

# Anti-Corruption

## OVERVIEW

### Purpose

A cornerstone of Petco's Code of Business Conduct and Ethics is our core value of ethics. We are committed to ethical business practices and conduct, we act honestly and fairly, and we comply with all applicable laws, regulations, and Company policies, regardless of any impact on the bottom line. We must never compromise our integrity or our reputation in order to achieve a business goal.

The purpose of this policy (the “Policy”) is to provide information and guidance regarding the letter and spirit of applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (the “FCPA”). The key message of this Policy and our Code of Business Conduct and Ethics is simple: Bribery of any kind is strictly prohibited, regardless of foreign custom or practice. If you are ever unsure about the right course of action, this Policy includes resources you should consult for help before you take action.

### Audience

This Policy applies to all directors, officers, and employees of Petco operations worldwide (“Partners”).

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# DEFINITIONS

## Anything of Value

Anything of Value is broadly defined and includes not only cash or cash equivalents (such as checks and gift cards), but also anything the recipient would find desirable or useful, including (but not limited to) gifts, trips, entertainment, donations, discounts on products or services, offers of employment or internships to a family member or friend, political or charitable contributions, and sponsorships.

## Bribe

A bribe involves promising, giving, offering, or authorizing the provision of Anything of Value to secure an improper advantage, such as obtaining business, government action, or commercial benefit; to induce anyone to improperly perform a function or duty; to reward anyone for the improper performance of a function or duty; or with the belief that the acceptance of Anything of Value is improper. There is no minimum amount exception for bribes.

## Facilitation Payment

A facilitation payment is usually a small, unofficial payment to a Government Official (as defined below) to expedite or secure the performance of non-discretionary, routine government action, such as processing visas, permits, or licenses; providing police protection or mail service; and supplying utilities like phone service, power, and water.

## Gift

Anything of Value given to or received from someone other than a Partner, such as coffee mugs, pens, and hospitality like tickets to a sporting event where appropriate Partners are not present.

## Government Official

The FCPA broadly defines government officials to include: (i) officers or employees of a government or any department, agency, or instrumentality thereof; (ii) officers or employees of a company or business owned in whole or in part by a government; (iii) officers or employees of a public international organization (such as the United Nations or World Bank); (iv) political parties or political party officials; (v) candidates for political office and elected or appointed representatives; and (vi) anyone acting on behalf of any of the foregoing.

## Hospitality

Business entertainment, such as a meal or sporting event, that provides an opportunity to discuss company business where appropriate Partners are present and host someone other than a Partner.

## Third Party

Any outside party working on behalf of Petco, such as partners, independent contractors, agents, representatives, vendors, consultants, or other third-party intermediaries.

## Travel

Costs for travel and associated expenses (such as airfare, hotel accommodations, ground transportation, meals and modest entertainment during the trip).

# BRIBERY

## Prohibition on Bribery

Petco strictly prohibits bribery. Partners may not, directly or indirectly, give, offer, promise, or authorize a Bribe to anyone—regardless of amount, regardless of whether it involves a Government Official, and regardless of whether it involves the use of company funds or personal or third-party funds in relations to Petco business. Bribery involving commercial (non-governmental parties) is prohibited under certain anti-corruption laws and this Policy.

## Prohibition on Bribery of Government Officials

Just as we prohibit Bribes to anyone, we also strictly prohibit bribery involving a Government Official. The FCPA prohibits giving, promising, offering, or authorizing the provision of Anything of Value to a Government Official to improperly influence a decision or obtain business, and providing Anything of Value to any Third Party if there is reason to believe any portion of it will be passed on to a Government Official for this purpose.

It is not always easy to identify who are Government Officials. If you are unsure or cannot ascertain the person's employment, you can seek appropriate guidance from the Associate General Counsel for Compliance ("AGC Compliance").

## Prohibition on Indirect Bribery

Partners cannot use others to do something indirectly that they are not allowed to do directly under this Policy. Accordingly, Partners cannot use a Third Party for Bribes or to otherwise violate this Policy. You may not promise, give, offer, or authorize the provision of Anything of Value to any person or entity while knowing, believing, or suspecting that any portion of it will be provided to another person as a Bribe or for any other improper purpose.

## Prohibition on Requesting or Accepting Bribes or Kickbacks

Partners may not request, agree to accept, or accept Anything of Value as a reward or in exchange for improperly performing any activity related to Petco's business or if doing so reasonably could be viewed as compromising the Partner's ability to make objective decisions on behalf of Petco.

## Facilitation Payments

Although Facilitation Payments are permitted under the FCPA, they are prohibited in certain countries. Facilitation Payments are permitted to the extent they are legal and permissible under applicable local rules, regulations, and requirements, but any Facilitation Payment must be approved in advance in writing by the AGC Compliance.

Facilitation Payments may never be used to win or retain business or to influence discretionary decisions regarding compliance with building codes, factory audits, environmental, health and safety rules or other regulatory requirements.

In addition, there may be crisis situations in which a payment otherwise prohibited by this Policy may be made in response to an imminent threat to a person's safety, security, or freedom of movement. If you think you need to make such a payment, you must obtain prior written approval from the AGC Compliance, unless the circumstances make this impossible. If the situation does not allow time for prior written approval, the payment must be reported to the AGC Compliance as soon as possible thereafter.

## Provision of Gifts, Hospitality, and Travel

Gifts, Hospitality, and Travel may be promised, provided, offered, or authorized by Partners only if they satisfy the requirements below. In addition, certain Gifts, Hospitality, and Travel must be pre-approved. The requirements of this Policy apply even if personal funds are used and reimbursement is not sought.

