



Human Rights Statement

INTRODUCTION

As a global retailer, Costco acknowledges our direct and indirect impacts on human rights and we are dedicated to continually improving our own human rights practices and those of our suppliers.¹ This Human Rights Statement outlines our commitment to respect human rights in our business, including in our relationships with our employees, suppliers, workers in our supply chains, and the communities in which we operate. We will take what we believe to be reasonable and appropriate steps to support this commitment, which are informed by the following internationally recognized human rights standards:

- The International Bill of Human Rights, which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights.
- Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.
- International Labour Organization Declaration on Fundamental Principles and Rights at Work.
- United Nations Guiding Principles (UNGPs) on Business and Human Rights.

To develop this Statement and the salient human rights risks defined below, we engaged a leading human rights third-party advisor to review our human rights due diligence practices across our own operations and supply chain, conducted consultations with a wide range of stakeholders, and reviewed the geographic and commodity risks inherent to our supply chain. Inputs from these endeavors were reviewed internally by relevant departments and used to inform the commitments and responsibilities outlined in this Statement.

¹ For purposes of this Statement, “suppliers” may include contract labor & services providers who support our own operations and supply chains, in addition to our suppliers of merchandise. The Statement incorporates here by reference the footnote on page 1 of the Costco Wholesale Sustainability Commitment.

<https://www.costco.com/sustainability-introduction.html>

We expect our suppliers to be aware of this Statement and comply with domestic laws wherever they operate. In situations where domestic laws conflict with international human rights standards, we will uphold the higher standard and require the same from our suppliers, as set out in our [Supplier Code of Conduct](#), which includes this Statement.

GOVERNANCE

Business leaders across our enterprise within Global Sustainability and Compliance (including the Human Rights team), Human Resources, Diversity & Inclusion, Merchandising, Legal, and Operations strive to have our policies and actions support our commitments. Our Human Rights and Resources teams work with our business leaders to oversee our human rights strategy and action plans. Additionally, both our Diversity Advisory Committee, and Inclusion Committee include executives from all areas of the company who meet regularly to discuss initiatives and activities that support our commitment to diversity and inclusion.

The Nominating and Governance Committee of our Board of Directors is responsible for sustainability oversight, including human rights. Regular reporting informs the Committee of progress, challenges, and outcomes within our human rights activities.

STAKEHOLDER ENGAGEMENT

We acknowledge the importance of engaging with stakeholders who credibly represent people who are socially, economically, and politically disadvantaged or marginalized based on personal identifiers such as gender identity and expression, race or ethnicity, sexual orientation, socio-economic position, disability, migration status or indigenous identity. We will continue, at our discretion and as we deem reasonable, to actively solicit stakeholder input to understand our potential impacts and identify and reduce human rights risks. This includes our continued collaboration in multi-stakeholder coalitions.

The input from our stakeholder engagement has informed the commitments set out in this Statement and our identification of salient human rights risks. For purposes of this Statement, we define “salient” as the human rights risks that are determined to be the most severe and most likely to occur as a result of our direct activities or business relationships.

SALIENT HUMAN RIGHTS RISKS

We have established the list of salient human rights risks, below, based on the findings from the stakeholder engagement, audit reports, data from a third-party political, human rights, economic, and environmental risk identification platform, and commodity risk assessments.

Our human rights due diligence work will be guided by and focused on these salient risks. While they may occur anywhere along the value chain, we recognize they may have the greatest likelihood of occurring in our supply chain.

- **Child Labor and Young Workers.** In alignment with ILO Convention No. 138, child labor is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. This is work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling.
- **Forced Labor and Exploitation of Migrant Workers.** As defined by the ILO Convention No. 29, forced labor is all work or service that is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. Forced labor takes many forms in many different contexts. For migrant workers, many of whom rely on intermediaries to help them find work abroad, they can be at heightened risk of forced labor indicators such as the retention of their identity documents, contract manipulation or substitution, and debt bondage. There are an estimated 169 million migrant workers globally, mainly concentrated in the services sector.
- **Discrimination and Inequality (including gender-based discrimination)** refers to unfair or humiliating treatment, violence or harassment on the basis of personal identifiers such as gender identity and expression, race or ethnicity, sexual orientation, socio-economic position, disability, migration status or indigenous identity.
- **Concerns to Indigenous Peoples' and Community Land Rights** refers to social and environmental impacts on Indigenous Peoples as a result of corporate activities, resulting in, for example, land rights concerns or loss of livelihoods. The guiding principle of Free, Prior and Informed Consent (FPIC) ensures Indigenous Peoples have the right to self-determination, including how land is used, with projects that impact their territories.
- **Occupational Health and Safety Risks** include supply chain-specific risks such as workplace conditions, chemical and product safety, as well as store

Last Updated: December 2023

safety. The health, safety and wellbeing of workers in our supply chain, our employees and members are paramount.

