



BED BATH & BEYOND CRISIS COMMUNICATION PLAN

PRODUCT RECALL RESPONSE

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Bed Bath & Beyond Crisis Plan Table of Contents

Company Profile.....	3
o Corporate profile	
o Objective & strategy	
Introduction.....	4
Acknowledgements.....	5
Rehearsal Dates.....	6
Information Regarding the Public.....	7
o Key publics	
o Procedure for notifying publics	
Crisis Communication Team	8
o Contact information	
Other Important Contacts.....	10
o Emergency Personnel	
o Key Media & Media Spokesperson	
o Spokespeople for Related Organizations	
Crisis Communication Control Center.....	14
Equipment, Supplies & Information.....	15
o Pre-gathered information	
Sample Press Briefing.....	16
Key Messages.....	18
Trick Questions	20
Prodromes	21
Evaluation Form.....	22

Company Profile

It is important that all employees know the ins and outs of the company in the event of a crisis. The following information is taken directly from our website, www.bedbathandbeyond.com. This includes information regarding the company as a whole, our objective, and the strategy used to obtain our objective.

Corporate Profile

Founded in 1971, Bed Bath & Beyond Inc. and subsidiaries is a chain of retail stores operating under the names Bed Bath & Beyond in the United States and Canada, as well as, Christmas Tree Shops, Harmon, Harmon Face Values and buybuy BABY in the United States. Through a joint venture, the Company also operates retail stores in Mexico under the name "Home & More". The Company sells a wide assortment of merchandise principally including domestics merchandise and home furnishings as well as food, giftware, health and beauty care items and infant and toddler merchandise. The Company's over 1,000 stores principally range in size from 20,000 to 50,000 square feet, with some stores exceeding 80,000 square feet.

Objective & Strategy

Our objective is to be the customer's first choice for products and services in the categories offered, in the markets in which the Company operates. We strive to achieve this objective through excellent customer service, an extensive breadth and depth of assortment, everyday low prices, introduction of new merchandising offerings and development of its infrastructure.

Introduction

Dear Executive Team and Employees,

I would like to take this opportunity to thank you for all the hard work and dedication you give to this company on a day to day basis. I am truly honored and proud to be a part of this organization and to work with people like you. With that being said, it is my most sincere hope that you read and take the following document very seriously. As I'm sure you are aware, Bed Bath & Beyond is one of the fastest growing retail stores in the United States. Therefore, it is extremely important that we are prepared for any type of crisis that may occur. It is your responsibility to know your role in the event of a crisis. The following crisis plan outlines all the information needed to respond to an emergency regarding a product recall. Please review it thoroughly. Failure to follow this plan in the event of a crisis will most likely invoke chaos that could cause serious harm to the company. We are relying on you to know your part and ensure the safety of our customers, employees, and our organization.

Thank you for your time and dedication to Bed Bath & Beyond.

Sincerely,

Steven Temares

Chief Executive Officer, Bed Bath & Beyond Inc.

Acknowledgments

To Employees of Bed Bath & Beyond,

I want to first thank you for your help in gathering the necessary information for this crisis plan. I cannot reiterate enough how important it is for us to work together as a team in the event of a crisis, and for each of you to know and understand your role when responding to a crisis. That being said, I am requesting that you sign and date this sheet acknowledging that you have read and understood the crisis plan in its entirety, plan to attend the rehearsal dates outlined in the plan, and will practice the plan in the event of a crisis. Please return this completed sheet to your administrator no later than May 15, 2010. Please do not hesitate to ask questions if you are unsure of any of the information depicted in the plan.

Again, thank you for your time and dedication to Bed Bath & Beyond.

Sincerely,

Steven Temares
Chief Executive Officer, Bed Bath & Beyond Inc.

I have and understand the following crisis plan in its entirety. I acknowledge that I know my role and am able to fulfill it should this plan be put into action.

Name (print)

Date

Signature

Date

Rehearsal Dates

The crisis communication plan for a product recall will be practiced twice a year. We have these rehearsal dates planned out for the next three years. On the day of the rehearsal, employees should come prepared and act accordingly; as if it is not a test. Employees will be notified if these dates should change for any reason.

