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### What is Costco considering when it is evaluating product packaging?

Here at Costco Wholesale, we are continuing to improve our packaging. Costco's sustainable packaging goals are to ensure our packaging is designed to protect the product, comply with laws and regulations, reduce materials, and communicate effectively with our members. We also seek opportunities to reuse packaging, identifying the materials used so that packaging can be recycled or composted, as well as to source already recycled content.

## What is Costco doing about all of the plastic packaging on products in the warehouse?

We recognize that packaging, especially plastic and components that make recycling difficult, is a growing international concern and Costco is actively working on solutions to reduce our impact. We are currently undertaking a company-wide effort to review packaging issues at every level. This review includes looking at every opportunity to reduce our plastic usage, improve our package labeling to inform members of the recyclability of the packaging, and exploring opportunities in alternative packaging materials and compostable options. As part of this review, we are also improving how to share effective solutions across our buying teams so we can all learn and benefit from successes. We are working on providing more options for purchase that are more aligned with better material and labeling choices with an emphasis on recyclable and compostable items. Please understand that with an operation the size of ours, changes take time to both source and implement. We have many projects currently in testing and other successful changes that are rolling out soon.

### In particular, what about the plastic packaging in the produce department?

Our produce buying teams have been working with our suppliers to address our members concerns with plastic packaging. Some apple brands are transitioning to corrugated packaging and others are switching to reduced plastic solutions. Additionally, after testing in multiple regions, we have removed the bag on the sell units of bananas. Other packaging changes you may observe at your local warehouse include reductions in plastic packaging by using film closures, rather than rigid lids, pulp packaging and flexible bags in place of other rigid packaging. These changes have culminated in over 10 million pounds less plastic used annually.

# What about plastic egg cartons? Why not use the cardboard egg cartons like most other grocery stores use?

As with all packaging, there are trade-offs, which we try to balance. While we recognize that recyclability of egg cartons is an increasing challenge for some of our members, we also have a priority to reduce food waste in our supply chain. The use of this packaging allows us to save 9 million eggs a year from the waste stream. In addition, our egg packaging is made of 100% recycled PET and is 40% lighter than pulp egg cartons. This weight difference and construction of the packaging allows for 50% more cartons to be packed onto a truck, reducing the delivery impact between farms and our greenhouse gas emissions footprint. Additionally, using recycled content further reduces greenhouse gasses in the production of the packaging by over 60% on average.

## Is Costco doing anything to eliminate the single use plastics like in the food court or in the demo samples?

We are currently working on multiple projects to limit the amount of single use plastics and straws used in our warehouses. We're pleased to share with you that we are currently in the process of transitioning all of our food courts globally to compostable foodservice packaging. We continue to apply changes to more Costco locations and review alternative solutions as we work toward a sustainable future. In addition, we are currently reviewing all types of delivery systems for our food demos in order to find options that are food safe, environmentally friendly, and cost effective. We are requesting our suppliers and demo companies to eliminate and/or minimize the use of plastic whenever possible and use viable alternatives such as paper or other materials.

### Why do you continue to use and sell so many single use plastic water bottles?

We recognize that the proliferation of water bottles has challenges and we must walk a delicate line between the value of the product and the other reasons our members choose to purchase this product. Although we have not yet found a viable replacement option for the water bottles, we remain focused on alternative material research and development. We realize that there exists options in paper and metal packaging, however we also use Life-Cycle Assessment data to determine the entire impact of the packaging choices we make. In the meantime, we are continuing to increase our recycled content in those containers. This is a very positive development as using recycled content instead of sourcing new, or what is called "virgin" plastic, reduces greenhouse gasses generated in the production process of making the bottle by up to 67%\*.

#### \*Life Cycle Impacts For Postconsumer Recycled Resins: PET. HDPE and PP

Why don't you replace more plastic bottles and jars with glass? We regularly seek to find the best packaging solution that both satisfies our packaging goals and provides the most beneficial outcomes. We are exploring solutions that consider the overall environmental impact of the packaging that consider tradeoffs between greenhouse gas emissions, the use of fossil fuel, and water usage. In most cases, we use plastic containers because they weigh much less than glass bottles and can lead to more efficient pallets, increased loads per truck, and fewer trucks on the road therefore reducing carbon

emissions.

