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Meaningful and long lasting impact



Thank you for picking up a copy of our 2014 Corporate Social Responsibility (CSR) Report.

Throughout these pages you will find that BJ's is doing many things to help improve our communities and the planet.

While working on our second annual CSR Report, we noticed two things—one, it was rewarding to see everything we have accomplished this past year; and two, we realized there was so much more we can do. I am impressed by the progress we have made, and I am certain it is the right thing to do for our Members, our Communities, and our World.

At BJ's we are committed to conducting ourselves and running our business in a manner that is true to our Core Values of Team, Community, Respect and Integrity. Our values are found in everything we do, and we ask our suppliers and business partners to follow our lead. I am sure you will notice these themes as you make your way through this report.

Did you know that one in seven people go hungry every day? Yes, this is true which is why I am particularly proud of our Feeding Communities program. At BJ's, we like to say, "What isn't sold, is shared." Each day, our unsold meat, produce, dairy, and bakery items are sent to local food banks. In 2014, we donated more than 9.8 million meals. To date, through our Feeding Communities program, we have donated more than 30 million pounds of food. We also joined two national programs, the Environmental Protection Agency's (EPA) Food Recovery Challenge and the U.S. Department of Agriculture's (USDA) Food Waste Challenge. Our participation in these programs brings us additional resources to further our efforts to help eliminate hunger.

We feel it is equally important to feed the minds of our children. Supporting education has been one of our priorities for nearly 20 years. BJ's Adopt-A-School program and our recent partnership with DonorsChoose.org profoundly impact thousands of classrooms. Our support comes in the form of donations for academic programs, school supplies, drives, and backpack programs providing children with nutritious food on weekends and during school-breaks. Our Clubs also hold special events designed to benefit both students and their teachers. We strive to play a meaningful role in education improvements across our communities.

In 2014, we continued our focus on one of the global food supply threats. Over 50% of the world's food supply is affected by the honey bee population. Neonicotinoids are chemicals found in certain pesticides that are harmful to the bee population. We removed these products from our shelves and are committed to working with our plant and garden vendors to ensure that the products we offer are neonicotinoid-free.

BJ's also became the first wholesale club committed to selling, "No Dirty Gold." Our pledge sets clear criteria to improve metal mining practices around the world impacting human rights and the environment. This means the metals used for our jewelry selection are responsibly sourced.

Our commitment to social responsibility is an important part of our BJ's "Membership Gives You More" promise. We recognize that growing a sustainable business is a continuous effort and we will regularly share highlights while seeking new ways to provide meaningful and long lasting impact. We hope that as you read this report and shop any of our 211 Clubs and Bjs.com, you will be inspired to provide feedback on how we can continue to make a real difference in the world.

Laura Sen

President and CEO, BJ's Wholesale Club



TEAM

We are committed to improving the lives of all of our Team Members by enriching their experiences at BJ's, providing opportunities for growth and development, and supporting their passions.









Team Members—our most valuable asset

VISION:



We believe that investing in the health and careers of Team Members is the best way to give our company the solid foundation we need to succeed for years to come.

In 2014 we kept our Team Members fiscally and physically fit.

- We provided \$0.50 on every dollar contributed to the 401(k) plan, up to 6%.
- Team Members were encouraged and incentivized to pursue their career goals through the Tuition Reimbursement program. BJ's reimbursed \$116,326 to 143 Team Members who passed their courses.
- We provided 100% coverage for all preventative health care services.
- We **subsidized 70% of the cost**of the medical plan to Team Members.
- 69% of eligible Team Members enrolled in the medical plan.
- We **provided up to \$500**for all Team Members and family
 members on a Health Reimbursement Account
 who spoke to a health coach, got an annual physical
 exam, and/or updated their Personal Health Assessment.
- **2,135 Team Members** engaged in a lifestyle coaching program.
- 45 Clubs participated in either a walking program, sports team, or weight loss challenge.
- Through Cigna's Quit Today program for Team Members who are trying to quit smoking, **230 Team Members** took the first steps to go tobacco-free.
- BJ's was once again **awarded a Gold Rating**from the *American Heart Association* as a Fit Friendly Workplace.
 Gold level is achieved by offering employees physical activity support, increasing healthy eating options at work, and promoting a wellness culture.





"The landscape of benefits has changed dramatically over the last 30 years. More than anything, the focus on Wellness has brought about the most positive changes to health care programs in years. Watching Team Members improve their eating habits, quit smoking, or begin a fitness program is extremely satisfying. I am encouraged when I hear success stories from our Team Members. We are making a difference in Team Members' lives—to be functionally fit is to live life fully!"

Christine Durkee
Vice President of Human Resources
Operations



American Heart Associati









Our number one goal—safety for all

VISION:





"At BJ's safety is everyone's responsibility. We are proud to maintain an open door policy where Team Members are welcomed to report any safety concerns knowing that club management will promptly correct any unsafe conditions."

Bill Peters Assistant Vice President of Safety and Regulatory Compliance We strive to create a safe operating environment in all of our Clubs, Distribution Centers, and in the Home Office to ensure the safety of all our Team Members and community Members. Our commitment extends beyond regulatory requirements. By being proactive to mitigate risk, we ensure a safe experience from start to finish every time you walk through our doors.

Using feedback from Team Members, Members, and industry standard best practices we continued to make safety our number one priority.

- If and when incidents occurred, our regional field teams investigated the incident, analyzed what went wrong, and worked with the Home Office to put solutions in place to prevent future incidents. Our Regional teams conducted regular safety walks while visiting the field, and a formal safety audit identifying and proactively implementing corrective actions in each Club at least once per year.
- 53 clubs were presented with the National Safety Council Perfect Record Award for 0 accidents.



Our first line of defense whenever an accident occurs is our training.

