Seafood Progress

Grocer's Commitment to Sustainable and Socially Responsible Seafood

67 2023 score

Seafood Progress Average : 68

Score Trend

Decreased Since
Last Year

Parent Company
Costco Wholesale
Corporation

NGO Partner(s)
World Wildlife Fund (WWF)







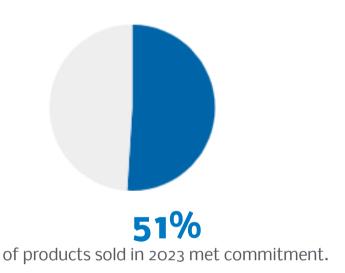


OVERVIEW

Which products does this grocer's sustainable seafood commitment cover?

	Fresh	Frozen	Shelf
Store brand ?	•		•
Seafood brand ?	⊗	×	©
No brand 3	8	8	

SUMMARY



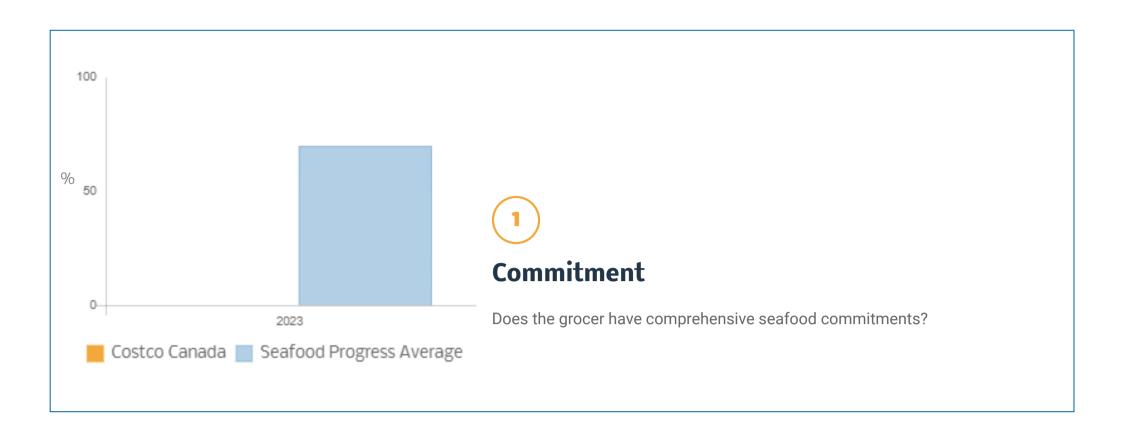
Sustainability Commitment. Costco's **Seafood & Aquaculture** <u>Commitment</u> (last updated December 2022) indicates that its commitment to sustainable seafood is informed by the United Nation's Sustainable Development Goal #14. Costco informed SeaChoice that it is committed to sourcing all its fresh, frozen and canned private label (Kirkland Signature brand) wild products from MSC certified sources first. Where MSC certified products are not available, Costco will source from a Fishery Improvement Project (FIP). For it's farmed products, Costco is committed to sourcing its private label products from ASC certified sources first. Where ASC certified products are not available, Costco will source from an Aquaculture Improvement Project (AIP). Costco has not published a timeline for achieving these commitments. The company also requires that all Kirkland Signature brand canned tuna suppliers are members of the Seafood Task Force and ISSF participants. Costco's commitment further states that it is committed to only selling MSC certified (according to supplier reports) versions of the following wild species that it identifies as being at great risk: Atlantic cod, Atlantic halibut, Chilean sea bass, Greenland halibut, grouper, redfish (sourced outside of U.S. fisheries), shark, skates and rays, swordfish and bluefin tuna. The company is also committed to not selling wild King Salmon sourced from the Salish Sea due to documented concerns related to its decline. Finally, Costco has a full chain traceability policy in place that applies to all its Kirkland Signature products (personal communication, T. Lim, 18/04/2023).

Clear Objectives	•
Supplier Expectations	②
Traceability Policy	•
Reporting on Activities	•

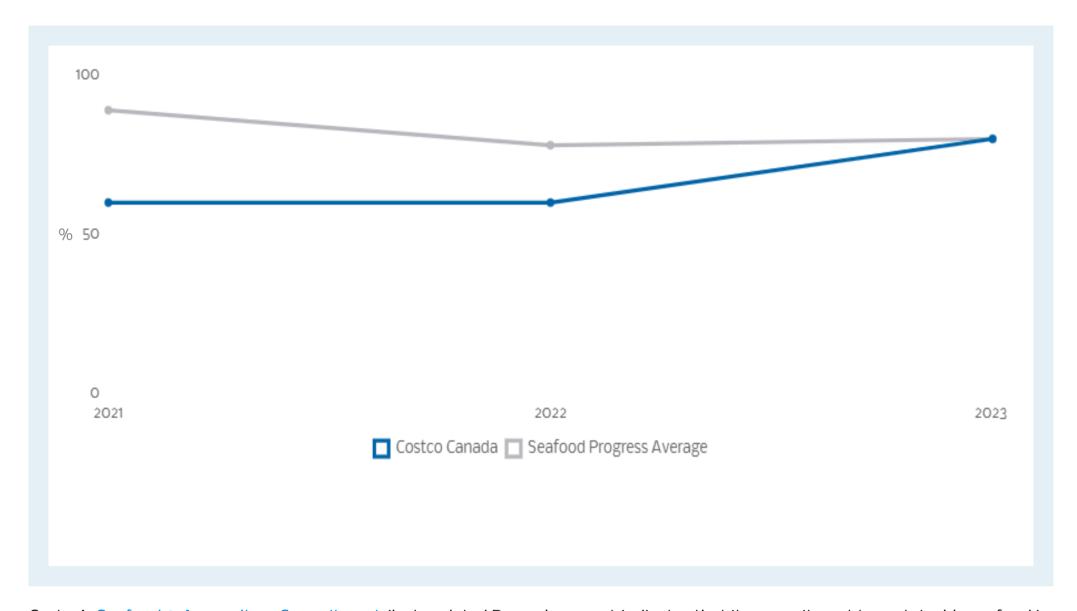
(last updated in December 2022) states that, as per the United Nations <u>Sustainable Development Goal #8</u>, Costco is committed to respecting and protecting the human rights, safety and dignity of the people who contribute to the success of its business. It states that Costco's human rights procedures, goals and programs pertain to its employees and to the people in the supply chains that produce goods for Costco. This process is informed by Costco's <u>Code of Ethics</u> which is based on international standards including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the

International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Costco has a global **Supplier Code of Conduct** that reflects its commitment to social responsibility that all suppliers and their facilities as well as Costco-owned manufacturing facilities are required to abide by. The document includes a section on freedom of association which Costco's suppliers are audited against. Where independent trade unions or representative workers organizations are absent, suppliers are subject to Costco's remediation process as described below. Additionally, the retailer partnered with Verisk Maplecroft to conduct a materiality assessment on its core commodities (including seafood) a few years back, and have since taken action against those results. Finally, Costco reported on the social audit outcomes for all suppliers (including seafood) in FY2022 through its Human Rights Policy. The process for remedying noncompliance with low and critically performing suppliers includes corrective action plans and e-Learning lessons. Costco also has a global confidential ethics hotline to monitor compliance against its Human Rights Policy (personal communication, T. Lim, 22/02/2023).

STEP 1: COMMITMENT



1.1 The grocer has a publicly available commitment on environmentally sustainable seafood.



Costco's <u>Seafood & Aquaculture Commitment</u> (last updated December 2022) indicates that its commitment to sustainable seafood is informed by the United Nation's <u>Sustainable Development Goal #14</u>. Costco informed SeaChoice that it is committed to sourcing all its fresh, frozen and canned private label (Kirkland Signature brand) wild products from MSC certified sources first. Where MSC certified products are not available, Costco will source from a Fishery Improvement Project (FIP). For it's farmed products, Costco is committed to sourcing its private label products from ASC certified sources first. Where ASC certified products are not available, Costco will source from an Aquaculture Improvement Project (AIP). Costco has not published a timeline for achieving these commitments. The company also requires that all Kirkland Signature brand canned tuna suppliers are members of the Seafood Task Force and ISSF participants. Costco's commitment further states that it is committed to only selling MSC certified (according to supplier reports) versions of the following wild species that it identifies as being at great risk: Atlantic cod, Atlantic halibut, Chilean sea bass, Greenland halibut, grouper, redfish (sourced outside of U.S. fisheries), shark, skates and rays, swordfish and bluefin tuna. The company is also committed to not selling wild King Salmon sourced from the Salish Sea due to documented concerns related to its decline. Finally, Costco has a full chain traceability policy in place that applies to all its Kirkland Signature products (personal communication, T. Lim, 18/04/2023).

Scoring

100% Commitment to environmental sustainability includes clear objectives that are supported by references to credible standards, a full chain traceability policy and a timeline for meeting the commitment (unless the commitment has already been met).

80% Commitment to environmental sustainability that includes clear objectives that are supported by references to credible standards and a full chain traceability policy in place (or a timeline set for implementation) that traces at least the product scientific name, geographic origin, farmed/wild and harvest method.

60% Commitment to environmental sustainability that includes clear objectives that are supported by references to credible standards (such as Seafood Watch or Ocean Wise ratings, eco-certifications, etc.).

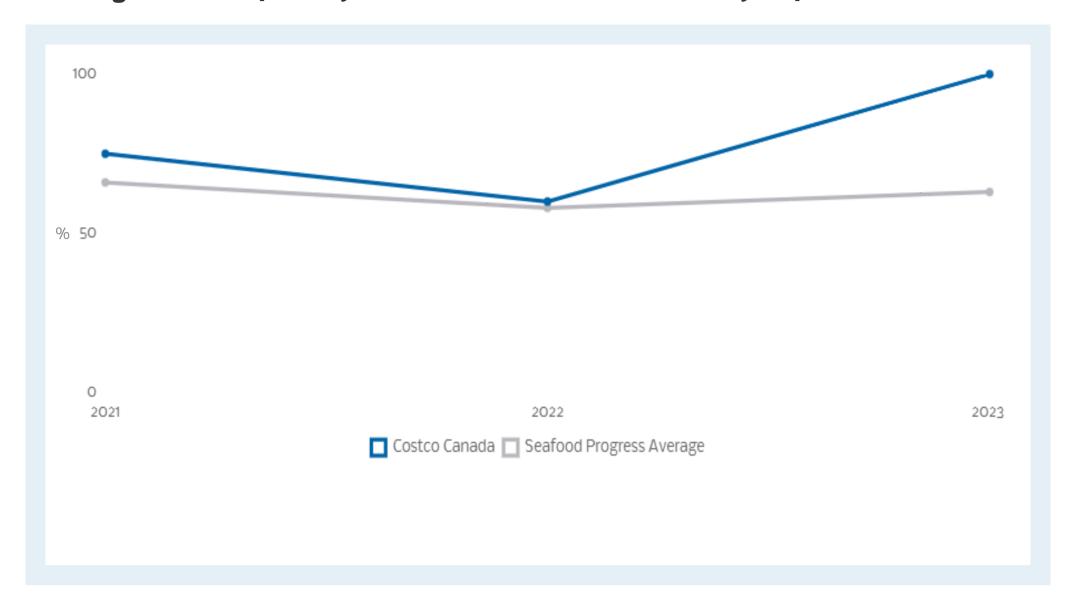
40% Commitment to environmental sustainability that includes clear objectives for sustainable procurement.

