Seafood Progress

Grocery Stores' Commitment to Sustainable and Socially Responsible Seafood

67

2022 score

Seafood Progress Average ? : 71



Parent Company
Costco Wholesale
Corporation

NGO Partner(s)

World Wildlife Fund (WWF)









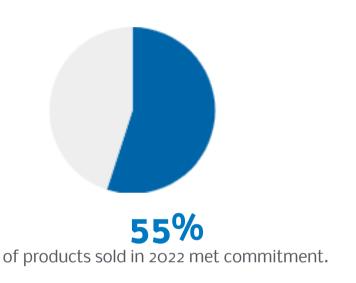
OVERVIEW

Commitment to Sustainable Seafood

Which product types does this grocery store's sustainable seafood commitment cover?

	Fresh	Frozen	Shelf
Store brand ?			•
Seafood brand ?	×	×	8
No brand ?	×	×	

SUMMARY



Sustainability Commitment. Costco is committed to all its fresh, frozen and canned private label (Kirkland Signature brand) wild products being MSC certified or in a FIP, and farmed salmon, tilapia, shrimp and pangasius products being ASC certified or in an AIP, but has not specified a timeline for achieving this commitment. Its website also states that it is committed to only selling MSC certified versions of various species that it identifies as being at great risk, and to not selling wild King Salmon sourced from the Salish Sea due to documented concerns related to its decline. Costco has traceability systems in place for some commodities like shrimp and tuna, but does not have a system in place to trace all its seafood products given the large volume of commodities Costco sells globally.

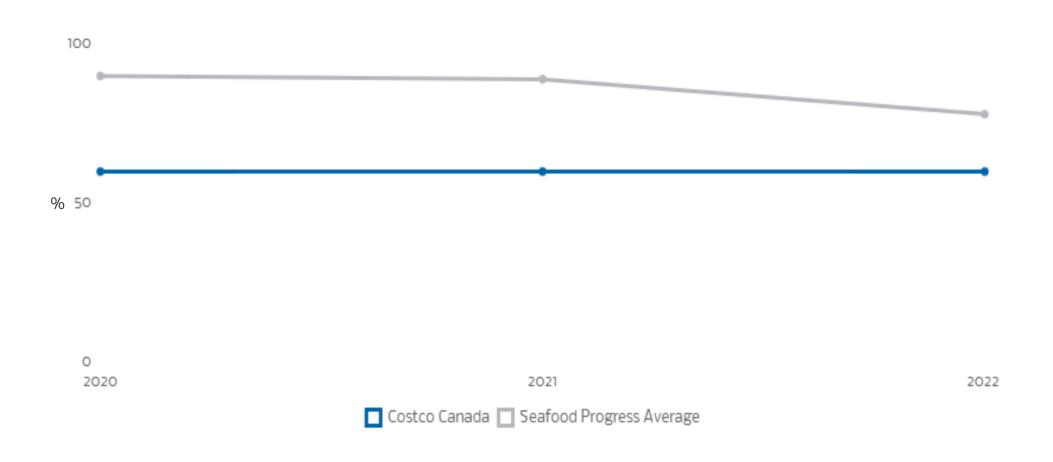
Clear Objectives	•
Supplier Expectations	•
Traceability Policy	×
Reporting on Activities	×

Social Responsibility Commitment. Costco's commitment to social responsibility is guided by its <u>Code of Ethics</u> and applies to all internal and external employees that work in its supply chains. As part of this commitment, Costco has a <u>Supplier Code of Conduct</u> that is derived from the United Nations and the International Labor Organization and other leading independent standards such as the Responsible Business Alliance and Worldwide Responsible Accredited Production (WRAP) that applies to all internal and external suppliers and their facilities. Costco does not have a traceability policy to support its commitment that applies to all commodities it sells, but it did partner with Verisk Maplecroft to conduct a materiality assessment on its core commodities. Additionally, Costco reported on the progress it made against its social responsibility commitment for its tuna and shrimp commodities through the <u>Seafood Task Force 10 Point Action Plan 2021</u>.

STEP 1: COMMITMENT



1.1 Grocery store has a publicly available commitment on environmentally sustainable seafood.



Costco is committed to all its fresh, frozen and canned private label (Kirkland Signature brand) wild products being MSC certified or in a FIP, and farmed salmon, tilapia, shrimp and pangasius products being ASC certified or in an AIP, but has not specified a timeline for achieving this commitment. Its website also states that it is committed to only selling MSC certified versions of the following species that it identifies as being at great risk: Atlantic cod, Atlantic halibut, Chilean sea bass, Greenland halibut, grouper, orange roughy, redfish, shark, skates and rays, swordfish and bluefin tuna. It is also committed to not selling wild King Salmon sourced from the Salish Sea due to documented concerns related to its decline. Costco has traceability systems in place for some commodities like shrimp and tuna, but does not have a system in place to trace all its seafood products given the large volume of commodities Costco sells globally.

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 that traces at least the product scientific name, geographic origin, farmed/wild and gear type or farming method.

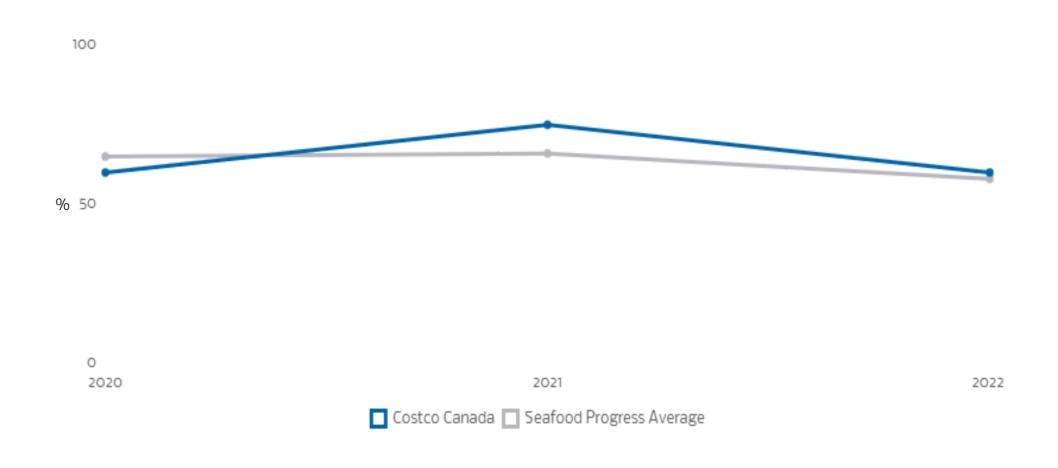
60% Commitment to environmental sustainability that includes clear objectives that are supported by references to credible standards (such as Seafood Watch or Ocean Wise ratings, eco-certifications, etc.).

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 Grocery store has a publicly available commitment on socially responsible seafood.



Costco's commitment to social responsibility is guided by its <u>Code of Ethics</u> and applies to all internal and external employees that work in its supply chains. As part of this commitment, Costco has a <u>Supplier Code of Conduct</u> that is derived from the United Nations and the International Labor Organization and other leading independent standards such as the Responsible Business Alliance and Worldwide Responsible Accredited Production (WRAP) that applies to all internal and external suppliers and their facilities. Costco does not have a traceability policy to support its commitment that applies to all commodities it sells, but it did partner with Verisk Maplecroft to conduct a materiality assessment on its core commodities. Additionally, Costco reported on the progress it made against its social responsibility commitment for its tuna and shrimp commodities through the <u>Seafood Task Force 10 Point Action Plan 2021</u>.

Scoring



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.

80% Commitment to social responsibility includes clear objectives, actions or expectations for seafood suppliers, and a clear and effective traceability policy.

