

Environmental Impacts & Land Stewardship

Costco understands that it has a responsibility to source its products in a way that is respectful to the environment and to the people associated with that environment. Our goal is to help provide a net positive impact for communities in commodity-producing areas by doing our part to help reduce the loss of natural forests and other natural ecosystems, which include native and/or intact grasslands, peatlands, savannahs and wetlands. Pollinator health is part of this effort.



Land Stewardship Goals

We want to work with suppliers and others to support good land stewardship practices. These include, but are not limited to:

- Avoiding deforestation and conversion of natural ecosystems
- Conserving or restoring natural ecosystems
- Protecting High Conservation Value (HCV) and High Carbon Stock (HCS) forests
- Requiring free, prior and informed consent of indigenous people
- Respecting basic human rights
- Avoiding pollution
- Protecting water resources
- Protecting from harmful chemicals
- Protecting, restoring and promoting soil health
- Supporting the increased healthy production-efficiency of lands currently in production

Forest Conservation Commitment

Deforestation is occurring at a rapid rate as natural forest landscapes are converted to land for growing livestock and agriculture. These natural ecosystems provide high environmental and social value, including habitat for diverse animal species, carbon sinks and long-term livelihoods for people living in and near these forests.

We believe that our most impactful steps are to (1) source our wood, paper and fiber-based products from responsibly managed and certified forests, and (2) use recycled content and alternative fibers when feasible. While we desire all products to be sourced this way and encourage our suppliers to follow this goal, we have focused our efforts on our Kirkland Signature™ products. Our goals are explained in our [Forest Conservation Commitment](#).

Certified Product

Costco accepts forest management certifications from three leading organizations: Forest Stewardship Council® (FSC)¹, Sustainable Forestry Initiative (SFI) or Programme for the Endorsement of Forest Certification (PEFC), with a preference for FSC. These certifications help to ensure that the needs of the forest ecosystems and their communities are balanced with conservation.

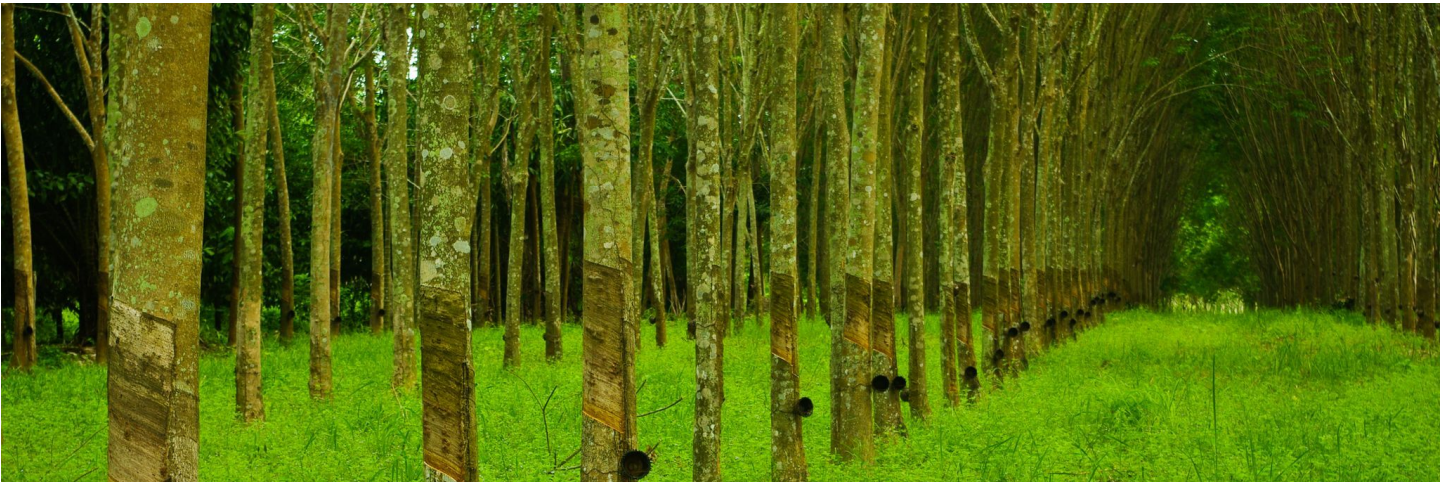
Virgin & Recycled Fibers

Virgin fibers and recycled fibers both play important roles in making everyday products like paper, cardboard and bath tissue. Fiber products are not infinitely recyclable — after about seven times they degrade, lose their strength and are no longer usable. This is why virgin fibers have an important role. Virgin fibers are valued for products that require their strength, softness, color and absorbance qualities, such as premium bath tissue. To reduce our use of virgin fiber, we have a preference for recycled fiber where feasible and where we believe it is a more sustainable alternative to virgin fiber. The final choice of fiber will be determined by quality and food safety requirements, product specification and performance, and legal requirements.

