2025 SEAFOOD PROGRESS PROFILE: COSTCO CANADA







✓ THE GOOD

- One of two retailers to cover some indirect seafood products under the scope of its Seafood & Aquaculture Policy.
- Has full chain traceability of its Kirkland
 Signature seafood and subjects these suppliers
 to risk-based social audits.
- Seafood & Aquaculture Policy is well embedded into its operations.

X THE BAD

- 4th place overall across all retailers at 37%.
- Did not respond to any human rights questions.
- Policies don't apply to third-party brand seafood products, and no plans to include.
- Does not appear to investigate the supply chains of third-party brands.
- No reported plans to investigate suppliers of high-risk seafood products in consultation with local stakeholders.

SEAFOOD INVESTIGATIONS

Costco did not respond to SeaChoice's inquiry about whether the company plans to strengthen its efforts to ensure that its seafood suppliers comply with its Human Rights Policy, amid growing evidence of abuse in global seafood supply chains. In 2023, Costco was implicated in the Outlaw Ocean Project's China series as well as the The Corporate Accountability Lab's India shrimp report, where egregious human rights and environmental abuses were connected back to seafood products sold by North American retailers. Emails sent to Costco outlining Outlaw Ocean's findings can be found here. Various third-party seafood brands that are commonly sold by Costco were also implicated (e.g., Aqua Star, High Liner and Toppits). Costco has not responded publicly to either of these reports.



For the first time, SeaChoice is scoring retailers on indirect products containing seafood-such as pet food and fish oil-and taking a deeper look at how human rights policies are being put into practice. Check out our NEW scoring methodology!



C ENVIRONMENTAL

Did the retailer engage with SeaChoice and respond to questions related to its sustainable seafood policy and practices?

Costco met with SeaChoice and provided adequate but not timely responses to most questions.



Which seafood products are covered by the retailer's sustainable seafood policy?

Costco informed SeaChoice that its Seafood and Aquaculture Policy covers all its Kirkland Signature (KS) shelf stable, frozen, and fresh seafood products, as well as all KS pet food and health products that contain seafood as an ingredient (e.g. fish oil, shampoo, and skin products). In fact, Costco is one of two retailers to include any indirect products under its Policy. Beyond the endangered species listed in its Policy, Costco does not cover any third-party brand direct products (shelf stable, frozen, and fresh seafood) or indirect products (health, beauty, pet food, or garden products containing seafood as an ingredient) (personal communication, Costco, 13/01/2025). Finally, Costco declined to share revenue and sales data around its seafood products with SeaChoice.



DIRECT PRODUCTS

Third-party, private label and unbranded shelf stable, frozen and fresh seafood products.



FRESH



INDIRECT PRODUCTS

Third-party and private label health, beauty, pet food and garden products that contain seafood ingredients (examples **HERE**).

BEAUTY



GARDEN

SHFI F STABLE



FROZEN



HEALTH



PET FOOD



 PRIVATE LABEL BRANDS Products that retailers sell and own.

 THIRD-PARTY BRANDS Products that retailers sell but do not own.

UNBRANDED PRODUCTS

Products that retailers typically own but that do not have a brand on pack (e.g. fillets sold through deli counters).

*Note: In calculating the overall score for this indicator, the decision was made to weight direct products at 75% and indirect products at 25% following the assumption that the former amounts to significantly higher volumes of seafood than the latter.

How does the retailer verify supplier compliance against its sustainable seafood policy?

Costco was unable to score above 'o' on this question as its traceability policy does not apply to third-party brands. Costco informed SeaChoice that it has a full chain traceability policy in place that applies only to its private label Kirkland Signature seafood products. Costco issues an annual global seafood survey to all suppliers (including third-party brands) to collect 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, Costco, 13/01/2025).



KPI 1.4

What is the retailer's strategy behind the scope of its sustainable seafood policy?

