concerns through our communication and whistleblowing channels that required action by the Board of Directors. |
| 2-17 | Collective knowledge of the highest governance body | Pages 38 e 92 The Board of Directors is directly involved in the creation of the Sustainability Committee. |
| 2-18 | Evaluation of the performance of the highest governance body | Page 42 |
| 2-19 | Remuneration policies | Page 42 |
| 2-20 | Process to determine remuneration | Page 42 |
| 2-21 | Annual total compensation ratio | The ratio between the highest individual compensation recognized in the last fiscal year is 556 times higher than the median individual compensation of employees. |

| Universal Standards | | Reference (pg.)/Direct answer |
|---|--|---|
| <ul style="list-style-type: none"> Strategy, policies and practices | | |
| 2-22 | Statement on sustainable development strategy | Page 9 |
| 2-23 | Policy commitments | Page 62 |
| 2-24 | Embedding policy commitments | Page 76 |
| 2-25 | Processes to remediate negative impacts | Pages 63 e 64 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Page 63 |
| 2-27 | Compliance with laws and regulations | In 2022, no fines or sanctions were imposed on the Petz Group as a result of violations of laws and regulations. |
| 2-28 | Membership associations | Sérgio Zimerman (CEO) is a member of the board of the Retail Development Institute (IDV). |
| <ul style="list-style-type: none"> Stakeholder engagement | | |
| 2-29 | Approach to stakeholder engagement | Pages 6, 33 e 85 |
| 2-30 | Collective bargaining agreements | Page 71 |
| <ul style="list-style-type: none"> Material Topics | | |
| 3-1 | Process to determine material topics | Page 6 |
| 3-2 | List of material topics | Page 6 <ul style="list-style-type: none"> • Ethics and transparency; • Information security; • Supply chain management; • Diversity and inclusion; • Employee health and development; • Social investment; • Climate change; • Circularity; • Sustainable products; • Operational eco-efficiency. |
| 3-3 | Management of material topics | Pages 6, 45, 46, 65, 66, 76, 85, 92, 95, 96 e 98 |

| Specific Disclosures | | Reference (pg.)/Direct answer |
|--|---|---|
| Economic Content | | |
| <ul style="list-style-type: none"> Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | Amount generated: R\$1.1 billion Amount retained: R\$202.6 million Amount distributed: R\$908.8 million |
| <ul style="list-style-type: none"> Indirect Economic Impacts | | |
| 203-1 | Infrastructure investments and services supported | Page 46 |
| <ul style="list-style-type: none"> Procurement Practices | | |
| 204-1 | Proportion of spending on local suppliers | Page 66 |
| <ul style="list-style-type: none"> Anti-corruption | | |
| 205-3 | Confirmed incidents of corruption and actions taken | In 2022, three cases of in-store corruption were confirmed. The infractions were dealt with internally. Petz Group is working to report on this information in more detail in future reports. |
| Environmental content | | |
| <ul style="list-style-type: none"> Materials | | |
| 301-2 | Recycled input materials used | Page 25 |
| <ul style="list-style-type: none"> Energy | | |
| 302-1 | Energy consumption within the organization | Page 99 |
| 302-3 | Energy intensity | Page 99 |
| <ul style="list-style-type: none"> Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | Page 92 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Page 92 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Page 92 |
| 305-4 | GHG emissions intensity | Page 92 |

| Specific Disclosures | | Reference (pg.)/Direct answer |
|--|---|--|
| <ul style="list-style-type: none"> Waste | | |
| 306-2 | Management of significant waste-related impacts | Pages 96 e 98 |
| 306-3 | Total weight of waste generated in metric tons | Page 98 |
| Social Content | | |
| <ul style="list-style-type: none"> Employment | | |
| 401-3 | Return to work and retention rates of employees that took parental leave, by gender | Page 88 |
| <ul style="list-style-type: none"> Occupational Health and Safety | | |
| 403-1 | Occupational health and safety management system | Page 89 |
| 403-6 | Promotion of worker health | Page 89 |
| <ul style="list-style-type: none"> Training and Education | | |
| 404-1 | Average hours of training per year per employee, by gender and employee category | Pages 45 e 76 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews, by gender and employee category | Page 79 |
| <ul style="list-style-type: none"> Diversity and Equal Opportunity | | |
| 405-1 | Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity | Pages 35, 36, 39, 71 e 74 |
| <ul style="list-style-type: none"> Non-discrimination | | |
| 406-1 | Incidents of discrimination and corrective actions taken | During 2022, 12 cases of discrimination were identified across the Petz Group. All were taken up and referred to the HR Department, and in all cases corrective measures were applied internally by the Operational Department. Petz Group is working to report this information in more detail in future reports. |
| <ul style="list-style-type: none"> Customer Privacy | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | No complaints or breaches relating to privacy or loss of data were identified in the period covered by the Report. |

8.2 Sasb Content Index

| SASB Retail | | Reference (pg.)/Direct answer |
|---|---|--|
| Energy Management in Retail & Distribution | | |
| CG-MR-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Page 99 |
| • Data Security | | |
| CG-MR-230a.1 | Description of approach to identifying and addressing data security risks | Page 65 |
| CG-MR-230a.2 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected | No complaints or breaches relating to privacy or loss of data were identified in the period covered by the Report. |
| • Práticas Trabalhistas | | |
| CG-MR-310a.1 | (1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region | (1) Average hourly wage <ul style="list-style-type: none"> • Midwest: R\$8.97 • Northeast: R\$8.54 • North: R\$8.09 • Southeast: R\$13.33 • South: R\$10.20 (2) Percentage of employees earning minimum wage by region: <ul style="list-style-type: none"> • Midwest: 49% • Northeast: 47% • North: 65% • Southeast: 40% • South 63% |
| CG-MR-310a.2 | (1) Voluntary and (2) involuntary turnover rate for in-store employees | (1) Voluntary: 41.1% (2) Involuntary: 23.4% |

