

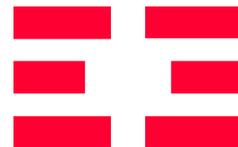


Petco

Locations: Texas (HQ)

Industries: Food and Staples Retailing, Retailing

RISK LEVEL:



High Risk

DESCRIPTION:

Petco is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. Petco embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. Medium Risk

Petco received a score of 95 on the 2025 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). However, Petco has not publicly canceled customers, suppliers, or vendors based on political views or religious beliefs (3).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk

Petco's HRC 2025 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). Petco does not discriminate against charitable organizations based on views or beliefs. The company's charitable giving focus areas are "programs that promote the benefits of pet companionship for people, healthy environments for animals, and improving animal welfare" (3)(4)(5)(6).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

Petco's HRC 2025 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). Petco began a diversity analysis of suppliers in 2020 (3). The company holds mandatory employee DEI training (4). Petco does not provide viewpoint protections for its employees (5).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk

Petco's HRC 2025 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy. By doing so, the company risks dividing employees, alienating customers and harming shareholders (1)(2). Petco opposed Georgia's voting integrity bill (3). The company's former CEO, Ron Coughlin, signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace, strategize on DEI programs/initiatives with other signatories, and engage boards of directors when developing and evaluating DEI strategies (4)(5). Petco is a founding member of the Pet Sustainability Coalition and is a member of RILA, which engage in ESG and DEI advocacy (6). The company "actively seek[s] ways to promote and support external DEI opportunities," such as by partnering with the Alliance for Inclusive and Multicultural Marketing (7).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk

Petco's HRC 2025 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology. By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders (1)(2). Petco is a Gold Tier corporate sponsor of the Trevor Project, an organization that advocates for controversial sex and gender ideology, including "gender transition" drugs and surgeries for minors, through legislation, litigation, advertising, and PR campaigns. The organization also hosts online chatrooms that allow adults to communicate with minors as young as 13 about sexually explicit topics. Adults in these chatrooms have encouraged minors to adopt transgender identities and withhold this information from their parents (3)(4)(5)(6)(7)(8). Otherwise, there are no publicly known cases of Petco using corporate funds to advance ideological causes, organizations, or policies (9).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes. High Risk

Petco's HRC 2025 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives. By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders (1)(2). Petco does not operate a PAC at this time and has not lobbied for ideological purposes (3)(4)(5).

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