

## Access to Reproductive Care

Access to abortion is under challenge at the state and federal levels. A patchwork of laws regulates access to abortion and broader reproductive rights. Since 2011, state legislators have passed more than 600 restrictive laws. Other states have enacted legislation to protect abortion access. Eleven states ban abortion coverage in all state-regulated private insurance plans, while six states require private insurance plans to cover abortion.

Costco Wholesale Corporation (“Costco”) has operations in 45 states, Puerto Rico, and D.C. subject to this patchwork of laws. With *Roe v. Wade* overturned, Costco employees will face greater challenges accessing abortion care. The proponent estimates that 45 percent of Costco’s stores in the U.S. are in states or territories that either have or will quickly ban or severely restrict access to abortion care (<https://nyti.ms/3P0TKVo>).

Employers, as well as employees, bear the cost of restricted access to reproductive health care. For example, women who cannot access abortion are three times more likely to leave the workforce than women who were able to access abortion when needed. The Institute for Women’s Policy Research estimates that state-level abortion restrictions annually keep more than 500,000 women aged 15 to 44 out of the workforce (<https://bit.ly/3Dt5bQq>).

As of August 2022, abortion has been banned in nine states, with another six banning abortion at 6-, 15-, or 18-weeks (<https://nyti.ms/3Qockrk>). Costco may find it difficult to recruit employees to states where abortion is outlawed. This could harm its ability to meet diversity and inclusion goals, with negative consequences to performance, brand and reputation.

In a nationwide survey of U.S. consumers in 2021, 64 percent said employers should ensure that employees have access to the reproductive health care they need, and 42 percent would be more likely to buy from a brand that publicly supports reproductive health care (<https://bit.ly/3nmzd2U>). Surveys consistently show that most Americans agree that abortion decisions should be left to the patient and doctor (<https://wapo.st/3cmRLK2>).

**RESOLVED:** Shareholders request that Costco’s Board of Directors issue a public report within 6 months of the 2023 annual meeting date, omitting confidential and privileged information and at reasonable expense, detailing any known or potential risks and costs to the company caused by enacted or proposed state policies severely restricting reproductive rights, and detailing any strategies beyond litigation and legal compliance that the company may deploy to minimize or mitigate these risks.

**SUPPORTING STATEMENT:** Shareholders recommend that the report evaluate any risks and costs to the company associated with new laws severely restricting reproductive health care, and similar restrictive legislation proposed in other states. In its discretion, the board’s analysis may include any effects on employee hiring, retention, and productivity, any decisions regarding closure or expansion of operations affected by the restrictive laws, and any strategies such as public policy advocacy by the company, related political contributions policies, and human resources or educational strategies.