

BJ's 2022

ESG Report



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Scope

This report, BJ's 2022 Environmental, Social and Governance (ESG) report, was published in April 2023 and reflects activities, goals and initiatives related to our fiscal year (FY) 2022 (January 30, 2022 – January 28, 2023), except as otherwise noted. Unless noted, goals and other data in the report reflect the goals and data of BJ's Wholesale Club Holdings, Inc. and its consolidated subsidiaries as of January 28, 2023.

Report structure

This report has been written for a broad range of stakeholders, including, but not limited to, our team members, members, vendors, community partners and investors. This report provides information about our efforts and initiatives related to ESG, including select metrics from the Sustainability Accounting Standards Board (SASB) standards for Multiline and Specialty Retailers Distributors and Food Retailers Distributors.

Forward-looking statements

This ESG report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this ESG report that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our strategic priorities, initiatives, commitments and our future progress, as well as statements that include the words “expect”, “seek”, “intend”, “plan”, “believe”, “project”, “forecast”, “estimate”, “may”, “should”, “anticipate” and similar statements of a future or forward-looking

nature. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Disclaimer

Our goals and commitments include specific achievements we seek to accomplish and they have aspirational components that may take years to achieve. Our goals and commitments may be based on certain assumptions and circumstances that may shift or evolve over time, possibly affecting our achievements, goals and commitments.

We welcome your feedback on this report. For more information, please contact us at: sustainability@bjs.com.

A message from our president and CEO

To our stakeholders:

The BJ's we know today has grown over time, gradually expanding from one club in Medford, Massachusetts nearly 40 years ago, to our 235 clubs in operation at the end of fiscal year 2022. Today, as our membership clubs and operations have expanded beyond our east coast foundations, we welcome our 6.8 million members into our clubs every day. We are passionate about offering a great shopping experience and delivering tremendous value to our members.

As we reflect on the company's achievements, we are encouraged by our progress. We have expanded our footprint, improved our product and services offerings, reduced our energy footprint and employed diverse talent at work and within our communities. We have done all this striving towards the fulfillment of our mission of enriching the lives of our members by providing them with the products, value and experiences they deserve. At the heart of our growth has been our team members, who have made these achievements possible.

While we celebrate these accomplishments, we are also mindful of opportunities within ESG. With this in mind, we assigned ESG oversight to the audit committee of the board of directors and established an ESG steering committee comprised of business leaders to define our ESG strategy. We look forward to sharing our progress and we are confident our ESG initiatives will contribute to our future success.

What follows are key examples of the work our more than 34,000 team members and our many partners accomplished in fiscal year 2022. Within this context and having set a mandate to communicate transparently on our ESG efforts, we are proud to share with you our first ESG report.

Sincerely,



Bob Eddy
President and CEO



About BJ's Wholesale Club

About us

BJ's Wholesale Club is a leading warehouse club operator concentrated primarily on the east coast of the United States. We deliver significant value to our members, consistently offering 25% or more savings on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. We provide a curated assortment focused on perishable products, continuously refreshed general merchandise and other ancillary services to deliver a differentiated shopping experience that is further enhanced by our omni-channel capabilities.

Since pioneering the warehouse club model in New England in 1984, we have grown our footprint to 235 large-format, high volume warehouse clubs spanning 17 states. In addition to shopping in our clubs, members are able to shop when and how they want through our website, bjs.com, and our highly rated mobile application, which allows them to use our order pickup service, curbside delivery, same day home delivery or traditional ship-to-home service.

Our mission

Enriching the lives of our members by providing them with the products, value and experiences they deserve.

235 clubs

6.8 million members

34,000+ team members¹

\$18.9 billion in net sales

8 distribution centers

25% off grocery store prices²

¹ Total team members includes full-time and part-time employees, temporary workers and contractors.

² 25% savings is based on member pricing on a basket of 100 national brand household staples, on an unpromoted unit-price basis, when compared to four leading grocery chains in our trade areas.

For more information visit [BJs.com/25percentterms](https://www.bjs.com/25percentterms).

ESG highlights

30%

women on the board of directors

50%

commitment to reduce food loss and waste by 50% by 2030

72%

club managers promoted from within

75%

inclusion index score on annual engagement survey

10.7M

meals donated

\$30.8M

wage investment from 2019-2022

ESG approach and materiality

ESG approach

There is important alignment between BJ's mission and ESG. Our mission is all about enriching the lives of our members by providing them with the products, value and experiences they deserve, which is the same approach we take with ESG. We are committed to making investments that are fiscally responsible while driving environmental improvements, social benefits and strong governance practices. We celebrate our efforts that have led us here and we are focused on advancing our ESG priorities.

There is distinct alignment between our ESG goals, members' interests and the company's mission to deliver long-term value. We deliver long-term value by: aligning our ESG strategy and product offerings to support members' ESG priorities; maintaining an inclusive, diverse and evolving workplace; and supporting local communities.

We are committed to integrating ESG throughout BJ's products, operations and offerings to further that mission, improve member choice and provide quality, member-oriented solutions. We are in the initial phase of defining and developing this overall approach to support our ESG ambitions.

