



PetSmart LLC; PETM Canada Corporation

Modern Slavery Act Report

(Fiscal Year 2023)

Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) requires that businesses state actions they have taken during the previous fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This is a report for PETM Canada Corporation, Nova Scotia business number 3003300, and its parent company, PetSmart LLC (collectively, “PetSmart”), which have an obligation to publish a report under the Act. It refers to steps taken by PetSmart in its 2023 fiscal year, January 30, 2023 through January 28, 2024.

At PetSmart, we love pets and we believe pets make us better people. Every day with every connection, PetSmart's passionate associates help bring pet parents closer to their pets, so together, they can live more fulfilled lives. This vision impacts everything we do for our customers, the way we support our associates and how we give back to our communities.

We recognize our responsibility to respect and protect the human rights of all people who support and intersect with our business. 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.

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. Our Code also includes expectations and commitments related to product quality and safety, respect for human rights and the environment, and supply chain responsibility.

Our [Supplier Code of Conduct](#) sets forth specific requirements for vendors across human rights, product quality, animal welfare, and compliance with applicable laws. PetSmart respects and protects human rights wherever we operate and throughout our supply chain, following all applicable labour 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.

To ensure we’re continuing to meet our high standards of ethical sourcing, we regularly collaborate with peers and experts on best practices, including through the Retail Industry Leaders Association’s Responsible Sourcing Committee and the Joint Forced Labor Working Group, which is composed of supply chain and sustainability professionals.

Steps taken to prevent and reduce the risk of forced labour or child labour

In fiscal year 2023, PetSmart took the following steps to prevent and reduce the risk of forced labour or child labour used at any step of the production of its proprietary brand goods in Canada or elsewhere.

Governance and Training

As the largest pet specialty retailer of services and solutions for the lifetime needs of pets in North America, PetSmart is committed to the highest standards of ethical conduct and business integrity. This commitment includes offering safe products and services to customers and pets, making responsible decisions in how we manage our business, and creating a positive impact for our customers, our associates, pets and the communities where we live and work. We also strive to positively influence ethics and integrity in our supply chain, as stated in our [Supplier Code of Conduct](#). PetSmart requires its proprietary brand vendors to act in accordance with this Supplier Code of Conduct and for all vendors to act in full compliance with all applicable laws and regulations. Vendors are responsible for ensuring that they and their employees, workers, representatives, agents and subcontractors comply with these obligations.

In 2022, we revamped our vendor education program to include robust training for new vendors and ongoing resources and support for all vendors in striving for continuous improvement.

In addition, 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. All new hires review the Code along with other key company policies and are provided other training and compliance reminders based on their role. Our leaders model ethical behavior by maintaining an “open door” environment and encouraging associates to ask questions and report concerns, with resources that include an ethics reporting line, CareSmart, which allows associates and business partners to make anonymous reports through an independent third party.

Supply Chain Audits and Human Rights Assessments

PetSmart regularly audits and monitors vendors and has worked to develop grievance mechanisms, as well as procedures to track performance in addressing forced labour and/or child labour.

PetSmart works with a third-party provider to pre-screen all proprietary brand vendors prior to awarding business and on a regular cadence thereafter. This screening process assesses risk based on several factors including, but not limited to, location, size, annual business, and product type. We also reserve the right to conduct random visits to factories across the globe and promptly address any discovered instances of non-conformances. The program we follow is intended to educate vendors to proactively prevent forced/child labour issues in their operations.

PetSmart conducts additional due diligence on vendors and their partner factories to ensure that raw materials are not being sourced from areas known to have problems with forced or child labour.

We require vendors to have policies and procedures in place for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains. In addition, we gather information to ensure that all workers are recruited voluntarily.

PetSmart’s national brand product vendors have a direct relationship with their suppliers and are themselves directly responsible for compliance with all applicable laws, including those related to forced labour in their supply chains. If PetSmart learns of a failure with one of our national brand vendors, PetSmart will promptly review the failure with the vendor to determine appropriate corrective action, up to and including termination if the vendor cannot meet our requirements.

Tracking and Monitoring

PetSmart has policies to mitigate the risk when using high-risk materials in PetSmart proprietary brand products, including working with a third-party provider to conduct social compliance audits of our direct sourcing vendors. For certain materials that are more frequently associated with forced labour concerns in the global supply chain, such as cotton, polyvinyl chloride (“PVC”) and aluminum, we conduct additional due diligence, including but not limited to supply chain mapping to the raw-material level.

PetSmart’s structure, activities and supply chains

PetSmart is the largest omni-channel pet retailer in North America, offering products, services and solutions for the lifetime needs of pets. At PetSmart, we love pets and we believe pets make us better people. Every day with every connection, our more than 50,000 passionate associates help bring pet parents closer to their pets so together they can live more fulfilled lives. This vision impacts everything we do for our customers, the businesses we choose to partner with, how we support our associates, and how we give back to our communities.

Headquartered in Phoenix, Arizona, United States with corporate offices located in Ontario, Canada; Shanghai, China; and Hong Kong, PetSmart operates more than 1,670 pet stores and seven distribution centers in the United States, Canada and Puerto Rico, as well as more than 200 in-store PetSmart PetsHotel® dog and cat boarding facilities. We provide a broad range of competitively priced pet food and products as well as services such as dog training, pet

grooming, pet boarding, PetSmart Doggie Day Camp™ and pet adoption. PETM Canada Corporation is a wholly owned subsidiary of PetSmart LLC and operates PetSmart stores in Canada.

PetSmart owns over 20 of its own proprietary brands, which it sources from all over the globe.

