



Costco Wholesale Australia
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1 October 2024

Dear Valued Supplier

We again take this opportunity to extend good wishes to our business partners around the world. We also express our appreciation to you as a valued supplier. We have been very fortunate, and much of our success can be attributed to the valuable support and encouragement we have received from suppliers such as your company. Our fiscal year concluded on September 1st with sales of over US\$249.6 billion and net income of US\$7.367 billion.

We wish to reinforce our Company policy with regard to gratuities. This policy is fundamental to our philosophy and a business imperative for Costco and all of its suppliers. We prohibit the acceptance by our employees of any gratuity from a vendor, supplier, or service agency with whom Costco currently does business or is considering for future business. Gratuities include gifts, money, loans, trips, meals, lodging, or special favours. The reason for the policy is that we cannot allow our Company to be compromised in our business dealings, and acceptance of favours or gifts can impair our judgment, as well as violate the law. All gratuities or inducements offered by suppliers or prospective suppliers, regardless of the reason, intent or circumstances, will be politely but firmly refused or returned.

This rule applies to all Costco employees, and failure of our employees to comply will be considered a most serious matter. Likewise, efforts by any supplier to compromise our employees will result in our terminating business relations with that supplier and possible referrals to government authorities. Our policy further prohibits any Costco employee from giving gifts to the employees of any supplier. It also prohibits our business partners or potential business partners from giving gratuities to other parties (including, importantly, government employees) in connection with Costco-related business. As a businessperson you can understand the necessity for our policy, and we rely on you to insist that everyone in your organization, including sales agents you use, adhere to these standards.

Our relationship with you is a valued asset. A key tenet of our mission statement is that we must "Respect Our Suppliers." We insist that our buyers be tough and demanding in all negotiations, but always fair and aware of our obligation to honour our part of the deal. I trust that you would be personally candid with me or any member of Costco management team if you felt that Costco was not abiding by this commitment.

We maintain a confidential Costco Ethics Line, which can be accessed at www.costco.ethicspoint.com. This tool allows, in multiple languages, reports to be made confidentially, by telephone or through the internet, by suppliers and others to raise concerns about improper or illegal conduct by our suppliers or employees, including violations of our Supplier Code of Conduct. Please use this tool to help us maintain our high standards.

Thank you for your cooperation and respect for our Company. We hope that both of our companies will continue to prosper together for many years into the future.

Sincerely

Chris Tingman
Vice President / Country Manager
Costco Wholesale Australia & New Zealand