

A World Through Their Eyes

Corporate Social Responsibility Report 2022



A World Through Their Eyes

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Associate photo submitted by Marcia L.

A Letter from our President & Chief Executive Officer

Pets make us better people and help us live more fulfilled lives. It's for that simple, yet powerful, reason that we at PetSmart work every day to make sure all pets have the love and care they deserve. We're proud to be part of a community where families are created, and where pet parents know they have a trusted partner in doing the very best for their pets. This is how we deliver on our brand promise of *Anything for Pets*, by providing excellent products and services and convenient, affordable access.

As the largest omnichannel pet retailer in North America, we've worked to meet our customers wherever and however they want to shop by increasing access to digital and convenience tools. With over 1,600 stores, more than 55% of U.S. families live within five miles of a PetSmart store. As a result, our business has continued on a path of tremendous growth, growing top-line sales by over 40% over the past four years.

Our success wouldn't be possible without the dedication of our associates. Throughout 2022, I spent many hours listening to their ideas for making our business even stronger, and received countless valuable recommendations to help us prioritize new initiatives and resource allocation.

It's our associates who represent the most important investment in the long-term sustainability of our business. Since 2020, we've committed over \$250 million to increased wages and benefits to help ensure their health, safety and wellbeing. Our associates come to PetSmart because they love pets. We want them to stay because they feel a deep sense of belonging and supported in building a future for themselves here.

This commitment to associates drives our leadership in corporate social responsibility (CSR) and, as a leader in our space, we want to take a greater role in setting the industry standard. We've formalized CSR as a cross-functional discipline to harness all the great work already underway, while identifying new opportunities to affect meaningful business and societal change. As we progress this work, our actions will reflect the expectations that come with being a leader in our industry.

Our CSR strategy – **A World Through Their Eyes** – is focused on the issues that drive our business, and areas where we can have the greatest impact. It acknowledges that our foremost responsibility is ensuring the welfare of animals, and that the skill and passion of our associates is what enables us to do so. It also formalizes our commitment to responsible business practices and environmental sustainability.

Thank you for your partnership in the work ahead, and for taking the time to explore our first annual Corporate Social Responsibility report. This is our commitment to pets and the people who love them.

Sincerely,



J.K. Symancyk
President & Chief Executive Officer



Our **Voice of the Associate Listening Tour** helped us gain insights from hundreds of PetSmart associates on how we can do better to support our customers and associates.



100% Regions Visited: Tours have been held across the U.S. and Canada in 100% of our field regions.

22 Listening Sessions: Held virtually and in person across stores, DCs and Home Offices.

Over 350 Attendees: Associates and leaders invited to attend across the U.S. and Canada. 75% of attendees are front-line associates.

A Letter from our Vice President, CSR & Sustainability

I joined the PetSmart pack in May 2022 as the company's first vice president of corporate social responsibility (CSR) & sustainability. What I found, from my very first day on the job, is that PetSmart and its associates are passionately devoted to pets, deeply committed to operating responsibly, and already innovating across a broad range of CSR areas. These values are supported by a CEO and executive leadership team, including our owners at BC Partners, who view CSR as a business imperative. Together, we are working to ensure PetSmart continues to live up to our reputation as the trusted partner to pet parents and pets.

Over the past several months I've partnered closely with subject matter experts throughout the company, as well as external stakeholders, to narrow in on the investments, programs and policies that will comprise a long-term strategic plan to guide our efforts. Part of that work included the completion of a robust materiality assessment to prioritize the issues that are most important to our internal and external stakeholders and most critical to achieving our strategic business objectives.

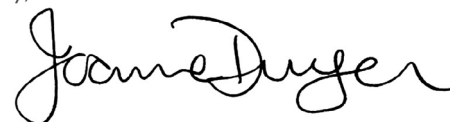
Materiality has informed the development of this first annual CSR report. In the coming months, it will also support the establishment of long-term goals and performance targets in priority areas. While this report is focused on 2022 activities, it establishes an important baseline as we look to measure and report on our progress in the years to come. We are also using international frameworks, including the U.N. Sustainable

Development Goals and the Global Reporting Initiative, for guidance as we work to mature our strategy and future reporting.

Our new CSR platform, **A World Through Their Eyes**, is inspired by our love for pets and our belief that pets make us better people. Our pets are a daily reminder that all of PetSmart's investments in CSR should aspire to a world that is sincere, inclusive and sustainable for all. We already demonstrate this commitment through longstanding initiatives and investments across animal welfare, associate benefits and experience, community partnership, and a strong culture of Belonging. We don't take our leadership position lightly and strive for continuous improvement across all priority areas as we work to better serve our stakeholders.

For so many of us at PetSmart, our daily work joins together a deep love for animals and a desire to leave our world a better place than how we found it. You'll see that joyous love of pets highlighted throughout this report with photos provided by our own associates! We're energized to continue this journey and to share more about the future we envision for pets, associates, communities and the planet.

Sincerely,



Joanne Dwyer

Vice President, Corporate Social
Responsibility & Sustainability



Our strategy is focused on advancing the issues that drive our business, and where we can have the greatest impact, across three pillars.



Healthy & Happy Pets: The welfare of animals in our care and in our communities is our foremost responsibility.



Empowered People: We are the trusted partner to pet parents and pets because of the skill and passion of our associates. We are committed to supporting their health, wellbeing and growth.



Responsible Stewards: Our commitment to responsible business practices extends to our associates, consumers and a healthy planet, which is critical to the health of pets and pet parents.

About PetSmart

PetSmart is the leading pet retailer offering products, services and solutions for the lifetime needs of pets. Every day with every connection, our more than 50,000 passionate associates help bring pet parents closer to their pets so they can live more fulfilled lives together. This vision impacts everything we do for our customers, the way we support our associates and how we give back to our communities.

Headquartered in Phoenix, Arizona, PetSmart operates over 1,660 stores in the U.S., Canada and Puerto Rico. All our locations feature pet styling salons that provide high-quality grooming services for dogs, and many of our pet styling salons also provide services for cats. Our over 200 in-store **PetSmart PetsHotel®** locations provide boarding for dogs and most of our locations provide boarding for cats. This includes 24-hour supervision by caregivers who are trained to provide personalized pet care, temperature-controlled rooms and suites, air purification systems, daily specialty treats and play time, as well as **Doggie Day Camp**. Most of our stores offer comprehensive dog training services. We also make veterinary care available in more than 750 of our stores through third-party operators.

PetSmart Charities and **PetSmart Charities of Canada** work with over 2,000 animal welfare organizations to bring adoptable pets into PetSmart stores so they have the best chance possible of finding a forever home. Through this in-store adoption program and other signature events, PetSmart Charities has facilitated more than 10 million pet adoptions, more than any other brick-and-mortar organization.

40%
top-line sales growth
over last 4 years

200+
In-Store **PetSmart PetsHotel®**
boarding facilities, **Doggie Day
Camp** play spaces

2.5M+ overnight stays **13M+** grooming appointments **420K** training sessions annually



750+
veterinary
offices operated
by third parties

10 Proprietary Brands

each exceeding **\$100M** in annualized sales, including



60M
PetSmart Treats®
loyalty members

50K+
associates who will do
Anything for Pets®



1,660+
pet stores and grooming
salons in the U.S.,
Canada and Puerto Rico

HQ
located in
Phoenix, AZ

OUR VISION

We love pets, and we believe pets make us better people. PetSmart is the trusted partner to pet parents and pets in every moment of their lives.

OUR MISSION

Every day with every connection, PetSmart’s passionate associates help bring pet parents closer to their pets so that they can live more fulfilled lives.

OUR VALUES

Passion For Pets and People

We unconditionally love pets and have a passion for serving the needs of pet parents. We are devoted to helping pets live their healthiest, happiest lives.

Accountable to the Pack

We do what’s right, deliver on commitments and own the outcomes of our actions. Each of us plays an active role in growing the business and finding solutions.

Learn New Tricks

We are always curious, try new things and learn from our mistakes. Every day is an opportunity to be better.

Play To Win

We see each day as a competition to be won. We embrace challenges, take prudent risks and celebrate successes.

United Together

We promote belonging and inclusiveness where individuals with diverse backgrounds and talents can excel. We know that by working together, we can accomplish great things.

A World Through Their Eyes

At PetSmart, we're working to create a world as our pets see it. Because a world through the eyes of our pets is one that's more compassionate, inclusive, sincere and community-centric. It's a world that recognizes the critical importance of healthy people and pets, the preservation of our planet and taking time to play.

Loving our pets makes us better people, and we learn from them every day. It's these lessons that guide us as we pursue opportunities to have a meaningful impact through our CSR programs. We won't get it all right, right away, but we will strive to be transparent along our journey. Inspired by our pets, we are making investments to promote pet health and happiness, empower people and communities, and operate ethically and responsibly.

This is our commitment to pets and the people who love them.



CSR Governance

Leadership of our CSR strategy starts with our CEO and cascades across our enterprise. Our Environmental, Social and Governance (ESG) Steering Committee supports PetSmart’s ongoing commitment to environmental sustainability, the health, safety & wellbeing of people and pets. It is a cross-functional management committee responsible for developing general strategy relating to ESG issues; allocating appropriate resources to execute on that strategy; and ensuring accountability and transparency to our many stakeholders. Our Vice President, CSR & Sustainability briefs the Steering Committee twice annually on strategic priorities and emerging issues. As the ESG Steering Committee provides oversight, the ESG Operating Committee supports leaders in managing strategy execution, working with individual subject matter experts to administer programs and implement policies.

OUR CSR STRATEGY PILLARS

A World Through Their Eyes



Healthy & Happy Pets

Ensuring the welfare of animals in our care and our communities is our foremost responsibility. Through the clinical expertise of our staff veterinarians, our investments in training and education, our drive to provide best-in-class products and services, and our support of PetSmart Charities, we are living up to our brand promise – *Anything for Pets*.



Empowered People

Our 50,000+ passionate associates are the driving force that has made PetSmart the trusted partner to pet parents and pets. We invest in programs that support their health and safety, improve their quality of life and experience at PetSmart, and celebrate our strong culture of Belonging. We aim to build a diverse and inclusive workforce, and we’re committed to investing in the advancement of our associates and communities.



Associate photo submitted by Bradley B.

Responsible Stewards

We’re committed to being responsible stewards of our brand and our planet. We aim for excellence in regulatory compliance and as we grow our company our focus is on operating ethically, responsibly and with increased transparency. This includes our efforts to mitigate our impact on the environment; safeguard human and animal rights across our supply chain; and protect the data privacy of our customers and associates.

Stakeholder Engagement

Engaging with ...

Our Associates

- Throughout 2022, nine senior executives, representing 60% of our senior leadership team, participated in our first ever Voice of the Associate listening tour, traveling to each region and meeting with hundreds of associates over 22 sessions. Based on feedback provided by associates we committed to several actions, including creating a mobile-first internal communications platform, Central Bark, which launched in 2023 and aims to improve communication between corporate offices and the field.
- Our annual associate engagement survey and periodic pulse surveys invite all associates to provide feedback on their experience working at PetSmart. Participation in the 2022 survey exceeded the industry benchmark of 74%, with 78% of associates responding.

Pets & Pet Parents

- We conduct ongoing customer research that helps ensure we are meeting the needs of pet parents everywhere we operate. Based on our findings in 2022, we invested in campaigns and programs that helped our customers shop at PetSmart in the way most convenient to them, in store or online, for delivery or pickup. We also worked to better respond to the needs and preferences of a growing segment of Hispanic pet parents, through media partnerships with

Our CSR strategy considers how PetSmart serves our associates, customers, communities, business partners and society at-large. Maintaining ongoing, two-way communications between our company and our stakeholders enables us to be both forward-looking and responsive. In 2022, we engaged a wide range of stakeholders to inform our materiality assessment and set the future direction of our CSR strategy. This targeted engagement complemented ongoing stakeholder engagement throughout the year.

companies like Univision, including custom segments in the highly-watched *Despierta America* morning show.