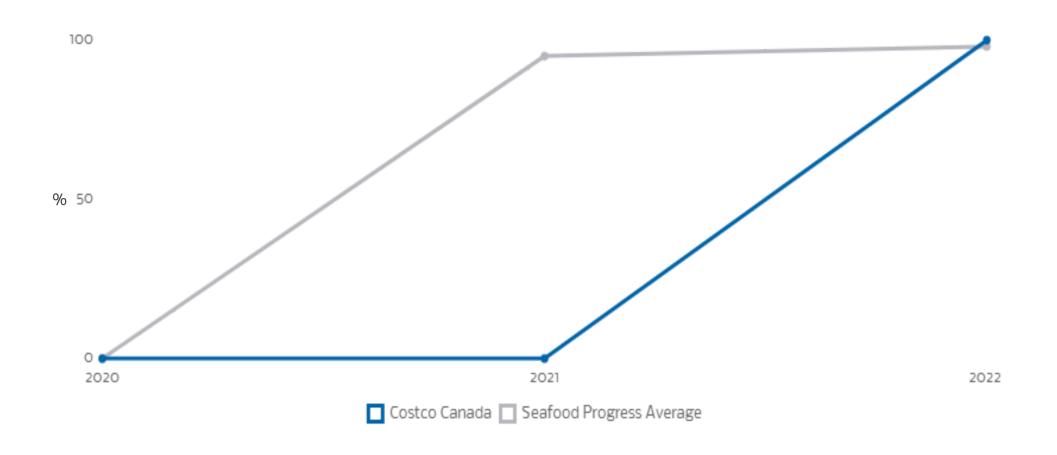
60% Commitment to social responsibility includes clear objectives and actions or expectations for seafood suppliers.

40% Commitment to social responsibility includes clear objectives for socially responsible procurement (for example by referring to credible international standards such as ILO, UN Declaration, etc.).

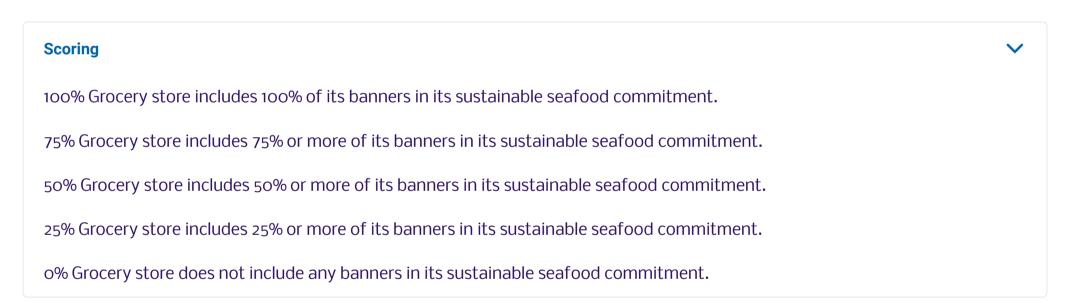
20% General commitment to socially responsible seafood.

o% No publicly available social responsibility commitment.

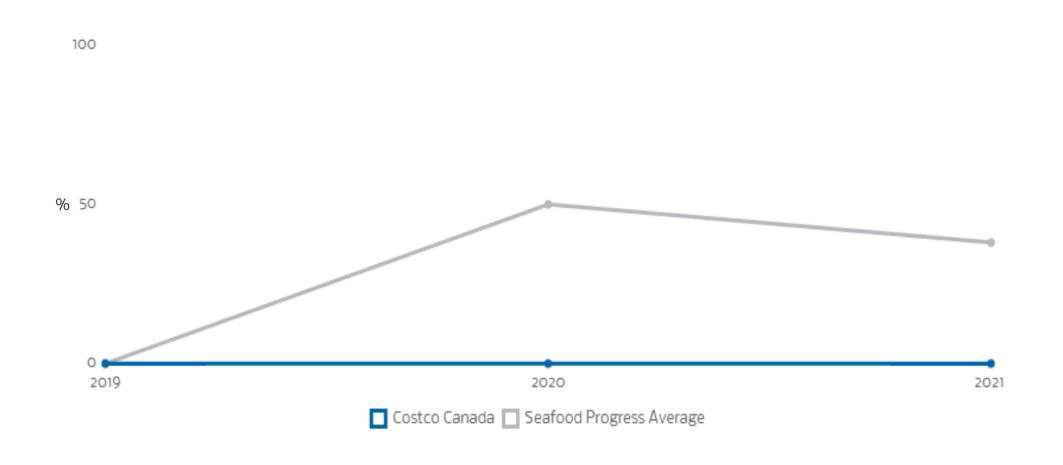
1.3 Grocery store covers all banners that sell seafood in its sustainable seafood commitment.



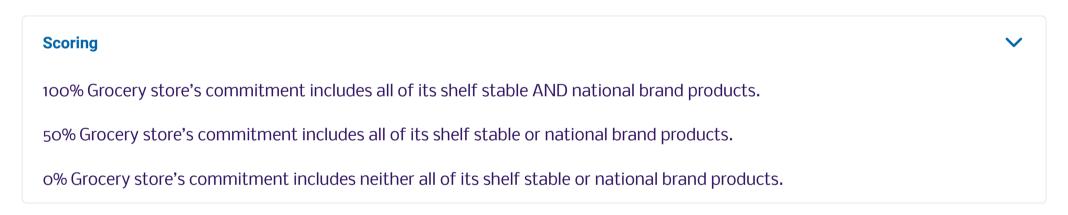
Costco's Sustainable Fisheries & Aquaculture commitment applies to all its stores across the globe (personal communication, T. Lim, 25/08/2021).



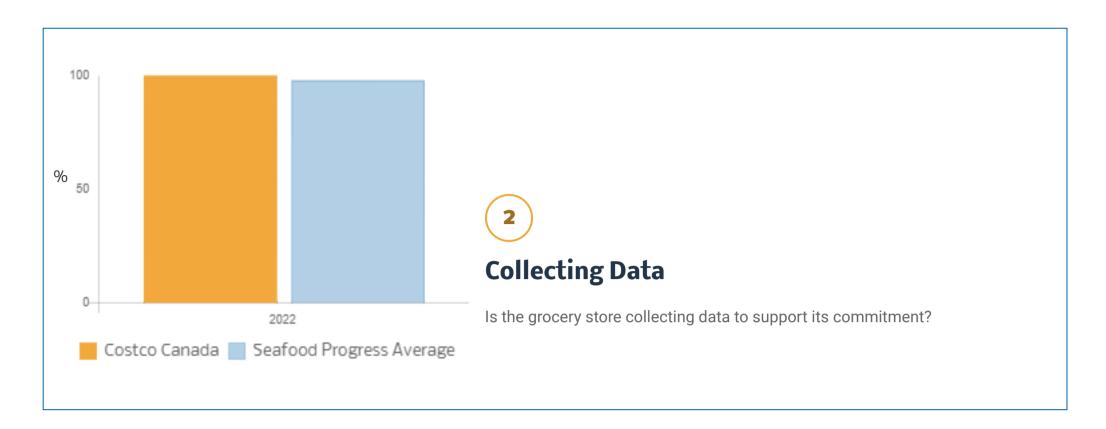
1.4 Grocery store covers all shelf stable and national brand products in its sustainable seafood commitment.



