



Kirkland Signature Cocoa

The Sassandra Program in Côte d'Ivoire Our goal is to have 100% of our Kirkland Signature[™] chocolate products made from cocoa sourced through programs that promote sustainable practices by December 2025. One way we are working toward that goal is through the Sassandra Cocoa program, which provides cocoa from Côte d'Ivoire. Founded in 2009, the Sassandra Program is named after the Sassandra River in the southwest region of Côte d'Ivoire and provides on the ground support to farmers through various social and agronomic practices. This is the original location of the cooperatives from where we source some of our cocoa beans for Kirkland Signature chocolate products. Since then, the program has expanded and remains exclusive to Costco.

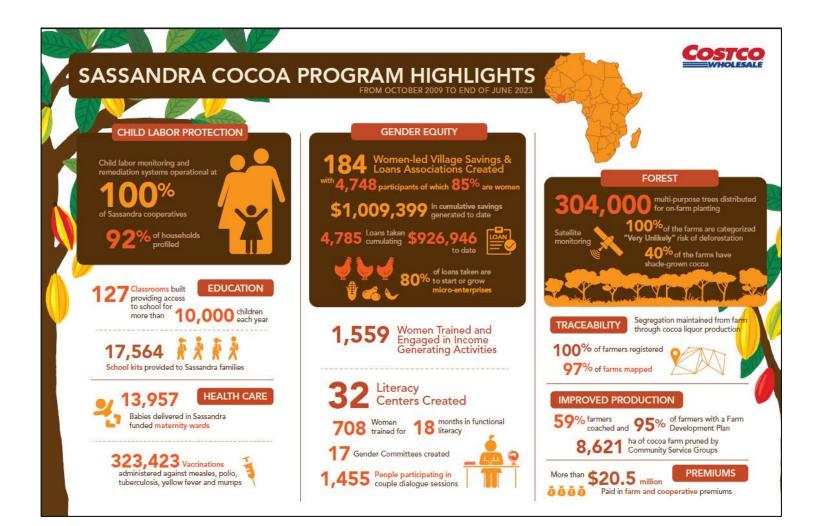
The program is designed to provide a quality product that is traceable, improves profits and livelihoods for the farmers/cooperative members, and introduces respectful environmental practices. Each of our cooperatives are audited by an independent third party. The program includes these components:

- Traceable and segregated cocoa
- Child Labor Monitoring and Remediation System coverage
- Social infrastructure investment, which includes schools, health centers, maternity wards and community investments such as water pumps and storage facilities
- Community development with a focus on women's empowerment through literacy and numeracy programs, alternative income-generating activities, village savings and loan programs, and community gender-equality programs



- Premiums paid for beans produced under the Sassandra program
- Cooperative development and training
- Improved production through financing and farmer training

Our annual review of this program shows progress in several areas, as shown in the graphic below. In particular, we see progress in deforestation efforts through expanded polygon mapping and satellite monitoring, which can help ensure forests aren't being destroyed for cocoa production. Also, community development activities are expanding to more villages, with many of the programs aimed at training women for income-generating activities.





A Personal Look: Sylvie Kouakou

Sylvie participates in a Sassandra Cocoa Program financial plan called Village Savings & Loan Association (VSLA), which gives farmers critical access to cash. She says: "VSLA has restored my dignity in this village, because I was not considered because I had no money, and I did nothing for lack of access to credit. Today, thanks to loans from VSLA, I raise pigs and I am doing very well. In addition, the training that I liked the most is the couple dialogue. This allowed us to understand that we had to overcome certain beliefs such as there would be activities or responsibilities dedicated to men and there would be some dedicated only to women. Our eyes are open now."



Cocoa & Child Labor Issues

Cocoa & Deforestation

Costco is dedicated to preventing and remediating child labor wherever it is found. Unfortunately, child labor is a long-term systemic issue in cocoa supply chains. Our goals through the Sassandra program are to address this important issue through child labor monitoring and remediation programs; better education through new classrooms and basics such as school kits; and resources that help women in the communities. For an update on progress in these areas, see the graphic on the previous page. For more details on child labor, see the "Human Rights" section in our <u>People & Communities page</u>.

Costco supports efforts to eliminate deforestation in cocoa production. We are aware that Côte d'Ivoire has lost 80% of its forests in the past 50 years and that cocoa production is one of the drivers of that loss. We are funding the distribution and replanting of trees to help facilitate reforestation and agroforestry efforts, as shown in the graphic on the previous page.

Our goal is for all cocoa farmers in the Sassandra program to have their farms GPS polygon-mapped for monitoring. This is done to ensure the farms are not located in protected forests, and to help preserve these forests from any further encroachment. An update on these goals and more details on the Sassandra Program can be found in the <u>Côte d'Ivoire Report</u>.







Kirkland Signature Coffee Costco offers numerous Kirkland Signature coffee items, which come from areas around the world. Our commitment is to use responsibly grown coffee and to maintain quality relationships with the farmers who supply it. That is why we focus our efforts in sourcing Kirkland Signature coffee from farms that are certified by one of these organizations: <u>Rainforest Alliance</u>, <u>Fair Trade</u> and/or <u>Enveritas</u>. More information can be found about these programs in our *Costco Connection* article, <u>Family perks</u>, as well this <u>Rwandan video</u> and <u>Guatemalan video</u>.

In addition, Kirkland Signature Ground Colombian Coffee is nitrogen-flushed, allowing for a lighter can, which allows Costco to put fewer trucks on the road and to lower the product's carbon footprint. See this <u>nitrogen-flushed</u> graphic to see how that works. Also, we recently redesigned the can to reduce the amount of tin used, aligning with one of our packaging goals to reduce materials used.



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