20% General commitment to environmentally sustainable seafood.

o% No publicly available environmental sustainability commitment.



1.2 The grocer has a publicly available commitment on socially responsible seafood.



<u>costco's Human Rights Policy</u> (last updated in December 2022) states that, as per the United Nations <u>Sustainable Development Goal</u>
<u>*8</u>, Costco is committed to respecting and protecting the human rights, safety and dignity of the people who contribute to the success of its business. It states that Costco's human rights procedures, goals and programs pertain to its employees and to the people in the supply chains that produce goods for Costco. This process is informed by Costco's <u>Code of Ethics</u> which is based on international standards including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Costco has a global <u>Supplier Code of Conduct</u> that reflects its commitment to social responsibility that all suppliers and their facilities as well as Costco-owned manufacturing facilities are required to abide by. The document includes a section on freedom of association which Costco's suppliers are audited against. Where independent trade unions or representative workers organizations are absent, suppliers are subject to Costco's remediation process as described below. Additionally, the retailer partnered with Verisk Maplecroft to conduct a materiality assessment on its core commodities (including seafood) a few years back, and have since taken action against those results. Finally, Costco reported on the social audit outcomes for all suppliers (including seafood) in FY2022 through its Human Rights Policy. The process for remedying non-compliance with low and critically performing suppliers includes corrective action plans and e-Learning lessons. Costco also has a global confidential <u>ethics hotline</u> to monitor compliance against its Human Rights Policy (personal communication, T. Lim, 22/02/2023).

Scoring

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100% Commitment to social responsibility includes clear objectives, actions or expectations for seafood suppliers, a clear and effective traceability policy, and the grocer reports publicly on activities to support social responsibility on at least an annual basis.

80% Commitment to social responsibility includes clear objectives, actions or expectations for seafood suppliers, and a clear and effective traceability policy that at least involves tracing data on the existence of an independent trade union or representative worker organization.

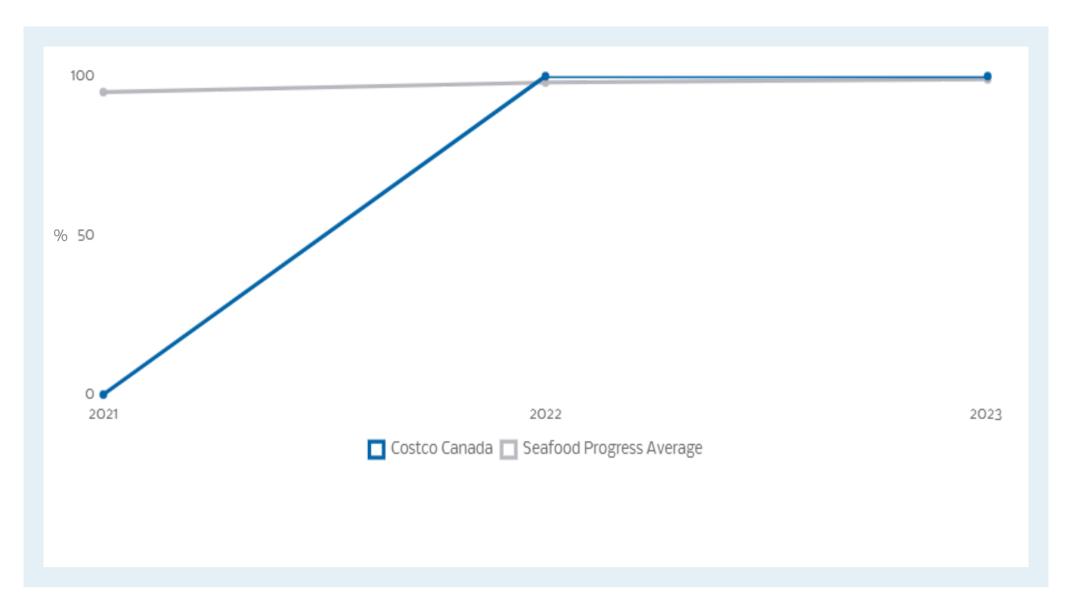
60% Commitment to social responsibility includes clear objectives and actions or expectations for seafood suppliers.

40% Commitment to social responsibility includes with worker driven objectives that are based on credible international standards (The UN's Guiding Principles, The WBA's Seafood Stewardship Index, ILO and the UN Declaration).

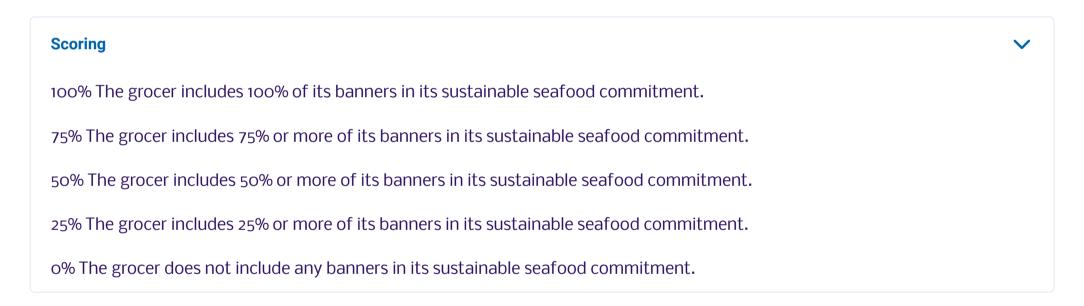
20% General commitment to socially responsible seafood.

o% No publicly available social responsibility commitment.

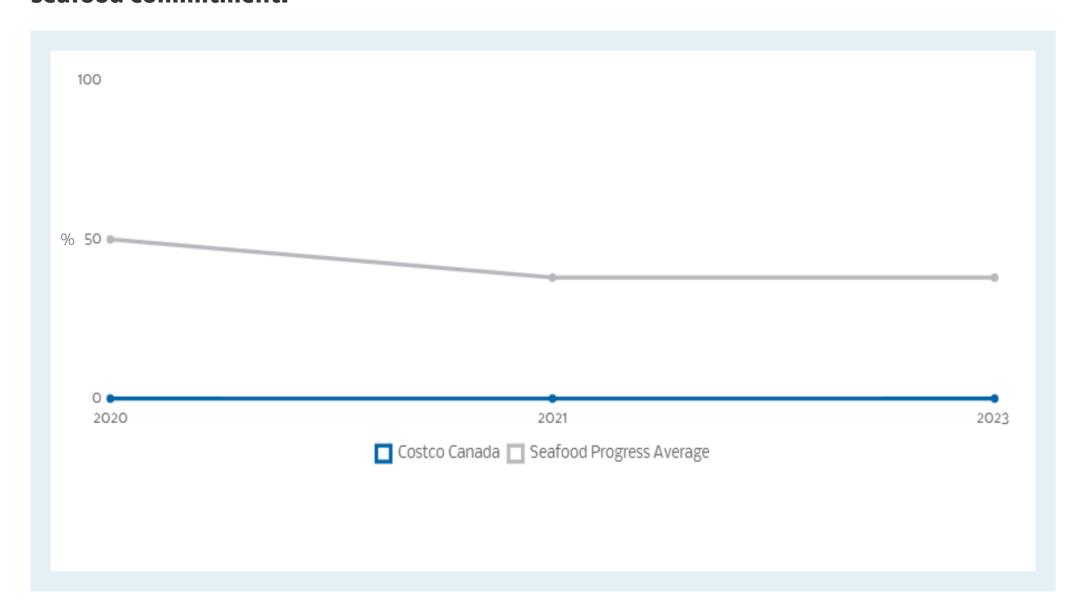
1.3 The grocer includes all banners that sell seafood in its sustainable seafood commitment.



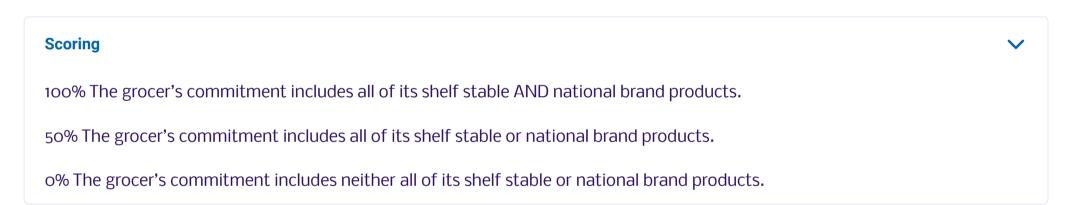
Costco's Sustainable Fisheries & Aquaculture commitment applies to all its stores across the globe (personal communication, T. Lim, 22/02/2023).



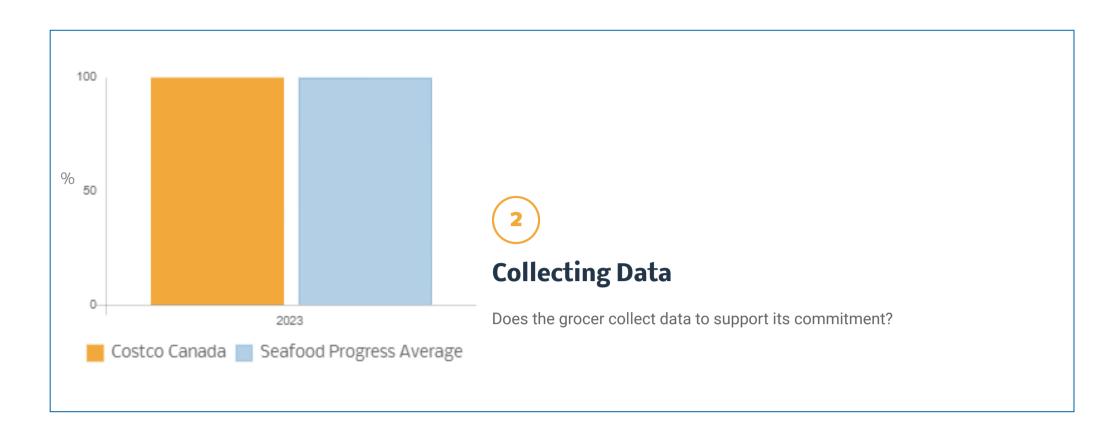
1.4 The grocer includes all shelf stable and national brand products in its sustainable seafood commitment.



