

Minimizing Waste



Costco understands our potential impact on the global waste stream and emissions caused by waste generated within our operations. Our aim is to continually decrease the amount of waste going to landfills, with a goal to divert 80%. See our [Global Waste Stream Report](#) for our annual update.



Diverting Waste from Landfill

Effective waste diversion conserves natural resources, saves energy, cuts expenses and reduces emissions. We continue to examine our waste disposal programs to maximize efficiency and reduce costs.

Regarding our 80% diversion goal, in fiscal year (FY) 2024, we diverted 82.1% of our waste from landfills. We define waste diversion as the total tons (measured in U.S. tons) of waste that is not directly dumped into landfill sites or burned at incineration facilities that do not create energy (we include waste to energy as part of our diversion program). Other diversion examples include donations, anaerobic digestion, recycling, composting and animal feed. Costco is committed to expanding these programs through partnerships, enhanced efficiencies and emerging technologies. See our waste diversion and donation report details on page 8.

Tracking Emissions

Costco started measuring its baseline for total waste emissions in FY20. Since then, we have estimated our total Scope 3 Category 5 waste emissions for reporting Costco locations based on the total tonnage to landfill and total tonnage diverted. Here are the results:

- FY20: 137,098 MT CO2e
- FY21: 147,138 MT CO2e
- FY22: 154,090 MT CO2e
- FY23: 168,967 MT CO2e
- FY24: 172,961 MT CO2e

Reducing Food Waste

We take a variety of steps to keep food out of landfills, whether it's by creating a new product, donating it to people who are food insecure or feeding it to animals. For food waste, we follow the [Wasted Food Scale](#), as defined by the U.S. Environmental Protection Agency.



Food Waste Prevention

One way of reducing food waste in our operations is by creating new items for our members. These products change from time to time and by location as we seek creative new ideas. For example, unsold rotisserie chickens are made into deli items, reflecting local tastes, such as chicken noodle soup and pot pies in the U.S.; enchiladas and fajita quesadillas in the UK; and Singapore Laksa in Taiwan.

Likewise, ground beef from the U.S. meat departments are used for stuffed peppers and meatloaf in the deli, and for shepherd's pie and stuffed bell peppers in Canada.

All in all, our goal is to keep food that is still fit for human consumption out of landfills.

Food Donations

Costco has programs and partnerships with [Feeding America](#), [The Global FoodBanking Network](#) and local food banks to prevent food from being wasted. These efforts provide meals to individuals and families who are food insecure. We offer our food donation program in all states and most countries/regions where we operate, and have continued to grow it year over year. The U.S., Canada and Mexico have added the ability to donate cooked food from our Food Courts by creating food safety procedures. More information can be found in our August 2021 *Costco Connection* article, [Do Not Discard](#).

We understand the importance of the types of food donated, so we strive to provide healthy and nutritious food. In FY24, 71.8% of the food donated in the U.S. was in the following categories:

- Produce/fruit/vegetables (42.7%)
- Grains/bread (16.2%)
- Dairy/protein (12.9%)

Reducing Non-Food Waste

Other Food Uses

- We divert organic materials for feed to local programs, including animal sanctuaries, rescue centers, local farms for cattle, hogs and other animals, and city zoos.
- Organic waste is recycled into usable products, such as organic fertilizer, biofuels and electricity. For example, most of our chicken grease from rotisserie chickens is converted into biofuel.
- Some locations send organic waste to commercial compost facilities to create a nutrient-rich soil conditioner.
- Where possible, trash from our in-warehouse compactors is taken to waste-to-energy facilities.

Costco is committed to reducing non-food waste through efficiencies and other programs.

Non-Foods Donations

Costco has grown its program with [World Vision](#) to donate first-quality items that used to be destroyed, recycled or returned to the supplier. These items are donated to people in need around the world. More information can be found in the [Costco-World Vision Summary](#), which contains a list of the items donated and some stories that illustrate the impact of these donations. These efforts have the added benefits of reducing trips to the landfill and saving on trash fees for both Costco and our suppliers.



Eyeglass Donation Program

Costco has partnered with Assist International for an Eyeglass Donation Program. Members can drop off used prescription glasses, readers or sunglasses in boxes located in the Optical Center in our warehouses. Costco sends this eyewear to Assist International, which works alongside a team of volunteers and partner organizations to sort and distribute donated eyewear internationally to those in need.



Recycling

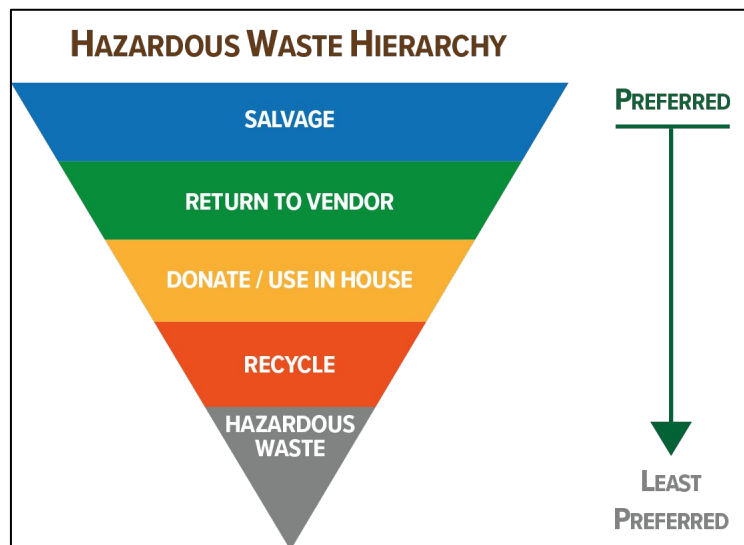
We have developed programs to recycle a wide variety of materials (actual amounts are shown in this [Global Waste Stream Report](#)):