BJ's trained 2,268 first responders

in Cardio Pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) usage.

Across our chain, we have 2 AEDs in each of our Club's Home Office. In the event of an emergency, we are ready to respond.



With our Asset Protection Spotlight Program we continuously reward and recognize Team Members for their hard work to provide a safe environment for our members and their fellow Team Members. Team Members who are recognized throughout the year are entered to win rewards. In 2014 we distributed 60 gift cards to Team Members who were working safely and whom provided a safe environment for all.











Team Members who Get InVOLved find it rewarding in every way

VISION:



Volunteering helps build strong bonds between our Home Office, our Distribution Centers, our Clubs, and the communities we serve. Our *Get InVOLved Program* actively encourages and rewards Team Member volunteerism by recognizing those who volunteer and by making donations to the organizations they support.

Our Team Members generously gave their time in 2014.

- Over 150 Team Members were nominated by their peers for their volunteer service and commitment to nonprofit partners.
- The selection committee—comprised of Team Members from all levels of the organization throughout the chain—recognized 22 volunteers and **distributed \$22,000** in **grants** to the partner organizations.
- We awarded a Team Member the honor of Volunteer of the Year for the first time, resulting in a \$3,500 grant to the nonprofit he supports.

was recognized with the 2014
"Top MVP" award for his work
with the Messena Basketball
Association where he has
served as a volunteer coach
for the past 8 years.



- ▶ Throughout the year Team Members were encouraged to participate in planned volunteer activities as well as national service days, such as Martin Luther King Jr. Day of Service, National Volunteer Week, and 9/11 Day of Service and Remembrance.
- Over 30% of BJ's **Team Members together donated \$450,460** to partner nonprofits through our Team Member Giving program.

Team Members helping Team Members

VISION:



At BJ's, our Team Members are the heart and soul of our business. Supporting our Team is a core value, so we created BJ's Aisle Help Fund, our very own emergency relief resource.

Team Members provide financial support to fellow Team Members who find themselves unable to cover expenses related to qualified hardships.

Through the generosity of our very own Team Members, BJ's Aisle Help Fund raised over \$270,000 to help one another in times of need.

49 BJ's Team Members received financial assistance to help offset expenses associated with hardships like injury, illness, death, natural disaster, fire, or unforeseen sale/foreclosure of a rented home.

The BJ's Aisle Help committee—comprised of Team Members from all levels of the company—approved over \$89,000 for distribution. Efforts are underway in 2015 to increase grant sizes as well as Team Member access to the application. The remaining \$181,000 raised will continue to support the needs of our most valuable asset—our Team Members.

Aisle Help Fund

Emily Tolman, Club #315 in Torrington, CT

Emily suffered through life with a chronic illness that required a life-changing operation and a long healing process.

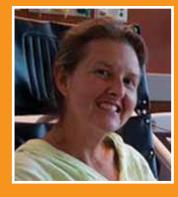
After years of suffering, Emily finally received a diagnosis of Median Arcuate Ligament Syndrome (MALS) and underwent surgery. The surgery, though successful, took longer to heal than most patients due to years of extensive damage. She received disability benefits but it was hard for her keep up with all of the household bills. Emily requested and received help from the *Aisle Help Fund* in the form of two months rent, medical bills, and a gift card for food and household necessities.



Kimberly Berube, Club #216 in Seekonk, MA

Kim was out walking for her daily exercise when she was struck by unsecured materials tumbling off of a passing trailer.

She suffered a broken leg, two blood clots, several pelvic fractures, a fractured wrist, nerve and muscle damage in her left leg, and a severe concussion. The doctors expected Kimberly would be out of work for at least six months, which of course caused her concern for her household bills, mortgage, and how she would buy food. She reached out and received help from the *Aisle Help Fund* for six months of mortgage payments and a gift card for food and household necessities.





COMMUNITY

Our communities are at the heart of everything we do.
We are proud to work tirelessly to improve the lives of all of our Members—from Team Members to Club Members to members of our local and global communities.









Taking pride in taking care of our Members' communities

VISION:





"Our investment in hunger and education programs this year has really paid off. With the distribution of nearly 11 million incremental meals to people in need and the provision of classroom resources to nearly 800 teachers and over 74,000 students, the BJ's Charitable Foundation is touching more lives than we ever expected."

Jessica Newman
Assistant Vice President of Communications & Community Affairs Executive Director,
BJ's Charitable Foundation

Through one of our
DonorsChoose.org-funded
projects, Aimee Galego,
a teacher at Harvard Kent
Elementary School in
Charlestown, MA uses new
iPads to reinforce literacy
with her students.

We support hunger relief, education, and community-based programs in a variety of ways, including grants issued by *BJ's Charitable Foundation* and ongoing corporate-nonprofit partnerships.

In 2014 we surveyed our Members and discovered they found our education and hunger programs most compelling. With that information, we streamlined our giving and focused much of our efforts on hunger and education programming.



- BJ's Charitable Foundation donated \$1,153,425 to over 240 nonprofit organizations through our quarterly grants program. These grants impacted 3,539,191 clients served by nonprofit partners throughout our footprint.
- Through our annual *BJ's for Pink* campaign, which brings awareness to breast cancer research and early detection programs, *BJ's Charitable Foundation* **donated \$295,000** to the National Breast Cancer Foundation.
- Through our **\$700,000** commitment to *Feeding America*, we made an investment in 30 food banks in honor of BJ's 30th Anniversary. Grants were used by food banks to build the capacity of their agency partners to store and distribute food to people in need.
- In an effort to support teachers, students, and their classrooms, BJ's Charitable Foundation made a \$300,000 commitment to DonorsChoose.org.



