



Lowe's 2011 Social Responsibility Report

Investing in Tomorrow

Lowe's.com/SocialResponsibility

CEO Message

As a leader in the home improvement industry, Lowe's embraces the opportunity to help customers secure a better tomorrow through our commitment to continuous improvement. Securing a better tomorrow requires that we make the necessary investments today to drive our efforts to be a responsible corporate citizen. As you'll read in this report, we remain as focused as ever on advancing solutions to important community and environmental challenges.

2011 was a year full of challenges. Difficult, global economic realities were coupled with the costliest year ever for natural disasters. Lowe's answered the call, providing assistance for everything from the catastrophic earthquake and tsunami in Japan to historic tornadoes, wildfires and flooding in communities across America.

In North Carolina, swift-acting Lowe's employees saved lives when a tornado left our Sanford store in rubble. In Missouri, Alabama and states throughout the Northeast, hundreds of Lowe's Heroes helped local residents recover and rebuild after deadly twisters and Hurricane Irene devastated their communities. Together with Lowe's Charitable and Educational Foundation, our company committed \$4 million to disaster relief in 2011, including \$1 million to rebuild schools damaged by natural disasters.

Investing in tomorrow's leaders, we increased our support for students through Lowe's Toolbox for Education® and scholarship programs. Toolbox for Education, our signature education grant program, has awarded more than \$30 million since 2006. In 2011, we also helped provide safe and affordable housing for our 2,000th Habitat for Humanity family, and we strengthened and stabilized neighborhoods in need across North America.

At Lowe's, we strive to be a great corporate citizen in everything we do. We respect and value all customers and support diversity initiatives that create value for our customers, our company and our communities.

To develop our employees, we're committed to providing leading-edge training and performance support, and we place the highest priority on maintaining a safe workplace and a healthy workforce. We continue to implement strategies to reduce our environmental footprint and help customers drive down theirs through new products and services.

We accomplished this progress through the dedication and commitment of our 234,000 employees. Together, we're constantly innovating and improving. As we continue our journey to become a better company and a better corporate citizen, we'll never lose sight of our promise to help customers secure a better tomorrow.



Robert A. Niblock

Chairman, President and CEO



A woman with short brown hair is smiling at the camera. She is wearing a red mesh vest over a yellow short-sleeved shirt. The vest has a 'LOWE'S Customer Service' logo on the right chest and a name tag on the left that says 'STACY'. Her hands are clasped in front of her. The background is a blurred store interior with large white letters on a blue wall.

Improving our Workplace

Our Vision and Values

At Lowe's, we take great pride in a culture built on more than 65 years of exceptional customer service. While we've grown from a small-town hardware store to a FORTUNE® 50 company, the commitment to our customers hasn't changed since our founding in 1946. As Lowe's continues to enter new markets, we're working harder than ever to preserve and enhance our customer-focused culture.

Ours is a culture shaped by more than 234,000 men and women who work for Lowe's. They're the foundation that unites us and drives our success, providing the competitive advantage that sets Lowe's apart from other retailers. At the same time, our employees' commitment to our vision and values — customer-focused, ownership, respect, teamwork, passion for execution and integrity — is what connects them with generations of Lowe's employees.

We're dedicated to clearly communicating our vision and values to ensure employees consistently maintain high standards and exceed customers' expectations in more than 1,745 Lowe's stores in the United States, Canada and Mexico. In our internal communications, we regularly feature employees who embody Lowe's vision and values. And we honor our top regional and divisional customer-focused stores each year.

We're better able to do what's right for our customers and our communities by doing what's right for our employees. In our workplaces, we strive to treat employees with respect and support while maintaining a safe work environment and providing comprehensive benefits and opportunities for career development and community engagement.



Customer focus is one of the core values that drive our employees every day in more than 1,745 Lowe's stores across the United States, Canada and Mexico.

Ethics and Governance

Lowe's values our reputation for maintaining high ethical standards in our workplaces and around the world where we do business. Integrity, one of our core values, is demonstrated every day through interaction with customers, fellow employees, vendors, shareholders and nonprofit organizations, like the American Red Cross and Habitat for Humanity®. Every employee, while acting on behalf of the company, must comply with all applicable governmental laws, rules and regulations, and avoid engaging in any conduct that, even though legally permissible, is inconsistent with the ethical principles to which Lowe's subscribes.

Our expectations are contained in the Lowe's Code of Business Conduct and Ethics, which confirms our commitment to maintaining an environment in which all of our employees work together with respect. New employees are required to read, review, understand and adhere to the Code of Conduct, which is available to them on our intranet site and to the general public on [Lowe's.com](https://www.lowes.com). Lowe's also offers a companywide ethics course online to give employees the information they need to use the Code of Conduct as a guide to conducting business.

The course also educates employees about the specifics of Lowe's reporting procedures and compliance resources. Additionally, each year employees are asked to certify their compliance with the Code of Conduct by reviewing the code

and responding to an online certification request. This certification allows employees to disclose any work-related situations in the event they feel unsure of their compliance with the Code of Conduct.

At Lowe's, we encourage honest communication and support our employees by providing multiple channels through which they can seek answers to work-related questions or report illegal and/or unethical conduct without fear of retribution. Lowe's Open Door program provides employees access to managers, starting with their direct supervisor. Employees who become aware of conduct that potentially violates the Code of Conduct can call Lowe's confidential 24-hour Open Door hotline.

Lowe's vendors and suppliers also must commit to the highest standards of ethical conduct to do business with Lowe's. Every Lowe's vendor and service provider is subject to the Lowe's Vendor Code of Conduct. This code requires vendors to adhere to ethical principles and identifies the channels for vendors to confidentially report unethical conduct to Lowe's.



Lowe's holds our employees to high ethical standards in our workplaces and communities, and we encourage honest communication through Lowe's Open Door program.

Governance

Lowe's commitment to responsible corporate citizenship and the long-term growth of our business starts at the top. Our board of directors oversees the sound governance practices that have guided our success for decades. Through constructive engagement with management and shareholders, and informed by our core values, the board provides oversight and counsel that strengthens our culture of integrity, accountability and responsible business practices.

Robert A. Niblock is chairman of the board of directors and president and chief executive officer of Lowe's. The fundamental role of the board of directors is to exercise business judgment to act in what they reasonably believe to be the best interests of Lowe's and our shareholders. Directors must disclose

to each other any potential conflicts of interest they might have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they might have a conflict.

The board of directors has a standing Audit Committee, Compensation Committee, Executive Committee and Governance Committee. Nominations for board membership are determined by Lowe's Governance Committee, which is also responsible for developing Lowe's Corporate Governance Guidelines and for overseeing the evaluation of the board and management of the company. Lowe's Corporate Governance Guidelines, including our policy on board compensation and membership criteria and other matters that are fundamental to shareholders' interests, are available at **Lowe's.com**.



Every Lowe's vendor and service provider is subject to the Lowe's Vendor Code of Conduct, which requires them to adhere to ethical principles to do business with Lowe's.

Global Sourcing

We hold ourselves to high ethical standards everywhere we do business, and we expect the same from those who manufacture and supply our products. Lowe's sources products from all over the world through LG Sourcing (LGS), a wholly owned subsidiary of Lowe's. LGS works with more than 500 vendors in 19 countries, with the largest concentration in Asia, and provides clear guidelines for product quality and safety, and social responsibility by manufacturers.

Our global sourcing policies prohibit the use of child or prison labor in the production of material we sell. Vendors and suppliers are expected to comply with all applicable laws and regulations in the conduct of their business with Lowe's, and their products must meet regulatory and industry standards. Lowe's Code of Business Conduct and Ethics prohibits conflicts of interest in our dealings with vendors and holds vendors to conduct expectations similar to those of Lowe's employees.

With more than 750 factories producing products for Lowe's, LGS ensures compliance with these standards with the help of operations in the United States, China, Hong Kong, Taiwan, Mexico and India. LGS uses internal and third-party quality assurance teams to help validate that our vendor partners operate safe and ethical factory environments and produce safe, reliable, high-quality products.

As part of our sustainable and socially responsible sourcing strategy, LGS worked with independent consultants and other experts to create an enhanced social accountability and environmental audit. Launched last August, the new framework incorporates best audit practices and provides an expanded evaluation of social performance and environmental compliance. Every active factory and new factory is audited at least once a year.

In 2011, LGS performed more than 900 factory certifications and more than 600 random social compliance audits. In addition, more than 16,000 product and packaging tests were conducted at independent third-party testing facilities, with many of our products pulled from production lines for testing during random production audits. LGS also inspects orders at facilities before approving them for shipping, and in 2011 conducted more than 11,000 pre-shipment inspections.

Driven to provide high-quality products produced by socially responsible vendors, we'll continue to review our sourcing policies to ensure we have the best practices in place.

View Lowe's California Transparency in Supply Chains Act Disclosure.

Responsibility.Lowes.com/california-transparency-in-supply-chains-act-disclosure/



Lowe's sources products from 19 countries and conducts pre-shipment inspections as part of our commitment to providing high-quality products produced by socially responsible vendors.

Government and Political Engagement

Lowe's has a long history of community involvement and engaging in issues of importance to our company, shareholders and industry. We believe it's our responsibility as a good corporate citizen to work with public officials on issues and policies impacting our business environment. To this end, we engage in governmental outreach and lobbying activities. Lowe's vice president of government affairs provides oversight and coordinates these efforts while ensuring compliance with the numerous rules and guidelines governing corporate involvement. Lowe's does not make contributions to political campaigns, super PACs or political parties.

Trade organizations

Lowe's maintains memberships in national and state trade associations specific to business and retail industry interests, such as the Retail Industry Leaders Association (RILA) and various state retail organizations. These groups provide significant benefits to Lowe's and our shareholders by giving Lowe's access to their business, technical and industry expertise, by providing a forum for their members and by lobbying on our behalf on various public issues and policies that impact our company and ability to conduct business as efficiently as possible. These organizations are often retail specific, and their primary focus is working with elected officials to advocate on behalf of retail companies and the issues that impact those companies. Members of senior management and our government affairs department serve in a leadership capacity in many of the trade organizations in which Lowe's is a member to ensure Lowe's core values remain consistent with the values of the trade organizations and to ensure our investments and interests are well represented.

Political action committee

Lowe's sponsors an employee political action committee (LOWPAC) that contributes to candidates and other political committees supportive of our business interests. LOWPAC is funded by voluntary employee contributions. The determination to contribute to a candidate or political committee is made by LOWPAC's board of directors, including Lowe's vice president of government affairs, senior management and general counsel.

Factors the LOWPAC board considers when making contributions to candidates or political committees:

- Does the company have significant economic interests (stores, distribution centers, etc.) in the candidate's district?
- What is their position or voting record on issues important to Lowe's?
- Do they sit on a committee with oversight of issues important to Lowe's?
- Do other national retail trade associations or business groups also support the candidate or political committee?

Compliance

Lowe's is fully committed to complying with all applicable laws regarding political contributions and expenditures, including laws requiring public disclosure. All contributions are reviewed and approved in advance by Lowe's vice president of government affairs and Lowe's general counsel, when necessary. As required, these activities are reported quarterly on various public websites, including www.fec.gov, www.house.gov, www.senate.gov and www.secretary.state.nc.us/corporations.



Lowe's works with public officials in Washington, D.C., and around the country on issues and policies impacting our business environment.

Diversity and Inclusion

Lowe's longstanding commitment to diversity and inclusion is a core element of our business strategy and our mission to improve the communities we serve. Diverse perspectives help us solve everyday challenges, develop innovative ideas and grow our business. We're dedicated to continuing to foster an inclusive culture that promotes diversity of thought and celebrates the unique talents that each professional brings to Lowe's.

Together, we're committed to treating every customer, employee, community, investor and vendor with respect and dignity. Our Diversity Advisory Council, chaired by Robert A. Niblock, Lowe's chairman, president and CEO, meets regularly to provide oversight and direction on the progress of diversity and inclusion initiatives at Lowe's.

We focus on diversity and inclusion in four areas:

- Workforce
- Suppliers
- Community
- Customers

An inclusive workforce helps provide our diverse customer base with the products, services and solutions they need throughout all stages of their home improvement projects. Embracing and elevating diversity solidifies our position as a leading-edge multichannel retailer. And it strengthens our dedication to continuous improvement – through collaboration and training and development programs designed to foster open communication, inclusion and equal employment opportunities for all.

Lowe's remains focused on investing in programs that create value for our customers and our company. Our supplier diversity program is part of our overall commitment to enhance economic development in the diverse communities we serve.

Lowe's is a member of 15 regional supplier diversity councils, as well as many organizations and associations, including Catalyst, National Black MBA Association (NBMBAA), Association of Latino Professionals in Finance and Accounting (ALPFA), Executive Leadership Council and the Urban League.



Lowe's Chairman, President and CEO Robert Niblock addresses attendees at Lowe's inaugural Women's Leadership Summit in Mooresville, N.C. He was joined by more than a dozen other inspirational speakers.

Engaging Employees

Employee engagement has long been a priority at Lowe's. We define engagement as the extent to which our employees are truly committed to company goals, speak out positively for the company, go above and beyond each day and intend to stay with Lowe's as their employer of choice.

Focused and dedicated employees build and strengthen Lowe's reputation with our customers and our communities and help make Lowe's a great place to work. We're dedicated to fostering a culture that provides every employee the opportunity to participate fully in helping the company build success and generate sustained growth.

In addition to feedback generated through our Bright Ideas suggestion program and employee focus groups, our annual Employee Opinion Survey gives all regular full- and part-time employees across the United States, Canada, Mexico and Asia a chance to voice their opinions about their work experience. The survey helps Lowe's identify trends and create new initiatives to drive the engagement and growth of our employees.

Lowe's 2011 Employee Opinion Survey showed employee engagement remains strong and reflects a highly engaged workforce that rates well when compared to the benchmark for best-performing companies.

We're increasingly focused on helping employees build their talents and skills through extensive training and development programs, while we remain committed to helping them maintain a work/life balance through our health and wellness programs that reward participation. We rely on our engaged employees to help us continuously improve our work environment. And with the support of engaged employees who contribute to the Lowe's Employee Relief Fund, Employee Giving Campaign and Lowe's Heroes program, we're able to enhance the quality of life in our communities.

Engaged employees help Lowe's make a positive impact in the communities we serve by volunteering their time and talents.



Developing a Workforce for Today and the Future

Providing exceptional customer service through a strong and vibrant enterprise begins with engaged and proficient employees. Lowe's success at meeting the needs of each customer starts with our ability to acquire, train, develop and retain a skilled and engaged workforce. Our employees are a strategic advantage. Lowe's is fully dedicated to helping our talented and committed employees enhance their current skills and build for the future.

Lowe's commitment is to build a workforce that supports our strategic direction while developing a more robust pipeline of talent that delivers on Lowe's evolving skill and capability needs. First, our performance-oriented training and leadership development programs provide the tools to help employees at all levels reach and maintain job proficiency quickly. Then, Lowe's works to develop a broader, deeper and more valuable talent pool by providing employees with opportunities for ongoing training and targeted career development.

From our stores, distribution centers and contact centers to our corporate offices, we offer a variety of learning paths, built on a careful blend of online courses, instructor-led classroom training, experiential learning, on-the-job coaching and mentoring, and job performance supports. These learning experiences and opportunities are structured to occur at the right time and in the right amount. To enable this, we're increasingly

leveraging emerging technologies and the employees' work environments for both learning and performance support.

Our strategic investment in our employees continued throughout 2011. Our primary focus areas were executive development, in partnership with the University of North Carolina; store leadership development, particularly the critical store manager and assistant store manager populations; and a revision of the store associate learning programs in a new flexible and more sales-oriented approach. We believe these focus areas enhance our ability to serve our customers while building the foundation for continued growth.