1. Costco's FSC license code FSC-N003307

Recycled fibers, in contrast, are the best choice for making such things as cardboard and packaging, which don't require as much softness or absorbency.

For these reasons, responsible forest management is an important component in sourcing fiber for paper-based packaging. Costco is committed to sourcing the fiber used for its products and packaging from known sources, be legally harvested under certified forest management programs and not contribute to deforestation or degradation. A major focus for us is to increase recycled content in packaging, especially with Kirkland Signature products.



Seven Key Commodities

We are committed to eliminating deforestation in seven key commodities in our Kirkland Signature supply chains that historically contribute to deforestation: palm oil, wood/pulp/paper, soy, cocoa, coffee, beef and rubber. You can find details on how we source products in these categories by going to “Commodities & More” on our [Merchandising page](#).

Palm Oil: Costco is a member of the Roundtable on Sustainable Palm Oil (RSPO) and we're committed to ensuring that the palm oil and associated products are responsibly sourced.

Wood, Pulp & Paper. We are committed to sourcing from certified forests all of our wood, pulp and paper products.

Soy. Because soy is a major driver of tropical deforestation in countries such as Brazil, we source Kirkland Signature soy-based products, such as Kirkland Signature soybean oil, vegetable oil and organic soy beverages, from the U.S. and Canada.

Pollinator Health

Cocoa. Working through the Sassandra Cocoa program, we are funding the distribution and replanting of trees, and working to increase the number of farmers participating in the program.

Coffee. We offer several Kirkland Signature coffee items, sourced from areas around the world. Our commitment is to use responsibly grown coffee.

Beef. With concerns that beef production contributes to tropical deforestation in countries such as Argentina, Brazil, Colombia and Paraguay, our intent is not to source beef from high-risk deforestation regions until comprehensive traceability and monitoring systems are in place.

Rubber. At this time, no Kirkland Signature products contain natural rubber. If they do in the future, our goal is to responsibly source rubber.

We update our progress on deforestation efforts each year in this Sustainability Commitment. Also, beginning in fiscal year 2022 we are disclosing sourcing information about these forest risk commodities through the CDP Forest questionnaire. This report is available through [CDP](#), a global disclosure system.

Native pollinators and managed honeybee populations are threatened by pests, pathogens, pesticides and poor nutrition. These pollinators are necessary for pollinating approximately one-third of the food we eat, including many fruits, nuts and vegetables. More information can be found in our *Costco Connection* article, [Honeybee health](#).

We're supporting pollinator health through research, smart agricultural practices and more:

Supporting Research. Tapping a portion of the sales from our Kirkland Signature honey, we financially support Project *Apis m*. This group funds critical research, offers information on best forage practices for bees, and serves as a resource to beekeepers, growers and others. More information can be found on the [Project Apis m. Blog](#) and on the "Oils, Honey & Spices" page in our [Merchandising section](#).

Reducing Chemical Use to Support Bees

Promoting Pollinator-Friendly Agricultural Practices. We work with our fresh produce and almond suppliers to encourage the planting of buffer zones to benefit pollinators. We also encourage almond growers to use cover crops to increase the density, diversity and duration of bee forage in California orchards, which also improves soil health. See this [Costco Connection article](#) for information on the [Seeds for Bees](#) program of [Project Apis m.](#)

In the American Midwest, a critical area where efforts are focused to support honey production, pollination and native pollinators, we are working with The Bee and Butterfly Habitat Fund's Seed A Legacy Program. [See this report](#) for more information on this program.

We are taking these steps to help reduce chemicals in our live goods, fruit and vegetables to support pollinator health:

Pollinator Health Policy. Our [Pollinator Health Policy](#) involves suppliers of live goods (garden plants), fruit and vegetables. Costco encourages these suppliers to limit the use of non-essential chemicals, utilize eco-friendly methods of pest and disease control, and incorporate Integrated Pest Management (IPM) strategies and other creative solutions for the use of least toxic alternatives. Suppliers are encouraged to phase out the use of neonicotinoids and chlorpyrifos, unless mandated otherwise by law and when possible to avoid regrettable substitutions. Costco seeks to partner with suppliers that share our commitment to pollinator health and IPM, and make reasonable progress in a timely manner.