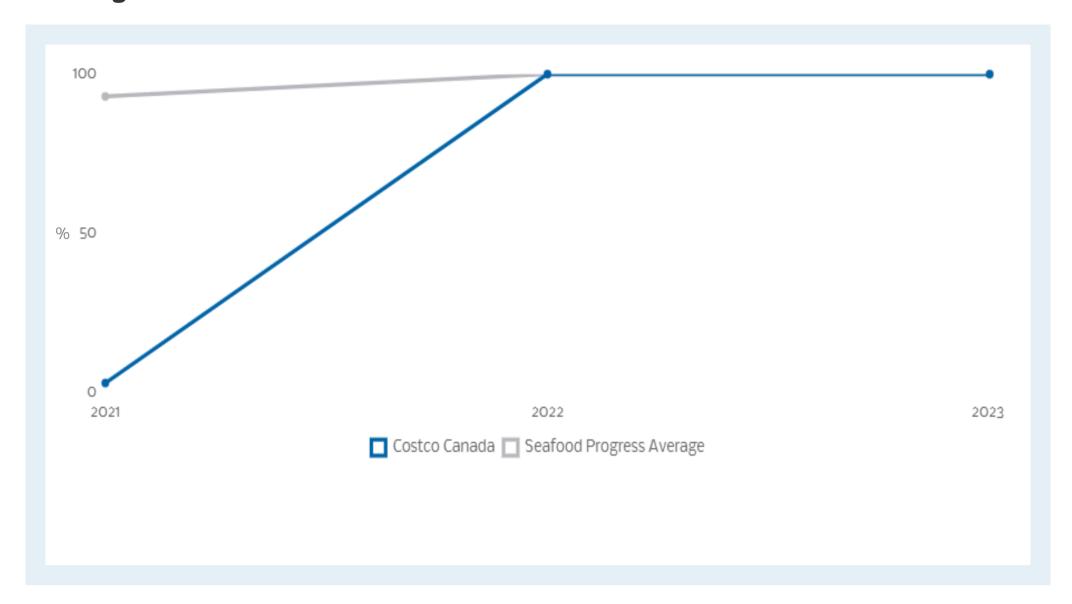
Costco's Seafood & Aquaculture Commitment does not apply to any national brand products (personal communication, T. Lim, 22/02/2023).



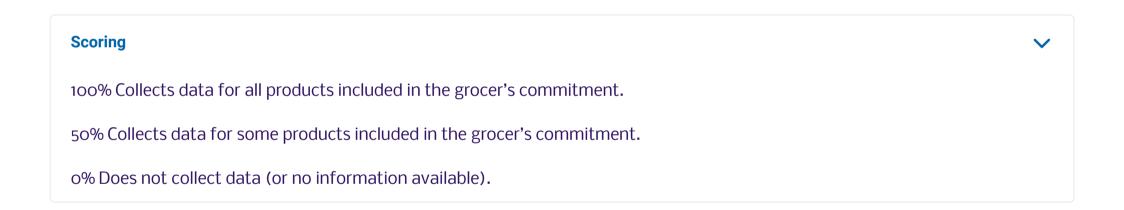
STEP 2: COLLECTING DATA



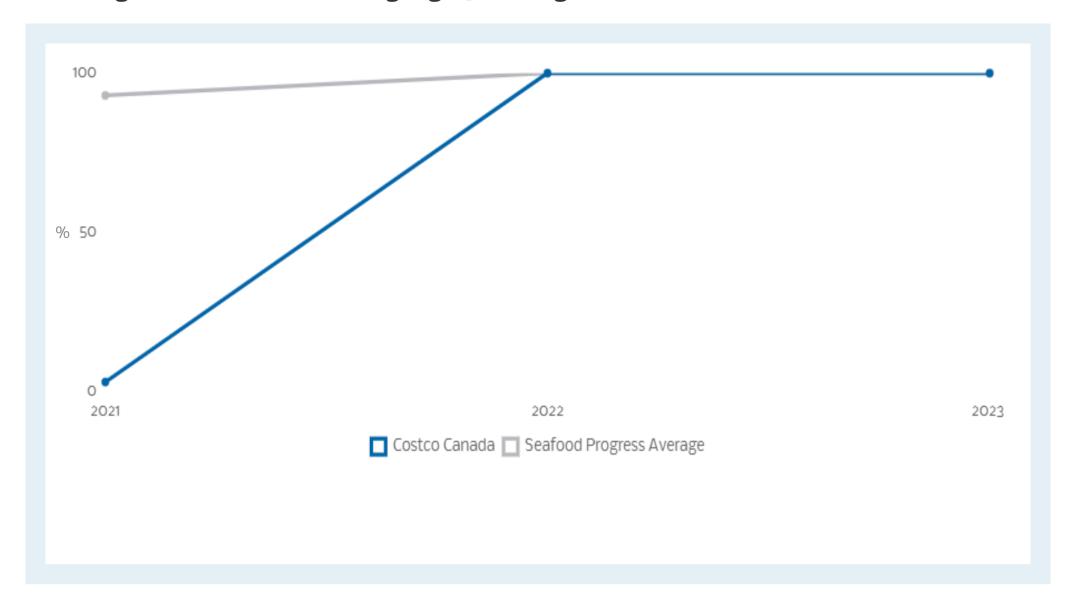
2.1 The grocer collects data on scientific name.



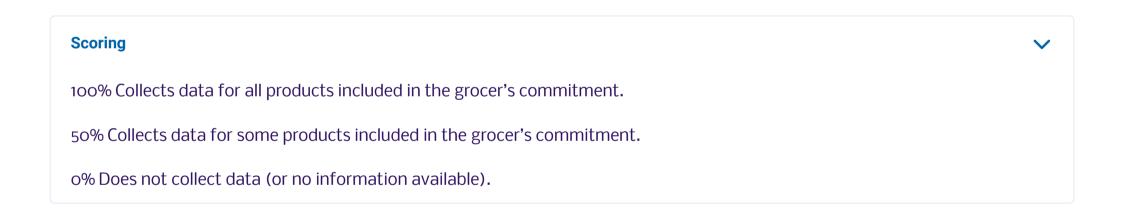
Costco collects data on species scientific name for all its private label (Kirkland Signature) products and any endangered species it sells on an annual basis through its global supplier seafood survey (personal communication, T. Lim, 22/02/2023).



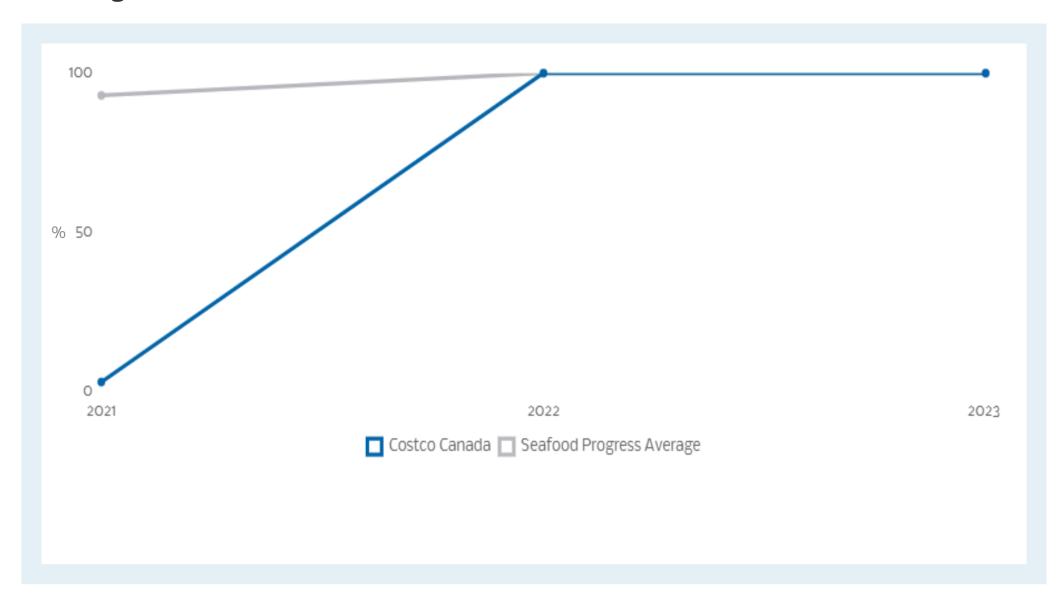
2.2 The grocer collects data on geographic origin.



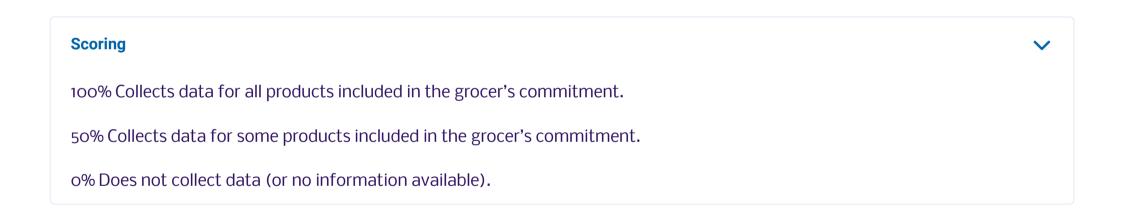
Costco collects data on geographic origin for all its private label (Kirkland Signature) products and any endangered species it sells on an annual basis through its global supplier seafood survey (personal communication, T. Lim, 22/02/2023).



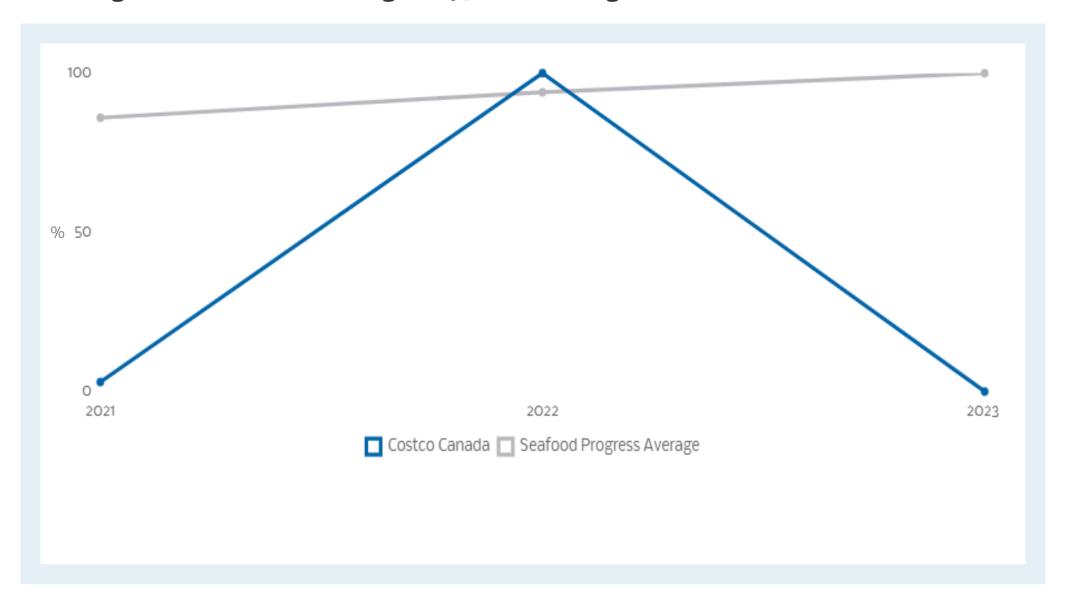
2.3 The grocer collects data on whether wild or farmed.