2010:

Wednesday, June 16

Wednesday, December 15

2011:

Friday, February 11

Friday, November 11

2012:

Monday, March 12

Monday, October 15

Information Regarding the Public

Key Publics

The following is a list of key publics that should be notified in the event of a crisis:

Internal Publics

- Bed Bath & Beyond Board Members
- Bed Bath & Beyond Employees
- Executive Team
- Corporate Managers
- Shareholders

External Publics

- Bed Bath & Beyond Customers
- Media
- Investors
- Competitors
- Community Leaders

Procedure for Notifying Publics

It is important to notify the key publics as soon as the crisis presents itself. It is also important that the leader during the crisis communicates early and often. Those internal publics should be notified first in the event of a crisis. This is extremely important in that the internal publics will be responsible for keeping the crisis under control. These internal publics will be notified via e-mail memo or direct phone call if necessary, and frequent updates will follow. If a phone call is necessary, CEO Steven Temares will be notified first and will contact other board members through the chain of command listed above.

External publics will be notified by press release or conference as soon as details emerge. Details about the crisis will be constantly posted on bedbathandbeyond.com for the external publics to view.

Crisis Communication Team

The following is a list of people that should be contacted in the event of a crisis. Included in this list are members of the Board of Directors as well as Corporate Officers. In the event of a crisis, CEO Steven Temares will be notified first. Mr. Temares is then responsible for contacting President Arthur Stark, and the order will continue as depicted below. Our Vice-President of Marketing and Public Relations, Kenneth Frankel, will be responsible for handling all media relations. When all members of the Board of Directors have been contacted, it is the responsibility of Steven Miller to contact the first name on the Corporate Officers, and the order will continue as follows. It is the responsibility of Thomas Kirk to contact employees and other necessary publics.

Crisis Team Contact Information

	Work Phone	Cell Phone	Home Phone	E-mail
Corporate Officers				
Steven Temares, CEO	908-688-0888	685-395-3025	506-402-0564	stemares@bbby.com
Arthur Stark, President	908-688-3940	685-386-3904	506-205-3067	astark@bbby.com
Warren Eisenberg, Co-founder	908-855-3939	685-293-3031	506-307-2056	weisnberg@bbby.com
Leonard Feinstein, Co-founder	908-488-2954	685-928-2506	506-205-6025	lfeinstein@bbby.com
Kenneth Frankel, VP of Marketing & Public Relations	908-855-4550	685-259-2932	506-259-2059	kfrankel@bbby.com
Ron Curwin, VP Operations	908-855-4554	685-205-1056	506-205-2057	rcurwin@bbby.com
Steven Miller	908-488-3949	685-150-6021	506-105-6070	smiller4@bbby.com
Board of Directors				
Amanda Shafer	906-395-1506	740-150-2105	703-150-2506	ashafer@bbby.com
Caroline Johnson	906-296-0260	740-105-7042	703-560-1406	cjohnson@bbby.com
Brady James	906-205-2064	740-170-2056	703-159-1506	bjames@bbby.com
Sarah Franklin	906-125-1946	740-107-1046	703-125-3697	sfranklin@bbby.com

Crisis Team Contact Information Cont.

	Work Phone	Cell Phone	Home Phone	E-mail
Board of Directors cont.				
Sam Edwards	906-150-1305	740-798-2367	703-140-2506	sedwards@bbby.com
Keith Jordan	906-140-7035	740-479-2396	703-140-5230	kjordan@bbby.com
Public Relations				
Bill Stuart, Director	434-395-1405	540-130-5014	804-143-6024	bstuart@bbby.com
Ramesh Rao, Assistant Director	434-395-5021	540-413-1305	804-130-6034	rrao@bbby.com
Naomi Johnson	434-395-5014	540-105-2305	804-602-1305	njohnson@bbby.com
Pam Tracy	434-395-1304	540-230-5060	804-160-1305	ptracy@bbby.com
Jeff Halliday	434-395-9013	540-191-1395	804-913-1395	jhalliday@bbby.com

Other Important Contacts

In the event of a crisis, it is important for employees to know the contact information for emergency personnel, key media outlets, and the spokespeople for related organizations.

