

2013 Social Responsibility Report

Lowe.com/SocialResponsibility



A Call to Serve

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CEO Message

As a home improvement company, Lowe's is called to serve. We play an important role in providing for and improving on some of the most fundamental needs that people have—their homes, their careers and their communities.

This call to serve is no small task, and it's more than just a corporate responsibility. It's the reason we exist.

In 2013, that call to serve led us to act. And act we did, with our partners at Habitat for Humanity. For more than a decade, we've been working with Habitat to bring housing solutions and hope to families across the country.

In 2013, we teamed up to make an even greater impact. Lowe's employee volunteers put their hearts and hammers to work, revitalizing entire neighborhoods and putting in thousands of hours building and renovating homes. And we recently extended our partnership with Habitat through 2018, which, by then, will mark 15 years building homes alongside families in need of affordable housing.

We also acted with our partners at the American Red Cross. Each year, we're called to serve communities devastated by disaster. With the help of customers, we surpassed the \$25 million mark in donations since our partnership with the Red Cross began, becoming one of just a few partners to reach that milestone.

During disasters, Lowe's employees rise to the challenge. In a year that brought deadly tornadoes, floods and fires, Lowe's Heroes answered the call, delivered critically needed supplies and lent a hand where the need was greatest.

Sometimes, the greatest need comes from within our own ranks. Since its inception, the Lowe's Employee Relief Fund has contributed over \$20 million in assistance to more than 18,000 employees and their families.

And we continue to make the health of our employees a priority. Our mobile health screening units have traveled more than 300,000 miles to provide free screenings for employees and serve as another vehicle for us to help employees and their families in times of disaster.

In 2013, we were recognized for answering the call to serve. The National Association of Broadcasters Education Foundation presented us with its Service to America Corporate Leadership Award. And the Environmental Protection Agency honored us for our efforts in promoting energy and water conservation, and conferred on us our fifth SmartWay® award for leading transportation practices.

But we know that service is about more than just earning awards. In this report, you'll see how we share tried and true home improvement tips with consumers through digital and social media, and how we work to bring customers the best quality and value in the products we offer for their homes.

We'll show you how we challenge ourselves to find innovative solutions to reduce costs and better the environment, like using natural gas powered trucks at our distribution centers.

And you'll understand how our commitment to inclusion and diversity of thought is changing the way we do business; how our zeal for safety in the workplace is changing the way employees think about Lowe's; and how our pioneering spirit is changing the way we help our people develop their careers.

I hope this report will help you come to know that what we do matters to people. It matters to customers, to shareholders and to our employees.

It's a great source of pride for me and the 260,000 employees who make up this company. And it's a great way to show how we value our responsibility to serve and to act to make our communities better.

I hope you enjoy this report.



Robert A. Niblock
Chairman, President and CEO





Workplace

Why We Exist



Lowe's success is driven by the power of 260,000 employees united in a single purpose.

Why come to work at Lowe's every day?

We ask ourselves that question often, because the answer reaffirms our commitment to the culture we're continuing to build. Above all else, Lowe's helps people love where they live.

For nearly 70 years, we've served customers by remembering we do so much more than sell products. We help people achieve the dreams they have for their homes and communities. From our humble small-town hardware beginnings to a FORTUNE® 100 company, that commitment to the bigger picture has never wavered.

For nearly 70 years, we've served customers by remembering we do so much more than sell products. We help people achieve the dreams they have for their homes and communities.

Whether it's in one of our 1,830 stores, through our contact and distribution centers or directly in a customer's home or at a job site, together our 260,000 employees help to provide the competitive advantage that sets Lowe's apart. Their belief in always giving their best and responding to the needs of customers, business partners and each other allows them to touch people's lives in a positive way.

The power of all of our employees united in a single purpose is a driving force for our company's success—success not measured in numbers alone but also by our collective ability to help people love where they live.

Awards & Recognition

Lowe's received several awards in 2013 for our dedication to promoting diversity and inclusion:



The U.S. Business Leadership Network (USBLN®), a national organization that promotes the inclusion of people with disabilities throughout the business

environment, honored Lowe's as Employer of the Year in 2013. "Lowe's has demonstrated exemplary policies, strategies and initiatives that have resulted in measurable results in the areas of disability inclusiveness in the workplace, supply chain and marketplace," said Jill Houghton, USBLN executive director. USBLN also noted the active role of Chairman, President and CEO Robert A. Niblock, who reviews the plan and outcomes of Lowe's collaboration, diversity and inclusion efforts.



The Black EOE Journal, Professional Woman's Magazine and Hispanic Network Magazine named Lowe's work-force and supplier diversity programs Best of the Best in an annual survey conducted by the publications' parent company, DiversityComm. The awards recognize Lowe's passion for encouraging

and developing the depth of talent that reflects and supports the diverse communities we serve.



U.S. Veterans Magazine, a publication that actively seeks to improve employment, business and supplier opportunities in corporate America for returning, transitioning and disabled veterans, named Lowe's a winner of its Best of the Best awards and one of America's Top Veteran-Friendly Companies.



The Employer Support of the Guard and Reserve (ESGR) honored Lowe's of Killingly, Connecticut, with an Above and Beyond Award and a Patriot Award. ESGR, a Department of Defense office, recognizes employers at the local level who provide extraordinary support

and cooperation to employees who have answered their nation's call to serve as members of the National Guard and Reserve.

Other Recognition

Top Companies for Customer Service: No. 3 in the U.S. News & World Report survey based on interviews and rankings from the Temkin Group, J.D. Power and Associates, Forrester Research and Zogby Analytics in partnership with MSN Money.

Best Perceived Brands: No. 5 overall and No. 1 retailer in the 2013 YouGov BrandIndex survey tracking U.S. consumers' perception of brands across multiple sectors.

100 Most Loved Companies: No. 10 in the decade-long study by APCO Insight, a global research firm measuring consumers' emotional attachment to brands.

Customer Service Hall of Fame: No. 10 among the companies most often rated as "excellent" for customer service in MSN Money's annual survey conducted with Zogby Analytics.

Harris Poll Reputation Quotient®: No. 17 in Harris Interactive's annual survey measuring the corporate reputation of the most visible companies in the U.S. The study measures six areas that influence reputation, from emotional appeal (No. 12) to social responsibility (No. 14).

America's Most Reputable Companies: No. 20 in the Reputation Institute's annual study of U.S. companies. The online consumer survey analyzes seven dimensions of corporate reputation.

"Lowe's has demonstrated exemplary policies, strategies and initiatives that have resulted in measurable results in the areas of disability inclusiveness in the workplace, supply chain and marketplace."

—Jill Houghton, executive director, U.S. Business Leadership Network

Engaging Employees

Lowe's ability to provide exceptional service to customers and our communities is a byproduct of putting our people at the center of everything we do. When our employees know that someone is listening to them, when they're empowered and engaged in what we're doing as a company, they produce great results.

Time and again, we've seen how highly engaged employees drive better sales, improve productivity and customer satisfaction, and create a safer and more positive work environment where everyone can excel.

Across the company, we saw increases in employee engagement related to core leadership values such as respect, setting consistent direction and flexibility around work-life balance.

Lowe's measures employee engagement each fall through our Employee Opinion Survey. The survey gives all full-time and part-time employees the opportunity to tell us how well we are delivering on the things that are important to them so they are engaged to help customers. It also gives leaders direction on how to improve by helping identify trends. Once results are shared, volunteer voice teams work alongside their leadership team to create action plans to improve engagement.

Over the past few years, Lowe's network of regional distribution centers has provided a powerful example of how feedback from the survey can be used to create a positive and lasting cultural change. Once the lowest-engaged workforce in the company, this group has changed how it operates. By focusing on leadership and doing the right thing, Lowe's distribution centers have seen a steady increase in engagement over the past seven years and their engagement levels remain above the benchmark for best-in-class companies.

Our distribution network's efforts are being modeled in other areas of the organization. Based on feedback from the 2012 survey, we placed a renewed emphasis on helping employees lead. We launched companywide leadership development initiatives focused on equipping front-line leaders with the training and resources needed to be successful. And we rolled out a reporting portal that allows leaders to quickly share their team's annual survey results and focus on key themes for action planning.

While we maintained engagement across the company in 2013, our focus on helping employees lead was reflected in the improved engagement of our management group, including:

- Gains among vice presidents, directors and managers in our corporate offices related to pride, motivation and recommending Lowe's as a great place to work.
- Increases in pride, motivation and advocacy among store and distribution center managers, who've typically been a highly engaged group.
- And gains in employees' perceptions of their leadership teams. Across the company, we saw increases in employee engagement related to core leadership values such as respect, setting consistent direction and flexibility around work-life balance.

Based on feedback from the 2013 Employee Opinion Survey, we've identified three focus areas for 2014: connecting with employees through improved communication and visibility; clarifying how each employee contributes to our shared success; and celebrating good work through a culture of recognition.

While the annual survey plays an important role for Lowe's, we're committed to making engagement a daily part of how we think, act and operate rather than a one-time event. Leaders encourage year-round discussions about engagement and prioritize taking action together with their teams. And we encourage employees to deliver feedback during one-on-one conversations with supervisors and through shared channels like Lowe's internal social platform, where ideas are solicited and debated.

As we change to meet the evolving needs of customers, we'll continue to look for opportunities to improve engagement so that we can better deliver seamless, supportive and inspiring customer experiences.



Lowe's leaders play a critical role in developing a culture of recognition and fostering continuous employee feedback. "The more you give people a voice, the greater your voice resonates," said Chairman, President and CEO Robert A. Niblock.

Developing Our Workforce

Providing differentiating customer and employee experiences begins with our ability to attract, develop and retain a skilled and engaged workforce. The single biggest factor behind our success is our people, and we're fully dedicated to helping them enhance their skills and excel in their jobs and careers.

Our performance-oriented training programs provide the tools to help employees quickly reach and maintain job proficiency. Then, we work to develop a broader, deeper and more valuable talent pool by providing employees with opportunities for ongoing training and targeted career development.

We invest 350,000 hours a year on training, with a focus on role-playing, coaching and personal feedback.

Our Lowe's Leadership Institute is building current and next-generation leaders by helping them enhance their capability to lead themselves, inspire their teams and run the business. **We do this by making strategic investments to:**

- Assess them for targeted development, deployment and succession.
- Deploy formal learning programs for leadership transitions and point-in-time leadership needs.
- Provide on-demand learning opportunities for team or individual needs.

Our Learning@Lowe's program offers a variety of learning paths for employees, built on a careful blend of online courses, instructor-led classroom training, experiential learning, on-the-job learning, coaching and performance support. These learning experiences and opportunities are structured to occur at the right time and in the right amount.

The other area of strategic investment is Selling@Lowe's, a selling skills program created to advance our sales culture and enhance the customer experience. These focus areas have improved our customer-service metrics and helped deliver higher sales while building the foundation for continued growth.



From our store aisles to breakout sessions at our annual National Sales Meeting, we use a variety of learning environments to connect and coach our management teams.

Collaboration, Diversity & Inclusion

At Lowe's, diversity, inclusion and collaboration are more than business initiatives. They are a way of life. Our customers live in diverse communities across the United States, Canada and Mexico, and we reflect their unique perspectives in many ways—through the products and services we offer, in the employees we hire, with the suppliers we choose and in the everyday connections we make with customers and with each other.

To the 260,000 employees at Lowe's, diversity and inclusion means a workforce that celebrates diversity of thought, unique talents, varied backgrounds and innovative thinking. To our customers, diversity and inclusion means that they see themselves in us and the products and services we offer.

"Lowe's commitment to collaboration, diversity and inclusion reaches far beyond corporate and social responsibility. It's a look at where we've been and a glimpse into the company we are striving to become. At the core of this commitment are people—people with diverse backgrounds and ideas, people with a desire to blaze new trails and people who know that their diverse perspectives are valued and appreciated. Through our people, we make a positive and lasting difference in the communities and lives of customers."

– Robert A. Niblock, Chairman, President and CEO

Moving Beyond Diversity and Inclusion

We've taken our commitment to diversity and inclusion a step further. We recognize that when we collaborate with each other, our suppliers and customers, great things happen. Everyday challenges are solved. New ideas are hatched. Our team members flourish. And, most importantly, we provide customers with the products and services that they need to love where they live.

Collaboration, diversity and inclusion—together, they drive our commitment to improve the places we work and the communities we serve.



When employees collaborate in our distribution centers, stores and offices, we're able to bridge gaps and deliver outstanding results for customers and our company.

Health & Benefits

With more than 260,000 employees, Lowe's is committed to serving a variety of needs through our comprehensive benefits programs. We take pride in investing in our employees and their families to help them lead healthier and happier lives.

Lowe's benefits programs include health and life insurance plans, a wide range of health and wellness programs, flexible spending account plans, a 401(k) plan and a discount stock purchase plan. Lowe's is committed to continuously measuring and evaluating the success of our programs and implementing changes to better meet employee needs.

More than 2,000 employees took part in our tuition reimbursement program, which paid out more than \$2.2 million for education expenses in 2013.

In 2013, we provided no-cost health screenings and professional health advice for all of our employees through the use of our health-screening units at stores and health centers at distribution centers and corporate offices. Those screenings include blood pressure, total cholesterol, body mass index (BMI) and other health indicators. Our health-screening units have traveled more than 300,000 miles and provided more than 200,000 no-cost health screenings since 2010. Lowe's also provides flu shots at no-cost for eligible employees, and more than 61,000 employees received this benefit in 2013.

Employees can participate in Lowe's tuition reimbursement program, allowing them to further their education and pursue knowledge both inside and outside their current area of expertise. More than 2,000 employees took part in our tuition reimbursement program, which paid out more than \$2.2 million for education expenses in 2013.

Lowe's also provides financial education through no-cost budgeting workshops at stores and distribution centers, as well as financial wellness classes and programs at our corporate offices.

Behavioral health is also a critical component of Lowe's benefits package, and we helped more than 5,000 employees and their family members through our Family Assistance Program, available legal and financial services, and work-life services. Lowe's also helps employees better their health through the Quit for Life smoking cessation program, which had more than 2,300 participants in 2013 and passed the 50,000 participant milestone over the life of the program.



Lowe's employees participate in the annual Lake Norman Excursion at the corporate office in Mooresville, N.C. The family-friendly cycle/run raised \$30,000 for the American Red Cross.

Lowe's Employee Relief Fund

Many employees consider it the single most important program Lowe's offers. For the past 15 years, the Lowe's Employee Relief Fund has been there to serve employees and their families in times of need.

Supported by the generous contributions of Lowe's employees, the Lowe's Employee Relief Fund is a nonprofit organization dedicated to assisting employees facing a significant financial hardship. Employees contribute through payroll deduction or check contributions. Lowe's matches each contribution dollar-for-dollar and pays for the program's operating costs. All employees, part-time and full-time, are eligible to receive assistance.

Since its inception in 1999, the fund has contributed \$20 million in assistance to more than 18,000 employees and their immediate family members. Last year alone, the Lowe's Employee Relief Fund distributed more than \$2.6 million. The financial assistance helped more than 2,300 Lowe's employees who suffered a significant hardship as a result of a house fire, natural disaster, family death, medical expenses or other unforeseen event.

Lowe's employees regularly step up contributions in the wake of natural disasters. After a deadly outbreak of tornadoes in May 2013, store donations to the fund grew by more than 44 percent. Contributions also streamed in across the country from Lowe's offices, distribution centers and vendor partners. With their assistance, the Lowe's family raised more than \$100,000 to help current and future employees recover from disasters and other unexpected life events.



Pat Lesperance, an employee at Lowe's of Lyon Township, Mich., found more than \$500 in cash in his store. Despite his own medical issues and financial needs, he went straight to the customer service desk to turn it in. After the money went unclaimed during the required 30-day waiting period, Lesperance donated the full amount to the Lowe's Employee Relief Fund.

Many Lowe's employees wrote thank-you notes to Lowe's family of supporters:

"I was diagnosed with bladder cancer on the 1st of August this year. After removing tumor, the docs said (I had) a year at most without treating it. I am single and alone here in N.C. I applied for the ERF and received the check Thursday. And I really want to say, THANK YOU VERY MUCH!!!! I have worked for at least four-dozen companies in my life and with hundreds of different people, and have never felt the compassion and generosity I have felt working for Lowe's. THANK YOU FOR YOUR DONATIONS TO ERF. IT WORKS WONDERS. I am going to start donating myself as soon as I am done with this note."

