



2023 Sustainability and Governance Report

Living our purpose





Taking care of
the families who
depend on us.

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About this report

Scope

This report, BJ's 2023 Sustainability and Governance Report, reflects activities, goals and initiatives in our fiscal year (fiscal year or FY) 2023 (January 29, 2023 – February 3, 2024), except as otherwise noted.

All quantitative goals and company data, unless otherwise stated, reflect FY2023. Unless noted, goals and other data in the report reflect BJ's Wholesale Club Holdings, Inc. (BJ's or BJ's Wholesale Club).

Report structure

This report is intended for a broad range of stakeholders, including but not limited to, our team members, members, suppliers, community partners and investors. Our reporting is guided by widely used voluntary reporting frameworks, including the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures. Figures in this report and their accompanying footnotes have been rounded to the nearest whole number.

Forward-looking statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this 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,” “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. The most important factors that could cause our actual results to differ from our forward-looking statements are set forth in and discussed under the caption “Risk Factors” in our Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) on March 18, 2024, which is accessible on the SEC’s website at www.sec.gov. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this report. These forward-looking statements are based on management’s current expectations and represent management’s estimates as of the date of this report. While we may elect to update such forward-looking statements at some point in the future, unless required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. Thus, one should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this report.

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. Information disclosed by BJ's in its sustainability and governance reporting does not indicate that the subject or information is material to BJ's business or operating results for purposes of U.S. securities laws and regulations.

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



A message from our chairman and chief executive officer

To our stakeholders:

I am excited to share with you our sustainability and governance report, which outlines our ongoing commitment to sustainable, responsible and ethical business practices.

At BJ's, we understand the impact our actions have on the communities we operate in. With this in mind, we officially launched our company purpose statement this year: "We take care of the families who depend on us."

This purpose statement was created by our team members and encapsulates our unwavering dedication to our members, communities we serve and each other. It reflects our deep-seated belief that business success is measured not only by financial performance but also by the positive difference we make in people's lives.

As we strive to fulfill this purpose, we are guided by three core principles:

1. **Member-centricity:** Members are at the heart of everything we do. We are committed to providing our members with products and services of the highest quality and value, designed to meet their needs and exceed their expectations.

2. **Team member well-being:** Our over 32,000 team members are our most valuable asset. We are committed to creating a supportive and inclusive work environment where every individual feels valued, respected and empowered to reach their full potential.
3. **Community engagement:** We recognize that our success is intertwined with the well-being of the communities in which we operate. As we rapidly expand into new markets, we remain dedicated to actively contributing to the communities we serve through our Feeding Communities program as well as other partnerships, grants and donations.

Our purpose statement serves as a guide as we navigate the complexities of today's business landscape. It will inform our decision-making processes, drive innovation and inspire us to continuously raise the bar for excellence in delivering value to our members.

We began reporting progress on our sustainability initiatives in fiscal year 2022, and our inaugural report included our scope 1 and 2 greenhouse gas emissions. We are furthering our work to report transparently; included within this fiscal

year 2023 report is our first scope 3 emissions disclosure and response to the CDP's climate change questionnaire, which aligns with the Task Force on Climate-related Financial Disclosures recommendations.

I invite you to explore our sustainability and governance report to learn more about our sustainability initiatives and the progress we have made toward achieving our purpose. Thank you for your continued support and partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Eddy".

Bob Eddy
Chairman and Chief Executive Officer

About BJ's Wholesale Club

About us

BJ's Wholesale Club is a leading warehouse club operator concentrated primarily on the eastern half of the United States. We deliver significant value to our members, offering up to 25% savings on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. The company provides a wide assortment of fresh foods, produce, a full-service deli, fresh bakery, household essentials and gas. In addition, BJ's offers the latest technology, home decor, small appliances, apparel, seasonal items and more to deliver unbeatable value to smart-saving families.

Since pioneering the warehouse club model in New England in 1984, we have grown our footprint to 243 large-format, high-volume warehouse clubs and 174 gas stations spanning 20 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 app. Our app allows members to use our buy-online-pickup-in-club service, curbside delivery, same-day home delivery or traditional ship-to-home service. We also offer same-day select, which offers BJ's members the ability to pay a one-time fee for either unlimited or twelve same-day grocery deliveries over a one-year period.

