



September 15, 2025

VIA WEBSITE (www.sec.gov)

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Shareholder Proposal Submitted by National Center For Public Policy Research

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, Costco Wholesale Corporation (the “**Company**”), a Washington corporation, is writing to notify the Securities and Exchange Commission of Costco’s intention to exclude from its proxy materials for its 2026 annual meeting of shareholders a proposal and supporting statement submitted by National Center For Public Policy Research (the “**Proponent**”), by letter dated August 4, 2025.

Costco has submitted this letter to the Commission no later than eighty (80) calendar days before the Company currently intends to file its definitive proxy materials for its 2026 annual meeting with the Commission (on or about December 4, 2025) and concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and SEC Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“**SLB 14D**”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff of the Division of Corporation Finance. Accordingly, Costco is taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the proposal, a copy of that correspondence should be furnished concurrently to Costco pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The proposal sets forth the following resolution to be voted on by shareholders at the 2026 annual meeting:

Resolved: Shareholders request that the Board of Directors of Costco conduct an evaluation and issue a report within the next year, at reasonable cost and excluding confidential information, assessing financial risks and costs associated with the Company's climate commitments.

A copy of the proposal (the "***Proposal***") is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

Costco hereby respectfully requests that the Staff concur in Costco's view that it may exclude the Proposal from its proxy materials for its 2026 annual meeting pursuant to:

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to Costco's ordinary business operations; and
- Rule 14a-8(i)(12)(i) because the Proposal addresses substantially the same subject matter as a previously submitted shareholder proposal that was included in the Company's proxy materials for its 2024 annual meeting.

ANALYSIS

I. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Deals With Matters Relating To Costco's Ordinary Business Operations

A. Rule 14a-8(i)(7) Background

Pursuant to Rule 14a-8(i)(7), a shareholder proposal may be excluded if it "deals with a matter relating to the company's ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "***1998 Release***").

In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. With respect to the current Proposal, one of those considerations is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not,

as a practical matter, be subject to direct shareholder oversight.” Examples of such matters included workforce management, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.

Framing a shareholder proposal in the form of a request for a report or an assessment does not change the analysis under Rule 14a-8(i)(7). The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the proposed report involves a matter of ordinary business. *See* Securities Exchange Act Release No. 34-20091 (August 16, 1983); *see also Johnson Controls, Inc.* (Oct. 26, 1999) (“[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).”).

Finally, when assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) (“In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole”).

B. The Proposal May Be Excluded Pursuant To Rule 14a-8(I)(7) Because The Proposal Deals With Matters Relating To The Company’s Ordinary Business Operations

The Company has developed and implemented a comprehensive and measured approach to setting commitments to reduce the carbon emissions of the Company and its suppliers. This approach, reflected in the Company’s Climate Action Plan (the “**Plan**”) ¹, balances the responsibility to mitigate the harms from global warming with protecting the interests of the Company’s direct stakeholders: its suppliers, employees, members, and shareholders. The Plan focuses on the following operational areas for the Company: energy supply, energy efficiency, refrigeration, electrification, design and site selection, oversight and employee education. These decisions include, for example, the source of energy and integration of on-site energy generation systems; increasing energy efficiency in warehouses, depots and business centers to achieve both energy cost savings and decarbonization; electrifying transportation equipment; and site selection and design and construction choices for new facilities such as warehouses, depots and manufacturing facilities. These determinations regarding the design and implementation of the Plan are complex and, when making such determinations in the ordinary course of business, Company management assesses a variety of factors that include not only climate considerations, but many other business considerations as well.

The Proposal seeks an assessment of the financial risks and costs related to the Company’s climate commitments. Specifically, the Proposal’s supporting statement asserts that the Plan “is apparently a material investment presented by Costco without soluble financial metrics,” and that Costco has not provided “cost information for proper share price valuation,” alleging that the Company has not provided material financial information as otherwise required by applicable SEC rules. This

¹ *See* the Company’s Climate Action Plan at: <https://www.costco.com/sustainability-climate-action-plan.html>.

assertion is made despite the fact that the Company has publicly stated that in connection with the Plan, “[the Company’s] incremental spending in this area has been immaterial to [its] financial results.”² The Company has—contrary to the Proposal’s assertion—provided investors with information on material investments relating to the Plan. As such, it appears that the real focus of the Proposal is not obtaining material financial information that the Company has not otherwise disclosed. Instead, the Proposal seeks to re-evaluate how Costco implements day-to-day business decisions regarding its investments, choice of technologies, and reporting of financial information—core ordinary business matters—and improperly subject such decisions to shareholder oversight.