PetSmart policies and due diligence processes in relation to forced labour and child labour

PetSmart is committed to respecting and protecting human rights. Vendors play a key role in helping us manage our global supply chain in a socially responsible manner. PetSmart's Supplier Code of Conduct specifically requires the following of each of its vendors:

Prevention of Underage Labour. Vendors will employ workers who are at least 15 years of age or the applicable required minimum age in the relevant jurisdiction, whichever is higher. Vendors will maintain objective procedures for accurately verifying the age of workers and job applicants.

Juvenile Workers Protections. Vendors will adhere to the principles set out in the International Labour Organization Minimum Age Convention No. 138 if they employ workers older than the applicable legal minimum age but younger than 18, including preventing such workers from performing work that might jeopardize their health, safety, or morals.

Voluntary Labour. All labour must be voluntary. Vendors will not use forced, bonded (including debt bondage), indentured, or prison labour. Vendors will not engage or support slavery or human trafficking and will comply with all applicable laws on human trafficking and slavery. Workers must be allowed to maintain control over their identity documents and vendors shall ensure that no recruitment or other fees are required to be paid by workers. Workers shall have the right to freedom of movement without excess restrictions on entering and exiting facilities and workers must be able to voluntarily end their employment without restrictions, e.g. excessive notice periods or fines for termination of their contract.

Working Hours. Vendors will comply with all applicable laws with respect to working hours and days of rest and, in any event, shall ensure that working hours do not exceed 60 hours per week, whether or not allowed by local law, except in emergency or other exceptional circumstances. Vendors must also ensure that workers are allowed at least one day off in every seven-day working period. All overtime must be voluntary and all working hours are required to be documented and monitored accurately.

Compensation. Vendors' workers should be paid a fair wage commensurate with prevailing industry standards. Workers' wages, overtime and benefits should meet or exceed legal standards or collective agreements, whichever are higher.

Freedom of Associations. Vendors must respect the right of its workers to freely choose whether or not to join associations, organizations and trade unions, and to bargain collectively, as provided by local law or regulation.

Health and Safety. Vendors must provide their workers a workplace that meets applicable health and safety standards and supports accident prevention for all personnel. Vendors must identify and manage occupational health and safety hazards through a combination of hazard elimination and engineering and administrative controls.

Antidiscrimination. Vendors will promote a workplace that is free of discrimination and will not discriminate against any worker based on age, disability, ethnic origin, national origin, gender, marital status, physical appearance, pregnancy, race, religion, sexual orientation, or union association, in hiring and other employment practices.

Anti-harassment. Vendors will promote a workplace that is free of harassment and will not threaten workers or subject them to harsh or inhumane treatment, including verbal abuse, psychological harassment or sexual harassment.

PetSmart requires each international vendor of proprietary brand products to provide a signed statement with each shipment of products certifying that no forced or indentured labor, child labor, slave or human trafficked labor, or prison labor was used in the production or acquisition of the products or their materials. In addition, PetSmart identifies and assesses adverse impacts in operations, supply chains and business relationships, then acts to mitigate adverse impact and track implementation and results.

Risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

At PetSmart, we have thoughtfully evaluated our global supply chain and the industries in which we operate that may present a risk of forced labour, migrant labour, outsourced labour or child labour, and are committed to the continual identification of emerging risks while mitigating current risks. For example, where possible, we avoid selling or importing products that incorporate high risk materials, minimize the use of vendors or factories that are located in regions known to have recurrent issues with forced or child labour or that source raw materials from such areas, and encourage responsible manufacturing practices by our vendors. PetSmart does not knowingly engage with vendors that utilize forced/child labour.

Remediation of any forced labour or child labour

During 2023, PetSmart did not identify any instances of forced labour or child labour in our activities or supply chains.

PetSmart has a Critical-Ethical Incident process that is implemented when there are critical violations including, but not limited to, forced and child labour. PetSmart may be notified of a Critical-Ethical Incident in several ways, including but not limited to the following: notification through PetSmart's third-party auditing platform, a submission to our anonymous hotline administered by an independent third-party, a discovery during an audit of a vendor's facilities, a media inquiry or a customer complaint. PetSmart will assess the notification, loop in internal stakeholders where appropriate, communicate with the vendor regarding the issues that need to be addressed, and finally, determine whether to continue working with the vendor and if so, on what terms.

Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

PetSmart takes a proactive approach when selecting and interacting with vendors and has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

Training provided to employees on forced labour and child labour

PetSmart requires periodic mandatory Human Rights training for associates making contracting or purchasing decisions to promote awareness, identify key risks and support adherence to internal and external reporting requirements.

In addition, PetSmart provides a copy of our Social Responsibility Program Manual to vendors prior to first production and conducts an initial audit. This sets baseline expectations for the vendors to get familiar with the standards set forth in the Supplier Code of Conduct. The Code of Conduct and training include a detailed explanation of PetSmart's position on human rights, specify that involuntary labour (e.g., forced labour and child labour) is not tolerated at PetSmart, and instruct vendors and associates on what to do if they become aware of human rights issues.

Where employees work directly with vendors, they are instructed to familiarize themselves with the Code of Conduct, and to ensure vendors understand what is expected of them under that Code.

Effectiveness assessments to ensure that forced labour and child labour are not being used in our business and supply chains

To reduce and prevent the risk of forced and child labour within our operations and supply chains, we assess the effectiveness of our actions to continuously improve our program by:

- Conducting risk assessments which take into account changes in our business, the global marketplace, and new data and information available to us, including information from factory audits, reporting channels and other third-party data sources.
- Reviewing and updating our policies and procedures related to forced labour and child labour as needed.
- Working with our proprietary brand vendors to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.

Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Managers of PetSmart LLC and the Board of Directors of PETM Canada Corporation, respectively. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Alan Schnaid
Chief Financial Officer, PetSmart LLC/PETM Canada Corporation
May 15, 2024