

Global Sustainable Packaging Guidelines



V1 - 2021

Costco Wholesale wants to provide sustainable packaging to our members **without compromising food safety, product quality, or sales** while also ensuring our packaging:

- Complies with all applicable laws and regulations
- Reduces materials
- Communicates effectively with our members.

Sustainable packaging is complex and trade-offs often need to be made. We realize the trade-offs in selecting materials, and attempting to balance them to come up with solutions that have an overall positive impact.

Suppliers are expected to be in compliance with all applicable laws and regulations for the regions where their products are to be sold. This includes recyclability and compostability claims and language. Suppliers should consult their own legal representatives with any questions.



Data Collection of Packaging Information

Costco has developed a packaging data collection survey to identify and account for the specific materials used in all packaging components for our Kirkland Signature™ branded products. Suppliers will be contacted to provide their packaging information. Note: This data is required for Costco Wholesale private label packaging only.

Packaging Goals

1. Reduce the amount of packaging overall
2. Increase the recycled content and certified fiber
3. Increase the recyclability and compostability
4. Label and educate

1. Reduce the Amount of Plastic and Packaging

Costco's goal is to reduce the amount of packaging needed overall, without compromising product integrity and to reduce plastic. Even the smallest reductions can create significant impact with Costco's volumes.

- Eliminate unnecessary packaging components by:
 - Revisiting components in your packaging system
 - Considering excess dunnage, wraps, tapes and tags
 - Making structural design changes that eliminate components from your pallet configuration
- Reduce the amount of plastic used by:
 - Lightweighting
 - Reduce the gauge of the plastic used in the packaging structure
 - Making structural changes
 - Ex: Move from rigid to flexible packaging
 - Changing material
 - Replace plastic material with a renewable substrate (i.e., plant-based)
 - When sourcing biobased plastics, Costco is feedstock agnostic as long as the feedstock is sustainably sourced
- Revisit the pallet configuration for optimization
 - Can improved transport efficiency support more products per delivery (i.e., more sell units on a truck)?

2. Increase Recycled Content and Certified Fiber

Increase Recycled Content

Costco's goal is to **optimize*** recycled content for all its packaging. When we use recycled content in all materials, including paper, plastic, glass, and metal, we support the global recycling infrastructure by creating demand for that output. If you're not buying recycled materials, you're not really recycling.

**We recognize the trade-offs in making adjustments to material composition. Maximizing recycled content may not have equal benefit to optimizing recycled content. Examples include, but are not limited to: packaging performance, supply availability, production facility locations, etc.*

- Use recycled content to offset the need for virgin materials
- Comply with global recycled content requirements
- Label or declare on the package
 - Average recycled content should be declared on the package for the purpose of transparency with our members and provide a public declaration for those regions[†] with recycled content requirements.

Certified Fiber

We believe that our most impactful first steps to help support good forest stewardship practices and to protect forests, are to (1) source our wood, paper, and fiber-based products from responsibly managed and certified forests, and (2) use recycled content and/or alternative fibers when feasible.



Costco accepts forest management certifications from three leading organizations: [Forest Stewardship Council™ \(FSC™\)](#), [Sustainable Forestry Initiative \(SFI®\)](#) or [Programme for the Endorsement of Forest Certification \(PEFC\)](#), with a strong preference for FSC. The certification is dependent upon numerous factors, some of which include the current available supply for each product, the geographic origin of the product and the country where the product is produced. These certifications help to ensure that the needs of the forest ecosystems and their communities are balanced with conservation of our forests for future generations.

Use certified virgin and/or recycled fiber for paper-based packaging and label accordingly

Certification label preferences by Costco in this order:

- 1) FSC “Mix”, first choice and required if sourcing from high deforestation risk countries¹
- 2a) SFI “Chain of Custody”
- 2b) PEFC Certified not from high deforestation risk countries¹
- 3) SFI Certified Content

3. Increase the Recyclability and/or Compostability

Make all packaging recyclable and/or compostable.

- **Plastic packaging should utilize the APR® [Design Guidelines for Plastic Recyclability](#)**
- Costco wants packaging to be widely recyclable per regional regulations
- Certified compostable packaging is an option for items that can't be easily cleaned of its food residue
 - Not all “biodegradable” packaging is “compostable,” Costco wants certified compostable.
 - When sourcing biobased plastics, Costco is feedstock agnostic as long as the feedstock is sustainably sourced
- Recyclable packaging must be labeled with the appropriate recycling marks per regional standards

¹ Angola, Argentina, Bolivia, Brazil, Cameroon, Central African Republic, Colombia, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ecuador, Gabon, Indonesia, Lao People's Democratic Republic, Liberia, Madagascar, Malaysia, Mexico, Myanmar, Nigeria, Papua New Guinea, Paraguay, Peru, Venezuela (Bolivarian Republic of), and Zambia (Source: CDP High-Deforestation Risk Jurisdictions List, GCP, 2016)

4. Label and Educate

Costco wants our members to know how to properly recycle, compost or dispose of packaging. We also want to communicate if recycled content was used.



Images shown are sample recycle marks for various regions, shown for illustrative purposes only

- Labels for recycling
 - Must meet regional standards for claims
- Labels for composting (certified compostable only)
- Proper separation directions if packaging requires multiple streams (e.g. part is recycled while another part is landfilled)
 - [How2Recycle](#) label encouraged for U.S. and Canada
 - [ARL](#): Australasian Recycling Label
 - [OPRL](#) for U.K.
- Label recycled content use
 - Variables exist across production runs and recycled content availability can vary, so minimum or average recycled content acceptable
 - Preference for PCR
 - Certified or appropriate regional guidelines[†] for claims (i.e., [ETC](#), etc.)
- Certifications on packaging, if applicable. For example:
 - Certified fiber (FSC, SFI, etc.)
 - Chlorine-free processing
 - Wind energy
 - Certified recycled content in product/package (i.e., [GSR](#), [FSC](#), [APR](#))

Additional Considerations

Material Health

Packaging should eliminate materials that contribute to health concerns and environmental threats. Please review [Costco QA's Smart Screening](#) program for additional information about chemicals of concern.

Questions?

Please reach out to globalpackaging@costco.com