The Staff has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals relating to how a company makes financial disclosures. The Staff in *Merrill Lynch & Co., Inc.* (Feb. 20, 2008) and *Citigroup Inc.* (Feb. 20, 2008) permitted exclusion of proposals relating to the disclosure of collateral and other credit risks arising from off-balance sheet liabilities. These disclosures, like the disclosures requested by the Proposal, involved the routine preparation of financial statements. Likewise, in *Lehman Brothers Holdings Inc.* (Feb. 5, 2008) the Staff permitted exclusion of a proposal relating to the preparation of a report discussing the registrant’s potential financial exposure as a result of the mortgage securities crisis. *See also AmerInst Insurance Group, Ltd.* (April 14, 2005) (permitting the exclusion of a proposal requesting disclosure of particular line items each quarter, noting that the proposal related to ordinary business operations “(i.e., presentation of financial information)”); *Johnson Controls, Inc.* (Oct. 26, 1999) (permitting the exclusion of a proposal requesting additional disclosure of financial statements in reports to shareholders). In addition, the Staff in *The Goldman Sachs Group, Inc.* (Jan. 23, 2017) permitted the exclusion of a proposal requesting the company’s board issue an annual “Statement of Significant Audiences and Materiality” document covering materiality determinations in the company’s Exchange Act reports. In that case, the company argued that the proposal related to its internal compliance functions and financial disclosures—matters of ordinary business. The SEC concurred with the exclusion, finding that the proposal related to the company’s ordinary business operations. As in *The Goldman Sachs Group, Inc.* and other precedents above, the Proposal and supporting statement seek additional financial disclosures from the Company based on questioning the Company’s materiality decisions and existing disclosures. However, it is clear that determinations around materiality and financial reporting are ordinary business matters excludable under Rule 14a-8(i)(7).

Additionally, as the supporting statement to the Proposal makes clear, the requested assessment of financial risks and costs is primarily focused on the commitments and targets outlined in the Plan. The Plan—together with the Risk Statement and other public filings—discusses the risks that are involved with implementing the Plan. These risks relate to the availability of technology, changes in rules and regulations, supplier relationships, and general economic conditions. The Plan demonstrates that the Company has already considered not only its climate commitments, but also

² See the Company’s Climate Risk Statement (the “**Risk Statement**”) that accompanies the Plan at https://mobilecontent.costco.com/staging/resource/img/25w03130/5b_ClimateRiskStatement.pdf. The Company also makes clear in the Risk Statement that the Company relies upon, and partners with, its suppliers in order to meet certain reduction targets around Scope 3 emissions, which are therefore not direct costs for the Company.

its approach to achieving these commitments and the related risks based on numerous factors that go into operating the Company's business. In seeking additional information relating to the Company's approach and related risks, it is clear that the Proposal seeks to question the Company's decisions as it relates to its investments, supplier relationships, availability and use of technology and employee oversight and training—all areas of focus for the Plan and matters of ordinary business.

