

## SEAFOOD PROGRESS: COSTCO CANADA



Legacy report of this retailer's Seafood Progress profile as published in June 2018.

Report generated on: February 25th, 2019

### REPORTING PERIOD

June 2017 - June 2018

### LOCATION

Across Canada

### NUMBER OF STORES

98

### WEBSITE

<https://www.costco.ca/>

## RETAILER SNAPSHOT

Costco Wholesale Corporation is committed to sourcing seafood products that “meet current demands without compromising the availability of scarce resources for future generations”, and to considering a number of ecological, management, and regulatory factors when making its procurement choices. Costco is committed to preferentially sourcing seafood from fisheries certified by the Marine Stewardship Council (MSC) and to not selling certain wild species that “have been nearly universally identified as at great risk” unless they are certified as sustainable by the MSC. With its environmental NGO partner World Wildlife Fund (WWF), Costco is engaged in a number of fishery improvement projects to help producers qualify for MSC certification. For farmed products such as shrimp or salmon, Costco preferentially sources from farms that are certified by the Aquaculture Stewardship Council (ASC) and in coordination with WWF, it is engaged in helping other farms improve to be able to meet those standards.

SeaChoice contacted Costco Canada about its Seafood Progress profile but did not receive any information about its sustainable seafood commitment or procurement policies in the lead-up to launching Seafood Progress. As such, SeaChoice based its profile solely on publicly available information published by Costco Wholesale Corporation, which doesn't include progress in meeting its commitment, information on Costco's data collection or labelling policies, or what actions it is taking to educate staff, customers or suppliers about its seafood commitment. SeaChoice will continue efforts to engage with Costco Canada and develop a more complete Seafood Progress profile moving forward.

## STEP 1: DOES THE RETAILER HAVE A COMPREHENSIVE COMMITMENT ON SUSTAINABLE SEAFOOD?



Does the policy include time-bound objectives for addressing environmental issues, social concerns and traceability?

The step score is based on the average of Step 1 key performance indicators (step elements) listed below; click the + signs for more detailed information.

### STEP ELEMENTS

**1.1 Has a publicly available commitment or policy to source more environmentally sustainable seafood**



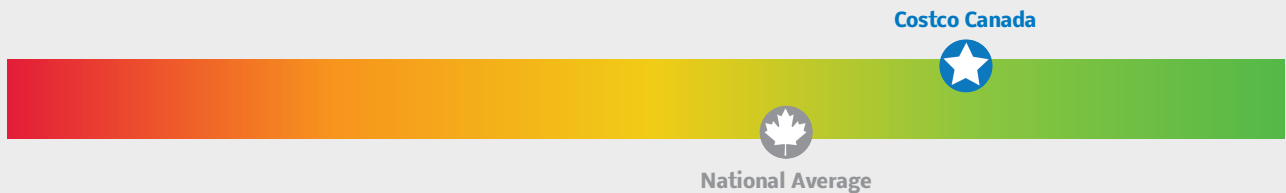
**SCORING RATIONALE**

Costco’s two primary objectives are to source wild and farmed seafood products that have been produced in ways that “meet current demands without compromising the availability of scarce resources for future generations” and to consider biological, ecological and regulatory factors when making sourcing decisions. For certain species that have been recognized as being ‘at great risk’ (including Atlantic cod, swordfish and redfish), Costco is committed to only sourcing products if the fishery has been certified as sustainable by the Marine Stewardship Council (MSC). Costco also states that it is aiming for all of its farmed shrimp products to be certified by the Aquaculture Stewardship Council (ASC).

**SCORING RUBRIC**

- 0%** No publicly available commitment or policy
- 25%** General statement of commitment to sustainable seafood without clear objectives or timelines
- 50%** Clear objective for sustainable procurement but no reference to standards and no timeline
- 75%** Clear objective for sustainable procurement that references a standard with clear objectives but no timeline
- 100%** Clear objective for sustainable procurement that references a standard with clear objectives and a timeline (or a timeline is not needed because objectives are already being met)

**1.2 Has a publicly available commitment or policy to source more socially sustainable seafood**



**SCORING RATIONALE**

Costco Wholesale Corporation has a global Code of Conduct for suppliers that addresses human rights such as trafficking, physical abuse, workers’ freedom of movement, workplace safety, wages, overtime and child labour. Unannounced, independent, third-party audits of selected suppliers are carried out to ensure compliance with the Code of Conduct. If non-critical violations are discovered, Costco’s preference is to work with the supplier to correct the Code violation within a set time-frame, but if the violation is ‘critical’ or the supplier’s progress towards improvement is not satisfactory, Costco will stop sourcing from that supplier.

