



PALM OIL POLICY 2015

Costco Wholesale is committed to ensuring that the palm oil contained in our Kirkland Signature products is responsibly and sustainably sourced. To this end, we will continue to work with our suppliers to move toward RSPO (Roundtable on Sustainable Palm Oil) certified (or equivalent) palm oil, palm kernel oil and palm oil derivatives ('palm oil'). Our goal is that all palm oil used in Kirkland Signature products will be 100% RSPO certified (or equivalent) by 2021 or sooner.

In addition, we support practices to help achieve zero net deforestation and support smallholders. Accordingly, our goal is for all Kirkland Signature suppliers to source palm oil based upon the following principles by 2021 or sooner:

1. Compliance with RSPO Principles (or equivalent).
2. Protection of High Conservation Value (HCV) and High Carbon Stock (HCS) forests.
3. No new development on peatlands and the use of Best Management Practices for existing plantations on peatlands.
4. Commitment to no-burn policies.
5. Commitment to traceable and transparent palm oil supply chains
6. Respect for human rights, including the right to free, prior and informed consent, for community stakeholders impacted by expansion.
7. Support for the integration of smallholders into sustainable supply chains.
8. Compliance with Costco's Supplier Code of Conduct and applicable international, national and local laws and regulations.

We will work with our suppliers to update our progress annually and will include such progress on our website.

September 2015 (Updated)