The Staff has consistently concurred with the exclusion of shareholder proposals seeking risk reports when the subject matter implicated the company's financial planning, investment decisions, and choice of technology. For example, in *Exxon Mobil Corp.* (March 6, 2012), the Staff permitted exclusion of a proposal seeking a report on "possible short and long term risks to the company's finances and operations" related to the company's oil sands operations. The company explained that "decision[s] regarding which technology best suits the [c]ompany in sourcing the oil it uses in developing its products can be made only after a thorough examination of a multitude" of "operational, technical, financial, legal and organizational factors" and thus argued that "[a]ssessing financial and operational risks posed by the challenges associated with oil sands" related to the company's ordinary business operations. *See also FirstEnergy Corp.* (Mar. 8, 2013) (permitting exclusion of a proposal requesting a report regarding diversification of the company's energy resources, with the Staff stating that "[p]roposals that concern a company's choice of technologies for use in its operations are generally excludable under [R]ule 14a-8(i)(7)"). Similarly, in *FLIR Systems, Inc.* (Feb. 6, 2013), the Staff concurred with the exclusion of a proposal requesting a report "describing the company's short-and long-term strategies on energy use management." The company argued that "the central action sought by the [p]roposal is a re-evaluation of how [the company] invests in energy technology relating to the day-to-day operation of its facilities, how it implements its growth strategy, and how it weighs risk and reward with respect to its investments," were all "matters of ordinary business operations." Additionally, in *The Western Union Co.* (Mar. 6, 2009), the Staff permitted exclusion of a proposal asking the company to issue a report on the company's policies on investment in local communities and to develop long-term reinvestment that reflects the needs of the community. The company argued that "[l]ong-term investment decisions are . . . made pursuant to a corporation's overall corporate strategy" and "[s]ubjecting these types of decisions to stockholder oversight is impractical and impedes on management's fundamental ability to run a company." The Staff agreed with the exclusion under Rule 14a-8(i)(7), concluding that the proposal related to "ordinary business operations (i.e., investment decisions)."

Based on the above, the Proposal is excludable under Rule 14a-8(i)(7) since it implicates the Company's ordinary business operations, particularly relating to its investment decisions and disclosure of financial information.

C. The Proposal Does Not Focus On Any "Significant Policy Issues" That Transcend Ordinary Business

A proposal may not be excluded under Rule 14a-8(i)(7) if it focuses on a significant policy issue. However, the fact that a proposal may touch upon a significant policy issue does not preclude

exclusion under Rule 14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. *See* 1998 Release; Staff Legal Bulletin No. 14E (Oct. 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue.

As recently clarified in SLB 14M, whether the significant policy exception applies depends on the particular policy issue raised by the proposal and its significance in relation to the company, and the Staff "will take a company-specific approach in evaluating significance, rather than focusing solely on whether a proposal raises a policy issue with broad societal impact or whether particular issues or categories of issues are universally 'significant.'" As a result, the analysis under this prong of Rule 14a-8(i)(7) will focus on whether a proposal "deals with a matter relating to an individual company's ordinary business operations or raises a policy issue that transcends the individual company's ordinary business operations." *See* SLB 14M.

The Staff consistently has concurred with the exclusion of proposals that reference or arise in the context of a "significant policy issue" but that address or focus on ordinary business matters. For example, in *FirstEnergy Corp.* (Mar. 8, 2013), despite the fact that the proponents argued that a proposal requesting a report regarding diversification of the company's energy resources "ar[ose] from a significant policy issue—alternative energy strategies geared toward reducing power generation's impacts on the climate," the Staff concurred with the exclusion of the proposal, stating that the proposal related to the company's ordinary business operations and that "[p]roposals that concern a company's choice of technologies for use in its operations are generally excludable under [R]ule 14a-8(i)(7)." *See also Dominion Resources, Inc.* (Feb. 3, 2011) (concurring with exclusion under Rule 14a-8(i)(7) of a proposal asking that the company promote "stewardship of the environment" by initiating a program to provide financing to home and small business owners for installation of rooftop solar or renewable wind power generation because the proposal related to ordinary business operations, and specifically, "the products and services offered for sale by the company").

As in precedents cited above, the Proposal addresses ordinary business risks related to the Company's disclosure of financial information and risks related to its investment decisions—matters of ordinary operations—as opposed to focusing on a "significant policy issue" transcending Costco's ordinary business operations. The Staff has recognized the significant policy issue of climate change. However, the Proposal is not focused on climate change; instead, it is focused on second-guessing the Company's decisions relating to its investments and the financial reporting of those investments. While previous proposals have focused on risks related to climate change—which the Staff has said is a "significant policy issue"—the Proposal is focused on risks related to the Company's investment decisions and business strategy, which are core ordinary business matters.