Emergency Personnel & Local Officials

The following is a list of national contacts that should be notified in the event of a serious emergency. In addition, each store should keep an updated contact list of local officials posted in a location where employees can find it quickly and efficiently. Employees are strongly encouraged to call 911 if they believe this list is not up to date or lacking information.

Center for Disease Control and Prevention

Jason Fredrickson
1600 Clifton Road
Atlanta, Georgia 30333
Work: 888-232-6348
Cell: 854-295-6924
Email: fredricksonja@cdc.gov

American Association of Poison Control Centers

Monica Smith
National Capital Poison Center
3201 New Mexico Ave, NW
Washington DC 20016
Work: 1-800-222-1222
Cell: 303-256-2035
Email: smithmd@poison.org

Surgeon General

Regina M. Benjamin
5600 Fishers Lane
Rockville, MD 20857
Work: 301-443-4000
Cell: 202-205-0143
Email: benjaminrm@sg.gov

Emergency Personnel Cont.**United States Consumer Product Safety Commission**

John Stewart
4330 East West Highway
Bethesda, MD 20814
Work: 301- 504-7923
Cell: 301-504-0025
Email: stewartj@cpsc.gov

Media Spokesperson

In most cases, Kenneth Frankel, Vice President of Marketing & Public Relations, will be responsible for communicating with the media. However, in extreme cases CEO Steven Temares will take over.

Key Media

The following are the main media contacts for Bed Bath & Beyond. In the event of a crisis, they are to be contacted and invited to press briefings and be sent press releases.

The Washington Post

Marcus Brauchli
1150 15th Street, N.W.
Washington, DC 20071
Phone: 202-334-7300
Email: marcus.brauchli@washpost.com

The New York Times

Gerald Marzorati
620 Eighth Avenue
New York, NY 10018
Phone: 212-556-7652
Email: gerald.marzorati@nytimes.com

Key Media Cont.**USA Today**

Kenneth Paulson
7950 Jones Branch Drive
McLean, VA 22108
Phone: 571-597-3056
Email: kenneth.paulson@usatoday.com

ABC News

Robert Kirk; Program Manager
Work: 596-240-2430
Cell: 507-240-3460
Email: robertkirk@abcnews.com

NBC News

Charles Robertson; Program Manager
Work: 960-240-6023
Cell: 240-697-2406
Email: robertsonch@nbc.com

FOX News

Colleen McDarby; Program Manager
Work: 202-596-2406
Cell: 703-140-6073
Email: cmcdarby@foxnews.com

Spokespersons for Related Organizations

The subsidiaries of Bed Bath & Beyond; BuyBuy Baby, Harmon Face Values, and Christmas Tree Shops; should be notified as soon as possible when a crisis emerges.

The following is a list of spokespeople for organizations similar to Bed Bath & Beyond. In the event of a product recall, these organizations should be contacted as they may sell similar products.

Wal-Mart

Mike Duke, CEO
250-602-6204

Target

Gregg Steinhafel, President
697-250-7024

Crisis Communication Control Center

The main center for crisis control will be located at Bed Bath & Beyond's corporate headquarters in Union Township, New Jersey. This means that in times of crisis, all Corporate Officers and members of the Board of Directors should plan on meeting at this location. Two alternate locations have been established if this building cannot be used; Harwood Arena located at nearby Kean University, and the Union Township Knights of Columbus building. We have permission to use these buildings for as long as necessary, pending available space. The addresses for all three buildings can be found below.

Bed Bath & Beyond Corporate Headquarters

650 Liberty Avenue
Union, NJ 07083

Kean University Harwood Arena

Glenn Hedden Director of Athletics
1000 Morris Avenue
Union, NJ 07083
Phone: 908-737-0600
Email: ghedden@kean.edu

Township of Union Knights of Columbus

Rob Salvatore, Facilities Director
1034 Jeanette Avenue City
Union, NJ 07083
Phone: 908-686-4504
Email: rob.salvatore@kofc.com

Equipment, Supplies, and Information

The following materials will be needed in the event of a crisis. These materials are already provided at the Company's headquarters. In addition, the Harwood Arena and the Knights of Columbus have been supplied with a list of items that are to be pre-gathered in the event that headquarters is moved. The crisis team is also responsible for gathering and bringing materials that the alternative organizations cannot obtain.

