



UK GENDER PAY GAP REPORT - April 2024

In line with Government legislation making it mandatory for organisations with 250 or more employees to report annually on their gender pay gap and as HR Director for Costco Wholesale UK Limited, it is my responsibility to publish our gender pay gap information.

Our commitment to creating an inclusive workplace where diversity can thrive

As part of our Diversity and Inclusion policy we strive to empower our workforce and strengthen our culture by creating an environment where all employees feel a sense of belonging — that they are accepted, included, respected and supported because of who they are.

One of main policies within the Diversity and Inclusion policy is to demonstrate leadership commitment to equity through consistent communication, education and support of diversity and inclusion initiatives within the organisation. It has always been Costco policy that employees deserve an environment free from all forms of unlawful employment discrimination.

All decisions regarding recruiting, hiring, promotion, assignment, training, termination, and other terms and conditions of employment will be made without unlawful discrimination on the basis of race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, religion, age, pregnancy, disability, work-related injury, covered military or veteran status, political ideology or expression, genetic information, marital status, or other protected status.

Costco's philosophy of creating an inclusive and respectful workplace is part of our goal to ensure that everyone feels included and respected in all

aspects of our business. We know that embracing differences is important to the growth of our company as it leads to opportunities, innovation and employee satisfaction.

There are four main sections of our Diversity and Inclusion strategy involving

Inclusion - empowering our workforce and strengthening our culture by creating an environment where all employees feel a sense of belonging. Supporting this with committed leadership and consistency in our communication, education and support initiatives within our organisation. Employee Development - ensuring all employees have access to training, education and opportunities for career development and advancement. Encourage all our leaders to continue to teach, mentor and sponsor employees and encourage employees to participate. Community and Supplier Diversity - the communities that we operate reflect the diversity of our workforce and the suppliers we do business with have the ethical and diverse approach with their own workforce.

We have a Chief Diversity Officer. Who reports directly to the CEO of Costco Inc but has a global responsibility. The CDO, along with Costco's Inclusion Committee, with oversight from the company's executive Diversity Advisory Committee, has developed a Diversity, Equity & Inclusion strategy that outlines Costco's commitment to its members, employees and suppliers.

We continue to conduct business following our Code of Ethics - Obey the Law, Take care of our Members, Take care of our Employees and Respect our Suppliers in all aspects of our business with diversity and

inclusion continues to reflect our continuous recruitment for the role irrespective of gender. We maintain our workforce with no less than 50% of the employees in each location achieving a full time (40 hours) status, which allows flexibility and a balance of work / life for all employees. At the

time of this report we have 53% of our employees working full time and including salaried this figure increases to 69%.

Our Gender Pay Gaps

The majority of our workforce are representative of the communities where we do business and it is our ambition to achieve this in all 29 warehouses, a distribution depot and Head Office in the UK. We closely monitor demographic data at all levels across the organization. Among Costco’s workforce, 53% identify as male and 47% as female. In Supervisor/Manager positions in our operations, 62% identify as male and 38% as female.

This year once again we are pleased to report that our pay gap remains smaller than the national average of 7.9% , with Costco reporting a 5.4% difference.

The period reporting is Tax Year 2022/2023 and for 2023 salaries we used a snapshot data on 5th April 2023, the relevant pay period was 4th to 17th April 2023. For bonuses we used the period 6th April 2022 to 5th April 2023, the 12 months before the snapshot of salaries.

In Costco UK at the time of the report we had 8,560 employees

- We have 7,594 hourly employees
 - 3,621 female (48%)
 - 3,973 male (52%)
- We have 966 salaried employees
 - 367 female (38%)
 - 599 male (62%)

	2023
Mean Gender Pay gap	5.4%
Median Gender Pay gap	2.8%

Mean Bonus Gender Pay gap	42.0%
Median Bonus Gender Pay gap	12.7%
Proportion of males receiving bonus payment	67.4%
Proportion of females receiving bonus payment	62.2%
Proportion of males in lower quartile	53.1%
Proportion of females in lower quartile	46.9%
Proportion of males in lower middle quartile	59.1%
Proportion of females in lower middle quartile	40.9%
Proportion of males in upper middle quartile	58.7%
Proportion of females in upper middle quartile	41.3%
Proportion of males in upper quartile	62.8%
Proportion of females in upper quartile	37.2%

Explanation of figures reported:

- There is reported change year on year due to nuances in the reporting requirements and improvements in the diversity of our employees but particularly within our salaried employees.
- As a membership cash and carry warehouse the sector has historically attracted a higher proportion of male employees as a result of the perception of the roles and working conditions.
- Our recruitment policy is to recruit the right skill set for the role, there is no discrimination with regard to gender, age, ethnic background, disability. We have an Equal Opportunity policy and adhere to this within all aspects of our business. Our Hire for Success programme focuses on behaviour rather than skill - the right person for the job and then we can train them
- We value length of service as an integral part of people development which is reflected in the diverse nature of the salaries paid for the same role. Consequently any newly appointed management

positions will be remunerated at an entry level rate which is the same for male and female and within clearly defined bandings.

- Performance of either the location or department has a direct impact on potential to earn bonus within salaried positions, however hourly bonus payments are not performance related but length of service and are guaranteed payments for all hourly employees who have reached the appropriate length of service.

Sue Knowles

15th January 2024