

COSTCO WHOLESALE STATEMENT REGARDING BROILER WELFARE

Costco Wholesale is committed to the welfare of animals in its supply chains. This includes broilers, which are chickens raised for meat (as opposed to eggs). Although these chickens have a life cycle of less than 50 days, their welfare is as important as that of animals that have longer life cycles.

Most of our poultry needs are met by our complex in Nebraska (Lincoln Premium Poultry or LPP) and two other facilities in the Southeast, which are owned by third parties. One of these producers is certified organic, which brings with it animal-welfare requirements prescribed by the United States Department of Agriculture. These three facilities are our primary suppliers (which we call dedicated suppliers)

With respect to our dedicated suppliers: All broilers are raised uncaged, in barns where they are free to move about without restriction. The minimum standards followed in these barns are based on those developed by the National Chicken Council. They can be found here.

https://www.nationalchickencouncil.org/wp-content/uploads/2021/02/NCC-Animal-Welfare-Guidelines_Broilers_Sept2020.pdf. The National Chicken Council represents companies that account for approximately 95 percent of broiler chicken production in the United States. For our dedicated suppliers, compliance with the NCC standards is tested by third-party auditors, who are independent of Costco and the producers and are certified by the Professional Animal Auditor Certification Organization. More about PAACO can be found here. <https://animalauditor.org/>.

An important element of broiler welfare is how the animals are prepared for production. LPP and our dedicated organic supplier use a technique called Controlled Atmosphere Stunning (CAS). That technique is recognized as a superior method for slaughter, using methods that are calming for the animals and conducive to the welfare of employees who monitor the process. We are currently exploring the potential for transition to CAS at other facilities.

Some parties have advocated that Costco and others change to breeds that grow more slowly. We have carefully analyzed the science that has been invoked for that position. We do not believe that the conclusions, which thus far are not the product of the rigorous peer-review process associated with scientific papers, warrant a change in our practices at this time. Because of the space (density) we prescribe for our broilers and the fact that our broilers are grown to a smaller size than is common in the industry, we do not have a significant incidence of adverse welfare impacts associated with larger fast growing broilers. We also have concerns that slower-growing breeds increase environmental impacts (greater feed demands, more energy usage, higher waste output), which should not be incurred absent meaningful gains in broiler welfare.

While we have achieved significant progress in our broiler welfare programs, we recognize that there is always room for improvement. We have engaged the services of Dr. Temple Grandin, an independent and prominent animal welfare expert, to examine the practices at LPP and make recommendations for enhancements. <https://www.grandin.com/>. Based on that effort, we will be in a better position to evaluate potential changes at our dedicated suppliers and to interact with our branded suppliers on their welfare programs.

More information is available at <https://www.costco.com/sustainability-animal-welfare.html>.

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