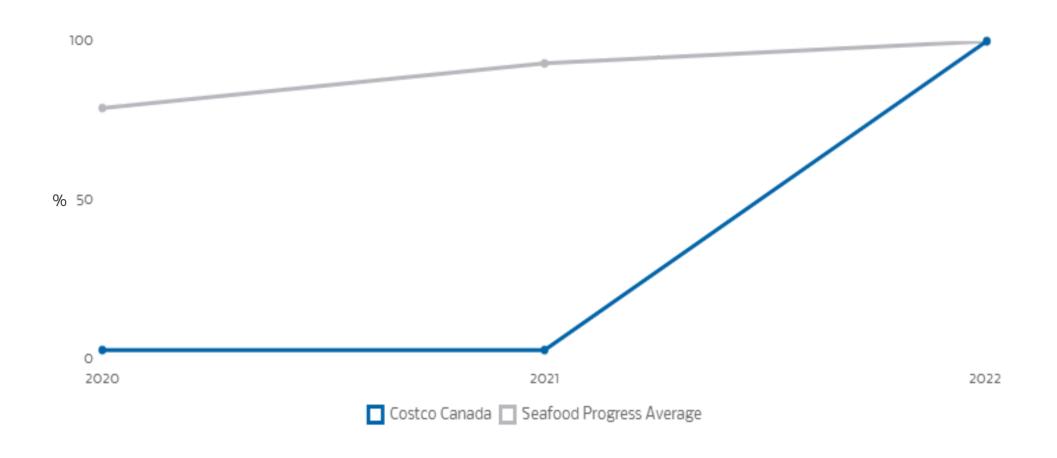
Costco's commitment does not apply to all its shelf stable or national brand products (personal communication, T. Lim, 07/02/2022).



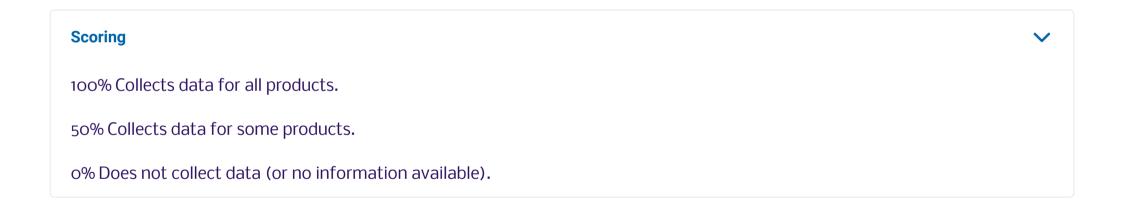
STEP 2: COLLECTING DATA



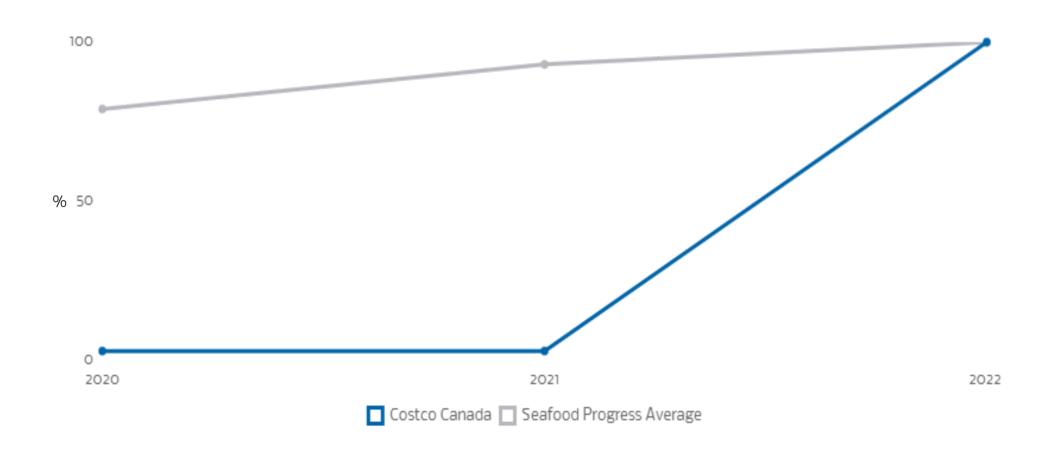
2.1 Grocery store collects data on species scientific name.



Costco collects data on species scientific name for all its private label (Kirkland Signature) products (peronal communication, T. Lim, 07/02/2022).



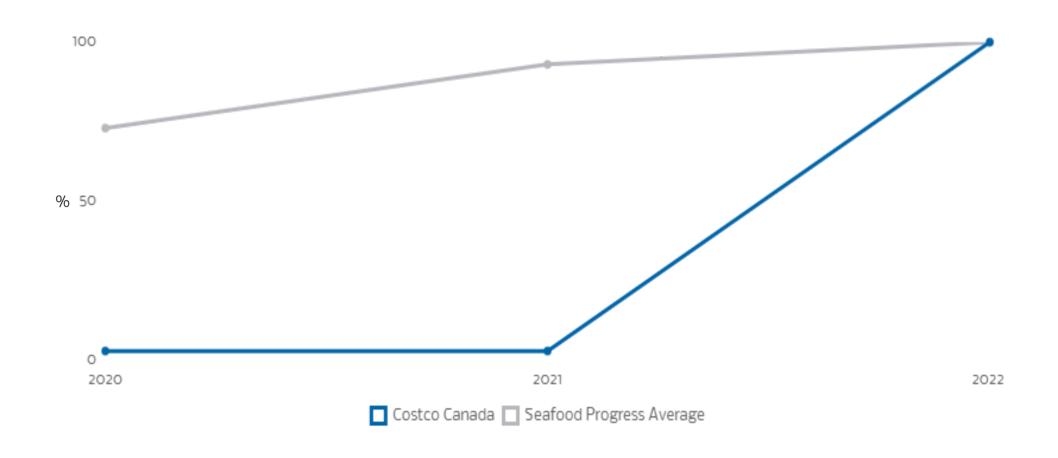
2.2 Grocery store collects data on geographic origin.



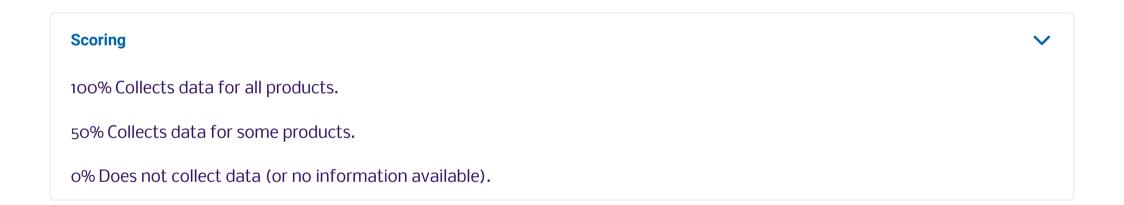
Costco collects data on geographic origin for all its private label (Kirkland Signature) products (peronal communication, T. Lim, 07/02/2022).



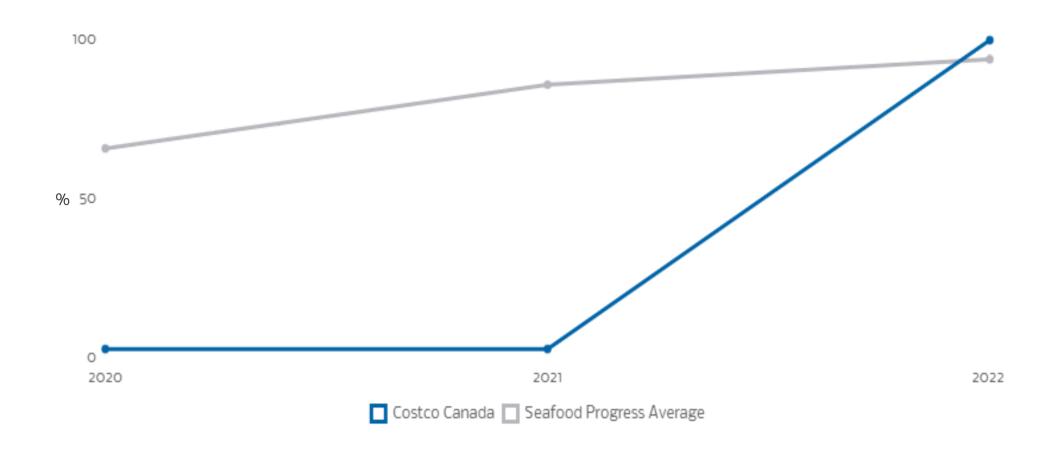
2.3 Grocery store collects data on whether wild or farmed.