II. The Proposal May Be Excluded Under Rule 14a-8(I)(12) Because It Addresses Substantially The Same Subject Matter As A Previously Submitted Proposal Not Receiving The Support Necessary For Resubmission

Under Rule 14a-8(i)(12), a shareholder proposal that “addresses substantially the same subject matter as a proposal, or proposals, previously included in the company’s proxy materials within the preceding five calendar years” may be excluded from the proxy materials “if the most recent vote occurred within the preceding three calendar years and the most recent vote was . . . [l]ess than 5 percent of the votes cast if previously voted on once.”

A. Rule 14a-8(i)(12) Background

The Commission has stated that the condition in Rule 14a-8(i)(12) that the prior shareholder proposal(s) have dealt with “substantially the same subject matter” as the current Proposal does not mean that the prior proposal and the current Proposal must be exactly the same. At one time, the predecessor to Rule 14a-8(i)(12) required a proposal to be “substantially the same proposal” as the prior proposal(s) to be excludable. However, the Commission amended this rule in 1983 to permit exclusion of a proposal that “deals with substantially the same subject matter.” The Commission explained the reason and meaning behind this revision as follows:

The Commission believes that this change is necessary to signal a clean break from the strict interpretive position applied to the existing provision. The Commission is aware that the interpretation of the new provision will continue to involve difficult subjective judgments, but anticipates that those judgments will be based upon a consideration of the substantive concerns raised by a proposal rather than the specific language or actions proposed to deal with those concerns.

Exchange Act Release No. 20091 (Aug. 16, 1983).

Accordingly, the Staff has focused on the “substantive concerns” of the proposal, rather than whether the proposal is textually identical, to determine whether the proposals deal with substantially the same subject matter. *See* Exchange Act Release No. 20091. Consistent with this, the Staff has allowed the exclusion of proposals sharing the same substantive concerns even if the proposals differ in scope from the prior proposals. For example, in *Chevron Corp.* (Mar. 27, 2014) (“*Chevron 2014*”), the Staff concurred with the exclusion under Rule 14a-8(i)(12) of a proposal asking the company to prepare a report on its goals and plans to address global concerns regarding fossil fuels and their contribution to climate change, including an analysis of long- and short-term financial and operational risks to the company where the proposal shared the same substantive concerns as three prior proposals regarding financial risks to the company related to climate change. *See also Exxon Mobil Corp.* (Mar. 20, 2024) (permitting exclusion of a proposal requesting a “report of the incurred costs and associated significant and actual benefits . . . from ExxonMobil’s activities related to its ‘ambition for net zero greenhouse gas emissions by 2050’ that are voluntary” because it addressed substantially the same subject matter as two earlier proposals requesting a report on the costs and benefits accruing from the company’s “environment-

related activities that are voluntary”); *The PNC Financial Services Group, Inc.* (Feb. 28, 2023) (permitting exclusion of a proposal requesting a “report on the company’s due diligence process to identify and address environmental and social risks related to financing companies producing controversial weapons and/or with business activities in conflict-affected and high-risk areas” because it addressed substantially the same subject matter as two prior proposals requesting a report assessing the effectiveness of PNC’s Environmental and Social Risk Management systems at managing risks associated with lending within the nuclear weapons industry); *Apple, Inc.* (Nov. 20, 2018) (permitting exclusion of a proposal requesting a review of the company’s human rights policy because it dealt with substantially the same subject matter as prior proposals seeking to establish a human rights committee); *The Coca Cola Co.* (Jan. 18, 2017) (permitting exclusion of a proposal requesting a report identifying the number of Palestine/Israel employees who were Arab and non-Arab because it dealt with substantially the same subject matter as a prior proposal requesting that the company implement a set of “Holy Land” equal employment principles); *Pfizer Inc.* (Jan. 9, 2013) (permitting exclusion of a proposal seeking disclosure of the company’s lobbying policies and expenditures because it dealt with substantially the same subject matter as prior proposals seeking disclosure of contributions to political campaigns, political parties and attempts to influence legislation); *Exxon Mobil Corp.* (Mar. 7, 2013) (permitting exclusion of a proposal requesting the company review its facilities exposure to climate risk and issue a report to shareholders because it dealt with substantially the same subject matter as three prior proposals requesting that the company establish a committee or a task force to address issues relating to global climate change).