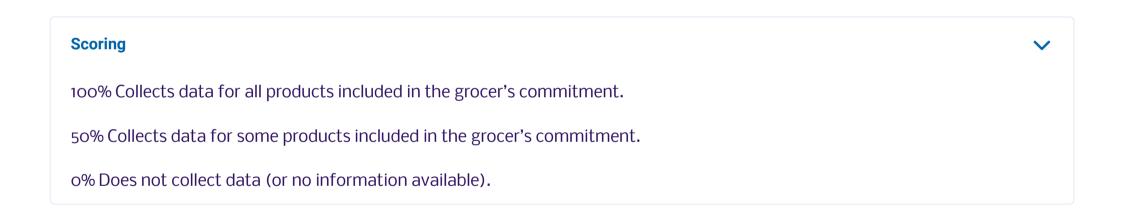
Costco collects data on whether products are wild or farmed for all its private label (Kirkland Signature) products and any endangered species it sells on an annual basis through its global supplier seafood survey (personal communication, T. Lim, 22/02/2023).



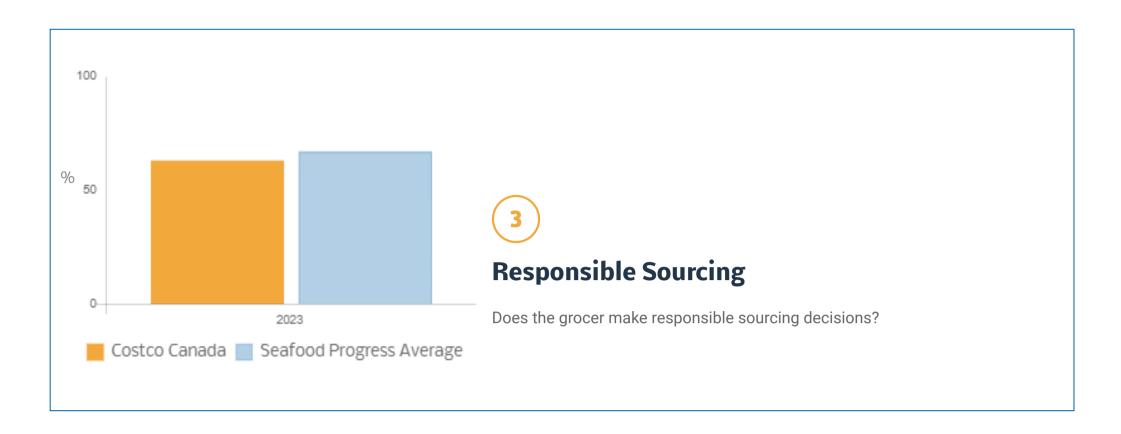
2.4 The grocer collects data on gear type or farming methods.



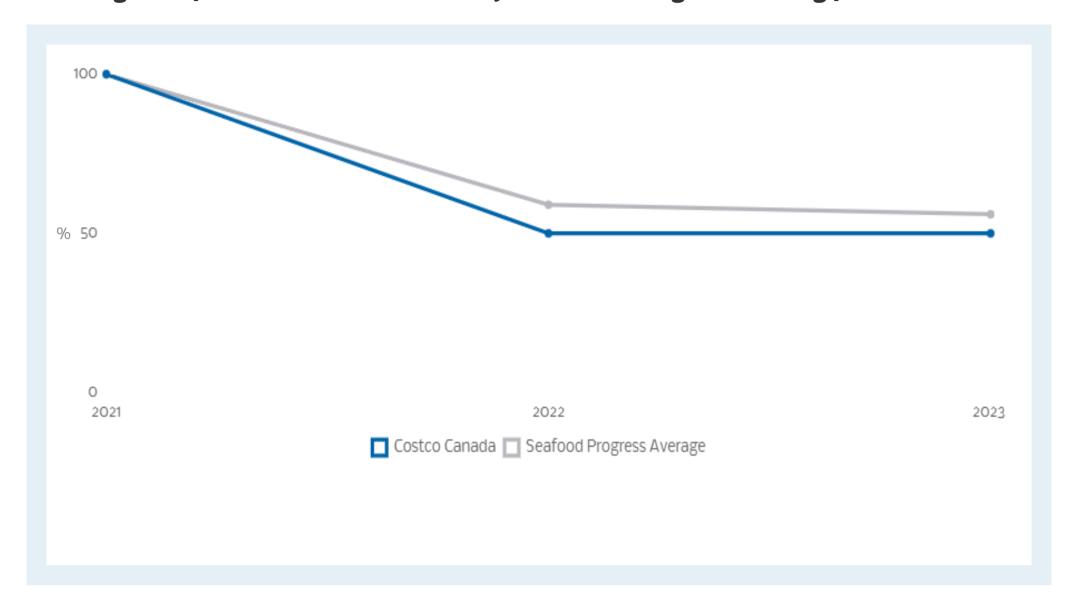
Costco collects data on gear type or farming method for all its private label (Kirkland Signature) products and any endangered species it sells on an annual basis through its global supplier seafood survey (personal communication, T. Lim, 22/02/2023).



STEP 3: SOURCING



3.1 The grocer publishes a clear hierarchy demonstrating its sourcing priorities.



Costco publishes a clear hierarchy of standards that it uses for sourcing all private label (Kirkland Signature) brand products, and indicates that all species it considers at risk must be MSC certified. Costco's third-party branded products are not held to any stated sustainability standard(s) (personal communication, T. Lim, 22/02/2023).



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100% Publishes a clear hierarchy of sustainability standards demonstrating its sourcing priorities for all products it sells.

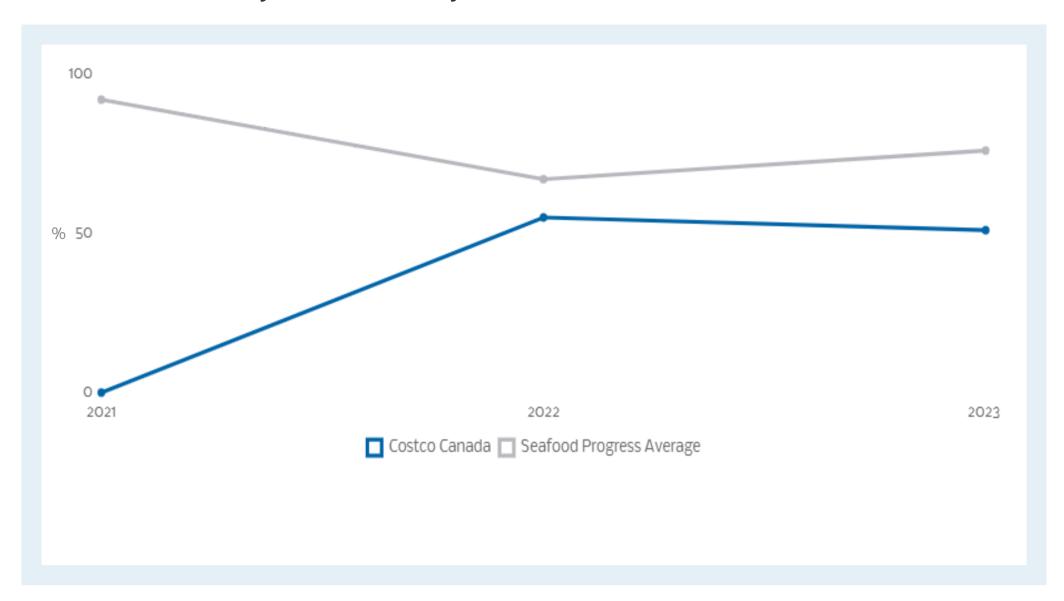
75% Publishes a clear hierarchy of sustainability standards used for sourcing some products, and identifies a general list of sustainability standards that it uses to inform its purchasing decisions for other products.

50% Publishes a clear hierarchy of sustainability standards used for sourcing some products, but doesn't identify the standards it uses to inform its purchasing decisions for other products.

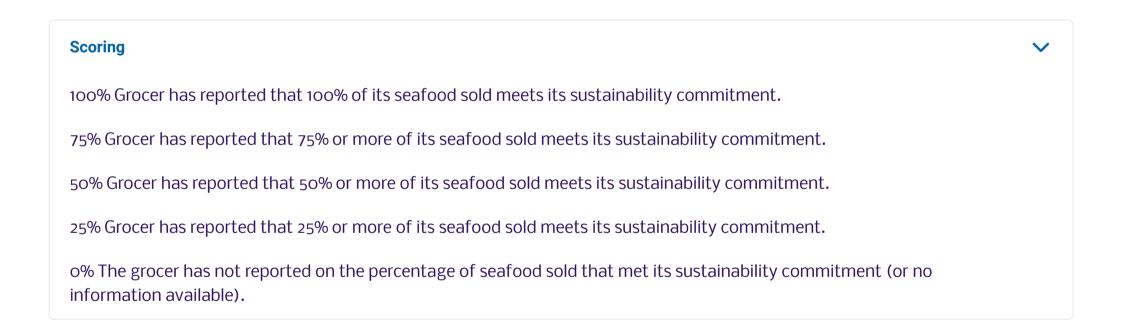
25% Publishes a general list of sustainability standards that it uses to inform its purchasing decisions.

o% Does not publish the sustainability standards that it uses to inform its purchasing decisions.

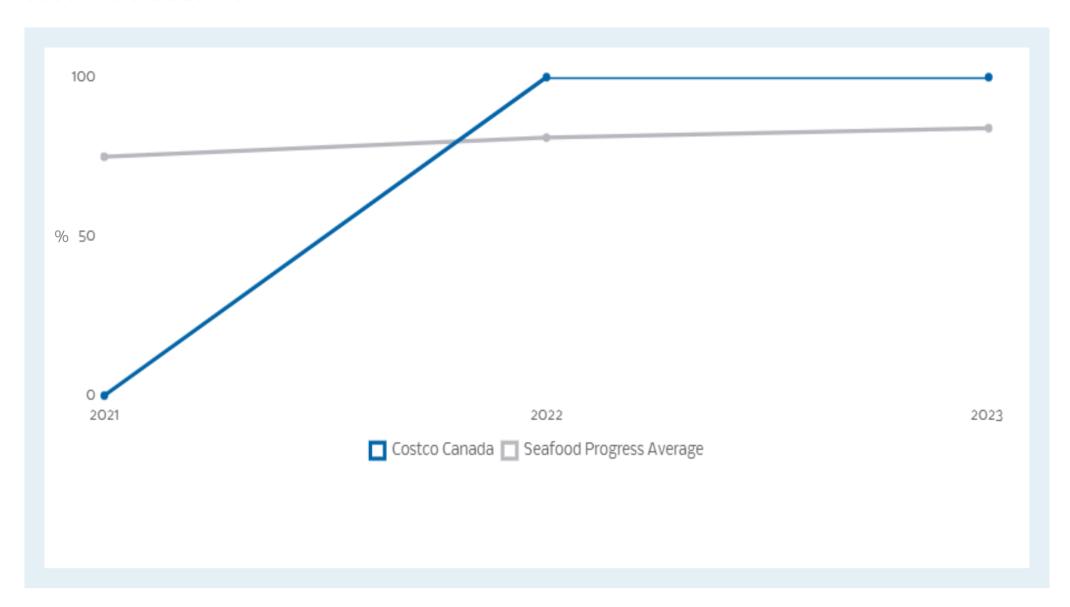
3.2 The grocer has reported on the percentage of its seafood sold in the last year that met its sustainability commitment by volume or value.