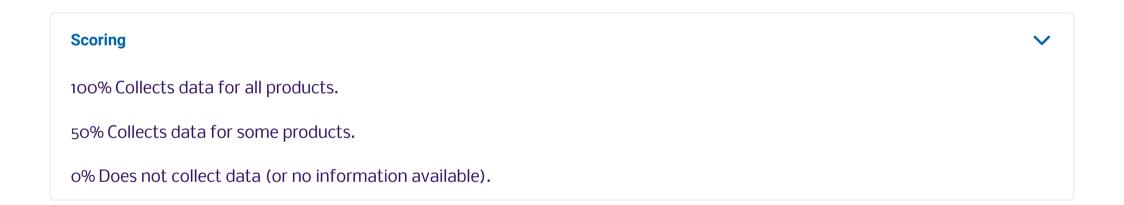
Costco collects data on whether wild or farmed for all its private label (Kirkland Signature) products (peronal communication, T. Lim, 07/02/2022).



2.4 Grocery store collects data on gear type or farming methods.



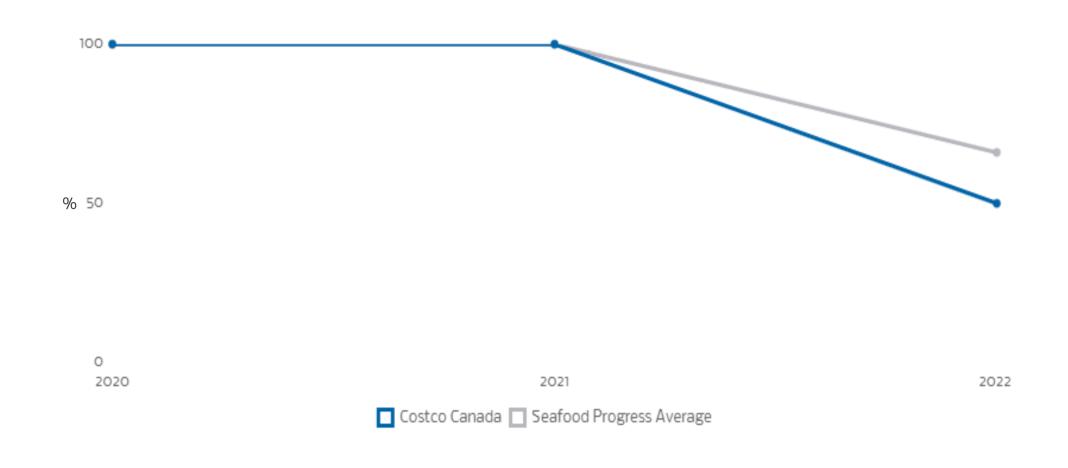
Costco collects data on gear type or farming method for all its private label (Kirkland Signature) products (peronal communication, T. Lim, 07/02/2022).



STEP 3: SOURCING



3.1 Grocery store publishes a clear hierarchy demonstrating its sourcing priorities.



Costco publishes a clear hierarchy of sustainability standards used for sourcing its private label (Kirkland Signature) seafood products, but does not identify the standards it uses to inform its purchasing decisions for all other commodities.

Scoring



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

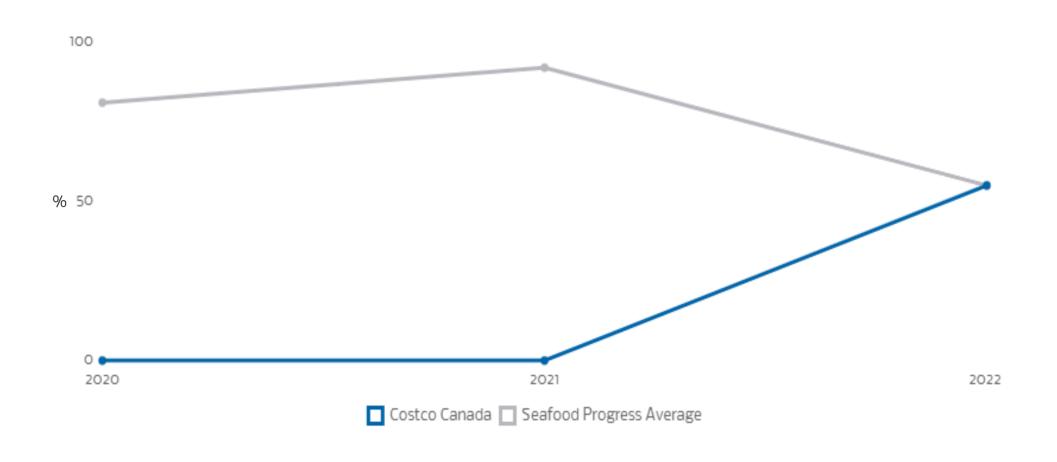
75% Publishes a clear hierarchy of sustainability standards used for sourcing some commodities, and identifies a general list of sustainability standards that it uses to inform its purchasing decisions for other commodities.

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

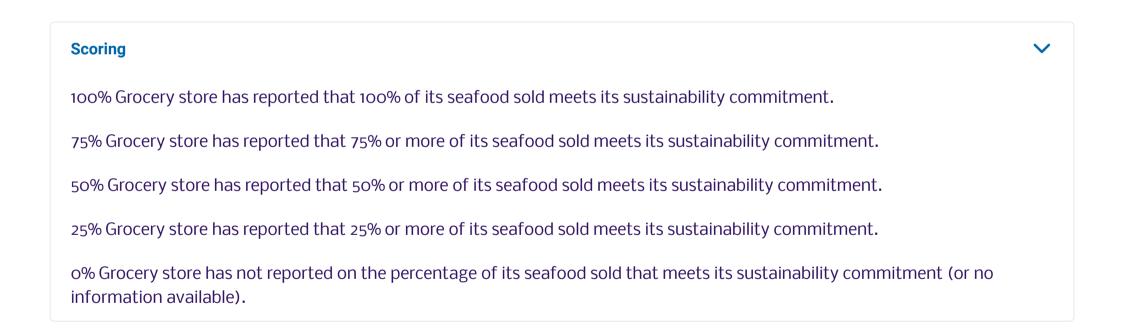
25% Publishes a general list of sustainability standards that it uses to inform its purchasing decisions.

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

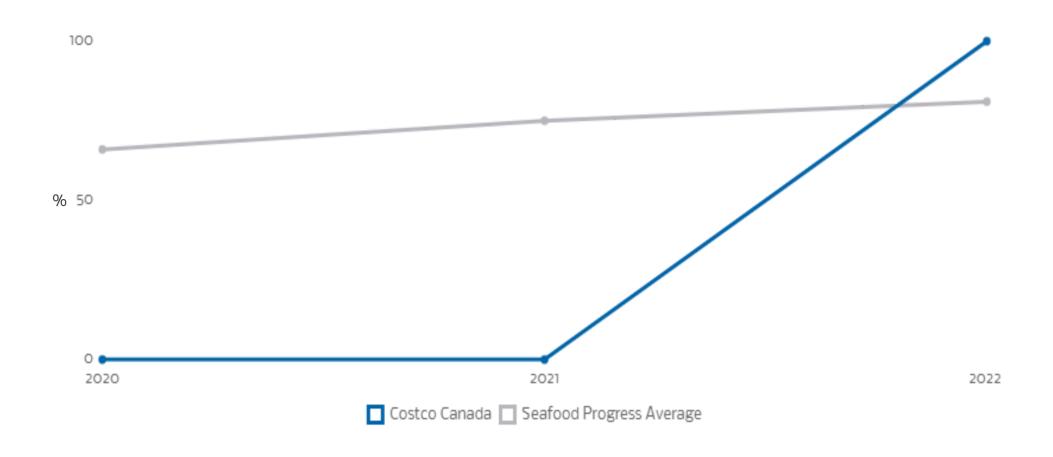
3.2 Grocery store has reported on the percentage of its seafood sold in the last year that meets its sustainability commitment by volume or value.