- As part of our materiality assessment, we asked 500 pet parents which CSR issues were most important to them. Our customers overwhelmingly indicated that pet care and the wellbeing of animals in our care is most important to them, followed by the responsible sourcing of live pets.

Suppliers

- We hold our vendors to high standards, and require any prospective vendor of live pets to agree to our Vet Assured™ Program, which details specific animal health and welfare standards, including facility requirements, biosecurity, nutrition, sanitation, veterinary care and disease testing. In 2022, we expanded our onboarding process for vendors who serve as intermediaries or brokers to also include supplier due diligence practices and codes of conduct to promote responsible upstream sourcing practices. We are committed to increasing capacity for and implementation of domestic captive breeding for certain species where possible.

NGOs

- PetSmart serves as a Champion Member in the [Pet Sustainability Coalition](#) (PSC). In 2022, we engaged PSC to support our materiality assessment and provide input on how we can help advance the United Nations' Sustainable Development Goals.

- We collaborate with nonprofit organizations working to advance animal welfare, including World Animal Protection in Canada. We value their expertise in animal welfare and biodiversity science and leverage their insights to continuously help us evaluate and evolve our policies in these areas.

Industry Organizations

- We regularly engage with our peers and industry experts on sustainability issues through our participation in the [Retail Industry Leaders Association](#) (RILA) and National Retail Federation (NRF). Our CEO J.K. Symancyk sits on RILA's Board of Directors, and PetSmart committee membership spans topics such as responsible sourcing, energy management, environmental compliance and zero waste.
- We are proud to partner with several external organizations that help inform our strategy related to diversity, equity, inclusion and belonging, including [Disability:IN](#), [National Hispanic Corporate Council](#), [Seramount](#), [Women Business Collaborative](#), [Black Chamber of Arizona](#), [American Indigenous Business Leaders](#), [Professional Diversity Network](#) and the [Hispanic/Latino Professionals Association](#).
- We worked closely with the [American Animal Hospital Association](#) (AAHA) in 2022 to establish an accreditation process for all PetSmart Veterinary Services (PVS) franchise practices, supporting hospital cohort groups and facilities designed using AAHA guidelines. PVS also joined AAHA in its *Gather Voices* campaign, an outreach program focused on the health and wellbeing of veterinary professionals.

Material Topics

Our corporate social responsibility strategy and reporting focuses on the areas where we believe PetSmart can have the greatest impact, both in advancing our business performance and meeting the expectations of our many stakeholders.

In 2022, we partnered with the Pet Sustainability Coalition and an expert, independent consultant to complete a materiality assessment that identified and prioritized our material topics. Through this assessment, we solicited feedback from internal and external stakeholders, including senior leaders and associates, investors, and experts in the areas of animal welfare, retail sustainability and corporate responsibility. The results of this assessment, prioritized on the matrix to the right, will guide our CSR investments and inform our work in determining forward-looking goals and performance targets.



Influence on Stakeholder Assessments and Decisions



Significance of Economic, Environmental and Social Impacts

- Environment
- Social
- Governance
- Industry Specific

Material Topic Definitions

1

Pet Care and Treatment in Stores:

ensuring the highest quality of care and humane treatment for all pets inside our stores, including those for sale, and those participating in grooming, boarding, day-care and training services

2

Associate Health, Wellbeing and Benefits:

providing associates with offerings, commitments and wages that support them in pursuing healthy and fulfilling lives at PetSmart

3

Sourcing of Live Pets:

considering the biodiversity impacts of our pet sourcing strategy, obtaining live pets from humane, ethical sources, and ensuring humane transport and delivery of pets

4

Diversity, Equity, Inclusion and Belonging:

developing a workforce that celebrates diversity, and a culture where every associate feels they belong and can thrive

5

Energy and Climate Action:

reducing our climate impact through GHG emissions reductions and other strategically planned initiatives

6

Waste Reduction:

maximizing resources available, reducing waste within our operations, and improving recycling rates

7

Corporate Governance:

information sharing to promote trust and defined responsibilities for greater accountability

8

Customer Data Protection and Privacy:

implementing policies and investing in processes that ensure responsible use and prevent theft of user data

9

Associate Career Advancement and Development:

training, professional development and retention strategies that support associates in growing their careers at PetSmart

10

Community Engagement and Philanthropy:

volunteerism, community investments and partnerships that transform the lives of pets and those who love them, including through pet adoption

11

Sustainable Sourcing:

considering how the sourcing of product ingredients and materials impacts pets, people and the planet

12

Product and Packaging Design:

designing products and packaging for maximum durability, recyclability, and with consideration of the full product life cycle

13

Water Management in Stores:

increasing efficiencies in water intensive practices within our stores, such as fish displays and grooming

14

Business Ethics:

principles, policies and procedures that prevent fraud and ensure compliance and ethical operations

15

Capital/Store Improvements:

identifying opportunities to reduce the environmental impact of our stores

16

Downstream Impacts of Pets Sold:

programs and initiatives that address challenges and ecosystem impacts of purchased pets being released into the wild by customers

17

Public Policy and Advocacy:

advocating for legislative and policy actions that support our economic, environmental, social and governance priorities

18

Responsible Marketing and Advertising:

using our communications channels to promote transparency, honesty and inclusion



Healthy & Happy Pets





Healthy & Happy Pets

We aim to lead the industry in providing the highest-quality care to pets – before they reach our stores, while they’re in our care, and after they settle happily into their forever homes. All of our pet care health and safety practices, policies and procedures are evidence based, and developed with the clinical expertise of our staff veterinary team.

Our associates are passionate about pet care, and we support them with more hands-on instruction and training than anyone else in the industry, especially in our salons, hotels and day camps. Every animal in our care has rigorous pet care protocols, care guides, habitat and cleaning standards, and our associates work every day to uphold them.

We know access to high-quality veterinary care is one of the biggest priorities for pet parents, and in 2022 we launched PetSmart Veterinary Services to build on what is already the largest base of veterinary hospitals of any pet retailer. By putting ownership back into the hands of veterinarians and prioritizing affordable and accessible care, we believe we can revolutionize the future of veterinary care.

Our commitment to excellence in pet care extends to our supply chain. It is our policy to only partner with vendors who share our commitment to pet health and happiness, and who have the expertise and experience to meet our high standards and expectations. These

same standards extend to our partnership with pet parents. We want to help customers welcome new pets into their family, but only when we can do so responsibly. Instead of selling dogs, cats or rabbits in our stores, we provide access to a network of more than 2,000 shelters and rescue groups to facilitate adoptions in our stores.

For those small animals we do sell, we’ve expanded the education we provide to new pet parents, including our robust species-specific care guides, and we empower our associates to evaluate pet parent suitability. We also regularly review and update our policies and standards related to responsible pet sourcing and sales.

As the leading funder of animal welfare in North America, PetSmart Charities has granted more than \$500 million over its history to change-making organizations that help transform the lives of pets and those who love them. In 2022, we celebrated 10 million pet lives saved through adoption.

750 
third-party veterinary hospitals

\$500M
invested by PetSmart Charities to transform the lives of pets

Nearly 1.5M
hours of training for associates in pet care roles

Key Statistics

2022 HIGHLIGHTS Healthy & Happy Pets

9.4M
pets cared for
across our footprint
in stores, salons,
daycares & hotels

PETSMART Charities
Announced \$100M
five-year commitment to help break down the geographic, cultural, language and financial barriers that prevent pets from receiving the veterinary care they need to thrive

Expanded process for vendors to promote responsible upstream sourcing practices

PETSMART Charities
announces groundbreaking partnership with the **American Red Cross** in supporting pets as family members during times of disaster

Supported **one-of-a-kind in-depth nutritional study** focused on improving dog and cat gut health and immunity



2.5M
pet care guides distributed to support pet parents

>99.9%
safety rate for pets

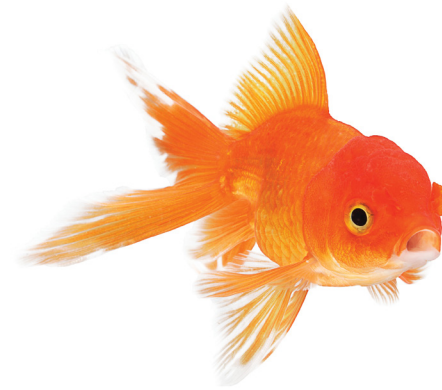
\$4.5M
donated to PetSmart Charities and PetSmart Charities of Canada through the purchase of **Chance & Friends** plush toys



PETSMART Charities
10 millionth pet life saved through adoption



Our store leaders spend more than 600,000 hours a year walking stores to check on animal welfare and habitat cleanliness.



Prioritizing Animal Welfare

Our panel of staff veterinarians and Vet Health Services team contribute to our pet care standards, policies and procedures with an evidence-based approach and clinical best practices. We have rigorous protocols, care guides, habitat policies and cleaning standards for the diverse group of animals in our care. These standards apply to our live pet vendors as well, and we are committed to positively influencing the upstream small animal supply in the industry.

At the cornerstone of our commitment to the welfare of small mammals, birds, reptiles, amphibians, fish and invertebrates is our **Vet Assured™** program. The Vet Assured™ program promotes responsible sourcing, sets standards for care and transportation practices and policies of our suppliers; and requires screening tests for certain pets at the supplier before they are offered for sale.

PetSmart store leadership teams perform daily walks to check in with associates and animals, validating the cleanliness and compliance of habitat environments. Store and district leadership teams conduct additional validation walks every week and every quarter. Our internal audit team also visits up to 500 stores annually to independently verify compliance

with our rigorous standards and policies for pet care. When our audit team identifies conditions that need improvement, audit accountability plans are put in place and are completed by the store leader and verified by the district leader. All stores have safety and emergency plans in place to safeguard the wellbeing of pets in our care.

We also invest in improving our stores and distribution centers to optimize pet care, through maintenance standards, equipment upgrades, and new information technology infrastructure. Notable recent investments include doubling the number of annual fish system upgrades in stores and working directly with store and district leaders to drive consistency across pet care standards and compliance.

Internally, a cross-functional committee of experts across store operations, pet health and merchandising are driving continuous improvement in pet care across our entire system. This Pet Health Safety & Steering Committee has established clear, measurable and actionable standards for pet care. For 2023, for example, we will have added steps for tracking pet health evaluations.



- ✓ Most PetSmart vendors must have veterinarians on staff or under contract
- ✓ Regular veterinary inspections of vendors
- ✓ PetSmart associates examine most pets upon arrival at our stores
- ✓ Birds and small mammals are quarantined and monitored for five and three days, respectively, before being available for sale
- ✓ Isolation and care protocols for ill or injured pets
- ✓ Customer education on understanding zoonotic diseases prior to sales

Industry-Leading Pet Care Training



Mastering proper pet care health and safety takes time, concentration and education. Our associates' love for pets comes naturally, and we support them with the guidance and training that will help them succeed. We're proud to say that we train more pet specialists, with more extensive training, than any other pet retailer in North America.

All PetSmart associates who work with pets must complete our Pet Care Certification program before beginning to care for and interact with pets, in addition to specialized training for our grooming salons, pet training and hotels. Every PetSmart associate, regardless of their daily responsibilities, is trained in how to identify the critical signs of stress in animals. In early 2023, we introduced updates to our pet care training, substantially increasing total time spent in training for new hires and adding time for annual retraining for all pet care associates.

While we believe one pet injured is too many, today our services are performed at a safety rate greater than 99.9% – that's less than a 0.1% injury rate for pets in our care. As leaders in setting the standard for pet health and safety in services, we remain committed to continuous improvement in keeping the pack safe.

After receiving initial training as a bather and learning about different dog breeds and styling, more than 3,100 associates attend our Grooming Academy each year, which is designed to provide up to 800 hours of training to learn pet safety, breed characteristics and proper grooming techniques. Prior to working on their own, our groomers bathe and groom a minimum of 325 dogs and complete technical evaluations. Our four National Certified Master Groomers regularly engage with salon associates, in addition to quarterly continuing education offerings and annual safety certification. In 2022, we reintroduced our Cat Academy program to provide additional training and new toolkits to improve safety when grooming cats.