OUR EMPLOYEES

We promote an inclusive workplace across all areas of our business. Upon hiring, all employees receive and are required to sign our Employee Agreement, which includes key policies on anti-harassment, equal opportunity, reporting concerns, and anti-retaliation, as well as an overview of accommodations provided to employees based on their individual needs. These policies govern our engagements with Costco employees.

Our goal is to continue our regular employee engagement surveys to identify opportunities for improvement within our operations. We provide regular training to our employees on areas relevant to their career development. We host an annual Human Resources Month dedicated to providing training for all employees on our expectations, including on our Anti-Harassment and Anti-Retaliation Policies. Our managers and supervisors receive additional training on topics such as anti-discrimination, anti-retaliation, and proper protocols for escalating employee concerns.

We maintain and promote an Open Door Policy, with oversight by our Human Resources department, to enable employees to communicate and discuss concerns or issues with any members of management. Additionally, employees can submit by email or call in a report via toll-free numbers found on our Ethicspoint website, as stated in our Code of Ethics. Retaliation against those who report grievances is strictly prohibited.

OUR COMMUNITIES

Costco is committed to supporting the communities in which we operate around the globe. In addition to food and non-food donations, we budget 1% of pretax profits for charitable contributions focused on children, education, health and human services. Our Charitable Contributions Committee meets quarterly to determine which grant requests meet the criteria of our giving guidelines and the needs of the communities. We have a particular interest in organizations that are focused on children, education, and health and human services in our communities. We encourage our employees to serve and participate with community organizations.

Last Updated: December 2023

OUR SUPPLY CHAIN

Recognizing the importance of collaboration, we believe our suppliers are vital to our success in these commitments. We expect our suppliers to:

- Provide this Human Rights Statement and our Supplier Code of Conduct to their suppliers.
- Be aware of human rights risks, prevent abuses, mitigate harm, provide or facilitate access to remedy and communicate findings within their own operations and supply chains.
- Strive to go above and beyond these goals and continually improve working conditions for their workers and their supply chains.

On a risk-based approach and as needed, we are committed to providing training and capacity building to support our suppliers in implementing these commitments. This will be in addition to existing training we provide suppliers regarding our Supplier Code of Conduct requirements.

Our human rights due diligence framework incorporates specific practices to implement our commitment to respect human rights and manage our salient human rights risks. Illustrative practices include:

- Exploring how to embed this Human Rights Statement into our decision-making practices and actions.
- Assessing and identifying human rights risks and impacts across our supply chain, on a regular basis.
- Preventing, mitigating, and managing human rights risks as we determine to be reasonable and appropriate.
- Collaborating with multi-stakeholder coalitions and joining industry efforts to address some of our highest risk supply chains.
- Tracking the effectiveness of our actions and progress to facilitate informed decision-making and effective remediation.
- Communicating our progress with relevant internal and external stakeholders on implementing the Human Rights Statement.
- Providing or facilitating appropriate remedies to those impacted by human rights violations.

As with our employees, our suppliers can access our confidential and anonymous ethics hotline from anywhere in the world, in multiple languages at

Last Updated: December 2023

www.costco.ethicspoint.com. This is highlighted in our Supplier Code of Conduct. Our Legal Department is responsible for overseeing our hotline by ensuring the relevant department(s) within the company properly investigates and follows-up on each report received, as appropriate.

Additionally, Costco supports the operation of certain grievance reporting mechanisms in high risk supply chains through various relationships, and requires all suppliers to provide an anonymous and confidential method for all supplier employees to raise concerns to senior level management at the facility without fear of retaliation.

ADDITIONAL RELEVANT POLICIES

In addition to this Human Rights Statement, Costco has the following policies to address human rights in our operations and supply chain:

- Code of Ethics
- Open Door Policy
- Anti-Harassment Policy
- Anti-Retaliation Policy
- Supplier Code of Conduct
- Conflict Minerals Policy
- Palm Oil Policy

Costco reviews these policies as needed.

We will provide updates on this Statement and our human rights progress on our website.