- **Corrugated Cardboard and Shrink-Wrap.** We send shrink-wrap and corrugated material generated from daily operations to our distribution centers for recycling.
- **Tires.** While 14% of our tires are resold, over 82% are recycled into uses like crumb rubber for roads or decorative mulch.
- **Car Batteries.** Costco reimburses members their core fee when batteries are returned for recycling. Up to 99% of a car battery is recyclable and can be used to make new batteries.
- **Paper.** Costco has established a recycling program for paper in our offices and warehouses, and we continue to move to paperless programs when applicable.
- **Metal.** In the U.S, we have a new program to recycle scrap metal that cannot be processed through standard single-stream recycling bins.
- **Polystyrene Foam.** In certain locations, expanded polystyrene (foam) is densified and distributed to manufacturers that make picture frames, crown molding and other polystyrene products.

Also, in an effort to make sure everybody knows about recycling procedures and goals, all employees in our U.S. warehouses are required to take a special recycling course through our internal educational program called Costco U. Taiwan, Korea, Japan and Mexico also leverage a translated version of the recycling course and we are continuing to expand similar training internationally where feasible. For example, Canada, UK, Australia, Spain, Sweden, France and Iceland have training for employees related to donations and diversion.

Hazardous Waste Reduction

Hazardous materials pose a risk to the environment, human health and/or the communities we operate. These include common everyday items such as dish soaps, detergents, batteries, light bulbs and electronics. As with other waste programs, Costco follows a hierarchy to reduce or eliminate hazardous waste (shown below). Here's a look at our programs to manage hazardous waste:



- **Electronic Recycling.** We use an electronic recycling program through approved, licensed recycling vendors. We are able to manage both member returns and company assets while ensuring secure removal of sensitive data alongside material recovery through the vendor's e-scrap shredding system.
- **Batteries & Light Bulbs.** We recycle household batteries and light bulbs from returned products or used in operations.
- **Fuel Station Materials.** Byproducts from our fuel station operations are managed in ways to minimize waste. Used and drained fuel filters can be managed as scrap material.

- **Ethanol Recovery.** Items containing ethanol such as alcoholic spirits, perfumes, colognes, cough syrup, vanilla extract and hand sanitizers (classified as consumer chemical products) are hauled off-site, depacked and shredded at various facilities. The liquids are processed for ethanol recovery.

Better Stretch Wrap

Stretch wrap is a daily staple in Costco warehouses and depots. It offers a quick, secure way to bundle products on a pallet for transportation, helping everything get to its destination with minimal damage.

A new program to provide a thinner gauge of plastic stretch wrap recently rolled out to all warehouses and depots across the U.S. Additionally, the stretch wrap used is either 10%, 25% or 30% post-consumer recycled (PCR) plastic. According to supplier-provided data, this new stretch wrap saved around 469,000 pounds of plastic waste in 2024. This new stretch wrap has the dual benefits of using less plastic and saving money.



The Making of a Trash Bag

Working with supplier Poly-America, Costco has developed a program to recycle the stretch film that encases products on pallets during the shipping process for use in making some Kirkland Signature™ trash bags. Here's how this closed-loop process works:

- Stretch film secures products as they are transported to Costco locations. In the warehouses, this film is cut off and put into balers.
- The bales of clean stretch film are sent to Poly-America plants. There, the film is broken apart, shredded into small particles, washed and dried.
- This material is then extruded into pellets for use in making new products. These pellets are known as post-consumer recycled (PCR) content, and are useful for new products.
- Finally, the pellets are used in the manufacture of certain Kirkland Signature trash bags. Those bags, incidentally, are shipped to Costco's distribution depots in stretch film, and the process begins all over again.



Waste Minimization: By the Numbers

Global Waste Diversion

	FY19	FY20	FY21	FY22	FY23	FY24
Landfill/Incineration (US tons)	312,487	291,269	327,874	317,663	315,512	349,246
Diverted from Landfill/ Incineration (US tons)	831,594	907,114	1,188,243	1,262,477	1,300,775	1,596,815
Diversion %	72.7%	75.7%	78.3%	79.9%	80.5%	82.1%
Reporting Regions	10	12	12	12	14	14

Global Donations

	FY19	FY20	FY21	FY22	FY23	FY24
Food Donations (Millions Lbs.)	76.9	92.8	99.0	125.8	168.6	213.5
Meals Donated (Million Meals)	64.1	77.3	82.5	104.8	140.5	177.9
Warehouses & Depots Donating Food	772	794	823	844	870	908
Number of Non-Food Pallets Donated	42,493	54,332	80,304	131,438 ¹	100,933	50,024 ³
Non-Food Product Value (\$, Millions)	\$76.2	\$79.9	\$137	\$278	\$157 ²	\$104

¹ The number of pallets significantly increased in FY21-22 because our growing Costco Logistics program, which delivers appliances, TVs and other large items purchased on Costco.com, is now part of our donation program.

² A reporting error was found for non-foods donations that affected FY23 data leading to an increase in donations over what was previously reported.

³ The number of pallets decreased from FY23 to FY24 due to a decrease in overall merchandise returns.