**SCORING RUBRIC**

- 0%** No publicly available commitment or policy
- 25%** General statement or stance on social responsibility
- 50%** Stance on social responsibility with reference to a credible international standard (e.g. the International Labour Organization, the UN’s Universal Declaration on Human Rights, etc.)
- 75%** Social responsibility commitment that references a credible standard with clear objectives OR actions or expectations made upon seafood suppliers
- 100%** Social responsibility commitment that references a credible standard with clear objectives AND actions or expectations made upon seafood suppliers

**1.3 Has a publicly available commitment or policy to source more traceable seafood.**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% No publicly available commitment or policy for traceability
- 33% General statement of commitment traceability without clear objectives or timelines
- 66% Clear traceability objectives but no timeline
- 100% Clear traceability objectives and timeline

**STEP 2: IS THE RETAILER COLLECTING DATA TO SUPPORT THEIR COMMITMENT?**

Costco Canada



National Average

What information is the retailer collecting to monitor the environmental and social sustainability of their seafood products?

The step score is based on the average of Step 2 key performance indicators (step elements) listed below; click the + signs for more detailed information.

**STEP ELEMENTS**

**2.1 Retailer collects data on species scientific (Latin) name for seafood products being sold - the "what"**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% No data collected on species' scientific names (or no information available)
- 50% Some data collected on species' scientific names
- 100% Comprehensive data collected on species' scientific names

## 2.2 Retailer collects data on country of origin of seafood products being sold - the "where"

Costco Canada



National Average

### SCORING RATIONALE

No information in commitment.

### SCORING RUBRIC

- 0%** No data collected on country of origin (or no information available)
- 50%** Some data collected on country of origin
- 100%** Comprehensive data collected on country of origin

## 2.3 Retailer collects data on whether the seafood products being sold are wild or farmed - the "how"

Costco Canada



National Average

### SCORING RATIONALE

No information in commitment.

### SCORING RUBRIC

- 0%** No data collected on whether seafood products are wild or farmed (or no information available)
- 50%** Some data collected on whether seafood products are wild or farmed
- 100%** Comprehensive data collected on whether seafood products are wild or farmed

### 2.4 Retailer collects data on the gear type or farming methods for seafood products being sold - the "how"

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% No data collected on gear type or farming methods (or no information available)
- 50% Some data collected on gear type or farming methods
- 100% Comprehensive data collected on gear type or farming methods

### STEP 3: IS THE RETAILER MAKING RESPONSIBLE SOURCING DECISIONS?

Costco Canada



National Average

Are the retailer’s procurement decisions supporting their environmental and social sustainability commitments?

The step score is based on the average of Step 3 key performance indicators (step elements) listed below; click the + signs for more detailed information.

**STEP ELEMENTS**

#### 3.1 Retailer uses an established seafood certification or ranking standard to inform purchasing decisions.

Costco Canada



National Average

**SCORING RATIONALE**

Costco uses the MSC and ASC eco-certifications as a basis for sourcing certain species and/or products.

**SCORING RUBRIC**

- 0% No sustainability criteria used to inform purchasing decisions (or no information available)
- 100% Sustainability criteria used to inform purchasing decisions

**3.2 Retailer can demonstrate that X% of their seafood sold in the last three years meets their sustainability criteria by volume/value.**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0%** Retailer did not demonstrate how much of their seafood sold meets their sustainability commitment (or no information available)
- 25%** Retailer can demonstrate that 25% or more of their seafood products sold meets their sustainability commitment
- 50%** Retailer can demonstrate that 50% or more of their seafood products sold meets their sustainability commitment
- 75%** Retailer can demonstrate that 75% or more of their seafood products sold meets their sustainability commitment
- 100%** Retailer can demonstrate that 100% of their seafood products sold meets their sustainability commitment

**3.3 Retailer works with suppliers to address potential human rights and labour abuses, and support sustainable livelihoods for producers**

Costco Canada



National Average

**SCORING RATIONALE**

Costco Wholesale Corporation seems to be taking action to address potential human rights and labour abuses through its Code of Conduct for suppliers and to support sustainable livelihoods for producers through its engagement in Fishery Improvement Projects with its NGO partner (WWF), but SeaChoice was unable to confirm what specific actions Costco Canada is engaged in.