Our material ESG issues

We are focusing our efforts on the issues that are most important to our company and our stakeholders. In 2021, we undertook a formal process to identify and prioritize our most relevant (or "material") reporting topics from an ESG perspective. This exercise was informed by relevant ESG standards, industry mega-trends and analysis of sustainability disclosures from industry peers. As part of the process, we also solicited internal and external stakeholder input to gain insight into their perspectives and priorities. Based on this assessment, we will develop a strategy that defines how we expand upon our existing programs and develop new ones.

Material ESG topics



Environment

Energy and emissions
Waste



Supply chain

Waste and materials
GHG emissions
Human rights



Members

Product mix
Product safety



Team members

Engagement,
development, health
and safety
Diversity, equity
and inclusion



Governance

Corporate
governance
and ethics
Climate strategy
Data security
and privacy

Stakeholder engagement

We frequently engage with our most relevant stakeholders to better understand our impacts and prioritize areas of focus.

Key stakeholders	How we engage
Shareholders	<ul style="list-style-type: none"> • Communications through our investor relations team • Group calls and meetings (quarterly earnings calls, investor conferences, annual shareholder meeting) • Annual outreach calls with our largest shareholders
Team members	<ul style="list-style-type: none"> • Company intranet, email, mail, digital signage and meetings • Annual engagement surveys • Team member resource groups • Online training • Open door philosophy • Performance reviews • Ethics hotline
Members	<ul style="list-style-type: none"> • BJ's website, email and mailings • BJ's mobile application • Social media monitoring and engagement • Member satisfaction surveys • Focus groups • Member care
Communities	<ul style="list-style-type: none"> • Collaboration with community organizations on issues relevant to their interests and our business • BJ's Charitable Foundation provides grants and works with local and national community organizations
Vendor partners	<ul style="list-style-type: none"> • Meetings, calls and conferences • Annual review • Joint planning meetings • On-site visits and quality assurance audits • Product questionnaires



Environmental



BJ's is committed to conducting our operations in compliance with applicable environmental laws, regulations and BJ's policies and procedures. In this spirit, we aim to prevent pollution through energy conservation, recycling, reducing waste and innovating to further reduce our environmental footprint.

Sustainable operations

Energy savings and efficiency

As part of operational excellence, and with continual improvement over time, we are focused on projects that are designed to drive efficiency. Saving energy and reducing emissions can also help us decrease operating costs and offset upfront investment costs. We utilize building management systems to optimize energy usage in new and existing clubs. All clubs employ smart technology for refrigeration, lighting and HVAC energy management. This technology allows us to substantially reduce our energy consumption.

In fiscal year 2022, we continued to replace and upgrade equipment and fixtures within our clubs. We conducted replacement and retrofit upgrades, including: converting internal high bay lighting to LED lights (200,000-kilowatt hour (kWh) savings per club); parking lot and exterior building LED lights (35,000 kWh savings per club); HVAC rooftop unit upgrades (125,000 kWh savings per club); compressor system upgrades (200,000 kWh savings per club); refrigeration condenser upgrades (150,000 kWh savings per club); and case replacements (150,000 kWh savings per club).

BJ's has 34 clubs and distribution centers with solar arrays which generated over 34 million kWh in fiscal year 2022.

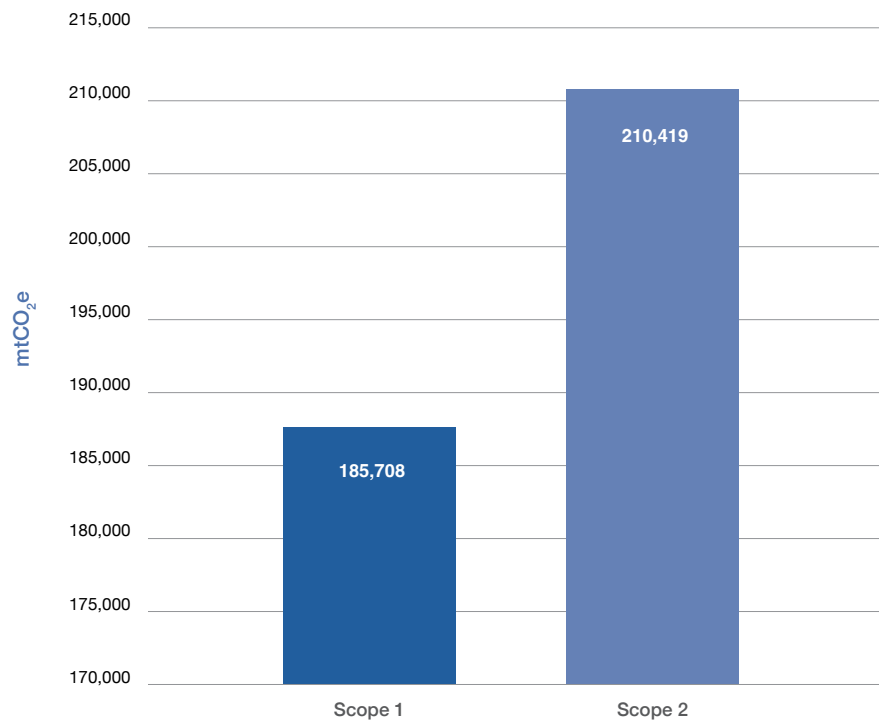
As part of the U.S. Environmental Protection Agency's (EPA) GreenChill Program, BJ's tracks and monitors our refrigeration consumption to better manage refrigerant emissions and decrease their impact on the ozone layer and climate change. Through the GreenChill advanced refrigeration partnership, we work to transition to environmentally friendlier refrigerants, lower refrigerant charge sizes, eliminate refrigerant leaks and implement best practices to improve our performance.