Keeping our communities fed by supporting those who help

VISION:



BJ's is committed to helping to end hunger, and donates both food and funds to Feeding America to ensure that healthy food can reach the people who need it most.

To celebrate our 30th anniversary, BJ's Charitable Foundation established a grant program in partnership with Feeding America®. Thirty food banks used the funding to purchase much-needed refrigeration and storage equipment for smaller, local agencies such as food pantries and soup kitchens. This investment helped to increase the partner agency's storage capacity, resulting in more food overall.



What isn't sold, is shared

VISION:

We are committed to helping end hunger. Every day, our Clubs donate unsold produce, milk, eggs, baked goods, meat, poultry, and fish to local Feeding America member Food Banks and their agencies so that wholesome, nutritious food can get to the hungry people in our communities who need it most.



In 2014, we achieved some huge milestones and joined the United States Environmental Protection Agency 's *Food Recovery Challenge* and USDA's *U.S. Food Waste Challenge* programs. These initiatives provided national recognition for our food waste recovery efforts.

Pounds donated:		Meals Provided:	
1,867,047	Bakery	1,555,873	
975,654	Dairy	813,045	
4,308,937	Produce	3,590,781	
4,618,858	Meats	3,849,048	
11,770,496 pounds = 9,808,747 meals provided			

donated since 2011— BJs 30th Anniversary milestone, achieved

588 trash pulls avoided



(1.2 pounds = 1 meal)*









Supporting schools with special funding has made a real difference

VISION:



Helping students get a proper education is important to us. Many classrooms across the country face shortages in funding, which is why we invest in the local public elementary schools.

Through our *Adopt-A-School* program we provided educators with the financial support they needed to enhance their programs and curriculum objectives. Our *Fuel Your Fundraiser* program empowered nonprofits and schools to raise money for their programs by selling discounted memberships.

- During the 2013-2014 school year, we adopted **214 elementary schools** throughout our footprint, and donated **\$127,434** to use at their discretion.
- Since the Adopt-A-School program began in 1996, we have donated over \$1.6 million to thousands of schools across the country.





In 2014, BJ's Fuel Your Fundraiser program donated \$133,725 to participating organizations.









We opened our hearts so kids could open their gifts

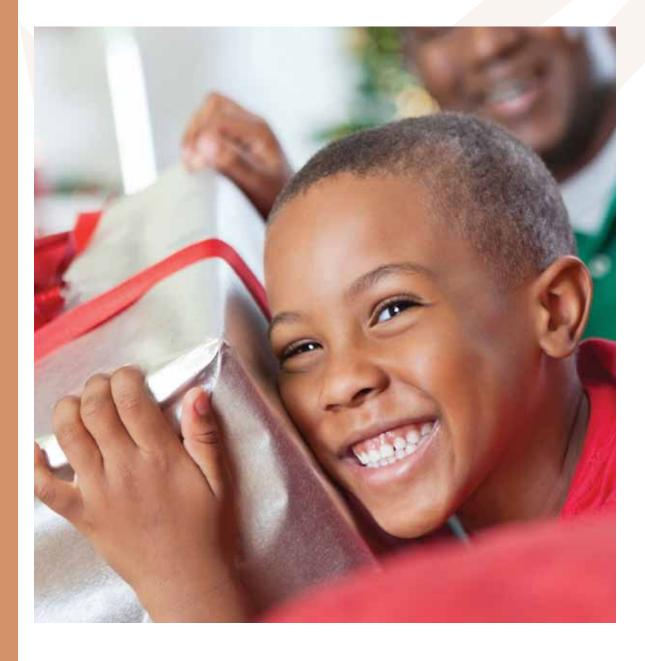
VISION:



Each holiday season we promote a company-wide giving initiative that encourages Team Members and Club Members to give back to the children and families in their communities.

Our Members and Team Members donated over 22,000 toys in 2014.

- During the 2014 Community Kids Toy Drive, through the generosity of our Members and Team Members in our Clubs, Distribution Centers, and Home office, **19,815 toys** were donated to 209 local nonprofit organizations.
- ▶ Through a 2014 partnership with *Toys for Tots*, we also **donated over 2,000 toys** to local programs throughout our footprint.







RESPECT

We respect our environment and work to preserve our resources throughout our business' supply chain and operations.









Energy efficiency in all the right places

VISION:





"Even as we build and open new Clubs—including five just this year-we continue to keep our average per comparable Club energy usage flat across the chain. In fact, we saw a 0.12% decrease this year, which is something to be proud of."

Kevin Moran

Manager of Utility and Energy Services

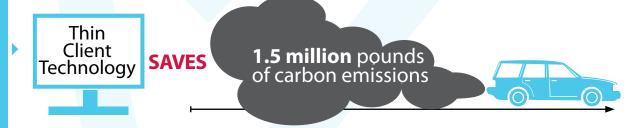
This reduction is equivalent to the emissions of a car driven over 1.2 million miles We are committed to actively seek ways to improve energy efficiency and conserve resources throughout our operation.

We made a measurable reduction in our overall energy consumption and carbon emissions.

- We installed Variable Frequency Drives (VFDs) on condensers in the Perishables Department spaces and on 320 HVAC units in 40 Clubs in order to conserve energy used in the cooling process. These changes resulted in a 20-30% decrease in operating costs.
- All of our Clubs utilize the Danfoss Energy Management System, which controls lighting, climate, and refrigeration, and allows us to get very granular detail, enabling us to ensure optimal performance that can be tailored to specific business needs.

We consistently work to replace outdated equipment with new, energy-efficient products.