**SCORING RUBRIC**

- 0%** Retailer does not work with suppliers on social issues (or no information)
- 50%** Retailer does some work with some suppliers on some social issues
- 100%** Retailer is very active with suppliers in respect to social issues

**STEP 4: IS THE RETAILER TRANSPARENT ABOUT THEIR COMMITMENT?**

Costco Canada



National Average

Is the retailer making information regarding the environmental and social performance of their seafood products publicly available and are they reporting on progress against their sustainable seafood commitment?

The step score is based on the average of Step 4 key performance indicators (step elements) listed below; click the + signs for more detailed information.

**STEP ELEMENTS**

**4.1 Retailer labels seafood with the information that allows consumers to make informed decisions - what (species name), where (country or region of origin), and how (wild/farmed and harvest method)**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% Retailer does not label products with the information (or no information)
- 50% Retailer labels some products with the information
- 100% Retailer labels all products with the information

**4.2 Retailer labels products with an eco-label (as applicable) allowing consumers to make informed decisions OR all products fit under a standard and are communicated as such**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% Retailer does not label seafood with applicable eco-labels (or no information)
- 100% Retailer labels seafood with eco-labels as applicable

**4.3 Product procurement information such as region and gear type data has been made available (e.g. through the Ocean Disclosure Project)**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% No product procurement information has been made available (or no information)
- 50% Some seafood product procurement information (such as region and gear types) has been made available
- 100% All seafood product procurement information (including region and gear types) has been made available

**4.4 Retailer publicly reports how much of their seafood meets their sustainability criteria (by volume or value of sales).**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0% No public information on how the retailer is doing to meet their commitment
- 50% Retailer has at one point in the past reported publicly how much of their seafood sold meets their commitment by volume/value
- 100% Retailer regularly (at least every two years) reports publicly how much of their seafood sold meets their commitment by volume/value

**STEP 5: DOES THE RETAILER EDUCATE STAFF, CUSTOMERS AND/OR VENDORS ABOUT THE IMPORTANCE OF THEIR COMMITMENT TO SUSTAINABLE SEAFOOD?**

Costco Canada



National Average

Is the retailer educating their employees, customers, suppliers and other key stakeholders about their sustainable seafood commitment, environmental and social issues in seafood, and the importance of traceability?



The step score is based on the average of Step 5 key performance indicators (step elements) listed below; click the + signs for more detailed information.

**STEP ELEMENTS**

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**5.1 Training programs are conducted for seafood staff**

Costco Canada



National Average

**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0%** Training programs not conducted for seafood staff (or no information)
- 50%** Training programs are sometimes conducted, or are available only for some seafood staff
- 75%** Training programs are conducted for all seafood staff, but infrequently (less than every two years)
- 100%** Training programs are regularly (at least every two years) conducted for all seafood staff