Emissions disclosure

BJ's engaged an independent, third-party expert to conduct our first greenhouse gas (GHG) emissions footprint assessment, in alignment with the Greenhouse Gas Protocol. This assessment calculated the volume of GHG emissions produced by BJ's facilities and business operations for fiscal year 2022. Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by BJ's, including for example combustion of fuel for heat, transportation or electricity generation. Scope 2 emissions are indirect GHG emissions associated primarily with purchased electricity. The terminology and calculations in the emission source table to the right are aligned with the Greenhouse Gas Protocol.

Our fiscal year 2022 GHG emissions footprint – mtCO₂e³



³ Scope 2 GHG emissions, location-based.

⁴ Location-based and market-based scope 2 emissions were calculated in accordance with the Greenhouse Gas Protocol. 2022 eGRID emission factors were applied to both location-based and market-based electricity calculations for FY22 due to 2022 green-e emissions factors not being available prior to the publication of this report. Further, BJ's does not currently employ any contractual instruments that would be included in a scope 2 market-based emissions calculation.

Emission source	FY2022
Gross quantity of direct (scope 1) GHG emissions (mtCO₂e)	185,708
Stationary combustion	53,632
Natural gas	50,975
Propane	1,194
Diesel oil	1,463
Mobile combustion	34,028
On-road diesel	26,729
Off-road diesel	7,213
On-road motor gasoline (petrol)	55
Off-road propane	31
Fugitive emissions	98,049
Gross quantity of indirect (scope 2) GHG emissions (mtCO₂e)	210,419
Purchased electricity	
Location-based	210,341
Market-based ⁴	210,341
Purchased steam	
Steam	78
Scope 1 and 2 GHG emissions (mtCO₂e)	
Location-based	396,127
Market-based⁴	396,127
GHG emissions intensity (scope 1 and 2, location-based) (mtCO₂e/sq. ft.)	0.01414

Waste and material recovery

Operational waste and recycling

We prioritize eliminating operational and food waste while fighting hunger in our communities. Through our partnership with the EPA's U.S. Food Loss and Waste Champions initiative, we have committed to reduce food loss and waste in our operations by 50 percent by 2030. In 2023, we plan to evaluate and improve our waste measurement and reporting, which will include food waste.

Our approach to managing waste and recycling in our operations prioritizes the prevention of waste by making operational improvements and recovering otherwise wasted food and products for donation, recycling or other diversion methods. We continue to evaluate waste reduction, recovery and disposal programs to maximize efficiencies and reduce costs. We have service providers who manage our hazardous waste and support recycling of cardboard, fat and bone, single stream, organics, grease, wheel weights, electronics, motor oil, ink cartridges, batteries and light bulbs.

Recycling management	FY2022
Material stream	Tons
Cardboard recycling	50,896
Fat and bone	1,693
Single-stream recycling	1,398
Organics	552
Grease	426
Wheel weights	62
Electronics	33
Motor oil	4
Ink cartridges	2
Batteries	2
Light bulbs	1



Social

We strive to take care of the families who depend on us. We collaborate with our team members, community organizations and supply chain partners to promote responsible sourcing, develop an inclusive and diverse workplace and serve our communities.

\$23.81

average hourly wage including benefits

2,700+

team members promoted

10.7M

meals provided through our Feeding Communities program

\$1.4M

donated through BJ's Charitable Foundation

Responsible sourcing



Responsible sourcing overview

We continue to elevate our responsible sourcing standards and programs to reflect the rising expectations of BJ's stakeholders—from members and team members to investors. We are striving to balance our objectives of delivering exceptional prices, great service, a convenient shopping experience and the right product selection and quality. More and more, our members and communities want to understand how BJ's positively influences the supply chain—raw materials and ingredients, manufacturing processes, labor practices and transportation. BJ's employs responsible sourcing programs to address the environmental and social impacts of a complex global supply chain. We recognize that our supply chain is our greatest area of impact, and plan to grow, develop and implement additional strategies to strengthen our practices and disclosures.

Animal welfare

The treatment of animals used as sources of protein and animal products is a matter of importance for BJ's and many of our stakeholders. [BJ's Animal Welfare Policy](#) offers guidance to our vendors and merchants and sets forth our requirements for how animals should be treated in the provision of protein and animal products. As a large volume buyer of protein and animal products, we understand our responsibility and the importance of working to ensure animals are treated humanely.

