

8 DECENT WORK AND ECONOMIC GROWTH Kirkland Signature Cocoa

The Sassandra Program in Côte d'Ivoire Our goal is to have our Kirkland Signature<sup>™</sup> chocolate products made from cocoa sourced through programs that promote sustainable practices by December 2025. One way we are working toward that goal is through the Sassandra Cocoa program, which provides cocoa from Côte d'Ivoire. Founded in 2009, the Sassandra Program is named after the Sassandra River in the southwest region of Côte d'Ivoire and provides on the ground support to farmers through various social and agronomic practices. This is the original location of the cooperatives from where we source some of our cocoa beans for Kirkland Signature chocolate products. Since then, the program has expanded and remains exclusive to Costco.

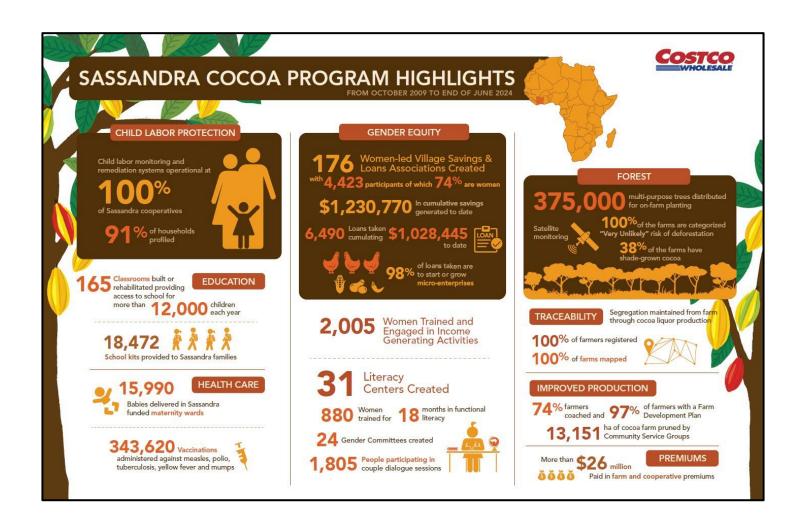
The program is designed to provide a quality product that is traceable, improves profits and livelihoods for the farmers/cooperative members, and introduces respectful environmental practices. Each of the program's cooperatives are audited by an independent third party. The program includes these components:

- Traceable and segregated cocoa
- Child Labor Monitoring and Remediation System coverage
- Social infrastructure investment, which includes schools, health centers, maternity wards and community investments such as water pumps and storage facilities
- Community development with a focus on women's empowerment through literacy and numeracy programs, alternative income-generating activities, village savings and loan programs, and community gender-equality programs



- Premiums paid for beans produced under the Sassandra program
- Cooperative development and training
- Improved production through financing and farmer training

Our annual review of this program shows progress in several areas, as shown in the graphic below. In particular, we see progress in deforestation prevention efforts through expanded polygon mapping and satellite monitoring, which allows the tracking of forest cover at a local level. Also, community development activities are expanding to more villages, with many of the programs aimed at training women for income-generating activities. For greater details on the Sassandra Program, review the <u>Côte d'Ivoire Report</u>.





## USAID Hearth Grant in Partnership with Rainforest Alliance

In partnership with the U.S. Agency for International Development (USAID), the Rainforest Alliance, and ofi, Costco has focused on investing in landscape-wide initiatives such as Resilient Ecosystems and Sustainable Transformation of Rural Economies (RESTORE) in Southwest Côte d'Ivoire. These efforts focus on restoring tree cover, protecting cocoa-growing forests and promoting climate-smart, productive and sustainable cocoa production methods. Additionally, this USAID Health, Ecosystems and Agriculture for Resilient, Thriving Societies (HEARTH) partnership emphasizes livelihood diversification, with a strong focus on gender and youth, while also providing support for capacity development and facilitating access to funds through village savings and loan associations. The partnership strives to reduce the risk of deforestation, restore tree cover of critical landscapes and increase income for farming families.

Cocoa & Child Labor Issues

Cocoa & Deforestation Costco is dedicated to preventing and remediating child labor wherever it is found. Unfortunately, child labor is a long-term systemic issue in cocoa supply chains. Our goals through the Sassandra Program are to address this important issue through child labor monitoring and remediation programs; better education through new classrooms and basics such as school kits; and resources that help women in the communities. For more details on child labor in the Sassandra Program, review the Child Protection section of the <u>Côte</u> <u>d'Ivoire Report</u>.

Costco supports efforts to eliminate deforestation in cocoa production. We are aware that Côte d'Ivoire has lost 80% of its forests in the past 50 years and that cocoa production is one of the drivers of that loss. We are funding the distribution and replanting of trees to help facilitate reforestation and agroforestry efforts, as shown in the graphic on the previous page.

Our goal is for all cocoa farmers in the Sassandra program to have their farms GPS polygon-mapped for monitoring. This is done to ensure the farms are not located in protected forests, and to help preserve these forests from any further encroachment. An update on these goals and more details on the Sassandra Program can be found in the <u>Côte d'Ivoire Report</u>.





Kirkland Signature Coffee Costco offers numerous Kirkland Signature coffee items, which come from areas around the world. Our commitment is to use responsibly grown coffee and to maintain quality relationships with the farmers who supply it. That is why we focus our efforts in sourcing Kirkland Signature coffee from farms that are certified by one of these organizations: Rainforest Alliance, Fair Trade and/or Enveritas. More information can be found about these programs in our *Costco Connection* article, <u>Family Perks</u>, as well this <u>Rwandan video</u> and <u>Guatemalan video</u>.

In addition, Kirkland Signature Ground Colombian Coffee is nitrogen-flushed, allowing for a lighter can, which allows Costco to put fewer trucks on the road and to lower the product's carbon footprint. See this <u>nitrogen-flushed</u> graphic to see how that works. Also, we recently redesigned the can to reduce the amount of tin used, aligning with one of our packaging goals to reduce materials used.

## Supplier Spotlight: Café William

Costco proudly supplies Café William coffee in select locations. This coffee company takes sustainability measures in the production of their coffee. Café William's new Wind Series Limited Edition, a single origin grown in Colombia's mountains by the Association of Indigenous Agroecology Producers (ANEI) cooperative, is organic and fully transported by sailboat to Quebec for distribution in Canada. The sailboat transports 50 containers of coffee at a time and reduces greenhouse gas emissions by leveraging wind power. They work closely with Fairtrade Canada-certified cooperatives and farmers committed to organic certification. Additionally, their beans are fully roasted with hydroelectric clean power, a new standard in the coffee industry. Café William recently started using zero-emission electric trucks for ground transportation as another effort in their commitment towards a cleaner supply chain and sustainable coffee. Their packaging also leverages post-consumer recycled material.