**5.2 There is a description of the retailer's sustainable seafood program for customers in store**

Costco Canada



National Average

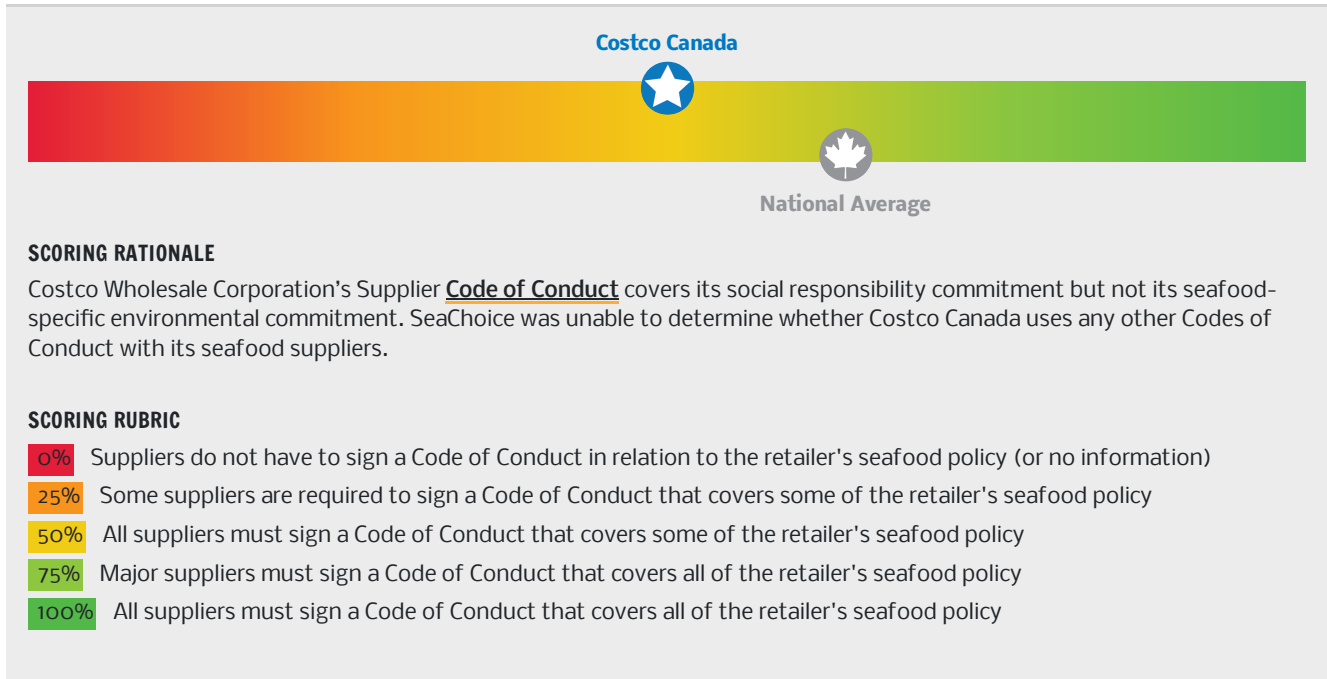
**SCORING RATIONALE**

No information in commitment.

**SCORING RUBRIC**

- 0%** There is no description of the sustainable seafood program in store (or no information)
- 50%** This is some description of the sustainable seafood program in store
- 100%** There is a comprehensive description of the sustainable seafood program in store