For employees wishing to develop their skills in a formal academic setting, Lowe's continues to partner with three universities — Kaplan University, Capella University and Strayer University — that offer discounted tuition rates for all Lowe's employees. Full-time employees with one year of service may use the discounted rate in conjunction with Lowe's tuition reimbursement program, which is available for any accredited college or university course leading to a degree. In addition to new scholarships offered by Strayer University in 2011, Lowe's employees became eligible for a new tuition deferral program through Capella University.



Lowe's managers encourage questions and help grow employees' talents by providing opportunities for ongoing training.

Health and Benefits

With more than 234,000 employees, Lowe's is focused on meeting a variety of needs through our comprehensive benefits programs. We take great care in investing in our employees to help them and their families lead healthier and happier lives. Our goal is to continue to make Lowe's a great place to work.

Lowe's benefits programs include health and life insurance plans, a wide range of free health and wellness programs, a flexible spending account plan, a 401(k) and a discount stock purchase plan. While we've earned national recognition for improving the health of our employees and their families, Lowe's is committed to constantly evaluating our programs and implementing changes to better meet their needs.

In 2011, we launched a critical illness plan to help cover out-of-pocket expenses related to illnesses including cancer, heart attack and stroke. We also expanded benefits provided through our partnership with the Cleveland Clinic. In addition to heart surgery procedures available at no cost, eligible full-time employees and dependents now can take advantage of a wider range of non-surgical heart treatments. Lowe's also introduced a program that allows eligible employees and dependents who've been diagnosed with life-altering or life-threatening conditions to go online to receive a free second opinion from top physicians at the Cleveland Clinic.

To improve employee access to health services, we continue to provide free health screenings at work locations. Our two mobile health-screening units have traveled nearly 100,000 miles in two years and provided free health screenings to 50,000 employees. Each custom-built unit has a staff of trained professionals who screen for blood pressure, total cholesterol, body mass index (BMI) and other key health indicators.

The health-screening units are part of My Life Track, Lowe's innovative health and wellness program that provides resources to help build a healthier lifestyle. My Life Track programs include annual health and wellness campaigns that address physical, emotional and financial topics, and on-site health centers. My Life Track also offers one-on-one professional counseling for life's big and small concerns, as well as tobacco cessation assistance to employees and eligible family members. Lowe's pays the entire cost of the program and rewards healthy behaviors with points employees can redeem for merchandise through the My Life Track website.

Lowe's began covering tobacco cessation products at 100 percent last year and introduced a tobacco-free medical insurance employee premium discount to further promote healthy lifestyle choices for U.S. employees and their families. For tobacco users, we provide free and unlimited access to trained Quit Coaches® through the Quit For Life® program. The program drew more than 7,600 Lowe's participants in 2011, and the smoking cessation rate improved to 60 percent. More than 18,000 employees and dependents have stopped smoking since 2007.



Lowe's mobile health-screening units have provided free health screenings to 50,000 employees.

Focusing on Safety

Lowe's is committed to providing a safe environment for customers, employees, contractors and vendors, while complying with safety and health standards established by law, the Occupational Safety and Health Administration, the Environmental Protection Agency and other regulatory agencies.

We strive to sustain a culture that integrates safety into all parts of our business. Lowe's holds our leadership teams accountable for creating and maintaining a safe working and shopping environment. Safety practices are incorporated into each job task, and we believe training is critical to ensuring safety awareness and knowledge are maintained at the highest level.

In 2011, our store employees voluntarily took more than 6.2 million Employee Awareness Safety, Shrink and Customer Service quizzes — 2 million more quizzes than the previous year. The quizzes are part of the Lowe's Store Cup, an employee awareness program launched in 2010 to enhance the customer experience, improve safety and reduce inventory shrink through online training. Eighty percent of store employees have taken at least one of the 230 training and awareness quizzes.

The quizzes, training and consistent communication of our safety expectations continue to improve our overall safety record. During the past eight years, our

stores and supply chain locations have consistently reduced their number of incidents and improved their level of commitment to a safe work environment.

Whether in the training room or on the sales floor, our focus is on giving our employees the tools to work safely every day. In late 2011, we began rolling out a new tool to all stores to help employees become more productive, efficient and safer while stocking and removing products from racking. The new power stocker lift will be used in place of a rolling step ladder. It has a manually propelled hydraulic lift that can safely raise the operator and products to adjustable heights, ideal for moving heavy, bulky items or multiple items at a time. The new equipment will help improve our employee work experience, safety and customer service.

Lowe's also continued to enhance our Integrated Safety Leadership system to sustain Lowe's safety culture throughout our stores and distribution network. Key safety topics and processes include daily reviews, weekly management meetings, ongoing hazard assessments, incident root cause analysis, continuous training and monthly team meetings in which employees teach, train and administer reviews to increase safety awareness. We're committed to maintaining a culture in which everyone is responsible for safety.



Lowe's is equipping all stores with power stocker lifts, a new tool that will improve customer service and help employees become more productive, efficient and safer while stocking and removing products.

Employee Giving Campaign

Every fall, Lowe's family of employees comes together to improve the quality of life in our communities through Lowe's Employee Giving Campaign. Employees demonstrate their spirit of giving by supporting designated organizations that enhance our local communities in significant ways.

The 10 charities Lowe's employees selected in 2011 offered the opportunity to support a broad range of causes:

- American Cancer Society
- American Diabetes Association
- American Heart Association
- American Red Cross
- Feeding America
- Habitat for Humanity®
- Lowe's Employee Relief Fund
- The Nature Conservancy
- United Way
- USO (United Service Organizations)

Employees from stores, distribution centers and offices across the United States contributed to their favorite charities through payroll deductions or individual donations. The contributions stay in the donor's area to impact local children, individuals and families who need it most.

Employees pledged more than \$1.2 million to the 2011 Employee Giving Campaign, and Lowe's is matching their contributions by 50 percent.

Throughout the holidays, Lowe's employees also gave back to their local communities through a variety of other projects. The contributions included the Season of Caring campaign at the corporate offices in Mooresville and Wilkesboro, N.C. Employees collected more than 1,000 pounds of non-perishable food for local food banks, along with 350 shoeboxes full of supplies and toys for children in need.



Throughout the holidays, Lowe's employees gave back to their local communities through volunteer programs and Lowe's Employee Giving Campaign.

Lowe's Employee Relief Fund

The Lowe's Employee Relief Fund exists so Lowe's employees can help each other in times of need. Since the program's inception in 1999, the fund has contributed \$14 million in assistance to more than 13,000 employees and their immediate family members. Making employee donations even more powerful, Lowe's matches each contribution dollar-for-dollar.

Lowe's Employee Relief Fund distributed more than \$2.3 million in 2011, the largest contribution in the 13-year history of the fund. Those dollars helped more than 2,000 Lowe's employees who suffered a significant financial hardship as a result of a house fire, natural disaster, family death, medical expenses or other unforeseen event. The fund assists individual employees with up to \$1,500 per qualifying event. Employees contribute through payroll or check contributions, and Lowe's pays for the program's operating costs.

During a year of devastating natural disasters, Lowe's employees stepped up in large numbers to support those impacted the hardest. With their help, Lowe's Employee Relief Fund contributed more than \$465,000 in assistance to employees affected by disasters.

Along with notes of encouragement, checks streamed in from Lowe's stores, distribution centers and regional and corporate offices.

- Spurred by the damage done by spring storms across the Southeast and hoping to encourage others to give, an employee at Lowe's of Oceanside, Calif., donated \$500 to the fund – for a second time. In Louisiana, another employee, a regular contributor to the fund, wrote a \$500 check in support of those affected by Mississippi River flooding.
- After seeing communities in their region hit by two major floods during the past four years, employees from Lowe's distribution center in Findlay, Ohio, mailed a check for more than \$7,300, and Lowe's matched it dollar-for-dollar. "I've had employees in tears thanking me on behalf of the Lowe's family for just being there for them," said HR manager Allen Cox. "This has created a 'pass it forward' culture in our facility. The Employee Relief Fund is the best way to tell our employees in need, 'We care.' "

The fund had perhaps its biggest impact in Sanford, N.C., where more than 50 employees received assistance after a tornado destroyed Lowe's of Sanford. "With all the employees had to face, the money they received was a huge burden taken off their shoulders," said store manager Mike Hollowell. "It made them realize that with all that was going on, Lowe's was going to do everything it could to help them."



The Lowe's Employee Relief Fund assisted more than 50 employees at Lowe's of Sanford after a tornado with 140 mph winds destroyed the store and surrounding property.

Awards

Lowe's employee health and wellness programs received special recognition in 2011 from a variety of organizations:



Best Employers for Healthy Lifestyles Award, Platinum winner

The National Business Group on Health honored Lowe's for our commitment to promoting a healthy workplace through innovative programs that encourage healthier lifestyles for employees and their families. Lowe's was the only retailer selected as a Platinum winner, the highest level, for established workplace well-being programs with measurable success and documented outcomes.



Mission Mover Award

Lowe's received the Alzheimer's Association's highest form of corporate recognition for leadership in educating employees and the public about the warning signs of Alzheimer's. Lowe's was honored for promoting workshops around World Alzheimer's Day and National Alzheimer's Disease Awareness month and for providing support resources to employees on our health and wellness website.



Start! Fit Friendly Companies Award, Gold level

Lowe's received the American Heart Association honor for demonstrating progressive leadership by making the health and wellness of our employees a priority. The gold-level recognition distinguishes companies that champion the health of their employees by focusing on several factors, including: offering employees physical activity support; providing and increasing healthy eating options; and promoting a wellness culture.

Our dedication to promoting a diverse and inclusive workplace also helped Lowe's earn recognition across the country:



G.I. Jobs Top 100 Military-Friendly Employers®

Published by G.I. Jobs magazine, the list honors the companies that are doing the most to recruit America's veterans. Lowe's, which made the list for the fifth consecutive year, employs about 14,000 veterans or reservists.



Top 100 Employers for the Class of 2011

Diversity Employers Magazine, formerly The Black Collegian, honored Lowe's recruiting efforts. The annual employment research and hiring survey by IMDiversity, Inc. determines the most active recruiters of college seniors for entry-level jobs. Rankings are based on employer survey information on projected entry-level hires, campus recruitment activity and recruited majors.

Community Partnership Award

The Arc of Quinebaug Valley in Connecticut honored our hiring efforts at our Plainfield regional distribution center. The award is presented to an individual or group in the community who has partnered with the Arc to promote its mission in providing opportunity, support and advocacy for individuals with intellectual, developmental and other life-affecting disabilities.

Valdosta Mayor's Council Award

The Valdosta Mayor's Council for Persons with Disabilities recognized Lowe's distribution center in Valdosta, Ga., for tearing down barriers for people with disabilities.

Community Employer of the Year

The North Carolina Association of Rehabilitation Facilities honored our distribution center in Garysburg for its commitment to hiring, training and promoting people with physical and/or mental disabilities. The association is composed of members representing 41 of North Carolina's community rehabilitation programs.

Saving Lives and Rebuilding Together in Sanford

When department manager Kim Thomas saw a coworker and customers staring up at the sky, her motherly instinct kicked in. “I ran through the doors that opened up,” said Thomas, “and I yelled, ‘Y’all get in the house!’ ”

Inside, store manager Mike Hollowell and his team quickly guided customers and employees to the safest part of the store, the back area designated as the safe zone in the store’s emergency plan. There, they huddled shoulder-to-shoulder as a massive twister barreled through Lowe’s of Sanford, N.C.

Minutes later, about 100 customers and employees walked out of the emergency exit, leaving behind piles of rubble and aisles of twisted steel. Thanks to the quick action of Lowe’s employees who carried out their emergency training, everyone made it out without serious injury.

“The employees kept everyone moving and everyone focused,” said Gary Hendricks, who was shopping with his wife, Kathy. “There was no panic because people knew what to do. When we got to the back hallway, they said, ‘Get down!’ Their quick response saved everyone.”

The team effort that saved lives that Saturday afternoon continued as Lowe’s employees came together to help coworkers recover, return to work at surrounding stores and rebuild Lowe’s of Sanford. In less than five months, the store was back serving the Sanford community.

“I’ve always been proud of my team, but this was awesome,” Hollowell said.

In the days that followed the tornado, nine HR managers from area Lowe’s stores were in Sanford to assist employees with human resource needs and Lowe’s Employee Relief Fund applications. Trauma counselors from Lowe’s My Life Track program

also met with employees who needed assistance. Shortly, Lowe’s employees received the most reassuring news.

Lowe’s offered every employee the opportunity to work in a neighboring store until Lowe’s of Sanford was rebuilt. Employees were given their choice of stores. To help ease the transition, Lowe’s provided transportation to the surrounding stores for the first 30 days. Employees also received a paycheck for the week after the disaster and commuter pay for every week they worked in the surrounding stores.

No one lost their job because of the disaster.

“I can’t say enough about Lowe’s and the support they’ve given us throughout this ordeal,” said assistant store manager Bobby Gibson. “Lowe’s is more of a family than a company, and this proves that. We’ve heard words of support, encouragement and thanks from throughout the country.”

The Hendricks, who were there when the store reopened 145 days after the tornado, offered their own heartfelt thank you, calling themselves “Lowe’s customers for life.”

“I want to commend your employees’ actions and say there is no better level of customer service that they could provide than to save the life of your customers,” Gary and Kathy wrote in a letter to Lowe’s CEO Robert Niblock.



Just 39 days after a tornado leveled Lowe’s of Sanford, employees and local officials break ground on a new store.

Sanford Thank You

Sanford residents Gary and Kathy Hendricks wrote this letter to Lowe's Chairman, President and CEO Robert Niblock to thank employees at Lowe's of Sanford for their efforts on the day an EF-3 tornado struck the store:

Dear Mr. Niblock:

I hope this letter finds its way to your desk.

My wife and I were inside your store in Sanford, N.C. on the day the tornado hit, and after reflecting on our experience for over a month I decided to write you.

We were standing at the checkout at the time the tornado was observed. I want to thank your employees that day for their prompt and professional approach, saving the life of my wife and I, as well as many other customers. The calm demeanor of your employees prevented panic and focused us on the task at hand, getting us to the safest place in the store. The place we were standing had the entire front wall laying on it, where we and many other customers had been a minute earlier. Had your employees hesitated for even a minute in getting all of us to the back hallway, I would not be here writing this letter, and the outcome that day would have been much different.

I want to commend your employees' actions and say there is no better level of customer service that they could provide than to save the life of your customers. We will be forever grateful to all of them and feel they are now members of our family.

I hope you realize how fortunate you are to have such wonderful people working for you. You could look hard and long and never find people who would sacrifice their own well-being to help a store full of customers.

God bless them all,

Gary and Kathy Hendricks



Gary (center) and Kathy Hendricks had recently bought a home and were shopping at Lowe's of Sanford when the tornado hit. They were shepherded by employees to the back of the store with other customers.

Health Centers Saving Lives

George Lamson thought it was allergies, maybe indigestion. But after a restless night, he went into the office and didn't feel well. In just his second week of work at Lowe's corporate office in Mooresville, N.C., he didn't know where to turn.

"I was brand new to the area and didn't have a single relative here, no doctor and no insurance yet," said Lamson, an IT director who had just moved from Wisconsin.

Then he remembered something from new employee orientation – a stop they made at Lowe's health center. "The guy who was giving the tour said, 'Hey, this is a great benefit,' Lamson recalled. "We weren't there long, but it must have stuck."

That morning, he saw physician's assistant Michelle McCracken-Brown, who immediately took his blood pressure and then an electrocardiogram. "I read the EKG monitor and knew he was having a heart attack," she said. She called 911, got an IV started, gave Lamson nitroglycerin and put him on oxygen.

Lamson, a runner who was on a strict diet-and-exercise routine, refused to believe it was a heart attack until he heard it from the cardiologist at the hospital. "I was in such denial, I would have waited, and that would have been it," said Lamson, who had two stents put in at the hospital. "The doctor said if it had been even 30 minutes later, I might not be here. If it wasn't for the great reaction of the health center and the EMTs, I'd probably be dead."