In 2022, we built on the 96 hours of education and hands-on learning provided to our pet training associates with the launch of quarterly Continued Education courses taught by industry experts and focusing on topics of highest concern and interest to our training associates.



Tour a PetsHotel with Bailey

When pet parents need to get away, they entrust our hotel associates with their pets for millions of overnight stays each year. Our specialized training for hotel leaders focuses on advanced skills to understand and read pet behavior, and identify signs of stress or veterinary care needs. In 2023, we will begin providing continued education on these topics for hotel associates.

Feature Story:

Our breed-specific training helps associates identify signs of stress

Kristen*

“When I was a newer groomer, I checked in a young Pomeranian for a walk-in nail trim. I completed the pet assessment and I reviewed the health questions with the pet parent. The pet appeared healthy and gums were normal, so I proceeded to check in the pet and began the nail trim service. I secured the pet with a cross-body loop as to not apply any pressure to the pet’s neck. The pet was doing great at first, but then began to make a honking sound. I stopped what I was doing and checked the pet’s gums again, and now they appeared slightly pale. I immediately ran the pet to the vet at Banfield. The pet required oxygen and the vet said that this pet was a patient of theirs and had a heart condition that the pet parent had not disclosed during check-in. If I hadn’t stopped the service and gotten her to the vet, the outcome could have been different. The vet let us and the pet parent know that due to the nature of this pet’s heart condition, she was not fit to receive grooming services in a salon environment and would require to be seen by a vet with a groomer for her safety.”

*Associate's name has been changed



Revolutionizing Veterinary Care

At PetSmart, we know access to high-quality veterinary care is a top priority for pet parents. But veterinarian shortages across the U.S. are making it increasingly difficult to access the care pets need, where and when they need it. That’s because veterinarians themselves face many challenges in sustaining independent practices to serve their communities.

In June 2022, we launched PetSmart Veterinary Services® (PVS) to leverage the size and scale of PetSmart in supporting the health & happiness of pets *and* veterinarians. Through an independent business ownership model, PVS provides a complete solution for veterinarians to open their own franchised practice inside PetSmart stores, at a fraction of the cost of starting a new practice of their own. Veterinarians receive the support of an experienced team of experts as well as a location with built-in foot traffic. At the same time, PVS connects pet parents with local, trusted veterinarians and more convenient access to vet hospitals within PetSmart stores.

By the end of January 2023, we had supported the opening of 11 independent veterinary practices under the PVS model. Leveraging lessons learned along the way, we are working to continue our momentum this year. PVS hospitals are required to maintain American Animal Hospital Association (AAHA) accreditation, ensuring a level of care offered at just 15% of all hospitals in the U.S. Veterinarian owners are choosing the model that’s right for them, including general practice and urgent care.

Through PVS, our goal is to transform the way pets and pet parents access care, while empowering the people who keep our pets healthy.

PVS Veterinarian Spotlight

Dr. Vernard Hodges is a veterinarian and founder and owner of several successful veterinary hospitals. He became one of the newest members of the PVS family in February 2023. Dr. Hodges will operate two veterinary practices in his home state of Georgia to continue to advance his mission to increase access to veterinary care and supporting young people in underrepresented communities to pursue their passions. “I’ve been a veterinarian for 25 years and I have an expertise in aquatics – this isn’t something I ever imagined for myself. But thanks to important people who took an interest in me and my success, I have been able to have an impact not just on animal



care but also by inspiring kids. When I was young, growing up in rural Georgia, there weren’t many opportunities for me – let alone veterinarians who looked like me. So, when I actually achieved my dream of owning my own veterinary practice I made a commitment to help others – because you can become what you see! I’m especially excited about working with PVS because investment is a huge barrier to owning your practice and through PVS’ supportive financial model, being a known and trusted brand and driving natural traffic to the clinic – it makes all the difference for veterinarians of color and new graduates starting out.”



Responsible Pet Sourcing & Sales

We believe that providing a legal and traceable supply chain for the sale of live pets with accountable vendors and breeders is paramount for responsible pet ownership.

Our specialty pet business includes certain species of fish, birds, reptiles, amphibians, invertebrates and other small animals. We do not sell animals regularly available for adoption such as cats, dogs or rabbits. When considering animals for sale in our stores, we review criteria which includes, but is not limited to, conservation and trade status (within the **International Union for Conservation of Nature and the Convention on International Trade in Endangered Species**), safety and public health factors, and environment and care requirements. We also closely monitor the regulatory landscape, evolving animal welfare standards and consumer preferences to inform our decisions on small pet sourcing and sales.

For those small pets we do sell, we hold our vendors to high standards, conducting reputational screenings, facility visits and comprehensive audits to ensure responsible care and handling of animals. We require any prospective vendor to

agree to PetSmart's Vet Assured™ Program, which details specific animal health and welfare standards, including facility requirements, biosecurity, nutrition, sanitation, veterinary care and disease testing. Led by our team of dedicated veterinarians, Vet Assured™ includes rigorous facility and animal care audits for all new small pet vendors prior to engagement and regularly thereafter to ensure compliance, as well as regular screening for zoonotic pathogens.

In 2022, we expanded our onboarding process for vendors who serve as intermediaries or brokers to also include supplier due diligence practices and codes of conduct to promote responsible upstream sourcing practices. We are committed to increasing capacity for and implementation of domestic captive breeding for certain species.

We promptly suspend business with vendors if we become aware of non-compliance with our standards. If we encounter a vendor issue that we believe can be remedied, we sometimes work to support our vendor in addressing concerns and resuming the relationship. If a vendor does not adhere to our standards, we suspend or terminate our business with them.

Supporting Responsible Pet Ownership

Our associates receive training to help prospective pet parents make responsible decisions when considering bringing a new pet into the family. This includes educating pet parents on the level of knowledge, experience and investment required to care for their new pet, as well as ensuring their forever home will meet our habitat requirements.



We have developed species-specific care guides which may be reviewed with pet parents to ensure they leave our stores with all the items they need to care for their pet. We empower our associates to deny the sale of a pet if they believe the welfare of an animal may be compromised, or if a pet parent is unable to commit to the level of care required by our standards.



More than 100 care guides are available in our stores for distribution to new pet parents. The Learning Center at PetSmart.com provides additional useful care tips and articles related to pet care.



We surprised three **PetSmart Treats Rewards** members with an all-expenses-paid trip to Super Bowl LVII in our hometown of Phoenix, AZ. Among the winners was cancer survivor **Beth Stamat**, who finished her chemotherapy treatment in Metro Detroit and headed to Phoenix in the same week.

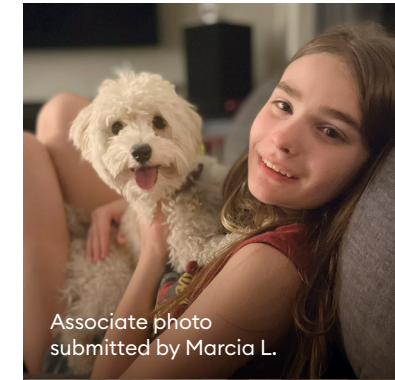


PetSmart Charities "Chance & Friends"

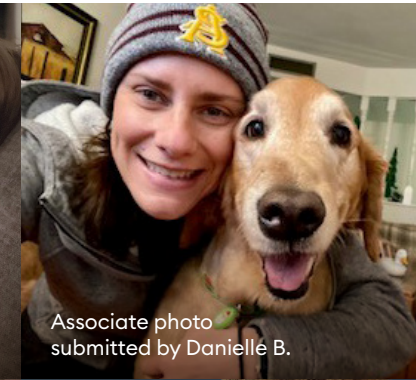
PetSmart treats



U.S. consumers voted and *Newsweek* recognized PetSmart's Treats Rewards program among **America's Best Loyalty Programs for 2023**. On average, a Treats member who shops monthly saves more than \$90 a year at PetSmart.



Associate photo submitted by Marcia L.



Associate photo submitted by Danielle B.



Associate photo submitted by Bradley B.



Associate photo submitted by Lauren F.

Engaging Pet Parents

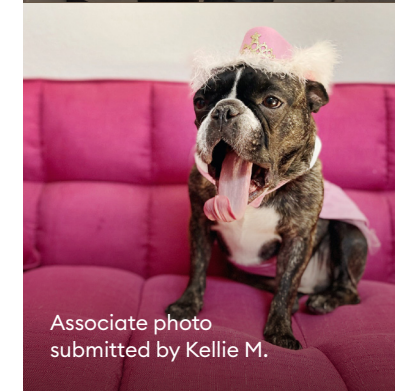
We'll do *Anything for Pets*, and we know that's how pet parents feel as well. A growing body of evidence demonstrates the critical role pets play in the health of their families, and pet parents will do anything they can to contribute to their pet's health & happiness in return. Our support for pet parents begins at the moment they begin to consider bringing a pet into their homes, and continues throughout their pet's lifetime. We're proud of our net promoter score that consistently puts us at the top of our industry.

Our accredited pet trainers offer positive reinforcement group and private classes for every stage of a dog's lifetime, including specialty courses to address separation anxiety, enhance dogs' natural intelligence, and prepare for a therapy dog evaluation.

Omnichannel capabilities have become increasingly important to busy pet parents who may not always have the ability to

shop in our physical stores and it's important to us that pet parents can shop us whenever they want. This includes an option to buy online and pick up in store, as well as same-day delivery through partnerships launched in 2022 with both **DoorDash** and **Shipt**, expanding access to delivery of pet care products to consumers across the U.S. from over 1,300 PetSmart locations.

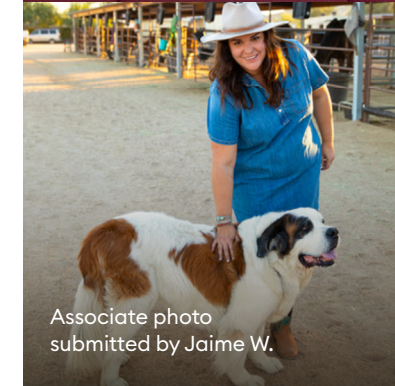
Throughout the year, we offer pet parents the opportunity to improve the lives of pets across North America while shopping. In 2022, for each purchase of a **Chance & Friends** plush toy, \$1 was donated to **PetSmart Charities** and **PetSmart Charities of Canada**, totaling over \$4.5 million. Throughout 2022, **PetSmart Treats Rewards** members donated more than 17 million points to charity, helping **PetSmart Charities** and **PetSmart Charities of Canada** find loving homes for pets, fight pet hunger and expand access to veterinary care.



Associate photo submitted by Kellie M.



Associate photo submitted by Kellie M.



Associate photo submitted by Jaime W.



Associate photo submitted by Heather C.

Products for Healthy Pets

Healthy and happy pets need complete nutrition and wellness solutions. Knowing that research in this area is critical, we established the [Healthy Pet Advisory Council](#) (HPAC) to keep PetSmart at the forefront. We rely on the expertise of our HPAC to provide education and guidance that advances pet nutrition and wellbeing in the proprietary brand products we offer. The HPAC includes leading experts across pet food, nutrition and veterinary medicine and convenes at least three times per year.

In 2022, topics reviewed by the HPAC included:

- proposed regulatory labeling updates to all consumables through the Pet Food Label Modernization Act;
- formulation nutritional review to optimize both existing and future product launches;
- determining efficacious levels of ingredients for pet solutions such as weight management, gut health, aging and hip and joint health;
- research in sustainable alternative proteins (e.g., insect, cultured meat); and
- product testing, including bite force test substantiation for chewy treats, tough toys and bedding, and ideal fit testing for dog harnesses and life jackets.

PetSmart's proprietary brand team partnered with one of the HPAC's nutritionists, Dr. Kelly Swanson at the University of Illinois at Urbana-Champaign, to conduct a one-of-a-kind in-depth nutritional study published in 2022. The study observed and measured the effects of different supplemental dietary ingredients, such as fibers, prebiotics, probiotics and

immune mediators, on the gut microbiome and immune function of dogs and cats. In recent years, overwhelming scientific evidence has identified the importance of the gut microbiome on overall pet health and emotional wellbeing. We have applied learnings from this collaborative research to improve dog and cat gut health and immunity through our proprietary branded pet foods and supplements.