Seafood sustainability partnership

We have created our BJ's Seafood Partnership, a program aimed to provide safe, quality seafood at an excellent value for years to come, without compromise. We are in a unique position to help protect our oceans and waterways and the seafood they provide. In developing this strategy, BJ's partners with the non-profit organization Sustainable Fisheries Partnership (SFP). SFP assists us in evaluating our products and suppliers against the newest science and best industry practices. We use fisheries that offer products that adhere to strong standards such as the Marine Stewardship Council for wild captured seafood and Best Aquaculture Practices for aquaculture, or farmed, seafood. Our goal is to ensure our suppliers are doing what is right for the environment and we will seek out new supplier partners if they are unable to meet our requirements.

Cage-free egg commitment

Our goal is to transition to a 100% cage-free egg supply chain by 2025, subject to regulatory changes, consumer behavior and available supply. As part of this commitment, we will require that 100% of our shell egg supply, indiscriminate of production system, be certified and fully compliant with United Egg Producers Animal Husbandry Guidelines or an equivalent standard. In fiscal year 2022, 49% of eggs sold were cage-free. We faced challenges this year due to the avian bird flu outbreak in the United States which increased the cost of eggs and decreased the availability of cage-free egg supply. We will continue to work with our suppliers to source affordable eggs for our members while adopting higher welfare systems aligned with our commitment.

Members

As a membership club, we operate for the benefit of our members; this drives and informs everything we do to serve them and deliver outstanding value.

Member experience

We use checkout surveys and both self-measured and third-party net promoter score surveys to evaluate how we are meeting our members' needs, including what their priorities are in shopping at BJ's and how well we are satisfying those priorities.

We offer a membership guarantee, which means members can try BJ's risk-free with our 100% money-back guaranteed membership. Additionally, BJ's is the only warehouse club that accepts manufacturers' coupons, which allows us to deliver even more savings and value to our members.

BJ's offers a variety of methods by which members can shop with us at one of our 235 clubs, online at BJs.com and through the BJ's mobile application. Members are able to choose free curbside pickup, buy-online pickup-in-club, same-day delivery or ship-to-home.

In fiscal year 2022, BJ's announced that SNAP EBT payments would be accepted online at BJs.com and on the BJ's mobile application, in addition to being accepted in club, further expanding our offerings to a broader member base.

Own brands overview

BJ's own brands embody the principles of our mission by providing our members with quality that is comparable to national brands at big savings. Our members enjoy our differentiated product offering and our own brands sales represented nearly a quarter of our total merchandise sales in fiscal year 2022.



Recall management

BJ's is committed to the health and safety of our members, offering high quality products that meet the highest safety, regulatory and quality standards. Dedication to product excellence is our goal. In the event of a product recall, we work quickly to remove the items from our supply chain and our clubs and communicate the impact to our members. Members can always find up-to-date information on product recalls on our [website](#). In fiscal year 2022, the BJ's team managed a total of 14 product recalls, of which one was for own brand items.



Community engagement



BJ's Charitable Foundation and corporate giving

BJ's Charitable Foundation helps provide families with access to basic essentials including fresh food, education and wellness across communities within BJ's growing footprint. BJ's Charitable Foundation brings a fresh approach to nourishing communities and helping families thrive within key areas of hunger, education and wellness. In fiscal year 2022, BJ's Charitable Foundation provided over \$1.4 million in grants to help families meet their essential needs.

In addition to the wide range of community programs offered at the corporate level and through BJ's Charitable Foundation, BJ's also offers a structured charitable giving program administered through our local clubs. In fiscal year 2022, we donated over \$250,000 to our local communities.

BJ's Feeding Communities program

Through the BJ's Feeding Communities program, our clubs donate unsold produce, meat, poultry, seafood, dairy and bakery products to reduce food waste and provide wholesome, fresh food to local Feeding America® member food banks. In fiscal year 2022, we donated more than 12.9 million pounds of food including fresh meat, produce, dairy and bakery items to Feeding America member food banks throughout our footprint. That is equal to more than 10.7 million meals for our neighbors in need.

Our partnership with Feeding America enables food banks to identify and work towards solutions to eliminate social, structural and systemic inequities that contribute to food insecurity. This includes a focus on member communities that have been historically disadvantaged and/or adversely impacted by racial inequities, creating new opportunities to ensure our communities will have food on their tables.

Team members

Team member overview

BJ's team members are at the center of how we deliver value to our members. We offer our team members competitive pay and benefits, as well as opportunities to grow and develop in a culture that promotes inclusion and diversity.

Workforce overview

Workforce data represents approximately 32,000⁵ team members and is based on employee self-identification.

Racial/ethnic group representation of U.S. employees

	Asian	Black or African American	Hispanic or Latino	White	Other ⁶
Management ⁷	4%	12%	15%	66%	2%
All other employees	4%	24%	24%	44%	3%

Gender representation of global employees

	Female	Male
Management	39%	61%
All other employees	45%	55%



⁵ 32,000 represents full-time and part-time team members as reported in our EEO-1 data.

⁶ Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander and "Two or more races".

⁷ Management and all other employees as defined by the SASB Standards.

Talent attraction and recruitment



Talent attraction and recruitment overview

Our approach to hiring focuses on continuously building and retaining a team that is inclusive and representative of our members and communities. We are intentional about the way we acquire talent and aim to remove unconscious bias from job descriptions. Where applicable, our talent acquisition team employs bilingual recruiters to broaden our candidate pools.