His appreciation is shared by others who've used the health centers at Lowe's corporate offices in Mooresville and Wilkesboro, N.C., and at Lowe's regional distribution centers across the country. In all, 16 health centers serve Lowe's employees. No insurance or

co-pay is required, and the free health and wellness services range from allergy injections and flu vaccinations to blood work and emergency medical care. Nurse practitioners and physician assistants also treat minor illnesses and provide free programs that include tobacco cessation, nutritional counseling and weight and lifestyle management.

"One of the most valuable things is being able to follow-up on a daily basis. You can't expect that out of a doctor's office," said Melissa Zellner, a nurse practitioner at Lowe's distribution center in Findlay, Ohio. "For some employees with bronchitis, I'll bring them in for breathing treatments once a day for three or four days. That's something a primary care provider logistically isn't able to do. And the convenience adds huge value to employees. It's the difference between taking a half-day or full day off work and being seen in 20 minutes."

It's a great benefit, said Teresa Brown, a repair services agent who's used the Wilkesboro health center to treat minor illnesses and receive nutritional advice. "Their care has saved me both money and time," she said. "It's great to have this service available on-site so I can use it during my break and lunch times. I'm able to miss a minimum amount of work, and that's very important to me."



Like the facilities at Lowe's regional distribution centers, the health centers at Lowe's corporate offices in North Carolina provide free services ranging from allergy injections and flu vaccinations to nutritional counseling and tobacco cessation programs.

Expanding Opportunities in Supplier Diversity

Just as the diversity of our employees enhances Lowe's business culture, diverse suppliers improve our supply chain and help us better serve customers. We foster a culture that encourages employees to become supplier diversity champions. Lowe's merchandising team carried that mission forward in 2011 through a partnership with JS Products, Inc., a minority-owned business that has been integral to the success of Lowe's tools category.

Since starting the business in 1986, Juan Mora, Steve Brantley and Jose Zorrilla have maintained an inclusive, family-like work environment as co-owners, and close friends of 35 years. With the support of a nearly 40 percent minority workforce, the partners have grown JS Products' ability to develop, manufacture and distribute specialty tools and equipment to the professional automotive and industrial markets. Excited about expanding innovation, Mora says Lowe's has created new and promising opportunities for his business.

"To supply Lowe's, we knew we had to deliver world-class service, and that has allowed us to enhance our structure and has elevated our company performance in several areas," said Cuban-born Mora, president of JS Products.

Handling Lowe's private-label Kobalt mechanics hand tools – more than 600 items – JS Products has helped propel Lowe's to the forefront of tools within the industry. To help JS Products build on its success, Lowe's merchandising team nominated the company for membership in the National Minority Supplier Development Council (NMSDC) Corporate Plus® program. The NMSDC program is designed to recognize the national capabilities of the highest caliber minority business

enterprises, bringing them to the attention of more than 3,500 NMSDC members.

With Lowe's recommendation and assistance, JS Products is now part of an exclusive group of NMSDC small businesses, with greater opportunity to expand both its business and workforce. This elite classification, awarded to less than 100 of more than 16,000 certified minority businesses, adds JS Products to the Corporate Plus database used by corporations to identify vendor opportunities.

"We have been in business for 25 years, and we could not have done this without Lowe's," Mora said.

For Lowe's, the relationship demonstrates the value of supplier diversity — collaborating internally to expand opportunities externally — and enhances our efforts to identify and partner with other NMSDC-certified companies and establish a mentor/protégé program within merchandising.

To continue advancing the partnership, Lowe's plans to mentor JS Products through the process and benefits of NMSDC Corporate Plus membership. With the Hispanic community's significant population increase in this census cycle, including a 56 percent increase in Nevada, where JS Products is based, Mora believes that partnering with Lowe's and staying committed to innovation and diversity are important to maintaining the company's success and reaching all corners of the market.

"With Lowe's, we can now get more involved and we can look directly at the needs of consumers," Mora said. "It's a combined effort between us."



JS Products, Inc. President Juan Mora, flanked by his son, Johnny Mora, executive vice president of sales and marketing, is grateful for Lowe's support.

Investing in Customer Service

More than 1,300 miles separate Rome, Ga., and Albuquerque, N.M., but the two cities share a common bond – both are sites for new facilities that will add to our continued focus on customer service.

Customers shopping in a Lowe's store expect products to be readily available for purchase on store shelves, and those buying goods online at Lowes.com expect their orders to arrive quickly. The new regional distribution center under construction in Rome will play a vital role in meeting the needs of both.

As part of our network of 15 distribution centers across the United States, the Rome facility becomes the newest hub for receiving more than 32,000 different products from vendors and dispatching the goods to stores in Alabama, Arkansas, Georgia, Mississippi, Louisiana and Tennessee.

With more than five miles of conveyor belts, the finished building will be the size of 33 football fields under one roof when it opens in 2013. Lowe's is investing more than \$125 million in the construction, and we estimate the facility will create 600 jobs by 2016.

Customer Support Center-Albuquerque is the first customer support center located outside North Carolina. But when it comes to customer service, there are no geographic boundaries.

By March, approximately 250 employees began working at the Albuquerque

location. Initially, these employees are helping customers with sales of products and with arranging repairs of appliances and outdoor power equipment. Their service will expand to help customers with any of the reasons they contact Lowe's by phone, email or click-to-chat.

At maturity, the Albuquerque and existing customer support center in Wilkesboro, N.C., will be operationally identical, with both facilities handling the same types of assistance for customers. Albuquerque's location in the Mountain Time Zone complements the Wilkesboro facility's operation hours in the Eastern Time Zone, expanding the number of hours customer service professionals are available to help Lowe's customers.

Lowe's is investing \$15 million for renovations of leased space in an existing 65,000 square-foot building, and plans call for approximately 600 people to work at the Albuquerque center by 2013.

While Lowe's customers will benefit from enhanced service, the communities of Rome and Albuquerque gain, too. Lowe's hires local contractors. Longer term, the salaries of the people who work at the customer support center and regional distribution center will go back into the community, benefiting Albuquerque, Rome and the states of New Mexico and Georgia for many years to come.



Local leaders welcome Lowe's to Albuquerque, N.M., the site of a new customer support center that expands the number of hours Lowe's professionals are available to help customers.



Improving our
Community

Our Mission

Customer service and community service are core commitments at Lowe's – and they have been for more than 60 years. Being a good neighbor means being committed to improving the places our employees and customers call home. We see that as an investment in our future. We've grown that investment as Lowe's has grown from a small-town hardware store in North Wilkesboro, N.C., to the second-largest home improvement retailer in the world.

In 2011, Lowe's and Lowe's Charitable and Educational Foundation supported more than 4,000 community and education projects in the United States, Canada and Mexico through grants totaling more than \$32 million. Each year brings new challenges, and 2011 was the costliest year ever for natural disasters. To help families recover and rebuild, Lowe's and the foundation committed \$4 million to disaster relief.

Our mission is to provide impactful support to local communities, and we continue to develop new partnerships and programs to meet their needs. Together, we've stepped up our efforts to help families and communities manage through challenging economic times.

- With schools pressed to fill fundamental needs at a time of budget cuts, Lowe's Toolbox for Education® expanded its assistance, providing \$4.5 million to more than 1,000 schools in all 50 states and the District of Columbia.
- Lowe's continues to build on our longstanding partnerships with Habitat for Humanity® and Rebuilding Together®. With the support of Lowe's foundation and in partnership with Rebuilding Together and Carter's Kids, we created a community revitalization program to improve the health and welfare of today's youth.

- We also strengthened our investment in tomorrow's leaders by broadening our support of emergency scholarships for students. In addition to continuing contributions to the United Negro College Fund and Hispanic Scholarship Fund, Lowe's Charitable and Educational Foundation partnered with the Thurgood Marshall College Fund to assist students attending public historically black colleges and universities.

Fulfilling our commitment is about more than writing checks, though. It's about making an impact. We do that with the help of the Lowe's family — 234,000 employees who are dedicated to making their community a better place to live. Employee volunteers have joined together to provide thousands of hours of support to local communities since the late 1990s as part of the Lowe's Heroes program. Our employees' willingness to roll up their sleeves and get their hands dirty has helped engage our entire work force. As Lowe's ambassadors, they reinforce our culture of caring and spread awareness of our mission to every new community we enter.



Lowe's commitment to improve the communities we serve is reflected in our work to provide safe and affordable housing in partnership with Habitat for Humanity® and Rebuilding Together®.

Lowe's Charitable and Educational Foundation

Founded in 1957, Lowe's Charitable and Educational Foundation has a long and proud history of improving the communities we serve. The foundation's support has grown to match the growing needs of our communities, going from \$3 million in contributions in 2004 to approximately \$19 million in each of the past three years.

Lowe's Charitable and Educational Foundation funds nonprofit organizations and public agencies that support our charitable goals. The foundation's primary philanthropic focus centers on K-12 public education and community improvement. Within these areas, Lowe's foundation is primarily committed to supporting projects that have the greatest impact on our communities and align with our core business – home improvement.

We believe education is the cornerstone to building bright futures and stronger communities. Our long-established commitment to improving educational opportunities is best exemplified by our signature education grant program, Lowe's Toolbox for Education®. Since its inception in 2006, Lowe's Toolbox for Education has contributed more than \$30 million to 6,000 schools in the United States.

In 2011, with schools and community groups continuing to face financial challenges, Lowe's foundation again focused on basic needs. The foundation committed more than \$4 million in hometown and regional grants to fund a variety of improvements for schools and community gathering places.

Lowe's Charitable and Educational Foundation supports partnerships with Habitat for Humanity, SkillsUSA, The Nature Conservancy and more than a dozen other nonprofit organizations. It's comprised of a seven-member board of directors. The board includes representatives from various departments within Lowe's, from corporate affairs and human resources to the legal and tax teams, supplying a diversity of thought, leadership and experience to help shape the foundation's work. Marshall Croom, Lowe's senior vice president, is chairman of the foundation.

For more information about Lowe's Charitable and Educational Foundation, including application guidelines, visit **Lowe's.com/Community**.



Lowe's Charitable and Educational Foundation contributed a \$50,000 grant to the Boys & Girls Clubs of Wake County, N.C., to support renovations at three clubs. Lowe's foundation has contributed \$3 million to fund improvements at 60 Boys & Girls Clubs.

Lowe's Toolbox for Education®

Improving the educational experience for students has been a longstanding priority for Lowe's. With each improvement we make, we're investing in tomorrow.

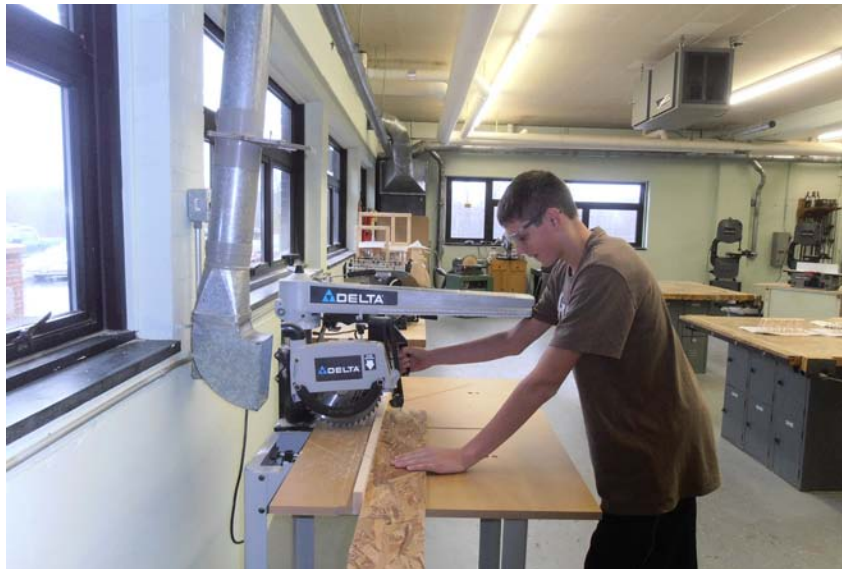
Our signature education grant program, Lowe's Toolbox for Education®, has been changing lives and transforming communities since its launch in 2006. Funded by Lowe's Charitable and Educational Foundation, Lowe's Toolbox for Education provides parent groups and educators with the necessary financial tools to expand students' opportunities and improve schools across the United States.

Through our support for public education, we're closing the funding gap facing many schools today. Lowe's Toolbox for Education contributed \$4.5 million in 2011 to fund improvements at more than 1,000 schools in all 50 states and the District of Columbia. The projects included technology and safety improvements, library renovations, walking trails, greenhouses and gardens. Since 2006, Lowe's

Charitable and Educational Foundation has donated more than \$30 million through Lowe's Toolbox for Education to 6,000 K-12 public schools, benefiting more than 3.5 million schoolchildren.

For the third consecutive year, Lowe's partnered with five-time Sprint Cup champion Jimmie Johnson and his wife, Chandra, to award additional grants to K-12 public schools with critical needs. These Champions Grants are funded by the Jimmie Johnson Foundation, and Lowe's helps administer them. The Jimmie Johnson Foundation distributed \$520,000 in Champions Grants to 13 schools in the Johnsons' hometowns in California, North Carolina and Oklahoma. In three years, more than \$2 million in Champions Grants have been awarded to 44 schools.

Find out more information about Lowe's Toolbox for Education and learn how to apply at Lowes.com/Community. To read about past and ongoing projects, visit [Facebook.com/ToolboxforEducation](https://www.facebook.com/ToolboxforEducation).



A \$40,000 Toolbox grant funded a state-of-the-art computer-aided drafting system, new work benches, saws, drill presses and other woodworking equipment at Weedsport Junior-Senior High School in Weedsport, N.Y.

Lowe's Heroes

Lowe's embraces teamwork as a core value – a critical ingredient to our success as a company and as a corporate citizen. Since the late 1990s, Lowe's employees have been teaming up through our Lowe's Heroes program to make our communities better places to live. The companywide program encourages employees in a location to team together, adopt a volunteer project with a local nonprofit organization or K-12 public school, and make a difference.

Our teams are proud of the thousands of hours they volunteer each year to improve local communities, and their efforts continue to grow. At a time when many communities are in need, Lowe's Heroes stepped forward in record numbers to assist our neighbors across North America. Lowe's Heroes participated in more than 1,400 projects, and Lowe's contributed more than \$1.8 million in materials.

Employees from our stores, distribution centers, regional and corporate offices volunteered their time and skills to support our nonprofit partners, deepening our relationships with those organizations and delivering a greater impact on a local level. From cashiers to vice presidents, Lowe's Heroes rolled up their sleeves to complete community improvement projects that included:

- Building playgrounds and revitalizing communities with Rebuilding Together and Carter's Kids in Arlington, Texas, Denver, San Fernando, Calif., Tampa, Indianapolis and Miami.
- Making holiday wishes come true for schools, food banks, shelters and youth centers in Albuquerque, Philadelphia, Miami, Charlotte and Los Angeles.
- Rehabilitating and constructing Habitat for Humanity® homes for veterans and active-duty personnel on five Hawaiian islands as part of Hammers for Heroes.
- Cleaning up and beautifying communities in Pennsylvania, Florida, Texas, Georgia, Illinois and Nebraska during Keep America Beautiful's 2011 Great American Cleanup.
- Refurbishing rinks in Alberta and Ontario in partnership with Hockey Canada to revitalize the infrastructure of youth hockey in Canada.

Each year, many Lowe's locations collaborate on a group project so they can make a larger difference. In 2011, Lowe's Heroes came together to answer the call for help in the wake of historic tornadoes and flooding from Hurricane Irene. Dozens of Lowe's Heroes provided critically needed supplies and support in the hours after the deadliest U.S. twister in decades ripped through Joplin, Mo., and hundreds more helped rebuild homes and the city's oldest and largest park. After Hurricane Irene devastated communities up and down the Eastern Seaboard, more than 300 Lowe's Heroes participated in local relief and recovery events. Together, they distributed nonperishable food, bottled water and cleaning supplies to 12,000 flood-impacted residents in five states.