Product Safety and Quality

Pet parents rely on us to ensure the safety of the food and products we provide for their pets. We are committed to complying with all applicable food and product safety laws and to providing quality food and products that are safe and reliable. We only select vendors and manufacturers who share our commitment to safety and who have the expertise and experience to meet our high standards and expectations. The vendors and manufacturers that we use for our proprietary brands must submit to our rigorous testing and verification processes to ensure they are adhering to the requirements we set. If an issue arises that could pose a risk to the safety of our pet food or products, we take swift action to investigate the issue and, where necessary, withdraw or recall products from our stores.

We closely monitor evolving regulations and preferences related to chemicals of consumer concern and have established applicable limits for substances including PFAS, PFOS, phthalates, parabens and formaldehyde releases. No flame retardants are used in our products, with the exception of pet tents, which undergo further testing.

You can learn more about our commitment to quality and human rights across our supply chain in [Responsible Stewards](#).



We continue to expand our offerings from MPM Products, a B Corp™ certified company focused on pet food made with natural ingredients. Sales of MPM's Applaws, a brand of high-quality, 100% natural, ethically-sourced premium pet food, exceeded \$21 million in 2022. Another fast-growing MPM brand, Reveal, features cat food made with 100% natural, limited ingredient, grain free recipes.



Associate photo submitted by Jeremy S.

Expanded Offerings

In 2022, we expanded our fresh and frozen pet food options with an exclusive partnership with **Nom Nom**®, a leading direct-to-consumer, fresh-frozen dog food brand. Nom Nom features fresh, whole ingredients including real meat and vegetables in recipes packed with nutrition for pets of all ages. Developed by on-staff, board-certified veterinary nutritionists who research and formulate each recipe, Nom Nom is prepared in the company’s own U.S. kitchens, packed fresh then frozen before being shipped to customers or PetSmart stores.

PetSmart proprietary brands had several product launches across our consumables, hardgoods and specialty business.

- Fresh and frozen **Simply Nourish**® **Fresh Market**® adult frozen dog food: Our scientists partnered with nutritionists and veterinarians to thoughtfully balance each recipe to help meet dogs’ unique nutritional needs and support overall health. We designed three different complete and balanced food recipe flavors that are highly palatable and digestible. These Simply Nourish® Fresh Market® recipes are gently cooked in a human-grade manufacturing plant that was certified for food safety through the **Global Food Safety Initiative** and our in-house team of product development and quality assurance associates personally audited the facility. We also launched several Simply Nourish® brand natural solutions food recipes for cats, packed with proteins and superfoods targeted for hairball control, urinary tract, digestion and skin and coat health.
- We refreshed the packaging for our proprietary, science-based diet brand, **Authority**®, to include a “Veterinarian Recommended” claim after conducting a survey with more

than 300 veterinarians. We also expanded several Authority® brand healthy solution products including two urinary tract health wet cat food formulas with real chicken or fish as the #1 ingredient. In April 2023, we will launch additional Authority® and Simply Nourish® products focused on urinary tract health, the #1 condition impacting cats.

- Launched in January 2022, our proprietary brand Full Cheeks® offers products for the love and care of small animals including guinea pigs, rabbits, rats, mice, chinchillas, hamsters and gerbils. Full Cheeks® products were designed in consultation with our in-house veterinarians in order to maximize play, easy cleaning, and species-specific wellness requirements. We are the only major pet retailer brand that is committed to minimum living-space requirements, which results in larger habitats on average versus other major brands. Grooming products are designed specifically for small animals to gently clean and deodorize in the forms of wipes, dust baths and foams.
- In April 2022, we launched the **Viva La Kitty**® brand to provide treats specifically for cats. Cats are carnivores, and these crave-worthy treats are made with high-quality meat, poultry and seafood.
- We created the **Joyhound**® brand in 2022 for pet parents who want to foster a bond of shared enjoyment and emotional connection with their dogs. It’s a fun, innovative toy brand that supports the emotional wellbeing of dogs through five pillars of play: Chewing, Learning, Comforting, Tough and Active. The Joyhound® brand is one of the first retail toy brands dedicated to different pet personalities and unique play styles. Years of research were devoted to these toys to ensure they enriched the lives of pets and satisfied the unmet needs of pets and pet parents.

Click here to learn more about our proprietary brand offerings across all categories



PETSMART Charities

Transforming the Lives of Pets & Pet Parents

With support from PetSmart, PetSmart associates and donations from our loyal pet parents, PetSmart Charities is the leading funder of animal welfare in communities across North America. Since its founding in 1994, PetSmart Charities has granted more than \$500 million to change-making organizations that help transform the lives of pets and those who love them and has saved more than 10 million pet lives through adoption. With a four-star rating from Charity Navigator (the highest available), PetSmart Charities remains in the **top 1%** of all charities ranked.

PetSmart Charities' charitable giving focuses in two key areas:

- **Connecting people and pets:** PetSmart Charities works with more than 2,000 shelters and rescues to help connect pets with loving homes. Today, more than 1,600 of our stores

across the country feature adoption centers where local animal welfare organizations can host adoptions in a safe, clean space to meet adoptable pets. We are proud to offer a free training session for every dog adopted at PetSmart.

- **Supporting people and pets:** PetSmart Charities provides critical funding to programs that help keep families and their pets together during difficult times by making veterinary care more accessible, helping reduce food insecurity and providing support during times of disaster. It also supports pet needs through partnerships with local change-making organizations and national nonprofits, including **Feeding America, Meals on Wheels America** and the **American Red Cross**.

A pet is adopted in a PetSmart store every 40 seconds!



Supporting Communities in Times of Need



Wings of Rescue is a nonprofit that transports at-risk pets out of disaster zones to safety. In the aftermath of Hurricanes Ian and Fiona, PetSmart Charities supported Wings of Rescue in transporting approximately 300 adoptable pets from Puerto Rico and Florida to find loving new homes in the greater Chicago area.

Our pets' safety is as important to us as the rest of our family's during times of crisis. When natural disasters strike, one of the main reasons people choose not to evacuate is because they don't have a way to take their pets with them. In 2022, PetSmart Charities provided \$800,000 in emergency funding to help people and their pets safely find shelter locally or evacuate, and to help shelters rebuild or repair after a disaster.

PetSmart Charities also announced a groundbreaking partnership with the **American Red Cross** to support pets as essential family members during times of disaster. With \$2 million in funding from PetSmart Charities, the Red Cross will undertake a project to integrate pets into its disaster response system and better prepare to meet the needs of people and their pets affected by disasters across the U.S. This partnership is the first of its kind between two foundational nonprofits – the leading funder of animal welfare and the largest disaster relief organization in the country.

Addressing Pet Food Insecurity

Thirty-four million people face hunger in the U.S., and many also struggle to keep their pets nourished, too. We know that food insecurity can affect anyone, and believe that people of all socioeconomic statuses should experience the benefits of pet ownership. PetSmart Charities has built partnerships with organizations like **Feeding America** and **Meals on Wheels America** to support the delivery of pet food right alongside food for people. In 2022, \$11.4 million in grant support and pet food went to partners addressing pet food insecurity.



In 2022, PetSmart Charities donated nearly 11 million pounds of Authority® chicken and rice dog and cat food to Feeding America and its network of food pantries.

Since 2019, critical support from PetSmart Charities has helped local Meals on Wheels member organizations support the companion pets of older adults. Nearly 24,000 clients and 39,000 pets have been served with support to improve access to veterinary care, alleviate pet food insecurity, and identify service gaps and best practices through research.

Balto is PetSmart Charities' 10 Millionth Adoption



It was love at first sight for this gorgeous husky and his family. This sweet boy was abandoned with a collar embedded in his neck and then rescued as a stray. After he was back in good health, he met what would soon be his new family at a PetSmart National Adoption Week event in Harlingen, Texas.

“We love pets and animals, and our kids love animals too. During the pandemic, the pets have been their go-to companions. They're very loyal. My husband gravitated toward Balto right away, we can't wait to take him home.

– Vanessa De La Rosa



National Adoption Week

Animal shelters faced unprecedented challenges in moving pets throughout their systems and into new homes in 2022, making our support more important than ever. During National Adoption Week, November 7–13, 2022, we helped over 21,000 pets find a new home.



Aimee Gilbreath (R), President of PetSmart Charities and PetSmart CEO J.K. Symancyk (L) join members of the Emancipet Philadelphia team for a ribbon-cutting ceremony.



Expanding Access to Veterinary Care

Pet parents want to do what’s best for their pets, but access to veterinary care is out of reach for many. Affordability is cited by pet parents as the primary barrier to care, and regions considered “veterinary care deserts” disproportionately impact communities of color and people in rural areas. In early 2023, PetSmart Charities announced a commitment of \$100 million over the next five years to help break down the geographic, cultural, language and financial barriers that prevent pets from receiving the veterinary care they need to thrive.

One organization receiving grant funding through PetSmart Charities’ commitment is **Emancipet**, a nonprofit organization working to make veterinary care affordable and accessible to all. Since 2017, PetSmart Charities has helped Emancipet expand its programming and scale its low-cost business

model, including through the opening of two clinics in 2022 in Pennsylvania and Texas. The clinics, located inside PetSmart stores and operated in space licensed by PetSmart, free of charge, will serve an estimated 30,000 pets annually in areas lacking adequate access to veterinary care. At the same time, PetSmart Charities is funding research into pay-over-time models for low-income pet parents.

Other grant programs are specifically focused on addressing barriers to care for households with less than the median U.S. income, and communities that have historically been excluded from veterinary care. Take Joshua’s story, for example. Caring for a puppy wasn’t in his plans, but when “Dudog” made his way into Joshua’s home and heart, he needed help. Sadly though, Dudog quickly became seriously ill with Parvo. The

cost for Dudog’s care was more than Joshua could afford, but he made his way to First Coast No More Homeless Pets. This local clinic, a PetSmart Charities’ grantee and partner, was able to deliver the care Dudog needed to heal. Dudog not only made a full recovery, he made a permanent impact on Joshua’s life.

High student debt can make a career in veterinary medicine seem out of reach for many students. In 2022, PetSmart Charities expanded its scholarship program to help veterinary students interested in addressing the issue of veterinary access pay their way through expensive educational programs. Three deserving students were awarded the annual Steve Marton Veterinary Scholarship, which provides up to \$50,000 for one year’s tuition.



Empowered People





Key Statistics

\$250M

invested in wages and benefits since 2020

\$17.69

store associate average wage rate

Nearly \$50M

in spending with diverse suppliers

Empowered People

Our associates are the heart of PetSmart. And because of their deep love for pets, they are among the most engaged employees in the retail industry. Our commitment is to empower each one of our more than 50,000 associates to pursue a healthy, fulfilling life and career with us.

Over the past three years, we have embraced a fundamental shift in how we respond to market demands and meet associates' evolving expectations, while continuing to provide the best products and services to our customers.

Associate health and safety, and the value placed on their work, was brought to the forefront during the COVID-19 pandemic. As essential workers, PetSmart associates showed up each day for our customers and their pets, supporting all those who became pet parents for the first time or welcomed an additional pet into their home. Since 2020, we have invested more than \$250 million to ensure the health, safety and wellbeing of associates as well as base wage increases, bonus awards for store and distribution center associates, shift differentials and benefits. We continue to build on health, safety and benefits programs and offerings that differentiate PetSmart within the retail sector and recognize the incredible and dedicated service our associates provide.

We also work hard to create an environment where every associate feels like they truly belong. A commitment to Belonging at PetSmart has created opportunities of connection amongst our associates, building bridges of empathy, vulnerability, learning – and even unlearning. We acknowledge that there are historically underserved and underrepresented populations and that more must be done to create more equitable opportunities. We are working to develop a workforce that celebrates diversity and inclusion, and a culture where every associate feels they belong and can thrive.

