



CONFIDENTIAL REPORTING (WHISTLEBLOWER) POLICY

Our Policy

Costco's foundation is its Code of Ethics, and the first mandate is to obey the law. We must conduct our business in total compliance with the laws of every community where we do business. Our employees and suppliers play an important role in furthering this goal.

The Company is open to receiving reports of wrongful or unlawful behaviour through many channels, including through the Open Door Policy. The Confidential Reporting Policy is a mechanism to report information that concerns misconduct, serious misconduct, an improper state of affairs or circumstances, or unlawful conduct in relation to Costco New Zealand Ltd / Costco New Zealand Pharmacy Ltd (Costco New Zealand) or one of its related bodies corporate, so that it can be investigated and addressed.

This Policy is available to officers and employees of Costco New Zealand at <https://www.costco.co/nz>. Reports can be entered through a secure website at www.costco.ethicspoint.com.

What types of issues should be disclosed?

Disclosures can be made in respect of misconduct, or an improper state of affairs or circumstances relating to Costco New Zealand or one of its related bodies corporate. This includes where there are reasonable grounds to suspect conduct that is unlawful or represents a danger to the public or financial system, for example, money laundering, insider trading, fraud or other integrity-related disclosures that relate to accounting, auditing or internal controls.

To qualify for protection under the Protected Disclosures Act 2022, the disclosure must concern Serious Wrongdoing. This includes any act or omission by Costco New Zealand that is an offence, presents a serious risk to public health or safety, the health and safety of any individual, the environment, the maintenance of law, or where the act or omission is oppressive, unlawfully discriminatory, or an instance of gross negligence or mismanagement by (or omitted) by Costco New Zealand.

Disclosures relating to personal grievances do not qualify for protection under the Protected Disclosures Act 2022 unless the conduct also comes within the meaning of Serious Wrongdoing and the disclosure has been made in accordance with the procedures set out in the Protected Disclosures Act 2022, as outlined in this policy. You are encouraged to make an effort to resolve the matter at the workplace level by using Costco's Open Door Policy (described in the Employee Agreement) before reporting the issue under the Confidential Reporting Policy.

Who can make a disclosure?

Disclosures may be made by, among others, any of the following individuals who have reasonable grounds to suspect the conduct described above: officers, employees, volunteers, and secondees or contractors or suppliers (or any supplier employee) of Costco New Zealand.

Suppliers of Costco are not protected by the Protected Disclosures Act 2022 and are encouraged to make disclosures through the Ethicspoint website as described below.

How is a disclosure made?

1. Disclosures can be made using a secure website at www.costco.ethicspoint.com. Please include as much detail as possible to permit an investigation of the subject matter of your report. In addition, a disclosure may be submitted in writing and/or documentation may be provided regarding the concern/complaint by addressing it to: CONFIDENTIAL EMPLOYEE SUBMISSION, c/o General Counsel, 999 Lake Drive, Issaquah, WA 98027, USA.
2. A disclosure that is Serious Wrongdoing may also be reported to any officer, senior manager, auditor or actuary of Costco New Zealand, or to an Appropriate Authority as defined in the Protected



Disclosures Act 2022, which includes the Commerce Commission, Human Rights Commission, and WorkSafe, among others.

The disclosure can be made anonymously, if desired.

What actions are taken by the company to investigate a disclosure?

All disclosures made under 1 above will be acknowledged by Costco New Zealand, then reviewed by Costco, which will either investigate the matter or forward the disclosure to the appropriate person for review and investigation. If the complaint concerns accounting, internal controls or auditing, the matter will be referred to the Audit Committee of the Board of Directors of Costco Wholesale Corporation.

The length and scope of the investigation will depend on the subject matter of the disclosure, and the discloser may be asked to provide more information during the course of the investigation. Provided the disclosure was not made anonymously, the discloser will be kept informed of the outcome of the investigation. Costco's Legal Department will determine the appropriate action to be taken, which may include initiating a disciplinary process, or referral to external authorities if necessary.

If it is found that there is not sufficient evidence or the actions of the person/s named in the disclosure are not serious enough to warrant disciplinary action or external referral, the matter will be finalised, or a more informal approach to dealing with the matter may be taken.

What protections are available to those who make a disclosure?

Costco New Zealand will not disclose the identity of a discloser, or any information that is likely to lead to the identity of the discloser, unless it is with the consent of the discloser, reasonably necessary to investigate the disclosure, or in order to comply with the principles of procedural fairness where a disclosure is made against another employee of Costco or as otherwise permitted under the Protected Disclosures Act 2022.

Costco protects anyone who submits a disclosure [in good faith] from retaliation, reprisal, victimisation, or detriment. This includes protection against the dismissal of an employee, injury of an employee in their employment, alteration of an employee's position to their disadvantage, discrimination between an employee and other employees of Costco, harassment or intimidation, harm or injury, and any damage to a person's property, reputation or business/financial position.

Any such action will be treated as serious misconduct and be subject to disciplinary action, which may include dismissal.

If you believe that you have been subjected to retaliation for making a disclosure, you may provide that information through the Costco Ethicspoint site. You may also submit this disclosure anonymously.

What protections are available to those named in the disclosure?

Costco New Zealand recognises that persons accused in a disclosure must also be supported during the handling and investigation of the disclosure. Costco New Zealand intends to conduct investigations in a fair and objective manner and in confidence consistent with an appropriate investigation in an effort to support and protect both the individual who submitted the report and those who are mentioned in the report.

Where a disclosure is investigated, any person accused will be given an opportunity to be heard prior to any determination that is adverse to them.