– Lowe's employee, Marion, North Carolina

"I had the BEST Friday! We were able to hand one of our employees a check from the ERF today to help him out with a difficulty he had. He literally became speechless, and I had to shut the door to my office because he didn't want to let anyone see him cry. He then gave me a hug and said we'd never know how much this meant to him and his family. THANK YOU, especially all of the employees who put money into this fund. I'm proud to work with such great people!"

– Lowe's human resources manager, Mansfield, Pennsylvania

"Lowe's may be big, but we work as one unit. When a part of the unit breaks, the rest of the unit steps up to keep the company growing and moving forward. I've worked at Lowe's for 7 years and due to an unforeseen event, I was hospitalized for 81 days, (during) which 35 days I was in a coma. When I woke up, I found Lowe's was there for my family with assistance from the Lowe's Employee Relief Fund to help us. Thanks to Lowe's for the Relief Fund! Your help was a blessing."

– Lowe's employee, Hopkinsville, Kentucky

Lowe's Employee Relief Fund

"We all have things to deal with in life ... but sometimes it can be pretty darn tough! I am very proud that our company has such a great program as ERF to help ANY teammate when there is a need! I have been involved with ERF since day one of my 13-year career and have seen the program help so many people. I want to thank all of the associates who contribute to this great program. 'No act of kindness, no matter how small, is ever wasted.' "

– Lowe's store manager, Barboursville, West Virginia

"I will never forget how Lowe's Employee Relief Fund was there for me 8 years ago when my son was injured in Iraq. He had hit an IED (improvised explosive device) and his vehicle was blown apart. His back was broken and he had traumatic brain injury. My HR Manager at the time told me about the ERF and how I could apply for help in getting to my son's bedside. When all was said and done, I walked into his room and will always remember the smile that came over his face. He also has never forgotten how Lowe's helped his mom get there."

– Lowe's employee, York, South Carolina

"I just wanted to send such a big THANK YOU to my Lowe's family, seen and unseen. I recently had a fire in my apartment building and the damage was devastating. Thankfully we got out in time and no one in the building was hurt. As the building burned, my daughter who is 6 years old, said to me, 'Mommy, the house is burning.' I didn't know where I was going to go or how I was going to make it through this. I spoke to my store manager just to let him know what was going on and why I had been absent from work. I will never forget how he said this isn't about absences but life. He then mentioned this program to me. I thought that since I am a part-time customer service associate that I might not qualify. I received \$1,500 on the 1st of February. The weight that was lifted from my shoulders was like taking a deep breath after being under water for so long."

– Lowe's employee, Chicago



Dozens of thank-you letters are sent to the Lowe's Employee Relief Fund each year. The fund has contributed \$20 million in assistance to more than 18,000 employees and their families.

Focusing on Safety

The most important way we can serve others is to ensure their safety and well-being. Lowe's is committed to providing a safe environment for our employees, customers, contractors and vendors while complying with all applicable safety and health standards established by law and regulatory agencies.

To cultivate and sustain a culture of safety, we continue to integrate safety into all parts of our business. That commitment starts with our leadership teams. They hold themselves accountable for creating and maintaining a safe environment. Our safety practices are incorporated into each job task, and we believe training is a critical component to ensure safety awareness and knowledge are maintained at all levels.

In 2013, our store employees voluntarily took more than 1.2 million quizzes focused on key safety initiatives. The tutorial quizzes are part of an employee awareness and recognition program dedicated to enhancing the customer experience and improving our safety performance. Together with consistent communication, our online training program has helped Lowe's improve our safety expectations year after year, as our safety record reflects.

Whether in the training room or on the sales floor, we focus on giving employees the tools they need to work safely every day. Our new Power Stocker Lift is a recent example. We completed the rollout of this new piece of equipment in 2012 to help store employees become more productive, efficient and safer while stocking and removing products from elevated areas. The Power Stocker Lift has helped Lowe's reduce stocking incidents and improved our employee work experience and customer service.

We also introduced an enhanced electronic version of our daily safety and hazmat review. The new technology is now available to employees across the store, empowering them to focus on quality reviews of their areas and helping them address any issues. By expanding access to the tool from managers to the entire team, more employees are taking ownership and responsibility for safety.



We recognize and celebrate teams like Lowe's of North Wilmington, N.C., that help sustain our culture of safety. Team 48 driver Jimmie Johnson (second from right) was on hand to congratulate the store for winning the 2013 Race for the Cup, an employee awareness and recognition program.

In our distribution network, our Integrated Safety Leadership system helps Lowe's uphold a strong safety culture. Our distribution facilities continue to reduce incidents with an increasing focus on proactive intervention. And we methodically review all programs and processes to give employees maximum awareness inside each of these facilities.

Daily reviews, weekly management meetings, continuous training and monthly team meetings help employees teach one another to put safety first and foster an environment where everyone is responsible for safety. We are continually evaluating how we train these teams and are committed to providing the tools to empower them to build and sustain a culture where everyone can work without fear of injury to accomplish their goals.

Global Sourcing

Dedicated to remaining one of the world's most trusted brands, Lowe's is committed to doing business responsibly everywhere we operate. We expect the same from those who manufacture and supply our products. Lowe's sources products through LG Sourcing (LGS), a wholly owned subsidiary of Lowe's. LGS works with 570 vendors in 21 countries, with the largest concentration in Asia, and provides clear guidelines for product quality and safety, and social responsibility by manufacturers.

In 2013, LGS performed more than 750 factory certifications and more than 470 random social compliance audits. In addition, approximately 14,500 product and packaging tests were conducted at independent testing facilities, with many products pulled from production lines for testing during random audits. LGS also inspects orders at manufacturing facilities before approving them to ship. Last year, Lowe's performed approximately 17,000 pre-shipment inspections, evaluating nearly 1.75 million products to ensure they met performance requirements.

Vendors and suppliers are expected to comply with all applicable laws and regulations of the country in which they conduct business with Lowe's. Their products must meet U.S. federal and state regulatory requirements in addition to typical industry standards.

Lowe's Vendor Code of Conduct sets forth the basic requirements that all vendors must comply with to do business with Lowe's. If we believe that any vendor has violated this Code of Conduct, Lowe's has the right to terminate our business relationship with the vendor.

With more than 940 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.

Bundled Audit Program

Lowe's conducts an annual bundled audit on all factories providing products to LGS. The bundled audit includes quality, social/environmental and Customs-Trade Partnership Against Terrorism (C-TPAT) audits. As part of Lowe's sustainable and socially responsible sourcing strategy, LGS regularly works with third-party audit companies and other experts to incorporate best audit practices and refine our social accountability and environmental audit program.

Every factory sourced by LGS is audited at least once each year. Except for issues that result in a denial of business, vendors and factories are required to implement corrective action plans for

all violations. All corrective action plans must be approved by Lowe's personnel. In 2013, we worked with factories to complete more than 1,300 corrective actions. Three audits had findings that resulted in a denial of business.



Lowe's performed approximately 17,000 inspections last year to ensure that products manufactured by our vendors met performance requirements and were approved for shipping.

Audit Focus Areas

Lowe's is focused on auditing and assessing these primary areas of vendor activities:

1. Compliance with Laws and Lowe's Policies

Vendors must fully comply with Lowe's policies as well as all applicable national and/or local laws and regulations relevant to the country of manufacture. To the extent that Lowe's policies impose a higher standard than applicable laws and regulations, Lowe's higher standard will prevail.

2. Forced Labor

Vendors shall not use any form of forced, bonded, indentured, trafficked, slave or prison labor. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. All workers must not be required to surrender any government-issued identification, passports or work permits as a condition of employment.

3. Discrimination, Harassment and Abuse

Vendors shall not discriminate in any form, and harassment and abuse of any nature will not be tolerated.

Global Sourcing

4. Child Labor

Child labor is strictly prohibited. The minimum age for employment shall be the higher of 16 years of age, the minimum age for employment in that country or the minimum age for completing compulsory education in the country of manufacture.

5. Young Labor

Vendors shall be in compliance with all local and national laws that regulate restrictions for young workers in the country of manufacture.

6. Compensation and Working Hours

Vendors shall pay all workers at least the minimum wage and benefits required by applicable laws and regulations. Workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Working hours are audited to international labor standards and the limits allowed by the country of manufacture. Suppliers must ensure that, except in extraordinary circumstances, workers shall not be required to work in excess of 60 overtime hours per month or exceed the maximum permitted under the applicable laws and regulations of the country of manufacture.

7. Freedom of Association

Vendors must respect the rights of all employees to lawfully associate or not to associate with groups of their choosing, as long as such groups are permitted by law. Vendors should not unlawfully interfere with, obstruct or prevent legitimate, lawful employee associations and related activities.

8. Health and Safety

Vendors shall provide all workers with a safe work environment, appropriate personal protective equipment and workplace health and safety information and training. Dormitories and canteens shall be maintained in accord with the regulations of the country of residence.

9. Hiring Practices

Vendors must have hiring practices that accurately verify age and ability to work legally.

10. Conflict Minerals:

The term "conflict minerals" means cassiterite (tin), columbite-tantalite (a/k/a coltan or tantalum), gold, or wolframite (tungsten). Vendors shall not provide products to Lowe's that contain conflict minerals sourced from the Democratic Republic of the Congo or an adjoining country, including Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia (collectively and with the Democratic Republic of the Congo, the "covered countries") unless the conflict minerals are sourced from a certified mine or a conflict-free smelter. Vendors shall have programs in place that satisfy this

requirement, and part of such programs shall include (i) maintenance of records that support the vendors' obligation to provide products to Lowe's that do not contain conflict minerals originating in covered countries unless the conflict minerals are sourced from a certified mine or a conflict-free smelter and (ii) participation in any information requests by Lowe's related to the inclusion of conflict minerals in vendors' products.

11. Environment

Vendors must comply with all national and local environmental laws applicable to air emissions, waste handling and disposal, water use, wastewater discharges and hazardous and toxic substances. Vendors shall also validate and maintain records demonstrating that source materials were harvested in accordance with all international treaties in addition to national and local laws.

Anti-Corruption Requirements

In addition to these assessments, Lowe's comprehensive Vendor Code of Conduct includes anti-corruption requirements. Vendors must not tolerate, permit or engage in bribery, corruption or unethical practices in dealings with public officials or individuals in the private sectors. Vendors must conduct business in compliance with all applicable laws and shall avoid engaging in any activity that could be deemed a corrupt and/or unethical practice. Vendors also must maintain integrity, transparency and accuracy in all records of matters relating to their business with Lowe's. For the purpose of obtaining or retaining business for the benefit of Lowe's, vendors must not make or receive, offer to make or receive, or cause another to make or receive, payments or anything of value, to or from any public or private officials.

Compliance and Reporting

We have implemented monitoring and enforcement activities to assure the integrity of the compliance program. Lowe's, by itself or with the assistance of a third party, will take affirmative measures, such as announced and unannounced inspections of production facilities, to ensure compliance with this Code of Conduct. Vendors must maintain all documents to demonstrate compliance with this Code of Conduct and make those documents available to Lowe's upon request.

Suspected violations of Lowe's Code of Conduct can be reported confidentially in a local language by telephone or via the internet at EthicsPoint.com.

Driven to provide high-quality products produced by socially responsible vendors, we will continue to review our sourcing policies and work with our employees, vendors, industry partners and other experts to ensure we have the best practices in place.

Political Engagement

Because we believe it's our responsibility as a good corporate citizen, Lowe's has a long history of engaging in issues of importance to our company, shareholders and industry. To this end, we engage in governmental outreach and lobbying activities. Lowe's vice president of government affairs 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. Furthermore, Lowe's does not make independent expenditures, contributions to other political entities organized under Section 527 of the Internal Revenue Code or to special interest groups organized under Section 501(c)(4) of the Internal Revenue Code to support political activities. To the extent that Lowe's makes any political contributions to support ballot measures that are consistent with Lowe's business interests and public policy agenda, Lowe's will disclose those amounts in an annual report.

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 the values of the trade organizations are consistent with those of Lowe's and to ensure our investments and interests are well represented.

Trade Organizations

Lowe's maintains memberships in national and state trade associations specific to business and retail industry interests. These groups provide significant benefits to Lowe's by giving us access to their business, technical and industry expertise. They provide a forum for their members and lobby 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 this industry. These associations are not expected to use the financial support that Lowe's provides for campaign contributions or to influence the outcome of specific elections or ballot initiatives.

Some of the national and state trade associations in which we are members utilize a portion of membership dues for non-deductible lobbying and political expenditures. Per the requirements of Section 162(e)(1) of the Internal Revenue Code, the trade associations to which we contribute must provide us a report outlining the percentage of our annual dues that are attributable to lobbying expenses. A listing of the trade associations to which Lowe's paid dues this past calendar year and the percentage of which is not deductible under Section 162(e)(1) of the Internal Revenue Code can be found at [http://www.lowes-link.com/llmain/pubdocuments/Trade Associations.pdf](http://www.lowes-link.com/llmain/pubdocuments/Trade%20Associations.pdf). The listing does not include groups of which we are members solely for business or marketing purposes rather than public policy or lobbying purposes.

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 the values of the trade organizations are consistent with those of Lowe's and to ensure our investments and interests are well represented.



Lowe's engages in governmental outreach around public issues that are important to our business operations, our employees and customers.

Political Engagement

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 the candidate or political committee's position or voting record on issues important to the retail industry and Lowe's?
- Does the candidate 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?

The personal political interests of senior management or the board of directors are not included when considering contributions.

Compliance

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



Trade associations like the Retail Industry Leaders Association provide access to business, technical and industry expertise along with an open forum to discuss policies and practices.

Ethics & Governance

We value our reputation for maintaining high ethical standards in our workplaces and around the world where we do business. Our integrity 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 should 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. All new employees are asked to certify their compliance with the code of conduct, which is available to them on our intranet site and to the general public on Lowe's.com.

"In 2013, instructor-led vendor code of conduct training was provided to more than 500 vendors and suppliers, including those in North America, India and Asia."

Lowe's 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 educates employees about the specifics of Lowe's reporting procedures and compliance resources. On an annual basis, Lowe's also requires certain employees to certify their compliance with the code of conduct and to attend in-person training.

All Lowe's vendors are required to adhere to the Lowe's Vendor Code of Conduct to ensure the highest ethical standards. In 2013, instructor-led vendor code of conduct training was provided to more than 500 vendors and suppliers, including those in North America, India and Asia.

We also formally established an anticorruption guide to set forth Lowe's anticorruption policies and procedures. It's designed to help all of our employees comply with domestic and international anticorruption laws and Lowe's policies. In addition, certain Lowe's employees and vendors are required to take anti-corruption classes at least once a year.



Lowe's Code of Business Conduct and Ethics confirms our commitment to maintaining an environment in which all of our employees work together with respect.

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

Ethics & Governance

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, the board provides oversight and counsel that strengthens our culture of integrity, accountability and responsible business practices.

Our directors serve on one or more of the four committees of the board (audit, compensation, executive and governance) in accordance with the committees' charters. The board continuously reviews our corporate governance practices and aims to improve and build on them to serve the long-term interests of Lowe's and our stakeholders.

The following are highlights of Lowe's corporate governance practices:

- Every member of Lowe's board is independent with the exception of the chairman. The board determines whether the roles of the chief executive officer and chairman should be separate. An independent lead director will be elected on an annual basis by the independent directors if the chief executive officer also serves as the chairman.
- The board conducts an annual self-evaluation to determine whether it and its committees are functioning effectively. In the event of a significant restatement of Lowe's financial results, the board shall review and consider appropriate adjustments to any incentive compensation that was provided to executive officers on the basis of Lowe's having met or exceeded specific performance targets during the period subject to restatement.
- Each year, the executive committee considers succession planning for the chairman and chief executive officer. The chairman and chief executive officer meets annually with the governance committee on succession planning for the chief executive officer's staff and other key positions.



Vendors are required to adhere to the Lowe's Vendor Code of Conduct. We also established an anticorruption guide to help employees comply with domestic and international anticorruption laws.