1 Total team members include full-time and part-time employees.



BJ's fiscal year 2023 at a glance

243

clubs

7M+

members

32,000+

team members¹

\$19.5B

in net sales

8

distribution centers

25%

up to 25% savings

Sustainability and governance at BJ's

Sustainability approach

There is strong alignment between BJ's purpose and sustainability. Our purpose is all about taking care of the families who depend on us, which is the same approach we take with sustainability. Our sustainability strategy allows us to make investments that are fiscally responsible while driving environmental improvements, team member benefits, value to our communities and strong governance practices. We celebrate our efforts that have led us here, and we're focused on advancing our priorities.

There is distinct alignment between our sustainability goals, members' interests and our commitment to delivering long-term value in the following ways: aligning our sustainability strategy and product offerings to support members' sustainability priorities; maintaining an inclusive, diverse and innovative workplace; and supporting local communities.

We are committed to integrating sustainability throughout BJ's products, operations and offerings to further our purpose, 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 sustainability ambitions.

Sustainability and governance highlights

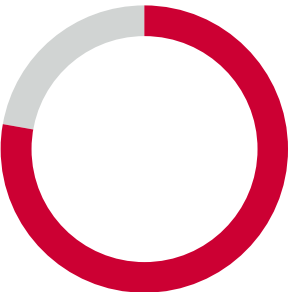
30%

women on the board of directors



78%

inclusion index score on annual engagement survey



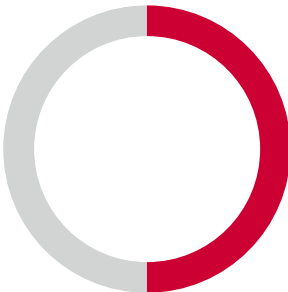
65%

club managers promoted from within



50%

food loss and waste reduction commitment by 2030



Materiality and stakeholder engagement

Prioritizing sustainability 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 a sustainability and governance perspective. This exercise was informed by relevant sustainability standards, industry megatrends 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 are developing a strategy that defines how we expand our existing programs and develop new ones.

Material sustainability and governance 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 - Inclusion and diversity
Governance	- Corporate governance and ethics - Climate strategy - Data security and privacy

Stakeholder engagement

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

Key stakeholders	How we engage
Shareholders	- Communications through our investor relations team and management team members via conference calls, visits to our corporate headquarters, club tours, non-deal roadshows and investor conferences - Group calls and meetings, such as quarterly earnings calls and annual shareholder meeting - Annual outreach calls with our largest shareholders - Inaugural investor day hosted in fiscal year 2023

People and community

Our purpose is taking care of the families who depend on us. We collaborate with our team members, community organizations and supply chain partners to promote sourcing and develop diverse and inclusive workplaces that serve our communities.

\$1.4M

donated through BJ's Charitable Foundation

11.8M

meals provided through BJ's Feeding Communities program

\$25.25

average hourly wage, including benefits

3,000+

team members promoted



Members

As a membership company, we operate for the benefit of our members. This drives and informs everything we do to serve them and deliver 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. The surveys help us understand our members' priorities when 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, including in-club at one of our 243 locations, online at [bjs.com](https://www.bjs.com), and through the BJ's mobile application. Members may choose free curbside pickup, same-day delivery or ship-to-home.

Additionally, BJ's accepts SNAP EBT payments in-club, online at [bjs.com](https://www.bjs.com), and through the BJ's mobile application, further expanding our offerings to a broader member base.

Own brands overview

BJ's mission is to enrich the lives of our members by providing them with the products, value and experiences they deserve. BJ's own brands, Berkley Jensen® and Wellsley Farms®, embody the principles of our mission by providing our members with quality that is comparable to national brands at big savings. BJ's Berkley Jensen and Wellsley Farms brands comprised approximately 26% of our total net sales, excluding gasoline, in fiscal year 2023.

