



**WHEREAS:** The World Health Organization (WHO) considers antimicrobial resistance (AMR) one of the [most urgent health challenges](#) of our time. AMR renders [life-saving drugs useless](#); by 2050, it could cause an estimated 300 million premature deaths and up to \$100 trillion in global economic damage.

The use of antibiotics in animal agriculture is a [major contributor to AMR](#). Nearly two-thirds of antibiotics sold for use in the U.S. are [used in food animals](#). When antibiotics are administered to animals routinely, bacteria can adapt and become resistant, causing drug-resistant infections in humans.

Costco's current animal welfare policy is to limit the use of antibiotics important to human medicine "for the prevention, control, and treatment of disease only under the supervision of a licensed veterinarian..." This policy follows current federal regulatory guidelines, which are widely [regarded by consumer health advocates as inadequate](#); they allow routine use of medically important antibiotics as a disease prevention tool, rather than requiring producers to improve the animal welfare conditions that sicken animals.

Consumers are concerned about antibiotics in meat. [Antibiotic-free meat retail sales grew](#) by approximately 28% in 2011-2015, versus 5% growth of conventional meat sales over the same period. In a 2018 survey, nearly half of consumers surveyed said they "often" or "always" [purchase meat raised without antibiotics](#).

Despite the urgent risk of antibiotic resistance and increasing consumer demand for 'clean' meat products, Costco does not have a policy to restrict the use of medically important antibiotics in its private label poultry supply chain beyond existing regulations. While Costco has reported that chickens raised in its Lincoln Premium Poultry complex have not received medically important antibiotics, it has not disclosed antibiotic use practices for third party chicken suppliers. The company claims it is incapable of assuring transparency into its poultry supply chain's antibiotic use practices.

Other large poultry purchasers have committed to end use of chicken products raised with medically important antibiotics:

- McDonald's chicken purchasing policy prohibits the routine preventive use of any antibiotics important to human medicine, and commits to phase out all use of antibiotics considered High Priority Critically Important by WHO.



- KFC reports that, as of January 2019, all its purchased chicken for U.S. locations is raised without any medically important antibiotics.
- Whole Foods Market's purchasing policy prohibits the use of any antibiotics in all meat categories.

Consumer advocates have begun testing retail meat products for superbugs, as has the USDA. If the company does not ensure that its suppliers are preventing antibiotic resistance, it faces risk of regulatory action and reputational damage.

**RESOLVED:** Shareholders request that Costco adopt an enterprise wide policy to phase out the use of medically important antibiotics in its private label chicken supply chain (including routine use for disease prevention) with an exception for treatment and non-routine control of diagnosed illness.