Approximately 55% of Costco's private label (Kirkland Signature) products were in line with its sustainability commitment in FY2021 (personal communication, T. Lim, 07/02/2022). Costco's website provides a breakdown of 59.8% of all wild private label products and 49.2% of farmed salmon, tilapia, shrimp and pangasius private label products being in line with its commitment as of FY2021.



3.3 Suppliers are required to sign a code of conduct to uphold the grocery store's environmental sustainability commitment.



Costco has an internal process to ensure its suppliers meet its Sustainable Fisheries & Aquaculture commitment. Furthermore, its Quality Assurance team verifies product upon receipt and occasionally conducts DNA testing on products (personal communication, T. Lim, o7/o2/2022).

Scoring



100% All suppliers are required to sign a code of conduct that covers all of the retailer's environmental sustainability commitment and the retailer actively verifies that this commitment is being upheld on at least an annual basis.

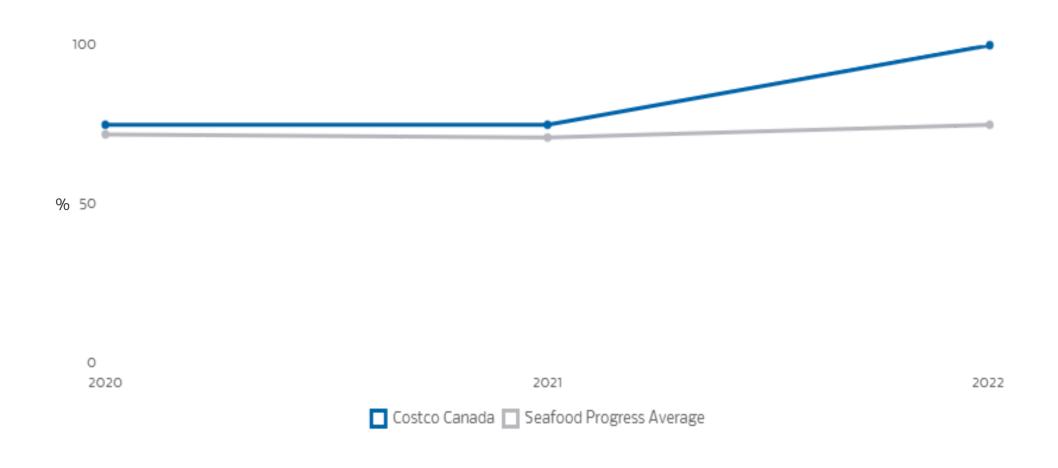
75% Rubric for retailers Feb 17 2022 Rubric for retailers Feb 17 2022 .XLSX 100% 10 B84 All suppliers are required to sign a code of conduct that covers all of the retailer's environmental sustainability commitment. Screen reader support enabled. All suppliers are required to sign a code of conduct that covers all of the retailer's environmental sustainability commitment. Turn on screen reader support

50% Rubric for retailers Feb 17 2022 Rubric for retailers Feb 17 2022 .XLSX 100% 10 B83 All suppliers are required to sign a code of conduct that covers some of the retailer's environmental sustainability commitment. Screen reader support enabled. All suppliers are required to sign a code of conduct that covers some of the retailer's environmental sustainability commitment. Turn on screen reader support

25% Some suppliers are required to sign a code of conduct that covers some of the retailer's environmental sustainability commitment.

o% Suppliers are required to sign a code of conduct to uphold the grocery store's environmental sustainability commitment.

3.4 Suppliers are required to sign a code of conduct to uphold the grocery store's social responsibility commitment.



Costco's website states that it has a Global Supplier Code of Conduct that is derived from the United Nations and the International Labor Organization and other leading independent standards such as the Responsible Business Alliance and Worldwide Responsible Accredited Production (WRAP) that applies to all internal and external suppliers and their facilities. Costco's private label suppliers get audited annually, and its national brand suppliers get audited based on assessed risk (personal communication, T. Lim, o7/o2/2022). In addition to this audit process, Costco's website specifies that it has a global confidential ethics hotline to promote and monitor compliance with its Code of Ethics and Supplier Code of Conduct. Finally, its website states that Costco conducts fully unannounced audits on occasion, typically in response to tips received through this hotline.

Scoring



100% All suppliers are required to sign a code of conduct that covers all of the retailer's social responsibility commitment and the retailer actively verifies that this commitment is being upheld on at least an annual basis.

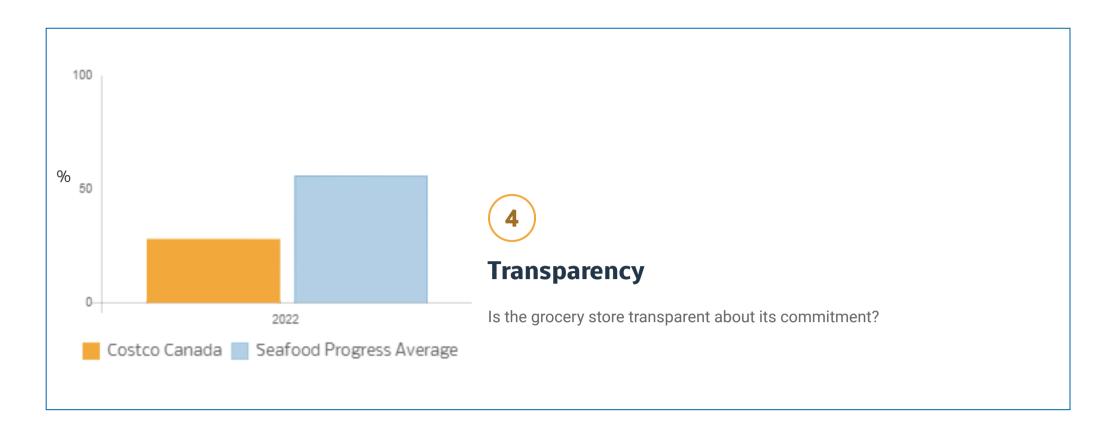
75% Rubric for retailers Feb 17 2022 Rubric for retailers Feb 17 2022 .XLSX 100% 10 B92 All suppliers are required to sign a code of conduct that covers all of the retailer's social responsibility commitment. Screen reader support enabled. All suppliers are required to sign a code of conduct that covers all of the retailer's social responsibility commitment. Turn on screen reader support

50% All suppliers are required to sign a code of conduct that covers some of the grocery store's social responsibility commitment.

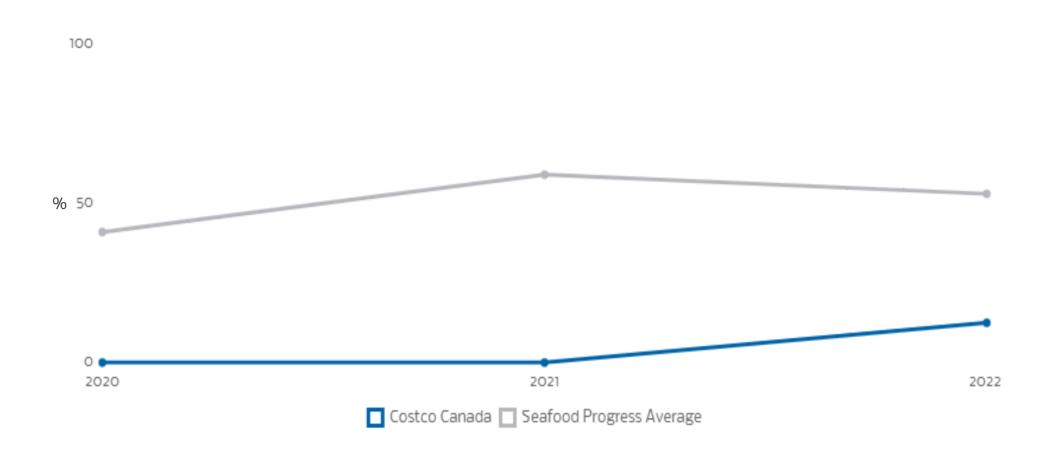
25% Some suppliers are required to sign a code of conduct that covers some of the grocery store's social responsibility commitment.