| SASB Retail | | Reference (pg.)/Direct answer |
|--|--|---|
| <ul style="list-style-type: none"> Workforce Diversity & Inclusion | | |
| CG-MR-330a.1 | Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees | <p>(1) Administration by ethnic/racial group: Asian: 1.8% White: 54.5% Indigenous: 0.6% Brown: 32.9% Black: 10.2%</p> <p>Administration by gender: Men: 46.4% Women: 53.6%</p> <p>(2) Other employees by ethnic/racial group: Asian: 1.7% White: 40.5% Indigenous: 0.4% Brown: 42.1% Black: 15.3%</p> <p>Other employees by gender: Men: 58% Women: 42%</p> |
| CG-MR-330a.2 | Total amount of monetary losses as a result of legal proceedings associated with employment discrimination | Petz Group had no convictions related to cases of employment discrimination in the period covered by the report. |
| <ul style="list-style-type: none"> Product Sourcing, Packaging & Marketing | | |
| CG-MR-410a.1 | Revenue from products third-party certified to environmental and/or social sustainability standards | Page 66 61% of revenue. |

| SASB Retail | | Reference (pg.)/Direct answer |
|---|---|--|
| CG-MR-410a.2 | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products | <p>For ingredients and packaging: follow product specifications, reports, weighing control, product analysis during and after production, Material Safety Data Sheet (MSDS), packaging migration report, evaluation procedures and records, employee training;</p> <p>Cleaning chemicals: use of MSDS, dilution procedures and forms of use, use of personal protective equipment (PPE), access control to products, rapid tests for cleaning validation, cleaning records, employee training;</p> <p>Process chemicals: product MSDS, equipment maintenance, post-maintenance cleaning procedures, reports on chemicals used, employee training.</p> <p>The audits also request a risk analysis on the use of chemical products at all stages of obtaining the finished product. Considering these results, specific forms of control are drawn up. For hazardous chemicals, a Federal and Civil Police License is required (predetermined list).</p> |
| CG-MR-410a.3 | Discussion of strategies to reduce the environmental impact of packaging | Page 96 |
| <ul style="list-style-type: none"> Activity Metrics | | |
| CG-MR-000.A | Number of: (1) retail locations and (2) distribution centers | <p>(1) Number of stores: 218</p> <p>(2) Number of distribution centers: three – Embu das Artes (SP), Mauá (SP) and Hidrolândia (GO).</p> |
| CG-MR-000.B | Total area of: (1) retail space and (2) distribution centers | <p>(1) Total store area: 198,564 m².</p> <p>(2) Total area of distribution centers: 52,528m².</p> |

| SASB E-commerce | | Reference (pg.)/Direct answer |
|--|--|--|
| Hardware Infrastructure Energy & Water Management | | |
| CG-EC-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Page 99 |
| CG-EC-130a.2 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Page 100 |
| CG-EC-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs | The data centers that service the Petz Group in terms of data management are outsourced. |
| Data Privacy & Advertising Standards | | |
| CG-EC-220a.1 | Number of users whose information is used for secondary purposes | In total, 7.6 million users have their data used internally by artificial intelligence so that we can offer more assertive product and service deals to each customer. There is no commercialization of data within our systems. |
| CG-EC-220a.2 | Description of policies and practices relating to behavioral advertising and user privacy | Page 65 |
| Data Security | | |
| CG-EC-230a.1 | Description of approach to identifying and addressing data security risks | Page 65 |
| CG-EC-230a.2 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected | No complaints or breaches relating to privacy or data loss were identified in the period covered by the Report. |
| Employee Recruitment, Inclusion & Performance | | |
| CG-EC-330a.1 | Employee engagement as a percentage | Page 79 |
| CG-EC-330a.2 | (1) Voluntary and (2) involuntary turnover rate for all employees | Voluntary: 36.52% Involuntary: 23.21% |

| SASB E-commerce | | Reference (pg.)/Direct answer |
|----------------------------------|--|--|
| CG-EC-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | <p>For this indicator, we focused on employees in the Company's e-commerce area:</p> <p>(1) Management by ethnic/racial group: Asian: 0% White: 80.6% Indigenous: 0% Brown: 13.9% Black: 5.5%</p> <p>Management by gender: Men: 70.3% Women: 29.7%</p> <p>(2) The technical team is 100% outsourced.</p> <p>(3) Other employees by ethnic/racial group: Asian: 2.1% White: 44.4% Indigenous: 1.1% Brown: 38.7% Black: 13.7%</p> <p>Other employees by gender: Men: 39.8% Women: 60.2%</p> |
| CG-EC-330a.4 | Percentage of technical employees who are H-1B visa holders | Not applicable. |
| Product Packaging & Distribution | | |
| CG-EC-410a.1 | Total greenhouse gas (GHG) footprint of product shipments | 15355,36 tCO ₂ |
| CG-EC-410a.2 | Discussion of strategies to reduce the environmental impact of product delivery | Page 96 |

| SASB E-commerce | | Reference (pg.)/Direct answer |
|------------------------------|---|---|
| Métricas de Atividade | | |
| CG-EC-000.A | Entity-defined measure of user activity | Petz e-commerce has an average of 384,000 monthly purchases. On the Android and iOS apps, we have averaged 1 billion hits per month. |
| CG-EC-000.B | Data processing capacity, percentage outsourced | Between December/22 and January/23, we had an average of 950 million e-commerce requests. |
| CG-EC-000.C | Number of shipments | Total of 6,292,566 e-commerce orders placed in 2022. |

8.3 SDG Map





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