



Icelandic Equal Opportunity and Equal Pay policy **2024 to 2027**

This policy forms part of the Ethics of the company:

- Obey the Law
- Take care of our employees
- Take care of our members
- Respect our suppliers

The Equal Opportunity and Equal Pay Policy forms part of our Employee Agreement.

All employees will receive equal pay and enjoy equal terms of employment and rights for the same jobs or jobs of equal value, so that there is no gender-based pay gap within the Company.

The objective is to have zero unexplained gender pay gap, however when there is a difference it must be explained. This is analysed on an annual basis and audited by an independent company and the goal is to always be zero however at the last audit (January 2024) produced:

- Gender pay gap average value without job classification 3.6% in favour of women
- Gender Pay Gaps with job classification 0.2% in favour of men

Process to support the above:

- An independent audit is completed every three years to ensure that we are complying with the legislation (bsi are the nominated auditors)
- An audit carried out by bsi of our existing employees utilising the Linear analysis will be carried out and the results published on our web site and all employees notified of the report.
 - This report is produced by our payroll company - Virtus and independently audited by bsi in our Audit meeting every three years
 - The results of the report, bsi audit and any payroll enquiries are discussed as part of the annual Pay Review Meeting held with General Warehouse Manager, Regional Operations Director, Country Manager and HR Director
- There are set levels of pay based on the role of the employee within the company and these are adhered to regardless of gender
 - Any employee enquiries raised as part of the payroll enquiry log are discussed at the annual pay review meeting which is held annually with General Manager, Regional Operations Director, HR Director and Country Manager
 - Annual appraisals are completed and a pay review is part of that process - the individual salaries are reviewed in comparison to other employees at the same level and the salary bands identified for that role
 - Appraisals are completed by the direct line Supervisor:
 - Hourly by Supervisor
 - Supervisor by Department Manager
 - Department Manager by Key Holder Manager
 - Key Holder Manager by Warehouse Assistant General Manager
 - Assistant Warehouse Manager by the General Warehouse Manager
- All new employees on day one of their employment go through an Induction training programme (4 hours) which is hosted by the General Warehouse Manager and the Administration Manager for the warehouse. All the policies and processes are maintained and issued by the UK HR Director for use in Iceland
 - Welcome to Costco
 - History of Costco
 - Open Door Policy
 - Job Postings

- HR Intranet
- Anti Harassment Policy
- Safety training
- Open Door Policy
- Pay rate concern process explained
- Scheduling and adjustment for work life balance discussed
- All employees have access to training for all roles within the company should they wish and all vacancies are advertised internally:
 - All vacancies are advertised on our HR Intranet site which is maintained by HR team in UK who report to the HR Director
 - All vacancies are accessible to all employees and discussed at department meetings
 - Department meetings are held every 4 weeks with the manager and their employees
 - The General Manager of the warehouse holds weekly meetings with the department managers and all vacancies are discussed
 - All applicants are interviewed and given feedback with regard to their application
 - Prior to the interview the employees are guided to review the full job description, identify any training they feel would assist
- Full training modules available upon request by any employee
- Schedules are compiled with observance of family and child care issues and reconciliation of the employee's requirements to support their work life balance
 - All employees can request a schedule to compliment their personal life with their department manager at any time.
 - Schedules are prepared no more than 3 weeks in advance to allow sufficient notice and planning for all employees
 - Given the opening times of the warehouse and the seven day operation there are a variety of roles, schedules and consequent flexibility to ensure a work life balance for all employees irrespective of gender
 - Any employee requiring to leave early or arrive late due to personal reasons are supported by their department manager, with the proviso that these changes are discussed wherever possible in advance with their department manager.
- All employees returning to work from maternity/paternity leave are met prior to their return to work to discuss schedule, role and any adjustments required to assist them in maintaining their financial income, whilst supporting their family.
 - These meetings are initially with their department manager however any adjustments needed to possibly move to another department to support the changes are discussed at the weekly managers meeting
 - This ensures that all department managers are kept informed and therefore able to support returning employees
- Full management review annually on salary/pay discussed and formal minutes of the meeting published within the warehouse, Costco Iceland web site and internal HR intranet - these documents are maintained by UK HR Director but with full involvement from the General Warehouse Manager, Regional Operations Director, and the overall Country Manager

Additionally, Costco prohibits unlawful harassment and victimisation of its employees, applicants or independent contractors in any form. Complaints of unlawful discrimination or harassment and victimisation should be reported as discussed below. In cases where investigation confirms the allegations, appropriate corrective action will be taken, regardless of whether the inappropriate conduct rises to the level of any violation of law. No employee will suffer retaliation for reporting incidents they believe in good faith to be a violation of Company policy or unlawful discrimination, harassment, victimisation or retaliation.

It always has been and continues to be Costco's policy that employees should be able to enjoy a work environment free from all forms of unlawful discrimination. All decisions regarding recruiting, hiring, promotion, assignment, training, redundancy and termination, and other terms and conditions of employment will be made fairly and objectively without directly or indirectly discriminating on the basis of race, colour, national origin, ancestry, sex, sexual orientation, gender identity or expression, gender reassignment, religion or belief, age, pregnancy, maternity, disability, work-related injury, covered military and veteran status, political ideology or expression, genetic information, marital status or civil partnership status, or any other

factor that the law protects from employment discrimination. Individuals will be selected for promotion based on skill and ability.

Any employee can at any time report any issues as part of our Open Door Policy which is detailed within the Employee Agreement. Our Open Door Policy encourages employees to contact any Supervisor/Manager/Director or Executive within the company including the CEO of the global company Costco Inc based in Seattle. Any report is addressed in a timely manner by the General Warehouse Manager directly with the employee or the senior executive that was contacted. All issues reported are discussed, without an indication of the individual, as part of the weekly Managers meeting. Every 4 weeks all Warehouse Managers from UK and Iceland meet and all queries raised as part of the Open Door Policy or Ethicspoint are presented and discussed as part of the overall company board meeting held in the UK and hosted by the UK/Iceland Country Manager.

Objective	Operation	Responsibility	Time Frame
Ensure that any form of gender or sexual harassment does not occur in the workplace	Policy contained within our Employee Agreement, displayed on the employee Intranet and part of the HR Month refresher training held annually	Warehouse Manager	April each year
Response plan for any report of gender or sexual harassment	Open Door policy, Grievance procedure and anonymous ethics point reporting	HR Director	Annually

Alternatively there is an anonymous reporting tool called Ethicspoint and can be accessed through www.costco.ethicspoint.com

Prepared and Updated
 AVP & H R Director
 Sue Knowles
 19th April 2024

Certificate of Registration

EQUAL PAY MANAGEMENT SYSTEM - ÍST 85:2012

This is to certify that:

Costco Wholesale Iceland ehf.
Kauptúni 3
210 Garðabær
Iceland

Holds Certificate No:

EQ 728368

and operates a Equal Pay Management System which complies with the requirements of ÍST 85:2012 for the following scope:

The Equal Pay management system at Costco Wholesale Iceland ehf. including all employees.

For and on behalf of BSI:

Denelise L'Ecluse, Managing Director Assurance - Continental Europe

Original Registration Date: 2021-08-06

Effective Date: 2024-08-06

Latest Revision Date: 2024-06-10

Expiry Date: 2027-08-05



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