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

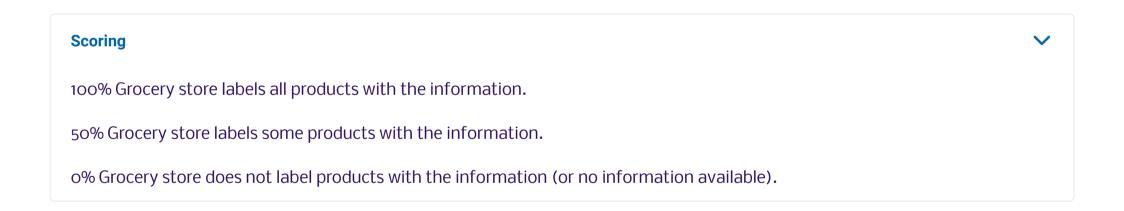
STEP 4: TRANSPARENCY



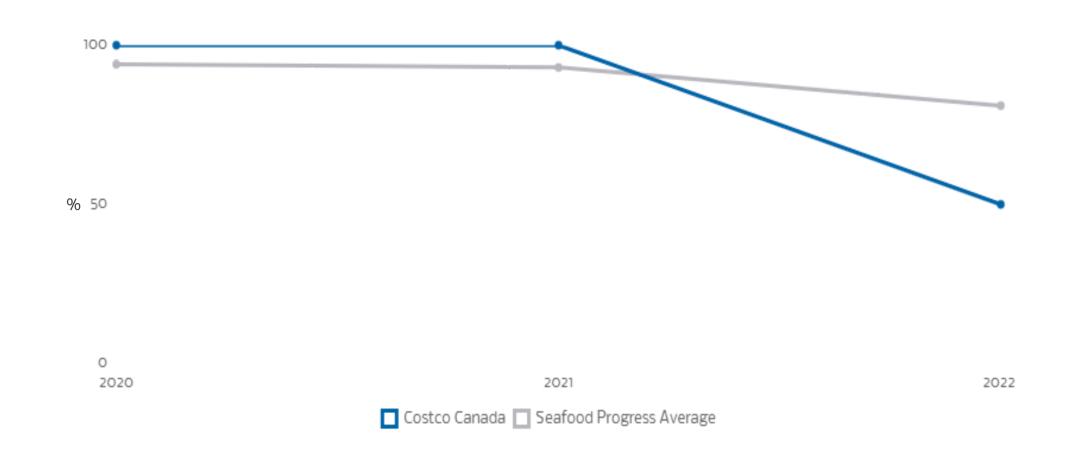
4.1 Grocery store labels products with the information that allows consumers to make informed decisions.



Costco labels some private label products as wild or farmed, but no products with scientific name, geographic origin or gear type or farming method (personal communication, T. Lim, 07/02/2022).



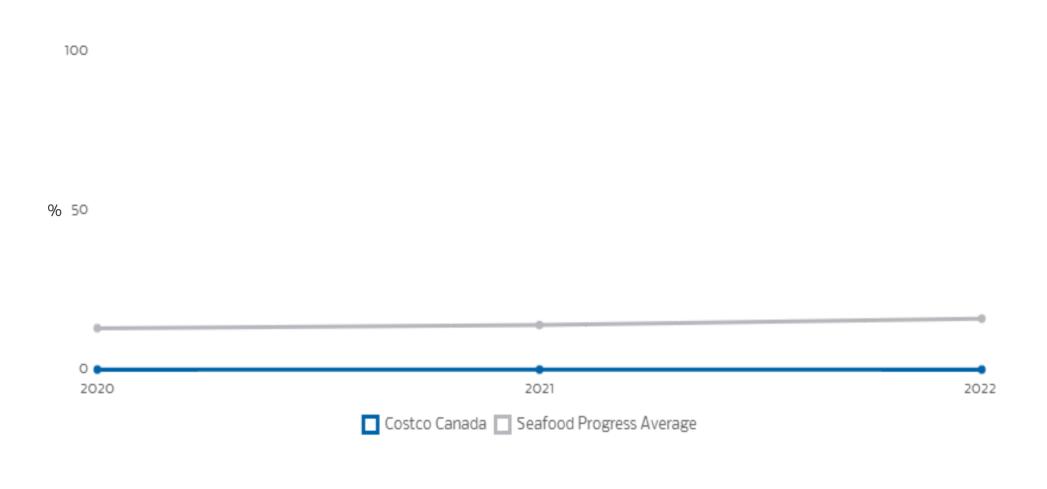
4.2 Grocery store labels products with an ecolabel, allowing consumers to make informed decisions OR all products fit under a standard and is communicated as such.



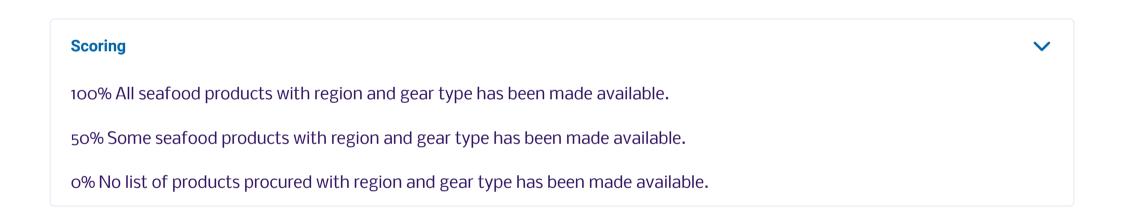
All species deemed at risk by Costco must be labeled with the MSC logo. For Costco's Kirkland Signature products, the application of eco-labels on applicable product labels is preferred but not required of its suppliers (personal communication, T. Lim, 07/02/2022).



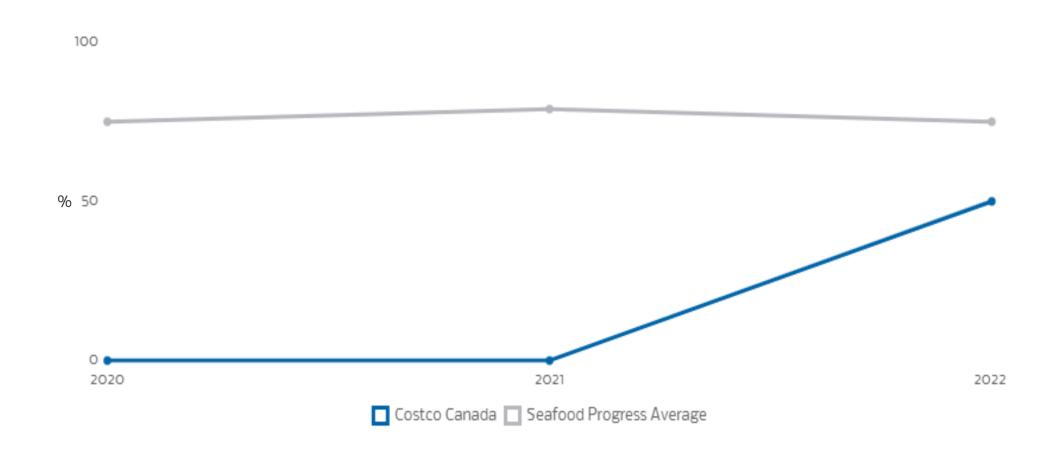
4.3 Scientific name, geographic origin and harvest method of the brand's products is publicly available.



Costco does not publicly dislose this information.



4.4 Grocery store publicly reports how much of its seafood meets its sustainability criteria by volume or value of sales.



Costco reported publicly how much of its private label seafood sold met its commitment for the first time in 2021 (personal communication, T. Lim, 07/02/2022).