Why do you use so much plastic to wrap individual items within larger multipack packages (i.e., multiple bottles or containers wrapped up into a single sell unit)? While the multiple packaging format that we supply many of our goods in appears to be excessive and unnecessary, what many of our current members may not be aware of is our history as a wholesale supplier to other small businesses. Because we still supply many other retail businesses, we package items into multipack packaging and the goods are labeled for resale. We recognize that this poses challenges for our household members and we are working hard to identify ways to reduce packaging and replace materials with more sustainable choices.

# Why do you need to use plastic for the holders used to connect two bottles of juice or the wrap used to hold two jars of something together as a single unit? Why not find a different material to hold the products together or just sell individual units of those products?

We recognize that the plastic holders and wraps used on various bottled products are difficult to manage. We are exploring opportunities across the spectrum of our packaging portfolio for opportunities to address these issues including exploring ways to reduce materials and to expand our use of alternative packaging materials and compostable options.

## Recycling is not an option in my area or is being reduced. What is your stance on recycling?

We support and encourage recycling, and while we understand that recycling is a limited solution for many of our members, we believe that the recycling industry is a key component of the circular economy. We believe strongly that we need to support the recycling industry so that it may recover and help continue to provide solutions to remove and reduce plastics from our environment. If we do not support this industry, humanity will be left to figure out how to solve these issues without the infrastructure and expertise of the recycling industry. We need to work together with consumers and industry to solve these challenges.

While we recognize that plastic containers are not a perfect solution, the vast majority of our rigid plastic packaging is made from PET, a highly recycled and recyclable plastic packaging. We also believe increasing our use of recycled content and continuing to increase our use of packaging that contains recycled PET is a positive path toward reduced use of and need to source virgin materials (i.e., new plastic). Using recycled content can lower energy use in the production of packaging by over 60%.

As evidence of our support for and belief in recycling, in our warehouse operations, we recycle a great deal in order to keep valuable, reusable material from being wasted in a landfill and encourage our members to do the same, if they are able. That said, we continue to explore opportunities in alternative packaging materials and compostable options.

# Why did you change my product from a recyclable plastic jar to a non-recyclable plastic bag?

We understand that many flexible bags are not recyclable, however, they do provide an opportunity to reduce the plastic in the packaging by an average of 70%. With the recycling industry not collecting many types of packaging, we may have to choose some solutions that have less obvious benefits, such as reduced packaging weight. Additionally, the production of flexible film creates approximately 60% less greenhouse gas compared to the heavier rigid plastic packaging in one of our comparisons. These changes have other unseen benefits as well, including lower greenhouse gas emissions in packaging production, more efficient pallets, increased loads per truck and fewer trucks on the road.

### Do you have any plans to collect recyclables at the warehouses?

We do not currently have a system to deal with collecting recyclable materials from the public at the warehouses. We have forwarded your suggestion to our operations team who are considering this option. We need to work together with consumers and industry to solve these challenges. We always appreciate suggestions from our members.

### Do you have any plans to allow refilling of reusable containers for any products?

We do not currently have a system to deal with refilling reusable or personal containers at the warehouses. Our operations team has this topic under review. We need to work together with consumers and industry to solve these challenges.

## Can the styrofoam used with Costco products be recycled?

Although styrofoam is "recyclable" in certain circumstances, it is not, to our knowledge, included in curbside pickup. According to <a href="FoamFacts.com">FoamFacts.com</a>, there are a little over 200 drop-off locations for foam in only 36 states (so 28% of the states, including Alaska and Hawaii, have no drop-off locations at all). As a result of the limited availability, members may find it difficult to find a location to recycle styrofoam packaging.

## Where can I recycle my Store Drop-Off recyclable film?

At this time Costco is working on a plan to set up drop-off bins, but do not currently have a system for collection set up. That said, we are working on this process and expect to roll out drop-off bins in the near future. Meanwhile, to locate an active drop-off location please visit: <a href="https://bagandfilmrecycling.org/">https://bagandfilmrecycling.org/</a> to find a location near you.

### For more information:

Please review our sustainability commitment for more information: <a href="https://www.costco.com/sustainability-introduction.html">https://www.costco.com/sustainability-introduction.html</a>.

For packaging information: <a href="https://www.costco.com/sustainability-packaging.html">https://www.costco.com/sustainability-packaging.html</a>.

For additional questions and concerns: <a href="mailto:globalpackaging@costco.com">globalpackaging@costco.com</a>.