Lowe's Heroes helped brighten the living spaces at the Well House, a shelter serving the homeless community in Grand Rapids, Mich.

Awards

Lowe's was awarded the 2011 Nashville Business Journal Corporate Philanthropy Award for going above and beyond to rebuild Nashville after devastating floods in 2010. Lowe's Heroes from 16 Nashville-area stores contributed more than 1,600 volunteer hours to complete rebuilding projects across Davidson County. Lowe's and our vendor partners donated \$120,000 worth of supplies, and Lowe's Charitable and Educational Foundation awarded Hands On Nashville a \$50,000 grant to help restore 32 flood-damaged homes.

From August through October, Lowe's Heroes assisted families in Nashville's hardest hit neighborhoods by rebuilding their homes and ensuring they were move in ready before the holidays. "Without their help, there's no way I could have had my kids here for the holidays," said homeowner Nancy Murphy.

Lowe's Charitable and Educational Foundation also was recognized by Rebuilding Together for exemplary work

to improve the lives of homeowners in need. The foundation received the 2011 MVP Award during the 16th Annual Kickoff to Rebuild in Arlington, Texas. During the NFL-sanctioned Super Bowl event, about 100 Lowe's Heroes helped revitalize 17 neighborhood homes and build a new playground at Speer Elementary School despite record low winter temperatures and icy conditions.

In addition to those contributions, the MVP Award honored Lowe's continued support of Rebuilding Together's affiliates, its energy-efficiency and weatherization initiatives and Lowe's collective efforts over the previous four years. Lowe's Charitable and Educational Foundation has contributed more than \$5 million to Rebuilding Together since 2007, and Lowe's has helped renovate and rehabilitate nearly 650 homes nationwide.



Rebuilding Together President and CEO Gary Officer (left) presents the MVP Award to David Harlan, Lowe's vice president of store operations.

SkillsUSA® and Skills/Compétences Canada

There is a shortage of skilled workers across the United States and Canada, and the gap is expected to widen between workers needed in North America and the workers who have the necessary skills. To help close the skills gap, Lowe's Charitable and Educational Foundation has proudly supported SkillsUSA® and its students since 2004. SkillsUSA, formerly known as VICA, helps high school and postsecondary students excel through world-class technical education coupled with training in leadership, character development and commitment to community service.

In joining hands with SkillsUSA and its more than 310,000 members annually, we know the hard work we put in together today will produce our leaders of tomorrow. As part of the largest corporate donation in SkillsUSA history, Lowe's Charitable and Educational Foundation has committed \$1.5 million annually to our nonprofit partner through 2014. This brings Lowe's total commitment to SkillsUSA to more than \$10 million.

In 2011, Lowe's foundation awarded 35 grants of up to \$10,000 each to SkillsUSA chapters and \$230,000 to support TeamWorks competitions in 32 states. The foundation also donated more than \$130,000 to support SkillsUSA's National Leadership and Skills Competition. Nearly 5,700 career and technical education students competed in the 2011 championships. Lowe's executives were on hand to congratulate competitors, and students delivered handmade cards thanking Lowe's for providing travel funds to allow them to attend the conference. The foundation's grant also helped support competition prizes and materials, the conference webcast and Presidential Volunteer Service Award recipients, who set a SkillsUSA record by volunteering more than 27,000 hours to improve communities across the country.

With a high regard for leadership training, Lowe's foundation funded leadership training

activity duffel bags and guides for more than 400 state SkillsUSA officers nationwide. State officers are using these materials to teach and model leadership training in local classrooms and at state conferences in all 50 states and Puerto Rico. More than 10,000 SkillsUSA members across the country are learning valuable lifelong skills such as public speaking, teamwork, problem-solving and conflict resolution because of Lowe's investment in these student leaders.

"The SkillsUSA and Lowe's partnership has had an important impact on education, economic development and communities," said Tim Lawrence, executive director of SkillsUSA. "SkillsUSA helps students develop their abilities in skill areas considered essential by employers, particularly employability skills. And, community service supported by Lowe's grants provides service learning that benefits students' education as well as developing communities."

Lowe's Charitable and Educational Foundation also continued its support of trades education in Canada by partnering with Skills/Compétences Canada. A \$1.25 million contribution will support high school-based projects in Alberta and Ontario through 2014. As we establish retail locations in more communities across Canada, we'll continue to reach out to other regions to inspire and encourage youth to pursue career paths in skilled trades and technology.



The annual SkillsUSA National Leadership and Skills Conference in Kansas City, Mo., is the highlight of the year for students across the country. Lowe's Charitable and Educational Foundation donated more than \$130,000 to support the 2011 SkillsUSA Championships.

Habitat for Humanity®

We pride ourselves on helping our communities meet their most critical needs. As part of that commitment, Lowe's is dedicated to creating safe and affordable homes in partnership with low-income families wherever they're in need. Since 2003, we've worked together with Habitat for Humanity® to build homes, communities and hope.

Every year, Lowe's employees put in thousands of hours building, repairing and renovating homes alongside partner families in local communities. In 2011, Lowe's contributed \$2.3 million in grants and supported more than 270 Habitat projects from Burbank, Calif., to Shanghai, China. Our commitment through 2013 will bring Lowe's contributions to nearly \$40 million since our partnership began.

Together with Habitat, we've helped ensure safe and affordable housing in partnership with more than 2,000 families in all 50 states. Lowe's was proud to participate in new initiatives, continuing programs and milestone moments with Habitat in 2011:

- To honor the 70th anniversary of Pearl Harbor, Lowe's funding and volunteers supported Hammers for Heroes, a weeklong project revitalizing and constructing homes for veterans and active-duty personnel on five Hawaiian islands.
- At the seventh annual Power Women, Power Tools build hosted by Habitat for Humanity of Greater Los Angeles, Lowe's contributed a \$250,000 grant and more than 140 Lowe's Heroes helped build LEED-certified, energy-saving homes for local families.
- On World Habitat Day, Lowe's funding helped Paterson Habitat for Humanity complete a New Jersey home celebrated across the globe as Habitat for Humanity's 500,001st house.

"It's an amazing thing to be a part of people's dreams coming true," said Joie Dushane, one of the Lowe's Heroes in Burbank.



Lowe's Heroes in Paterson, N.J., helped complete Habitat for Humanity's 500,001st house. The celebration followed the dedication of Habitat's 500,000th house in Maai Mahiu, Kenya.

Habitat for Humanity® Women Build®

Lowe's has brought women from all walks of life together to raise walls while knocking down barriers in the way of affordable housing. Since 2004, Lowe's has underwritten Habitat for Humanity's Women Build® program, which has built nearly 2,000 homes with the help of female construction crews.

Leading up to National Women Build Week, Lowe's how-to clinics put hammers in the hands of thousands of women, inspiring and training them to build homes with partner families. Lowe's contributed \$1.3 million to support 250 Habitat affiliates participating in Women Build Week. Across all 50 states, 9,600 women volunteered, including more than 1,100 Lowe's Heroes.

Lowe's executives were among the women leading the fight to end poverty housing in Charlotte, N.C. More than 150 Lowe's Heroes, including Lowe's vice presidents and volunteers from 22 area stores, raised the walls of a new home. The event marked the 20th anniversary of the first Habitat for Humanity home built by an all-female crew.

Since that first roof went up in Charlotte with the help of First Lady Rosalynn Carter in 1991, Women Build homes have been constructed in more than 30 countries.

With hammers slung from their tool belts and high-fives punctuating each work day, Lowe's Heroes returned to the site throughout the week more excited than the day before. "When they finish the day, they're dirty and exhausted, but they ask, 'Can I come back tomorrow?'" said Angel Padgett, project captain and assistant store manager at Lowe's of North Charlotte.

From Papakolea, Oahu to Garden City, N.Y., Lowe's volunteers pounded nails at Habitat sites throughout 2011. In June, Lowe's Heroes came back day after day to support the weeklong Power Women, Power Tools event hosted by Habitat for Humanity of Greater Los Angeles. They showed similar determination in December during the Hammers for Heroes project supporting veterans and active-duty personnel in Hawaii.



Lowe's Heroes from 22 area stores and Lowe's corporate offices participated in the 20th anniversary Women Build® event in Charlotte, N.C.

Rebuilding Together®

Lowe's believes everyone should have the opportunity to enjoy a safe and healthy home, which makes our work with Rebuilding Together® critically important as economic challenges continue to leave many low-income homeowners and communities in need. Entering the sixth year of our partnership, Lowe's has contributed more than \$5 million to support Rebuilding Together, the leading home rehabilitation organization in the United States.

Together, we've helped renovate and rehabilitate nearly 650 homes nationwide, providing low-income, elderly and disabled homeowners with free home repairs, accessibility and safety modifications and energy-efficiency updates. The majority of homeowners served by Rebuilding Together are living at or below the federal poverty line, leaving them less disposable income to make essential home repairs. As these homeowners become more vulnerable to economic realities, Lowe's is working with Rebuilding Together to provide greater assistance. Lowe's \$1 million contribution in 2011 helped provide critical renovations to more than 90 families in need.

Our focus also expanded to strengthen and stabilize entire neighborhoods while improving the health and welfare of America's youth. Lowe's partnered with

Rebuilding Together and Carter's Kids, the nonprofit foundation created by HGTV host Carter Oosterhouse, to build six playgrounds across the country in communities in need. Lowe's Charitable and Educational Foundation contributed more than \$660,000 to improve the recreational spaces for children and restore homes in each of the communities. Hundreds of Lowe's Heroes joined the efforts as we revitalized communities in Arlington, Texas, Denver, San Fernando, Calif., Tampa, Indianapolis and Miami. Since the start of our partnership, more than 11,000 individuals have been assisted by 1,500 Lowe's Heroes, delivering repairs valued at more than \$11 million.

Lowe's also helps ensure that Rebuilding Together's assistance will continue throughout local communities in the coming years. Lowe's supports Rebuilding Together's AmeriCorps program, CapacityCorps. The national program of 65 full-time AmeriCorps members serves 33 Rebuilding Together affiliates in 20 states, building the capacity of affiliates to serve additional low-income homeowners through volunteer recruitment, direct repairs, new projects and program expansion. As lead sponsor, Lowe's is advancing Rebuilding Together's national outreach.



Lowe's and Rebuilding Together partnered with Carter's Kids to build playgrounds in low-income communities across the country.

American Red Cross

The American Red Cross responds to more than 70,000 large and small disasters annually. Our support is instrumental in the organization's ability to provide vital assistance and relief to disaster-affected communities. Lowe's and our customers have contributed more than \$22 million to the Red Cross since 1999 to support disaster relief efforts for everything from flooding to fires.

As a member of the Annual Disaster Giving Program, Lowe's pledges donations on an ongoing basis in advance of disasters to help ensure the Red Cross has proper supplies and systems in place to respond effectively and immediately. When a disaster happens, Lowe's stores and employees move quickly to meet the needs of local communities and the American Red Cross.

We engaged customers to raise nearly \$100,000 to help those affected by disasters in 2011 through the official customer donation program at our stores. Working in coordination with the Red Cross to assist affected families, Lowe's also supported eight relief operations with in-kind product donations, from bleach and buckets to gloves and storage totes.

And Lowe's employees contributed more than \$30,000 to the Red Cross through our Employee Giving Campaign.

The past year brought an unprecedented need for help following a wave of catastrophic disasters across the globe. When a magnitude 9.0 earthquake and tsunami created a humanitarian crisis in Japan, Lowe's donated \$1 million to support the Red Cross' commitment to help Japan recover and rebuild. The Red Cross provided health care services to more than 75,000 people and donated appliances to another 162,000 people to fill temporary housing needs.

Closer to home, Lowe's teamed with the Red Cross to bring relief across the United States after severe weather caused widespread devastation. Lowe's Heroes mobilized and Lowe's donated \$1 million to the American Red Cross National Disaster Relief Fund to help hundreds of thousands of people affected by tornadoes in more than a dozen states, including North Carolina, Alabama and Missouri, wildfires across the Southwest and flooding throughout the country.

Tornadoes that tore through Tuscaloosa, Ala., left thousands homeless. Lowe's donated \$1 million and set up cash donation sites at all U.S. stores during spring to support the Red Cross' relief efforts in Alabama and across the country.

Photo courtesy of American Red Cross



Sharing Our Education Mission

As the needs of students and schools everywhere continue to grow, we believe we can make the biggest and most lasting impact in education through a collaborative approach. Here are some of our programs and other partnerships that support our commitment to building better opportunities today for the leaders of tomorrow:



In 2011, Lowe's Charitable and Educational Foundation awarded 190 scholarships totaling \$600,000 through Lowe's scholarship program. Scholarships are awarded based on academic achievement, leadership and community involvement. A \$2,500 Lowe's Scholarship was given to 140 high school seniors with plans to attend accredited two- or four-year colleges or universities in the United States. Fifty students were awarded a \$5,000 Carl Buchan Scholarship. The Buchan Scholarship is open to full-time and part-time Lowe's employees, their spouses or domestic partners, and their dependents. Lowe's scholarship program has awarded more than \$3 million in scholarships since 2007, benefiting nearly 1,400 students.



Lowe's Charitable and Educational Foundation has donated \$2 million since 2009 to help college seniors continue their pursuit of a college degree. For the third consecutive year, Lowe's foundation contributed to the United Negro College Fund (UNCF) to benefit the Campaign for Essential Student Aid, which has helped 4,000 UNCF-supported seniors graduate on time. A \$500,000 grant assisted students at all 39 UNCF-member, private historically black colleges and universities (HBCUs). To support seniors needing financial assistance to complete their college degree at public HBCUs, Lowe's foundation launched a new partnership with the Thurgood Marshall College Fund. A \$100,000 grant is providing ACCESS scholarships to qualified students who need to attend summer school to graduate. The scholarships are available to students attending 47 public HBCUs.



Lowe's Charitable and Educational Foundation has supported the Hispanic Scholarship Fund's Steps for Success program each of the past three years. The program promotes the importance of staying in school and teaches middle and high school students and their parents about college access, financial aid and scholarship opportunities.



Lowe's Charitable and Educational Foundation provided a \$250,000 grant to the Hispanic Scholarship Fund (HSF) to help seniors who are on track to graduate but unable to pay the total cost of tuition. The grant assisted 100 students at 78 colleges and universities in 21 states and Puerto Rico. Also for the third consecutive year, Lowe's foundation supported HSF's Steps for Success program. Lowe's \$75,000 grant funded workshops in San Antonio, Dallas and Denver to promote the importance of staying in school and teach middle and high school students and their parents about college access, financial aid and scholarship opportunities.



Lowe's broadened our support for Teach For America to expand educational opportunities as many school districts continue to face economic challenges. Lowe's Charitable and Educational Foundation contributed a \$750,000 grant to further Teach For America's work to recruit, train and support top college graduates who commit to teach for two years at underserved public schools. The funding supported Teach For America's work in Charlotte, Houston, Indianapolis, Philadelphia, Phoenix, New Mexico, Texas' Rio Grande Valley and Louisiana, where a combined 1,930 teachers reached 129,000 students in low-income communities. The increased contribution helps Teach For America reach more students while enhancing the ability of talented leaders to drive systemic educational reform.



During the 2011–2012 academic year, we expanded our national partnership with SIFE (Students in Free Enterprise). Lowe's foundation awarded a \$300,000 grant to SIFE to support regional competitions in Charlotte, the national competition in Kansas City, and community improvement projects executed by SIFE chapters across the country. Founded in 1975, SIFE brings together a diverse network of university students, academic professionals and industry leaders around the shared mission of creating a better, more sustainable world through the power of business. SIFE has active programs on more than 1,600 college and university campuses in 38 countries.



Lowe's Charitable and Educational Foundation is investing in Project L.I.F.T. (Leadership and Investment For Transformation) by providing \$500,000 in grants over five years to improve Charlotte's public school system. Project L.I.F.T. is an innovative initiative designed to increase the graduation rate and close the achievement gap for minority and low-income students in the West Charlotte corridor. Project funding will target four key areas of intervention – talent, time, technology and community support.