- To ensure they become and remain meaningfully invested, independent directors are required to own a certain amount of Lowe's common stock. The board has regular executive sessions at which the independent directors meet without management participation. The lead director presides at each executive session.

Additional information regarding Lowe's corporate governance structure, policies and practices is available at **[Lowe's.com/Investor](https://www.lowes.com/Investor)**.

Celebrating 10 Years at Their Lowe's

"It took a lot of work, but we also poured a lot of love into it, a lot of sacrifice. And we all take great pride in it because it feels like it's ours."—James McLamb, lawn and garden associate

When is a store more than just a place to work? Seventeen employees from Lowe's of Clinton, North Carolina, would say it's when you help build it, open it and make it part of the community.

Ten years after welcoming its first customers through the doors, Store 1689 still counts 17 employees who have been there since the beginning. From raising walls to building and stocking shelves, they were part of the team that turned a concrete slab into a source of pride.

"It took a lot of work," said lawn and garden associate James McLamb, "but we also poured a lot of love into it, a lot of sacrifice. And we all take great pride in it because it feels like it's ours."

A sense of ownership permeates throughout the store in the town of less than 9,000 just east of Fayetteville, but it's especially strong among the 17 original employees. "We felt that way when we were putting it together," said pro services sales specialist Cindy Boykin. "We still do."

But it's more than just sweat equity and pride that has kept 17 employees together in this store for more than a decade. "We've formed bonds here," said Evangeline Whitted, department manager for appliances. When Whitted's mother became ill, the store rallied around her with support, including the time off she needed to take care of things. "They made me feel good at a time when it was hard to."

The word "family" comes up a lot when the Clinton 17 talk about why they work at Lowe's, and why they've stayed for so long. "They treat you right here," said Boykin, echoing the sentiments of the others. "It's one of the reasons I've stayed," Whitted added.

No voice is louder than that of 85-year-old James Watson. "I love working at Lowe's," he said. "I've worked a few jobs in my life, but I'm telling you, there's no place better than Lowe's." And while he stopped short of committing to another decade on the job in Clinton, he smiled as he spoke about his future. "I'm going to work here as long as I can, that's for sure."



Seventeen of the original employees at Lowe's of Clinton, N.C., including 85-year-old James Watson (center, front row), are still serving customers a decade after they helped build the store, rack by rack.

Training Saves a Life

Three hundred seconds.

That's the difference between life and death for the nearly 360,000 Americans who experience cardiac arrest each year some place other than in a hospital. From the moment cardiac arrest begins, they have 300 seconds to get their blood moving and hearts beating again. After that, the survival rate in these conditions is less than 7 percent.

On Aug. 26, 2013, team member Buck Stotemyer suffered a cardiac arrest at Lowe's Flatbed Distribution Center in Hagerstown, Md. Stotemyer beat the odds. He survived and is recovering because the team at FDC 1427 knew what to do in those critical 300 seconds. But it almost didn't happen that way.

Safety is built into the culture in Hagerstown. Every employee goes through extensive training in handling emergencies like this one, and when the time came they were ready.

"Immediately, the training kicked in," said Daniel Remaley, assistant operations manager. "You'd think people would panic, and there would be a free-for-all, but we knew right away what to do. It was a great team effort."

One employee called 911, while another started CPR. Others cleared the yard for first responders to arrive, as another ran to the entrance to guide them in. It was as well executed as a game-winning play. And it almost didn't matter.

Even though help was on the way and CPR was being administered, Stotemyer needed an automated external defibrillator to restart his heart. Just a few months earlier, that life-saving device was kept in a different building, several hundred yards from where he had collapsed. But a thoughtful suggestion by a team member, and a manager who took the time to listen, moved that AED into the warehouse where the majority of the facility's employees work, and infinitely closer to the man who needed it to save his life.

"A lot of times we just do what we're told," said facility manager Pennie Guske. "But that was an excellent suggestion. If I'd had to run down to the main office, it would have taken me a lot longer to get back with the AED."

Three hundred seconds is all Stotemyer had. Training, teamwork and one suggestion made those 300 seconds matter.



Relying on their training and a nearby automated external defibrillator, facility manager Pennie Guske and her team at Lowe's distribution center in Hagerstown, Md., helped save the life of co-worker Buck Stotemyer after he suffered a cardiac arrest.

Safety is When Nothing Happens

Safety is a critical value at Lowe's, built into everything we do. It's a commitment to putting our people first and placing their health and well-being ahead of any activity. But the temptation to cut a corner or bypass a safety procedure in order to serve a customer or complete a task faster is always present, so in 2013 we launched a new program—"Safety is When Nothing Happens"—to reinforce just how important safety is for every store employee.

With a goal of reducing incidents in our stores to zero, we rolled out the program with videos, posters and signs showing employees what happens when people work safely: nothing, no accidents, no incidents, nobody gets hurt. In conjunction with the launch, we migrated our daily safety and hazardous material reviews to a digital platform, engaging employees at every level. We also developed a weekly communication to address safety-related issues in a timely manner.

The results have been both immediate and impactful. In the first six months of the program, we've already seen reductions in employee and customer incidents. Along with fewer incidents, we've seen an increase in employee engagement and morale.

The goal is still to reduce incidents to zero, and in 2013 a dozen stores achieved that goal, going 365 consecutive days without an incident. Lowe's of Mount Vernon, Ohio, recently surpassed two years without an incident, setting a company record. There's still work to be done on achieving this goal, but the program has helped keep safety number one on the list of what's important at all Lowe's stores.



A new program built on the idea that "Safety Is When Nothing Happens" has increased employee engagement and reduced incidents in stores.

Inspiring Weight Loss

Yolanda Johnson had to change, and she knew it.

The appliances sales specialist at Lowe's of East New Orleans says she looked in the mirror and didn't like who she saw. Her scale told her she weighed 265 pounds. Johnson told herself that it was time to do something.

"Yolanda just told me, 'This is not who I am,' " said Chanell Malott, a co-worker who's known Johnson for five years. "She did not want to go down that path."

Johnson had seen the effects of diabetes and obesity on family members, and when her teenage son was diagnosed with diabetes, she decided it was time to break the trend.

The click of a mouse gave her the guidance she needed to get going.

Johnson explored Lowe's My Life Track website, a site tailored to meet the health and wellness needs of Lowe's employees as well as their families. She began keeping a journal of all the food she ate, and her Lowe's co-workers encouraged her to be more active. Johnson started by walking just a few blocks each day, and those short jaunts became the catalyst for more.

"There were some times when I didn't feel like going out and exercising, and I'd be like, 'Maybe I can skip today,' " she said. "But I knew I had to do it. And once I got out there, it just felt good."

She logged her exercise on Lowe's My Life Track journals and saw how many calories her activity was burning. What started out as a two-block walk became a three-mile run.

"She would close at the store at night, but then she'd be right back out there the next morning for her run," Malott said.

Today, many of Johnson's friends from the past don't recognize her. She lost more than 100 pounds in less than a year. The transformation not only changed her appearance, it changed her outlook.

Johnson has dedicated herself to her health. A year later, she still runs six days a week. She said that activity has improved her energy level as she moves up and down ladders in the appliance department.

"People ask me how I did it," Johnson said. "Use the Life Track website, practice moderation with everything and start with whatever exercise you can do. Everyone can do it."

Johnson is a believer in Lowe's Stamp Out Silent Killers program, which is designed to reduce obesity, diabetes and other "silent killers" within the Lowe's population. Her success has motivated her son to eat better—he also has started to lose weight—and has inspired her co-workers. "There are so many people like Yolanda," Malott said. "It's easy to give up, but you have to stick to it."



Chanell Malott (left) has seen a transformation in Yolanda Johnson, her co-worker at Lowe's of East New Orleans who lost more than 100 pounds in less than a year with the help of Lowe's My Life Track website.

Assisting Employees After Tornado

Lowe's is committed to supporting our employees, especially in times of great need. When a catastrophic tornado hit Moore, Oklahoma, in May 2013, killing 24 people including a Lowe's employee, teams across the company immediately sprang to help.

"We had so many challenges," Moore store manager Raymond Cooper said. "It was difficult for everybody. Not only did one of our employees lose her life, we had at least 10 others who had a total loss in their homes. You don't know how to handle something like that, and all of the psychological ramifications too."

Dozens of employees were assisted through Lowe's Family Assistance Program, a no-cost program that's available to all employees. "Having them available in those days and in the months that followed has been a tremendous benefit," Cooper said.

Lowe's quickly diverted one of our health-screening units to Moore, and employees from the Moore and South Oklahoma City stores were able to get needed assistance and speak with grief counselors.

While being assisted by staff on the health-screening bus, Lowe's employees received a variety of supplies and services along with gift cards from Walgreens, a Lowe's partner.

This was the second straight year Lowe's sent a health-screening unit to assist employees. In 2012, Lowe's benefits team diverted a bus with supporting staff to six Lowe's locations to assist those impacted by Hurricane Sandy. Randy Moon, Lowe's vice president of benefits and international HR, was in Moore to help and witness first-hand the Lowe's team rallying together.

"We have seen the impact that the health-screening units can make in these situations," he said. "We know they can help give employees assistance at a critical time through on-site health care and counseling. But when you get to see things close up, you also gain a true appreciation for how our employees handle challenging times. Their resiliency is something that should make us all proud."

In the week after the tornado struck, employees from the Moore store received a visit from NASCAR Sprint Cup champion Jimmie Johnson and his wife, Chandra. Both distributed relief supplies and shared their encouragement with the store team and residents in the hard-hit community. Employees also received financial support through the Lowe's Employee Relief Fund, a program in which Lowe's matches employee donations dollar-for-dollar to assist employees and their families who have crisis needs. And 80 Lowe's employees volunteered to leave stores from surrounding areas to serve on storm recovery teams. The support teams gave local employees time to spend with their families and attend to personal needs in the days following the tornado.

The Moore store has rebounded in the months since the disaster and has become one of the most successful stores in its region, in spite of all the challenges it has faced.

"I've never been more proud of a group of people," Cooper said. "They've done a fantastic job. We know that things will probably never be 'normal' again. But we have all done what we can to make a difference, and so has Lowe's."



Shortly after an F5 tornado swept through Moore, Okla., Lowe's diverted one of our health-screening units to area stores to provide counseling and assist employees with critical needs.

Developing Diverse Suppliers

Supplier Diversity at Lowe's is an innovative program to source, develop and manage diverse suppliers.

The program consists of a four-step process:

- 1. Discovery:** Screen prospective suppliers and evaluate their products and services.
- 2. Development:** Provide valuable business guidance to potential suppliers.
- 3. Design:** Guide the design process to meet Lowe's trend and design specifications.
- 4. Delivery:** Help the supplier present products and services to Lowe's customers.

Diverse companies are turning to the guidance and management of our Supplier Diversity team to grow their success. One example is JaBox, a manufacturer of collapsible, decorative and accessible storage. JaBox founder Dave Badhwa worked with Asian manufacturers to develop his product, and he launched an online sales marketing effort in 2012. Badhwa recognized the need for experienced guidance to develop and eventually accelerate his market presence in the United States.

He found the business opportunity he was looking for after meeting a member of Lowe's Supplier Diversity team during the National Minority Supplier Development Conference. Badhwa praised the four-step process of Supplier Diversity at Lowe's, in particular its collaborative aspect, which he views as especially critical for fine-tuning his business and following a roadmap to greater success. "This process makes sure I can succeed with Lowe's," Badhwa said. "Thanks to Lowe's help, I am ready to enter the home improvement retail sector."

As JaBox and other diverse companies evolve and grow with Lowe's guidance, our Supplier Diversity team is planning to expedite the time frame to complete the process. The goal is to shorten the timetable from prospective supplier to product/service delivery, which will ease and accelerate their entrance into the market environment.



JaBox founder Dave Badhwa met Lowe's Supplier Diversity team at the National Minority Supplier Development Conference.

Expanding Opportunities for Women

Based on the success of the Lowe's Women's Leadership Summit in its first two years, Lowe's expanded the annual conference into a four-part program in 2013, establishing the Women's Leadership Series. The theme: "Connect, Contribute and Celebrate."

"Our goal was to expand the reach and impact from the annual Women's Leadership Summit, which we've held for three years, to four events that would reach more women in our company and have a deeper impact," said Clarissa Felts, Lowe's vice president of collaboration, diversity and inclusion.

The Women's Leadership Breakfast at Lowe's national sales meeting was the first of the four events in 2013. Attended by nearly 400 Lowe's employees, each woman received a copy of the best-seller "Break Your Own Rules," a book encouraging individuals to "change the patterns of thinking" that block their path to success. The gathering took on a life of its own throughout Lowe's, as the attendees held similar meetings and discussions when they returned to their own regions.

At the second event, Lowe's employees joined with Habitat for Humanity, a longtime Lowe's partner, to build 36 homes during a five-day period in May as part of Habitat's Women Build program. More than 150 women across the enterprise volunteered to help in three cities: Charlotte, North Carolina, Toms River, New Jersey, and Long Beach, California.

The series continued in September with Lowe's Women's Leadership Summit. The event brought together nearly 130 women from the field and corporate offices for meetings, networking forums and interactive events. "This presented a great opportunity for women to network and unlock their leadership potential," said Theresa Thompson, global director of Lowe's diversity and inclusion.

The fourth event was virtual: a series of online videos that ran from November 2013 through January 2014 covering a variety of subjects helping women understand and develop the skills essential for leadership growth, including overcoming potential obstacles such as encountering unconscious bias. "While these videos were developed for our women employees, they are available to everyone who wants to grow their leadership potential," Felts said.

The Women's Leadership Series generated overwhelmingly positive responses in its first year, and Lowe's will continue to expand the program and outreach throughout 2014.



Nearly 400 women kicked off the Women's Leadership Series with a networking breakfast at Lowe's national sales meeting.

Helping Bring Service Dog Home

Since 1999, the Lowe's Employee Relief Fund has contributed \$20 million in assistance to more than 18,000 employees, including many in the wake of disaster. But for one employee and his family, the fund is helping them sleep better at night for the first time in more than two years—since the moment their son was diagnosed with juvenile diabetes.

Jonah Mullins was just 5 when doctors informed his parents, Jim and Rebecca, that their son had Type 1 diabetes. They were told his particular condition was more difficult than most because he was prone to sudden and unexpected spikes or crashes in blood sugar levels that could cause their son to lapse into a coma or die if undetected, and those spikes or crashes could come while he's sleeping. Checking his blood sugar levels throughout the night—every night—had to become part of the family's routine.

Aside from never having an uninterrupted night's sleep, Jim and Rebecca worried about alarm clocks not working, and spikes and crashes happening between checks. Peace of mind was hard to come by, made worse by the night Rebecca woke up randomly and found Jonah's blood sugar down at comatose levels. From that moment, the old system of checking at regular intervals was no longer viable. The Mullins family needed help, and they found it from an unlikely source—a golden retriever puppy named Luckie.

Service dogs like Luckie are trained to sense when a person's blood sugar levels are spiking or crashing, and to find an adult and signal whether levels are going up or coming down. But raising and training a dog like this is expensive, and money was tight. That's when Brandie Baker, the human resources manager at Lowe's of Wise County, Va., encouraged Jim to apply for assistance from the Lowe's Employee Relief Fund. With the help of the fund and others in the community, the Mullins family raised enough money to make a down payment on the dog and training services.

Luckie was introduced to Jonah and family for the first time on Sept. 14, 2013. "It's a relief," said Rebecca, "knowing Jonah's going to be safe with her there by his side."

That night, the Lowe's Employee Relief Fund gave the entire family something it had been without for two years—a good night's sleep. The next day, Jim brought Luckie and Jonah by the store.

"I came to Lowe's to let them see what they helped us do, not just the employees at my store but the employees at all the Lowe's stores," Jim said. "I can't thank them enough for what they've done for us."



Seven-year-old Jonah Mullins meets Luckie for the first time. With the help of the Lowe's Employee Relief Fund, the Mullins family raised enough money to pay for and train the diabetic alert dog. Employees contribute to the fund, and Lowe's matches dollar-for-dollar.