- As part of our equipment Life Cycle Management, we **continued to replace HVAC units** in our Clubs. Each Club has 8-12 units, and the replacement of old equipment with newer more efficient products allowed us to conserve energy.
- Our Distribution Center in Burlington, NJ (measuring 630,000 sq. ft.) **completed a re-lamping project** transitioning 9,000 lamps to energy-efficient bulbs. This resulted in a **savings of 90,000 watts**.
- Our three Distribution Centers have a total of 647 dock doors that are used day and night. This year, we began the transition of lights at these doors to LED lights through attrition.
- We replaced PCs with Thin Clients in most Clubs, a longer lasting and more energy efficient choice that minimizes both the electricity usage and toxic computer waste. We saved \$119,000 and realized a carbon emissions reduction of 1.5 million pounds.







VISION:

ROGRESS:

"Speed to market is the key, and it

is the goal of the DC's to receive full

pallet merchandise, process through

the facility and ship to the selling Clubs within a 24-hour period."

Vice President of Logistics Operations

Jeff Parsons







BJ's Supply Chain links people, products, and process to all kinds of savings

From the merchant to the steel, we strive to demonstrate efficient, cross-docking processes while being mindful of fuel use, costs, and greenhouse gas emissions.

We continued to move our products as quickly as possible while purchasing new products that decrease time and fees associated with packing and shipping merchandise.

- We have three distribution centers in Uxbridge, MA, Jacksonville, FL, and Burlington, NJ representing 1,728,000 square feet of space to store and ship our merchandise. We **practice cross-docking** unloading product from an incoming semi-trailer truck and loading these items directly onto outbound trucks and trailers—with little or no storage in between.
- We also work in conjunction with Burris Logistics to operate three Perishable Distribution Centers located in Rocky Hill, CT, Elkton, MD, and Orlando, FL where we have onsite quality control Team Members who inspect all produce for quality and freshness. They sample outbound loads for accuracy, and ensure the grade integrity of the product utilizing first-in, first-out and date coding procedures.

In 2014, new purchases and practices helped reduce costs and environmental emissions:

- We purchased 4 Robo Wrappers and 2 Wrap Machines to safely shrink-wrap palletized product at our three distribution centers. In total, **14 Robo Wrappers and 22 Wrap Machines represent a 10% annual savings**, in both plastic wrap usage and costs.
- We purchased electric security vehicles for each distribution center.
- BJ's **only contracted carriers that are EPA** *SmartWay* **certified** to save fuel, lower costs and reduce adverse environmental impacts.
- By expanding our use of rail instead of truck we reduced the CO2 emissions by 5,589 metric tons.
- We **increased delivery efficiencies** and reduced emissions and fuel by expanding our drop trailer program, increasing backhauls, and reducing empty miles. This improvement **saved 45,000 gallons of diesel fuel.**
- Over 87% of our deliveries were drop and hook reducing the idle time by at least 30 minutes per delivery and saving **30,000 gallons** of fuel annually.



Cross-docking at our distribution centers saves valuable time and storage space.

Improvements we're planning for 2015:

- We plan to partner with EPA to become a SmartWay certified Shipper.
- ▶ We plan to engage with a fueling station, leasing company and trucking companies that are participating in liquefied natural gas (LNG) and compressed natural gas (CNG) offerings, and expect to pilot a program in the next year.









Commitment to our environment so people, plants, and animals can thrive

VISION:



We are proud to maintain the environments that surround our business locations. We actively contribute to the sustainment of plant and animal species in their natural habitats and maintain public recreational spaces to benefit our neighbors.

We worked with many stakeholders in various locations to protect and preserve our natural habitat, and ensure its future longevity.

While constructing one of our newest Clubs in **Brooklyn**, **NY** our team worked closely with the NYC Parks Department to design and implement a public recreational space directly bordering the Club's footprint. We first **conducted a comprehensive waste clean-up** and then **installed a 40 foot esplanade** (constructed of previous and impervious materials) that includes pavers, trees, bike racks, signage, furniture, and site lighting.





Our Club in **Fairfield, CT** is located adjacent to Ash Creek and associated wetlands, on an intertidal waterway that flows into Long Island Sound. As a part of a 5-year enhancement plan, we made huge strides this year:

The public space was completed with the addition of second, permanent, educational poster signs. The signs and recreational space installed at the Creek serve to provide value to public use and educate neighbors about the Ash Creek tidal area, its habitat, and wildlife.

Over 100 deadened invasive plant species were removed from the wetlands and recycled in order to allow native plants to flourish. Some deadened brush areas were left in order to provide snags for wildlife shelter.

- In 2014, **142,857 trees were planted** through BJ's support of the Arbor Day Foundation, which included:
 - **1.** Establishing a diverse new forest on compacted soils that were previously mined and stripped of natural resources.
 - **2.** Restoring southern landscapes devastated by wildfire, and providing new habitat for critical species through tree planting on vital wetland areas that provide protection for North Carolina waterways.
 - **3.** Supporting post- Hurricane Sandy tree recovery programs throughout New Jersey.











Solar opportunities continue to "shine"

VISION:



The first solar panel system installed at our Club in North Brunswick, NJ was able to produce 328,000 kWh this year—enough energy to power 30 homes for a whole year (And that's just one location!).

Solar energy as an alternative energy source just makes sense. Where we can, we continue to maximize our solar opportunities to develop sustainable, environmentally sound, and cost effective solutions.

We continued to install and activate solar panels in our Clubs.

We announced that SolarCity, the nation's #1 solar power provider, and Direct Energy, one of North America's largest energy and energy-related services companies, will provide solar electricity and solar energy storage systems at several BJ's Wholesale Club locations.



- BJ's began including provisions in BJ's lease agreements for new Club locations, which allows for the future expansion of solar energy. This practice enables us to continuously consider solar power opportunities where Club configuration allows.
- In certain locations where we have older lease agreements that don't consider solar power opportunities, we work with our landlords in order to allow solar to proceed.