Costco's private label direct seafood products are in scope of its Fisheries and Aquaculture Policy, and its approach to verification is somewhat clear, but there's no timebound commitment to include the large volume of third-party seafood or the remaining indirect products it sells that are currently out of scope. Costco informed SeaChoice that when it comes to its Seafood and Aquaculture Policy, private label (Kirkland Signature) seafood products are prioritized over third-party brand seafood products. Costco believes that prioritizing its efforts on private label seafood sends a strong message from senior leadership to third-party brands to get certified. Additionally, across private label and third-party brand products, Costco is focused on not selling the list of endangered species identified in its Poli



party brand products, Costco is focused on not selling the list of endangered species identified in its Policy. Furthermore, Costco prioritizes its efforts on higher volume and dollar items and works down from there (personal communication, Costco, 13/01/2025).

KPI 1.5 Overnanci

Who is held responsible and accountable for ensuring the retailer's sustainable seafood policy is met?

Costco informed SeaChoice that Tim Wahlquist, Aaron McNevin, and the Vice Presidents of Seafood Procurement—who together serve as an informal steering committee—are responsible for ensuring compliance with Costco's Seafood and Aquaculture Policy. Progress against the Policy is shared at Costco's budget meetings. Costco's Senior Merchant in each country that it operates provides updates and identifies actions to the retailer's internal buyers who are held accountable for ensuring Costco's Seafood and Aquaculture Policy is met (personal communication, Costco, 13/01/2025). Finally, Costco has dedicated people working on its Fisheries and Aquaculture Policy (personal communication, Costco, 21/03/2025).





HUMAN RIGHTS

KPI 2.1 ENGAGE Did the retailer engage with SeaChoice and respond to questions related to its human rights policy and practices?

Costco neglected to respond to any questions related to its Human Rights Policy.



How does the retailer verify supplier compliance against its human rights policy?

Costco did not provide a response to this question. SeaChoice posed the following additional questions but did not receive a response from Costco: 1) Are third-party seafood suppliers also subject to Costco's risk based audits, or just Kirkland Signature seafood suppliers? 2) Does Costco facilitate and pay for audits of seafood suppliers via a third-party, or do these suppliers solicit audits from a third-party of their choosing and share the results back with Costco? and 3) Does Costco audit its Tier 1 suppliers only, or does it audit down to the vessel and farm level? Costco's Supplier Code of Conduct states that all suppliers are "responsible for ensuring compliance with the Code throughout



the Merchandise supply chain." Costco's 2023 Forced Labour Report states "Costco Canada facilitates the independent auditing of domestic agricultural suppliers of fresh meat and produce for labour and health & safety performance. For other suppliers, Costco Canada utilizes Costco's centralized compliance function for supplier audits as described below. Costco's ongoing risk assessment process informs our approach to targeting audits of supplier facilities against the Code standards. We prioritize suppliers of Kirkland Signature merchandise and suppliers whose product or country of origin poses an increased risk." Based on this information, SeaChoice made the assumption that Costco requires Tier 1 suppliers of private label seafood to undergo riskbased audits, but does not investigate the upstream supply chains of its third-party brand suppliers.

What is the retailer's strategy behind the scope of its human rights policy?

Costco did not provide a response to this question. Costco's Supplier Code of Conduct suggests the retailer relies on third-party social audits to verify private label seafood supplier compliance against its Human Rights Policy. SeaChoice could not find evidence that Costco incorporates worker perspectives into its human rights due diligence process to mitigate risks and prevent human rights violations from occurring in its seafood supply chains. Costco's 2023 Forced Labour Report references plans to "periodically assess the effectiveness of our overall human rights due diligence approach, including mitigation of forced labour and modern slavery. In addition, we have a number of KPIs to measure our progress on assessing and addressing risks of forced labour and modern slavery as described above under Due Diligence and Remediation. We plan to track progress with these

KPIs going forward, year over year."

Who is held responsible and accountable for ensuring the retailer's human rights policy is met?

Costco did not provide a response to this question. However, Costco's 2023 Forced Labour Report states: "The Nominating and Governance Committee of our Board of Directors is responsible for sustainability oversight, including human rights. Regular reporting informs this Committee of progress, challenges and outcomes within our human rights activities." The report also includes a section on governance structure that relays who at Costco is tasked with strategic oversight, implementation, reporting and compliance. Costco did not reply when asked if there is a discrete budget set aside for this work.



Please contact SeaChoice for more information at info@seachoice.org