2019 Costco Wholesale Packaging Archives

1. Reduce the Amount of Packaging Overall

Plastic

In 2019, we began an internal review to determine our packaging footprint. We learned that we have implemented packaging in the last several years that reduces our plastic footprint by over 6 million pounds annually.

Some examples include:

- Redesign of Kirkland Signature™ Kids' Pajamas to remove the plastic hanger
- Replacement of Kirkland Signature by Miraclesuit plastic-molded swimsuit hanger to paperboard
- Redesign of Kirkland Signature candy, nut and Parmigiano Reggiano jar to use less plastic
- Reduced the amount of plastic used in the croissant container and changed the sheet cake tray from plastic to paperboard in the bakery
- Removed the plastic bag from individual bunches of bananas
- Changed Kirkland Signature Bratwurst from black Styrofoam® to paperboard
- In Korea, replaced plastic cups and straws in the food court with paper cups and straws
- In Canada, replaced plastic bags for members in the fresh meat department with compostable bags
- In Taiwan, replaced Styrofoam[®] meat and seafood packaging with saddle-pack bags
- In Australia, replaced apple packaging with paperboard packaging
- In Japan, replaced Food Court packaging with compostable packaging
- In Korea, replaced cake packaging with paperboard boxes
- In France, removed the plastic wrap on the cucumbers and replaced with two small bands for required sell information
- Across the U.S., replaced plastic straws with compostable plastic or paper straws

Fiber-based & Corrugated Packaging (Fiber)

Fiber used for paper-based packaging should come from known sources, should be procured legally from well-managed forests and should not contribute to deforestation. In 2019, examples of reduction include:

- The paperboard core of the Kirkland Signature[™] holiday wrap has been reduced by 10% - 20%.
- In Australia, fresh apple corrugated packaging has been reduced by over 30%.

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1. Reduce the Amount of Packaging Overall

Progress to Date – Reduction Efforts

In 2019, we began an internal review to determine our packaging footprint. We determined that we have implemented packaging in the last several years that reduces our plastic footprint by over 6 million pounds annually. For more information, please view our <u>2019 packaging footprint</u> summary.

Costco continues to make progress toward reduction of packaging as we review each item for opportunities to make meaningful changes. Each year brings new progress in our quest to add more items to this initiative. In 2020, we further reduced plastic by over 2.6 million pounds, in addition to converting over 6 million pounds of single-use food service packaging to compostable items. We are making great strides in this effort, as our year-over-year progress continues to add up and examples of our packaging footprint reduction in 2020 include:

- Bakery reductions in Taiwan, South Korea and Japan totaling 195,000 pounds that feature converting plastic cake boxes to paper boxes with film windows. In Japan, bakery reductions also include reducing the plastic weight in two croissant containers.
- Service Deli reductions in the UK and Australia include six different take-home containers redesigned to use less plastic – a total of over 168,000 pounds.
- Some of the produce department reductions achieved by our many suppliers around the
 world include corn packaging in Australia, organic leeks packaging in Spain, four items
 in Japan and changing the packaging in South Korea for mushrooms to a paper case.
- Additional produce item reductions include eight clamshell conversions in **Iceland**, two clamshell changes in **Mexico** and removing the plastic bag on bananas.
- Further produce packaging changes for the **UK** include five clamshell conversions for tomatoes, apples and cherries.
- In **Canada**, fresh Dynamic Duo Potatoes have moved from a plastic bag to a paper bag, reducing plastic by over 40,000 pounds.
- In the **U.S.** produce packaging changes on an additional 11 items drove the total plastic reduction in produce globally to over 1.4 million pounds.
- In the Freezer category, **U.S.** packaging changes to Kirkland Signature Tempura Shrimp and the removal of individual wrapping of boneless, skinless chicken breasts, reduced plastic packaging by over 443,000 pounds annually.
- Food Court packaging changes in Australia, Iceland, Japan, South Korea and the U.S. further reduced plastic by over 485,000 pounds.