

Managing Water

Costco understands the importance of water conservation and has adopted Sustainable Development Goal (SDG) 6 – Clean Water and Sanitation— as one of our SDG goals. We have implemented comprehensive water management programs and are committed to using less water overall.



Our Water Management Systems

Making sure we do whatever we can to avoid wasting water in our global operations is critical to our sustainability efforts, from both environmental and economical viewpoints. From an environmental perspective, water is a precious and limited resource that cannot be wasted. With rising temperatures, water use is also rising, causing shortage concerns throughout the world. Economically for us, minimizing water waste lowers overall operating costs — specifically, sewer, energy and maintenance costs. Our goal worldwide is to use the least amount of water that is practical and to reduce waste.

Water monitoring systems are currently in use in our warehouses worldwide. These systems enable our warehouse operators to:

- Detect mechanical failures in real-time for quick fixes.
- Identify operational water waste so that behaviors can be modified through education and training.
- Consume less water to lower the amount of energy and cost necessary to run mechanical equipment and systems, which in turn reduces Costco's carbon footprint, expenses and environmental impact.
- Create an enhanced awareness of water use and stewardship throughout all facets of our operations.

Costco's Estimated Global Water Usage Summary

	Sales (\$MM)	Gallons ('000s)	Water Use Increase (YoY)	Water Intensity ('000 gal / \$MM sales)
FY20	\$163,022	3,745,971	N/A	22.98
FY21	\$192,052	4,027,322	7.5%	20.97
FY22*	\$222,730	4,141,135	2.8%	18.59
FY23	\$237,710	4,233,311	2.2%	17.81

*Value is restated due to updated information on our usage. It reflects a 4.8% decrease versus the previously stated number.

Note: Consumption based on all invoiced water usage, may exclude some water for common area landscaping and locations with well water.

New Approaches in Landscaping

Landscaping around our facilities is important for the beauty it provides, and for preserving natural habitat. When we build new warehouses, we seek to include effective landscaping that uses the least amount of water possible. This entails integrating native, drought-resistant and artificial landscaping materials to minimize irrigation.

We are also finding these measures to be helpful:

- Using smart technologies and subsurface irrigation to improve efficiency and reduce water waste in irrigation systems.
- Installing bioswales to preserve groundwater and prevent runoff in select locations.

Using Less Water in Landscaping

In our existing warehouses, we are reviewing the feasibility of replacing landscaping with surfaces and features that use less water. These photos show parking areas that have been redesigned. Updates also can include drip irrigation systems. New warehouse sites are designed with water-efficient landscaping in mind.



Wastewater & Stormwater Plans

Each U.S. Costco location has wastewater and stormwater plans and procedures to ensure that we remain in compliance with local and federal regulations. We have a team of Environmental Sustainability and Compliance Managers throughout the U.S. who, in partnership with our corporate water systems team, work directly with all locations to track and respond to water waste or quality concerns. International locations have taken examples from the U.S. and are applying smart approaches to improve waste and stormwater management.

Examples of Water Savings

We are constantly seeking new ways to save water in our operations, in both small and large ways. Here are some recent examples:

- In our U.S. Food Courts, we are upgrading the way we safely clean the pots and pans used to prepare food. A new high-efficiency dishwasher uses 197 fewer gallons a day than the old system, while requiring less energy and labor hours as well. So far, we have installed nearly 200 new dishwashers as we grow the program. It all adds up to an annual estimated savings of 13.9 million gallons of water per year.

- In 20 Mexico locations, all water used in the warehouses (bathrooms, fresh food areas and so on) go from the drains to on-site small treatment plants, instead of the sewer. This treated water is then used for site irrigation. This not only reduces the impact on local sewer systems, but saves us money on irrigation costs.
- In Australia, rainwater is captured and stored on-site for use in toilets, cooling refrigeration systems and irrigation.
- In the Los Angeles region, we are using a water capture system to catch rainwater and refrigeration condensate, which is stored on-site in large, underground cisterns. This water is used for irrigation. If the tanks are ever completely full the location issues the water back to the city.
- In our regional office in Kisarazu, Japan, rainwater is captured in an underground storage tank for irrigation and flushing toilets. Up to about 27,000 gallons of rainwater, collected from gutters at the rooftop and fourth floor terrace, can be stored underground.
- In the Midwest, simple new processes in washing dishes in the Food Courts and fresh food departments have saved 200 gallons of water a day in each location.

Water Savings in Our Chicken Plant

In 2019, Costco began selling chicken in our vertically integrated facility in Fremont, Nebraska, which was designed with water preservation, re-use, efficiency and treatment in mind.

Costco worked with the city of Fremont to expand its wastewater treatment plant to ensure that the wastewater generated is treated before returning to the municipal wastewater treatment plant. In addition, through a process of air chilling, we save a substantial amount of water in comparison to typical water chill processing.



Car Washes

Wastewater in our on-site car washes is reduced in the following ways:

- Digital water metering identifies spikes in usage that indicate a potential leak or equipment malfunction. With real-time monitoring, these spikes can be addressed immediately.
- Every wash has a reclaim system to filter and recycle water to be used for everything that does not require fresh water. This cuts fresh water use by more than 50%.
- Water main shut-off valves are utilized when the car wash is not in use.
- All car washes strictly follow water usage permits and requirements.

In fiscal year 2023, we were able to improve the washing process, enabling us to eliminate the “rain bars” at the entrance of the car wash. This saves us an estimated 4.8 million gallons of water per year.

