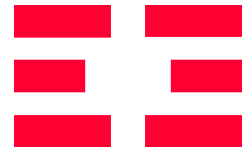



Petco

Locations: Texas (HQ)

Industries: Food and Staples Retailing, Retailing

RISK LEVEL:

High Risk
DESCRIPTION:

Petco received a score of 95 on the Human Rights Campaign's (HRC) Corporate Equality Index (CEI). By complying with Human Rights Campaign's controversial demands, Petco increases the risk of dividing employees, alienating customers and harming shareholders. The company covers transgender-related medical costs for its employees and their children and provides specific sexual orientation and gender identity-based benefits. It also uses sex and gender ideology criteria in employee recruitment, vendor selection, marketing, and philanthropic support. Petco forces employees to undergo multiple ideological trainings and uses its reputation, corporate funds, and political influence to support controversial sex and gender ideologies, organizations, and legislation. Petco does not provide viewpoint protections for its employees and supports LGBTQ Pride within its business practices. Petco is a member of multiple DEI advocacy organizations, and the company has engaged in ideological legislative advocacy. The company's CEO signed the CEO Action for Diversity and Inclusion pledge and has donated to The Trevor Project. Petco has embraced DEI, requiring unconscious bias training and pronouns on employee nametags. For these reasons, Petco receives a High Risk rating.

Corporate Weaponization

Has denied service to 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 2023 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 terminated business relationships due to religious beliefs or political views. Petco began a diversity analysis of suppliers in 2020 (3). The company has a written policy pledging to vet vendors for LGBTQ policies. Its Supplier Code of Conduct/Code of Business Ethics requires vendors to include sexual orientation and gender identity in their nondiscrimination policy (4)(5).

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

(1)(2). Petco does not discriminate against religious organizations in its charitable giving. The company's charitable work focuses on "programs that promote the benefits of pet companionship for people, healthy environments for animals, and improving animal welfare through our Petco Love foundation" (3)(4)(5)(6).

Employment policies fail to protect against discrimination based on political affiliation/views and/or religion.

High Risk

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 does not provide viewpoint protections for its employees ⁽³⁾.

Corporate Governance and Public Policy

Uses corporate reputation to support ideological causes and/or organizations hostile to freedom of expression. High Risk

indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy ⁽¹⁾⁽²⁾.customers and harming shareholders. Petco opposed Georgia's voting integrity bill ⁽³⁾. Petco publicly supports LGBTQ Pride and holds mandatory employee DEI training ⁽⁴⁾⁽⁵⁾⁽⁶⁾. The company's CEO signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace ⁽⁷⁾. Petco is a founding member of the Pet Sustainability Coalition and is a member of RILA, which engage in ESG and DEI advocacy ⁽⁸⁾. 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 ⁽⁹⁾.

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

⁽¹⁾⁽²⁾. By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders. Petco donates to The Trevor Project, which engages in LGBTQ advocacy ⁽³⁾.

Uses corporate political contributions for ideological, non-business purposes.

High Risk

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

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