### 5.3 Suppliers are required to sign a Code of Conduct to uphold the retailer's sustainable seafood policy



### STEP 6: DOES THE RETAILER SUPPORT IMPROVEMENTS IN FISHERIES AND AQUACULTURE?

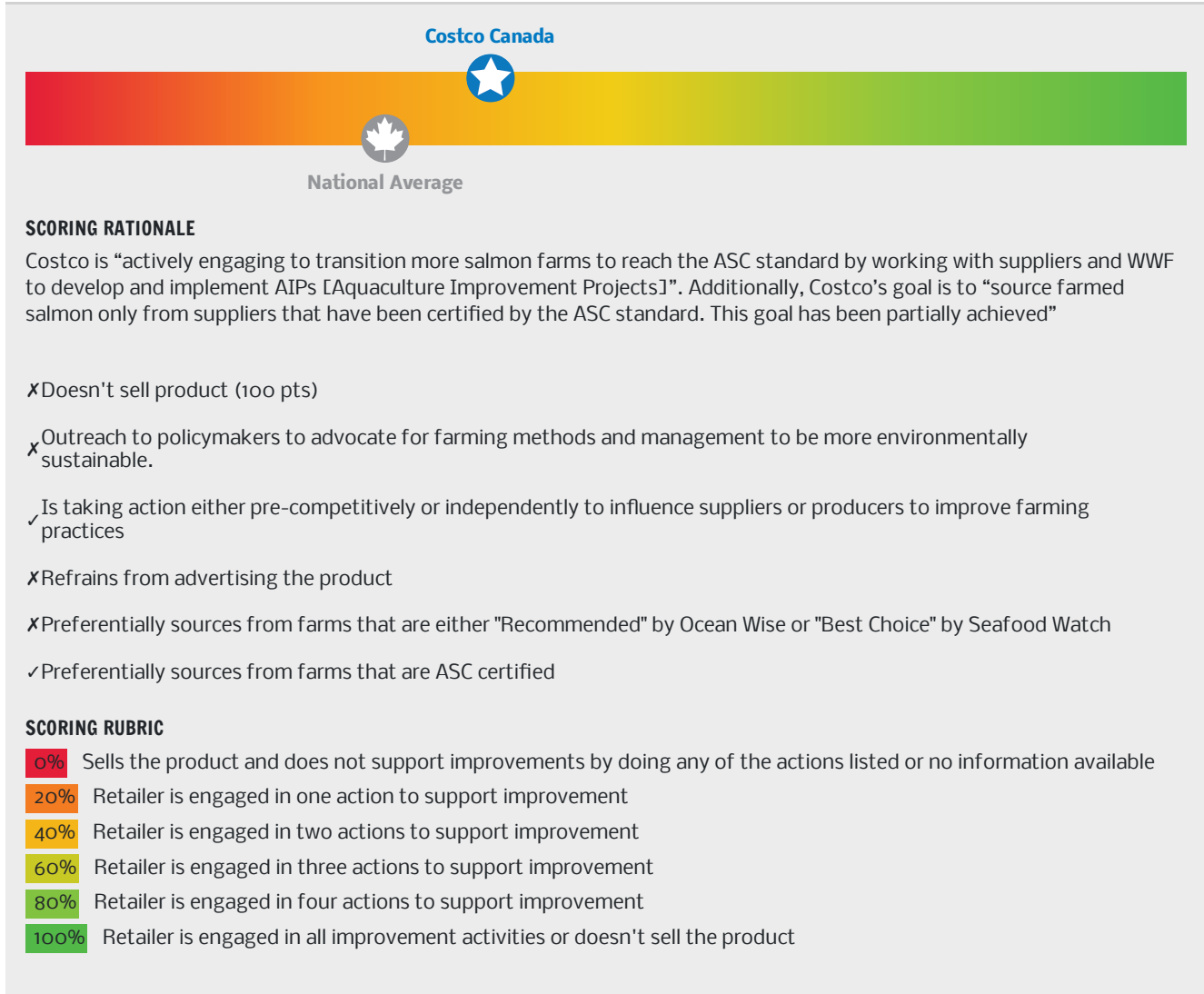


Does the retailer sell 'Priority Seafood' products (products that have high volume of sales in Canadian retail stores and are generally not recommended by the Ocean Wise Seafood Program) or SeaChoice Priority Species (species that enter the supply chain via Canadian fisheries and aquaculture operations with significant sustainability challenges). And if so, do they support improvement and how?

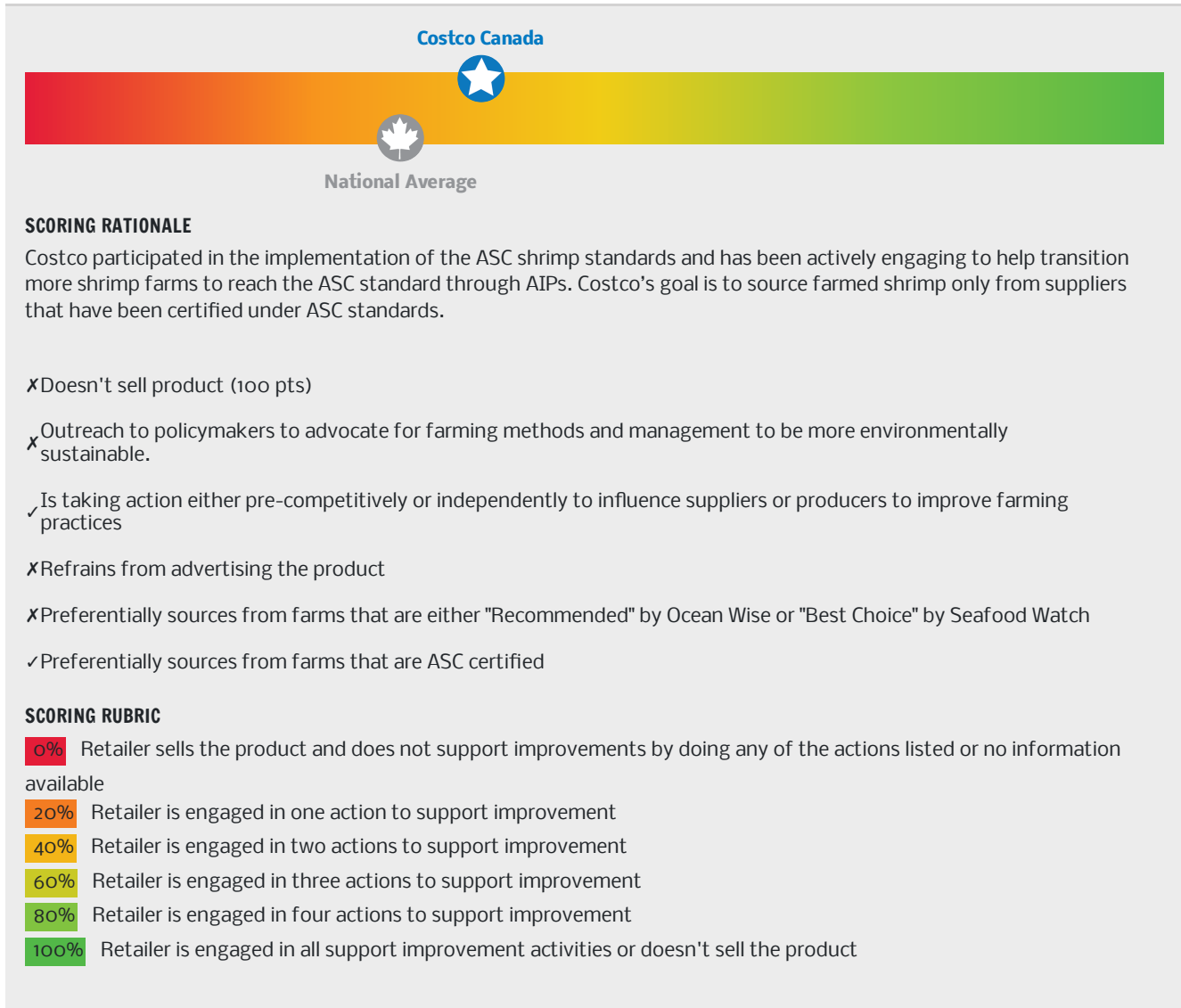
The step score is based on the average of Step 6 key performance indicators (step elements) listed below; click the + signs for more detailed information.