Raising Walls Together

Home ownership is a lot of things. It's the American dream, the cornerstone of every community, the biggest investment we'll ever make. But more than that, home ownership is about hope, and since 1976 Habitat for Humanity has given hope to more than 4 million people around the world in the form of affordable housing. Lowe's is a proud partner of Habitat for Humanity and a strong supporter of the work it does to help low-income families across the country find hope in a home of their own.

On Oct. 5, 2013, that partnership and support took on a more personal note when employees from Lowe's of Medford, Oregon, marched to the site of the 50th Habitat home built in that city, a home that would soon be owned by one of their co-workers. Mandy Taylor, a customer service associate at Lowe's of Medford, was showing family where her new home was going to be built when she saw something that took her breath away.

"A group of blue T-shirts was heading my way," Taylor said. "My heart stopped and I resisted the urge to burst into tears as I saw my store coming across the field to not only stand by me on this life-changing day, but to help me stand up the walls of my family's new home."

The team from Lowe's of Medford surprised Mandy by making her home their Lowe's Heroes project. Since the late 1990s, the companywide program has encouraged employees to take on thousands of volunteer projects to improve the communities they serve. More than 1,200 projects using \$1.75 million in materials were completed in 2013, including Mandy's Habitat build in Medford.

"That was a day my kids and I will never forget," Taylor said. "The outside walls were raised, not by strangers, but by friends and family—my Lowe's family."



The Habitat home in Medford's Sweet Place neighborhood will help provide stability for Mandy Taylor and her two young children. The family has had to move seven times in the past eight years.

Delivering Digital Solutions

The idea was simple yet brilliant: to remove a stripped screw, put a rubber band on the tip of the screwdriver.

It's the kind of tip you would get from an experienced carpenter or professional handyman. The kind of insider knowledge that gets passed down from one generation to the next while standing at the workbench in the garage. So how did it become the subject of an award-winning campaign at the 2013 Cannes Lions International Festival of Creativity? Through the social media site Vine.

In conjunction with New York-based marketing agency BBDO, Lowe's used the digital platform to launch "Lowe's Fix in Six," a series of 6-second videos tackling simple, everyday home improvement challenges ranging from removing that stripped screw to organizing linens in the closet using a pillowcase. The series was an instant success with Vine users and media critics alike, who saw the videos as an entertaining way to share ideas.

"The Lowe's campaign is one of the best uses of the social medium as a marketing tool we've seen yet," said Business Insider reporter Dominic Green. "The short videos strike a perfect balance between brand promotion and customer usefulness." The campaign generated 28,000 mentions on social media in the first seven days after its launch.

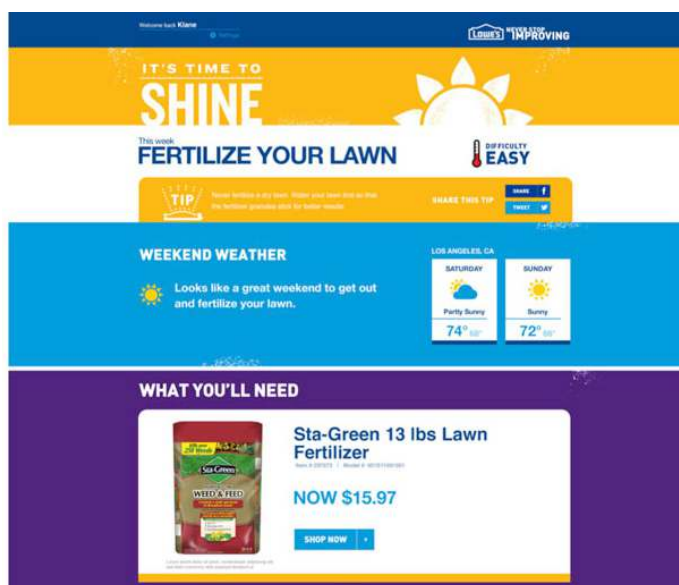
That success traveled across the Atlantic to Cannes, France, where "Lowe's Fix in Six" won a Bronze Cyber Lion award alongside video projects for IBM, the JFK Presidential Library and Museum, and the United Nations Children's Fund. In its 60th year, the festival sets the benchmark for excellence in creative communications. A record 35,000 entries from 92 countries were submitted for consideration in 2013.

We value our responsibility to help people live better lives and are committed to providing inspirational in-store and online experiences. As part of our call to serve, the social media team at Lowe's is focused on responding to the needs of customers and delivering meaningful content in unique and engaging ways. We connect with customers where they spend time—sites like Facebook, Twitter, Pinterest and Vine. Engagement in real time is the key, with the team responding to posts and questions in less than three hours on average.

"We strive to give our customers timely and relevant home improvement content," said Brad Walters, Lowe's director of social media. "We want to be a trusted resource for our customers when they embark on projects in and around their homes."

We empower our employees to find better ways to engage with customers to deliver value beyond the products and services we offer in stores. The Improve With Lowe's site is a prime example of that, sending hyper-relevant content to customers based on their geographic area and weather. A customer in Dallas can get a reminder that during the nice weekend weather, it might be a good idea to water the lawn and add some weed control. A customer in Chicago can get a reminder that indoor painting projects are perfect if there's rain in the forecast.

Customized, relevant content like this is a huge win for consumers, and helps Lowe's build a stronger relationship as their partner in home improvement.



For Lowe's, being relevant means being there when and where customers engage. For example, the Improve With Lowe's website delivers customized content to customers based on their geographic area and weather to help them plan and complete projects.



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 a FORTUNE® 100 home improvement company.

In 2013, Lowe's and the Lowe's Charitable and Educational Foundation contributed nearly \$25 million to schools and community organizations in the United States, Canada and Mexico. We focus our efforts on K-12 public education, community improvement and disaster relief. In collaboration with our national partners, we've stepped up our work to help families and communities in need.

“Lowe's committed more than \$2 million and partnered with the First Response Team of America and the American Red Cross to help families recover and rebuild in Colorado, Oklahoma, Illinois and other states impacted by disasters.”

With schools and students pressed by budget cuts and rising tuition costs, Lowe's contributed more than \$5 million to fund school improvements and college scholarships. We strengthened our longstanding partnerships with Habitat for Humanity and Rebuilding Together, to bring housing solutions and hope to low-income homeowners across the country. And we continued to grow our partnerships with SkillsUSA, the Boys & Girls Clubs of America, The Nature Conservancy and Keep America Beautiful to improve communities and build tomorrow's leaders.

Lowe's is committed to helping residents of the communities we serve by being there when we're needed most—when a natural disaster threatens and in the recovery that follows. In 2013, Lowe's committed more than \$2 million and partnered with the First Response Team of America and the American Red Cross to help families recover and rebuild in Colorado, Oklahoma, Illinois and other states impacted by disasters.



We're able to make an impact in communities with the help of the Lowe's family. For more than two decades, Lowe's Heroes have teamed up to lend a hand.

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—260,000 employees who are dedicated to improving the communities we serve. For more than two decades, employee volunteers have joined together to provide thousands of hours of support to local communities as part of the Lowe's Heroes program. Our employees' willingness to roll up their sleeves and get their hands dirty helps engage our entire workforce. As Lowe's ambassadors, they spread awareness of our commitment to every community we serve.

Awards & Recognition

At Lowe's, leadership is viewed through the lens of service—service to customers, service to employees and service to the communities where we do business.

In recognition of Lowe's legacy of service, the National Association of Broadcasters Education Foundation (NABEF) awarded Lowe's its 2013 Service to America Corporate Leadership Award. The award honors non-broadcast businesses that exemplify an extraordinary focus on community service and corporate social responsibility.

"Lowe's disaster relief efforts, community improvement initiatives and education grant and scholarship programs have assisted countless Americans," said NABEF President Marcellus Alexander. "The NAB Education Foundation is pleased to award the Corporate Leadership Award to Lowe's for consistently demonstrating its commitment to community service."

In May, just weeks before the NABEF award presentation, Lowe's quickly mobilized to lend a hand when tornadoes destroyed suburban neighborhoods only miles from the Lowe's store in Moore, Okla. Lowe's Heroes assisted tornado victims across the region, and Lowe's donated \$1 million to support disaster relief and recovery efforts.

"Our hearts are heavy. But in finding the strength to serve others in need, we find the resolve to keep our commitments to move forward and rebuild," Lowe's Chief Marketing Officer Tom Lamb said during the award presentation. "We give back because we believe serving others is our mission. We give back because these are our schools, they're our homes and our neighborhoods as well."



Lowe's Chief Marketing Officer Tom Lamb (second from left) receives the 2013 Service to America Corporate Leadership Award from the National Association of Broadcasters Education Foundation.



The National Association of Broadcasters Education Foundation honored Lowe's community service, including relief efforts after tornadoes touched down in Oklahoma.



Master of ceremonies Deborah Norville, a two-time Emmy Award-winner, recognized Lowe's commitment to service at the NABEF awards.

Lowe's Foundation

Founded in 1957, the Lowe's Charitable and Educational Foundation is dedicated to supporting K-12 public education and community improvement projects in the local communities Lowe's serves. The foundation funds Lowe's national nonprofit partners as well as scholarship, education and hometown grant programs.

The Lowe's Charitable and Educational Foundation is primarily committed to supporting projects that have the greatest impact on Lowe's communities and align with Lowe's core business—home improvement. Since 2007, Lowe's and the Lowe's Charitable and Educational Foundation together have contributed nearly \$200 million to improve communities in the United States, Canada and Mexico.

We believe education is the cornerstone to building stronger and more sustainable communities, and Lowe's is committed to providing the resources our schools and children need to succeed. With schools and community groups continuing to face financial challenges, the Lowe's Charitable and Educational Foundation again focused on basic needs in 2013, funding a variety of improvements for schools and community gathering places.

The Lowe's Charitable and Educational Foundation awarded nearly \$4 million in grants through Lowe's Toolbox for Education®, the company's signature education grant program. The grants helped improve the educational environment for students at 940 schools in 49 states. Since its inception in 2006, Lowe's Toolbox for Education has benefited more than 5 million schoolchildren nationwide.

The Lowe's Charitable and Educational Foundation is comprised of a nine-member board of directors. The board includes representatives from various departments within Lowe's, from store operations and employee relations to the legal and tax teams, supplying a diversity of thought, leadership and experience to help shape the foundation's work. Maureen Ausura, Lowe's chief human resources officer, is chair of the foundation.



The students at Coddle Creek Elementary School in Mooresville, N.C., expressed their thanks in writing after receiving a \$19,000 grant from the Lowe's Charitable and Educational Foundation for technology upgrades.

Lowe's Toolbox for Education

Education is at the heart of Lowe's call to improve the communities we serve. By helping schools and students in need, we're investing in the long-term success of our communities.

Our signature education grant program, Lowe's Toolbox for Education®, has been changing lives and transforming communities since its launch in 2006. The program provides parent groups and educators with the necessary financial tools to expand students' opportunities and improve K-12 public schools across the United States. With the help of Lowe's Toolbox for Education, we're closing the funding gap facing many schools today.

"Since 2006, Lowe's Toolbox for Education® has provided \$38 million in grants to improve more than 8,000 schools and benefit more than five million schoolchildren."

In 2013, Lowe's Toolbox for Education contributed nearly \$4 million to fund improvements at 940 schools in 49 states. Projects included technology upgrades, safety improvements, library renovations and outdoor learning environments, and local Lowe's Heroes often provided volunteer support. Since 2006, Lowe's Toolbox for Education has provided \$38 million in grants to improve more than 8,000 schools. The program has benefited more than five million schoolchildren since its inception.

For the fifth consecutive year, Lowe's partnered with NASCAR 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. Last year, the Jimmie Johnson Foundation distributed \$470,000 in Champions Grants to nine schools in the Johnsons' hometowns in California, North Carolina and Oklahoma. The program has contributed more than \$3 million to 63 schools since its inception.



Lowe's Heroes often volunteer their time to support Lowe's Toolbox for Education grants in their area. Volunteers in Pharr, Texas, came out to lend a hand at Kennedy Middle School after the school received a \$5,000 grant to enhance its campus.

Lowe's Heroes

Lowe's has funded community improvement projects since 1957. But answering the call to serve means more than writing checks. It means lending a helping hand in times of need. We do that with the help of Lowe's Heroes.

Each year, Lowe's employees team up to provide thousands of hours of support to local communities as part of the Lowe's Heroes employee volunteer program. The company-wide program encourages employees in a location to work together, adopt a volunteer project with a local nonprofit organization or K-12 public school, and make a difference.

At a time of increasing need, Lowe's Heroes continued to step forward to assist our neighbors in 2013. Lowe's Heroes completed more than 1,200 community improvement projects across North America.

Employees from our stores, distribution centers, regional and corporate offices volunteered their time and skills to support our nonprofit partners and deliver hands-on help on a local level.



Lowe's commitment to serve is brought to life each day in our local communities by Lowe's Heroes. Along with teams of volunteers, Lowe's donated \$1.75 million in materials to support Heroes projects in 2013.

From part-time employees to vice presidents, Lowe's Heroes rolled up their sleeves to complete community improvement projects that included:

- Joining Habitat for Humanity and Rebuilding Together to revitalize neighborhoods in 15 states from California to Connecticut.
- Repairing and renovating Boys & Girls Clubs in Alabama, California, Florida, Massachusetts, Nevada, New Jersey, New York, Pennsylvania and Washington.
- Refurbishing rinks in Ontario in partnership with Hockey Canada to revitalize the infrastructure of youth hockey in Canada.
- Making critical improvements at schools to support Lowe's Toolbox for Education® grants awarded in 49 states.
- Completing environmental cleanup and improvement projects with Keep America Beautiful in Alabama, California, Florida, Michigan, Louisiana, Nevada, North Carolina, Ohio, South Carolina, Tennessee, Texas and Pennsylvania.

Lowe's Heroes also came together to answer the call for help in the aftermath of several natural disasters. Hundreds of Lowe's Heroes mobilized to help families recover and rebuild in Arizona, Colorado, Illinois, Oklahoma, Texas and other states impacted by destructive fires, floods and tornadoes. Lowe's Heroes packed buckets full of emergency supplies and distributed them to local residents. They also partnered with the First Response Team of America to provide immediate aid to families in need, removing debris, cleaning up properties and helping families salvage their valuables during the first few critical hours and days after disasters.

Featured Partners

Community Improvement



Disaster Relief



Education



Habitat for Humanity

Celebrating more than a decade of working with Habitat for Humanity® to build homes and hope, Lowe's touched the lives of thousands of people in 2013 through a range of programs that strengthened communities throughout the nation.

Lowe's contributed more than \$4 million in grants and supported Habitat projects from Portland, Oregon, to Fort Myers, Florida. Along with funding, Lowe's provides the dedicated support of Lowe's Heroes employee volunteers. Over the past decade, Lowe's employees have donated thousands of volunteer hours building, repairing and renovating homes alongside partner families in local communities.

In 2013, Lowe's supported several initiatives:

- As the national underwriter of the Habitat for Humanity Women Build program, Lowe's invested \$1.75 million in National Women Build Week. The annual initiative challenges women across the United States to support Habitat during the week of Mother's Day. Lowe's donated \$5,000 to each of the 300 participating affiliates across the country, and Lowe's Heroes conducted more than 230 how-to clinics at stores to teach women construction skills.
- Lowe's contributed \$1 million in grants to help Habitat complete nearly 50 local improvement projects in Indianapolis, Jackson, Mississippi, Charlotte, North Carolina, and Portland, Oregon. Lowe's awarded each Habitat affiliate \$250,000 for projects ranging from critical repairs to new home construction as part of Habitat's Neighborhood Revitalization Initiative.

- In honor of National Hispanic Heritage Month, Lowe's contributed \$100,000 to Greater Albuquerque Habitat for Humanity to help build seven homes in the Alamosa neighborhood. Lowe's also supported a community celebration and provided volunteer assistance for the Hispanic Heritage projects for the second consecutive year.
- More than 200 celebrities, corporate executives and community volunteers took part in Habitat for Humanity of Greater Los Angeles' Power Women Power Tools event supported by Lowe's. Lowe's contributed \$100,000, and Lowe's Heroes helped frame walls for 120 homes in the local community.
- To celebrate the 30th annual Jimmy & Rosalynn Carter Work Project, Lowe's joined an estimated 3,000 volunteers to build, renovate and repair more than 80 homes in Denver, New York City, Union Beach, New Jersey, Oakland and San Jose, California.