B. The Proposal Addresses Substantially The Same Subject Matter As A Proposal That Was Previously Included In The Company’s Proxy Materials Within The Preceding Five Calendar Years

The Proposal’s subject matter is a request for the Board to issue a report on the financial risks and costs associated with the Company’s climate commitments. The Proposal’s scope involves substantially the same subject matter as the shareholder proposal that was submitted by the same proponent and voted on at the Company’s 2024 annual meeting (the “**2024 Proposal**”). The full text of the 2024 Proposal is attached hereto as Exhibit B.

Specifically,

- Both proposals ask for reports analyzing the risks around adoption of the Company’s climate goals. The 2024 Proposal requested a Board report “evaluating the material factors” regarding the appropriateness of “2050 net-zero carbon goal, or other similar decarbonization targets,” focusing on, among other things, “economic consequences of adoption.” The Proposal asks for a Board report “assessing financial risks and costs associated with the Company’s climate commitments.”
- Both proposals focus on the basis for the Company’s climate goals being unsettled and subject to disagreement. The 2024 Proposal raises the concern that the climate models on which the Company’s climate commitments are built are incorrect. The 2024 Proposal asks

for analysis on “the possibility that the climate models that underlie such goals are incorrect [and] the possibility that failure to adopt such goals in other countries will render adoption by Costco meaningless,” stating in the supporting statement that “[c]laims about the need for decarbonization at all, but especially by some activist-generated date certain, are based on a long series of assumptions that are either counterfactual or insufficiently examined.” The Proposal similarly highlights the disagreement on climate science, asking for an assessment of financial risks in adopting goals and stating that “[w]hile some organizations’ projections are almost apocalyptic in scale, others indicate that climate change will be a slower process lacking an identifiable date by which it should be considered an emergency,” going on to provide further evidence of the doubt around net zero policies by highlighting recent statements and actions from the U.S. Secretary of Energy and EPA.

- Both proposals focus on the economic consequences of the Company’s climate goals. The 2024 Proposal focuses on the possibility that pursuit of the Company’s climate goals could impact “stranded asset” assumptions and that reducing greenhouse gas emissions “will undoubtedly increase operating costs and harm shareholder investments” if the underlying assumptions are incorrect. The Proposal focuses on the same concern, i.e., whether “drastic realignment of Costco towards renewable energy sources is in the best financial interest of shareholders” and whether “investments in [net zero emissions] are providing a positive return on investment for shareholders” in the supporting statement.

Although the scopes of the proposals are not identical, those differences are not relevant to the Rule 14a-8(i)(12) analysis. As described above, the 2024 Proposal’s scope broadly addresses the material factors determining the appropriateness of the Company’s decarbonization targets, whereas the Proposal’s focus is more narrowly on financial risks and costs associated with the Company’s climate commitments. However, as was the case with the proposals in Chevron 2014 and the other precedents described above, the different scope of the Proposal does not change the conclusion that the Proposal shares the same substantive concerns as the 2024 Proposal because the Proposal’s scope is encompassed within the scope of the 2024 Proposal. And in order to address the 2024 Proposal or the Proposal, the action taken by the Company would be the same—additional disclosure relating to immaterial risks and costs associated with achieving the Company’s climate commitments.

As shown above, while the scopes of the proposals are not identical, both proposals are concerned with substantially the same subject matter. Taken as a whole, the proposals address the Company’s climate commitments, and the risks and costs associated with achieving such commitments.