Delivering Relief After Irene

Some called it The Great Flood of 2011. Many families lost nearly everything when relentless rain from Hurricane Irene and Tropical Storm Lee unleashed historic flooding, devastating entire communities up and down the Eastern Seaboard. In the wake of Irene, Lowe's pledged \$1 million to support disaster relief and rebuilding efforts. As part of that pledge, Lowe's donated truckloads of relief supplies to residents in storm-battered communities and more than 300 Lowe's Heroes quickly mobilized to deliver help and hope to storm victims.

From North Carolina's Outer Banks, where Irene first came ashore, up through Vermont and seven communities along the flooded Susquehanna River, Lowe's held recovery events to distribute nonperishable food, bottled water and cleaning supplies. In all, Lowe's donated 330,000 pounds of supplies to more than 12,000 flood-impacted residents in five states.

In Paterson, N.J., where the cresting Passaic River inundated streets, businesses and homes, Lowe's of Paterson distributed three 55-foot truckloads of food and cleaning supplies over two

days. The second day, the store received a visit from President Obama, who was touring the area and stopped by to express his gratitude to the volunteers.

"He said he wanted to thank us for giving back to the community and he wanted to thank us for being open in a time of need," said store manager Michael Bergamo. "The president said, 'You guys reopened just about the day after (the storm),' " Bergamo said. "I said, 'Sir, we never closed.' " Obama replied, "Makes all the difference."

As they did in Paterson, Lowe's Heroes at other community events also traveled into the hardest-hit neighborhoods to drop off the most critically needed supplies. In Waterbury, Vt., they delivered humidifiers, fans and shop-vacs to the local fire department in response to a request from city officials. On the Outer Banks, Lowe's Heroes in Eastern North Carolina and Southeastern Virginia delivered more than \$50,000 worth of requested cleanup supplies to the Dare County Emergency Management team to assist with local recovery efforts.

President Obama thanks Lowe's store manager Michael Bergamo for Lowe's relief efforts after Hurricane Irene battered Paterson, N.J.



Rebuilding Joplin

When employees at Lowe's of Joplin heard the call go out for splints, they responded without hesitation. Running back into the store, they brought out quarter-inch-thick strips of wood and then started sawing them down to size for emergency workers treating injured residents in the store's parking lot.

Answering the call for help when a disaster strikes means being ready to act at a moment's notice – and sometimes doing whatever it takes. When the deadliest U.S. twister in decades ripped through Joplin, Lowe's employees sprung into action to deliver help to Joplin residents in the hours, days and months after the mile-wide tornado took 162 lives.

Operating on a backup generator, Lowe's was one of the few places in Joplin with power and phone service the night of May 22. Lowe's offered the American Red Cross and local emergency teams the use of the store to treat the wounded, clearing out three lumber aisles and providing parking lot space to set up temporary triage centers. Lowe's employees set up wooden planks to be used as cots, provided refrigerators to store blood and began crafting those makeshift splints.

"Lowe's employees were calm, friendly and helpful, pulling anything that could be utilized off their shelves," recalled Kim Miller, a registered nurse and emergency worker that night, in a thank-you note she wrote to the store. "The teamwork I saw at Lowe's in Joplin was like nothing I had ever seen before."

Lowe's donated \$1 million to the American Red Cross to help hundreds of thousands of people affected by the twister in Joplin and other severe spring weather across the country. Lowe's of Joplin donated \$10,000 worth of emergency products to first responders for search and rescue operations

and worked with vendor partners to serve local residents more than 26,000 free hot meals during the weeks that followed.

To provide continued support to Joplin residents, Lowe's employees took on several Lowe's Heroes projects. More than 90 Lowe's Heroes from 13 stores in Missouri, Arkansas and Oklahoma traveled to Joplin in July and worked in temperatures near 100 degrees to help revitalize the community during "Retailers Rebuilding Joplin," a three-day community cleanup and rebuilding event.

Lowe's employees also helped restore some of Joplin's natural beauty. Many in the community lost their trees during the tornado. With the help of employees who volunteered on their day off, Lowe's gave away 1,000 trees to local residents over Labor Day weekend. One resident who lost her home said the tree in her vacant lot would give her hope to rebuild.

The chance to restore the community's sense of hope also inspired more than 180 Lowe's Heroes to help rebuild Cunningham Park, the city's oldest and largest park. After city officials contacted the store for some assistance, Lowe's of Joplin drafted the design for the city and Lowe's Heroes volunteered 1,400 hours to help build two large reflection ponds, a stream, waterfall and a 42-foot bridge. They also landscaped and installed lighting, block benches, walkways and portage stones, with one laid in memory of every life lost during the tornado.

"Cunningham is the park that I drive by every day to go to work and the park where I take my kids to play," said Lowe's of Joplin store manager Brad Huskey. "It's heartwarming for me to see families gathered around our reflection ponds taking pictures, spending time together and enjoying the park again."



More than 90 Lowe's Heroes from Missouri, Arkansas and Oklahoma battled through temperatures near 100 degrees to clean up and rebuild Joplin during a three-day event organized by the Retail Industry Leaders Association and Operation Blessing.

Joplin Thank You

A registered nurse wrote this letter to thank employees at Lowe's of Joplin for their support during the night that the deadliest U.S. twister in decades struck the Missouri city:

I live in Rogersville, Mo., and frequently shop in Springfield, Mo. However, on May 22 I arrived at the Lowes in Joplin, Mo., around 10:30 at night. I am a R.N. and was amazed at what I found.

Lowe's had been set up as a command center following the devastating tornado. I was there to help set up triage for the wounded. Lowe's employees were calm, friendly and helpful, pulling anything that could be utilized off their shelves. We had electricity – how, I do not know.

When we asked for something like first-aid kits, alcohol, peroxide, rope, tarps or whatever, they would find what they had and bring it to us. They helped set up tables for beds and made us coffee. At some point they started bringing us quarter-inch-cut boards to use for splints, and you could hear them sawing away to size them. What we had to work with was very primitive, but we did the best we could.

My husband is a contractor and he went to do search and rescue.

The teamwork I saw at Lowe's in Joplin was like nothing I had ever seen before. It was not until days later that I thought, "What about their families? Their homes?" That night it seemed as if they had been untouched. Their goal was to do a job and help where they could – and they did.

We continue to go back to Joplin once a week to help with cleanup. I still wonder about the people in red vests who did so much that night. I know I will never forget them. Never again will we go to a competitor. Thank you to the Lowe's team that did so much more than I think they could ever realize.

Kim Miller, RN



Lowe's employees in Joplin worked closely with local emergency teams to set up triage centers and treat wounded residents in the store's lumber aisles and parking lot.

Spreading Cheer Coast to Coast

Tough economic times in 2011 were especially difficult for local nonprofit organizations. Many facilities fell into disrepair as community organizations struggled to keep programming alive for the homeless, the hungry and students who need a comfortable, safe place to learn and play. That's why Lowe's Heroes took to communities across the United States in December to surprise local nonprofits in-need with gift cards up to \$15,000 for updates and repairs to their facilities.

The Lowe's Heroes Giving Coast to Coast campaign donated \$200,000 to organizations that supply critical services and support to multicultural communities in Miami, Philadelphia, Charlotte, Albuquerque and Los Angeles. From Dec. 2 through Dec. 19, Lowe's Heroes visited schools, food banks, homeless shelters and youth centers to present the gift cards.

Lowe's Heroes also participated in service activities during visits. Lowe's volunteers in Charlotte, including member of Lowe's trend and design team, partnered with middle-schoolers at Ashley Park Pre K-8 School to brainstorm new designs for the student lounge. At Philabundance, which feeds 65,000 people each week in Philadelphia and surrounding counties, Lowe's Heroes sorted and packed an assortment of food.

In Miami, Lowe's Heroes were proud to help three local nonprofits that make a tremendous difference for men, women and children in their community. The first

stop was the Miami Rescue Mission, where Lowe's red-vested team presented the Women and Children's Center with \$15,000 that will be used to purchase new appliances and furniture. Lowe's volunteers also worked with children at the center to make a Christmas craft and sort clothing donations.

Lowe's volunteers then surprised Amigos for Kids at Jose Marti Park, which they visited last year to decorate for the holidays and donate toys. This year, an even bigger surprise — \$15,000 to fund new flooring, appliances, paint and technology for the after-school program that mentors children in low-income neighborhoods.

Lowe's Miami Heroes wrapped up their day of giving at the Latinos United in Action Center in Allapattah. Latinos United in Action provides after-school mentoring and tutoring for local children, as well as technology and citizenship classes for adults and seniors. The organization plans to use its \$15,000 gift card to repair the roof and update the outdoor play area. Lowe's Heroes also surprised the center with a new Christmas tree, lights and ornaments. The children were delighted to decorate their very own tree alongside Lowe's Heroes.

"When Lowe's does this here with these children, Lowe's is a role model for these kids, reinforcing the importance of volunteering and giving," said Pedro Uranga, financial officer at Latinos United in Action.

Lowe's Heroes decorate Travelers Aid Family Services of Philadelphia, donating Christmas trees, lights and wreaths to the homeless shelter.



Renovating Canada's Rinks

The last time Frank McCool Arena had the look and feel of a new rink, hockey legend Wayne Gretzky was still a skinny, 15-year-old kid making his way through Canada's junior ranks.

The arena's fortunes changed last fall when Lowe's unveiled renovations to the southeast Calgary facility — its first updates since being built in 1976. As part of Lowe's Community Rink Renovation program, Lowe's pledged more than \$500,000 to revitalize 10 community arenas across Canada, two each year through 2015. The first two projects were completed in September at Frank McCool Arena and Maple Lions Arena in Vaughan, Ontario.

"Hockey is an integral part of every community across Canada, but all too often rinks are unable to attain proper funding to keep them in working order," said Bob Nicholson, President of Hockey Canada. "With Lowe's leadership, this program will ensure that more young Canadians get to play the great game of hockey in quality rinks."

Many arenas across Canada were funded by the federal government's Centennial Fund in 1967 and have not had renovations since. With so many facilities in dire need of repairs, Lowe's partnered with Hockey Canada to rebuild the infrastructure of minor (youth) hockey one rink at a time. Lowe's Heroes and members of the community will work together to complete the repairs. Tom Brown Arena in Ottawa and Centennial Arena in Toronto are next on the list in 2012.

At Frank McCool Arena, the renovations included a new women's dressing room to better serve girls' leagues and make hockey more accessible to the entire community. Lowe's Heroes also upgraded the men's dressing room, painted the facility and installed energy-efficient lighting fixtures to make the skating safer while reducing arena operating costs. The renovations will benefit all 13,000 children in Calgary minor hockey.

Lowe's has been committed to supporting minor hockey since opening our first Canadian store in 2007. Today, Lowe's has 31 stores in Canada and sponsors 182 minor hockey teams. Several of those teams play at Maple Lions Arena, which was built in 1974 and had not been updated since 1988. Lowe's Heroes helped paint more than 14,250 square feet of the facility and installed new spectator benches and high-efficiency lighting and plumbing fixtures.

"The Maple Lions Arena has been a staple in our community for over 30 years and to see the community rally together to make sure it stays that way is truly inspiring," said Vaughan Mayor Maurizio Bevilacqua. "The leadership Lowe's has displayed to make this project happen is exactly the type of life skills we hope our kids will learn while playing hockey here. With these new renovations, the arena can continue to host minor hockey for many years to come."



Maple Lions Arena in Vaughan received a \$50,000 grant from Lowe's, along with volunteer help from Lowe's Heroes and other members of the community.

Teaming Up to Revitalize Neighborhoods

Since teaming up with Rebuilding Together® in 2007, Lowe's has helped renovate and rehabilitate nearly 650 homes across the United States. Driven to provide the most impactful support to local communities, we've expanded our focus to neighborhood revitalization programs. After partnering on a monthlong, eight-city weatherization initiative in 2010, we launched a new year-round program to strengthen and stabilize entire neighborhoods while improving the health and welfare of America's youth.

Lowe's and Rebuilding Together joined hands with Carter's Kids, the nonprofit foundation created by HGTV host Carter Oosterhouse, to build playgrounds and revitalize communities in need across the country. With the support of hundreds of Lowe's Heroes and more than \$660,000 in contributions from Lowe's Charitable and Educational Foundation, we improved recreational spaces for children and restored more than 75 homes in six cities.

Arlington, Texas – Kickoff to Rebuild 2011

Nearly 100 Lowe's Heroes braved record low temperatures and icy conditions to rebuild 17 homes on Drummond Drive and construct a new playground for students at Speer Elementary School in North Arlington. The conditions on the eve of the Super Bowl were challenging. Volunteers needed a blow torch to thaw the frozen dirt enough to dig holes for the playground posts. "I have always cared about the Super Bowl," said Arlington Mayor Robert Cluck, "but I care more about the incredible work you have done and the community it has changed."

Denver – Building a Healthy Neighborhood

Volunteers devoted two days to revitalizing the Barnum neighborhood in anticipation of the U.S. Department of Housing and Urban Development's National Healthy Homes Conference. More than 170 Lowe's Heroes from 21 area stores completed critical repairs and weatherized 40 homes. They also ensured Lakewood and Gulch Park families had a safe place to play and exercise, providing a new playground to encourage healthy behaviors.



Lowe's teamed with Rebuilding Together, HGTV host Carter Oosterhouse and his foundation, Carter's Kids, to enhance recreational opportunities for students across the country.

San Fernando, Calif. – Healthy Kids and Safer Homes

More than 100 Lowe's Heroes delivered extensive repairs, accessibility modifications and other improvements to three homes owned by low-income families. They also partnered with Carter's Kids and the Environmental Media Association to build an age-appropriate fitness playground and organic garden for the local middle school, Nueva Esperanza Charter Academy.

Tampa – Progress Village Revitalization

Lowe's Heroes put in nearly 500 volunteer hours to complete renovations on four homes in Progress Village and build a new playground at Simmons Bowers Park. The home repairs included kitchen renovations, bathroom upgrades, ramp installation and window replacements. The new playground is being used by several local day care centers and schools.

Miami – Hialeah Revitalization

More than 100 Lowe's Heroes kicked off 2012 by completing home improvements, delivering weatherization kits to local

residents and teaming with Carter's Kids and Rebuilding Together to replace outdated and worn playground equipment at John G. Dupuis Elementary. "These organizations are improving the quality of life in our community, and this must be stressed," Hialeah Mayor Carlos Hernandez said.

Indianapolis – Kickoff to Rebuild 2012

As the premier sponsor of Kickoff to Rebuild, Rebuilding Together's NFL-sanctioned community revitalization event held each year in the Super Bowl city, Lowe's helped provide a championship makeover to the Near Eastside neighborhood in Indianapolis. Joined by NFL players, more than 75 Lowe's Heroes built a new playground and renovated 10 homes. Many of the Lowe's Heroes returned from pre-build work in November to see the project through to the end. Their dedication was greatly appreciated by homeowners such as Lavina Carr, 79, who said she feels "blessed and thankful to all these people who want to help me."



Lowe's Heroes partnered with Rebuilding Together, Carter's Kids and the Environmental Media Association to build a playground and organic garden for Nueva Esperanza Charter Academy in San Fernando, Calif.

Creating Affordable Housing with Habitat

Lowe's employee volunteers were hard at work throughout the year to make safe and affordable home ownership a reality for families across the United States. Lowe's Heroes raised hammers and hope at many of the 270 Habitat for Humanity® projects funded by Lowe's, including two special projects — the Hollywood for Habitat for Humanity build in Los Angeles and the Hammers for Heroes event in Hawaii for military veterans and active-duty personnel.

Hollywood for Habitat for Humanity

There were many stars at the Hollywood for Habitat for Humanity build, including 140 Lowe's Heroes who donated their time and talents over the course of six months to provide a brighter future for eight low-income families in Burbank.

