

Annual Meeting of the Shareholders of Costco Wholesale Corporation

January 18, 2024

Q&A

Below are the Company's responses to questions that we received during our Annual Meeting of Shareholders held on January 18, 2024, that were not addressed during the meeting.

Some questions covering the same topic were consolidated, and minor edits were made to other questions to correct typos or for clarity. Additionally, comments that weren't posed as questions, or questions that aren't relevant to the investment community were omitted.

Q- Why do we give shares to executives and directors? Giving away shares that are created for such use diminished the equity and voting power of each shareholder. All shares used for such purposes should be purchased by the company on the open market.

A – The Company's compensation programs are designed to motivate our executives and employees and enable them to participate in the growth of our business. The Company believes it has been very successful in attracting and retaining quality employees, generally achieving low turnover in our executive, staff and warehouse management ranks. In addition, in the judgment of the Compensation Committee, the programs have contributed to the financial and competitive success of the Company. The equity grants are not over and above the primary compensation for officers and directors – they simply bring the compensation to levels comparable to peer companies. Shareholders have consistently approved the "say on pay" proposal at the annual meetings – this year that vote in favor was over 94% of shares voting. Generally, the company does buy back enough stock to offset the dilution from our Equity Compensation Plans.

Q- Who establishes your climate control score for Costco?

A – We currently do not have a specific overall climate control score. Many third-party rating agencies score companies on a number of metrics, including their climate impact. Generally, those agencies ask for company input on a huge number of time-consuming surveys unique to each agency. Rather than working with each independent agency we disclose to industry-wide forums such as CDP-Climate and CDP-Forests, which provide scores, and we offer detailed information about our projects and efforts via our [Sustainability Commitment website](#).

Q- In its response to Proposal No. 4, the Board stated that Costco's Climate Action Plan is the product of extensive discussions with shareholders. What steps is Costco taking to ensure that all perspectives, including pro-fossil fuel ones, on the validity of decarbonization are being considered in its climate policy making process?

A – Costco regularly engages with a wide variety of shareholders, including those who have viewpoints that differ from that of management

Q- Is there any concern that membership scanners and other enforcement measures will cause the Company to lose members or reduce sales?

A – No. The current test of membership scanners at the front door of a few warehouses is not an additional barrier to non-members purchasing goods, it's simply a replacement of the membership validation that happens at the front-end registers and self-checkout. This doesn't change the rules preventing non-members from shopping.

Q- In order for shareholders to assess the possibilities and risks of operating in China, can you discuss your present operations and future expansion plans for the market?

A – China continues to be an important market for our future expansion plans. We opened our sixth warehouse in China in mid-January and will open our seventh in June of this year. Those seven warehouse openings took place over the course of five years. As in other markets, our future expansion in China will be methodical and measured to ensure we develop the people and infrastructure needed to support our current and future warehouse operations.

Certain statements contained in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects or anticipates may occur in the future. In some cases forward-looking statements can be identified because they contain words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “likely,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or similar expressions and the negatives of those terms. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions, including exchange rates, inflation or deflation, the effects of competition and regulation, uncertainties in the financial markets, consumer and small business spending patterns and debt levels, breaches of security or privacy of member or business information, conditions affecting the acquisition, development, ownership or use of real estate, capital spending, actions of vendors, rising costs associated with employees (generally including health-care costs), energy and certain commodities, geopolitical conditions (including tariffs and the Ukraine conflict), the ability to maintain effective internal control over financial reporting, regulatory and other impacts related to climate change, public-health related factors, and other risks identified from time to time in the Company’s public statements and reports filed with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and the Company does not undertake to update these statements, except as required by law. Comparable sales and comparable sales excluding impacts from changes in gasoline prices and foreign exchange are intended as supplemental information and are not a substitute for net sales presented in accordance with GAAP.