Together with Habitat for Humanity, Lowe's has helped ensure safe and affordable housing in partnership with more than 3,000 families in all 50 states. Our commitment to Habitat through 2018 will bring Lowe's contributions to more than \$63 million since 2003.



Since 2003, Lowe's employees have donated thousands of volunteer hours building, repairing and renovating homes in partnership with Habitat for Humanity.

Rebuilding Together

Lowe's teams with Rebuilding Together® to revitalize communities and help people across the United States improve and maintain their homes. Since 2007, Lowe's has contributed more than \$9 million and helped renovate and rehabilitate more than 1,200 homes nationwide in partnership with Rebuilding Together.

Through our grant programs, we provide low-income, elderly and disabled homeowners with free home repairs, energy-efficiency updates, and accessibility and safety modifications. 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 low-income families and communities find themselves increasingly vulnerable, Lowe's is working with Rebuilding Together to broaden the scope of our assistance.

Lowe's \$2 million contribution in 2013 helped provide critical renovations for hundreds of families. Our focus is on strengthening and stabilizing entire neighborhoods, and we do that with the help of Lowe's Heroes employee volunteers. Since the start of our partnership with Rebuilding Together, 3,000 Lowe's Heroes have assisted more than 12,000 individuals, delivering repairs valued at more than \$17 million.

In 2013, nearly 900 Lowe's Heroes helped revitalize eight communities at neighborhood rebuilding events across the country:

- Lowe's partnered with Rebuilding Together and the NFL to host Kickoff to Rebuild in the Algiers neighborhood in McClendonville, Louisiana, where Lowe's Heroes renovated homes and helped build a playground for the community.
- More than 600 Lowe's Heroes joined volunteers from Rebuilding Together and Carter's Kids to restore homes and improve recreational spaces at neighborhood rebuilding events in Columbus, Ohio, Hartford, Connecticut, Houston, Minneapolis/St. Paul and Phoenix.
- Lowe's brought together long-time partners Habitat for Humanity and Rebuilding Together for the first time to revitalize a local community in Charlotte, North Carolina. More than 120 Lowe's Heroes joined Habitat Charlotte and Rebuilding Together of Greater Charlotte to build a new home and make improvements to 41 additional homes.



Lowe's teams with Rebuilding Together to stabilize and improve vulnerable communities across the country. Lowe's Heroes were among 100 volunteers who completed critical home repairs and built a new playground in the Northeast neighborhood of Hartford, Conn.

- Lowe's continued to help rebuild the homes and communities of families impacted by Hurricane Sandy. More than 500 volunteers from Lowe's and Meredith Corporation joined Rebuilding Together to renovate 10 homes and revitalize the surrounding community in the hard-hit Gerritsen Beach section of Brooklyn, New York. Lowe's Heroes also helped rebuild East Rockaway High School's theater in Long Island, New York, and completed critical home repairs and restoration projects in Moonachie, New Jersey.

Lowe's also helps ensure that Rebuilding Together's assistance will continue throughout local communities in the coming years. We support Rebuilding Together's AmeriCorps program, CapacityCorps. The national program of 65 full-time AmeriCorps members serves 35 Rebuilding Together affiliates, building their capacity to serve additional low-income homeowners. In 2013, Capacity Corps recruited more than 19,000 volunteers and repaired and renovated nearly 1,700 housing units.

Homeowners nationwide shared their appreciation for Lowe's volunteer support and partnership with Rebuilding Together.

"Lowe's has given me an early Christmas present that I never dreamed possible," said Wisconsin homeowner Mary Alice Kuehl. "It was great to see people give with such caring and grace, and have such pride in the work they were doing. My world has completely changed due to the generosity of the volunteers, Rebuilding Together and Lowe's."

Boys & Girls Clubs of America

Helping young people reach their potential and achieve academic success has been a longstanding focus area for Lowe's. Through our partnership with the Boys & Girls Clubs of America, we're able to expand the scope of our impact beyond the classroom and into the community.

For more than 100 years, Boys & Girls Clubs have provided a safe haven for millions of young people to learn and grow outside of school. As the need to update facilities increases and maintenance costs rise, Lowe's support helps local clubs make critical improvements to ensure they remain safe and inviting places for the youth who need them most. Since 2009, Lowe's has donated \$5 million in grants to improve facilities and learning opportunities at 90 clubs across the United States.

"The partnership we established with the Lowe's store in Bessemer has been nothing short of phenomenal. The store manager and his team made this effort a wonderful example of true community support."

– Frank E Adams, chief professional officer, A.G. Gaston Boys & Girls Club, Birmingham, Ala.

At many locations, Lowe's Heroes get involved by volunteering their time and talent to help clubs complete their projects efficiently and safely. In 2013, Lowe's support helped update more than 20 clubs from northern Washington state to South Florida. The improvements reflected a variety of facility needs, ranging from renovating a soccer arena to rebuilding restrooms.

Lowe's grants totaling \$80,000 helped completely revamp the teen rooms at clubs in Sacramento, California, and Fort Pierce, Florida. Since the changes, teen membership has increased and the average attendance has doubled year over year in Fort Pierce. A similar spike has been seen at the Boys & Girls Clubs of Greater Sacramento. "Financial support from Lowe's, as well as sweat equity from our local Lowe's Heroes, has been instrumental in this project," said Shannon McPhedran, director of operations. "As a result of Lowe's support, our Raley Teen Center is fast becoming a destination for Sacramento teens, enabling us to provide them with opportunities to create great futures for themselves—all within a safe haven."

At the A.G. Gaston Boys & Girls Club in Birmingham, Alabama, structural improvements funded by Lowe's \$48,000 grant included new restrooms, kitchen and gym facilities, safety lighting, roof repairs and a new energy-efficient electrical system for the building, which was constructed in 1976. In addition, the club's South Park Unit dedicated a new playground that was constructed by volunteers from Lowe's stores in Bessemer, Inverness and Homewood.

"The partnership we established with the Lowe's store in Bessemer has been nothing short of phenomenal," said Frank E Adams, chief professional officer. "The store manager and his team made this effort a wonderful example of true community support. Everyone gave generously, both of their time and expertise, in bringing our South Park club site up to the standard that kids and families in our community deserve. I will always consider Lowe's to be one of our movement's greatest local advocates."



Lowe's Heroes dug in to help teens plant annuals and other plants at the Boys & Girls Club of Atlantic City, N.J. The club received a \$50,000 grant from Lowe's to enhance its teen center and repair hurricane damage.

Scholarship Partners

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 scholarship programs and partnerships that support our commitment to building better opportunities today for the leaders of tomorrow:



The Lowe's Charitable and Educational Foundation has donated nearly \$4 million to national partners since 2009 to help college seniors continue their pursuit of a college degree. For the fifth consecutive year, Lowe's foundation contributed to the United Negro College Fund (UNCF) to benefit the Campaign for Emergency Student Aid, which has helped 5,600 UNCF-supported seniors graduate on time. Lowe's \$500,000 grant assisted 266 students at all 38 UNCF-member, private historically black colleges and universities (HBCUs).



In 2013, the Lowe's Charitable and Educational Foundation awarded \$250,000 in scholarships to 50 students pursuing undergraduate degrees. The Carl Buchan Scholarship program is open to full-time and part-time Lowe's employees, their spouses or domestic partners, and their dependents. Scholarships are awarded based on academic achievement, leadership and community involvement. Lowe's scholarship program has awarded more than \$4 million in scholarships since 2007, benefiting nearly 1,500 students.



To support students needing financial assistance for their education at public HBCUs, Lowe's partners with the Thurgood Marshall College Fund. During the 2013-14 school year, a \$125,000 grant provided ACCESS and GAP scholarships to 47 students. In addition to providing scholarships, the Thurgood Marshall College Fund offers professional and leadership development opportunities that connect tomorrow's leaders to employers through its programs and initiatives.

American Red Cross

In the wake of disasters large and small, the American Red Cross is there for those in need and in danger. Working with its partners in 2013, the Red Cross helped more than 100 million people in 72 countries around the world. Lowe's support helps ensure the Red Cross can respond to the needs of survivors in a moment's notice.

As a member of the American Red Cross' Annual Disaster Giving Program, Lowe's pledges donations on an ongoing basis in advance of disasters to help the Red Cross take immediate action. In 2013, we reached a rare distinction among Red Cross partners, surpassing \$25 million in donations since our partnership began in 1999.

When disaster strikes, our stores and employees move quickly to assist local communities and the Red Cross. Lowe's contributed more than \$1.5 million to support Red Cross relief efforts in 2013, beginning with deadly tornadoes that tore through Oklahoma, Texas and the Midwest in May. Lowe's donated \$500,000 and engaged customers to raise an additional \$300,000 for tornado victims through our American Red Cross customer donation program at stores nationwide.

Later in the year when historic flooding devastated communities in Colorado and a late-season outbreak of tornadoes swept through the Midwest, Lowe's donated \$250,000 after each disaster to help the Red Cross provide food, shelter and comfort to thousands in affected communities.

To aid the Red Cross' response to summer wildfires in Arizona, Lowe's filled requests for supplies as they came in. Local stores donated pallets of water, toiletries and other critically needed supplies to Red Cross shelters set up across the state. Lowe's employees also dropped off water, work gloves, buckets and masks at local fire departments and command centers to support fire teams on the frontlines.

"Lowe's was there the very first day asking to help," said Vic Hencken of the American Red Cross Grand Canyon Chapter, which distributed more than 61,000 meals and sheltered 330 residents during the fires. "I appreciate the partnership because I see it in action. Whenever we need anything, Lowe's always comes out to help out."

Lowe's also extends assistance through the Lowe's Racing for Relief program. After the violent tornadoes in Oklahoma and Texas, Lowe's matched the earnings of NASCAR champion Jimmie Johnson from his race at Charlotte Motor Speedway with an additional donation of \$148,000 to the Red Cross. Since its inception in 2000, Lowe's Racing for Relief has raised nearly \$1.4 million for the Red Cross.



Red Cross volunteers brought comfort to the residents of Moore, Okla., after a massive tornado caused widespread destruction. Lowe's donated \$500,000 to the Red Cross and engaged customers to raise an additional \$300,000 for tornado victims.

Photo courtesy of Talia Frenkel/American Red Cross

First Response Team of America

Lowe's serves communities by lending a helping hand when a disaster threatens and in the difficult recovery that follows. By partnering with the First Response Team of America, we're able to provide additional help where and when it's needed most—in the first few hours and days after a disaster.

Founded in 2007, the First Response Team works alongside local agencies to help save lives and provide assistance in the immediate wake of disasters, when communities often must fend for themselves because the resources necessary for rescue and recovery are damaged, inaccessible or unavailable. Using specialized trucks and equipment, the team responds to major disasters with support services that include opening roadways, performing search and rescue operations and providing temporary power solutions.

National partners since 2012, the First Response Team and Lowe's help communities take their first steps toward recovery. In addition to a \$500,000 grant, Lowe's lends the support of Lowe's Heroes employee volunteers. In 2013, the First Response Team assisted 16 communities impacted by major disasters and more than 300 local Lowe's Heroes worked alongside the team to help homeowners in Illinois, Oklahoma and Colorado.

After heavy spring storms, record floods submerged hundreds of homes in Chillicothe and Rome, Illinois. Lowe's volunteers from Peoria County stores joined the First Response Team to clear roads, provide access to homeowners and help clean up their properties.

By studying weather patterns and communicating with leading meteorologists at The Weather Channel, the First Response Team anticipates where a disaster is likely to strike and gets into position nearby. Just two hours after an EF-5 tornado hit Moore, Oklahoma, the First Response Team was on the scene digging through rubble for survivors at Plaza Towers Elementary School.

Team members slept in their truck for four days and went from home to home supporting search and rescue efforts. After the initial emergency response, the team remained in Oklahoma for three months to assist local families in 10 cities, including Moore, Shawnee and El Reno, each struck by massive tornadoes. Lowe's Heroes joined the team to distribute relief supplies to hundreds of homeowners and help families clear homesites.

A few months later, Lowe's teamed up with the First Response Team again after Colorado experienced its worst flooding since 1976. The team stayed for two months, clearing debris, building temporary evacuation bridges, rebuilding roads and cleaning up homeowners' properties in the cities of Lyons and Longmont and Larimer County.

The team finished the year in Washington, Illinois, supporting search and rescue operations after a deadly EF-4 tornado destroyed hundreds of homes and businesses. The team worked day and night for a month, helping dozens of families clean up their homes. In doing so, it reunited several homeowners with pets that were trapped under debris.

In total, the First Response Team helped more than 15,000 people and saved 16 communities nearly \$3 million through its support in 2013.



Lowe's donated rakes, shovels and gloves to the First Response Team, and volunteers helped families pick up the pieces and begin anew after spring storms flooded towns in Illinois.

Bringing Nonprofits Together

“ ‘Give me an L! ... Give me an O!’ ” The cheer of more than 120 women from Lowe’s filled the Smallwood neighborhood in Charlotte, North Carolina, last May as we kicked off a historic project.

Lowe’s brought together our longtime national partners Habitat for Humanity and Rebuilding Together to revitalize a local community. Lowe’s Heroes from area stores and our corporate offices joined volunteers from Habitat for Humanity Charlotte and Rebuilding Together of Greater Charlotte to build a new home and make improvements to 41 other homes.

Minutes after the Lowe’s cheer died down, the buzz of power saws, scraping of rakes and whirring of weed eaters echoed across the neighborhood as volunteers went to work.

Out behind Annie Mae Whitley’s house, a Lowe’s team was busy building a new washroom and porch. “The one I had, if I had it any longer, I worried my washer and dryer were going to fall through the floor,” said Whitley, who’s lived in her home for 45 years and raised seven children there. “This house was already old when we got here, so you can imagine all that needed to be fixed.”

Her husband passed away recently and things just became too difficult to keep up.

“There’s only so much I could do,” Whitley, 79, said. “There’s no way I could afford this. I can’t even explain how much it means. I thank Lowe’s. I thank them so much. If I could give everyone a hug, I would.”

Across the street, Annie Mae Wallace watched as Lowe’s Heroes landscaped her yard, stained her deck and put in new doors. “You can feel the difference in the neighborhood,” she said. “It’s gorgeous. It’s beautiful.”

Down the road, Creola McAliley was eager to get rid of an old storage shed out back. When she heard a loud bang, she took a peek to see how things were going. “I expected to see three 260-pound men tearing it down,” she said, “and it was three little ladies. But they got the job done. They got rid of that eyesore.”

The event took place during National Women Build Week, an annual Habitat for Humanity initiative that Lowe’s helped launch in 2008 to challenge women to support Habitat during the week of Mother’s Day. As part of Lowe’s Women’s Leadership Series, women from across the company were invited to participate in three Habitat projects—in Long Beach, California, Toms River, New Jersey, and Charlotte. Lowe’s provided grants to support the projects, and hundreds of volunteers brought them to life.

In Charlotte, volunteers from three area Lowe’s stores teamed with the corporate employees and Rebuilding Together and Habitat. By combining our efforts, we were able to broaden the scope of our work and help local families with critical repairs, including kitchen and bath renovations, safety improvements, landscaping and painting.

Amy Gough, executive director of Rebuilding Together of Greater Charlotte, said Lowe’s support and the first-time partnership with Habitat inspired a renewed sense of pride across the neighborhood.

“Our vision to demonstrate the lasting impact two nonprofits can make when working together has generated so much excitement,” she said. “It’s an incredible experience to bring a spark to one of Charlotte’s historic neighborhoods.”



Lowe’s Heroes from area stores teamed with volunteers from Lowe’s corporate office, Rebuilding Together, Habitat for Humanity and the community to revitalize the Smallwood neighborhood in Charlotte, N.C.

Rebuilding Brooklyn Neighborhood

Frank McCauley, his wife, Liz, and their 9-year-old daughter almost lost it all in 2012. When Superstorm Sandy hit Gerritsen Beach, New York, six feet of floodwater nearly destroyed the two-story home that had been passed down to Frank from his parents. For months, the McCauleys stayed in a shelter while they looked for space with relatives.