Improvements we're planning for 2015:

- A 200 kilowatt lithium-ion battery storage system will be installed in our Framingham, MA Club. This will help the Club cut energy costs by using stored electricity to lower peak demand. This pilot project has the potential to both save BJ's thousands of dollars each year on its demand charges as well as provide a long-term hedge against rising demand rates. And when the program expands to more locations, so will the savings.
- We have designated roof space for solar panel systems and will construct the **projects at five Clubs and one Distribution Center.** These projects will begin producing energy for us next year.

Туре	City	State	Estimated First Year Production (kWh)
Club	Capitol Heights	MD	708,332
Club	Framingham	MA	500,036
Club	Manahawkin	NJ	31,657
Club	Northborough	MA	691,748
Club	Pittsfield	MA	333,117
DC	Uxbridge	MA	1,609,181







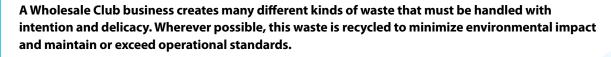




Recycling—tons at a time

VISION:





We recycled almost 1,500 tons of waste.



"In 2014, we took the next step in recycling at the Home Office, adding commingle recycling bins throughout the building. In these bins, our Team Members recycle plastic and glass bottles, plastic cutlery and serving ware, cardboard containers, aluminum cans, and more. In total, we recycled over 3,360 pounds of co-mingled material. This one action removed 96 yards from the landfill. And next year, we'll continue looking for ways to improve recycling and further our efforts by considering compostable café products."

Steve Parker Assistant Vice President of Facilities Services













Chemical and hazardous waste, reduced and safely managed

VISION:





"Many of our hazardous waste items are recycled or burned as "waste to energy" instead of being sent to the landfill. The energy produced is then used to power residential homes near disposal facilities."

Melissa O'Malley
Environmental Health and Safety Manager

Daily operations of our business require the use of chemicals, pest control products, and other hazardous materials to perform necessary maintenance and cleaning in our Clubs. We are committed, however, to operating safely and efficiently in a way that reduces overall use of hazardous materials. We strive to responsibly manage our waste by replacing, reducing, and recycling as much as we can to preserve our environment.

We continued to address and reduce usage of hazardous materials and pesticides.

We enhanced chemical usage.

We converted to a new potwashing chemical that uses less packaging and is more efficient by volume. By decreasing the amount of packaging, we diverted 1,147 pounds of waste from landfills, and by using a more efficient chemical in the process, we decreased usage by 10,000 pounds.

We addressed pesticide use.

We continued to work with a vendor who is a committed member of the U.S. Environmental Protection Agency *Pesticide Environmental Stewardship* program. We utilized integrated pest management solutions, which eliminate the unnecessary application or overuse of pesticides. Limited use of pesticides and improvements in structural, storage, and sanitation conditions result in healthier employees, Members, and the environment.

We managed hazardous waste.

The Asset Protection team reworked the biannual hazardous waste chain-wide pickup service to increase efficiency and reduce waste hauler trips resulting in an approximate **savings of 1,200 pounds of CO2**, or the equivalent of what is emitted driving over 600 miles.

Recycled hazardous waste:

CATEGORIES	EXAMPLES	AMOUNT
Universal Recycling	Includes metals & glass (electronics, lead acid and lithium batteries, fluorescent lights)	55,779 lbs.
Scrap Metal	Metals (helium and propane tanks, fire extinguishers)	11,982 lbs.
Waste to Energy	Fuel Blending (mostly gas station absorbents/gasoline and flammable liquids and solids)	50,972 lbs.
Recycled Petroleum Products	Recovery or petroleum product other than oil (oil/water and gasoline/water mix)	33,299 gallons
Oil	Waste oil (from NY and MA Cubs)	19,509 lbs.



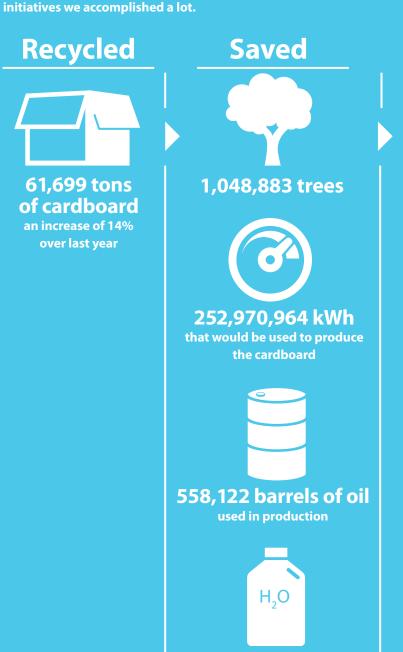
Thinking outside the box

VISION:



Old corrugated cardboard is one of the most plentiful commodities in a retail Club environment. We are committed to recycling this item in an efficient manner that benefits both the environment and our bottom line.

Our Clubs, Distribution Centers, and Home Office consistently work to strengthen the cardboard recycling program. Through centralized *Return to Distribution Centers* programs and individual Club initiatives we accomplished a lot.



431,898,239 gallons of water

Avoided



43,190 metric tons of greenhouse gas (GHG) emissions



INTEGRITY

We are dedicated to meeting the highest standards of sustainability efforts by being accountable for the long-term health of local and international communities, and sourcing environments in our food and general merchandise supply chains.









Expanding our organic assortment and giving Members real choice

VISION:



We strive to provide a greater variety of organic foods to meet our Members' growing interest for healthier choices.

We continued to grow our organic product assortment for our Wellsley Farms and other leading brands that meet the USDA organic standards and contain no artificial fertilizers or pesticides.

A representation of BJ's organic offering that includes products introduced in 2015.