Pre-gathered Materials:

- Notebook paper and pens
- Computers and printers
- Copy machine
- Telephones
- Chairs and podium
- Extension cords
- Microphones
- Cameras and film
- First aid kit
- Food and beverage
- Battery operated radio
- Batteries

Materials brought by crisis team:

- Company letterhead and stationary
- Laptop computers with wireless internet
- Press kits
- Crisis communication plan
- Employee directory
- Cellular telephones
- Employee identification cards
- Change of clothes, including business wear

Pre-gathered information

Crisis communication plans as well as completed press kits will be available at each location. In addition to these items, employees will also have access to important company documents such as safety procedures, past product recalls, product manufacturing procedures, and store maps and locations.

Sample Press Briefing

Good afternoon ladies and gentlemen of the press, and thank you for being here today on such short notice. My name is Karen Redmond, and I am a spokesperson for Bed Bath & Beyond.

We received word early this morning that at least seven users of our Thermal Heat Wrap have experienced moderate to severe burns of the hands and shoulders as a direct result of using this product. As of present, two of these seven have had to be admitted to the hospital for treatment of potentially dangerous second degree burns. The remaining five victims experienced first degree burns that required no serious medical attention. We received this information from burn specialists at Inova Loudoun Hospital, where the burn victims received treatment.

First and foremost, our hearts and prayers go out to those who have been affected by this incident. Here at Bed Bath & Beyond, we are dedicated to our customers and committed to providing excellent service and providing customers with safe, high-quality products. The Thermal Heat Wrap is sold exclusively at Bed Bath & Beyond stores and online. It consists of a cotton/polyester wrap with removable microwaveable heat inserts used to soothe tense muscles. It has been on the market for several months now, with no previous problems being reported.

Once we received word that people were experiencing burns as a result of using our product, we immediately began our own investigation to find the cause. The microwaveable inserts are composed of flax seeds inside a cotton pouch. Flax seeds are herbal flower seeds composed of 30-40% oil which remains in the seed, allowing them to retain heat for over an hour and be reheated again and again. Prior to assembly, the seeds are to be tested to ensure they do not exceed the maximum safe temperature (65 degrees Fahrenheit) when heated for the recommended amount of time (no more than 2 minutes in 30 second intervals). Since the victims all claim they followed safety protocol when heating the product, we believe the error was caused by using seeds of a poor quality. The quality of the seeds plays an integral part in the heating of the product in that if the seeds are too ripe, they can hold much more heat and therefore become too hot in a short amount of time. In addition to causing burns, this fault can also start fires in microwaves (none of which have been reported). In order to test this theory, we obtained one of the thermal heat wraps owned by a burn victim and disassembled the heat pack and found seeds that were extraordinarily larger than those found in a similar product.

The thermal heat wraps are manufactured in China and imported by ComfortCare Inc. This is the first product by ComfortCare Inc. endorsed by Bed Bath & Beyond. When we signed a contract with them, we were assured only the highest quality products would be produced and distributed. We are currently still investigating this matter and will report on the results when they are finalized.

This type of incident is atypical of our corporation. However, we do have a plan in place to ensure it doesn't happen again. Immediately after receiving the news regarding the burn victims, we issued a nationwide product recall. Those who purchased a Thermal Heat Wrap are able to return product to any Bed Bath & Beyond store for a full refund, store credit, or to exchange the product for a similar one. We strongly encourage all customers who purchased a Thermal Heat Wrap to return the product even if they have not been affected by it. It is likely we will be discontinuing business with ComfortCare Inc. to ensure we receive no more faulty products, though that decision will be finalized once we determine if they are to blame for the incident.

We here at Bed Bath & Beyond want to send our deepest condolences to those who needed to have medical treatment and will compensate those victims for any necessary medical treatment received. We also want our customers to know that our commitment to customer service includes ensuring that the most current product safety information is available to our customers. We have posted a list of burn warning signs on our website (www.bedbathandbeyond.com) in order to hopefully prevent future accidents. We also want to encourage our customers to continue to read the warning labels on products and follow all safety protocol when using products that involve heat. Finally, customers can visit our website for more information regarding product recalls or call us at 1-800-462-3966 24 hours a day, 7 days a week with any additional questions and concerns.

