

Costco Shareholder Meeting Question
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My name is Justin Danhof, and I am representing the National Center for Public Policy Research – a free-market think-tank, and a company shareholder. Thank you for the opportunity to speak with you today.

Mr. Jelinek, your company is a member of the Retail Industry Leaders Association (RILA) – one of the country’s largest trade organizations. RILA has launched – in the name of extreme environmentalism – a massive campaign dubbed “sustainability.” Under this sustainability campaign, it calls on its members to make unaffordable capital expenditures that do not have prospects for a reasonable payback. It also advocates that its members lobby for changes in local building codes or infrastructures that serve to increase the cost of buildings and restrict use of property. Finally, RILA is advocating for the imposition of top-down “sustainability” standards on retailers’ suppliers, despite the likelihood that these standards will increase suppliers’ costs and in turn the costs of the goods that they sell, as well as impose barriers to entry to small businesses.

As a shareholder, our concern is that this push for so-called “sustainability” will harm Costco’s shareholders, suppliers, and customers, as they will bear the cost of these self-imposed green regulations. A recent poll that my organization conducted indicated that 52 percent of consumers, given a choice, are unwilling to pay even an extra cent for such sustainability. Furthermore, 56 percent of consumers think it is unfair to ask them to pay more so that retailers can impose sustainability standards.

So Mr. Jelinek, I ask you whether Costco will reject RILA initiatives on “sustainable” activities that have the potential to reduce the company’s bottom line. And if your answer is no, do you think it is fair to charge low and middle-income Americans – many of whom are on very tight budgets – more for products because Costco and other retailers want to green-wash their images?

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