



# Conflict Minerals Policy

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## BACKGROUND

Armed groups operating in Central Africa control many of the region's mines and delivery routes and have engaged in armed conflict, as well as some of the world's worst human rights violations. In 2010, Congress enacted Section 1502, the Conflict Minerals provisions, of the United States Dodd Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act or the Act) with the goals of eliminating the illegal trade in gold, tin, tantalum and tungsten (Conflict Minerals) and cutting the funding of these armed groups in the Democratic Republic of the Congo (DRC) and its neighboring countries (Angola, Burundi, Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia) (collectively the Conflict Region) that are engaged in human rights abuses.

Provisions of the Dodd-Frank Act require publicly traded companies to report to the U.S. Securities and Exchange Commission (SEC) and disclose on their website whether Conflict Minerals, as defined by the Act, are necessary to the functionality or production of products they manufacture or contract to manufacture. If the Conflict Minerals are necessary, companies must determine if those minerals originate from conflict mines in the DRC or neighboring countries.

Costco Wholesale Corporation purchases finished consumer goods from manufacturers. We do not directly purchase Conflict Minerals from any source. We are committed to working with our suppliers to increase transparency regarding the origin and traceability of minerals contained in the products we sell with the goal of ensuring that, in due course, all the nonfood merchandise we carry is "DRC Conflict Free."

Commencing January 2013 and going forward, Costco's nonfood suppliers will be requested to provide the supply chain information necessary to support the Conflict Minerals reporting requirements in accordance with the Section 1502 of the Dodd-Frank Act, as interpreted by the U.S. Securities and Exchange Commission.

## OUR COMMITMENT

1. We support the aims and objectives of the Dodd-Frank Act regarding "Conflict Minerals".

2. We do not knowingly buy consumer goods containing minerals that originate from facilities in the “Conflict Region” that are not certified as “conflict free”.
3. We ask Costco’s suppliers to use reasonable due diligence with their supply chains to ensure that specified metals used in primary and component parts of consumer goods are being sourced only from:
  - Mines and smelters outside the “Conflict Region”,
  - Mines and smelters which have been certified by an independent third party as “conflict free” if sourced within the “Conflict Region”, or
  - Recycled or scrap sources.