Stories like theirs are common in Gerritsen Beach, a low-lying peninsula neighborhood in southeast Brooklyn that was in the eye of the storm. Raging water submerged entire homes. Families found fish in their basements. Hundreds of homeowners were forced out of their homes for months.

Immediately after the disaster, Lowe's committed \$2 million to Sandy relief efforts and began working with our national partners, including Rebuilding Together, to assist storm-battered communities. Promising to be there to help for as long as needed, Lowe's joined Rebuilding Together eight months after the storm to rebuild Gerritsen Beach. More than 80 Lowe's Heroes from 10 stores in New York and New Jersey joined hundreds of other volunteers to restore a dozen homes and revitalize the working-class neighborhood.

Although the McCauleys had moved back into their home, the high cost of labor had hampered their attempts to rebuild. So when an army of volunteers showed up to put in a new deck and complete extensive interior repairs, Liz McCauley was nearly speechless.

Dennis Karnbach, a U.S. Navy veteran and retiree, shared her gratitude. Karnbach has lived in Gerritsen Beach for 54 years. After Sandy, he and his girlfriend, Judith, were displaced for six months. "Water up to here," said Dennis, pointing to his ribs.

For weeks, he didn't want to go into his home. "I walked in and then walked right back out," he said. Over time, he made as many repairs as he could and then he just couldn't do any more.

"Now I have a new living room. I don't have to sit outside anymore," Karnbach said. "I'll always remember June 6. Once because of D-Day, and twice because of Rebuilding Together. Now I can get my life back to normal, and that's what you strive for—normalcy. I even got the mail back coming to the house."



Lowe's Heroes from 10 area stores go to work in the backyard of the McCauley family. Lowe's and Rebuilding Together teamed up to put in a new deck and complete extensive repairs to their home and 11 others in Gerritsen Beach, N.Y.

Building Hope for Families

The sun had yet to rise on Morning Drive and nothing more than a concrete slab stood on the lot when the project countdown began. Thirty hours later, Ram Thapa and his family received the keys to their new move-in ready Habitat for Humanity home in Charlotte, North Carolina.

Displaced from their native Bhutan in 1992, Ram, his wife, Nar, and their infant daughter, Dhan, spent the next 18 years in a refugee camp in Nepal. Their two sons, Om and Bishal, were both born in the camp, and the bamboo and thatch hut was the only home they knew. On the day of the build, the Thapas worked alongside volunteers to complete their future home in 30 hours.

The 30-hour blitz build in Reid Park kicked off Habitat Charlotte's 30th anniversary, a celebration made possible with a \$250,000 grant from Lowe's and the assistance of more than 100 Lowe's Heroes employee volunteers from 28 area stores.

"The unexpected payoff this morning is to watch that family come up and begin to see what they could only dream of happening before," said Paris Lytle, store manager at Lowe's of Central Charlotte. "What an amazing sight it is to watch their faces today."

The \$250,000 grant was part of Lowe's \$1 million contribution to Habitat's Neighborhood Revitalization Initiative (NRI). Following the completion of the 30-hour build, Lowe's Heroes and community volunteers participated in community cleanup and renovation projects for several months. Through NRI, Lowe's and Habitat are able to serve more families and meet a larger number of critical needs in communities.

Habitat Charlotte has repaired or built about 50 homes in Reid Park, where nearly one third of the owner-occupied homes are Habitat houses. Habitat's plan is to invest \$7 million in the neighborhood. "They are turning neighborhoods around. And when you do that, you're helping the whole city," said Charlotte City Council member David Howard.

The Thapa family came to Charlotte three years ago. They were living in a small two-bedroom apartment and couldn't imagine the day when so many people would come together to make their dream of owning a home a reality.

Dhan said the sight of Lowe's Heroes swarming around their four-bedroom home hard at work was something she will never forget.

"I feel like my dream's come true," she said. "Now I have my own home. I'm so grateful."



Lowe's Heroes from 28 stores and Habitat for Humanity volunteers worked around the clock for 30 hours to complete a four-bedroom home for the Thapa family.

Driving Up Literacy Rates

For children across America, reading means the freedom to pursue dreams. It opens up a sense of possibilities beyond their everyday existence. But many children have limited access to books and many schools struggle to improve early literacy rates. In 2013, Lowe's teamed up with a group of partners in Charlotte, North Carolina, to help change that.

Lowe's and the NBA's Charlotte Bobcats launched the Book Bus, a 34-foot-long renovated school bus that travels across the Greater Charlotte area to encourage reading and help improve literacy rates by distributing free books to students during the school year and summer. In the first year of its three-year run, the Book Bus gave away 3,800 books to students at more than 100 elementary schools.

"The Book Bus and the reading support provided at our schools will bring reading alive for our students. We appreciate the support of our great partners in helping our students attain literacy by third grade."

-Charlotte-Mecklenburg Schools Superintendent Heath Morrison

At its first stop, Albemarle Road Elementary School, the sight of the bus stocked with 3,000 books overwhelmed students.

"If I can read all those books, I can get into college," said Jacob Davenport, 8.

"I just want to go in the bus and live in that pile of books forever and ever," said Kyara Washington, 7.

NBA Commissioner Adam Silver was just as impressed.

"I travel around the country, really around the world these days at these kind of events and I can't remember one where there's this much excitement," Silver said. "To see these kids so excited about reading, thanks to companies like Lowe's. Without Lowe's, we wouldn't be here."

The partnership continues Lowe's longstanding commitment to education, both financially and through employees who volunteer their time to encourage students to pick up a book and read.

Getting students from low-income and underserved communities up to par in reading has been an ongoing challenge for Charlotte-Mecklenburg Schools. The district's goal is to ensure that all third-graders can read at grade level before being promoted. But 2013 state exams revealed that nearly 53 percent of third-graders failed reading.

Charlotte-Mecklenburg Schools and the Charlotte Mecklenburg Library partner with Lowe's and the Bobcats to select the books and identify the best stops for the bus. During the summer, the Book Bus visits camps and literacy programs at schools and public libraries. Children who don't keep reading tend to lose ground during the summer.

Early returns indicate the bus has helped raise awareness of the importance of reading.

"They know that I love to read. They know their other teachers love to read and we're trying to instill that sense of love for reading in them," said Alice Day Brown, second-grade teacher at Sedgefield Elementary. "But to see people from the outside community come in, and especially those role models come in, has a whole different impact than we can have on them."



Lowe's Chief Customer Officer Greg Bridgeford joins Bobcats owner Michael Jordan for the debut of the Book Bus. Each year through 2016, Lowe's and the Bobcats will give away up to 6,000 free books at elementary schools and summer literacy programs.

Helping Students Cross Finish

Lowe's has donated nearly \$4 million to our national partners since 2009 to support the retention and graduation of students. For the past four years, we've partnered with the Thurgood Marshall College Fund to help students complete their college education at public Historically Black Colleges and Universities. In 2013, a \$125,000 grant to the Thurgood Marshall College Fund provided scholarships for 47 students who share Lowe's commitment to leadership and community service.

In expressing their appreciation, many of the scholarship recipients thanked Lowe's for making college more affordable while inspiring them to continue to serve others.

Here are a few of their letters, with comments edited for brevity and clarity:

"I would like to take this time to thank Thurgood Marshall College Fund and Lowe's for your support in awarding me this scholarship. Your contribution to my education has lightened my financial burden, enabling me to spend more time focusing on my education and less time worrying about the finances. I have adjusted to my life as a sophomore at Howard University and my plans are to receive a bachelor's of science degree in biology. Working as a volunteer in my community warms my heart in a way I cannot describe. Your generous gift is truly a blessing and has inspired me to continue giving to my community. I can only hope that one day I will be able to help students achieve their goals, just as you have helped me." —**Jalyse J. Cuff, sophomore, Howard University**

"I am thankful for your interest in my abilities and investment in my future. Because of the Lowe's Access Scholarship, I will complete my psychology undergraduate major with absolutely no worries about paying for my textbooks. I plan to enter the professional program of Doctor of Physical Therapy in the fall. I look forward to enhancing my skills through this professional program and gaining contacts that will assist me further in the health care industry. Thank you for supporting the Thurgood Marshall College Fund." —**Peter Rybakov, senior, York College**

"I am a senior majoring in bilingual education and currently student teaching in a second-grade classroom. I hope to have my own classroom in the fall upon graduation, in addition to starting a graduate program in special education. Having received this scholarship has allowed me continue with my final semester at Chicago State and graduate in May. There are no words that can express my gratitude." —**Veronica Sierra, senior, Chicago State University**



"I would like to personally thank Lowe's for awarding the Lowe's scholarship through the Thurgood Marshall College Fund. This scholarship covered the majority of my remaining school expenses for housing and books. As an education major, I believe that education is the key to success and it is my pleasure to know that Lowe's is playing a vital role in ensuring that students all over the nation are reaching academic success at their selected universities. As a fellow of the Thurgood Marshall College Fund and recipient of the Lowe's scholarship, I will continue to strive for excellence each and every day. Thank you for providing me with this scholarship and being a believer in higher education."

—**Deshaun Harris, senior, Prairie View A&M University**

Helping Students Cross Finish

"It is an honor addressing this personal note to express my gratitude to you for making the Thurgood Marshall College Fund/Lowe's Access Scholarship possible. By awarding me the Lowe's scholarship, you have lightened my financial burden, which allows me to focus more on the most important aspect of school—learning. Your generosity has further inspired me to help others and give back to the community even as I successfully transition into the workforce upon completion of my degree in May." —**Oyeyemi Akinremi, senior, Prairie View A&M University**

"It is heartwarming to know that a major corporation such as Lowe's wanted to see me succeed in my career endeavors. I am extremely grateful and wish to acknowledge the magnitude of Lowe's contribution to the Thurgood Marshall College Fund. They are ensuring that deserving students across the nation will not have to give up on their dreams because of financial obstacles. Because of this scholarship, I will be able to complete my law degree on schedule and prepare for the Texas and Louisiana bar exams upon graduation. I am grateful to the Thurgood Marshall College Fund for having such an opportunity in place and available for students like me." —**Nicoya Hogan, law student, Thurgood Marshall School of Law at Texas Southern University**



"It is a true honor in which I am sincerely appreciative to have been selected as a TMCFLowe's scholarship recipient. Ever since I was a young child, I wanted to attend Howard University. Turning my dream into reality, I enrolled as an information systems & decision sciences major. With the help of your generous award, I will be able to use the funding to defray the cost of tuition. Upon graduation from Howard with a BBA in information systems, I plan to continue engaging with technology in order to make information and technological resources available to people so that learning is universally accessible. I could not be where I am today and even think of the future without this scholarship. Thank you again for your faith in my ability to succeed and your contribution to my future success."

—**Rasheed Matthews, junior, Howard University**

Helping a School Start Over

SkillsUSA students at Canadian Valley Technology Center in El Reno, Oklahoma, had been building a wheelchair-accessible garden for more than seven years. When a record 2.6-mile-wide tornado ripped through the town last summer, destroying the park garden and the rest of the school campus, Lowe's was there to help—for a second time.

"Lowe's stepped in and wrote us another check for the same amount," said Jayson Floyd, SkillsUSA adviser at Canadian Valley Technology Center. "It gave us hope that we can rebuild again."

Lowe's first awarded the Canadian Valley Technology Center a \$9,000 SkillsUSA grant in 2011 to improve landscaping in the park. Students used the funds to plant trees and garden beds, and construct a pathway for students in wheelchairs. The park was a popular destination for the Canadian Valley Technology Center students and members of the El Reno community.

The massive tornado left the school and park damaged beyond repair. Students will spend the next two years at an alternative site while the school is being rebuilt. Lowe's recognized the critical need for additional funds and awarded another \$9,000 SkillsUSA grant. The funds will be used to assist the students as they begin to rebuild the accessible park.

Lowe's has contributed more than \$10 million since 2004 to support SkillsUSA and its students. SkillsUSA programs help high school and postsecondary students develop their personal and technical skills while incorporating service learning to empower students to improve their communities.

Despite the setback, the school's SkillsUSA team sent four advisers and eight students to nationals for competition less than a month after the school was destroyed. The SkillsUSA advisers went through the damaged building to find student portfolios in pools of water, giving them a chance to recreate their work for the competition. A team of four students from Canadian Valley Technology Center won silver at the event.

The SkillsUSA students plan to rebuild the park as soon as the school reopens. They'll start from scratch, with a little help.

"The park was a place for the whole school and community to enjoy," Floyd said. "Even though it will be a few years until we can start to rebuild again, the grant from Lowe's will be a good kick-start to help us begin again."



Lowe's awarded Canadian Valley Technology Center a second \$9,000 grant to rebuild a wheelchair-accessible garden after the campus in El Reno, Okla., was leveled by a tornado.

Delivering Relief After Tornadoes

Brandi Broaddus recalls that she was listening to music when she looked outside at the sky and got an ominous feeling. After turning on the news and seeing a tornado warning posted for Moore, Oklahoma, she jumped in her car and drove to a friend's house 5 miles away.

"It sounded like someone throwing rocks at my car. That was when the hail started. I could see the wall cloud," she said.

When she returned, her home, her first major purchase after college, was gone.

When she got the home night before, there was a Lowe's bucket full of relief supplies waiting for her. The next day, employees from Lowe's of Moore joined the First Response Team of America to help Broaddus start picking up the pieces of her life. "I just want to thank the Lowe's employees," she said. "They don't have to be here today and they're away from their families helping me. I don't even know them, so I just want to say thank you. It means the world to me, the absolute world to me."

The Moore resident was one of hundreds of tornado survivors assisted by Lowe's Heroes and the First Response Team after two deadly tornado outbreaks in 2013—the first touching down in May across Oklahoma, Texas and the Midwest followed by an unusually powerful late-season series of twisters that slammed seven states in November. Lowe's committed \$1.25 million to support recovery efforts, and Lowe's Heroes were on the ground almost immediately to lend a hand.

The EF-5 tornado packing 200-plus mph winds cut a 17-mile-long path of destruction in Moore. While the First Response Team participated in search and rescue operations at Plaza Towers Elementary School, Lowe's set up assistance centers in store parking lots to provide more than 1,000 hot meals to emergency crews. At the same time, Lowe's Heroes fanned out into area neighborhoods to donate truckloads of relief supplies to residents in need.

Lowe's also teamed with NASCAR champion Jimmie Johnson to host a relief event at Lowe's of Moore. Joined by NASCAR President Mike Helton, members of the University of Oklahoma football team and Lowe's employees, Johnson distributed food and supplies and comforted local families.

One of those families, a man and his 7-year-old son dressed head to toe in Team 48 gear, was especially grateful to meet Johnson. "It means everything," the father said. "We don't have anything to grab onto and this gives us something. He then looked down at his son and said, "This just made his year. He needed this."

A few months later, Lowe's employees across seven states reached out to help families begin to recover after devastating tornadoes ripped through the Midwest. Lowe's Heroes delivered thousands of relief supplies to residents and partnered with the First Response Team to clear homesites and comfort residents in Washington, Illinois, where an EF-4 tornado damaged more than 1,000 homes and businesses.

The First Response Team used its heavy equipment to move debris and help homeowners find belongings buried in the rubble. At one home just north of town, they were able to find something special. As they cleared the property, a cat poked its head out. Baccus, the pet of Lindsay DuBois, had been missing for 24 hours. Just before that, they had found her other cat, Naiya—both OK.

"We are forever indebted to the First Response Team," said Mark DuBois, father of the homeowners. "Without their help, we would have never found the two cats alive under all this debris."



Moore resident Brandi Broaddus thanks Lowe's volunteers who helped clear her property after her home was destroyed.

Assisting Flood Victims

Instead of driving through the small towns of Peoria County last May, many residents found themselves rowing. Record floods submerged hundreds of homes in Illinois, leaving families overwhelmed by debris, mud and water.

Chillicothe resident Kelli Evans didn't know where to turn. Then she found some unexpected help at her door.

"We had the plan to come down and start assessing the damage, getting all of the water out and doing some cleanup of our own," she said. "They showed up and started talking to us. They offered their assistance, so we are really excited for that."