Scoring



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

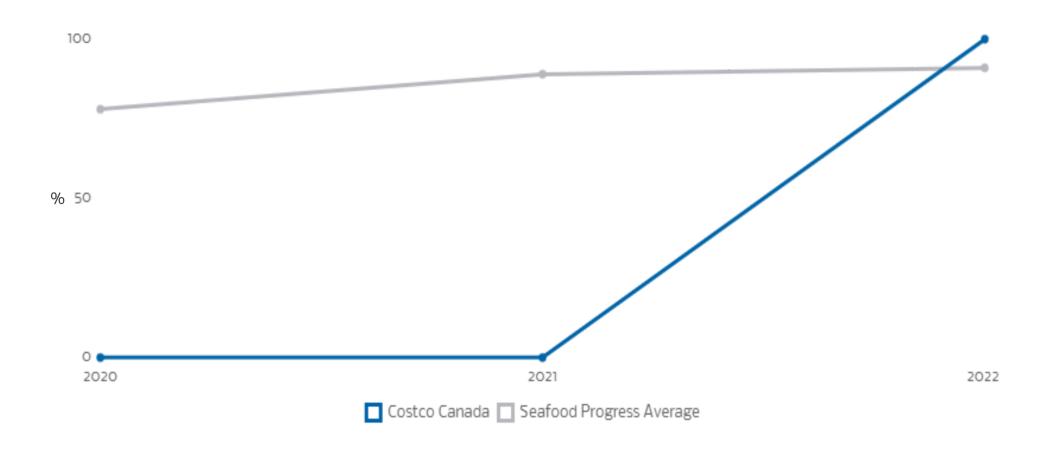
50% Rubric for retailers Feb 17 2022 Rubric for retailers Feb 17 2022 .XLSX 100% 10 B123 Retailer has at one point reported publicly how much of its seafood sold meets its commitment. Screen reader support enabled. Retailer has at one point reported publicly how much of its seafood sold meets its commitment. Turn on screen reader support

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

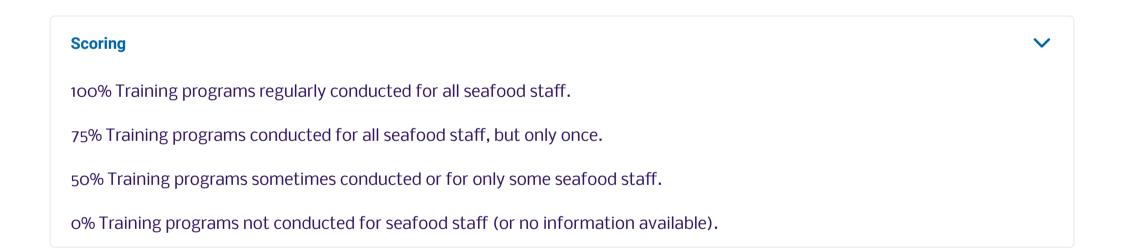
STEP 5: EDUCATION



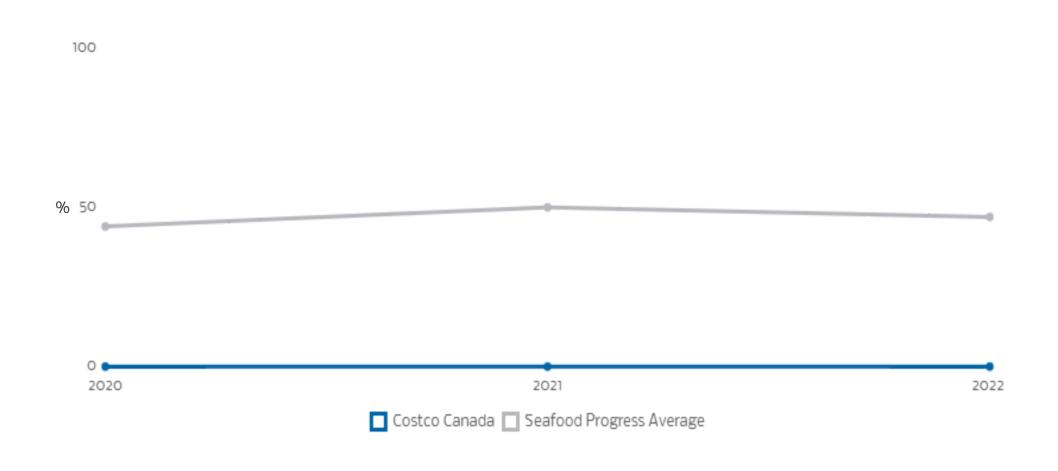
5.1 Training programs are conducted for seafood staff.



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, 07/02/2021).



5.2 There is a description of the grocery store's commitments to sustainable and socially responsible seafood in store.



There is no description of Costco's commitments to sustainable and socially responsible seafood in store (personal communication, T. Lim, 07/02/2021).

Scoring

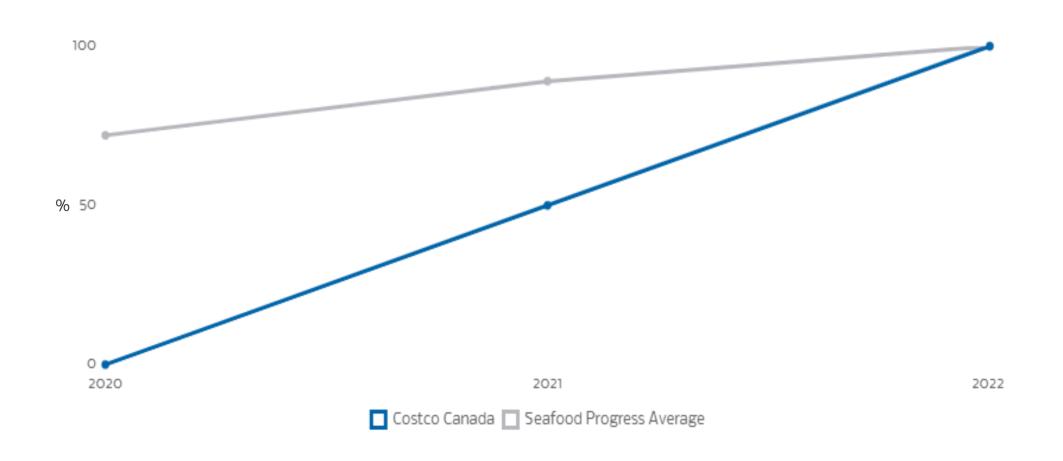


100% There is a comprehensive description of the grocery store's commitments to sustainable and socially responsible seafood in store.

50% There is some description of the grocery store's commitment to sustainable seafood and/or socially responsible seafood in store.

o% There is no description of the grocery store's commitments to sustainable and socially responsible seafood in store.

5.3 The grocery store has taken actions to ensure its suppliers or venders are aware of its sustainable seafood commitment or policy.



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, o7/o2/2022).

Scoring



100% The grocery store 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 grocery store 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 the grocery store's expectations.

50% The grocery store 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 the grocery store's expectations.

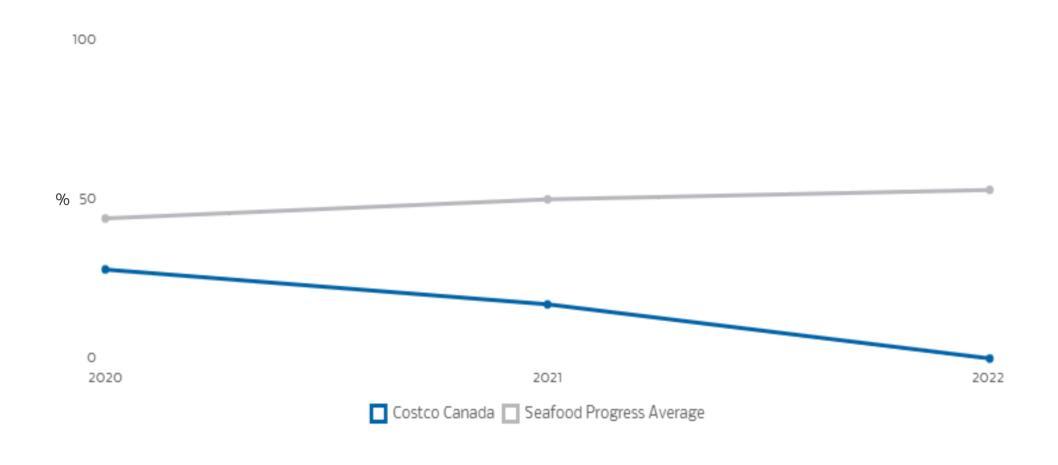
25% The grocery store sends its suppliers or venders a copy of its sustainable seafood commitment.