Costco reported to SeaChoice that 51% of its Kirkland Signature products by volume were in line with its commitment in 2022 (personal communication, T. Lim, 18/04/2023).



3.3 Suppliers are required to agree in writing to uphold the grocer's commitment to sustainable seafood.



Costco's sustainability requirements are communicated by its buyers to its suppliers through product specification sheets. Costco also issues an annual global supplier seafood survey to capture key sourcing information, as well as its Seafood Policy which suppliers are required to sign and which reiterates Costco's seafood commitments. Furthermore, the survey requires suppliers to indicate if products are certified, and Costco's NGO partner, WWF, works with suppliers to verify this information (personal communication, T. Lim, 22/02/2023).

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100% All suppliers are required to agree in writing to uphold all of the terms of the grocer's environmental sustainability commitment and the grocer actively verifies that this commitment is being upheld on at least an annual basis.

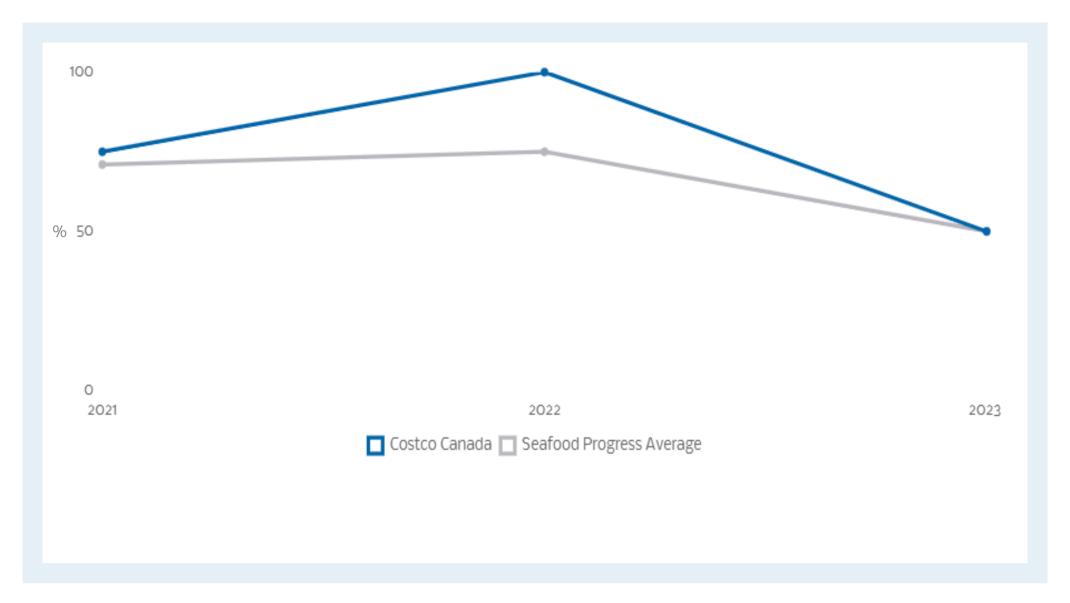
75% All suppliers are required to agree in writing to uphold all of the terms of the grocer's environmental sustainability commitment on at least an annual basis.

50% All suppliers are required to agree in writing to uphold some of the terms of the grocer's environmental sustainability commitment.

25% Some suppliers are required to agree in writing to uphold some of the terms of the grocer's environmental sustainability commitment.

o% Suppliers are not required to agree in writing to uphold the terms of the grocer's commitment.

3.4 Suppliers are required to sign a code of conduct to uphold the grocer's commitment to socially responsible seafood.



Costco's <u>Human Rights Policy</u> (last updated in December 2022) states that its global <u>Supplier Code of Conduct</u> applies to all suppliers and their facilities, as well as to Costco-owned manufacturing facilities. To align with international standards, the Code is derived from the policies, standards and conventions of the United Nations and the International Labour Organization, as well as other leading independent standards, such as the Responsible Business Alliance and Worldwide Responsible Accredited Production (WRAP). Where any applicable laws and regulations are absent, or exceeded by the Code, Costco expects its suppliers to uphold the higher standard. Costco emphasizes auditing suppliers of Kirkland Signature™ merchandise and suppliers whose product or country of origin poses an increased risk. Costco reported on the social audit outcomes for all suppliers (including seafood) in FY2022 through its Human Rights Policy. The support provided to low and critically performing suppliers to remedy non-compliance includes corrective action plans and e-Learning lessons. Costco also has a global confidential <u>ethics hotline</u> to monitor compliance against its Human Rights Policy (personal communication, T. Lim, 22/02/2023).

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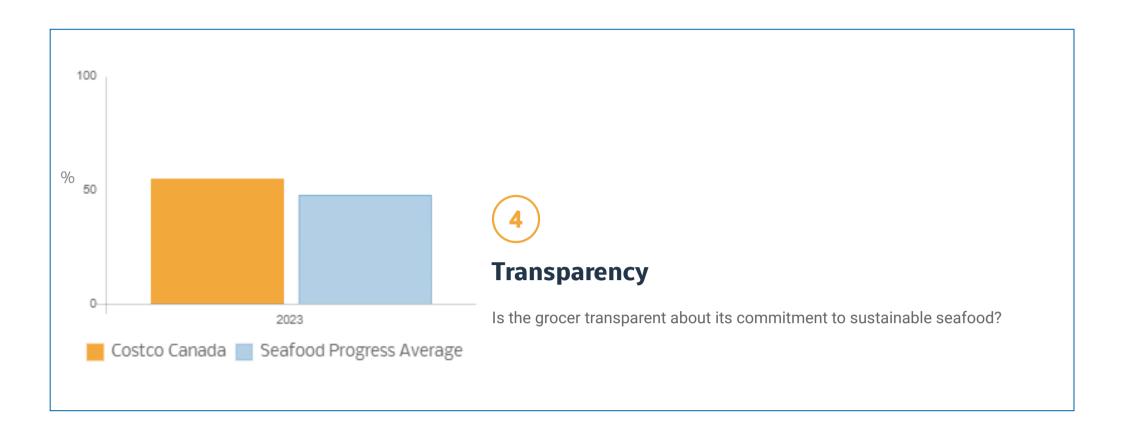


100% All suppliers are required to sign a code of conduct that covers all of the grocer's social responsibility commitment and the grocer actively verifies that this commitment is being upheld by suppliers of high risk products.

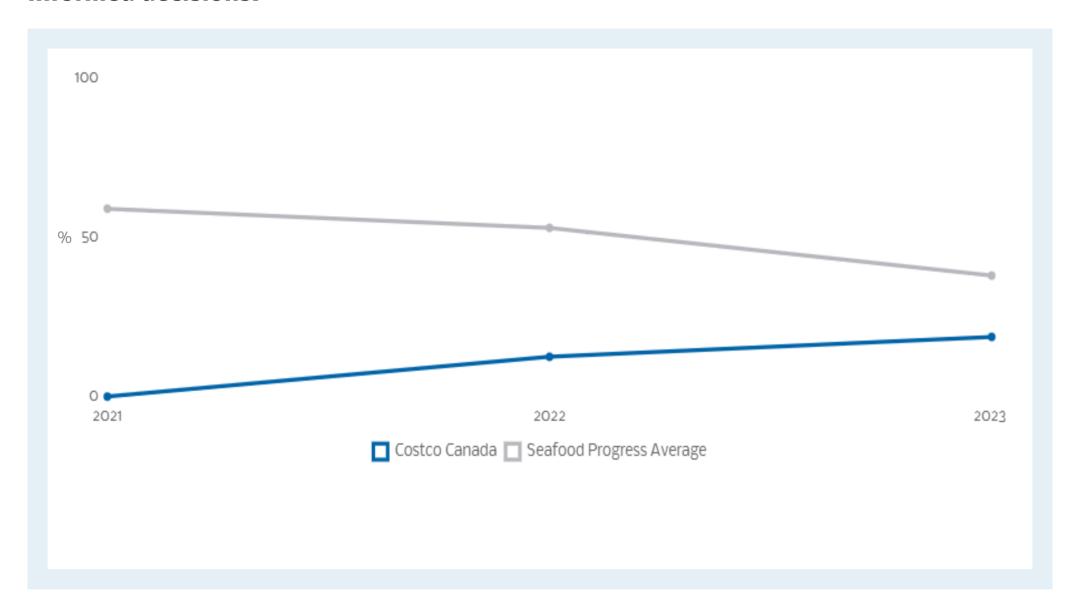
50% All suppliers are required to sign a code of conduct that covers all of the grocer's social responsibility commitment on at least an annual basis.

o% Suppliers are not required to sign a code of conduct (or no information).

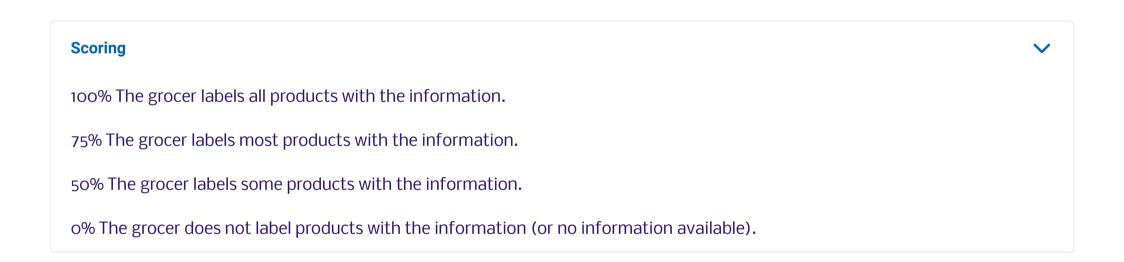
STEP 4: TRANSPARENCY



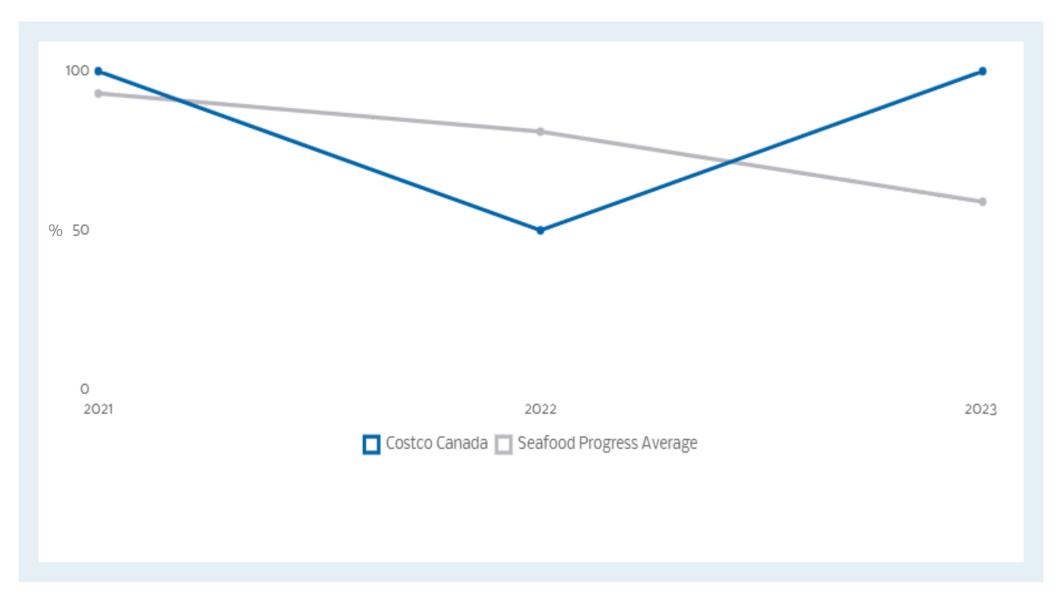
4.1 The grocer labels products with the information that allows consumers to make informed decisions.