BJ's works to provide employment opportunities to those facing challenges and barriers in entering the workforce. Through our partnership with the Massachusetts Rehabilitation Commission, we have created job opportunities for individuals with disabilities to work on their own terms. Through this connection, we have hired team members in a variety of functions within our clubs and corporate headquarters, which we call the club support center.

BJ's offers a summer internship program. In fiscal year 2022, the intern class was comprised of team members from 24 colleges, 45% female and 48% people of color. BJ's internship program links personal and professional development while providing an opportunity for permanent placement. Our internship participants bring fresh perspectives and ideas to various units across BJ's for the duration of the 12-week program and are supported by a mentor throughout.

Training and onboarding

BJ's offers a range of comprehensive onboarding and training opportunities for all team members, focused on educating them on these modules: "Our company," "Your benefits," "Our team," "Our clubs," and "Your career." Team member onboarding and training is conducted based upon role:

Club support center

New team members are welcomed to the club support center, with a new hybrid orientation program that includes both fully remote and on-site employees. Following initial onboarding, new team members are invited to attend weekly, 60-minute world class welcome sessions that introduce 16 departments across the company's business units.

Ambient distribution centers

New hires complete a four-week training cycle with designated trainers and department leadership. This training includes role-based mobile learning followed by scaffolded on-the-floor training with peers and trainers.

Perishable distribution centers

Team members complete an eLearning-based onboarding curriculum that introduces critical safety skills and an overview of job specific tasks. Team members are then paired with an experienced peer or trainer to learn process and procedure on the job to effectively use equipment and meet productivity goals. In 2023, we plan to evaluate and build out additional training programs as we integrate the newly acquired perishable distribution centers.

Club

Our award-winning mobile learning platform enables new hire learning curricula mapped for 65 club roles and includes over 200 courses. Our mobile training introduces team members to the core skills for their role and prepares them for hands-on training within their department. Our mobile learning application houses hundreds of on-demand resources that team members can access at any time for reference or performance improvement in the flow of work.

In 2022, the BJ's learning and development team was awarded a gold award in the Brandon Hall Group HCM Excellence Awards Program. This award recognized BJ's for the deployment of tablets in their mobile training.



Employee development programs

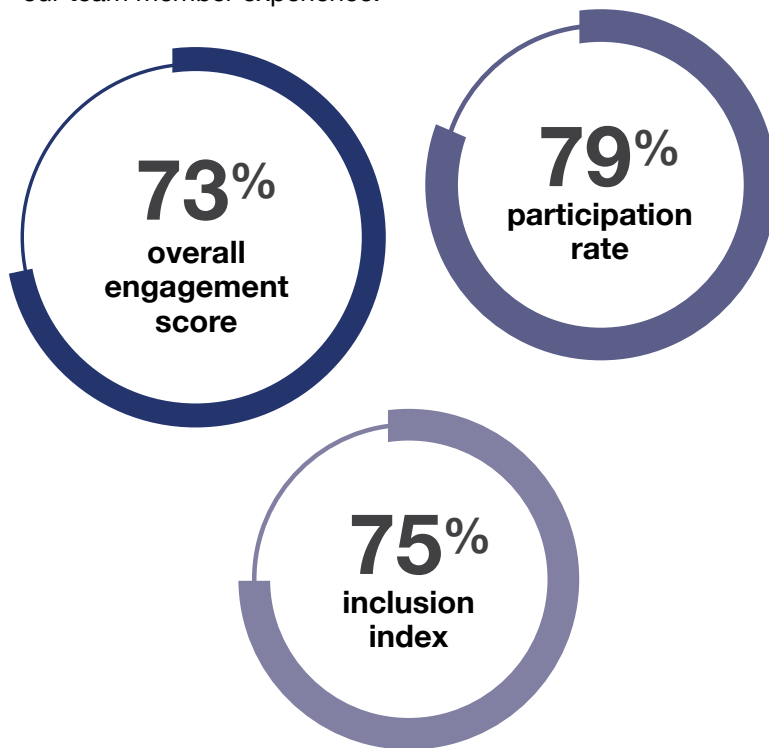
BJ's is committed to providing career growth and professional development opportunities to all team members. Development planning helps employees grow, develop and achieve their goals while helping them perform at their best. Our learning and development team oversees our portfolio of training and development opportunities designed to help employees gain new skills, exposure and experiences in order to grow their careers.

Our high-potential leadership pipeline development program is geared towards helping club managers, females and meat cutter apprentices to advance within the company. The high-potential leadership pipeline includes immersive learning programs, training and mentoring. Similarly, we offer leadership development courses for managers and functional skills-based training for our corporate functions. In fiscal year 2022, over 650 leaders participated in the leadership development program and 500 team members participated in our skills-based trainings.

Engagement and rewards

Team member engagement

BJ's conducts an annual engagement survey, which assesses team member sentiments concerning 19 categories, including employee empowerment, sense of belonging, knowledge and skills development and positive leadership. In fiscal year 2022, 79% of our team members participated, and our overall score was 73%. Feedback from the survey is used to guide us in efforts to enhance our team member experience.