In 2014 our organic assortment increased by 20%



Improvements we're planning for 2015:

- We will introduce our first organic whole chicken in all Clubs, that includes boneless breasts and boneless thighs.
- We plan to **grow our total organic assortment by over 30%**, with our Wellsley Farms brand representing a majority of this growth.







communities.





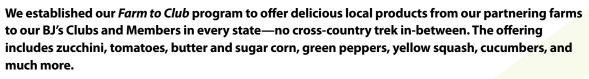


Buying locally means fresh produce for Members and support for our farmers

We support the small farms that make it their goal to grow and sell quality local produce for our

VISION:







"Our Farm to Club program makes it possible for our Members to have fresh fruits and vegetables that were produced from local farmers in their home states. We're able to provide Members with the freshest produce options in-Club while supporting local farmers and growing stronger economies throughout our footprint."

Dominic Viglione

Produce Buyer



- Based on the success of our pilot program, our Clubs in Florida began partnering with local growers in 2011.
- In 2014, our program expanded to partner with growers in each of the 15 states where we do business. With an average of three farms per state, we are proud of our **40 farmer partnerships**, and plan to continue to grow important alliances.

Forty farm partners and an average of three near each Member guarantees fresh produce just around the corner.



At BJ's, we define locally grown produce as what's grown in the state is sold in the state.









Helping to preserve our seafood heritage and the quality that's expected

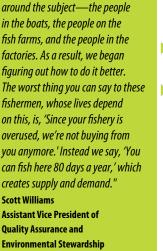
We are diligently working toward sourcing 100% of BJ's seafood from sustainable channels. We will continue to work to protect the world's oceans and waterways—and the natural resources they provide—through programs built around good science and improving fisheries.

- In 2014, we set a goal of ensuring a 100% sustainable seafood supply by the end of the year. 100% of BJ's seafood from sustainable channels.
- We will continue to partner with Sustainable Fisheries Partnership to evaluate and improve fisheries and fish
- We continue to uphold our Wild-Caught Policy to help safeguard this invaluable natural resource. Under this policy, we only sell legally caught seafood, all of our suppliers must stay within their catch-limit quotas, and we encourage fisheries and suppliers to adopt technologies that make harvesting less destructive to the species and vital habitats in our oceans.
- Since 2009, we have maintained DNA Testing with our fresh and frozen fish. We will DNA Test all species by the end of 2016.
- We do not allow substitution with inferior or over-fished **species**—like Mako Shark or Chilean Sea Bass—ever.

We're working to track every species of seafood we sell by 2017.



- Due to lack of resources this goal was challenging to meet; however we will continue to work toward sourcing
- farms. We will also continue to work with the Marine Stewardship Council, the world's leading certification and ecolabelling program for sustainable seafood. With their help we're able to use their standards when assessing current and potential suppliers of wild-captured seafood.



With the Sustainable Fisheries Partnership, we evaluate and improve fisheries and fish farms.

"When we started looking at seafood

and sustainability in 2012, we

realized there were many issues

Scott Williams

Assistant Vice President of Ouality Assurance and Environmental Stewardship













Eliminating harmful neonicotinoids from our plant supply chain



VISION:



Bees are a vital part of a healthy ecosystem. That's why for the past two years, we have worked with vendors to eliminate neonicotinoids, a class of pesticides that's harmful to bees.

We created a comprehensive strategy for eliminating neonicotinoids from our plant supply chain.

In 2014, we stopped selling retail pesticides containing neonicotinoids.

Improvements we're planning for 2015:

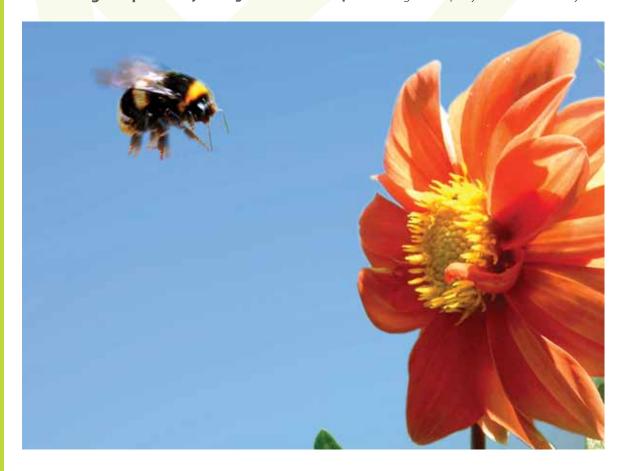
We will be requiring all vendors to:

- 1. Disclose the use of any neonicotinoids in nursery or plantable products.
- 2. Label them "Neonicotinoids applied. Caution around Pollinators."
- **3.** Submit a plan for minimizing the effects of their neonicotinoid applications on pollinators using neonicotinoids in nursery or bedding plants.



Improvements we're planning for 2016:

We will require all of our suppliers to **provide plants not treated** with neonicotinoids, with a few exceptions for specific plants such as poinsettias (typically placed indoors during the winter season), and blueberry bushes (which are subject to quarantine restrictions in some states). We will also be **monitoring compliance by testing these unlabeled plants** using a third party certified laboratory.











A 'Fix, Not Avoid' approach for our social compliance program

VISION:



We operate with integrity by ensuring our merchandise team works with vendors who do not use manufacturing practices that rely on child labor or unsafe working conditions.

Our Social Compliance Program confirms that our vendors are following business practices that adhere to our Vendor Code of Conduct.

- Since 2005, we've continuously issued our Vendor Code of Conduct and required annual Social Accountability Audits of our vendors' manufacturing facilities. The audit evaluates several human rights concerns, including child labor, human trafficking, and safe working conditions. If a facility fails any one of the audit areas or is in violation of our Vendor Code of Conduct, we take a 'Fix, Not Avoid' approach to try and remedy the situation whenever possible.
- Under our Child Labor Policy, which was modified in 2012 to a 'Fix, Not Avoid' approach, a facility must comply with the following requirements if an underage worker is discovered:
 - 1. The worker is immediately stopped from working and released from any obligations.
 - 2. The worker receives all wages due immediately.
 - **3.** The manufacturing facility must purchase a ticket to **transport the worker home**; if the child is 14 or younger the facility must pay to transport a parent or guardian to accompany their child.
 - **4.** The manufacturing facility must provide a letter confirming the worker has been **released and free from all obligations** from the facility.

These steps must be **documented by photo evidence** and approved by BJ's. If the manufacturer fails to complete any of the required steps, or is found to have multiple/flagrant violations, we will not accept any goods produced by the facility and notify the relevant authorities.

For our *Troubled Regions* program introduced in 2013, we identified areas (e.g., Bangladesh) that could create sourcing issues or business interruption, and **implemented enhanced social reviews** for products that may come from these locations.

We recommended that our Vendors who provide both our Own Brand items and Non-Own Brand brand items **do not source from areas** of the world that are plagued with civil or social unrest, violations of human rights law, or repeated incidents of unsafe or unfair working conditions.

Where to Look: Troubled Regions

Both our Own Brand and Non-Own Brand products have key regions where we require extra audits and careful review of our sourcing practices.



All African Nations Bangladesh Bulgaria Cambodia India Indonesia Israel Pakistan Thailand Turkey Vietnam



All Non-Own Brands locations plus:
Afghanistan Belarus
Azerbaijan Haiti
Bahamas Jamaica
Bahrain Kuwait
Bangladesh Lebanon
(Dhaka Not permitted) Russia









Saying 'No' to Dirty Gold



VISION:



In some parts of the world, gold is mined irresponsibly, hurting the environment and violating basic human rights. At BJ's, we are committed to sourcing metals for our jewelry and electronics product assortment through socially and environmentally responsible methods.

We signed the No Dirty Gold and Bristol Bay Protection pledges, reconfirming our commitment to sourcing metals responsibly.

- In 2014, we became the first wholesale club committed to sign EARTHWORKS' No Dirty Gold campaign and its Golden Rules, a set of social, human rights, and environmental criteria set to improve metal mining practices around the world.
- We also became the first wholesale club **to support the Pebble Mine proposal** in Alaska's Bristol Bay watershed in order to protect the world's largest wild sockeye salmon. The Pebble Mine, proposed in Alaska's Bristol Bay watershed, threatens the salmon fishery with what would be North America's largest open-pit gold and copper mines.

The path to responsibly sourced palm oil

VISION:



Palm oil is an effective and healthy ingredient grown in tropical climates, most commonly in Indonesia and Malaysia. Unfortunately, valuable rainforest land is often burned and cleared to build palm oil plantations. We're committed to utilizing only deforestation-free palm oil in our Own Brands products.

We created a guide for all buyers to work with vendors on the effects of unregulated palm oil and help convert Own Brands products to contain deforestation-free palm oil.

- In 2012, we began collecting palm oil data from our Own Brands Bakery suppliers.
- In 2013, we started monitoring our Own Brands Health & Beauty products.
- In 2014, our Own Brands products team began the conversion to contain deforestation-free palm oil.
- We will continue to work with vendors to ensure that palm oil used in our products is traceable to a fair and responsible source.
- tion for the Poundtable on Suctainable Palm Oil (PSDO) and

We have begun co<mark>llecting palm o</mark>il certificate information for the Roundtable on Sustainable Palm Oil (RSPO) and GreenPalm programs.













Providing access to clean water and partnership support

VISION:



Every day, 1,400 children die from water-related illnesses before they reach their fifth birthday. There are simple solutions like drilled wells, spring protections, and BioSand Filters that help provide clean water to communities around the world that we're supporting.

BJ's supported Keurig Green Mountain, Inc.'s (Keurig) charity: water campaign to help make water available and safe for generations to come in Ethiopia, one of the largest coffee-growing countries in the world, where more than half of the population lacks access to clean water.

- In 2014, we developed a fundraising page on the **charity: water** website <u>charitywater.org</u> to help support this cause via our social media channels. Every dollar raised for Ethiopia also unlocked a matching donation from Keurig. In total, we **raised \$20,000 for charity: water.**
- Due to these efforts, charity: water's local partner in Ethiopia, International Rescue Committee (IRC), is busy working on 12 new tap stands and 66 new spring protections that will serve over 35,000 people.
- IRC will also be focusing on bringing clean water, sanitation, and hygiene training to one school. In the winter of 2016, when the projects are complete, charity: water will collect GPS coordinates, photos, and other details about each community to show the impact of our fundraising campaign made in Ethiopia.
- For 2015, we plan to explore more ways to bring clean water to our supply chain.



More than 50 million
Ethiopians lack access to safe
water. Most rural families
survive on less than five liters
of water per day and walk up
to four hours to collect it from
open sources. A clean water
project nearby can restore
time, health and opportunity
to these communities.



Sweetening Baked Goods with Fair Trade Certified™Sugar

VISION:

We strive to offer our Members high-quality, sustainably sourced products, and Fair Trade USA-Certified items that ensure farmers and producers receive a fair living wage.



PROGRESS:

In developing countries, farmers and workers often don't receive a fair wage for their labor and products. That's why we source Fair Trade Certified ingredients for some of our most popular Wellsley Farms baked goods, to ensure the sugarcane farmers in Belize, who produce our sugar, are getting a fair price. In fact, we're leading the way among mainstream in-store bakeries as the only retailer to source Fair Trade sugar.