Our associates are also the best source of information as we look for ways to best serve them and the pets in our care. In 2022, we spent hundreds of hours listening to their ideas and creating actionable plans in the areas that matter most to them, including scheduling flexibility, transparency and opportunities to advance their careers.

2022 HIGHLIGHTS Empowered People

120%
increase in Associate Resource Group participation



Increased enterprise-wide race and gender representation, with highest growth seen at the supervisor level (+10% race/ethnicity and +19.6% gender)

PetSmart associates were paid for nearly **9,700 hours** of volunteer time, donating nearly **\$300,000** in value of volunteerism to the causes they care most about

89% of associates are aware of our focus to create a diverse and inclusive workplace

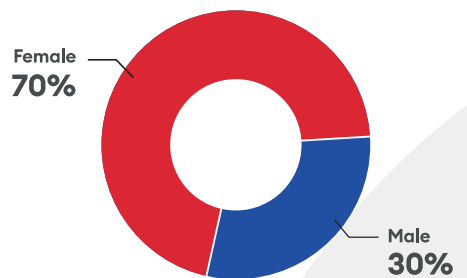


82% of associates feel their leader supports their skill and career development

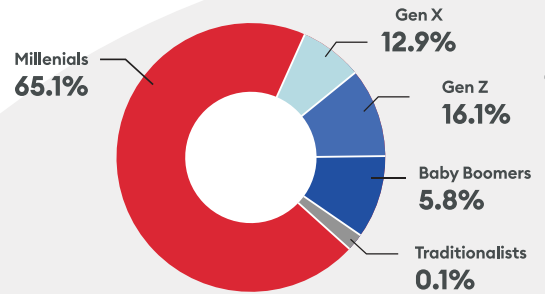
8.20 Associate Safety incident rate (OSHA TRIR)

Race & Gender Diversity

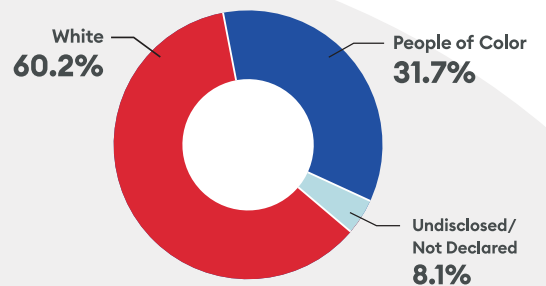
Gender | Total Employees



Age | Total Employees



Ethnicity | Total Employees



Associate Health, Safety & Wellbeing

At PetSmart, we believe there's nothing more important than the safety of our associates and pets. You won't hear us refer to safety as a priority, because when there's nothing more important, it can't be deprioritized. We call that action of continuous commitment, simply, "Keeping the Pack Safe."

Associate engagement, education and awareness is at the core of our work toward continuous improvement in health and safety. In addition to initial on-boarding safety training, all store and distribution center associates complete an annual associate safety certification training which includes topics such as pet bite prevention, store safety standards, emergency preparedness in stores, sprain and strain prevention, powered industrial truck safety and physical readiness in our distribution centers. Each month, field leadership, store and distribution center leaders focus on a timely safety topic through discussion and e-learning. Safety champions at stores and distribution centers help inform training, prevention programs and further drive engagement among associates. Monthly safety inspections take place in stores and distribution centers, in addition to multiple safety observation and engagement walks conducted in stores each day.

Our analytics team closely monitors safety events and identifies trends where updates to policies or procedures may be required. Through monthly and quarterly safety improvement meetings, our cross-functional People Health & Safety Steering Committee comes together to review any emerging trends and identify opportunities for investment and improvement. Participation in these safety meetings includes decision makers at the highest level of our company.

Our health and wellbeing offerings are designed to support associates at all stages of their lives and throughout their careers at PetSmart, by keeping them well, helping them get better when they aren't, and feeling supported and prepared for whatever the future may hold.

Approximately one-third of our associates are enrolled in our benefits plans, which include medical, dental, vision, behavioral health, pregnancy, adoption support and paid parental leave. Health benefits include counseling sessions, access to an advocate, maternity support, applied behavioral analysis for autism spectrum disorders, targeted wellbeing programs for chronic illnesses, surgical management solutions, help with out-of-pocket medical expenses through health savings and reimbursement accounts, and expert second opinions for medical diagnoses. For several years, we have maintained our benefits premium costs for associates, while adding additional health and wellness programs and offerings.

We are always evaluating our benefits offerings to provide the right level of support for our associates. Recognizing that families come in many forms, in January 2023, we introduced domestic partner benefits to unite our associate experience and protect associates' family members from the risk of discrimination in states without explicit protections. The benefits granted to domestic partnerships include health insurance, life insurance and legal planning.

2022 Safety Performance

Enterprise

The Company's Associate Safety incident rate (OSHA TRIR) was 8.20.

Stores

Associate Safety incident rate (OSHA TRIR) of 8.45

Distribution Centers

Associate Safety incident rate (OSHA TRIR) of 4.43

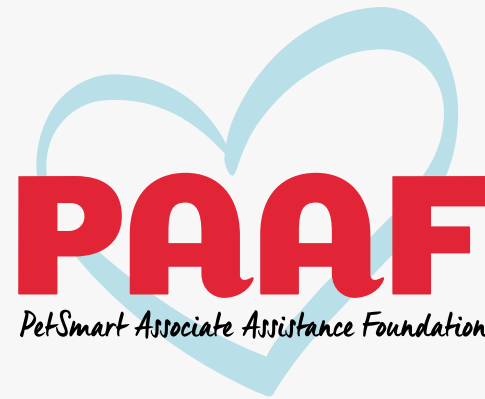
Data reflects calendar year 2022



In 2022, over **700 associates** used our paid parental leave benefit, paying out over **\$2.2 million**.

Beyond good health, we also want our associates to enjoy the benefits of paid time off, paid volunteer time, and 401(k) matching. PetSmart contributed over \$5.7 million to participating associates' 401(k) accounts in 2022. Access to PerkSpot (and Perkopolis in Canada), which provides thousands of deals for local restaurants, entertainment and services, is also available to all associates and their families.

Regardless of their enrollment in one of our health plans, our employee assistance program, Ally, is available to all PetSmart associates. Ally offers a variety of resources to support associates and their families, including no-cost mental health assessments and counseling sessions, financial guidance, legal assistance and support with substance use disorders. Associates leveraged Ally programs and services over 1,700 times in 2022.



Founded in 2011, the **PetSmart Associate Assistance Foundation (PAAF)** has provided financial assistance and emergency resources to associates during unforeseen hardships. The PAAF is funded by donations from PetSmart and our associates to help one another when we need it most. For the first time in its history, donations to the PAAF exceeded \$1 million in 2022. Since its inception, the PAAF has provided \$6 million in grants to over 4,500 associates, including more than \$900,000 in fiscal year 2022 to support associates through natural disaster, housing instability, illness and injury.

William*

After a sudden eviction, pet stylist William slept for two nights at a nearby park. The following day, his store leader noticed he was visibly upset and learned from William what was happening. With immediate assistance from PAAF, William got the support he needed for shelter and to eventually move into a new home of his own. "The help and assistance from my store leader and PAAF, it changed my life in that time. It really gave me the support that I needed."

Cindy*

When Hurricane Ian struck Florida in September 2022, Cindy and her pets were able to seek shelter with a friend's family. Faced with homelessness after her apartment and belongings were destroyed in the storm, Cindy sought support from the PAAF and received funding to meet basic living needs and aid with move-in costs when she located to a new residence.

Megan*

When Megan's father passed away unexpectedly, she was left without financial support and solely responsible for cremation costs. Forced to choose between paying her rent or the funeral home, Megan applied for a grant from PAAF and received the funds she needed to cremate her father without sacrificing her basic living needs.

*Associate names have been changed

Be the **Difference**

PetSmart Associates Make a Difference

Our paid volunteer program allows all PetSmart associates to use at least four hours each calendar year to volunteer for a nonprofit cause that supports our values and is something that they are passionate about. In 2022, PetSmart associates were paid for nearly 9,700 hours of volunteer time, donating nearly \$300,000 in value of volunteerism to the causes they care most about. Through our **Be the Difference** fundraising campaign, PetSmart associates raised over \$2.3 million, including \$1 million in support of the PetSmart Associate Assistance Foundation, and the remaining funds for PetSmart Charities and the United Way.

belonging

PetSmart Diversity, Equity & Inclusion



Belonging: Our Diversity, Equity & Inclusion Strategy

Diversity is a proven driver of business success. We are working to develop a workforce that celebrates diversity and inclusion, and a culture where every associate feels they belong and can thrive. In 2022, we launched a focused effort on increasing diverse representation across all levels of our business; deepening engagement with field associates; and fostering inclusive spaces for learning and engagement – in our offices, stores and distribution centers.

A governance structure to oversee our diversity, equity and inclusion (DEI) strategy includes representation from all areas of our business. Our **Diversity Action Council (DAC)** includes members of senior leadership and sets the vision and strategic direction for DEI at PetSmart.

We are supported in our work through collaboration with several partner organizations, including Disability:IN, Black Chamber of Arizona, National Hispanic Corporate Council, and Seramount. Our associates also help drive our efforts, both through Associate Resource Groups (ARGs) and other ongoing engagement. In 2022, we emphasized the importance of the “opt-in” demographics section of our annual engagement survey. More than 20,000 associates shared their unique characteristics, helping us create tailored programs and initiatives to best serve them.

Belonging @ PetSmart

Diversity
Ensuring that PetSmart is an authentic representation of our communities, where associates with different personal and group characteristics can thrive

Equity
Removing barriers and providing tools, resources and opportunities to support a workplace where diverse associates can excel

Inclusion
Ensuring that PetSmart is an open and caring workplace where associates are engaged, feel psychologically safe, and like they truly belong

You Belong @ PetSmart

Belonging is having a place where you fit, where you are accepted and appreciated for all of the backgrounds and experiences that make up your identity. At PetSmart, we believe that fostering an environment that is accepting of diverse backgrounds and mindsets is good for business, our associates and our communities. We create a culture of belonging through the development of inclusive policies and training opportunities, community investments, and engagement with our associates.

PetSmart recognizes the value of diversity, and educating ourselves on the celebrations, traditions and beliefs of others makes our culture stronger. In 2022, we introduced monthly cultural milestones across our stores, distribution centers and offices, investing over \$300,000 in learning opportunities and celebrations. In June, we hosted our fourth annual Belonging Week, driving the largest social activation in company history and educational resources for all associates. We also continued to give our associates a platform to share their stories through in-person and digital communications, including at Town Hall meetings throughout the year.



In 2022, we published our 50th associate "I Belong" story on our [Life at PetSmart blog](#) and began featuring associates in an "I Belong" series during our Town Hall meetings. At our fourth annual Belonging Town Hall dedicated to Diversity, Equity and Inclusion, our associate Michael shared his journey in losing his hearing and how the support he's received at PetSmart has deepened his sense of Belonging.



Thanks to associate feedback from our annual engagement survey, in 2022 we added locker pronoun and identifier magnets for our distribution centers and expanded our store badge add-ons, business card templates, and salon smocks to include He/They and She/They pronouns.

2022 BELONGING WEEK

Our annual **Belonging Week** celebration inspires PetSmart associates at every level to listen, learn and share. In 2022, each day of the week featured a different training seminar, and topics included the basics of diversity and inclusion, confronting biases and understanding microaggressions. Colleagues were also given the opportunity to recognize each other for contributions to PetSmart culture through our **PlayUp** recognition points reward system. The week culminated in a Belonging Town Hall meeting that featured a fireside chat with PetSmart CEO J.K. Symancyk and Vernice "FlyGirl" Armour, a gutsy trailblazer whose resume of impressive "firsts" includes serving as America's first Black woman combat pilot.