Own brands compliance

Suppliers of BJ's own brand products must ensure products are produced ethically and in accordance with all applicable laws and social compliance standards. Own brand supplier factories and facilities outside the United States and Canada must pass a valid third-party social compliance audit meant to identify unethical labor practices including, but not limited to, forced labor, child labor, discrimination, unfair disciplinary practices, unfair wages, unreasonable work hours and unsafe and unhealthy workplaces. Issues identified in the audits are addressed by BJ's with a discussion of the issue with the supplier, an opportunity for the supplier to remediate minor issues and an assessment by BJ's of the effectiveness of the response and/or remediation. Substantiated findings of issues may result in consequences to the factory and/or supplier, up to and including termination of business.

Own brands quality and safety

BJ's is committed to providing our members with high-quality, safe and affordable products. BJ's own brand products undergo a rigorous stage-gate product development process to ensure they meet our high standards for product quality, safety and regulatory compliance. In our food and sundries business, BJ's employs a scientific, risk-based, preventative program to qualify vendors, develop products and monitor/maintain product quality throughout the product lifecycle. For own brand products in our general merchandise product categories, BJ's evaluates the capabilities and competencies of our vendors' quality management systems, while also deploying a risk-based multistage third-party product testing program.

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. While 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](https://www.bjs.com). In fiscal year 2023, the BJ's team managed a total of 12 product recalls, one of which was for an own brand item.

Community engagement

BJ's Charitable Foundation and corporate giving

Established in 2004, the BJ's Charitable Foundation helps families meet essential needs in the communities where BJ's members and team members live and work. Through partnerships with local and national organizations, the BJ's Charitable Foundation focuses its giving in three main pillars: hunger relief, education, and health and wellness. In fiscal year 2023, BJ's Charitable Foundation provided over \$1.4 million in grants to help families thrive.

At the corporate level, BJ's supports charitable organizations through sponsorships and donations of in-kind product and gift cards. In fiscal year 2023, BJ's corporate donated over \$240 thousand to our local communities.

BJ's Feeding Communities program

In partnership with Feeding America, our clubs and distribution centers donate unsold fresh produce, meat, poultry, seafood, dairy and bakery products to nourish families and reduce food waste. In fiscal year 2023, we donated more than 14.2 million pounds of food to Feeding America member food banks across our footprint through the Feeding Communities program. That's more than 11.8 million meals² for families in need.

Our partnership with Feeding America enables food banks to identify and work toward ending hunger in our member communities.

Aisle Help fund

The BJ's team member assistance program, Aisle Help, supports team members experiencing significant financial hardship as a result of a natural disaster, family emergency or other unexpected event. Funding for Aisle Help comes directly from our team members. During fiscal year 2023, Aisle Help awarded more than \$226 thousand to team members in need.

In fiscal year 2023, BJ's expanded Aisle Help to help team members and their families in areas facing humanitarian crisis. The expanded benefit covers areas threatened by military conflict, large-scale natural disaster or other unrest resulting in a humanitarian emergency.

Community engagement

BJ's empowers its team members to make a positive impact through volunteerism and fundraising for local charities. In fiscal year 2023, club teams across our footprint engaged in Feeding America's Hunger Action Month campaign by running food drives with BJ's members and volunteering at partner food banks. Additionally, hundreds of team members raised over \$94 thousand for Boston Children's Hospital to support the health and well-being of children and their families.

Supporting our communities: charitable and team member support

	FY2023	FY2022
Amount donated through the BJ's Feeding Communities program	14.2M pounds	12.9M pounds
BJ's Charitable Foundation	\$1.4M	\$1.4M
Corporate giving	\$240k	\$250k
Aisle Help: team member relief fund	\$226k	\$272k



Team members participating in the Boston Children's Hospital corporate cup.

2 According to the U.S. Department of Agriculture, 1.2 pounds of food is equivalent to one meal.

Team members

BJ's team members are at the center of how we deliver value to our members. Guided by our purpose, we take care of the families who depend on us and we offer our team members a competitive pay and benefits package, as well as opportunities to grow and develop in a culture that promotes belonging.

In return, our team members bring our purpose to life across our retail, supply chain and corporate functions. We aim to foster a team member-first culture and measure performance and progress across key metrics, including hiring, training, promotions, retention, diversity and team member engagement.

Human capital management

Since pioneering the warehouse club model in New England in 1984, we have taken pride in bringing teams together with a common goal to fulfill our purpose—taking care of the families who depend on us.