C. The 2024 Shareholder Proposal Did Not Receive The Shareholder Support Necessary To Permit Resubmission

In addition to requiring that the proposals address the same substantive concern, Rule 14a-8(i)(12) sets thresholds with respect to the percentage of shareholder votes cast in favor of the last proposal submitted and included in the Company’s proxy materials. As disclosed in the Company’s Form 8-K filed on January 22, 2024, attached to this letter as Exhibit C, only 5,557,589 shares of

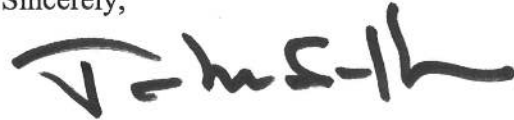
common stock voted "For" the 2024 Proposal, while 280,253,734 shares voted "Against." The 2024 Proposal received only 1.94% of the votes cast on the 2024 Proposal at the Company's 2024 annual meeting of shareholders.³ As such, the votes cast in favor of the 2024 Proposal failed to achieve the 5% threshold specified in Rule 14a-8(i)(12)(i) at the 2024 annual meeting (which occurred within the three preceding calendar years of the 2026 annual meeting).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff confirm that it will not recommend to the Commission that enforcement action be taken against Costco if it excludes the Proposal from its proxy materials for its 2026 annual meeting.

We would be pleased to provide any additional information and answer any questions that the Staff may have regarding this submission. If the Staff does not concur with Costco's position, we would appreciate an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff's final position. Please contact me at (425) 427-7577 to discuss any questions you may have regarding this matter. Please email a response to this letter to jsullivan@costco.com.

Sincerely,

A handwritten signature in black ink, appearing to read "J-Sullivan", written over a horizontal line.

John Sullivan
Executive Vice President, General Counsel and
Secretary

Enclosures

cc: Bennett J. Nuss, National Center for Public Policy Research

³ As described in Section F.4 of the Division of Corporation Finance: Staff Legal Bulletin No. 14 (Jul. 13, 2001), only votes cast "For" and "Against" a proposal are included in the calculation of the shareholder vote on a proposal for purposes of Rule 14a-8.

Exhibit A

Proposal

Greenwashing Risk Audit

RESOLVED:

Shareholders request that the Board of Directors of Costco conduct an evaluation and issue a report within the next year, at reasonable cost and excluding confidential information, assessing financial risks and costs associated with the Company's climate commitments.

SUPPORTING STATEMENT:

Costco has made material commitments to engage in reduction of its greenhouse gas emissions through its Climate Action Plan (CAP).¹ Targets include a 39% reduction in emissions by 2030, and 100% clean energy by 2035.² However, not enough has been done to assure investors that such a drastic realignment of Costco towards renewable energy sources is in the best financial interest of shareholders.

McKinsey Sustainability estimates that a global transition to net zero emissions (NZE) would require \$9.2 trillion dollars annually in global spending until 2050.³ This raises serious questions about the costs of achieving Costco's related goals, but Costco has apparently not disclosed how much money it is spending on its green transition, much less how its investments in NZE are providing a positive return on investment for shareholders. Instead, Costco apparently merely provides metrics on locations now running on renewables and estimated reductions in greenhouse gas emissions.⁴ Even investors committed to "sustainable" investing likely need accurate related cost information for proper share price valuation.

Seeing as the CAP is apparently a material investment presented by Costco without soluble financial metrics to judge it by, the CAP program may be a compelling target for anti-greenwashing action by the SEC or another interested body.⁵

The SEC has historically targeted companies engaging in forms of greenwashing with considerable financial penalties. For example, Goldman Sachs Asset Management was fined for \$4 million for policy and procedure failures related to ESG investments,⁶ and DWS Investment Management Americas Inc. was charged \$25 million in part for misstatements regarding its ESG investment processes.⁷ Should Costco be implicated in greenwashing, the impact on shareholders could be considerable, as company valuation and investor confidence plummets.

The concerns are only magnified by the extent and extremes of relevant opinions on climate change and net-zero commitments. While some organizations' projections are almost apocalyptic in scale,⁸ others indicate that climate change will be a slower process lacking an identifiable date by which it should be considered an emergency.⁹ Additionally, the U.S. Secretary of Energy recently argued that net zero policies "raise energy costs ..., threaten the reliability of our energy system, and undermine our ... security" while having achieved "little in reducing global greenhouse gas emissions."¹⁰ The EPA also recently proposed rescinding the 2009 Endangerment

Finding that greenhouse gases are pollutants,¹¹ which “Could Be a Dagger in the Heart of Net Zero.”¹²

While it is possible that Costco is managing this transition at neutral cost to shareholders, or even at a profit, shareholders lack material data upon which to make that assessment. The requested report would provide the much-needed transparency that shareholders need to make informed decisions about their assets.