And in-store audit conducted by SeaChoice on April 20, 2023 revealed that Costco Canada labels most of its Kirkland Signature products as wild or farmed, but no products with scientific name, geographic origin or gear type or farming method.



4.2 The grocer follows best practice guidelines for making environmental claims on its products.



All species deemed at risk by Costco must be labeled with the MSC logo. For Costco's Kirkland Signature products, the application of eco-labels on applicable product labels is preferred but not required of its suppliers (personal communication, T. Lim, 22/02/2023).

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100% The grocer only uses credible certification claims on product labels and includes a chain-of-custody identifier with publicly available evidence to back up its claim(s).

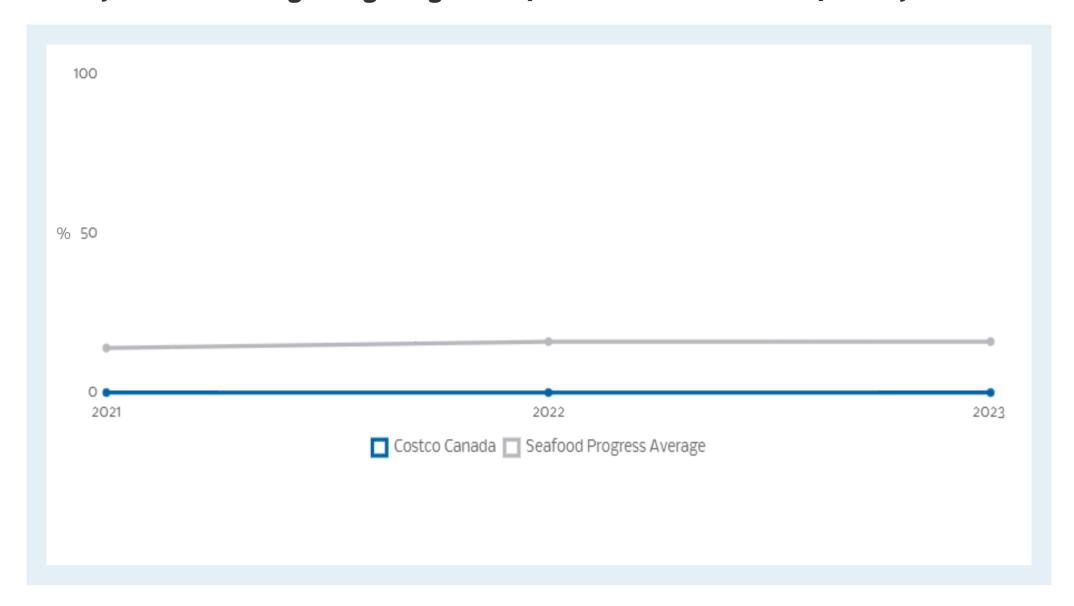
75% The grocer uses certification claims as well as endorsement claims and/or self-declared claims that 1) adhere to ISO 14021 Type II guidance and proof of third-party verification on product labels and 2) makes evidence to back up its claim(s) publicly available.

50% The grocer uses endorsement claims on product labels but does not make the evidence to back up its claim(s) publicly available - - OR - - The grocer uses self-declared claims on product labels that adhere to ISO 14021 Type II guidance and makes evidence to back up the claim(s) publicly available.

25% The grocer uses self-declared claims on product labels and makes evidence to back up the claim(s) publicly available.

o% The grocer uses self-declared claims on product labels and does not make evidence to back up its claim(s) publicly available.

4.3 Key information regarding the grocer's products has been made publicly available.

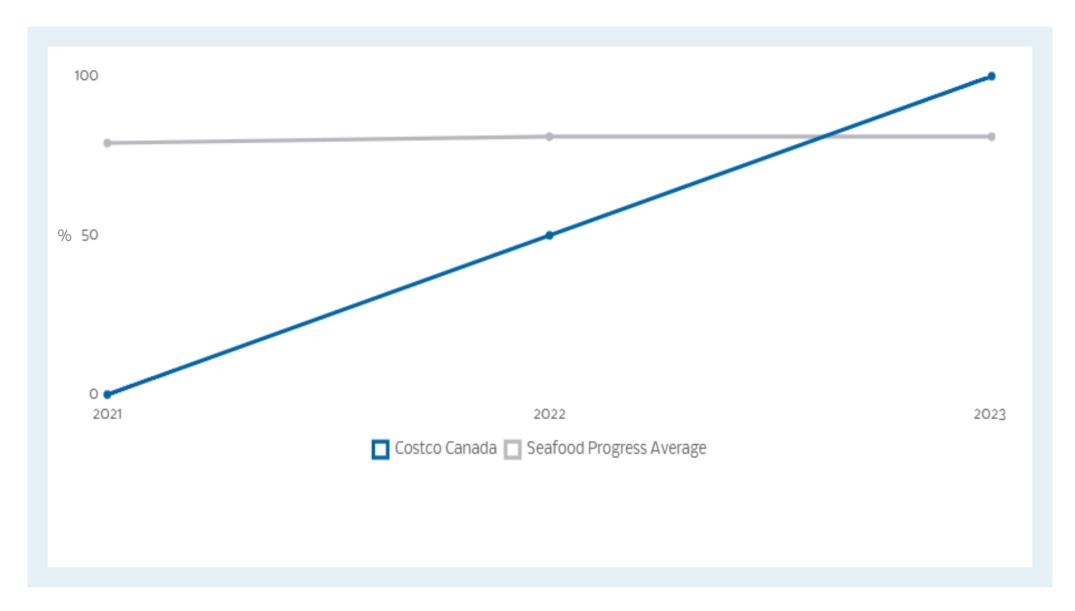


Costco does not publicly dislose this information.



100% Scientific name, geographic origin, gear type AND farming method has been made publicly available for all products.
75% Scientific name, geographic origin, gear type OR farming method has been made publicly available for all products.
50% Scientific name, geographic origin, gear type or farming method has been made publicly available for some products.
0% No information has been made publicly available.

4.4 The grocer reports how much of its seafood meets its sustainability criteria by volume or value of sales on an annual basis.



For two years in a row, Costco has reported to SeaChoice on the percentage of products by volume that met its commitment.

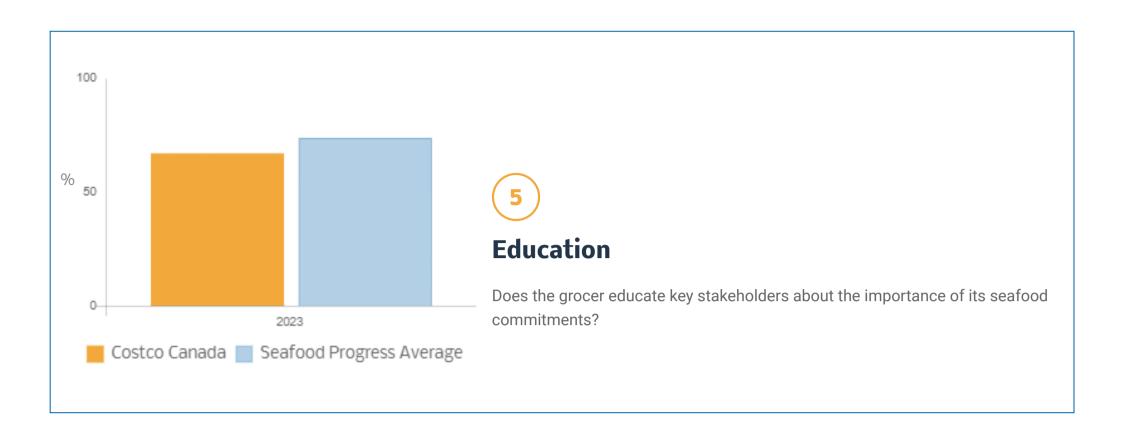


100% The grocer regularly reports publicly how much of its seafood sold meets its commitment by volume or value of sales every year.

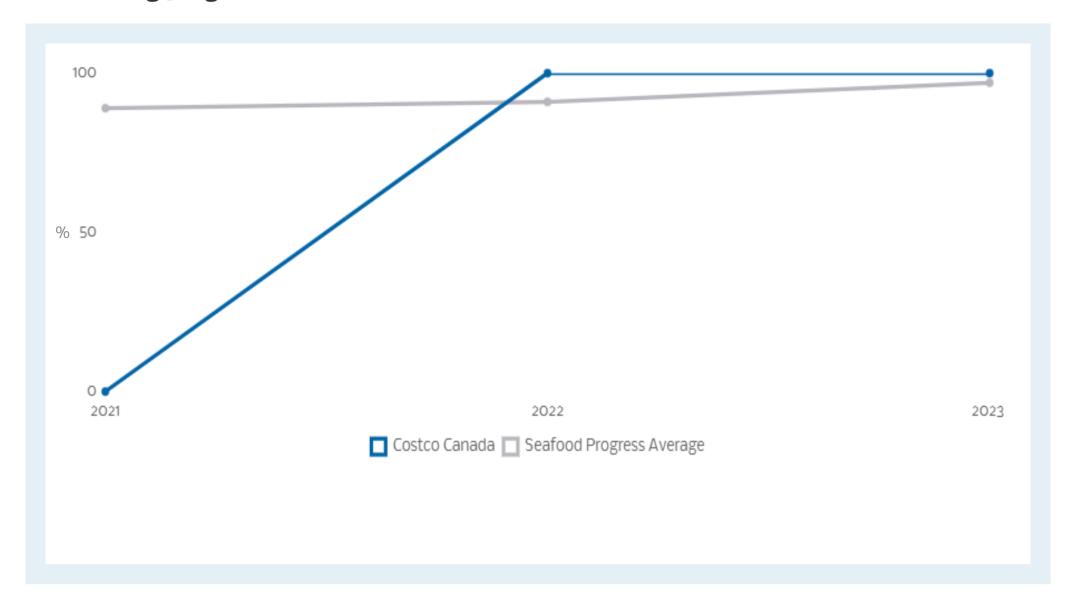
50% The grocer has at one point reported publicly how much of its seafood sold meets its commitment.

o% No public information on how the grocer is doing to meet its commitment.