Lowe's employees joined more than 1,000 celebrities and entertainment industry executives to construct an eight-unit development on what was once a vacant lot. Designed to be LEED (Leadership in Energy and Environmental Design) certified and ENERGY STAR® compliant, the homes will help partner homeowners save on energy costs for years to come.

The Hollywood for Habitat for Humanity program culminated with the seventh annual Power Women, Power Tools build day, funded by Lowe's \$250,000 grant to Habitat for Humanity of Greater Los Angeles. Celebrities, including David Arquette, Tia Carrere, Rosario Dawson and Stacy Keibler, joined Lowe's Heroes throughout the week to assist with the build.

"It's an amazing thing to be a part of people's dreams coming true," said Lowe's volunteer Joie Dushane. "It truly was a life-changing experience."

In addition to working at the home sites, Lowe's Heroes also hosted Tool Time 101 and Cornerstone Training courses that prepare future partner homeowners for the

journey of home ownership and teach key skills for building their home with Habitat.

Hammers for Heroes

During the week proceeding Dec. 7, Lowe's Heroes were among more than 200 volunteers in the Aloha state who commemorated the 70th anniversary of Pearl Harbor by revitalizing and constructing homes for military families.

Low-income families face a housing crisis throughout Hawaii. Lowe's contributed a \$132,000 grant and volunteers worked on 21 homes to honor the service of veterans and active military, and to ensure they, too, have a decent, affordable place to call home. Completed in partnership with the seven Habitat affiliates serving Hawaii, the projects benefited homeowners on five islands – Oahu, Kauai, Molokai, Maui and Hawaii.

Diana Sua, a single mother of two on Oahu, was especially grateful for the assistance. Severe health challenges had made it nearly impossible for her to complete much-needed repairs.

"We tried for years to get help with our house and no one was able to help us," she said. "When we heard that Habitat and Lowe's would be able to fix our house, it was a miracle."



The Hollywood for Habitat for Humanity® build benefited from the help of 140 Lowe's Heroes.

Empowering Students to Pay It Forward

Lowe's continues to help students across the country manage through challenging times with the support of Lowe's Charitable and Educational Foundation. Our scholarship programs provide the financial tools to expand educational opportunities for students who share Lowe's commitment to leadership and community improvement.

As part of our efforts to support the next generation of young adults who'll be tomorrow's employees, homeowners and community leaders, Lowe's scholarship program has awarded more than \$3 million in college scholarships since 2007, benefiting nearly 1,400 students. In 2011, Lowe's Charitable and Educational Foundation awarded a \$2,500 Lowe's Scholarship to 140 high school seniors.

The scholarship recipients represent the best and brightest students who have distinguished themselves based on academic achievement, leadership and community involvement. In expressing their appreciation, many of the winners thanked Lowe's for making college more accessible and affordable while inspiring them to continue to create an enduring impact through community service. Here are a few of their letters, with comments edited for brevity and clarity:

I am proud to be a student who shares a commitment to leadership and community improvement, just as Lowe's does. Although most of my improvements have been small, the effects of these improvements have rippled throughout the community. I want to be the person who people in the community look up to as a role model. I want to be the person that people come to for advice. Being a recipient of the Lowe's Scholarship has meant that I can continue my education at Ohio University. It has filled a part of the financial needs for my education and allowed me to have the time to perform more community service while in college. Service to community and obtaining an education are two very powerful and meaningful things. Thank you Lowe's for all of your service to the community and your dedication to my education. – **Heather Wilson, Ohio University**



Ohio University freshman Heather Wilson said her Lowe's Scholarship has allowed her to focus more on schoolwork and her commitment to becoming a role model.

My parents were self-employed for most of my life and recently lost the business in this slow economy. Our financial means are at the absolute low, and my family was never able to save up money for my, or any of my sibling's, college attendance. I worked throughout high school by teaching violin lessons and doing various other odd jobs, which helped pay for my living, and very little of my own savings were able to be put into an account for college. The time came for me to apply for universities and honestly, I was really nervous about how I was ever going to pay for it. I was elated when I became a finalist, and ecstatic when I received the email announcing that I had received the scholarship. I was able to pay for my first year of schooling in whole and was able to focus on studying and getting the best grades I could. I am continuing to teach violin lessons, and helping out my family in their financial crisis as best I can. Lowe's has opened up my eyes to the world in helping others and striving to do and be the best that I can. I thank Lowe's for their generosity and sense of charity. I am forever grateful. – **Marianne Asmus, Weber State**

The Lowe's scholarship was very important to me in two ways. Because I could use it to help pay off my first-year expenses, I was able to contribute almost the same amount to my charity, Casas por Cristo in El Paso, Texas, to help build a house for the homeless in Juarez, Mexico. Lowe's contributions to scholarships and commitment to education is so important because it helps students get that much closer to their goals. I was blessed twice because it met a need for my education, but met a more important need in my heart – giving back to the community. I am really excited to be able to build another house next summer when I return home from college. I have now built 20 houses in Juarez for people who previously lived in cardboard and wooden pallet shelters. Every new house I build means another family has a chance at life. Thanks again for your support. It is pretty easy to find academic and sports scholarships, but Lowe's recognition of community service makes those of us involved in giving back feel just as valued. – **Justin Churchman, Florida Institute of Technology**

With the help of the Lowe's Scholarship and a few other scholarships, I enrolled in an excellent liberal arts school. Arriving at college opened my eyes to a multitude of ideas I had never experienced. College has also given me opportunities beyond the classroom. Several weeks ago, I completed a proposal to begin a composting program on my campus. I applied for a student grant through DoSomething.org and I was awarded \$500 to buy compost tumblers. I was asked to present my composting proposal and research to Sustainable Pittsburgh, a group of leading businesses and corporations in Pittsburgh. Carnegie Mellon University sent representatives to this Sustainable Pittsburgh meeting. These administrators spoke with me after the meeting about helping them set up a composting program on their campus. During the next few weeks, I will be planning and recruiting support to create my new project of an environmentally-friendly dorm on my campus. To complete my endeavors of my first college semester, a professor asked me to join her and 14 other students on an international service learning project. We will be traveling to Nicaragua to work in a school, Casa Xalteva, teaching children basic education. I would not have been able to accomplish any of these things without the help of the Lowe's Scholarship. I am extremely grateful to Lowe's for having a scholarship that gave me the support to find life-changing opportunities. – **Lauren Horning, Washington and Jefferson College**

In awarding me a scholarship, Lowe's has provided me the opportunity to continue my education at the Leonard N. Stern School of Business at New York University and to make an impact on the New York City community. In the time that I have been at NYU, I have learned about Ashoka, a global organization that supports social entrepreneurs and also initiates Youth Ventures to inspire students to be change-makers in their communities. As an Ambassador for Ashoka Youth Venture New York, I have been working with five other NYU students to put together the "Dream It Do It Challenge" – a yearlong initiative in which high school students develop social change projects to present to a panel of community judges. Top teams are rewarded \$1,000 in grant money to implement their ideas. There are not enough words to thank the Lowe's Scholarship program for making an impact on my life and helping to build my future. I am proud to be a recipient of a scholarship that cares so deeply about building its communities. I owe the Lowe's Scholarship program much more than the face value of the scholarship that I have received. Their role in making both my college education and my community impact possible inspires me to continue pursuing my aspiration of making a difference in the world. – **Aileen Jiang, New York University**



Aileen Jiang, a business student at New York University, said the Lowe's Scholarship has inspired her to encourage other students "to be change-makers in their communities."



Improving our
Environment



Our Mission

Lowe's cares about how our company's activities impact the Earth's ability to provide natural resources to future generations. For that reason, we continually examine opportunities to reduce our environmental impact while providing products and services to help consumers reduce their footprint.

We value being in a position to influence widespread change and consider each of our more than 234,000 employees a vital part of that mission. Our employees' success educating consumers by promoting energy and water conservation has brought Lowe's unprecedented recognition from the Environmental Protection Agency. Lowe's was named winner of the ENERGY STAR® Sustained Excellence Award in Retail for the second consecutive year in 2011, and we received our third consecutive WaterSense® award from the EPA.

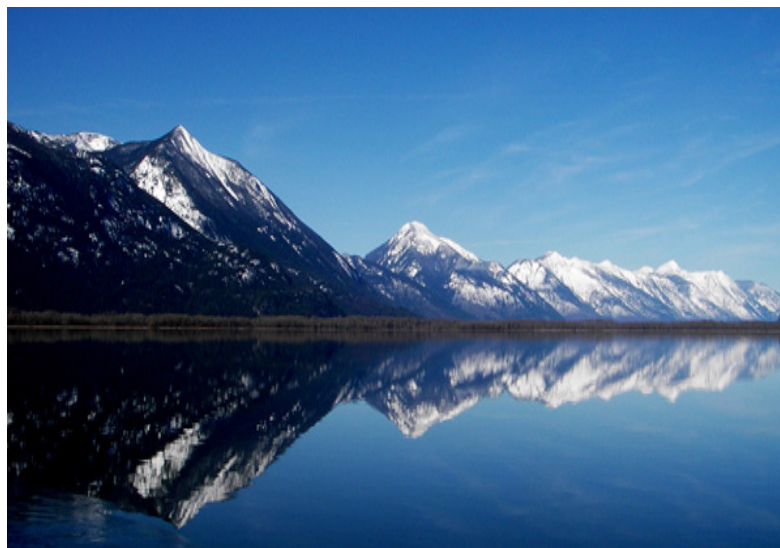
While we're working more closely with sustainability experts and environmental organizations, our focus remains fixed on our collective progress. We continue to increase our purchase of green power, and many of our recycling numbers have grown as we've raised awareness

around our in-store recycling centers. In the first year of our Garden Center recycling program, we helped keep more than seven million pounds of plastic plant containers out of landfills.

Lowe's is committed to exploring opportunities to reduce waste, carbon emissions and energy and water use throughout our operations. From expanding the use of daylighting inside our stores to adding smart irrigation systems outside our doors, we continue to look for more ways to use less.

Driving all of these upgrades is our focus on customers, and we remain dedicated to providing products that benefit their homes, their bottom line and the environment. We continue to expand our selection of ENERGY STAR qualified and WaterSense labeled products and offer a growing number of renewable energy solutions. As we look to the future, we'll seek new and better ways to serve customers and continue to be responsible stewards of the environment.

To read Lowe's sustainability policy, go to Lowes.com/Sustainability.



Lowe's helps to protect forests and natural landscapes across North America through our environmental partnerships and wood sourcing policies.

Photo courtesy of The Nature Conservancy

Product Solutions

For decades, Lowe's has been providing product and service solutions to help customers create a space they're proud to call home. Today, we take special pride in delivering innovative solutions that make customers' lives better while creating a healthier, more sustainable planet.

At a time when energy and savings remain top of mind, Lowe's is increasingly focused on making it easier for customers to save energy and money by making their home more efficient. We accomplish this by continuing to embrace new technologies along with our longstanding partnerships.

Since 2001, Lowe's has partnered with the U.S. Environmental Protection Agency (EPA) and the Department of Energy to expand our responsible product portfolio through the ENERGY STAR® program. We continue to grow the quantity and variety of ENERGY STAR products available in our stores and online, and we're investing in making our own product lines more sustainable. Lowe's proprietary brand of tools, Kobalt, recently launched a new line of power tools with ENERGY STAR qualified rechargeable battery systems.

Our success in educating consumers about the cost-saving and environmental benefits of energy efficiency led to our ninth consecutive ENERGY STAR award. In 2011, Lowe's sold enough ENERGY STAR products to:

- Reduce the amount of pollution equivalent to taking nearly 240,000 cars off the road
- Save customers nearly \$190 million each year off their energy bills compared with products that aren't ENERGY STAR qualified*

As access to alternative energy solutions

grows in importance to homeowners, we're investing in new partnerships and inspirational technology to provide those solutions. Lowe's partnered with Sungevity to offer customers in select markets a residential solar leasing program that makes it easier and more affordable for homeowners to generate the energy they need. Eliminating the need for a home visit, they can receive a fast and free solar installation estimate from their computer or smart phone based on satellite images and aerial photography.

Lowe's also put the ability to manage a home at the fingertips of homeowners through the launch of MyLowe's, and we rolled out electric-vehicle chargers at stores in nearly 20 cities and offered them for sale online across the country. Lowe's was the first retailer to carry the GE WattStation chargers, and we plan to offer the wall-mounted chargers in additional stores in 2012 to help make electric vehicles more easily adaptable for everyday use.

To help homeowners create a more efficient home, we continued to partner with the EPA to increase awareness of the WaterSense label. Our collaborative efforts to promote water efficiency resulted in our third consecutive WaterSense award. In addition to helping families reduce utility bills, Lowe's leadership is helping to protect the future of our water supply.

The number of WaterSense labeled products Lowe's sold in 2011 can save enough water in a year to:

- Fill nearly 6,200 Olympic-sized swimming pools (or save more than 4 billion gallons of water annually)
- Save customers nearly \$34 million each year on water bills*



Robert Niblock, Lowe's chairman, president and CEO, delivers welcoming remarks at the 2011 ENERGY STAR Products Partner Meeting in Charlotte, N.C. Lowe's helped plan events and foster collaboration among partners at the four-day meeting.

*ENERGY STAR and WaterSense savings estimates are based on information from the EPA and calculated using product-specific savings estimates and Lowe's sales data. Due to uncertainty about product usage and lack of applicable savings data, the following ENERGY STAR product categories were not included: millwork and roofing, residential LED lighting and LED light bulbs.

Product Transportation

One of the best ways we can serve our communities and help create a better tomorrow is by continuing to build on a history of responsible transportation practices. Since becoming a partner in the Environmental Protection Agency's (EPA) SmartWaySM program in 2005, Lowe's has championed conservation strategies to support a sustainable transportation industry.

Last year, the EPA honored our work to help the transportation industry develop clean truck programs and improved logistics. Our transportation team was named SmartWay Champions for our ongoing efforts to reduce truck emissions, protect air quality around ports and continue to educate others about SmartWay.

Launched in 2004, SmartWay is a voluntary program that reduces transportation-related emissions by creating incentives to improve supply chain fuel efficiency. The 2011 SmartWay Champions award, the fourth consecutive honor we've received from our EPA partners, recognized Lowe's leadership role in encouraging the freight industry to improve its environmental performance.

Lowe's is a founding member of the Coalition for Responsible Transportation (CRT) and is heavily involved in the CRT, Environmental Defense Fund and EPA Clean Trucks Initiative. Lowe's has worked

closely with carriers and ports for several years to successfully reduce pollution from short-haul trucks, and we continue to help develop clean-truck incentive programs at ports in Virginia, North Carolina, South Carolina and Georgia.

Collaborating with a variety of partners, we're dedicated to maintaining industry-leading standards. Lowe's encourages third-party carriers to join SmartWay, and we work with them to examine opportunities to reduce emissions and fuel use through the adoption of more efficient technologies and sustainable practices.

Today, all domestic shipments routed by Lowe's are transported by SmartWay partners. The EPA program has helped reduce our carriers' highway travel by 560 million miles and resulted in diesel fuel savings of more than 100 million gallons and carbon savings of 1.2 million tons.

We've helped achieve those savings by encouraging carriers to implement fuel-saving technology, including auxiliary power units to reduce idling fuel consumption and trailer fairings to improve aerodynamics. We continue to use more fuel-efficient modes of transport, such as rail, while increasing the efficiency of truckload shipments. As we look toward the future, we'll remain focused on expanding our efforts to transport products more efficiently and responsibly.

Lowe's is committed to efforts to increase shipping by rail, a more fuel-efficient mode of transport than trucks.