Sugar is Belize's **4th** largest export

85% of Northern Belizeans depend on the sugar industry for their livelihood

4% of sugar coming into the U.S. from Belize is purchased by BJ's

BJ's investments supported **1,500**

scholarships for children to attend schools

\$41,000 invested in farmer communities since 2013

Sugar is Belize's fourth largest export and about 10% of the total population is dependent on the sugar industry to earn a livelihood. In the north, where sugar is grown, that number jumps to 85%. The majority of sugarcane farmers in Belize are represented by the Belize Cane Sugar Farmer's Association, which joined Fair Trade in 2008. By concentrating BJ's Fair Trade sugar purchases in this one region, we've increased our impact on the lives of farmers, their communities, and the environment.



Courtesy of Fair Trade USA

Improvements we're planning for 2015:

In 2015, we plan to add over 10 new Fair Trade Certified Products, specifically with our Wellsley Farms Coffee.

153% increase in tons of cane produced per acre with the help of Fair Trade investments

55% of consumers recognize Fair Trade thanks in part to BJ's









Q&A: With Scott Williams on Fair Trade



Scott Williams
Assistant Vice President of
Quality Assurance and
Environmental Stewardship

FAIR TRADE USA EVERY PURCHASE MATTERS

Q:

A:

Q:

A:

Scott Williams, Assistant Vice President of Quality Assurance and Environmental Stewardship was featured on FairTradeUSA.com. In the interview, he shared BJs' story about incorporating Fair Trade certified sugar and cocoa in our baked goods.

What are your favorite Fair Trade Certified products at BJ'S?

I have two favorite items: the Wellsley Farms® Angel Food Cake and the Wellsley Farms® Brownie Bites. They are both delicious, but are my favorites for different reasons. The Angel Food Cake was the first product that BJ's Wholesale Club decided to align with Fair Trade. It also became the first bakery item we introduced in our Fair Trade Certified™ bakery line which now has six products in total (and growing). The Brownie Bites are a favorite because it was the first product we introduced that had two Fair Trade Certified ingredients (sugar and chocolate). Finally, the best part was that we didn't have to compromise on the flavor or recipes to make these bakery favorites Fair Trade Certified.

What inspired you to start using Fair Trade sugar in BJ'S Wholesale Clubs baked goods?

It started with a conversation with BJ's bakery team about ethical sourcing. One thing that people may not realize is that, because our Members invest in us (through membership dues), it helps us place even greater focus on efforts that look at the larger impact of our sourcing decisions on each of our suppliers (including farmers). BJ's and our Members are growing more concerned about where our food is coming from, how it is grown, and the welfare of the animals and people that are involved in the supply chain for these products.

When discussing sugar, we were mostly concerned that in some developing countries farmers and workers were not receiving a fair price for their goods. From these discussions, we chose to look at sourcing sugar in the Wellsley Farms Angel Food Cake from Fair Trade Certified sources.

We learned that to carry the Fair Trade Certified label on our products, BJ's must show we are sourcing ingredients from certified farms and organizations, ensuring Fair Trade prices and premiums are paid, and submit to an arduous supply chain audit. This process entails a high level of transparency and traceability in their global supply chains, but it's totally worth it! BJ's decided to increase our impact by ensuring that all of our Fair Trade sugar came from farmers in the Orange Walk and Corozal Regions of Belize.

We liked that Fair Trade helped the farmers receive a fair price for their goods and a premium to be disbursed for select community programs. This ensured that the premium our products were generating benefitted the community in a way that was most impactful to them.

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BJs CSR REPORT / 2014

www.bjs.com/citizenship











One of many Belizean families who actively participate in the Fair Trade program.



Courtesy of Fair Trade USA

Q: What surprised you the most about your trip to Fair Trade sugar farms in Belize?

When BJ's bakery team visited Belize, we thought that perhaps the extra funds they received would be used toward building schools or hospitals. Instead, we found the farmers were using the money for much more immediate needs and in more resourceful ways. We saw them using the money to build communal latrines for farmers without indoor plumbing. Or, as part of an exchange program where people brought pesticide containers that they had been using for water bottles and then received clean bottles. The fact that this money was going to every day needs and basic necessities was a big surprise.

Q: What are some of the challenges you encountered when trying to source Fair Trade Certified sugar?

One of the biggest challenges was convincing the suppliers to support this initiative. In the beginning, we both had misconceptions about the way the sugar would arrive in the US (i.e. in small burlap sacks) and suspected that it would be difficult to handle on a large scale manufacturing level. However, Fair Trade USA was a great resource in helping us iron out the logistics. In fact, once our first supplier realized how easy it could be, they were very open to adding more products, which influenced other suppliers to come on board and help expand BJ's Fair Trade Certified program.

We currently have six bakery items bearing BJ's Own Brand, Wellsley Farms, and those include Angel Food Cake, Pound Cake, Cinnamon Coffee Cake, Blueberry Sliced Loaf Cake, Banana Nut Loaf Cake and Brownie Bites. The items are created with the help of multiple suppliers, including Fair Trade USA.

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A:

www.bjs.com/citizenship











A:

What do you want your Members to know about BJ'S Fair Trade offerings? What value does Fair Trade mean to bring to your Members?

This program is unique to BJ's – because of our Membership model, we have the opportunity to develop new initiatives that bring the highest quality ingredients into more products that we know our Members care about and want to have available.

In a way, our Members' loyalty directly supports BJ's sustainable and Fair Trade Certified product development.

By purchasing Fair Trade Certified quality products, our Members are assisting farmers in receiving a just wage for their hard work while also ensuring that they are producing ingredients in a safe working environment.







BJ's Commitment— Community, responsible sourcing and the environment

We are passionate about community organizations and support their efforts in education and hunger relief.

Every day we invest in sustainable practices, that respect environmental resources, and source products with our Members, their families and the community in mind.