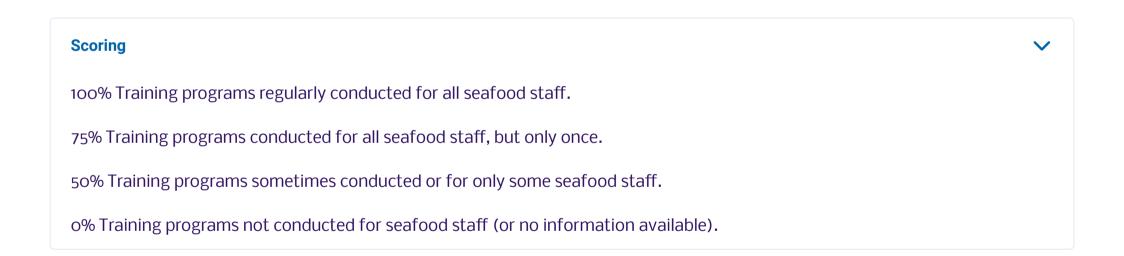
STEP 5: EDUCATION



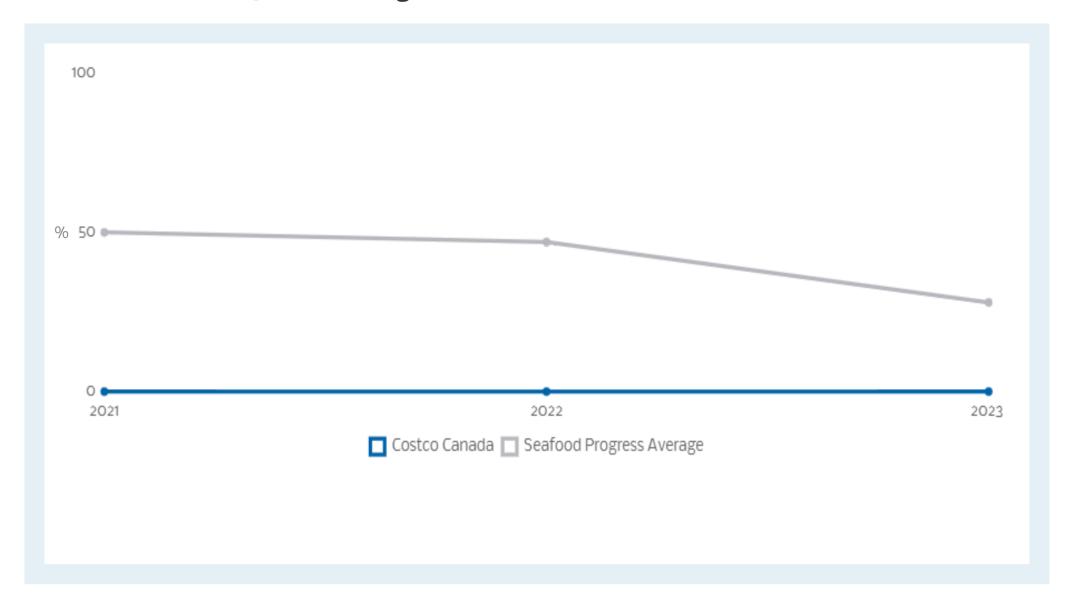
5.1 Training programs are conducted for seafood staff.



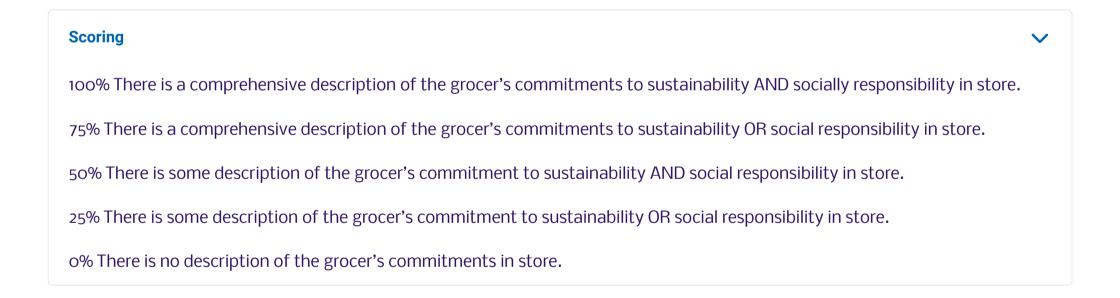
Costco does not have 'seafood counter staff' in its stores as a result of its warehouse model. Costco's seafood buying teams are well versed on its Fisheries and Aquaculture Policy and receive training on its Supplier Code of Conduct. Additional training is conducted on an ad hoc basis and as issues or concerns arise. When Costco receives inquiries from consumers on its seafood products, it is the responsibility of the buying team to address them (personal communication, T. Lim, 22/02/2023).



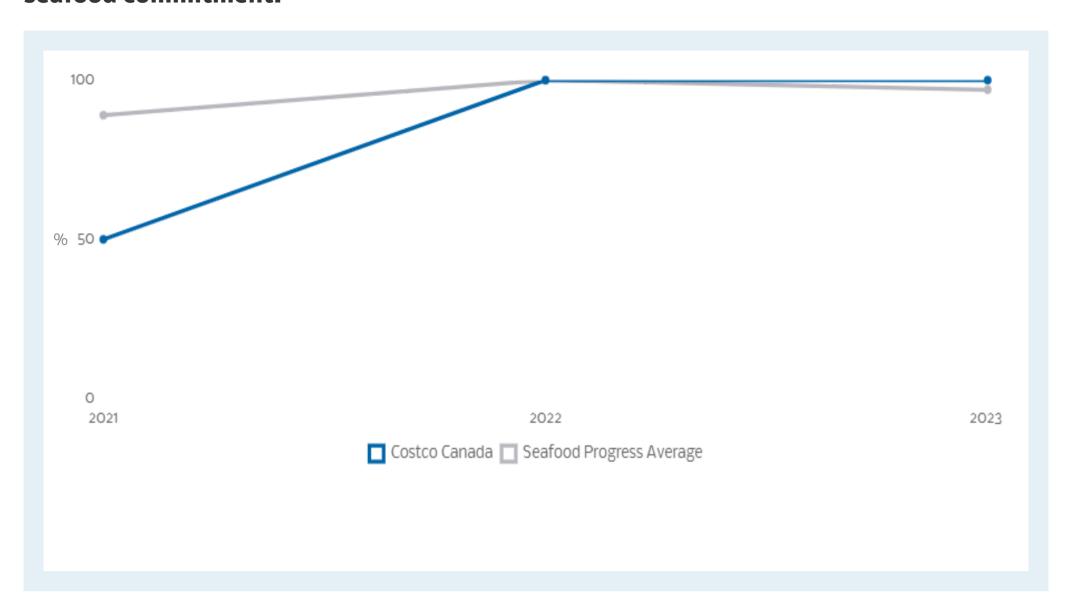
5.2 There is a description of the grocer's seafood commitments in store.



There is no description of Costco's commitments to sustainable and socially responsible seafood in store (personal communication, T. Lim, 22/02/2023).



5.3 The grocer has taken actions to ensure its suppliers are aware of its sustainable seafood commitment.



Costco's buying team informs seafood suppliers of its sourcing expectations and typically engages with them through in person meetings at suppliers' facilities. If suppliers require assistance to meet Costco's expectations, Costco directs them to its NGO partners, World Wildlife Federation (WWF) and Seafood Task Force (STF) for guidance. Additionally, all of Costco's private label suppliers are subject to an annual social audit based on its Supplier Code of Conduct, and Costco provides these suppliers with e-learning modules to help address any concerns raised by the audit results (personal communication, T. Lim, 22/02/2023).



100% The grocer shares its sustainable seafood commitment and any updates made to its commitment, has a clear strategy to engage with its suppliers and provides direct support (e.g. training, resources) to help ensure all seafood products are procured in line with its policies.

75% The grocer shares its sustainable seafood commitment and any updates made to its commitment and regularly engages with its suppliers to help ensure the products they supply meet its expectations.

50% The grocer shares its sustainable seafood commitment and any updates made to its commitment and sometimes engages with its suppliers to help ensure the products they supply meet its expectations.

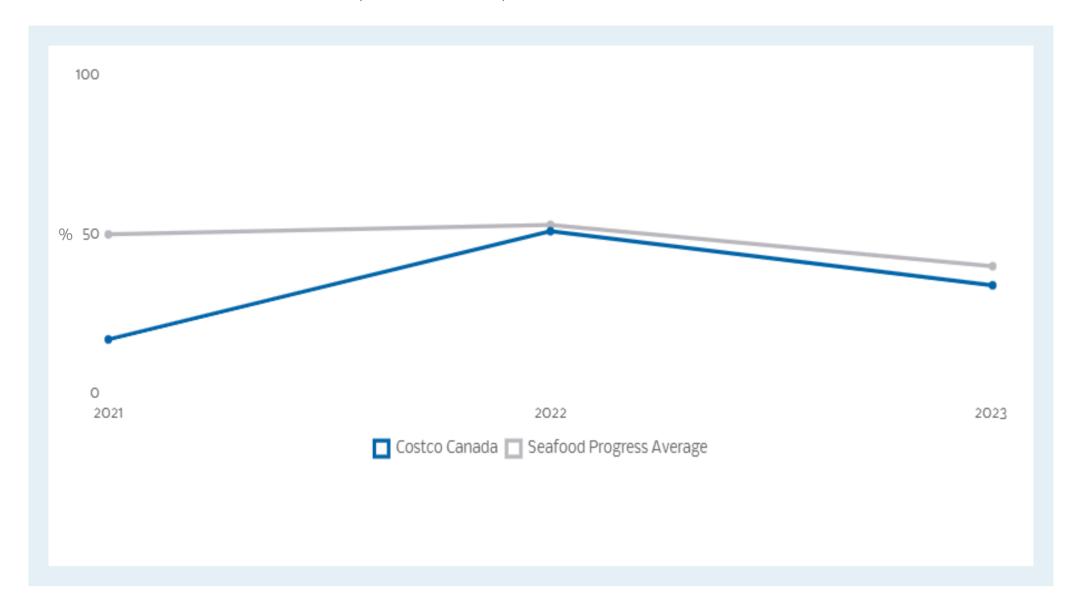
25% The grocer sends its suppliers a copy of its sustainable seafood commitment.

o% The grocer has taken no actions OR no information is available.