BJ's chief human resources officer leads our efforts to support personal and company success through advancing our human capital management strategy. Human resources professionals are in place across our business, club, field and distribution center divisions, all working toward a rewarding team member experience that reflects our commitment to delivering value.

A dedicated people analytics team within the human resources function is responsible for analyzing and reporting key information about our workforce, including demographics, hiring, training and advancement, engagement and turnover. The compensation committee of the board of directors oversees progress on human capital management topics. BJ's publicly discloses our [EEO-1 reporting](#).



Workforce overview

Workforce data represents approximately 32,000³ team members and is based on team member self-identification.

Global team member representation by gender, race and ethnicity

		Gender		Ethnicity								
		Men	Women	People of color	White	Hispanic or Latino	Black or African American	Asian	American Indian/Alaska Native	Native Hawaiian or Other Pacific Islander	Two or more races	Other/do not wish to disclose
FY2023	Total workforce	57%	43%	53%	44%	24%	22%	4%	<1%	<1%	2%	4%
FY2022		56%	44%	52%	44%	22%	23%	4%	<1%	<1%	2%	4%
FY2023	Managers ⁴	58%	42%	37%	60%	18%	13%	4%	<1%	<1%	2%	3%
FY2022		57%	43%	37%	60%	18%	13%	3%	<1%	<1%	2%	3%
FY2023	Leadership ⁵	69%	31%	8%	92%	0%	4%	4%	0%	0%	0%	0%
FY2022		68%	32%	0%	100%	0%	0%	0%	0%	0%	0%	0%

Global team member promotions

	FY2023	FY2022
Number of team members promoted to jobs of greater responsibility	>3,000	>2,700
Percentage of promotions earned by women	43%	41%
Percentage of promotions earned by people of color	54%	52%
Percentage of club managers promoted from within	65%	72%
Percentage of club managers that began as BJ's hourly team members	41%	46%

3 32,000 represents full-time and part-time team members, as reported in our EEO-1 data.

4 Managers metrics include being a people manager.

5 Leadership metrics include chief executive officer, executive vice presidents and senior vice presidents.

Talent attraction and recruitment

Our approach to hiring focuses on continually 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 has been working to provide employment opportunities, especially 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 2023, the intern class was made up of team members from 30 colleges. 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 and are supported by a mentor throughout the 12-week program. At the conclusion of the fiscal year 2023 internship program, we hired 18 interns as full-time team members.

Diverse candidate slates

We aim to attract diverse leaders, whom we can then develop and advance to increasing levels of responsibility. In fiscal year 2023, we introduced diverse-candidate slate guidelines for open director and above positions.



Team members being recognized at a new club opening.

Team member training and onboarding

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

- **Club support center:** New team members are welcomed to the club support center with a hybrid orientation program that includes both fully remote and on-site team members. Following initial onboarding, new team members are invited to attend weekly, 60-minute World Class Welcome sessions that introduce 16 departments across BJ's business units.
- **Club:** Our award-winning mobile learning platform enables new-hire learning curricula mapped for 65 club roles and including 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 fiscal year 2023, deeper training was launched in key member-facing areas, including front-end cashier, member desk and fresh departments. This training focused on driving positive behavior change for our team members in these key areas.
- **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 fiscal year 2023, we introduced additional QR-accessible training to support the use of new warehouse management technology in these locations.
- **Recognition:** In fiscal year 2023, 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 its work in building training certification programs.

Team member development programs

BJ's is committed to providing career growth and professional development opportunities to all team members. Development planning helps team members 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 team members gain new skills, exposure and experiences to grow their careers.

Our high-potential leadership pipeline development program is geared toward helping club managers, assistant club managers, distribution center leaders and females 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 roles.



Team member engagement

BJ's conducts an annual engagement survey, which assesses team member sentiments concerning 19 categories, including team member empowerment, sense of belonging, knowledge and skills development and positive leadership. In fiscal year 2023, 89% of our team members participated and our overall score was 77%. Feedback from the survey is used to guide us in efforts to enhance our team member experience.

