

Costco Wholesale Corp. (Costco)

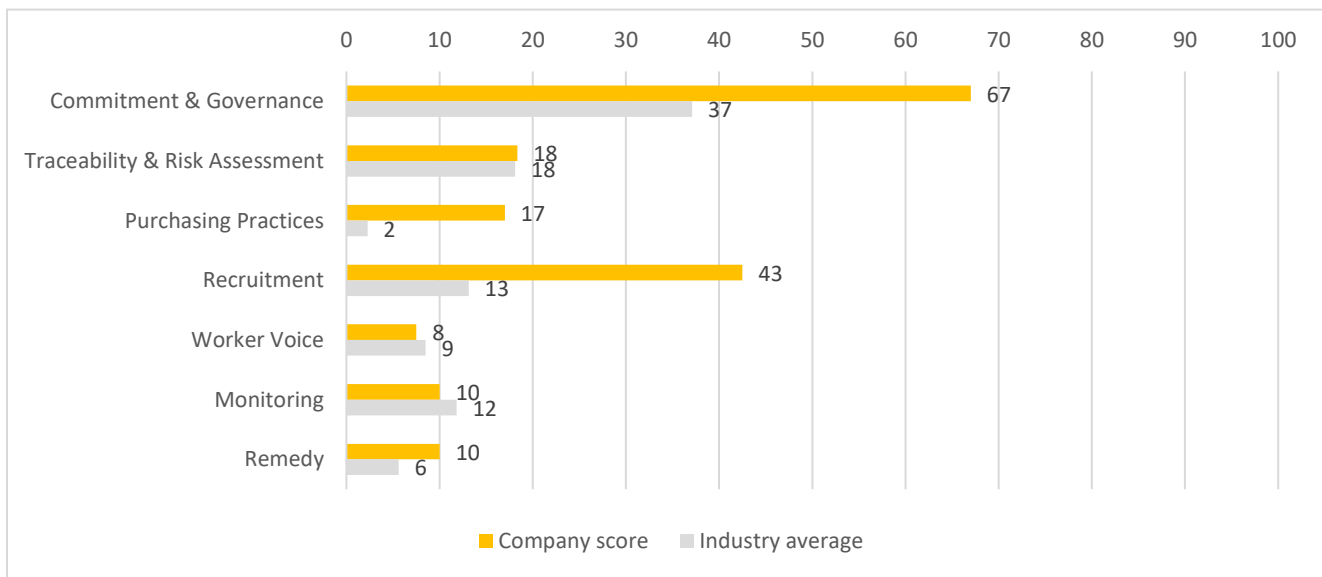
TICKER
COST

MARKET CAPITALIZATION
US\$224 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: [Yes \(Disclosure of Subsidiary\)](#)
Australia Modern Slavery Act:
[Yes \(Disclosure of Subsidiary\)](#)
California Transparency in Supply Chains Act: [Yes](#)
Yes

OVERALL RANKING
14 out of 60
[2020 Rank:](#) 21 out of 43

OVERALL SCORE
27 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST
 No

RISK ASSESSMENT
 Yes

ENGAGED WITH KNOWTHECHAIN¹
 Yes

NO-FEE POLICY
 Yes

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK COMMODITIES²
 Palm oil, coffee, sugarcane, wheat and others

SUMMARY

Costco Wholesale Corp. (Costco), an American multi-national food and sundries retailer among the top ten largest retailers globally,¹ ranks 14 out of 60. Compared to 2020, the company improved its performance by disclosing details on its human rights risk assessment process, aspects of its purchasing practices, responsible recruitment efforts and remedy outcomes for workers. The company demonstrated stronger performance on the theme of Responsible Recruitment, providing details of how it supports responsible recruitment in its supply chains. However, it does not disclose a recruitment fee policy which incorporates the Employer Pays Principle, nor how the policy is implemented. The company demonstrated weaker practices on supply chain tracing, as it does not disclose a first or second tier supplier list. It also performs poorly on the theme of Worker Voice, where it did not disclose engaging with unions to support freedom of association within its supply chain, and Remedy: the company did not disclose remedy outcomes for workers.

The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Worker Voice, and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers (either across high-risk commodities or across all first-tier suppliers), the names and locations of below-first-tier suppliers, and a full list of raw material sourcing countries from which it sources commodities at high risk of forced labour.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Further, the company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers,

¹ Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website: [Costco](#)

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2023 food & beverage benchmark findings report](#).

¹ Statista, "Leading retailers worldwide based on revenue," <https://www.statista.com/statistics/266595/leading-retailers-worldwide-based-on-revenue/>. Accessed 23 June 2023.