



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

Sustainability is a focus of Costco's Board of Directors, with primary responsibility delegated to the Board's Nominating and Governance Committee under its charter. Regular reporting to our Board and the 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 updates to our global executives at our Budget Meetings (structured meetings thirteen times annually to align on financial goals, review performance against targets, and make key decisions). In 2021, we launched our ESG (Environmental, Social and Governance) Executive Advisory Council, which brings together leaders from across the company to chart goals and strategy. Through this Council, various working groups/task forces address numerous topics, such as our Climate Action Plan, Global Energy Strategy, ESG finance, disclosure and reporting, and regulatory requirements. We also align our executive compensation with ESG priorities through our Executive Bonus Plan. These bonus elements are overseen jointly by the Compensation Committee and the Nominating and Governance Committee. Annual cash incentives rest 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.

Roles & Responsibilities

The image below outlines Costco's various governing bodies and their responsibilities.



Education

We keep our members, employees, suppliers and investors informed through many 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 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; and
- This Sustainability Commitment, which is updated at least annually.