¹ https://mobilecontent.costco.com/staging/resource/img/25w03130/5a_ClimateActionPlan_FY24.pdf

² *Id.*

³ <https://www.mckinsey.com/capabilities/sustainability/our-insights/the-net-zero-transition-what-it-would-cost-what-it-could-bring#/>

⁴ https://mobilecontent.costco.com/staging/resource/img/25w03130/5a_ClimateActionPlan_FY24.pdf

⁵ <https://clsbluesky.law.columbia.edu/2024/10/18/disclosure-greenwashing-and-the-future-of-esg-litigation/>

⁶ <https://www.sec.gov/news/press-release/2022-209>

⁷ <https://www.sec.gov/news/press-release/2023-194>

⁸ <https://news.un.org/en/story/2023/03/1134942>

⁹ <https://thebreakthrough.org/journal/climate-change-banned-words/climate-tipping-point-real>

¹⁰ <https://www.energy.gov/articles/secretary-wright-acts-unleash-golden-era-american-energy-dominance>

¹¹ <https://www.epa.gov/newsreleases/epa-releases-proposal-rescind-obama-era-endangerment-finding-regulations-paved-way>

¹² <https://www.heritage.org/government-regulation/commentary/americas-trillion-dollar-deregulation-could-be-dagger-the-heart>

Exhibit B

2024 Proposal

Fiduciary Carbon-Emission Relevance Report

Resolved: Shareholders request Costco's Board of Directors provide an audited report evaluating the material factors relevant to decisions about whether a 2050 net-zero carbon goal, or other similar decarbonization targets,¹ is appropriate, including factors that mitigate against the feasibility of such goals. These factors might reasonably include technological feasibility (or its absence), the economic consequences of adoption, the possibility that the climate models that underlie such goals are incorrect, the possibility that failure to adopt such goals in other countries will render adoption by Costco meaningless, the possibility that U.S. governments will not mandate such decarbonization – thereby upending adoption-favoring “stranded asset” assumptions, and relevant considerations. The report should be made public, produced at reasonable cost, and omit proprietary information.

Supporting Statement: In 2022, activist investors driven by a radical climate catastrophist agenda forced Costco to adopt unrealistic greenhouse gas emissions reductions goals, culminating in net-zero emissions by 2050 or sooner.² In imposing these targets upon the Company, however, it does not appear that these activist shareholders have fully considered the risks that decarbonization on politically driven schedules might entail.

Claims about the need for decarbonization at all, but especially by some activist-generated date certain, are based on a long series of assumptions that are either counterfactual or insufficiently examined. For decades, for instance, claims have been made that action must be taken before some date, or it will be too late.³ If those claims were right, it's too late for decarbonization to matter now, so we should be building up economic resources to deal with climate change. If they were wrong, then the odds are high that current claims are also wrong.

Costco's decarbonization will be meaningless if other countries do not follow the same decarbonization schedules, and there is abundant evidence that they will not.⁴ The United States government has never mandated net-zero by statute or authorized regulatory action,⁵ and is unlikely ever to do so; this contravenes the assumptions of “stranded asset” analysis. If decarbonization is neither required nor technologically feasible, forcing the Company to arbitrarily reduce greenhouse gas emissions – including emissions *outside* of its control – will undoubtedly increase operating costs and harm shareholder investments. All relevant considerations should therefore be fully and objectively examined and reported on publicly.