#### STEP ELEMENTS

## 6.1 Does the retailer support improvements in the production of farmed Atlantic salmon?



## 6.2 Does the retailer support improvements in the production of imported farmed shrimps and prawns?



### 6.3 Does the retailer support improvements in the production of skipjack tuna?

**Costco Canada**

**National Average**

**SCORING RATIONALE**

Costco's major canned tuna suppliers are participants in the International Seafood Sustainability Foundation which is aiming to improve fishing practices.

- Doesn't sell product (100 pts)
- Outreach to policymakers to advocate for harvest methods and management to be more environmentally sustainable.
- Is taking action either pre-competitively or independently to influence suppliers or producers to improve fishing practices
- Refrains from advertising the product
- Preferentially sources from fisheries that are either "Recommended" by Ocean Wise or "Best Choice" by Seafood Watch
- Preferentially sources from fisheries that are MSC certified

**SCORING RUBRIC**

- 0% Retailer sells the product and does not support improvements by doing any of the actions listed or no information available
- 20% Retailer is engaged in one action to support improvement
- 40% Retailer is engaged in two actions to support improvement
- 60% Retailer is engaged in three actions to support improvement
- 80% Retailer is engaged in four actions to support improvement
- 100% Retailer is engaged in all support improvement activities or doesn't sell the product

**6.4 Does the retailer support improvements in the production of their highest selling SeaChoice Priority Species?**

Costco Canada



National Average

**SCORING RATIONALE**

Costco’s policy of only sourcing MSC certified products if a species is deemed to be at great risk names two SeaChoice Priority Species - Atlantic cod and swordfish. However, SeaChoice was unable to confirm with Costco Canada their relative sales of SeaChoice Priority Species so we could not determine its top two highest-selling products and what it might be doing to support improvements.

**SCORING RUBRIC**

- 0%** Retailer sells the product and does not support improvements by doing any of the actions listed or no information available
- 20%** Retailer is engaged in one action to support improvement
- 40%** Retailer is engaged in two actions to support improvement
- 60%** Retailer is engaged in three actions to support improvement
- 80%** Retailer is engaged in four actions to support improvement
- 100%** Retailer is engaged in all support improvement activities

**6.5 Does the retailer support improvements in the production of their second highest selling SeaChoice Priority Species?**

Costco Canada



National Average

**SCORING RATIONALE**

Costco’s policy of only sourcing MSC certified products if a species is deemed to be at great risk names two SeaChoice Priority Species - Atlantic cod and swordfish. However, SeaChoice was unable to confirm with Costco Canada their relative sales of SeaChoice Priority Species so we could not determine its top two highest-selling products and what it might be doing to support improvements.

**SCORING RUBRIC**

- 0%** Retailer sells the product and does not support improvements by doing any of the actions listed or no information available
- 20%** Retailer is engaged in one action to support improvement
- 40%** Retailer is engaged in two actions to support improvement
- 60%** Retailer is engaged in three actions to support improvement
- 80%** Retailer is engaged in four actions to support improvement
- 100%** Retailer is engaged in all support improvement activities