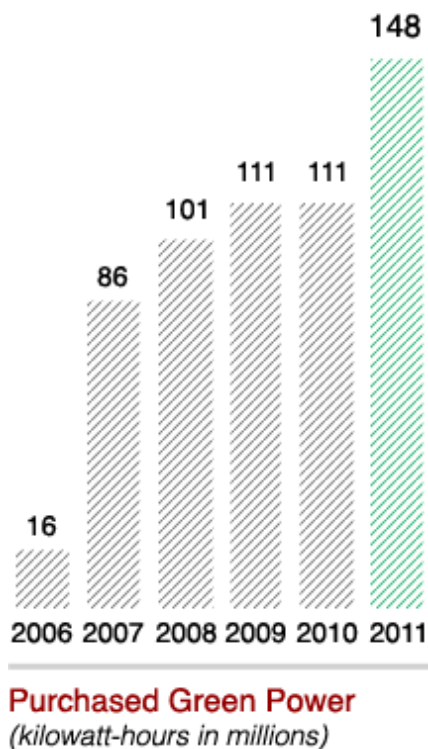
Purchasing Green Power

Lowe's continues to expand our efforts to assess and reduce our carbon footprint and support the growth of renewable energy alternatives through the purchase of green power. In 2011, we increased our purchase of electricity from renewable energy sources to more than 148 million kilowatt-hours annually, an increase of 34 percent.

Lowe's is No. 6 on the Environmental Protection Agency (EPA) list of America's top retail green power purchasers, and we've moved up to 13th on the FORTUNE 500® list. As a supporting member of the EPA's Green Power Partnership since 2006, Lowe's has worked to consistently increase the amount of green power we purchase. The 148 million kilowatt-hours is enough green power to meet 3 percent of our electricity use.

According to the EPA, Lowe's is purchasing enough green power each year to reduce carbon-dioxide emissions equivalent to taking 20,000 cars off the road or 12,000 average American homes off the grid.

Helping to offset the emissions from conventional electricity use, Lowe's buys renewable energy certificates and generates green power from solar systems on store rooftops. We're committed to continuing to partner with the EPA and leading organizations within the United States to help spur the development of renewable energy, with a goal of making it more affordable and accessible for others.



Generating Solar Power

As we continue to promote renewable energy solutions and help homeowners better manage their energy needs, Lowe's remains focused on continuing to do our part by incorporating environmentally responsible design features into our facilities. One way we've demonstrated that commitment is through the installation of solar power systems atop select stores.

Our efforts to help reduce greenhouse gas emissions and increase environmental awareness continued with the opening of new stores in Quincy, Mass., and San Francisco. Both stores began operating their rooftop solar-power systems in 2011. Lowe's also operates solar-panel rooftop systems at four stores in California and atop our store in Kona, Hawaii.

As part of our solar project in Quincy and ongoing efforts to educate consumers about the benefits of renewable energy, we've set up an interactive sustainability monitor in the store. The monitor gives customers a real-time view of the solar system production, highlights some of the environmental savings and provides an easy-to-follow tutorial on how solar-power generation works.

Lowe's solar systems together generated more than 3.2 million kilowatt-hours of electricity in 2011, enough electricity to power 285 homes* for an entire year.

*Estimate based on average annual electricity consumption of 11,496 kilowatt-hours provided by the U.S. Energy Information Administration.



Lowe's is generating power from solar-panel rooftop systems at five California stores, helping reduce carbon-dioxide emissions and promote clean energy.

Recycling

While we continue to evolve as a home improvement company, one thing that never changes is our commitment to the communities we serve. Lowe's is continually working to identify ways to minimize our footprint. One way we do that is by reducing waste, and helping customers do the same.

That focus forms the heart of our recycling strategies. In partnership with our employees, we've expanded our recycling programs and enhanced best practices to reduce our environmental impact. Improved collection and sorting processes have resulted in improved recycling and reuse rates for cardboard and wood pallets. Lowe's stores and distribution centers have recycled more than 4 billion pounds of cardboard and wood since 2006, the equivalent weight of more than five Empire State buildings.

As manufacturers increasingly packaged appliances in shrink wrap and Styrofoam instead of cardboard boxes, Lowe's more than tripled the amount of shrink wrap we recycled. And we collected more than 1,300 tons of Styrofoam as we rolled out that new recycling program.

We remain just as focused on making it easier for customers to make a difference. In 2011, we expanded our Garden Center plastic recycling program to all stores in the continental United States. Easily accessible recycling carts provide a simple way for consumers to drop off plastic plant trays, pots and tags, regardless of where the nursery items were purchased. The carts also serve as a recycling center for store-used material. In less than a year, the Garden Center program recycled more than 7 million pounds of plastic.



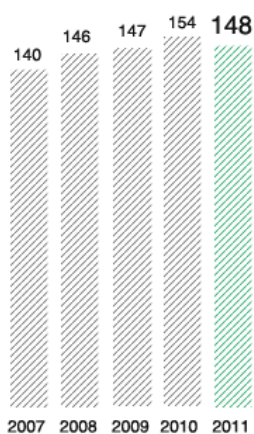
Lowe's stores and distribution centers have recycled 1.75 billion pounds of cardboard since 2006. That's more than the weight of 21 aircraft carriers.

Nationwide, Lowe's also recycled nearly 1.3 million appliances. With the purchase of a new appliance, Lowe's will haul away and recycle customers' old appliances for free. In addition, many of our recycling numbers have grown as we've raised awareness around our in-store recycling centers, permanent collection sites near the entrance of U.S. stores.

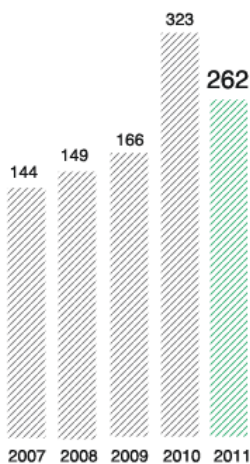
Lowe's has helped keep nearly two million pounds of rechargeable batteries out of landfills since beginning our work with Call2Recycle® in 2004. We increased our collection volume 21 percent last year and

raised our store participation rate to 98 percent. Our recycling centers also offer a free and easy way for customers to recycle compact fluorescent light bulbs (CFLs), cell phones and plastic shopping bags. We doubled our CFL recycling numbers, collecting more than 352,000 CFLs, and for the second consecutive year provided a convenient outlet at all U.S. stores for customers to recycle their broken or used incandescent Christmas lights.

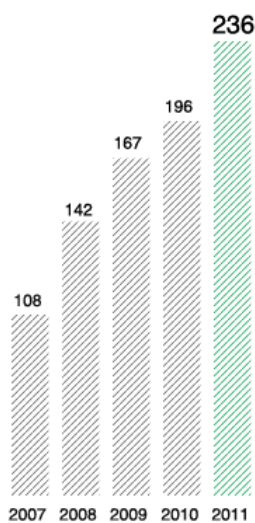
Amount Recycled 2007-2011



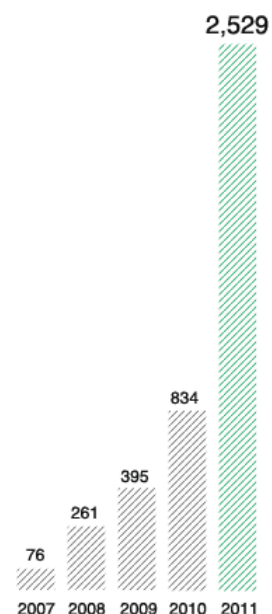
Cardboard
(tons in thousands)



Wood Pallets
(tons in thousands)



Rechargeable Batteries
(tons)



Shrink Wrap
(tons)

Building Responsibly

With more than 1,745 stores and 39 facilities in our supply chain network throughout North America, Lowe's recognizes that building our stores and facilities requires more than site plans. We work diligently to be a good neighbor by maintaining our focus on responsible development.

As Lowe's considers potential store sites, we evaluate hundreds of factors, ensuring that as we expand, we respect the communities we join and the greater environment. Some of those factors include population growth and access to major roads and interchanges. We work closely with local officials, residents and, in some cases, nongovernmental groups that take an interest in land development issues throughout the process to address questions about access, environmental impact, architectural features and design, and landscaping around our stores.

Lowe's has developed an extensive evaluation process for each potential site that goes above and beyond the American Society for Testing & Materials

E 1527-05 standard practice and the U.S. Environmental Protection Agency "all appropriate inquiries" rules used by the commercial real-estate industry. As part of our due diligence, we conduct an Environmental Site Assessment (ESA) for each potential development site.

Through the ESA process, we evaluate past and/or current environmental conditions, including the presence of hazardous substances or contaminants and the impact our development might have on the properties around us. Our ESA regularly includes research data regarding flood plain information; determination of the presence of endangered/protected plants, animals and critical habitats; review of historic structures and cultural resources; presence of existing hazardous building materials requiring special handling; surface water impact; local geologic and hydrogeologic impact; and soil surveys. Additionally, we routinely work with local developers and the Army Corps of Engineers to identify any wetlands or waterways that might be impacted by the development of a site.

We're focused on maintaining a responsible development plan from long before we select a site for construction to long after a new store opens.



Responsible Wood Sourcing

The world's forests are critical to the sustainability of life, protecting the health of our planet and its people. From clean air to timber, they serve our environmental and everyday needs. Now, as the global population and product demands escalate, our forests and their vital resources are more important than ever.

Through our partnerships and policies, Lowe's continues to safeguard those resources for future generations. Since 2000, Lowe's has partnered with our suppliers to support the protection and conservation of forests. Guided by our wood policy, we seek to ensure that all wood products sold in our stores are harvested responsibly, from well-managed, nonendangered forests.

Lowe's responsible wood sourcing database actively tracks more than 360 suppliers, 11,000 products and 315 million cubic feet of wood. Lumber, millwork and outdoor furniture are among the products we sell that have been certified by the Forest Stewardship Council, whose internationally recognized standards are devoted to encouraging the responsible management of the world's forests.

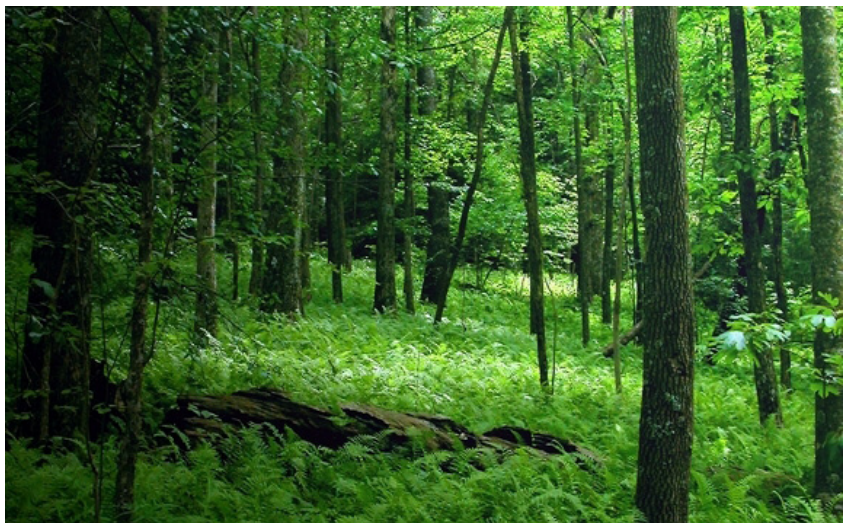
Lowe's commitment to global forest conservation is also reflected in our continued support of the Lacey Act, an effort to end illegal logging globally. We actively engage with environmental and industry groups, our suppliers and government agencies to help interpret and implement this important initiative. Lowe's also is working with major forest products companies and leading environmental organizations to support the Canadian Boreal Forest Agreement. We're helping to develop an effective conservation solution for millions of acres of forest through the collaboration of both provincial and native First Nations governments.

Lowe's Charitable and Educational Foundation has contributed \$6.5 million to The Nature Conservancy since 2005 to protect our forests, and we expanded those efforts in 2011 through our work with American Forests and the National Park Foundation.

For more information on Lowe's wood policy, visit [Lowe's.com/WoodPolicy](https://www.lowes.com/WoodPolicy).

Lowe's works closely with suppliers to offer wood products that are harvested responsibly, and we engage with government agencies and environmental and industry groups to protect the world's forests.

Photo courtesy
© Nate Thomas



Awards



Mary Henderson (left), Lowe's manager of environmental marketing, and Mark Malone, Lowe's vice president of marketing planning, receive the 2011 ENERGY STAR® Sustained Excellence Award from Jean Lupinacci of the Environmental Protection Agency.

Lowe's was honored nationally for our work protecting and conserving natural resources, reducing greenhouse gas emissions and educating consumers about energy and water efficiency.

- The Environmental Protection Agency (EPA) honored Lowe's with the ENERGY STAR® Sustained Excellence Award for the second consecutive year in 2011. Lowe's is the only ENERGY STAR partner ever to receive the top honor in product retailing, and we've received nine consecutive ENERGY STAR awards. The Sustained Excellence Award recognizes our leadership in promoting energy efficiency year after year and honors our achievements in customer outreach, employee training and product selection.
- Lowe's efforts to help the freight transportation industry advance innovative strategies to save fuel and develop clean truck programs were recognized by the EPA's SmartWaySM partnership. Lowe's transportation team was named SmartWay Champions for its work to reduce truck emissions, protect air quality around ports and continue to educate others about SmartWay. It's the fourth consecutive honor Lowe's has received for our leadership in the transportation sector.
- The EPA also honored Lowe's with the 2011 WaterSense® Excellence Award. Lowe's is the first retailer to win a WaterSense award in three consecutive years. The Excellence Award honors our collaborative efforts to encourage water-efficient practices, including partnering with the EPA to educate families about water conservation through the cross-country We're for Water campaign and in-store, national Earth Day events.



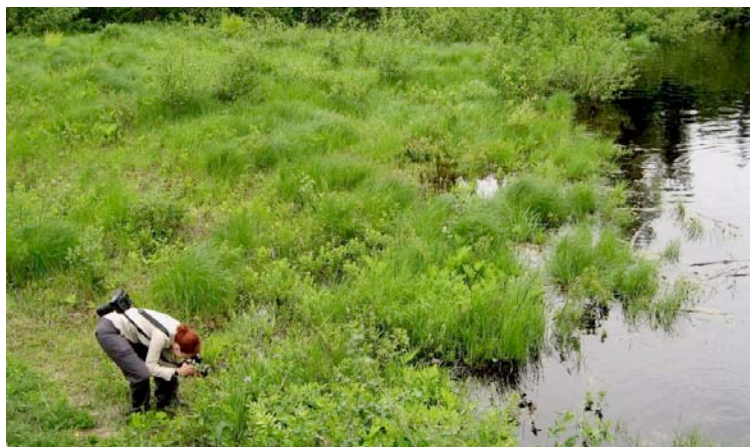
The Nature Conservancy

We're proud to work with some of the world's leading nonprofit organizations to help create more sustainable communities, address pressing conservation threats and improve the well-being of people across North America. Now entering its eighth year, Lowe's partnership with The Nature Conservancy continues to focus on advancing conservation at a scale needed to protect biodiversity and natural areas for future generations.

Our work with The Nature Conservancy is an extension of the environmental commitment we make throughout our retail operations and through the types of products we offer customers. We've focused our assistance the past few years on protecting and restoring the great forests of North America. Since 2005, Lowe's Charitable and Educational Foundation has contributed \$6.5 million to help permanently protect more than 1.5 million acres across the United States and Canada.

The foundation's most recent donation of \$1.25 million supported five conservation projects that broaden the scope of our involvement and span the continental United States, from Washington state to the Gulf of Mexico.

- In western Montana, Lowe's foundation has contributed \$1 million since 2008 to help protect more than 300,000 acres through the Montana Legacy Project, one of the largest forest conservation initiatives in the conservancy's history. A \$350,000 grant in 2011 is helping to protect the diverse ecosystem – sustaining streams, wetlands and a variety of species in the region. The project has inspired America's Great Outdoors, a federal initiative that focuses on protecting whole landscapes and watersheds.
- In Washington, the foundation continues to support the conservancy's Three Rivers Forest Project, helping to purchase and restore riverside forest properties that will protect wild salmon and other species for generations to come. Through the restoration of the once-towering temperate rainforests, the Clearwater River will regain its status as a premier salmon spawning river.
- In the Lower Penobscot Forest of central Maine, the foundation's \$175,000 contribution is helping to protect the vulnerable forests and wetlands from development while connecting the imperiled woodlands to the state's



A conservation staff member from The Nature Conservancy photographs plant communities in the Lower Penobscot Forest.