Team member engagement survey results

	FY2023	FY2022
Overall engagement score	77%	73%
Participation rate	89%	79%
Inclusion index	78%	75%

Inclusion and diversity

We have 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 actions and initiatives to advance the company's inclusion and diversity priorities. The council's core objectives are to amplify our diverse team, members and communities, and to cultivate an inclusive culture where all team members are valued and can develop to their full potential.

Team member resource groups

Our team member resource groups are team member-organized groups designed to offer team members a platform for experience sharing, educational opportunities and cross-department relationships. Our team member resource groups unite individuals across the organization with shared interests or backgrounds.

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 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 2023, BJ's introduced a new set of affordable medical plans with meaningful choice, giving options for families and their varying healthcare needs. We also introduced a new nonqualified deferred compensation retirement program to a group of our executives, providing them an additional vehicle for future retirement savings. We continue to invest in higher pay for our team members, which has increased our average hourly wage to \$20.25 as of the end of fiscal year 2023.

	FY2023	FY2022
Average hourly wage ⁶	\$20.25	\$19.00
Average total hourly compensation ⁷	\$25.25	\$23.75

6 Calculations of average hourly wage follow the SASB calculation standard for in-store and distribution center employees, which excludes overtime and other cash bonuses.
7 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.



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 teams, and conforms to, or exceeds, the best technologies and practices in our industry. The program's success is built upon an unwavering commitment to 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 which includes expedient systems and processes to handle product liability or recalls, should they occur. Team members are trained on safety policies specific to the job they will perform. Training is conducted during onboarding and at least annually thereafter. Nearly all club and distribution center team members have completed safety basics training.

In fiscal year 2023, the asset protection and safety teams participated in a three-day Preventive Controls Qualified Individual certification course. Team members were trained on food safety controls for processing, packing and holding of food products within our clubs and distribution centers. This training further strengthens both our safety team and the food safety measures we provide to members on a daily basis.

The 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. 68 clubs received the NSC Perfect Record Award in calendar year 2023. Additionally, BJ's received the NSC's Corporate Culture of Safety Award which recognizes organizations who have played a significant role in helping to make U.S. communities and workplaces safer, as well as more than 50 awards through the NSC awards program within the same year.



Responsible sourcing

We continue to elevate our responsible sourcing standards and programs to reflect the rising expectations of BJ's stakeholders—including members, team members and 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—including 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 proteins 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 proteins and animal products. As a large-volume buyer of proteins and animal products, we understand our responsibility and the importance of working to ensure animals are treated humanely.

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 2023, 44% of egg units sold were cage-free. We continued to face sourcing challenges 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. In order to make progress on our cage-free egg goal, in fiscal year 2024 we plan to convert additional SKUs to cage-free SKUs and expect this conversion to have a meaningful impact on the overall percentage of cage-free eggs sold.

Cage-free egg results

	FY2023	FY2022
Percentage of revenue from eggs that originated from a cage-free environment	45%	41%
Percentage of eggs sold that were cage-free (units)	44%	49%



Climate

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 further reduce our environmental footprint by measuring our footprint and focusing our efforts on energy conservation, recycling and waste reduction.