### Gifts, Hospitality, and Travel must always be:

- i. Infrequent;
- ii. Modest under local standards;
- iii. Reasonable under the circumstances and provided for a legitimate business purpose, such as to promote or provide an opportunity to discuss business;
- iv. Legal under the laws of the United States and the country in which it will be provided and, to your knowledge, not prohibited by the policies of the recipient's organization;
- v. Provided openly and transparently; and
- vi. Properly documented and supported pursuant to all expense reporting policies.

### Gifts, Hospitality, and Travel must never:

- i. Be in the form of cash or a cash equivalent (such as a check or gift card);
- ii. Have the appearance of extravagance or luxury;
- iii. Give the appearance of improper influence, be intended to improperly influence anyone, or be in exchange for improper favors or benefits; or
- iv. Be embarrassing to Petco if its provision became public knowledge or otherwise be in poor taste.

### Pre-Approval Requirements for Gifts, Hospitality, and Travel

For Gifts, Hospitality, and Travel that meet any of the following criteria, Partners must receive prior written approval from the AGC Compliance.

- i. A recipient is a Government Official or relative or close friend of a Government Official; or
- ii. The total value of the Gift, Hospitality, or Travel is expected to be more than \$200 per recipient.

## Political and Charitable Contributions

Political and charitable donations cannot be used as a pretense to pay Bribes. Partners cannot promise, authorize, or make any political contribution or charitable donation in connection with their work on behalf of Petco, without first obtaining prior written approval from Petco's Legal Department. Partners may make political contributions and charitable donations in their individual capacities in compliance with applicable laws. Such activities should be conducted in a manner that does not create any appearance of Petco's involvement or endorsement.

## Dealing with Third Parties

Our commitment to integrity extends to our relationships with Third Parties. We expect that Third Parties will fully comply with the anti-bribery laws of the United States and of the foreign countries where Petco does business.

Under certain circumstances Petco and Partners may face liability for the improper actions of Third Parties. The risk is particularly acute under the FCPA in circumstances where a Partner participates in or approves of a Third Party's improper conduct or is aware of a high probability that a Third Party's actions on our behalf may violate anti-bribery laws. Therefore, when considering a business relationship with a Third Party, we must take steps to ensure that only qualified and trustworthy Third Parties are engaged to work on our behalf. There must always be a legitimate business reason for seeking to engage any Third Party.

Before engaging a Third Party, the Company is expected to perform appropriate risk-based due diligence into the Third Party's background, reputation, and integrity. The degree of due diligence will vary depending on the circumstances. For any non-U.S. prospective Third Party (a) that will interact, or is likely to interact, with Government Officials on Petco's behalf, or (b) for which any suspicious factors or "red flags" come to light (such as those listed below), Partners with due diligence obligations are to seek early direction from the AGC Compliance on the procedures they should follow and types of questions they should ask prior to engagement of the Third Party.

Potential circumstances or red flags that may indicate that a Third Party engagement presents heightened risk include, but are not limited to, the following:

- i. The Third Party has a negative reputation for honesty, integrity, or compliance;
- ii. The Third Party lacks the skills and/or resources to perform the requested service;
- iii. The reason for engaging the Third Party is that he or she can obtain preferential treatment from a Government Official;
- iv. The Third Party requests unusual payment terms, such as cash payments, payments to third parties, payments to banks in countries other than where the Third Party is located, or compensation that exceeds the market rate for the requested service;
- v. The Third Party refuses to provide information or objects to anti-bribery compliance;
- vi. The Third Party is owned in part by a Government Official, the Third Party has close ties to a Government Official, and/or the Third Party's involvement was requested or required by a Government Official; and
- vii. The Third Party's agreement includes only vaguely described services.

If there is any question about a Third Party's compliance commitment, the relevant Partner must consult with the AGC Compliance before proceeding. The AGC Compliance can help you in ensuring that appropriate due diligence is undertaken to resolve any red flags. If red flags are not resolved to the Company's satisfaction, you may not engage the Third Party. Moreover, if at any time during an established relationship with a Third Party, it is suspected that the Third Party is paying or accepting Bribes or otherwise violating this Policy, the AGC Compliance must be immediately notified.

## Accurate Books and Records

Keeping detailed and accurate books, records, and accounts is an important tool to prevent the misuse of funds and is required by anti-corruption laws including the FCPA. Consistent with the requirements in our Code of Business Conduct and Ethics, the use of fictitious, inaccurate, or misleading documents to support business transactions is strictly prohibited, as are any undisclosed or unrecorded payments, assets, funds, or accounts.

## RESOURCES FOR ADDITIONAL GUIDANCE

This Policy sets out our basic anti-corruption standards. Because no policy can anticipate every possible situation or business practice, when in doubt, each Partner should discuss the situation with their manager or seek guidance from the AGC Compliance before acting.

## REPORTING CONCERNS

Any Partner who knows or suspects that this Policy may have been violated is encouraged to speak up and report the concern as soon as possible. Various methods of reporting are available and are described in our Code of Business Conduct and Ethics. Partners should feel free to ask questions or report concerns about what is right or wrong without fear of retaliation, which is strictly prohibited.

## ENFORCEMENT

In addition to the possibility of civil or criminal prosecution under the FCPA itself, violators of this Policy may be subject to any remedial action Petco deems necessary, including but not limited to, termination of employment.

## REVIEW AND AMENDMENT

This Policy may be amended from time to time in the discretion of the Company.

**Questions** should be directed to the Associate General Counsel for Compliance or [law@petco.com](mailto:law@petco.com)

# RELATED FORMS AND DOCUMENTS

**Forms**

**P&Ps**

**Other**