A Year in Photos 2022 Cultural Milestones

-  **February** – Black History
-  **March** – Women's History
-  **May** – Mental Health Awareness
-  **June** – LGBTQ+ Pride
-  **September** – Hispanic Heritage
-  **October** – Disability Awareness
-  **November** – Veterans Day
-  **December** – Inclusive Holidays

Associate Resource Groups

Each of our six Associate Resource Groups (ARGs) brings us together to create community, expand awareness and support our culture of Belonging. Serving as strategic partners for DEI efforts, our ARGs are driven by and advance associate passions. In 2022, we welcomed two new associate resource groups: SERVE, focused on honoring the service of Veterans and their families, and AVID, celebrating and acknowledging perspectives of associates with all different types of disabilities. With over 60% of our office associate population already involved in an ARG, in 2022, we worked to further strengthen the connection between our ARGs and associates in stores and distribution centers. Participation in ARGs grew by nearly 120% in 2022.



Pride at Work (PAW) is dedicated to creating an environment where LGBTQ+ associates and allies feel supported and celebrated to be who they are at PetSmart and in the communities they serve. PAW invites all PetSmart associates to participate, whether they're a straight ally, Lesbian, Gay, Bisexual, Transgender or identify in any other way.



Women Inspiring Strength & Excellence (W.I.S.E) gathers associates with an interest in advancing women's career growth at PetSmart. Members get the opportunity to network and attend leadership-focused educational events.



MOSAIC is a collective that encourages associates from diverse backgrounds to embrace and celebrate their differences. MOSAIC's mission is to build cultural awareness, foster open, productive discussions, and remove preconceived notions.



StartSmart is focused on assisting early-career PetSmart associates to take charge of their professional development, succeed in their current role and prepare for future roles.



SERVE honors the service of PetSmart veterans and their families by providing a space to reach their fullest potential.



Awareness of Visible and Invisible Differences (AVID) strives to promote diversity and inclusion by celebrating and acknowledging the experiences and perspectives of associates with all different types of disabilities, be they temporary or permanent, physical or mental, visible or invisible.



Celebrating 10 years of Pride at Work

In June, we kicked off Pride Month with a special recognition of the 10th anniversary of PAW and all its contributions to PetSmart culture. Our **Pride Collection** gives pet parents a

way to include their furry friends in a celebration of pride and love while sharing our corporate values. In 2022, we doubled our annual donation to GLSEN, an organization committed to protecting and supporting LGBTQ+ students. We also joined more than 200 of America’s companies in signing on to the Human Rights Campaign’s letter stating that anti-LGBTQ legislation is bad for business. In our home State of Arizona, we celebrated the 10th anniversary of One Community’s Unity Pledge, of which we are a signatory, to advance workplace equality and equal treatment in housing and public accommodations for Lesbian, Gay, Bisexual, and Transgender (LGBTQ) individuals and their allies.

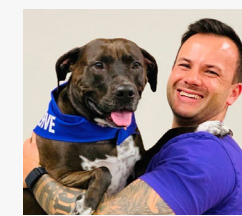


Driving an Inclusive Merchandising Strategy

Our ARGs are also focused on weaving Belonging throughout our business strategy. That includes evaluating the mix of products we carry on our shelves to be

inclusive of minority, small and women-owned businesses. In a project led by our **MOSAIC** ARG, our 2021 interns interviewed nine different brands with the goal to select a minority-owned business as a new supplier to PetSmart.

Ava’s Pet Palace is a company founded by Ava, a young Black female entrepreneur, when she was just six years old. The company is built on offering organic, sustainably farmed dog treats and from July 11 through August 28, we tested an assortment of Ava’s Pet Palace treats on shelves in over 1,000 stores.



Honoring our Service Members

In honor of Veterans Day, we donated \$25,000 to **K9s For Warriors**, the nation’s largest provider of trained service dogs for veterans. The donation will

help support the organization’s mission to end veteran suicide through the loving support of service dogs – many of which are rescues – at no cost to the service members. As a “thank you” to all veterans and their families, for the first time we connected a **PetSmart Treats Rewards** promotion to this cultural milestone, offering 11X points to program members when shopping in-store or online on Veterans Day. Over 13,000 PetSmart Treats Rewards program members participated.

Spending with Diverse Suppliers

In 2022, we spent nearly \$50 million with diverse suppliers, including more than \$35 million with certified women-owned businesses and \$10 million with certified minority-owned businesses. Our commitment to minority, women and veteran-owned businesses has continued to grow annually and has nearly doubled over the last five years.



5-D Tropical was founded by Joe and Anita Diaz and is owned and operated by four generations of the Diaz family in Plant City, Florida. 5-D is a minority- and woman-owned business and one of our largest aquatics suppliers, providing PetSmart with over 150 different fish varieties.



Our marketing and product strategy is inclusive of all sexual orientations and family structures. In 2022, we proudly partnered with world-renowned interior designers Nate Berkus and Jeremiah Brent on an exclusive collection allowing pets and pet parents to live more beautifully, stylishly and comfortably – together.



Research consistently demonstrates that underrepresented groups don't apply for positions if they don't meet more than 90% of the listed job requirements. In 2022, we updated all of our job description language to encourage people to apply, even if they don't meet all requirements.

Increasing Representation at PetSmart

In 2022, we increased enterprise-wide race and gender representation, with the highest growth seen at the supervisor level (+10% race/ethnicity and +19.6% gender).

Diverse Talent & Representation

Our goal is to attract, recruit and develop passionate, diverse and skilled associates that make us better with every hire. Since 2019, we have worked to steadily increase gender and race representation in leadership levels both in PetSmart offices and in the field. We're proud that 63% of our leaders are female, and know there's more work to do.

Leaders are encouraged to increase representation by selecting the most qualified individuals from a diverse talent pool and expanding their reach to diverse industry and community partners during the hiring process. In 2022, we increased enterprise-wide race and gender representation, with the highest growth seen at the supervisor level (+10% race/ethnicity and +19.6% gender). A new partnership with Professional Diversity Network will continue to support this work in 2023.

We continue to dedicate time and funding to learning and professional development focused on eliminating unconscious bias and embracing all aspects of our Belonging strategy. Over the past two years, we've invested nearly \$500,000 and 4,000 hours in these initiatives. By the end of 2022, over 95% of directors and above had gone through several hours of unconscious bias training. We also expanded talent selection and interview training to store leaders and assistant store leaders.

We're also thinking about the diversity of our future pipeline of professionals and in 2021 launched new scholarship programs, including one that specifically supports associates and dependents of color. In 2022, the PetSmart Scholarship Foundation awarded 16 diverse associates and dependents with scholarships to pursue associate's and bachelor's degrees.

Collaborations with diverse colleges and universities like Tennessee State University and the Hispanic Association of Colleges and Universities help us attract and hire diverse talent. Our Summer Experience virtual development program and Emerging Talent virtual internship program partners with HBCUConnect, the largest network of students and alumni from Historically Black Colleges & Universities. In 2022, we worked to strengthen relationships with student organizations at Arizona State University (ASU), including the Women's Business Leaders Association, Asian Business Leaders Association and Hispanic Business Student Association. In 2022, 27% of our intern and rotational program associates came from ASU, and 53% of those hires were diverse.

Growing Talent at PetSmart

Professional development is a path to a brighter future. Whether our associates are looking to level up or try something new, we're here to support their learning and progress toward personal goals. Our extensive training programs, courses and resources span our offices, distribution centers, field and stores. Whether our team works with specialty pets, or in one of our services departments, all associates that work directly with pets experience robust training during onboarding as well as annual recertifications.

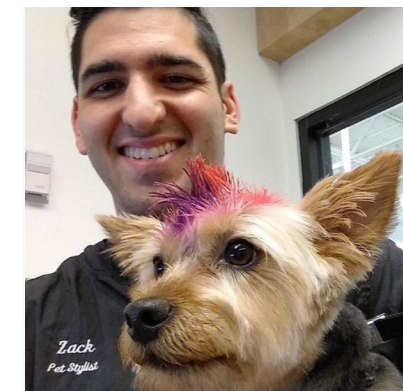
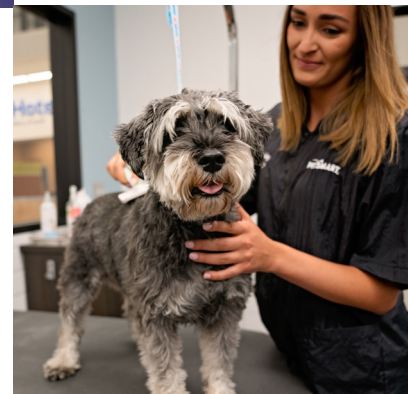
We train more pet specialists than any other retailer, and our associates receive more training than specialists working anywhere else. We're especially proud of our prestigious grooming academy which is designed to allow for up to 800 hours of immersive learning, from bathing to styling and understanding the needs of different breeds. Continuing education opportunities provide advanced skills for groomers, trainers and hotel associates.

Our online learning and development tool, **Skillport**, is available to many leaders within stores and beyond. The platform includes thousands of training and learning courses and tools for associates to take the next step in their professional growth, with content including critical and adaptive thinking, virtual collaboration, cross-cultural competency, and new media literacy. In 2022, we also launched a voluntary program called SmartBoost for Store Leaders, providing a curated collection of learning courses. Our first collection, focused on Listening, has already been utilized by nearly 40% of store leaders.

For more than 20 years, PetSmart has offered a Tuition Assistance Program, reimbursing associates for eligible expenses toward their undergraduate or graduate degrees. In the past ten years, we have invested over \$3.3 million and provided support to over 1,300 associates. In 2022 alone, we distributed over \$150,000 in grants

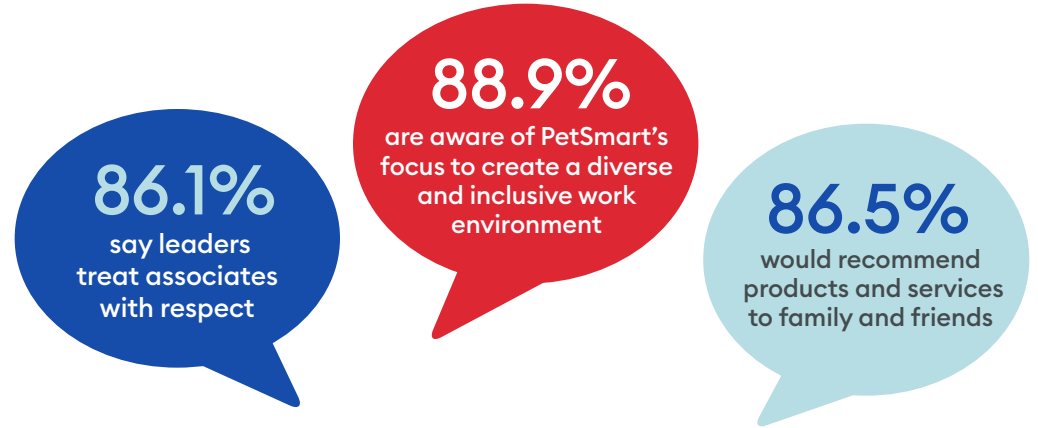
We continue to invest in associate retention through new benefits, enhancements and programs:

- Associates' top suggestion for improvement in our salons was to reduce the amount of time our groomers take answering phones and supporting customers with scheduling needs. After testing a receptionist program in 450 stores, all scheduling calls for these salons are now managed through a call center at our corporate campus. We know that flexibility in scheduling is another priority for our groomers, and for those with more than two years of tenure, we added the ability to create their own schedule. A part-time Grooming Academy now offers greater flexibility for trainees.
- In 2022, we trained all store leaders, district leaders and regional vice presidents in approachable leadership, helping them recognize what approachability feels like and how to work through situations with an approachable mindset. By early 2023, we had trained all assistant store leaders and distribution center leaders in the same concepts.



2022 Associate Engagement Survey results:

Our 2022 associate engagement survey drove high engagement across our business, resulting in more than 90,000 comments. Our Chief Executive Officer and Chief Human Resources Officer read through each comment, working with leaders across the organization to build action plans in response to associate feedback.



Engaging Our Associates

We build connections and trust across our workforce by creating meaningful opportunities for direct and transparent communication. PetSmart leaders are held to a high standard in fostering a respectful and positive working environment, and our open-door policy means we actively listen to associate voices and respond and act accordingly.