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

STEP 6: TAKING INITIATIVE



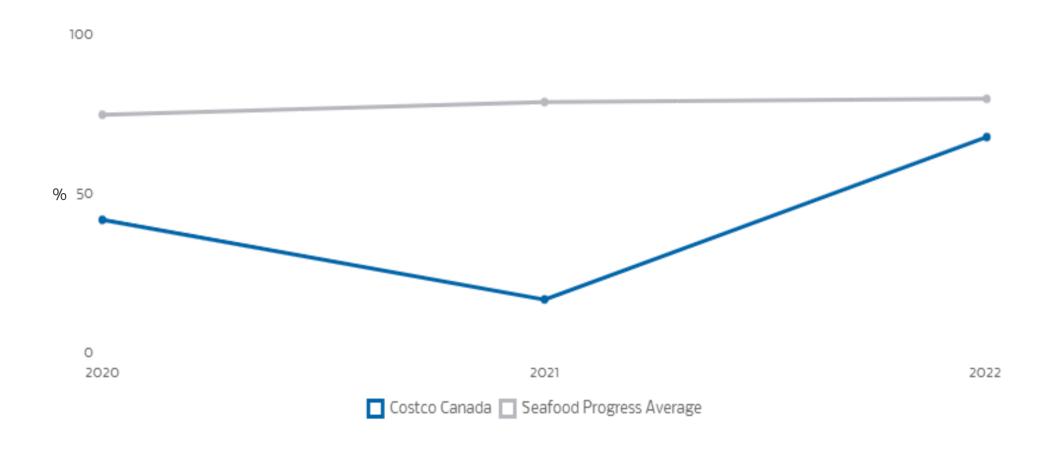
6.1 Farmed Atlantic salmon (either Canadian produced or imported)



Costco's stated goal is to source farmed salmon from farms and suppliers that have been certified to the ASC standard. Costco is committed to not selling any GM or GE salmon but cannot guarantee that these products will never make it to store shelves (personal communication, T. Lim, 07/02/2022).

- Only sells farmed salmon products that meet the highest bars for sustainability, i.e. are produced in a closed containment facility, certified by 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 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 ASC certified, Not Recommended by Ocean Wise and/or rated Avoid by Seafood Watch (17 pts).
- Preferentially procures farmed salmon from closed containment producers and sources that are ASC certified, 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).

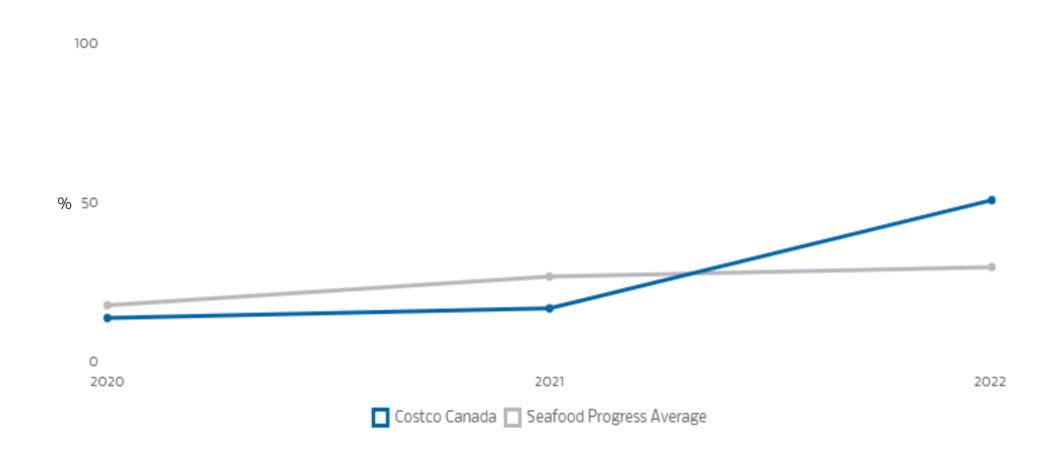
6.2 Farmed shrimps and prawns, Imported - multiple spp.



Costco's website states that it has played an active role in the implementation of the Aquaculture Stewardship Council (ASC) shrimp standards from the early stages and actively engages with the World Wildlife Fund on Aquaculture Improvement Projects (AIPs). Additionally, Costco's website states that it preferentially sources ASC farmed shrimp which is traceable through chain of custody.

- 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 products with high levels of social responsibility and/or traceability (17 pts).

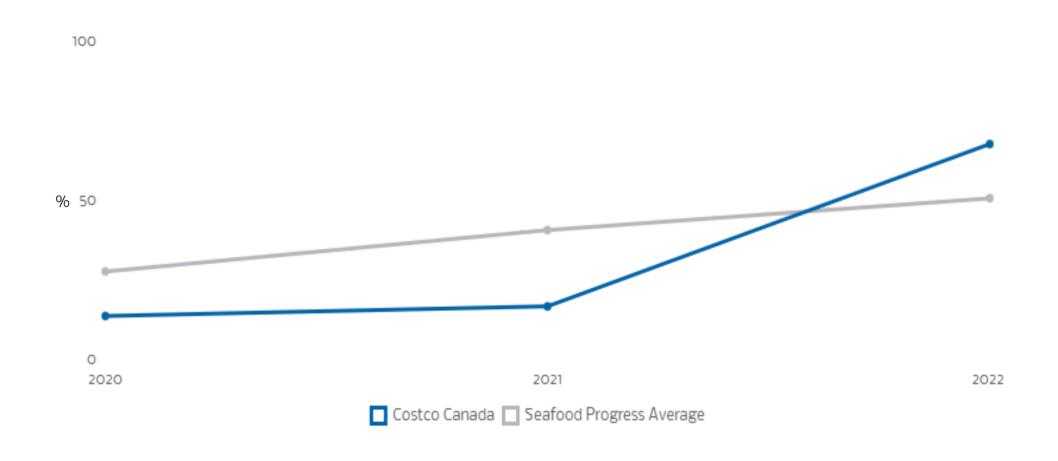
6.3 Skipjack tuna (bonito) - Katsuwonus pelamis.



In October 2021, Costco signed on to a <u>public letter</u> coordinated by the NGO Tuna Forum to the Western and Central Pacific Fisheries Commission (WCPFC) regarding harvest strategies for tuna stocks. Costco also collaborates with other companies to improve the management of skipjack fisheries through the Seafood Task Force. Finally, all its Kirkland Signature skipjack is sourced from suppliers that are involved in Fishery Improvement Projects (FIPs) (personal communication, T. Lim, 07/02/2022).

- 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 products with high levels of social responsibility and/or traceability (17 pts).

6.4 Other seafood products.



Costco's website states that it continues to work directly with its NGO partner, World Wildlife Fund (WWF), to support several Fishery Improvement Projects (FIPs), including lobster, octopus, mahi mahi, tuna, swordfish and corvina. It also states that Costco is a founding member of the Seafood Task Force (STF), which is a pre-competitive coalition that tackles human rights and environmental issues in Thailand. Costco also preferentially sources MSC and ASC certified for its private label products, and has conducted outreach to the Ecuadorian government in the past year to advocate for their continued support for the implementation of the Mahi Mahi (Coryphaena hippurus) Fishery Improvement Project (personal communication, T. Lim, 07/02/2022).

- Only sells versions of this product 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 this product 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 products with high levels of social responsibility and/or traceability (17 pts).

SeaChoice is a sustainable seafood partnership of the following three conservation groups:







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