Inclusion and diversity

Our inclusion and diversity function has adopted an inclusion-first approach to inclusion and diversity, so that team members of all backgrounds and experiences can be successful at BJ's. Our inclusion and diversity council is responsible for identifying and driving actions and initiatives to advance the company's inclusion and diversity priorities. The council's core objectives are to embrace our diverse team members, members and communities, and to cultivate an inclusive culture where all team members are valued, can develop to their full potential and be their authentic selves.

Team member resource groups

Our team member resource groups offer team members a platform for educational opportunities, professional development and cross-department relationships and collaboration. Team member resource groups also offer team members opportunities to represent BJ's in the diverse communities that our clubs and club support center serve. These groups at BJ's include: The Women's Forum, Pride at BJ's, Citizens of the World, Young Professionals, Working Parents and Veterans Group.

Benefits and total rewards

We provide a comprehensive suite of benefits designed to help our eligible team members and their families stay healthy, meet their financial goals, protect their income and help them balance their work and personal lives. We provide competitive pay and significant career growth opportunities all within a culture that values diverse viewpoints and contributions at every level.

Our programs include competitive wages, annual bonuses, 401(k) plans, stock awards, an employee stock purchase plan, paid time off, flexible work schedules, family leave, team member assistance programs and more, based on eligibility criteria. We provide our eligible team members with access to a variety of innovative, flexible and convenient health and wellness programs. In fiscal year 2022, BJ's introduced additional mental health, well-being, parenting and care giving resources for our team members. We continue to invest in higher pay for our associates, which has increased our average hourly wage to \$19.15 as of the end of fiscal year 2022.

Average hourly wage ⁸	\$19.15
Average total hourly compensation ⁹	\$23.81

⁸ Calculations of average hourly wage follow the SASB calculation standard for in-store and distribution center employees, which excludes overtime and other cash bonuses.

⁹ Average total compensation includes average hourly pay, other compensation, and benefits for full- and part-time team members. This does not include overtime or cash bonuses.

Support and safety



Aisle Help fund

The BJ's team member assistance program, called Aisle Help, provides help for our team members during difficult times. The BJ's Aisle Help fund provides assistance to help bridge the financial gap by assisting team members experiencing significant financial hardship as a result of a natural disaster, family emergency or other unexpected events. Funding of the Aisle Help program comes directly from our team members joining together to serve our BJ's family. During fiscal year 2022, Aisle Help awarded more than \$260,000 to team members in need.

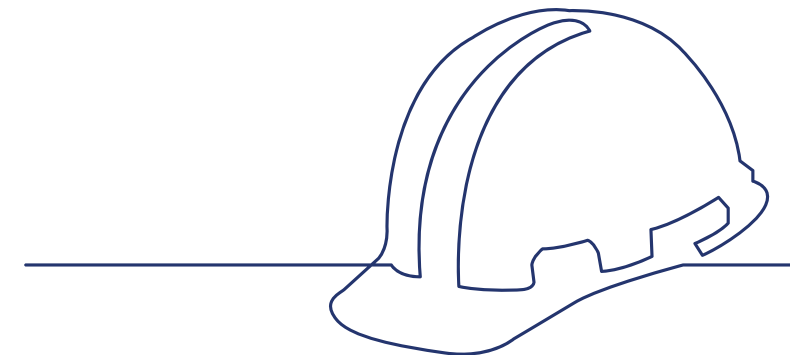
Team member safety

We are committed to maintaining a safe environment for our team members and members. We have multiple programs to reduce and eliminate hazards in our clubs, resulting in a safer workplace and improved shopping experience.

BJ's has a comprehensive safety program, which is overseen by our asset protection and safety team, conforming to, or exceeding the best technologies and practices in our industry. This program's success is built upon an unwavering attitude toward accident and injury prevention, with expected total cooperation on the part of all team members. Our objective is a safety program that reduces the number of accidents and injuries to an absolute minimum. The program encompasses a wide