On that note, I will now open the floor for any questions.

Key Messages

In any crisis scenario, it is important to use key messages that represent the company's viewpoint. These key messages should express the importance of the issue at hand while also appeasing the audience. Using apologia tactics in these messages can be extremely effective. For example:

- **Shift Blame:** Refuse blame for incident by claiming another is responsible. For example, "Since the victims all claim they followed safety protocol when heating the product, we believe the error was caused by using seeds of a poor quality ... The thermal heat wraps are manufactured in China and imported by ComfortCare Inc. This is the first product by ComfortCare Inc. endorsed by Bed Bath & Beyond. When we signed a contract with them, we were assured only the highest quality products would be produced and distributed." This message stresses that neither Bed Bath & Beyond nor our customers are responsible for the incident, and that it's possible the manufacturer is.
- **Compensation:** Reimburse affected victims. Bed Bath & Beyond exemplifies compensation in the following messages: "Those who purchased a Thermal Heat Wrap are able to return product to any Bed Bath & Beyond store for a full refund, store credit, or to exchange the product for a similar one" and "We here at Bed Bath & Beyond want to send our deepest condolences to those who needed to have medical treatment and will compensate those victims for any necessary medical treatment received." Promising compensation to those that have been affected shows that Bed Bath & Beyond cares about the well being of their customers.
- **Corrective Action:** Plan to solve or prevent recurrence of problem. Using corrective action shows customers that the company genuinely wants to fix the problem and prevent it from happening again in the future. An example of a message containing corrective action is as follows: "This type of incident is atypical of our corporation. However, we do have a plan in place to ensure it doesn't happen again. Immediately after receiving the news regarding the burn victims, we issued a nationwide product recall. " Also, "It is likely we will be discontinuing business with ComfortCare Inc. to ensure we receive no more faulty products, though that decision will be finalized once we determine if they are to blame for the incident."

Key Messages Cont.

- **Mortification:** Apologize for the incident. Mortification allows for the company to make a public apology to its customers and gain credibility. For example, “We here at Bed Bath & Beyond want to send our deepest condolences to those who needed to have medical treatment...” In this statement, Bed Bath & Beyond is showing compassion for those who were affected by the incident and apologizing profusely.

Trick Questions

During times of crisis, it is not uncommon for reporters to ask prying questions. It is important that the company only answers the questions with information that has been confirmed. It should be noted that not every question needs to be answered directly. The following is a list of trick questions the media may ask in regards to a product recall:

- Will you continue business with this particular manufacturer after they issued a faulty product?
- If the issues surrounding the product only happened in a certain region, do you think it's possible an employee tampered with the product?
- How do you know for sure the product is faulty?
- How do you plan on compensating the victims? Can you afford full compensation?
- Do you perform any tests on the products to ensure their safety?
- Do you sometimes forget to include safety information on products?

Prodromes

Prodromes are signs that show a crisis may occur. The following is a list of prodromes and what preventative actions should be taken to prevent a crisis from occurring.

Prodromes:

- Negative reaction/complaints about product
- Decline in sales
- Questions/concerns regarding quality of product

Responses:

- Ensure all products are thoroughly tested before going on the market
- Make sure safety regulations are clearly stated on product packaging
- List possible side effects on packing
- Provide customer service information

Evaluation Form

The purpose of the following evaluation form is to provide feedback regarding the effectiveness of this crisis communication plan. Please fill out this form and return it to your supervisor as soon as possible. Your feedback is vital to the organization so we may better prepare for future events.

Please check “yes” or “no” for each question, and explain your answer.

1. I feel that I fully understand the context of this plan:
☐ YES ☐ NO
 Explain:
2. I know who needs to be contacted during a crisis and what my role is:
☐ YES ☐ NO
 Explain:
3. I understand the importance of key messages and what they can convey:
☐ YES ☐ NO
 Explain:
4. I know the materials I am responsible for collecting during a crisis:
☐ YES ☐ NO
 Explain:
5. I am comfortable with giving a press release if necessary:
☐ YES ☐ NO
 Explain:
6. I know, understand, and will execute all facets of this plan in the event of an emergency:
☐ YES ☐ NO
 Explain: