

Employee Development



Taking care of our employees is part of our Code of Ethics. A satisfied, challenged and respected workforce is the foundation of our success.

10 REDUCED INEQUALITIES



Employee Development Goals

When it comes to employee development, our goals are to:

- Provide all employees with training, education and opportunities for career development and advancement.
- Ensure there is fair access and resources to help employees succeed.
- Encourage leaders to continue to teach, mentor and sponsor employees, so that they will be ready to be considered for opportunities and greater responsibility.
- Encourage employees to take advantage of opportunities for development and advancement.

Pay & Benefits

Everywhere we do business, we seek to provide competitive wages and benefits to our employees. The vast majority of Costco's workforce consists of hourly employees in warehouse locations. Considering our combination of higher than average wages and low benefit premiums, we compensate these hourly employees well by retail standards. This is especially true as their tenure and responsibilities grow — with regularly scheduled pay increases and additional compensation. This helps us in the long run by minimizing turnover and enhancing employee productivity, commitment and loyalty. We encourage our employees to view Costco as a place for a long-term career rather than just a job.

In the U.S., we provide generous benefits, including affordable health care coverage for full- and part-time employees, and sizable contributions to company-sponsored retirement plans, based on years of service. We provide twice-yearly bonuses, which we refer to as Extra Checks, for qualifying tenured hourly employees who reach the top of the wage scale. We believe that our paid sick, vacation and leave policies for hourly employees are very competitive by retail standards. We have adopted operational practices designed to benefit our hourly workforce, such as a minimum 50% full-time ratio at each facility, guarantees of minimum scheduled hours and weekly schedules posted at least two weeks in advance.

Our worldwide policies and practices are designed to mirror our practices in the U.S., subject to local regulations, customs and market conditions.

For salaried management in our locations, as well as positions in the corporate and regional offices, we also seek to provide competitive compensation and benefits. Although many salaried employees might find higher compensation or better perks at other companies, our retention rates, particularly for longer-term Costco employees, are very strong. We believe our competitive compensation and benefits, opportunities for growth and advancement and the stability and culture of the company drive our strong retention rates.



Workforce Tenure & Development

In the U.S., our employees average over nine years of service. Over 55% of U.S. employees have five or more years, and over one-third have more than 10 years. Costco also has long-tenured workforces elsewhere, particularly in more mature markets in Canada, the UK, Mexico and parts of Asia. Worldwide, we have over 13,500 employees who have 25 or more years of Costco service. We feel that the experience level and loyalty of our employees are great assets.

A related advantage comes from our philosophy and practice of promoting from within our employee ranks. We are proud of the fact that over 75% of our warehouse managers worldwide began their Costco careers in hourly positions. In addition, a majority of our corporate and regional office employees started in our warehouses, depots and business centers. Here's a look at other programs created to help employees succeed and grow at Costco:

Student Retention Programs. These programs, available worldwide, allow warehouse employees to maintain their employment status while attending college.

Journeys For All. Journeys offers all employees opportunities to succeed through education, mentoring and connection.

Supervisor in Training (SIT). SIT offers a way for warehouse employees to get a foot in the door for future management opportunities. Employees can sign up for training in an area of the business they would like to pursue. We updated and expanded the opportunities within SIT for hourly employees, resulting in a larger candidate pool.

Merchandising Training Course. This 12-week program provides supervisor-level merchandising training to management without merchandising experience. Merchandising is an important element of the competencies required of a warehouse general manager, a key position at Costco.

Costco Internship Program. This program offers a limited number of internships for U.S. warehouse employees to work for three-month periods in our corporate and regional offices. It offers a valuable hands-on learning experience and insight into career options.

Leadership Training. Leadership training for advancing careers is offered via an internal nomination process for selected employees from all areas of our business through the Costco Leadership Forum and LEAD (Leadership, Excellence, Accountability and Development) programs.

Program Spotlight: Costco Careers

This recruiting program was created to draw talent from our warehouses, depots and all other operational units for positions in the home and regional offices. The program educates employees on the roles and career opportunities in corporate departments. We believe that bringing different perspectives, as well as operational knowledge, into our home and regional offices is good for both our business and employees.



Culture, Ethics & Open Door

We strongly value our culture. Costco employees know that an important factor in our past and future success has been and will be our commitment to simplicity, value, fairness, member service and always striving to do what is right. Our employees are essential to teaching and reinforcing Costco's unique culture.

It is imperative that we continue to perpetuate this culture throughout the company globally. We encourage and support our Open Door Policy, which allows any employee to discuss any issue with any level of management.

All Costco employees and suppliers are expected to promptly report actual or suspected violations of law and our Code of Ethics. Multiple reporting options are available, ranging from the Open Door Policy to our confidential and anonymous ethics hotline available globally in multiple languages at www.costco.ethicspoint.com.

As a measurement of engagement, Costco conducts a global employee engagement survey to obtain feedback concerning ethics, compliance and engagement. Survey results have indicated a high level of satisfaction by employees with their work environment. In FY23, the company moved from an annual survey to a biennial one, with the next one slated for 2024. Where there are opportunities for improved engagement, Costco leadership is committed to taking action in those areas.