

Governance & Education

Sustainability is important to all levels of our company, and we are working together toward our goals and progress on our initiatives.

Governance

In fiscal year (FY) 2022, Costco's Board of Directors officially made sustainability a core part of the charter and responsibility for the Board's Nominating and Governance Committee. Regular reporting to our Board of Directors and to the Nominating and Governance Committee occurs throughout the year.

On the management side, Costco's sustainability strategy continues to be led by our Senior Vice President of Global Sustainability and Compliance, who reports directly to the CEO and regularly engages the Board and executive team, including monthly updates to our global executives at our Budget Meetings. Costco recently launched our ESG (Environmental, Social and Governance) Executive Advisory Council, which brings together leaders from across the company to chart goals and strategy. We have also aligned our FY23 executive compensation with ESG priorities through our Executive Bonus Plan. It rests, in part, on (1) quantitative (60%) metrics including diversity, equity and inclusion (DEI), resource consumption (water and energy), environmental compliance, waste reduction, climate (emissions), packaging, forest conservation and fisheries; and (2) qualitative (40%) metrics to encourage awareness and action on new initiatives.

Education

We also believe in the importance of keeping our members, employees and suppliers informed via a number of channels, including:

- Articles in the *Costco Connection*, our monthly publication for members
- Articles in the *Costco Today*, our employee magazine
- Training and educational opportunities for our employees and suppliers throughout the year, including in-person presentations at our annual International Managers' Conference and our annual Supplier Day
- Policies and guidelines for our employees and suppliers
- Job aids and operational procedures to help our employees comply with our policies and programs
- This Sustainability Commitment, which is updated at least annually