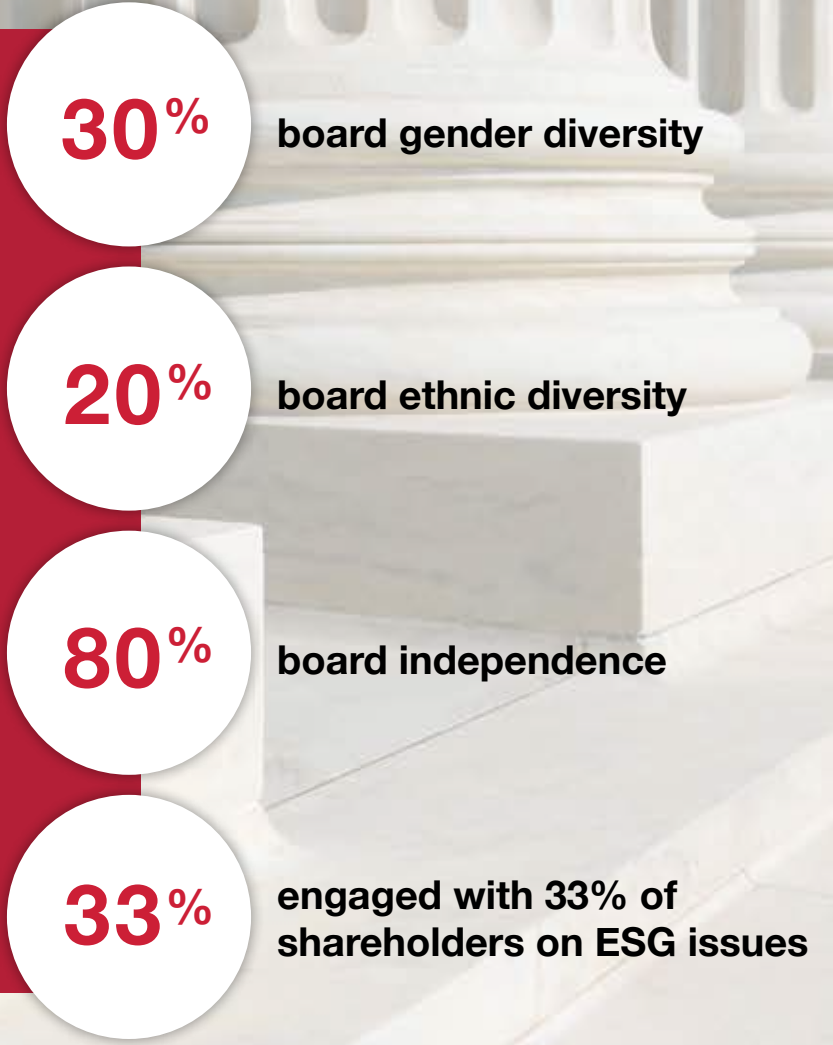
range of policies and procedures, job aids and other resources to ensure we develop and enforce the highest standards for member and team member safety, food safety and environmental health and includes expedient systems and processes to handle product liability or recalls, should they occur. Team members are trained on safety basics and safety policies specific for the job they will perform. Training is conducted during onboarding and annually thereafter. 98% of the club and distribution center team members have completed safety basics training.

National Safety Council's (NSC) Perfect Record Award recognizes facilities that have completed a period of at least 12 consecutive months without incurring an occupational injury or illness that resulted in days away from work or death. 63 clubs received the NSC Perfect Record Award in 2022.



Governance

We pride ourselves on operating with integrity, accountability and transparency. BJ's is committed to business success through the maintenance of high standards of responsibility and ethics. This report on our ESG progress demonstrates our commitment to transparency and continuous improvement.



Board of directors

Board of directors overview

Our board of directors oversees our chief executive officer and our executive leadership team in the development and execution of our long-term strategy and the competent and ethical operation of our company on a day-to-day basis. BJ's is committed to business success through the maintenance of high standards of responsibility and ethics.

Our standard for ethics and integrity starts with our leaders and board of directors. Our board of directors consists of ten highly qualified members who bring a wide range of diversity in the form of relevant industry, executive leadership, operations, finance and investment management expertise, as well as gender and ethnic diversity. Furthermore, eight of our ten directors are independent directors, and we have a lead independent director.

We believe the experience and composition of our board of directors maximizes its effectiveness, bringing fresh perspectives and a complementary approach to setting the strategy and future direction of the company. To enhance the effectiveness of its oversight responsibility, the board currently has three standing committees: audit, compensation and nominating and corporate governance. Each committee is comprised entirely of independent directors and performs the duties as summarized in our [Proxy Statement](#), [Corporate Governance Guidelines](#) and [Committee Charters](#).

30% gender diversity

20% ethnic diversity

80% board independence

59 years average age

3.9 years average tenure

ESG governance

ESG governance overview

ESG leadership at BJ's begins with our board and executive leadership team. The audit committee oversees the company's ESG strategy and reporting. Our general counsel, who is also the chair of our ESG steering committee, reports to our board regarding our ESG efforts and ESG-related risks at least four times annually.

Our ESG steering committee is responsible for development and deployment of the company's enterprise ESG strategy, including climate risk. The committee works closely with functional leaders and working groups to drive integration and move our journey forward.

To build and maintain relationships with shareholders, in fiscal year 2022, we met with stewardship teams representing 33% of our outstanding shares to discuss ESG topics. Discussions with investors centered around increased transparency and ESG disclosure; this report, in part, is a response to those engagements.



Ethics and compliance

Ethics and compliance

Ethics and integrity are the foundation of all that we do. We are committed to upholding the highest ethical standards and compliance with the laws that govern our business and acting with the utmost respect when engaging with members, vendors and each other. To ensure that we operate with the highest ethical standards, all team members, officers and board members are obligated to adhere to our [Code of Business Ethics](#) and team members must complete BJ's Statement on Commercial Bribery and Insider Trading Compliance Policies annually.

Furthering our commitment to ethical conduct, we maintain an integrity hotline operated by an independent, third-party company that is designed to make it convenient and comfortable for our team members to report any violations of BJ's Code of Business Ethics, the law or any BJ's policies on a confidential basis. All complaints received through the third-party hotline are investigated. On a quarterly basis, the audit committee of our board receives a summary of all reports placed to the integrity hotline.