Recent forensic research has demonstrated that “[r]eplacing an energy system overwhelmingly based on hydrocarbons with one centered predominantly on wind and solar would make the world unambiguously poorer and have a negative impact on the lives of billions of people in the

¹ <https://mobilecontent.costco.com/live/resource/img/static-us-landing-pages/5aClimate-Action-Plan.pdf>

² https://www.sec.gov/Archives/edgar/data/909832/000090983221000017/costproxy2021.htm#i2f7c340eb4a542eb97726625d070c9cc_918; <https://www.proxymonitor.org/Results.aspx>

³ <https://nypost.com/2021/11/12/50-years-of-predictions-that-the-climate-apocalypse-is-nigh/>

⁴ https://www.theepochtimes.com/across-the-world-coal-power-is-back_4671888.html; https://www.realclearenergy.org/articles/2022/06/03/india-and-china-coal-production-surging-by-700m-tons-per-year-thats-greater-than-all-us-coal-output_835483.html

⁵ <https://www.npr.org/2022/06/30/1103595898/supreme-court-epa-climate-change>

world's poorest nations.”⁶ Making the world's poor poorer to advance the policy preferences of some misinformed wealthy climate activists is the height of social injustice as well as being a terrible business strategy. Costco must examine its premises honestly and fully.

⁶ <https://eprinc.org/a-critical-assessment-of-the-ieas-net-zero-scenario-esg-and-the-cessation-of-investment-in-new-oil-and-gas-fields/>

Exhibit C

Form 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 18, 2024

COSTCO WHOLESALE CORPORATION
(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction
of incorporation)

0-20355
(Commission
File No.)

91-1223280
(I.R.S. Employer
Identification No.)

999 Lake Drive
Issaquah, WA 98027
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: 425-313-8100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.005 per share	COST	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.07. Submission of Matters to a Vote of Security Holders

On January 18, 2024, Costco Wholesale Corporation (the "Company") held its Annual Meeting of Shareholders. There were 443,830,261 shares of common stock entitled to be voted; 349,875,734 shares were voted in person or by proxy. Shareholders voted on the following matters:

1. The election of each of the directors nominated by the Board of Directors to hold office until the 2025 Annual Meeting of Shareholders and until their successors are elected and qualified;
2. The ratification of the selection of KPMG LLP as the Company's independent auditors for fiscal year 2024;
3. The approval, on an advisory basis, of the compensation of the Company's executive officers for fiscal year 2023 as disclosed in the Company's definitive proxy statement on Schedule 14A for the Annual Meeting, filed with the Securities and Exchange Commission on December 7, 2023; and
4. A shareholder proposal concerning fiduciary carbon-emission relevance report.

All items except 4 were approved. The results of the votes are set forth below:

Election of Directors

<u>Nominees</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
Susan L. Decker	276,514,711	13,022,702	340,703	59,997,618
Kenneth D. Denman	280,951,769	8,536,480	389,867	59,997,618
Helena B. Foulkes	288,727,549	795,960	354,607	59,997,618
Richard A. Galanti	265,099,771	24,428,113	350,232	59,997,618
Hamilton E. James	270,884,767	18,314,000	679,349	59,997,618
W. Craig Jelinek	279,194,861	10,354,740	328,515	59,997,618
Sally Jewell	285,862,191	3,686,225	329,700	59,997,618
Jeffrey S. Raikes	265,742,092	23,709,704	426,320	59,997,618
John W. Stanton	283,533,310	5,959,091	385,715	59,997,618
Ron M. Vachris	284,808,955	4,719,117	350,044	59,997,618
Maggie Wilderotter	279,916,125	9,609,714	352,277	59,997,618

Ratification of the Selection of Auditors:

<u>For</u>	<u>Against</u>	<u>Abstain</u>
335,459,386	13,924,221	492,127

Advisory Vote on Executive Compensation:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
272,952,384	15,719,025	1,206,707	59,997,618

Shareholder proposal concerning fiduciary carbon-emission relevance report:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,557,589	280,253,734	4,066,793	59,997,618

Item 8.01. **Other Events**

The Board of Directors declared a quarterly cash dividend on the Company's common stock. The dividend of \$1.02 per share declared on January 18, 2024, is payable February 16, 2024, to shareholders of record at the close of business on February 2, 2024.

Item 9.01. **Financial Statements and Exhibits**

(d) Exhibits.

99.1. [Press Release dated January 18, 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

COSTCO WHOLESALE CORPORATION

Dated: January 22, 2024

By: /s/ John Sullivan
John Sullivan
Executive Vice President, General Counsel and Corporate
Secretary