Photo courtesy of
© The Nature Conservancy

coastal ecosystems. The forests of the Lower Penobscot watershed are among the most threatened privately owned forests in the country. The protected properties would support diverse plant and animal species, and provide an ongoing source of recreation, fresh water and job opportunities in the forest products industry.

- In Idaho, Lowe's is working with the conservancy to protect some of the state's most important wildlife habitat in the Southern Pioneer Mountains. Lowe's Charitable and Educational Foundation's \$200,000 donation is supporting the acquisition of conservation easements on more than 4,300 acres of land. The easements will keep the wide-open area free of development and protect

habitat for sage grouse, deer, elk and antelope. The easements will ensure a variety of wildlife can continue to migrate through the region and thrive there.

- In Louisiana, Lowe's foundation extended its support of the conservancy beyond forest conservation to help the Gulf of Mexico recover from decades of ecological decline. A \$200,000 contribution is strengthening the conservancy's efforts to rebuild coastal landscapes, including the expansion of an artificial oyster reef in Vermilion Bay. The project will help slow coastal erosion and provide a home for birds and marine life, helping to reverse damage from the unbridled development that has weakened and destroyed the Gulf's natural infrastructure.



A field of blue penstemon brightens the landscape at Lava Lake Ranch in Hailey, Idaho. The flower, indigenous to Idaho, can survive during periods of severe drought, and it's among the habitat being protected through conservation easements.

Photo courtesy of
© Ami Vitale

Reducing Store Energy Use

Lowe's continually explores opportunities to operate more sustainably. We recognize that managing our facilities in an environmentally and fiscally responsible manner is critical to the long-term health of our communities and our company. That's why Lowe's continues to invest in sustainable strategies to use resources – energy, water and materials – more efficiently and responsibly throughout our operations.

Lowe's stores represent the largest part of our environmental footprint. They collectively consume 93 percent of all the energy Lowe's uses each year, with our lighting, heating and cooling systems accounting for the majority of that energy use. In recent years, we've significantly reduced our energy use through lighting upgrades, cool roofs, improved reporting and monitoring systems, and growing energy awareness among employees. While our store count increased by 16 percent from 2007 to 2010, we decreased the average energy use per store by 13 percent.

Driven by a goal of continuous improvement, we're focused on implementing additional conservation measures to reduce our store energy use and carbon footprint further, with a goal of cutting utility costs 7 percent by 2016.

Demand-controlled ventilation

We're installing demand-controlled ventilation systems in approximately 150 stores each year, with 450 stores now featuring new carbon-dioxide sensors that help deliver just the right amount of outside air to the store based on the number of occupants. Instead of costly over-ventilating that typically results from a fixed system, real-time controls reduce the heating and cooling load, lowering energy costs.

Lighting controls

Lowe's recently added lighting occupancy sensors in 1,700 stores and daylighting controls in 700 locations. The occupancy sensors reduce lighting in the receiving area for a few hours a day when occupancy is low, for example turning off half the lamps in select fixtures at the end of the day. New daylighting controls in our Garden Center and all-season areas adjust lights based on the available ambient light.

Reducing outdoor signage use

It's now standard practice at all stores to shut off lighted outdoor signage at closing, instead of two hours after closing. The adjusted schedule is in effect for all entrance, lumber yard, garden and road signage controlled by Lowe's. As the current lights in our signs burn out, we're also converting those lights to LEDs.

Submetering

To control energy consumption and verify and maximize the effectiveness of these and future strategies, we need to reliably and accurately monitor energy use in real time. With the help of energy submetering systems on site at 30 stores, we're able to identify unusual patterns and optimize energy consumption.

Each of our 234,000 employees plays a role in our ability to operate our facilities as efficiently as possible. Our store employees have been making a bigger difference since 2008, when our facility team implemented an efficiency program called Lowe's Energy Awareness Delivers Savings (LEADS). The program provides guidelines to control consumption.



While our store count increased by 16 percent from 2007 to 2010, we decreased the average energy use per store by 13 percent.

Shining Light on Solar

Lowe's is dedicated to helping today's homeowners and future generations make their homes more sustainable. Through new partnerships and a growing number of energy-efficient products and services, we're building on our commitment to bring more innovative technology to the marketplace to help advance a new generation of renewable energy solutions.

With a goal of making solar energy more affordable and accessible, Lowe's established a new partnership with Sungevity and became a sustaining partner of the U.S. Department of Energy's Solar Decathlon.

We teamed with Sungevity to offer customers in select markets a residential solar leasing program that makes it easier and more affordable for homeowners to generate the energy they need. Homeowners interested in solar energy can now receive a fast and free solar installation estimate from their computer or smart phone based on satellite images and aerial photography. As part of the agreement and to further advance the mainstream adoption of solar power, Lowe's took an equity stake in Sungevity.

With an eye toward the future, we also became strong supporters of the Solar Decathlon. The biennial event challenges teams to design, build and operate solar-powered homes that are affordable, energy-efficient and attractive. Lowe's worked closely with students from 19 universities across the globe to meet that challenge.

Lowe's hosted the consumer workshop series and provided on-site construction support by distributing Kobalt tools and building materials to participating teams that needed assistance setting up on the National Mall in Washington, D.C. Employees at Lowe's of Alexandria, Va., spent a week pulling products

and delivering them to the Lowe's-Kobalt Team Resource Center.

"If they hadn't had that, there would have been a lot of teams struggling," said Austin Westmoreland, a student at Appalachian State, winner of the competition's People's Choice Award.

As Lowe's representatives toured the Solar Village and the innovative and inspirational homes, decathletes from numerous teams stopped those in red vests to thank them personally for the tools, supplies and ongoing support.

"We wouldn't have been able to be here without Lowe's," said David Lee, a graduate student and communications manager for Appalachian State's team.



As a sustaining sponsor of the Solar Decathlon, Lowe's provided construction support to university students from four continents who brought a diverse range of designs and a shared passion for innovation.

Protecting Washington's Salmon Coast

Salmon are the iconic fish species of the Pacific Northwest, integral to the lives and cultures of indigenous people and a bellwether species for the ecological health upon which all life, including people, depends. But current logging practices, dams, invasive species, pollution and development are destroying historic spawning grounds and habitat for juvenile salmon.

“Many conservation efforts focus on saving wild salmon from extinction,” said Dave Rolph, coast program director at The Nature Conservancy in Washington. “We have a more ambitious goal: We want wild Pacific salmon to thrive, not just survive, so that tribal cultures, local economies, eagles, bears, rivers and forests — the full spectrum of life that has evolved with them for millennia — can also thrive.”

The past two years, Lowe's Charitable and Educational Foundation has contributed more than \$300,000 to support the conservancy's Three Rivers Forest Restoration Project along Washington's Salmon Coast. The project is dedicated to bringing back the Pacific's wild salmon to more than a third of their historic abundance by restoring the once-towering temperate rainforests that ranged along three rivers — the Hoh, Queets and Quinault.

In discussing why the region was selected for this ambitious conservation effort, Rolph explained that “rigorous science confirms that the river system flowing from Olympic National Park to the Pacific is one of the most critical places for preserving

diverse wild salmon ecosystems. This coastal region contains some of the most significant remaining temperate rainforests in the world; the rivers are still healthy, and we know focusing here will deliver the highest return on our investment and sustainable results.”

The conservancy prioritized this area because only one of the 130 distinct salmon runs on Washington's Salmon Coast is listed under the U.S. Endangered Species Act. The conservancy is committed to ensure that the other 129 runs are never listed as endangered. More importantly, our work together sets an example for other forest managers to follow, supports local communities and creates working partnerships that ultimately improve habitat up and down the Washington coast.

The support of Lowe's Charitable and Educational Foundation has advanced the conservancy's initiative to raise \$17 million to purchase riverside forest properties along a mile-wide, 18-mile-long corridor (5,655 acres) of the lower Clearwater River, the main tributary of the Queets. Although heavily harvested for timber, these lands are some of the best habitat and one of the last large riverfront properties still in private hands between Olympic National Park and the ocean. With help from Lowe's, the conservancy will acquire this land and begin restoring the forests to old-growth conditions using lessons learned from nearby forest restoration experiments. The Nature Conservancy is optimistic that in time, the Clearwater will regain its status as a premier salmon spawning river.



Lowe's is helping to restore riverside rainforests in Washington state to support the recovery of wild salmon populations. In this part of the world, nature runs on salmon.

Photo courtesy of
© Ami Vitale

Cleaning Up America

Lowe's is committed to improving the health and appearance of the communities we serve. For more than a dozen years, Lowe's Heroes have invested their time and passion into making our local communities better places to live, work and play. Last spring, Lowe's Heroes joined hands with volunteers across the nation to support Keep America Beautiful's 2011 Great American Cleanup, the nation's largest grassroots community improvement program.

Employees from Lowe's stores, distribution centers, district and regional offices volunteered their skills, multiplying Lowe's support as a national sponsor of the annual event and a \$324,000 assisting donation from Lowe's Charitable and Educational Foundation. Lowe's Heroes participated in local cleanup and beautification events in Philadelphia, Tampa, Houston, Marietta and Rome Ga., Danville, Ill., Ord, Neb., and other communities.

In Houston, 80 Lowe's Heroes invested two days revitalizing Allen's Landing, which has often been described as Houston's heart and its Plymouth Rock. Together with Lowe's Senior Class Award NCAA men's basketball finalists, members of the Houston Rockets staff, students from Paul Revere Middle School and others, Lowe's Heroes rejuvenated Houston's first port.

Lowe's volunteers picked up garbage and debris around the Buffalo Bayou, removed hundreds of pounds of silt, pressure-washed sidewalks, repaired and replaced large marine chains, removed graffiti, laid mulch, pulled weeds and repainted park benches. Lowe's donated approximately \$20,000 in supplies, including shovels, rakes, wheelbarrows, paint, paint brushes and brooms, to

complete the cleanup, just in time to celebrate Houston's 175th birthday.

"It was very inspiring to be a part of the Allen's Landing revitalization project to see the impact that a collective group of individuals, working for different organizations with one vision, can have on improving the community," said Nauman Alikhan, store manager at Lowe's of North Central Houston. "It gave all of us who worked on the project a sense of fulfillment to see the dramatic improvement we made to this historical site for visitors to enjoy for years to come."

Lowe's Heroes joined more than 3.8 million volunteers who helped produce cleaner and more beautiful communities at more than 30,000 Great American Cleanup events in all 50 states. Heroes teams from Lowe's of West Marietta and Lowe's of Austell, Ga., volunteered their time to revitalize Marietta's Fair Oaks Park, where 30-year-old playground equipment was broken and unused, picnic tables were worn and the pavilion needed repairs. In partnership with Keep Cobb Beautiful, Lowe's Heroes created mulch areas for five playgrounds, repainted playground equipment and the picnic pavilions, and repaired perimeter fencing for the basketball court. Lowe's donated landscape timbers and five picnic tables, which are now sitting under the freshly-painted pavilions, once again giving families a place of respite to enjoy the outdoors.

With the support of Lowe's Charitable and Educational Foundation and Lowe's Heroes, Lowe's will continue to explore new opportunities to work with Keep America Beautiful to promote a hands-on approach to improving the sustainability of our communities at a local, grassroots level.



Eighty Lowe's Heroes helped beautify Allen's Landing, Houston's original port. They removed hundreds of pounds of silt and cleaned up Buffalo Bayou.

Conserving Canada's Boreal Forest

Canada's Boreal Forest is home to one of the world's largest remaining spruce, fir and tamarack forests. The forest floor is a thick mat of moss, soil and peat that stores a tremendous amount of organic carbon. With more than 1.5 million lakes, the Boreal wetlands act as a water filter for northern rivers, lakes and streams. This vast forest supports bears, caribou, wolves and lynx, in addition to a richly diverse mix of other plants, birds and insects. Living in this interconnected web are more than 500 First Nations communities that rely on the forest as an important aspect of their heritage.

It's also a highly productive timber and paper producing area from which Lowe's sources much of the lumber we offer to our customers. So when we were invited to engage with the Canadian Boreal Forest Agreement (CBFA), the decision was easy.

Lowe's has a longstanding interest in responsible forest management, and our involvement in the CBFA is a tangible extension of that commitment. The agreement is a collaboration among 21 major Canadian forest products companies and nine leading environmental organizations, and it applies to more than 178 million acres of forest from the provinces of British Columbia to Newfoundland.

These groups have pledged to work together to craft an approach to forest management at a landscape scale while considering community and species needs. As a major forest products customer, Lowe's is working with these parties to develop a more effective solution that will ultimately involve federal, provincial and native First Nations governments. Collectively we'll define and realize a future forest landscape that works for business, society and the environment.

"Lowe's partnership in the agreement is a strong demonstration of their commitment," said Monte Hummel, chair of the CBFA steering committee. "The forest products customers serve an important role as we continue to develop a workable solution with multiple parties."

A groundbreaking venture, the agreement has groups formerly at odds with each other working side by side with joint goals and objectives — at an unprecedented scale. This collaboration reflects the true value of this work, that different interests can have common goals with the potential to create a model solution that can be replicated elsewhere.



Lowe's is a supporting partner of the Canadian Boreal Forest Agreement, an historic collaboration between industry and environmentalists to create a better protected, more sustainably managed Boreal Forest.

Photo courtesy of
© Charlie Ott

Fighting Water Waste

Water conservation might not be top of mind for many, but at least two-thirds of the country is either experiencing or bracing for local, regional or statewide water shortages, according to the U.S. Environmental Protection Agency (EPA). To drive awareness about water shortages and products that can help reduce water waste, Lowe's partnered with Kohler Co., Bosch Home Appliances and Procter & Gamble to support the EPA and its advertising agency's Wasting Water is Weird campaign.

The national campaign took a lighter, more humorous approach to water-saving education and highlighted Rip the Drip, a slightly awkward guy who enjoys water-wasting activities such as watching water swirl in sinks and opening fire hydrants. The campaign shared simple things consumers can do to help conserve water.

"Water shortages are becoming a very serious issue in many areas throughout the country," said Michael Chenard, Lowe's director of corporate sustainability. "The Wasting Water is Weird campaign gives Lowe's, along with our product suppliers, an engaging way to educate consumers on water conservation, with the ultimate goal of changing behaviors."

Elements of the campaign included television Public Service Announcements and web videos featuring Rip the Drip oddly approaching people who are wasting water. The campaign also included a social media element, with a Rip the Drip Facebook page and Twitter account. Banner ads ran on multiple websites, including the New York Times and Rolling Stone sites, and billboards were posted in cities across the country. All of these elements drove consumers to **WastingWaterIsWeird.com**, which includes videos and water-savings tips.

In just the first few months of the campaign, the PSA ran more than 15,000 times on more than 220 television stations across the country. The YouTube videos were viewed more than 125,000 times, and the online banner ad was featured on more than 900 news and consumer websites.

A winner of three consecutive EPA WaterSense awards for educating consumers about water-efficient practices, we've increased our efforts each year in stores, online and throughout local communities to help consumers improve the efficiency of their homes and save on utility bills. The EPA estimates that the number of WaterSense labeled products Lowe's sold in 2011 can save customers nearly \$34 million each year off water bills and more than four billion gallons of water annually — enough water to supply more than 43,000 American households.

Lowe's also continues to raise awareness among employees and develop and expand initiatives to reduce water use throughout our operations. Our new landscape irrigation program, in place at more than 230 stores, uses smart irrigation controllers that automatically adjust the watering schedule as the local weather changes. A recent analysis revealed that water use at stores with smart controllers decreased an average of 24 percent, saving more than 12 million gallons a year.

Billboards featuring Rip the Drip, the slightly awkward star of the Wasting Water is Weird campaign, ran in states that have water-shortage issues.