In 2022, our CEO and members of our executive leadership team took this commitment one step further, traveling the U.S. and Canada on our first-ever **Voice of the Associate Listening Tour**. Over the course of 22 in-person and virtual sessions, they heard from more than 350 associates across the company. Seventy-five percent of attendees were front-line associates. The tour provided an opportunity for decision makers to receive direct feedback on how we can improve the associate experience, better meet customer needs and strengthen our business.

Nearly all feedback received on the tour reflected five priority areas: improving daily routines, training and development, technology needs, leadership and communication with associates. Based on what we learned, we made several

commitments to swift action, ranging from simple upgrades to our point-of-sale system, to more complex endeavors that will take several months, like redefining the associate journey.

One piece of feedback we heard consistently throughout the tour is that our associates want to be more informed about things that will improve their experience at PetSmart and opportunities to enhance their personal and professional growth. In early 2023, we launched Central Bark, our new mobile-first communication tool enabling all associates to be more connected to PetSmart, including our values, culture, and most importantly, each other. It is a place for associates across the enterprise to gather and share stories, celebrate wins, learnings and ultimately drive pride in the company and support for each other.

In addition to several new initiatives to more deeply engage associates, we also continue to measure associate satisfaction and solicit feedback through our annual engagement survey. Participation in our 2022 survey exceeded industry benchmarks with a 78% response rate, resulting in more than 90,000 comments.

PLAYUP

Bringing PetSmart Values to Life

Our **PlayUp** program allows leaders and associates to recognize one another for bringing PetSmart values to life. Points are awarded from leaders and peers, and can be redeemed for gifts ranging from gift cards and home appliances to vacation packages and more. In 2022, over 785,976 recognition cards were awarded, with an average 53% of associates receiving a recognition each month.





Responsible Stewards





58%

of waste diverted in stores & 60% in distribution centers

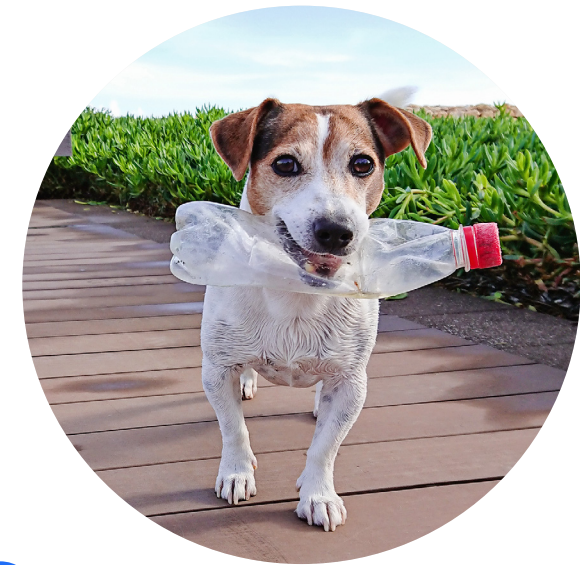
1.8M

pounds of e-waste diverted from landfill through donation & recycling since 2008

215K

gallons of fuel saved through route planning & optimization

Key Statistics



Responsible Stewards

We earn our reputation as the trusted partner to pet parents and pets by doing what’s right and leading with integrity. As responsible stewards of the PetSmart brand, we aim to ensure ethical and transparent practices through strong corporate policies and governance. In 2022, we progressed work in the areas of supply chain, social compliance, customer privacy, information security and environmental sustainability.

Aspiring for **A World Through Their Eyes** considers our pets’ respect for nature and how much they rely on fresh air, water and green spaces to thrive, and we are committed to reducing our environmental impacts and contributing to a healthier planet. This commitment extends to our operations, supply chain and the products we carry on our shelves. We have built strong measurement and auditing programs across our operations. With a full understanding of our impacts, we will evaluate specific performance targets in the coming years.

All of this work supports our business strategy, sets us apart as an employer of choice and builds trust with pet parents. Through the consumer portion of our materiality assessment in 2022, we learned that more than half of PetSmart customers are willing to pay a reasonable amount more for products or services with a company that has implemented sustainable initiatives within its operations, facilities, products and supply chain.

2022 HIGHLIGHTS Responsible Stewards

Completed comprehensive analysis of water usage in stores

ONLY NATURAL PET

Only Natural Pet - first pet food and treat company in North America to become a **Certified B Corporation**



Consistent reduction in energy use over the last five years, despite opening new store locations

Four LEED certified PetSmart stores in the U.S. and Canada

Stretch wrap recycling pilot in 16 stores diverted **4k pounds in 8 months**

Updated consumer privacy policy to reflect recent changes in privacy laws and our commitment to privacy rights



Strong Governance & Business Practices

At PetSmart, our [Code of Ethics & Integrity](#) outlines expectations for how we do business and work together, as well as the ethical and legal responsibilities that we share. The Code also includes policies and commitments related to product quality and safety, respect for human rights and the environment, and supply chain responsibility.

All new hires review the Code along with other key company policies and receive other relevant training and information related to their job role. Thereafter, associates receive additional training, information and compliance reminders from time to time based on their role with PetSmart. For example, each year during Commitment Month, we require all home office associates and field and distribution center leaders to complete annual compliance training which includes annual Code training and certification.

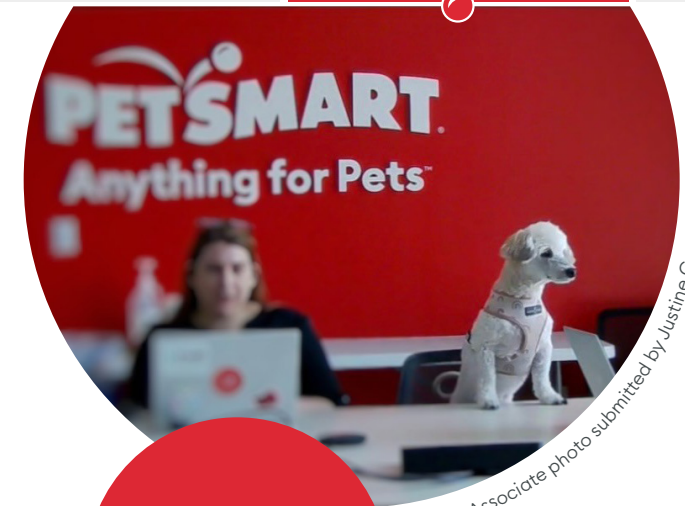
Our leaders model ethical behavior by maintaining an “open door” environment and encouraging associates to ask questions and report concerns; resolving and escalating concerns appropriately; and supporting a clear, anti-retaliation stance. We provide all associates with several channels to report concerns through our Speak Up resources. These include our ethics reporting line, CareSmart, which allows our associates and business partners to make anonymous reports through an independent third party.

Enterprise Risk Management

We continue to refine our enterprise risk management program to facilitate visibility and discussion among senior leaders regarding top tier risks and mitigation strategies. In 2022, we closely monitored and worked to mitigate risks relating to information technology, supply chain disruptions and our competitive landscape, among others. We also took steps to align our enterprise risk management and corporate social responsibility strategies.

Board Governance

Our Board of Directors comprises a mix of individuals appointed directly representing our sponsors as well as third-party directors, also appointed by our sponsors for the purpose of adding unique industry, financial and/or operational expertise. Our Board includes two committees which provide additional oversight to ensure adherence to our Code of Ethics & Integrity and fulfillment of fiduciary responsibilities. Duties of the Audit Committee include monitoring the integrity of financial statements and reporting; compliance with legal and regulatory requirements and standards of business ethics; and performance of our internal audit functions. The Committee also evaluates the qualifications, independence and performance of independent auditors and facilitates communication among independent and internal auditors and management. Responsibilities of the Compensation Committee include oversight of CEO and executive officer compensation, including the terms and conditions of incentive compensation plans.



Associate photo submitted by Justine C.

Open Door Policy

All new hires review the Code of Ethics & Integrity

Commitment month focused on compliance training

Our leadership team, which includes our President and CEO and Chief Legal Officer and Corporate Secretary, reports regularly to the Board of Directors and incorporates discussion of environmental, social and governance issues biannually, and more frequently as needed. You can read more about our CSR Governance structure [here](#).

Customer Privacy & Information Security

Pet parents and our associates trust us to handle their personal information with care, and we take that responsibility seriously. We collect, use, retain and disclose information according to applicable laws and our privacy policies, and take appropriate steps to protect it from loss, misuse or unauthorized disclosure. We do not disclose, access or use personal information unless we have authority to do so. We updated our privacy policy in 2022 to reflect recent changes in privacy laws and our commitment to privacy rights. We now conduct formal privacy impact assessments before disclosing any pet parent or associate information to third parties. We will conduct ongoing training on our privacy policy throughout 2023 and beyond.

Monitoring and mitigating threats to cyber security are part of an ongoing and robust information security program which is aligned to the NIST Cyber Security Framework. PetSmart ensures the safety of customers' payment information by leveraging solutions certified by the PCI Security Standards Council. We leverage tokenization solutions to allow pet parents to store their payment information online and never keep customer payment card data.

Public Policy & Advocacy

PetSmart leaders and subject matter experts engage with a number of industry organizations that often advocate on behalf of animal welfare, responsible pet ownership, and other issues of interest to the retail industry. Our memberships and affiliations include the Retail Industry Leaders Association, Pet Adoption Network and National Retail Federation, among others. We also take individual company positions on issues of importance to our business, associates, customers and communities.

We encourage our associates to participate in the political process and engage in activities that improve our communities, especially through our ARGs. Our political activities are consistent and conducted in compliance with applicable laws. Associates must obtain approval prior to engaging in any political activities on behalf of PetSmart or using any of PetSmart's assets for political purposes.

Responsible Marketing & Advertising

Our customers expect our marketing communications to be truthful and provide the information they need to make sound purchasing decisions. We follow truth-in-advertising laws and provide customers with accurate and complete information about our products and services. Associates whose work involves marketing, advertising or customer communications must ensure that our product or service claims, promotions or other advertising are true and adequately substantiated.

For any marketing or promotional materials that include pets, we consult with an outside organization on casting and shoot

conditions to ensure animal safety and wellbeing. There is always a representative from that organization present at production shoots, in addition to our animal trainer. We also set guidelines for all photo submission contests, for example, prohibiting the submission of any photos in which a pet is unrestrained in a moving vehicle. As we continue to do larger marketing and advertising campaigns, we will continue to evolve animal welfare policies to accompany production.



Responsible Consumption

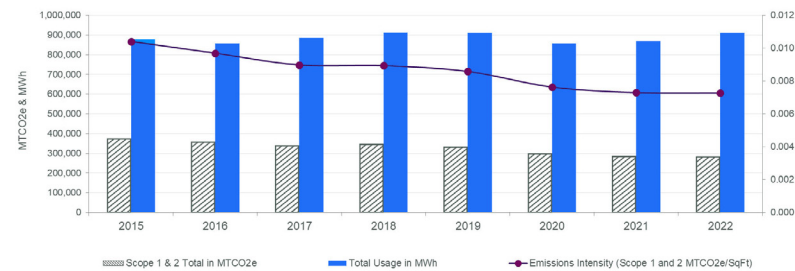
Our operational footprint includes over 1,660 retail locations throughout the U.S., Canada and Puerto Rico, seven distribution centers and four non-store sites, including our U.S. corporate headquarters and data center. The single largest source of our greenhouse gas emissions is the electricity we use to power our stores. In 2022, we used approximately 550,000 mWh of electricity for stores, which made up 77.4% of total emissions in 2022.

We are always evaluating opportunities to reduce our carbon footprint, and continue to make targeted investments that achieve resource use reduction and cost savings. Since 2015, we've completed LED lighting retrofits in nearly all store locations and our corporate office, with an average annual electricity offset of 52,879 kWh per store. Additionally, we have retrofitted six of our seven distribution centers with interior and exterior LED lighting. We proactively replace aging HVAC equipment at existing stores through an annual review program and participate in demand response programs with energy providers in several markets. As a result of these efforts,

we are using energy more efficiently despite our growth. Since 2015, our store count grew by 14% but our kWh usage increased by only 4%.

In 2023, we will begin using Schneider Electric technology to further improve energy usage monitoring across all emissions scopes, and plan to use this data to help inform reduction goals for the near- and long-term. We are also exploring options for renewable energy that would support the development of new solar facilities. As part of our participation in Arizona Public Service's Take Charge program, we plan to introduce electric vehicle chargers to our Phoenix home office in 2023.

Energy Usage*



Emissions* (MTCO2e)

	2015	2016	2017	2018	2019	2020	2021	2022
Scope 1	62,713	59,625	63,782	67,093	67,613	66,780	69,814	63,569
Scope 2	313,032	296,515	277,907	281,452	266,799	231,364	216,284	221,588
Scope 1 & 2 MTCO2e	375,745	356,140	341,689	348,545	334,412	298,144	286,098	285,157
Total GHGs (MTCO2e)	375,745	356,140	341,689	348,545	337,782	298,589	286,421	286,173

*Energy and water usage provided by third-party bill pay partners



Reducing Our Water Footprint

With over 13 million grooming appointments annually and over 1,600 fish systems, we recognize that some of our stores drive higher water usage than traditional retail settings. Over the past eight years, we've taken several steps to better understand and monitor our water usage and invested in technologies to reduce consumption. Despite opening more stores, we've reduced our total water usage intensity by 2% compared to a 2015 baseline.

In 2022, we completed a comprehensive analysis of our water usage at the store level and in 2023 we plan to test new water monitoring and leak detection technologies. In addition, over the next four years we plan to upgrade fish wall systems in 600 stores, reducing energy and water use as well as associate labor time.



Water Usage

Year	Total Usage (kGal)	Usage per sq/foot
2015	830,238	0.0230 kGal/sqft
2016	840,971	0.0229 kGal/sqft
2017	888,020	0.0233 kGal/sqft
2018	865,355	0.0222 kGal/sqft
2019	865,047	0.0222 kGal/sqft
2020	792,365	0.0203 kGal/sqft
2021	842,516	0.0215 kGal/sqft
2022	813,227	0.0207 kGal/sqft

*Energy and water usage provided by third-party bill pay partner

Diverting Waste from Landfill

Each year, we work to divert a greater percentage of waste from landfills and toward improved reuse and recycling programs. Through a third-party contract, we provide regular service to all stores to collect solid waste, recyclable materials, corrugated cardboard, and in some states, organics, plastic bag and can recycling. Our stores return 75% of pallets and 65% of corrugated totes back to our distribution centers for reuse. In instances where we don't have a dedicated fleet returning to our distribution centers, pallets are collected by a third party to be reused or recycled. We also reuse Styrofoam fish boxes for as long as possible while maintaining quality standards, before returning them to our vendors for proper recycling. We review waste and recycling service levels quarterly to identify outliers and inform targeted improvements.

Waste Diversion at Our Stores

	2020	2021	2022
Waste generated	100,636 tons	102,203 tons	104,909 tons
Waste diverted	59,375 tons	57,821 tons	60,547 tons
Percent diverted	59%	56.6%	58%

Waste Diversion at Our Distribution Centers

	2020	2021	2022
Recycled corrugate	7,907 tons	9,670 tons	9,829 tons
Recycled stretch wrap	561 tons	681 tons	798 tons
Waste to landfill	4,543 tons	6,362 tons	7,052 tons
Percent recycled	65%	62%	60%

Waste Diversion at Distribution Centers

In 2022, our distribution centers diverted 60% of waste from landfill through programs for recycled corrugated cardboard and plastic stretch wrap. All of our distribution centers collect and bale stretch wrap, which is then sold for reuse in composite decking material. In 2022, we tested a stretch wrap return program in 16 New York stores and collected more than 4,000 pounds in the first eight months of the pilot, recycling 100% of the returns. We plan to expand this program to an additional 100 stores in early 2023.

In addition, product that is in good condition but for some reason has become unsaleable, is offered to associates at dramatically discounted rates and 100% of proceeds are donated to PetSmart Charities.

E-Waste Reuse & Recycle

When our IT hardware can no longer be used for business purposes, we first look for resale or reuse opportunities that provide technology to those who need it. Through donations to local organizations, animal shelters or other nonprofits, and through our Associate Purchase-for-Donation program, we've kept over 250,000 pounds of e-waste out of landfills over the past two decades. When technology or other e-waste has reached the end of its useful life, it is recycled properly through regulated e-waste recyclers. One example is the recovery of over 5,000 pounds of printer cartridge materials through a takeback program.

E-Waste Recycling

1.8M

pounds of e-waste diverted from landfills since 2008

\$43K*

to PetSmart Charities through associate Purchase-for-Donation

\$1.5M*

in revenue through resale

*Cumulative data since 2001





Sustainable Building Practices

When constructing new stores or retrofitting existing spaces, we apply a standard set of building specifications to maximize efficiency and reduce environmental impact. Elements of new construction include LED lighting, low VOC paint, energy efficient refrigeration units, energy management systems, polished concrete floors (instead of carpet, tile or other materials), low-flow toilets and occupancy sensors for office spaces. Four PetSmart stores currently meet LEED certification standards of Green Building Councils in the U.S. and Canada: Leaside, Ontario; Stafford Township, New Jersey; West Babylon, New York; and Washington, D.C. Our distribution center in McCarran, Nevada achieved LEED Silver certification in 2011.

Transportation & Logistics

Our entire fleet is operated by third parties and we regularly engage these partners on efficiency measures that reduce mileage and cut costs. We invest in transportation management software to support route optimization and identify opportunities to reduce empty mileage. We continue to expand our backhaul program, which currently includes 45% of our fleet and allows for the return of recyclable materials from stores to distribution centers. Less than 10 percent of our fleet requires refrigeration or heating.

Over the last two years, our planning and route optimization efforts have reduced mileage by 1.4 million miles traveled, resulting in 215,000 gallons and more than \$800,000 of diesel fuel saved. We are actively pursuing third-party software providers that can analyze and drive efficiencies in our transportation network.



Sustainable Products

Pet parents are increasingly looking for opportunities to connect with products and brands that have been developed with sustainability and social responsibility at the forefront. As we grow our proprietary brand offerings, we are continuously evaluating opportunities to design products and packaging more sustainably, across the full product life cycle. This includes pursuing product certifications that drive consumer trust and collaborating with suppliers and industry consortiums to solve broader challenges. Several of our national brand suppliers have robust sustainability programs in place and we frequently collaborate to apply best practices and inform our customers of programs and product attributes that are important to them.

We're also dedicated to ensuring our chemical management and ingredient strategy is safe, aligns with regulations and advances sustainability. We align to California Proposition 65 across our full chain and when there are no specific regulations for pet products we follow human standards, including for the presence of heavy metals. Our restricted substance list, which all of our proprietary brand partners are

required to adhere to, includes restrictions on the use of flame retardants, PFAS and PFOS, phthalates and formaldehyde.

As we advance our sustainable product strategy, we will continue to test and implement solutions supporting resource reduction, including increasing recycling of our packaging and reducing the amount of single use bags we distribute.

Only Natural Pet

Only Natural Pet is a wholly owned subsidiary of PetSmart, offering 32 well-loved products featuring natural, high-quality, responsibly sourced ingredients. Only Natural Pet was the first North American pet food and treat company to become a [Certified B Corporation](#), meaning it's part of a global community that voluntarily meets high standards of social and environmental impact, transparency and accountability. Brand features include: certified carbon neutral kibble, MSC certified wet food and fish oil, cleaners free from harsh chemicals, and toys made with hemp and post-consumer recycled materials.



In March 2023, our **Arcadia Trail®** brand launched a new line of eco-conscious apparel, featuring t-shirts, sweatshirts and bandanas made from 100% recycled polyester fiber.



10% of sales of these reusable totes are donated to PetSmart Charities, encouraging more sustainable shopping habits while giving back to pets. Nearly 800,000 totes have been sold across the U.S. and Canada with more than \$100,000 in donations going to support PetSmart Charities since 2017.



We respect fundamental human rights and do not support any form of human trafficking, child labor, slavery, indentured labor or forced labor.



Ethical & Sustainable Sourcing

PetSmart respects and protects human rights wherever we operate and throughout our supply chain, following all applicable labor and employment laws, including those that govern working hours, fair wages, safety and health. We select and work only with business partners who are also committed to these principles. Our [Supplier Code of Conduct](#) sets forth specific requirements for suppliers across human rights, product quality, pet health and safety, and compliance with applicable laws.

We collaborate with peers and experts on best practices in ethical sourcing, including through RILA's Responsible Sourcing Committee, the Joint Association Forced Labor Working Group and the Pet Sustainability Coalition (PSC). In 2022, we worked with PSC to benchmark our performance against the United Nations Sustainable Development Goals (SDGs). For SDG 8, Decent Work and Economic Growth, we exceeded industry

benchmarks and implemented recommendations to strengthen our commitment.

We work with a third-party provider to conduct social compliance audits of our direct sourcing suppliers for all proprietary brands. Where cotton exists in our supply chain, we conduct additional due diligence including, but not limited to, supply chain mapping to the raw-material level. In 2022, we increased transparency further through required disclosure of cotton sourcing during the vendor selection process.

Our new vendor on-boarding training, revamped tools and resources support our partners in meeting our social compliance expectations and striving for continuous improvement. Through targeted engagement and training, we have achieved significant reductions in the percentage of social audits that identified concerns.



We welcome feedback on our CSR strategy and reporting. Please direct questions or comments to CSR@PetSmart.com

About this Report

PetSmart's first annual Corporate Social Responsibility report details business practices across dimensions of environment, social and governance (ESG) and reflects the company's commitment to operate responsibly, generate positive impact for its stakeholders, and improve the lives of pets and pet parents.

Reporting boundaries include all North American operations in the U.S., including Puerto Rico and Canada. Our small operations in Asia are not included within the boundary of this report, except as they pertain to our sourcing practices and vendor management. Data and information included in the report reflect activities for Fiscal Year 2022 (February 1, 2022 – January 29, 2023), unless otherwise noted. All data and information have been extensively reviewed internally and are accurate to the best of our knowledge at the time of publication. Data has not been assured or verified by a third party.

Certain information and data contained herein has been obtained from third parties. While we believe these third-party sources are reliable, we have not independently verified the data from these third-party sources and make no representations regarding the accuracy and completeness of such data.

Unless otherwise noted, certain internal metrics, such as safety rates, are calculated using criteria that management finds useful and may not be comparable to similar metrics cited by other parties.

This report has also been reviewed by our ESG Steering and Operating Committees, as well as our Board of Directors.

Materiality

In 2022, we conducted our first CSR materiality assessment. The issues, statements and data included in this report are being provided because we have concluded they are of interest to our various stakeholders. Our inclusion of these issues, statements and data is not intended to convey that we believe such statements and data meet the definition of materiality as used in the context of financial reporting or for regulatory reporting purposes.

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Forward-Looking-Statements

The Information contained in this report includes forward-looking statements regarding, among other things, our expectations for future performance, goals, plans and objectives. You should not place undue reliance on these forward-looking statements, which are based on currently available information and management's current expectations and beliefs about future events or future performance and actions. We have attempted to identify forward-looking statements by words such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "should," or other comparable terminology. However, such terminology is not the exclusive means of identifying forward-looking statements and its absence does not mean that the statement is not forward-looking. Although we believe the expectations and beliefs reflected in the forward-looking statements are reasonable, such statements speak only as of the date of the information, and we do not undertake any obligation to update or revise, publicly or otherwise, any of the forward-looking statements after such date.

Forward-looking statements are not guarantees of future performance or results and involve inherent risks and uncertainties that could cause actual results to materially differ from those predicted in such forward-looking statements. Further, our environmental, social and governance plans and goals are aspirational and may change, and statements regarding such plans and goals are not guarantees or promises that they will be met.



Associate photo submitted by Amber M.

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