Other practices to support pollinator health. Our global suppliers report various efforts to support pollinator health and improve farm practices. These include integrated pest management (IPM); use of beneficial insects, biological alternatives, oils and soaps; physically excluding plant pests by creating barriers and separations; working with extension offices and/or local government; setting aside land for pollinator habitat and planting pollinator friendly native plants; and increasing regenerative and organic growing practices.



Equitable Food Initiative (EFI). Costco is part of EFI, a fresh produce effort consisting of farmers, suppliers and NGOs working to improve labor practices, environmental stewardship and food safety for the benefit of workers, agricultural communities, businesses and consumers. In addition to labor and food safety standards, EFI addresses pollinator health by requiring participating members to have:

- An implemented **Integrated Pest Management** plan that includes a stepped approach starting with biological controls followed by cultural, physical and finally chemical responses.
- Application records for conventional and open fields operations to be entered into the **Pesticide Risk Tool** (PRT) to generate a risk assessment to guide spray decisions. EFI continues to partner with The **IPM Institute of North America** to aggregate and analyze pesticide application records entered into the PRT.
- A written justification for each application of a highly hazardous pesticide, aligned with their IPM plan and documenting that risk management measures were implemented during application.
- Irrigation practices that limit erosion, and uncultivated buffer strips to further protect water habitats.
- Worker training for appropriate pesticide use, which addresses prohibited off-label pesticide use; proper personal protective equipment; reporting procedures about all applications; and medical monitoring of workers handling certain pesticides.



Products Supporting Bee Health

Weed & Insect Control Products. Costco sells a number of organic and alternative gardening products, which contain natural and/or organic elements. Globally, we no longer offer weed and insect control products containing glyphosate, neonicotinoids or chlorpyrifos.

Bee Better Certified Products. This label on food products certifies pollinator and biodiversity conservation on farms. This includes Silk Almondmilk, available at select Costco warehouses (learn more about this product in our [Silk Brand Showcase](#) and in this article, [Bee Better Certified: One Acre At A Time](#)).

Organics & Greenhouses. We continue to expand our selection of organic products and have increased products grown in greenhouses, which in turn supports pollinator health. Costco's selection of organic products continues to grow worldwide to meet our members' demands.

For more information, please see the "Organics, Greenhouse Grown & Horticulture" page of our [Merchandising section](#).



Supporting Regenerative Agriculture

Costco believes protecting and regenerating nature is imperative and the right thing to do. We strongly encourage our suppliers to follow the principles of regenerative agriculture, which include practices that minimize soil disturbance, increase plant diversity, keep living roots in the ground year-round, keep soils covered and integrate animals back onto the land. These principles help create healthier soil. Healthy soils are critical to long-term agricultural production because they reduce plant vulnerability, can improve crop production and can improve farm profitability. Increasing the organic matter in soil helps the land hold and retain more water, which is critical in times of drought or excessive rainfall. For a related story, see “Smarter Egg Farms” in the “Eggs, Dairy & Plant-based Alternatives” page of our [Merchandising section](#).

Suppliers Doing Their Part: Cargill

Regenerative agriculture practices not only improve crop productivity and soil health, but also support the livelihood of farmers across the country while helping to reduce carbon emissions. Costco is participating in Cargill’s regenerative agriculture program, Cargill RegenConnect®. Cargill RegenConnect® is focused on supporting farmer adoption of regenerative agriculture practices such as no till, reduced till and cover crops. Farmers are then paid for positive environmental outcomes, such as sequestering carbon in the soil. The goal is to enable farmer adoption of regenerative agriculture practices that provide positive environmental benefits, while helping farmers become more resilient.



Photo courtesy of Cargill

Case Study: Roam Free

Regenerative agriculture can be practiced in a variety of settings. For Jon Sepp and Brittany Masters, it's with raising bison for custom-made meat products on a rolling ranch in western Montana.

Their [Roam Free Ranch](#) follows ranching practices to build the soil, sequester carbon and protect water resources, with an ultimate goal of leaving the land better than they found it when they started the business in 2014. Their bison are born and raised on the natural prairie, and are allowed to roam free to naturally socialize. The animals can help revive native grasslands with their hoof action and manure.

“What we are trying to do is make the ecosystem a little bit healthier every year. Instead of extracting topsoil, we’re adding topsoil,” says Brittany. “Instead of losing biodiversity, we’re adding biodiversity.”

Jon adds, “When we look at what we’re doing regeneratively on this ranch, we’re trying to return to sinking carbon into the ground and optimize the grasses to make it as natural as possible, as best as possible. That’s our mission day in and day out.”