Enterprise risk management

Our objective at BJ's is to define strategies and programs to prioritize options to mitigate risk to levels acceptable to the organization's stakeholders. With oversight from our board of directors and its audit committee as well as our executive leadership team, we take a cross-functional approach to identify and proactively address risks and opportunities to protect our

assets, our members and team members and the reputation of our brand. Our enterprise risk management approach is summarized in our [10-K](#).

Cybersecurity and data privacy

At BJ's, we prioritize data privacy practices that protect company information and the personal information that our members share with us. BJ's has an information security steering committee that is comprised of departmental heads throughout the organization who function as subject matter experts in monitoring standards, laws, risks and relevant regulatory programs in the areas of information security and data privacy. The audit committee provides oversight of the company's risk management processes related to cybersecurity. The company has dedicated resources to ensure that the company's systems and data, as well as the data of our members, is adequately protected from breach, loss or compromise.

BJ's has implemented a data and cybersecurity program based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), International Organization for Standardization (ISO) 27001 and Payment Card Industry Data Security Standard (PCI DSS) standards. The program is designed to safeguard the security, confidentiality, integrity and availability of personal information in accordance with applicable laws and regulations. Independent information security program assessments, audits, maturity assessments and similar activities

are conducted regularly by both internal and external resources. BJ's evaluates our third-party vendors through a third-party risk management assessment process to ensure cybersecurity and data privacy standards are maintained. Third-party vendors are also required to comply with legal and regulatory requirements related to data privacy and information security.

Additional details that explain how we collect, protect, use and disclose personal information can be found on our [Privacy Policy](#) webpage.

BJ's has implemented a security awareness program to educate our team members on safe data security practices. We regularly train and test team members and benchmark their performance against industry metrics. Additionally, we provide specialized training, like secure coding and media handling training, for team members with specific responsibilities related to cybersecurity and data privacy within the company.

Vendor code of conduct

Providing quality, safe and affordable products is an important part of our commitment to our members and their families. We strive to ensure that our vendors and the products they provide us meet or exceed applicable quality, safety and regulatory standards. Additionally, we require vendors to adhere to our [Vendor Code of Conduct](#).

Sustainability Accounting Standards Board index

This index was prepared in accordance with Industry Standards Version 2018-10 issued by the Sustainability Accounting Standards Board (SASB). The disclosures below relate to two sector standards aligned to our mix of businesses: Multi-line and Specialty Retailers Distributors and Food Retailers Distributors. We do not yet disclose all metrics included in the sector standards, but we will continue to evaluate their relevance to our business and we will consider increasing the number of metrics we include in the future.

Topic	SASB accounting metric	Category	Code	BJ's fiscal year 2022 data
Activity metrics	Number of: (1) retail locations (2) supply chain facilities	Quantitative	CG-MR-000.A	(1) 235 retail locations (2) eight distribution centers
	Total area of: (1) retail space (2) supply chain facilities	Quantitative	CG-MR-000.B	(1) 25,077,000 square feet (2) 2,620,000 square feet
Energy management in retail and distribution	(1) total energy consumed (2) percentage grid electricity (3) percentage renewable	Quantitative	CG-MR-130a.1	(1) 4,046,000 gigajoules (2) 100% (3) 0%
Data security	Description of approach to identifying and addressing data security risks	Discussion and analysis	CG-MR-230a.1	Data privacy and security 10-K risk commentary
	(1) number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of customers affected	Quantitative	CG-MR-230a.2	(1) number of data breaches: 0 (2) percentage involving personally identifiable information (PII): 0 (3) number of customers affected: 0
Labor practices	(1) average hourly wage (2) percentage of in-store employees earning minimum wage	Quantitative	CG-MR-310a.1	(1) average hourly wage \$19.15 (2) 0.95% employees earning minimum wage
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	CG-MR-310a.3	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with alleged labor law violations are included in the company's periodic financial filings (i.e., Forms 10-K or 10-Q).

Sustainability Accounting Standards Board index

Topic	SASB accounting metric	Category	Code	BJ's fiscal year 2022 data
Workforce diversity and inclusion	Percentage of gender and racial/ethnic group representation for: (1) management (2) all other employees	Quantitative	CG-MR-330a.1	Team members
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	CG-MR-330a.2	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with alleged employment discrimination are in the company's periodic financial filings (i.e., Forms 10-K or 10-Q).
Fleet fuel management	Fleet fuel consumed, percentage renewable	Quantitative	FB-FR-110a.1	3,213,691 gallons, 0% renewable
Air emissions from refrigeration	Gross global scope 1 emissions from refrigerants	Quantitative	FB-FR-110b.1	98,049 mtCO ₂ e
Food safety	(1) number of recalls (2) number of units recalled (3) percentage of units recalled that are private label products	Quantitative	FB-FR-250a.2	(1) 14 recalls (2) we do not track the number of units recalled (3) one recall was private label
Product health and nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and analysis	FB-FR-260a.1	10-K
Labor practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	FB-FR-310a.2	None of our active workforce is covered under collective bargaining agreements.
Management of environmental and social impacts in the supply chain	Percentage of revenue from: (1) eggs that originated from a cage-free environment (2) pork produced without the use of gestation crates	Quantitative	FB-FR-430a.2	(1) 41.3% of revenue from shell eggs came from hens that were cage-free (2) not available; we endeavor to disclose this information in the future