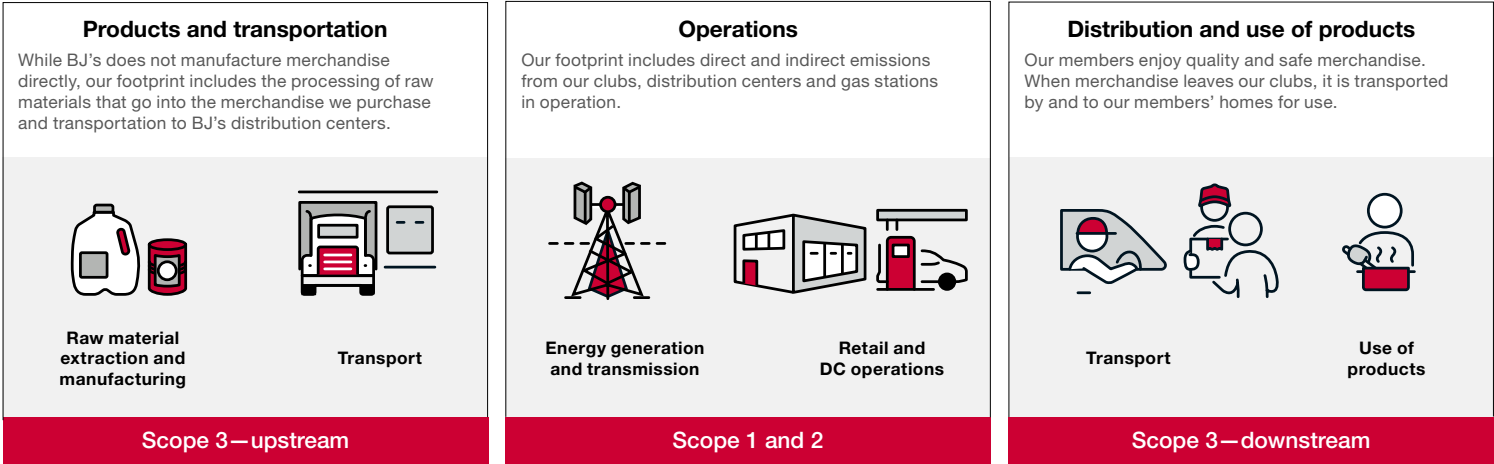
Emissions disclosure

Emissions disclosure

BJ's greenhouse gas (GHG) emissions for fiscal year 2023 are summarized below, with more details provided within our CDP climate response: forthcoming. BJ's uses the GHG Protocol methodology to calculate our emissions. 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.

GHG emissions throughout our value chain

As a retail company, BJ's has direct GHG emissions from our operations (scope 1) as well as indirect emissions from the use of electricity (scope 2). We also have indirect emissions across our value chain from our supply chain and use of our products (scope 3).



Climate risk

In fiscal year 2023, we conducted our first in-depth climate-risk assessment aligned to Task Force on Climate-related Financial Disclosures recommendations, the leading framework used by organizations to assess and disclose climate-related risks and opportunities.

Our assessment explored both physical and transitional risks and their potential impacts to the business, including club and distribution centers, as well as legal, policy, market, reputational and technology-related risks. This work included a definition of two climate scenarios informed by the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways for physical risks and the International Energy Agency 2021 World Energy Outlook scenarios for transition risks. We analyzed risks and opportunities over the short, medium and long term. The time horizons selected were informed by the International Energy Agency analysis. We identified these risks based on research, peer benchmarking and workshops with stakeholders across the organization, as well as a third-party climate consultant. We plan to continue to update this assessment and mature our approach over time. We are developing a company-wide strategy to transition to a low-carbon economy aligned with our business priorities, which will include specific climate metrics and targets. More information on BJ's work on climate risk is provided in the [Appendices](#) of this report and our latest CDP climate response: The CDP portal is currently experiencing technical issues. Links to BJ's CDP disclosure will be provided as soon as the technical issues are resolved.



Sustainable operations

Energy savings and efficiency

As part of operational excellence, and our commitment to continuous improvement, we focus on projects that are designed to drive efficiency. Saving energy and reducing emissions can also help us decrease operating costs and offset up-front investment costs. For example, we've adopted building management systems to optimize energy usage in new and existing clubs and all clubs employ smart technology for refrigeration, lighting, and heating, ventilation and air conditioning energy management. This technology allows us to substantially reduce our energy consumption.

In fiscal year 2023, we continued to replace and upgrade equipment and fixtures within our clubs. We conducted replacement and retrofit upgrades, including converting internal high bay, parking lot and exterior building lighting to LED lights, upgrading heating, ventilation and air conditioning rooftop units, upgrading compressor systems and upgrading and replacing refrigeration condensers and cases.

BJ's has 51 clubs and distribution centers with solar arrays, either owned or covered by on-site power purchase agreements, which generated approximately 33 million kWh in fiscal year 2023.

As part of the U.S. Environmental Protection Agency's (EPA) GreenChill Program, we track and monitor 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.

Fleet management

In our supply chain, we continue to refresh our truck fleet and refrigerated trailers, replacing them with more fuel-efficient models. Within our fleet, trucks have an average lifespan of five years and refrigerated trailers have an average lifespan of ten years. We invest in truck improvements, reduce truck miles and emissions through dynamic route optimization, track speed limits and review truck idle time with the fleet management team.



