



Kirkland Signature Cocoa

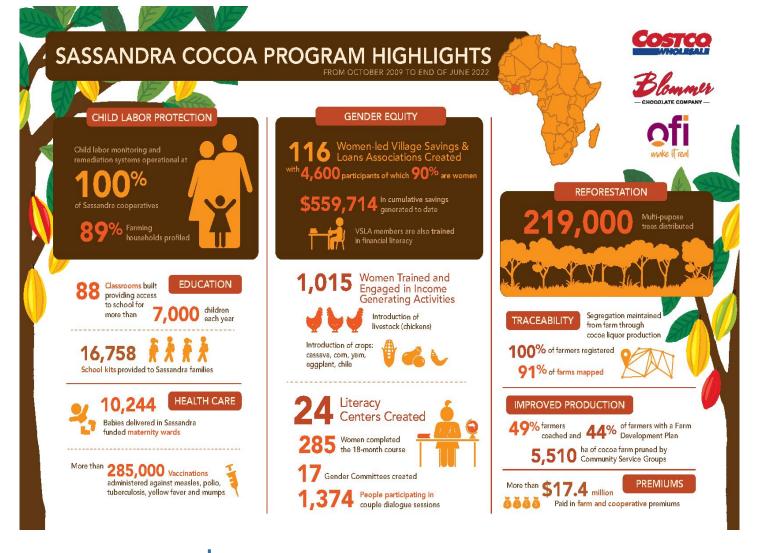
The Sassandra Program in Côte d'Ivoire The majority of Kirkland Signature<sup>™</sup> chocolate products are made from cocoa sourced through sustainable programs, some of which are from Costco's Sassandra Cocoa program, sourcing cocoa from Côte d'Ivoire. The Sassandra Program, named after the Sassandra River in the southwest region of Côte d'Ivoire, is a partnership that began with Costco, Blommer and ofi in 2009. This is the original location of the cooperatives from where we source our cocoa beans. Since then, the program has expanded and remains exclusive to Costco.

The program in Côte d'Ivoire 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 in Côte d'Ivoire includes these components:

- Traceable and segregated cocoa.
- Child Labor Monitoring and Remediation System coverage (CLMRS).
- Farms GPS polygon mapped to reduce risk of deforestation with a goal of 100%.
- 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 quality product.
- Cooperative development and training.
- Improved production through financing and farmer training.



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. For more details on child labor monitoring and remediation programs in Côte d'Ivoire, see "Priority Industries for Strategic Collaboration" in the Human Rights section on our <a href="People & Communities page">People & Communities page</a>.

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 facilitate reforestation and agroforestry efforts, as show in the graphic above.



## Cocoa & Deforestation

Our goal is for 100% of cocoa farmers in the program in Côte d'Ivoire 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 Côte d'Ivoire Report and the Costco Connection article, Cocoa Channels.





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: Rainforest Alliance, Fair Trade and/or Enveritas. More information can be found about these programs in our Costco Connection article, Family perks, as well this Rwandan video and Guatemalan video.

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.