

Environmental Compliance



Our Code of Ethics calls for us to obey the law, and complying with environmental regulations is an example of that mandate. Our environmental compliance efforts are integral to our corporate sustainability initiatives.



The Role of Compliance

Our Environmental Compliance program promotes resource efficiency and compliance in Costco operations, through environmental monitoring, resource management, and employee education. We implement practices aligning with environmental regulations to ensure our business is sustainable. Our program covers regulations related to stormwater, sanitary water use, spills/releases, hazardous waste management, environmental mitigation, endangered species, air quality and more. The program applies to inspections, maintenance and reporting for all of our properties, including our warehouses (retail locations) as well as our industrial properties (manufacturing, distribution, logistics, etc.).

In addition, our Global Compliance Team works in conjunction with representatives from numerous departments throughout the company to review and identify opportunities to enhance compliance and sustainability programs and policies. Team members also support location operators in daily operations, training and educational opportunities. Finally, team members have been instrumental in helping us implement our [Climate Action Plan](#).

We hold a Global Environmental Sustainability Summit each year to share best practices, review compliance and discuss upcoming projects, with the goal of creating a consistent and global approach to environmental compliance, while also respecting local laws and regulations.

STAR in the Warehouses

We continue to build on our existing environmental compliance platform through the Sustainability Technical Assistance Review (STAR) program to formalize standards and requirements in five key focus areas (listed below). By working toward STAR goals, Costco is building the capabilities to track compliance and dynamically monitor resource use at all our warehouses. We aim to integrate the people, systems, policies, data and standard operating procedures in support of the following five focus areas:

- Ensure environmental compliance
- Govern water use inside and outside our facilities
- Minimize energy consumption
- Increase waste diversion
- Reduce carbon emissions

The STAR program is promoted in employee break rooms and supported by regional specialists who visit the buildings and best practices are shared through the STAR News bulletin.

Enhanced data “dashboarding” programs and reporting capabilities added in 2022 allow us to respond quickly as situations arise. We also continue to digitize our environmental records, make enhancements to the dashboard, and automate compliance programs to aid in both accuracy and efficiency while reducing operator fatigue.

Meanwhile, we built and deployed a central monitoring program (Central Station) in our U.S. and Canadian buildings (warehouses, depots and businesses). This system monitors refrigeration, burglary and fire alarms, enabling us to fix problems and improve our operations.