Waste and material recovery

Food waste

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 fiscal year 2023, we established our food waste footprint and baseline year referencing the World Resources Institute Food Loss and Waste Protocol. We can now measure, track and address our food waste categories that are most waste intensive.

We partner with Feeding America–affiliated food banks across our communities to direct safe, surplus food to individuals and families in need. In fiscal year 2023, we donated over 14.2 million pounds of food to partner food banks.

Food loss and waste baseline

% of waste generated



Fiscal year 2023 baseline

Operational waste and recycling

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, tires, fat and bone, single stream, organics, grease, car batteries, plastic, wheel weights, electronics, motor oil, ink cartridges, batteries and light bulbs.

Recycling management by material stream (tons)¹⁰

	FY2023	FY2022
Cardboard recycling	7,800	7,200
Tires	6,500	–
Fat and bone	1,700	1,600
Single-stream recycling	1,500	1,300
Organics	500	500
Grease	600	400
Car batteries	350	–
Plastic	100	–
Wheel weights	65	60
Electronics	30	30
Motor oil	5	5
Ink cartridges	5	5
Batteries	1	5
Light bulbs	~1	~1

¹⁰ FY2022 cardboard recycling total has been restated following a waste audit. Tires, car batteries and plastic represent net new recycling categories previously unreported.

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 sustainability and governance progress demonstrates our commitment to transparency and continuous improvement.

30%

board gender
diversity

30%

board ethnic
diversity

80%

board
independence

28%

of shareholders engaged
on sustainability and
governance issues



Board of directors

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



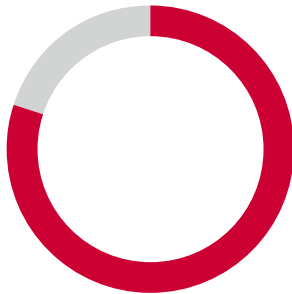
30%

ethnic diversity



80%

independent



59

average age

4.6

average tenured years

Sustainability governance

Sustainability leadership at BJ's begins with our board and executive leadership team. The audit committee oversees the company's sustainability and governance strategy and reporting. Our general counsel and chief financial officer co-chair the sustainability and governance steering committee, which reports to our board regarding our sustainability efforts and sustainability-related risks at least four times annually.

Our sustainability and governance steering committee is responsible for the development and deployment of the company's enterprise sustainability and governance 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 2023, we engaged with stewardship and investment teams representing approximately 28% of our outstanding shares to discuss sustainability and governance topics. Discussions with investors centered around the company's progress on increasing transparency and enhancing its sustainability and governance disclosures.

Sustainability program governance



Shareholder engagement

Invited shareholders representing

65%

of shares outstanding



Engaged with shareholders representing approximately

28%

of shares outstanding



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 to 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 review and certify 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 confidentially report any violations of BJ's Code of Business Ethics, the law or any BJ's policies. 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.

In early fiscal year 2024, BJ's launched additional ethics and integrity governance through implementation of an online portal where all salaried team members are required to disclose potential conflicts of interest. Any disclosures will be reviewed by an internal committee comprised of senior legal, internal audit and human resources team members, and appropriate actions will be undertaken if the review reveals an actual or perceived conflict.

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](#).

Cyber risk management and data privacy

At BJ's, we recognize the importance of information security practices designed to protect the confidentiality, integrity and availability of company information and the personal information that our members share with us. We have implemented a cybersecurity program in accordance with our risk profile and business that is informed by recognized industry standards and frameworks, and incorporates elements of the same, including elements of the National Institute of Standards and Technology Cybersecurity Framework, International Organization for Standardization 27001 and Payment Card Industry Data Security Standard.

Our cybersecurity risk assessment program includes a number of components, including information security program assessments, audits and maturity assessments, that are conducted periodically by both internal and external resources. Our internal audit function also conducts regular assessments of different systems to provide the audit committee with information on our cybersecurity risk management processes.

As part of our cybersecurity risk management program, we take a risk-based approach to the evaluation of third-party vendors, and apply mitigations and processes based on our evaluation of the sensitivity of the data accessed by the vendor and the maturity of the vendor's programs. Our vendor evaluation procedures include, as appropriate, the completion of a vendor security questionnaire and our implementation of vendor monitoring programs. For additional details about our cybersecurity risk management program, refer to

our [10-K](#). 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 within the company.