STEP 6: TAKING INITIATIVE



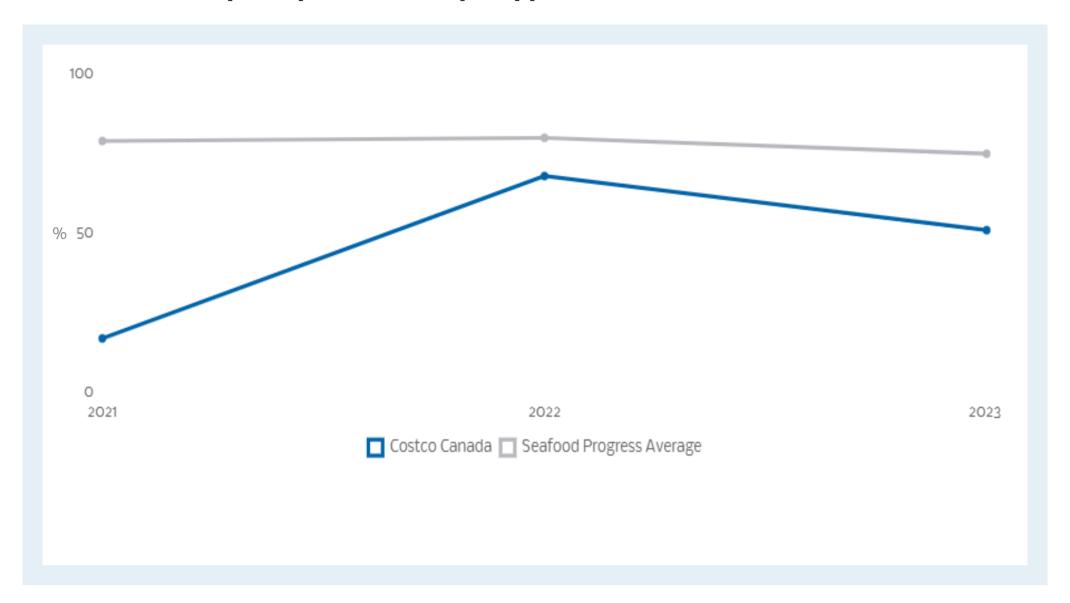
6.1 Farmed Atlantic salmon (Salmo salar)



Within the past year, Costco attended a workshop in Chile coordinated by its NGO partner, WWF, in an effort to support a small pelagics FIP and endorse the new feed standard for farmed salmon. Additionally, Costco does carry any genetically engineered or modified farmed salmon and has no plans to sell these products (personal communication, T. Lim, 22/02/2023).

- Only sells farmed salmon products that meet the highest bars for sustainability, i.e. are produced in a closed containment facility, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (100 pts).
- Conducts outreach to policymakers and/or certifying bodies to advocate for salmon farming management to be more environmentally sustainable (17 pts).
- Promotes farmed salmon products from closed containment producers through marketing efforts and/or distinguishes these products from open-net pen products at points of sale (17 pts).
- Works with suppliers or producers directly to improve salmon farming practices and/or to support their transition from open-net systems to closed containment systems (17 pts).
- Refrains from advertising versions of this product that are Not Recommended by Ocean Wise and/or rated Avoid by Seafood Watch (17 pts).
- Preferentially procures farmed salmon from closed containment producers and/or sources that are Recommended by Ocean Wise or rated Best Choice by Seafood Watch (17 pts).
- Does not sell genetically engineered (GE) or genetically modified (GM) farmed salmon (17 pts).

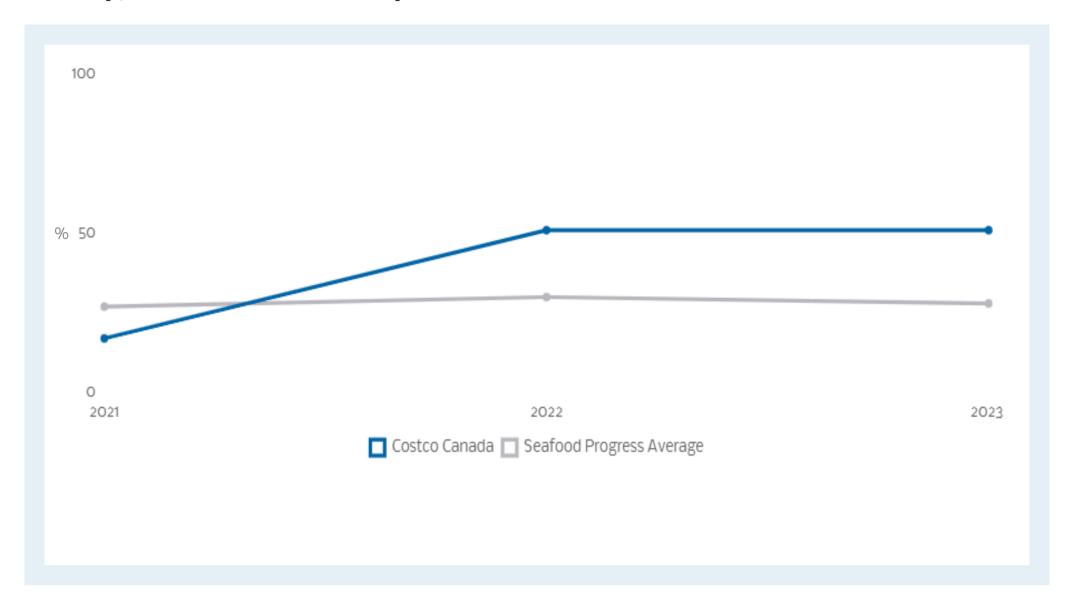
6.2 Farmed shrimp and prawns (Multiple spp).



Costco preferentially sources ASC certified versions of its Kirkland Signature shrimp products, and does not sell many third-party farmed shrimp products. Costco also financially supported farmed shrimp AIPs over the past year via ASC's Improver Programme. Finally, Costco has full chain traceability of all its Kirkland Signature products (personal communications, T. Lim, 22/02/2023).

- Only sells farmed shrimp and prawn products that meet the highest bars for sustainability, i.e. are certified by ASC, BAP 2 star plus, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (100 pts).
- Conducts outreach to policymakers and/or certifying bodies to advocate for shrimp and prawn farming management to be more environmentally sustainable (17 pts).
- Collaborates with other companies pre-competitively to improve shrimp and prawn farming practices (17 pts).
- Works with suppliers or producers directly to improve shrimp and prawn farming practices (17 pts).
- Refrains from advertising versions of this product that are not ASC or BAP 2 star plus certified, Not Recommended by Ocean Wise and/or rated Avoid by Seafood Watch
- Preferentially procures shrimp and prawns from sources that are ASC or BAP 2 star plus certified, Recommended by Ocean Wise or Best Choice by Seafood Watch (17 pts).
- Prioritizes sourcing from suppliers committed to full chain traceability and/or making social responsibility improvements (17 pts).

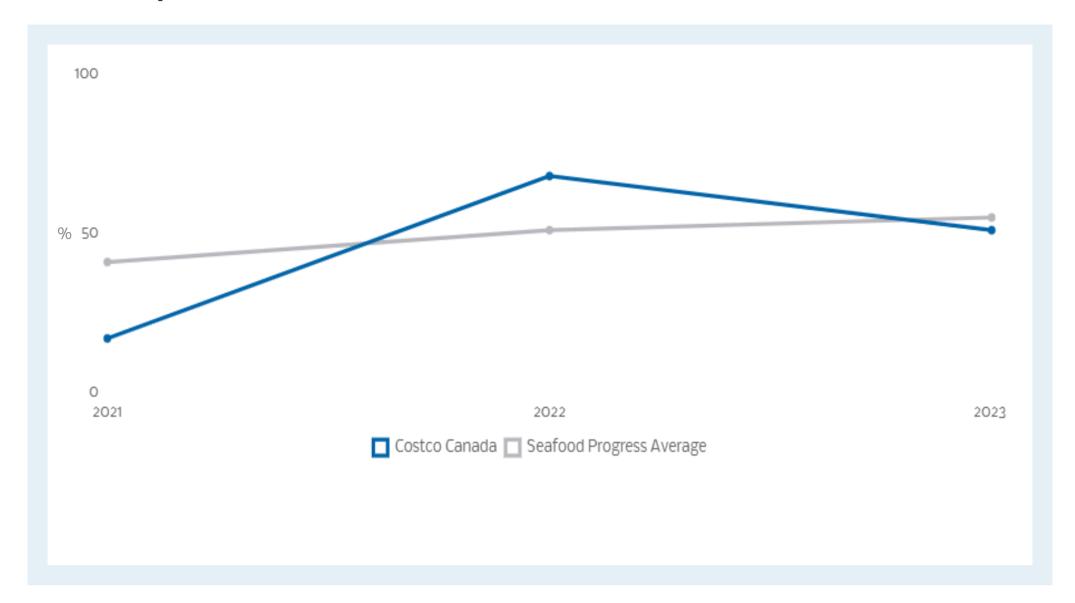
6.3 Skipjack tuna (Katsuwonus pelamis)



In November 2022, Costco signed on to a letter coordinated by the NGO Tuna Forum to the Western and Central Pacific Fisheries Commission (WCPFC) advocating for the implementation of harvest control rules. Additionally, Costco is a founding member of the Seafood Task Force (STF), which includes a government advocacy subgroup for skipjack tuna. All of Costco's Kirkland Signature and third-party branded canned tuna suppliers are required to be members of the STF. Finally, the company reviews the product traceability and mapping to vessels of its Kirkland Signature canned tuna supply chains (personal communication, T. Lim, 22/02/2023).

- Only sells pole and line caught skipjack tuna products that meet the highest bars for sustainability, i.e. are MSC certified, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (100 pts).
- Conducts outreach to policymakers and/or certifying bodies to advocate for skipjack fishing methods and management to be more environmentally sustainable (17 pts).
- Collaborates with other companies pre-competitively to improve skipjack fishery management practices (17 pts).
- Works with suppliers or producers directly to improve skipjack fishing practices (17 pts).
- Only advertises pole and line caught skipjack tuna products that meet the highest bars for sustainability, i.e. are MSC certified, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (17 pts).
- Preferentially sources pole and line caught skipjack tuna products that meet the highest bars for sustainability, i.e. are MSC certified, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (17 pts).
- Prioritizes sourcing from suppliers committed to full chain traceability and/or making social responsibility improvements (17 pts).

6.4 Other species



Costco preferentially sources ASC certified versions of its farmed products and MSC versions of its wild products. Additionally, the company requires its wild shrimp suppliers to be members of a roundtable focused on the gulf of Mexico. Finally, the company has full chain traceability of all its Kirkland Signature seafood products (personal communication, T. Lim, 22/02/2023).

- Only sells versions of a certain species that meet the highest bars for sustainability, i.e. are certified by MSC/ASC, Recommended by Ocean Wise and/or rated Best Choice by Seafood Watch (100 pts).
- Conducts outreach to policymakers and/or certifying bodies to advocate for harvest or farming method and management to be more environmentally sustainable (17 pts).
- Collaborates with other companies pre-competitively to improve fishing or aquaculture practices (17 pts).
- Works with suppliers or producers directly to improve fishing or farming practices (17 pts).
- Refrains from advertising versions of a certain species that are not MSC/ASC certified, Not Recommended by Ocean Wise and/or rated Avoid by Seafood Watch (17 pts).
- Preferentially sources from more sustainable sources that are MSC/ASC certified, Recommended by Ocean Wise or Best Choice by Seafood Watch (17 pts).
- Prioritizes sourcing from suppliers committed to full chain traceability and/or making social responsibility improvements (17 pts).