A group of Lowe's Heroes employee volunteers from stores in Peoria and East Peoria joined Lowe's partner, the First Response Team of America, to help local homeowners clean up. What could have taken weeks for Evans to clear was gone in one morning.

In 2013, heavy rain led to catastrophic flooding in Illinois and Colorado. Teaming with our national partners, Lowe's volunteers donated their time along with supplies to help hundreds of neighbors get back on their feet.

In East Peoria, Lowe's donated sand, and employees gave up their weekend to stack sandbags and protect properties along the Illinois River as it rose to record levels. When the swollen river flooded homes and buildings across the area, Lowe's teams went out with the First Response Team to help. In all, the First Response Team cleared debris from 220 homes in Chillicothe and Rome.

"That's our community," said G.R. Woodard, an employee at Lowe's of East Peoria. "A lot of people needed some help. Customers don't just look at us as a store; we're part of the community. We just wanted to help."

A few months later, Lowe's and the First Response Team answered the call for help in Colorado after the state's worst flooding since 1976. Tossing aside cars and sweeping away roads, floodwaters damaged nearly 19,000 homes, destroyed 30 bridges and staggered the towns of Longmont and Lyons.

Lowe's donated \$250,000 to the American Red Cross to help aid and comfort local families, and the First Response Team quickly moved in to assist. The team placed stones in rivers to make temporary crossings so families trapped in the mountains could evacuate. It cleared debris off Main Street in Lyons to help businesses reopen and powered up the elementary school to give officials a place to coordinate their response. The team then set up a light tower at the edge of town so police and the National Guard could keep watch.

In Lyons, Lowe's Heroes from eight stores were among the first volunteers allowed in to help families clear debris from their homes. Joining the First Response Team, Lowe's bucket brigade distributed more than 1,000 relief buckets filled with cleanup supplies. They continued their work in Longmont, where nearly 60 Lowe's Heroes from Wyoming and across Colorado helped residents by removing mud and debris, pumping out water and cleaning out basements and garages.

"At one house, a man had lived there for 32 years with his wife and his home was flooded with water and mud," said Tina Ozee, store manager at Lowe's of Brighton. "The next homeowner we worked with, there was a motorcycle he was very attached to that we dug out for him. And we uncovered two trees that were buried. He cried in appreciation. It was just as much about emotional support as anything."



The First Response Team of America loads up on supplies at Lowe's of Peoria before heading out to assist the community. Peoria County was declared a federal disaster area.

Thank You From Red Cross

“Hi, I’m Gail McGovern, and I have the privilege to be the president and CEO of the American Red Cross. I’m so very grateful for the opportunity to say thank you to our wonderful partner Lowe’s, and I also want to express my deepest appreciation as Lowe’s hits an amazing philanthropic milestone—\$25 million in financial support of the mission of the American Red Cross.

Lowe’s is just one of a few donors to reach this tremendous level of giving, and we work so well with Lowe’s because our goals are aligned. Lowe’s and the Red Cross make sure families have what they need to rebuild their lives after disaster strikes

Lowe’s was one of the first companies to join the Red Cross Annual Disaster Giving Program, or ADGP. In our ADGP program, organizations make annual donations and this makes it possible for us to respond immediately to help people who are impacted by disaster anywhere in the country.

Time and again, Lowe’s customers and employees generously open their hearts and their wallets, and also give their time to help people in need.

Over the past year, Lowe’s was with the Red Cross after the floods in the Midwest and the deadly tornadoes in Oklahoma. And when Superstorm Sandy struck, Lowe’s immediately stepped forward with a generous gift. They launched a customer donation program, and Lowe’s employees rushed in to help with the relief efforts.

Like the Red Cross, Lowe’s knows how important it is for communities to be prepared before disaster strikes. Working with us, Lowe’s gave information to their customers in storm-prone areas about how to be prepared for a hurricane. And this is exactly the type of preparedness education that helps save lives and strengthen communities.

Sadly, disaster hit close to home for Lowe’s a few years ago in Sanford, North Carolina, when in a matter of minutes a tornado destroyed the store there. All of the customers inside the store were safe because Lowe’s team acted quickly and moved them to a safe location. The Red Cross was there when Lowe’s reopened in Sanford, and that store stands today as a symbol of resiliency.

I also want to thank Lowe’s employees and customers for donating lifesaving blood to the Red Cross. Lowe’s is consistently among the top 10 companies for blood donations to the Red Cross with more than 6,000 units of blood collected at hundreds of blood drives across the country every year. Each donation can help save up to three lives, so your support and generosity go even further.

Another way Lowe’s has made a big difference over the years is with NASCAR Team 48. We’re always proud of Jimmie Johnson and the great Lowe’s team both on track and off track, but we really get excited when we see our Red Cross logo alongside Lowe’s as part of the Lowe’s Racing for Relief program. The program has raised awareness and support for the Red Cross.

Lowe’s is such a remarkable partner to the Red Cross in so many ways—blood donations, volunteer time and \$25 million in support of our humanitarian mission. To everyone at Lowe’s who contributed to help reach this incredible milestone, I offer you my heartfelt appreciation and gratitude. Your generosity helps the Red Cross provide comfort and care to those suffering from disasters each and every day. Thank you.”



Lowe’s helps families and communities prepare for disasters and everyday emergencies. At hundreds of stores in hurricane-prone communities, we partnered with the Red Cross to set up end-cap displays with a list of recommended preparedness items.



Environment

Our Mission

Lowe's recognizes 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.

Each of our more than 260,000 employees is 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 U.S. Environmental Protection Agency (EPA). Lowe's was named winner of the ENERGY STAR® Sustained Excellence Award for the fourth consecutive year in 2013, and we've received five consecutive WaterSense® awards from the EPA.

Operationally, our collective progress toward reducing our environmental footprint demonstrates the effectiveness of our sustainability strategy. We continue to explore ways to use energy more efficiently in our stores, distribution centers and corporate offices. We've also improved our recycling and waste profile, and we've set new goals for 2020 to make energy use and waste management even larger priorities.

Our recycling numbers have grown as we've raised customer and employee awareness about the importance of reducing waste through our compact fluorescent light bulb, rechargeable battery and plastic bag and planter recycling programs. Over the course of our garden center recycling program, we've helped keep nearly 23 million pounds of plastic plant containers out of landfills.

Our focus on conservation also extends into our supply chain management programs, which is best demonstrated by our eight-year partnership with the EPA's SmartWay® program. Shipping product by train and employing efficient shipping technologies helps reduce the fuel required to deliver products to our shelves. We also continue to team with carriers, ports, government agencies and other partners to develop clean truck programs and reduce pollution at our nation's ports.

Driving all of these improvements 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 and WaterSense 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.



With the help of customers, Lowe's garden center recycling program has kept nearly 23 million pounds of plastic plant containers out of landfills.

Awards & Recognition

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



The U.S. Environmental Protection Agency (EPA) honored Lowe's with the ENERGY STAR® Sustained Excellence Award for the fourth consecutive year in 2013. 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 has received 11 consecutive ENERGY STAR awards for product retailing, more than any other retailer.



Lowe's environmental performance and continued contributions to the freight transportation industry were recognized by the EPA's SmartWay® Transport Partnership. Lowe's received a 2013

SmartWay Excellence Award for implementing initiatives that resulted in reduced emissions, greater fuel efficiency and leading practices in supply chain operations. Lowe's has collaborated with carriers to adopt innovative technologies and strategies while increasing the use of more fuel-efficient modes of transport. Lowe's is the only retail shipper partner ever to receive five SmartWay awards.



The EPA also honored Lowe's with the 2013 WaterSense® Sustained Excellence award. Lowe's, a three-time Partner of the Year award winner, is the first retailer to win the Sustained Excellence award. The award honors Lowe's long-

standing efforts to educate consumers about water-efficient products and practices. We received recognition for employee training, expanded product selection and collaborative efforts that included supporting the National Mayor's Challenge for Water Conservation and WaterSense's Shower Better campaign.



Call2Recycle®—North America's first and largest battery product stewardship program—presented a second consecu-

tive Leader in Sustainability award to Lowe's for our dedicated recycling efforts. The Leader in Sustainability award honors organizations that demonstrate the strongest commitment to sustainability through their consistent participation in the Call2Recycle program. Lowe's has partnered with Call2Recycle since 2004 to collect more than 3 million pounds of rechargeable batteries from customers at Lowe's stores. Call2Recycle honored Lowe's Canada with the award in 2012. Through the efforts of Call2Recycle's partners, more than 85 million pounds of batteries have been diverted from the waste stream since 1996.

2020 Goals

Managing our facilities in an environmentally and fiscally responsible manner is critical to the long-term health of our communities and our company. For decades, Lowe's has invested in sustainable strategies to use resources—energy, fuel, water and materials—more efficiently and responsibly throughout our operations.

We've made substantial strides. While the footprint of our stores increased by more than 43 million square feet from 2007 to 2012, we decreased their total energy usage by nearly 160 million kilowatt hours (kWh). This has resulted in a reduction of 316,000 metric tons of carbon dioxide (CO₂), which is comparable to removing more than 66,000 cars from the road for one year.*

At the same time, we reduced our total expenses for waste nearly 70 percent by recycling more, taking less to the landfill and being more efficient with our hauls.

With more than 1,830 stores, we see significant opportunities to operate more sustainably and drive additional savings by continuing to reduce energy use and waste. To guide those efforts, Lowe's has developed our first set of public sustainability goals.

By 2020, Lowe's aims to achieve the following milestones for energy use, carbon emissions and waste, measured against a 2010 baseline:

- Improve energy efficiency 13% per square foot (kWh/ft²)
- Reduce carbon emissions 20% per square foot (tons CO₂/ft²)
- Increase tons of waste per haul 40%
- Reduce tons of waste per net sales 40%

These energy and waste efficiency goals will be measured against the profiles of our operations in the United States, Canada and Mexico, using rates normalized to account for the growth of our business.

We view these four commitments as a foundation for ongoing improvements. They will help us reduce the environmental footprint of our operations and deliver more value to Lowe's customers and shareholders by helping us lower costs.

By measuring and reporting our performance annually, we'll be able to track our progress and make adjustments along the way.

We'll do that with the help of our employees. Our teams at our stores, distribution centers and offices all play a role in our ability to operate our facilities as efficiently as possible. These goals will drive additional employee engagement and help prioritize their work.

* U.S. Environmental Protection Agency



40%

Increase tons of waste per haul 40%



13%

Improve energy efficiency 13%.



40%

Reduce tons of waste generated per net sales 40%



20%

Reduce carbon emissions 20%

Product Solutions

Lowe's is focused on helping customers do more than improve their homes. Our goal is to help them reduce energy and water consumption, lower monthly utility bills and preserve the environment by offering a wide selection of affordable products, access to energy-efficient product promotions and helpful conservation tips.

To better serve customers, we've partnered with the U.S. Environmental Protection Agency (EPA) and Department of Energy since 2001 to expand our efficient product portfolio through the ENERGY STAR® program. Nearly 90 percent of clothes washers carried by Lowe's stores are ENERGY STAR qualified.

We grew our innovative energy-efficient products and services in 2013 with the introduction of LG appliances, a leading manufacturer in energy efficiency with more than 680 ENERGY STAR-qualified products. Lowe's also was the first national home improvement company to carry Samsung's energy-efficient dryer, which was recognized as the EPA's Emerging Technology Award winner in 2013. In addition, we expanded Iris®, our smart home management system, to 1,500 stores and continue to broaden its product and service offerings. The system allows customers to monitor and control their home energy usage.

Last year, Lowe's sold enough ENERGY STAR products to save customers more than \$1.6 billion in utility costs over the lifetime of the products and enough to eliminate greenhouse gases equivalent to the emissions from 1.6 million cars.*

Since 2008, Lowe's has partnered with the EPA WaterSense® program to help homeowners live more efficiently. Through increased education and availability of water-efficient products, consumers are equipped to make better decisions that will protect the future of our water supply.

Lowe's sold enough WaterSense products in 2013 to:

- Save customers \$24 million annually on water bills
- Save 2.6 billion gallons of water annually, equivalent to the amount of water used by nearly 28,000 American households.*

On a local level, we increased the number of utility partners we work with by nearly 40 percent to deliver and promote incentives for ENERGY STAR and WaterSense products in store, and online through our Rebate Center. Lowe's Rebate Center makes it easy for customers and employees to access rebates and incentives; rebates can be searched by product or zip code.

As a result of our commitment to energy and water efficiency, we received our 11th consecutive ENERGY STAR award and became the first retailer to win the WaterSense Sustained Excellence award.

*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 lack of applicable savings data, ENERGY STAR millwork products were not included.



Lowe's carries thousands of energy- and water-efficient products, and our employees pass along advice every day in our aisles to help customers find the solution that's right for them.

Product Transportation

With more than 1,830 stores, Lowe's recognizes that how we transport products to our shelves is critical to our success and our commitment to improve the communities we serve. We continue to invest in sustainable transportation practices and collaborate with our partners to promote the adoption of more efficient technologies.

Lowe's has championed transportation conservation strategies since 2005 as a member of the SmartWay® Transport Partnership, a voluntary U.S. Environmental Protection Agency (EPA) program dedicated to reducing transportation-related emissions and improving supply chain fuel efficiency. The EPA honored our environmental performance and continued contributions to freight transportation by presenting Lowe's with the 2013 SmartWay Excellence Award.

To reduce the environmental impact of our product transportation, we team with our partners to promote sustainable practices. Lowe's was one of the earliest supporters of the Coalition for Responsible Transportation (CRT). In partnership with CRT and Environmental Defense Fund, we were instrumental in the EPA's efforts to develop and launch a SmartWay program aimed at improving emissions of the trucks that deliver freight in and around U.S. ports.

Lowe's has worked closely with carriers and ports for several years to reduce pollution from short-haul trucks. We helped develop successful clean-truck incentive programs at ports in Southern California and across the Southeast, and we continue to work with the EPA and CRT to expand the program in the Northeast and Pacific Northwest. Today, more than 75 percent of Lowe's import containers are transported by drayage trucks that are 2004 or newer. Our goal is to increase that number to 100 percent by 2015.

Lowe's encourages transportation providers to join SmartWay, and we work with them to examine opportunities to reduce emissions and fuel use. All domestic shipments routed by Lowe's are transported by SmartWay partners. Since 2005, the EPA program has helped reduce our carriers' highway travel by nearly 960 million miles and resulted in diesel fuel savings of more than 175 million gallons and carbon savings of nearly 2 million tons, which is equivalent to taking more than 420,000 cars off the road for one year.

As we look to use more fuel-efficient modes of transport, we're shipping more products by train and increasing the efficiency of truckload shipments. We're also expanding the use of natural gas-powered trucks to improve fuel efficiency over older diesel trucks and reduce operational costs and emissions.

Lowe's began that journey in 2012 when we joined the Florida Natural Gas Vehicle Coalition. Our experience with alternative-fuel vehicles led us to expand those efforts in 2013. Natural gas trucks are now active at Lowe's regional distributions centers in seven states, including a fully dedicated fleet that ships products out of our distribution center in Mount Vernon, Texas.

The natural gas trucks are expected to help Lowe's control fuel costs and reduce supply chain greenhouse gas emissions nearly 20 percent. During 2014, we will fully convert five distribution centers to natural gas trucks with a goal of transitioning all distribution centers by the end of 2017.



Natural gas-powered trucks are now active at Lowe's regional distributions centers in seven states.

Recycling

Lowe's commitment to improve the health of our communities is demonstrated each year through our recycling programs. In partnership with our employees and customers, we're continually working to increase recycling rates and reduce waste in our communities.

As a service to customers, Lowe's began partnering with Call2Recycle in 2004 to recycle rechargeable batteries in our stores. We recently celebrated a decade of in-store recycling and reached a rare milestone, surpassing 3 million pounds of rechargeable batteries collected from customers.

