

Market and Firm Analysis:

Costco is actively involved in various sustainability efforts and programs that aims to reduce their waste, as well as reduce inequalities in the communities they serve. Costco has partnered with Runoff Project in Los Angeles, California to capture rain water and refrigeration condensate to reuse. This water is stored underground which is then used for irrigation or is sent back to the city for other purposes. The city has been able to save 30% on all costs associated with stormwater management. Costco continues to expand on their sustainability initiatives through the World Vision Program which donates items that have been recycled or partially damaged to go to people in need from different countries across the world. Moreover, as the firm continues to expand, there is more consideration about what materials go into making Costco warehouses. In any newly built warehouses, they have begun using materials that have a high recycled content. For example, they use a specific type of metal insulation that uses ECOSE® Technology that contains 61% recycled content. While it is evident that Costco is taking steps to increase sustainability within the company's overall processes, there have not been many notable results.

Despite these sustainability endeavors, Costco has more successful programs regarding social impact. The firm supports the communities in which they operate by donating to educational foundations and raising capital for underrepresented groups. Over the span of 22 years, they have raised \$75 million for the Costco Scholarship Fund which financially supports minorities who will be attending the University of Washington or Seattle University. In the same vein, they have donated over \$11 million to the College Success Foundation, which supports low income students from middle school all the way through university. Additionally, Costco has donated millions to initiatives that support minority-owned businesses. The firm has donated \$25 million to the Black Economic Development Fund which targets Black-owned businesses and institutions by providing them with

more access to capital. Furthermore, Costco has committed \$5 million to the Fearless Fund, the first venture capital fund for women of color. This organization addresses the disparity that exists in venture capital funding. These donations and impactful involvement in the neighborhoods that surround Costco have allowed the firm to successfully stimulate economic growth and wealth-growth opportunities for many minorities across the United States. Overall, in 2022 Costco invested a total of \$50 million into minority based startups. It is apparent that Costco values reducing inequalities in the communities they serve based on their large involvement in many charities and organizations. For this reason, it is pertinent that the focus of Prestige Consulting remains on reducing inequalities to provide beneficial solutions that services both Costco and its customers.