Cybersecurity risk governance

Our chief information officer is responsible for the strategic leadership and direction of BJ's information technology organization. Our chief information officer and vice president of information technology, security and compliance regularly report to senior management and the board on the governance aspects of our data security program. Our chief information officer and vice president of information technology, security and compliance are also members of our information security steering committee, which is comprised of executives throughout the company who oversee areas such as finance, operations, legal, human resources, strategy and development, digital and commercial. This committee meets regularly to discuss, as relevant, oversight of the BJ's cybersecurity program, program enhancements and new risks or threats that the company might be facing.

The board of directors has overall responsibility for risk oversight, including, as part of regular board meetings, general oversight of executives' management of risks relevant to the company. For additional information on our cybersecurity risk governance, refer to our [10-K](#).

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](#).

Appendices



SASB: Sustainability Accounting Standards Board Index

This index was prepared in accordance with Industry Standards Version 2018-10 issued by the Sustainability Accounting Standards Board. 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	FY2023
Activity metrics	Number of: (1) retail locations (2) supply chain facilities	Quantitative	CG-MR-000.A	(1) 243 retail locations (2) eight distribution centers
	Total area of: (1) retail space (2) supply chain facilities	Quantitative	CG-MR-000.B	(1) 26,210,000 square feet (2) 2,749,000 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) total energy consumed: ~3,300,000 gigajoules (2) percentage grid electricity: 95% (3) percentage renewable: <1%
Data security	Description of approach to identifying and addressing data security risks	Discussion and analysis	CG-MR-230a.1	Data privacy and security overview
	(1) number of data breaches (2) percentage involving personally identifiable information (3) number of customers affected	Quantitative	CG-MR-230a.2	(1) number of data breaches: 0 (2) percentage involving personally identifiable information: 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: \$20.25 (2) <1% of 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)

Topic	SASB accounting metric	Category	Code	FY2023
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 overview
	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 included 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	3,100,000 gallons, 0% renewable
Air emissions from refrigeration	Gross global scope 1 emissions from refrigerants	Quantitative	FB-FR-110b.1	Gross global scope 1 emissions from refrigerants: 54%
	Average refrigerant emissions rate	Quantitative	FB-FR-110b.3	The average leak rate for all commercial refrigeration and HVAC systems for BJ's was 12.1%
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) 12 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) 45% of revenue from shell eggs came from hens that were cage-free (2) 6% of revenue from pork that was produced without use of gestation crates compliant with MA 940 CMR 36.00 Regulations Implementing the Act to Prevent Cruelty to Farm Animals laws

TCFD index: Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures provides a framework of recommended disclosures for corporate reporting on climate-related risks and opportunities, categorized by governance, strategy, risk management and metrics and targets. This TCFD index references BJ's reporting against the voluntary guidelines, based on TCFD's 2021 implementation guidance.

Recommended disclosures

Topic	Disclosure focus area	Disclosure	BJ's response
Governance	Disclose the organization's governance around climate-related risks and opportunities	a) describe the board's oversight of climate-related risks and opportunities	CDP disclosure ¹²
		b) describe management's role in assessing and managing climate-related risks and opportunities	CDP disclosure ¹²
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material ¹¹	a) describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	CDP disclosure ¹²
		b) describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	CDP disclosure ¹²
		c) describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	CDP disclosure ¹²
Risk management	Disclose how the organization identifies, assesses and manages climate-related risks	a) describe the organization's processes for identifying and assessing climate-related risks	CDP disclosure ¹²
		b) describe the organization's processes for managing climate-related risks	CDP disclosure ¹²
		c) describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	CDP disclosure ¹²
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material ¹¹	a) disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	CDP disclosure ¹²
		b) disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions, and the related risks	CDP disclosure ¹²
		c) describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	CDP disclosure ¹²

11 Information disclosed by BJ's in its sustainability and governance reporting does not indicate that the subject or information is material to BJ's business or operating results for purposes of U.S. securities laws and regulations.

12 The CDP portal is currently experiencing technical issues. Links to BJ's CDP disclosure will be provided as soon as the technical issues are resolved.



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