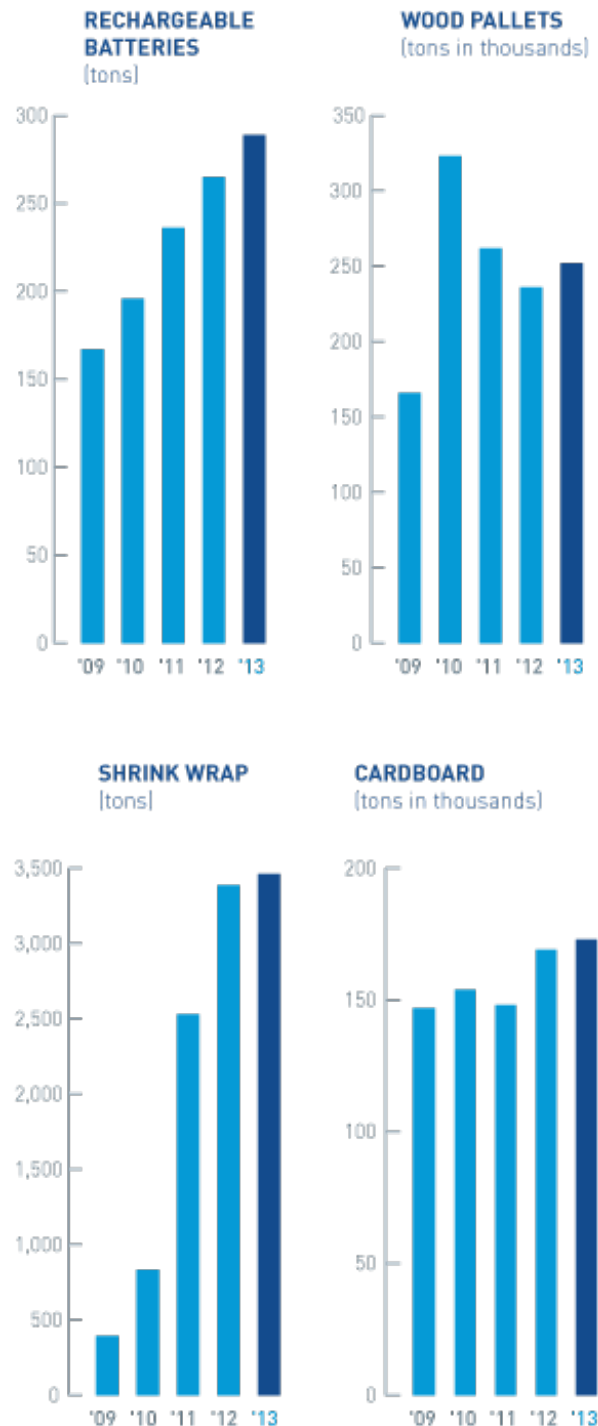
Our recycling numbers have grown each year as we've raised awareness around our recycling centers near the entrance of U.S. stores. The centers offer a free and easy way for customers to recycle rechargeable batteries, cell phones, compact fluorescent light bulbs (CFLs) and plastic shopping bags. Last year alone, Lowe's recycled more than 289 tons of batteries, 34 tons of CFLs and 173 tons of plastic bags, the equivalent of 23 million bags.

We've also made it easier to recycle plastic plant containers at our stores. In 2013, we completed the first full year of our garden center plastic recycling program in Canada. Consumers can now drop off plastic plant pots and trays at all Lowe's stores in the continental United States and Canada regardless of where the nursery items were purchased. Lowe's garden centers recycled an estimated 3,800 tons of plastic through the program in 2013, bringing our total collection to more than 11,000 tons since 2011.

As we serve the needs of customers, Lowe's remains just as focused on minimizing our own footprint and cutting costs by reducing the waste we generate at our facilities. We have reduced total expenses for our waste and recycling programs by more than 80 percent over the past five years with the expansion of initiatives such as our DC Return Program. We continue to grow the number of stores that ship wood pallets, cardboard, plastic and other material to their respective distribution centers for consolidation, reuse and recycling.

Our stores and distribution centers recycled more than 425,000 tons of cardboard and wood pallets in 2013, the equivalent weight of 10 aircraft carriers. We continued to increase the amount of plastic we recycle as we improved store participation. In addition, we reduced the solid-waste stream by recycling an estimated 60,000 tons of appliances and scrap metal. When customers purchase a new appliance, Lowe's will haul away and recycle their old appliances for free.

Together with our vendors, national partners, employees and customers, we'll continue to take steps to improve our recycling programs, reduce costs and create healthier communities.



Responsible Wood Sourcing

From providing fresh air and clean water to supplying wood for our homes, forests provide critical resources for building and sustaining communities. Lowe's works collaboratively through our partnerships, practices and policies to safeguard forest resources with a continuous focus on carefully tracking and responsibly managing the source of our wood products.

Since 2000, we've 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. Approximately 90 percent of the wood we have purchased has come from North America, some of the most responsibly managed forests in the world.

Lowe's responsible wood sourcing database actively tracked more than 360 suppliers, 13,000 products and 359 million cubic feet of wood in 2012. 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 work with major forest products companies and leading environmental organizations to support the Canadian Boreal Forest Agreement. We're engaged in the development of an effective conservation solution for millions of acres of forest through the collaboration of both provincial and native First Nations governments.

Additionally, we've partnered with The Nature Conservancy to support the protection and restoration of forestland, from the important Canadian Boreal ecosystem to the watersheds of New Mexico that supply drinking water and protect the safety of communities across the state. Since 2005, Lowe's has contributed more than \$9 million to help permanently protect 1.5 million acres of forests across the United States and Canada.

Lowe's is committed to advancing responsible forest management solutions and will continue to explore opportunities to work with others to protect the long-term health of our forests. For more information on our commitment to responsible sourcing, visit [Lowe's.com/WoodPolicy](https://www.lowes.com/WoodPolicy) and Lowe's Wood Sourcing Report.



We carefully track the source of the wood products we sell in our stores and work with our environmental partners to safeguard forest resources.

Wood Sourcing Report

Sourcing Guidelines

Lowe's remains engaged in the protection of the world's forest resources, a consistent commitment since first publishing our **wood policy** in 2000. An important aspect of the policy is determining which forests require protection—forests we've designated as "endangered." The challenge is there is no single definition of an "endangered" forest though terms such as "threatened" and "high conservation value" have been used interchangeably with "endangered." **To help guide the application of our policy, we consider the following to be characteristics of endangered forests:**

- Forest types that cannot regenerate either with or without human intervention
- Forests in areas experiencing high rates of illegal logging (harvesting taking place in violation of local laws or regulations, or where traditional land rights are not yet settled)
- Forests in countries experiencing political or social unrest and where forest resources are used to fund armed conflict
- Forests where harvesting leads to the extirpation of indigenous species

Lowe's relies on the following methods to help inform and control sourcing:

- Lowe's buyers consider where the wood in products comes from before offering those products for sale in our stores.
- At the end of each year, suppliers report product-sourcing information, including wood species, volume, forest location and sustainable forest certification status (if available). We review that information for compliance with our policy. Lowe's pays special attention to products with high volume and those sourced from tropical areas.
- As issues are identified, Lowe's engages with environmental groups, including The Nature Conservancy, ForestEthics and Greenpeace.

If we find sourcing in violation of our policy, Lowe's works directly with suppliers to transition the product to an alternate source. If suppliers are unable to redirect sourcing, the product is shifted to alternate suppliers. For example in 2000, Lowe's transitioned from dowel rods commonly made using ramin, a tropical wood (genus—*Gonystylus*, multiple species), to a domestically sourced poplar. We continue to use that alternate source today.

Public Engagement

The Great Bear Rainforest in British Columbia provides an early example of Lowe's public engagement. After longstanding disagreements between the forest industry and environmental

groups, Lowe's and other forest products buyers engaged with industry, environmentalists, First Nations and provincial governments to address regional conservation issues. Following extensive negotiations, all parties agreed to a management program that respects traditional land rights, needs of forest-dependent species and economic interests of local communities.

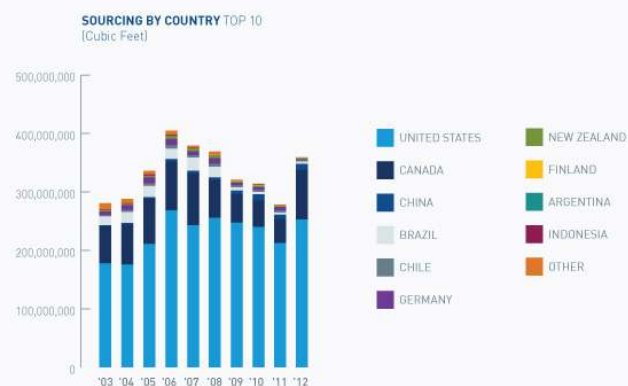
Lowe's is also an active participant in the Boreal Business Forum, a group of forest products customers engaged with producers and environmental groups to encourage management of Canada's forests at a landscape-scale with a focus on habitats and species. The extended interest groups include First Nations bands and Canadian provincial governments. The broader group attempts to influence policy and practice at a scale never before attempted.

Supplier Engagement and Progress Indicators

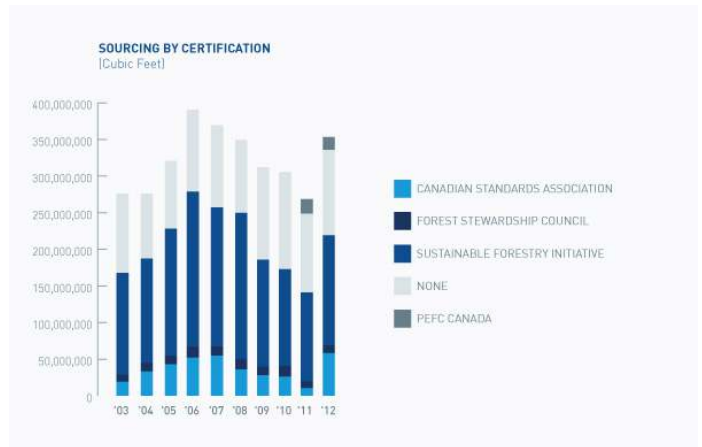
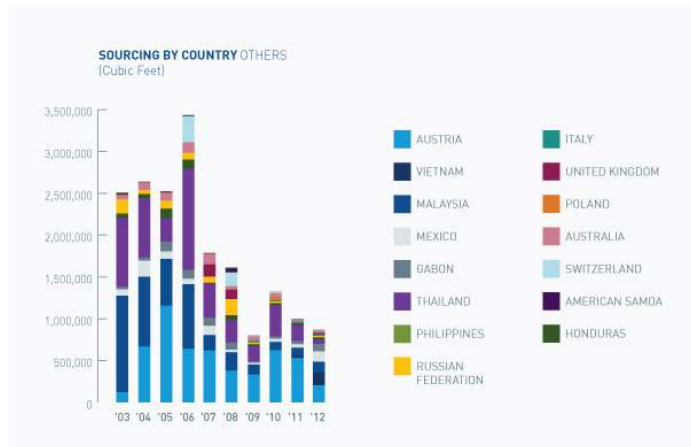
Since 2003, Lowe's suppliers have reported sourcing information, including where the wood was harvested, sustainable forest certification, wood species and volume. This information enables Lowe's to evaluate supplier adherence to our wood policy and allows us to change sourcing profiles that don't meet our expectations. Suppliers self-report information that is not verified by external third parties.

Sourcing Metrics

Sourcing by Country—The top 10 countries by volume account for more than 99 percent of all volume supplied to Lowe's stores. Most of the volume of product we have purchased has come from North America, with 70 percent from the United States and 24 percent from Canada. Since establishing our supplier database in 2003, the volume from North America has ranged from 85 percent to 94 percent. The volume of product coming from individual countries other than the top 10 represents less than 1 percent of Lowe's total volume.



Wood Sourcing Report

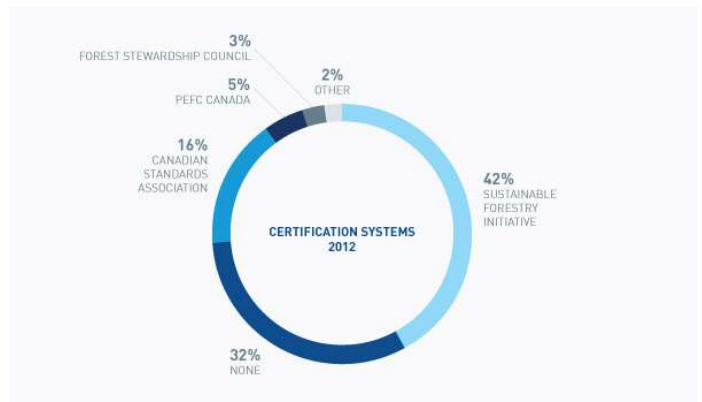


Sourcing by Certification—Sustainable Forest Management (SFM) helps provide assurance that trees are grown and harvested responsibly. Certification to an SFM standard is our goal for all products sold in our stores.

Arriving at full certification has been a challenge due to land ownership patterns and available volume of certified product. For instance, of the total volume of reported uncertified product, 69 percent comes from the southeastern United States, where the majority of land is owned by small, non-industrial private landowners owning 50 acres or less. Certification costs become financially difficult for small landowners struggling with increasing taxes and processing costs. It is also difficult to coordinate certification with such a fragmented ownership base.

The second-largest volume of uncertified product comes from China (3 percent). While China has vast forest resources ranging from tropical to temperate, not many of these forests are certified.

Finally, it is important to note that while 32 percent of the wood product volume is not certified, nearly 90 percent of that volume comes from the U.S. and Canada, and we've received legal harvesting documentation on the 3 percent sourced from China.



"Other" certification systems represent less than 2 percent of the total volume.

The Nature Conservancy

Sustainable communities need sustainable landscapes, and The Nature Conservancy has the scale and expertise to deliver conservation solutions and help protect important ecosystems for nature and people. Now in its 10th year, Lowe's partnership with The Nature Conservancy continues to focus on advancing conservation to protect biodiversity and natural areas for future generations.

Our work with The Nature Conservancy is an extension of our commitment to environmental conservation through the products we sell, how we operate our stores and transport products. Since 2005, Lowe's has contributed more than \$9 million to The Nature Conservancy to help permanently protect 1.5 million acres across the United States and Canada. Our partnership this past year focused on conservation projects ranging from directly engaging volunteers to protecting critical water resources.

In 2013, Lowe's donation of \$750,000 supported conservation projects that span North America. In New Mexico and central Texas, Lowe's joined with other local business and community groups to protect watersheds vital to providing freshwater to people throughout the region, including the major metropolitan areas of Albuquerque and Santa Fe, New Mexico, and Austin and San Antonio, Texas. In the Midwest, Lowe's supported the organization's efforts to harness the power of volunteerism to restore and protect natural areas around the Chicagoland metro area. Lowe's also provided support for Nature Works Everywhere, a conservancy program that provides students with a valuable educational experience around the natural systems we depend on for food, water, clean air and energy.



Pale purple coneflowers dance on the prairie in Illinois. Lowe's support has advanced conservation work at Nachusa Grasslands Preserve, a collection of 3,100 acres of prairie remnants.

Photo courtesy of The Nature Conservancy

Over the past five years, Lowe's contributions have helped protect and sustain some of the most important forestlands in the United States and Canada including:

- The broadleaf forests of the Appalachian range extending from Alabama to Canada
- The iconic Crown of the Continent in Montana, adjacent to Glacier National Park and one of the largest forest conservation initiatives in the conservancy's history
- The Three Rivers Forest in Washington, helping connect a national forest to the ocean and ensuring a critical link for salmon and other species reliant upon forestlands and freshwater rivers
- The Darkwoods property in southern British Columbia—the largest property purchased for conservation in Canadian history
- The coastal forestland of Virginia essential to the long-term health of the Chesapeake Bay watershed
- Colorado's Front Range forests, where fire management and other restoration efforts are protecting large portions of the 1.5 million acres of forested watershed to reduce fire threat and help secure clean drinking water for residents in Denver and Colorado Springs
- Canada's Boreal Forest—representing one-quarter of the intact, original forests remaining on Earth
- The Adirondacks region of eastern New York, where efforts are ongoing to ensure one of the world's largest intact temperate forests remains ecologically, economically and culturally thriving

Keep America Beautiful

Lowe's carries out our commitment to environmental sustainability through partnerships with leading nonprofits that improve the health, economy and beauty of the places we serve.

In 2013, we strengthened our partnership with Keep America Beautiful to continue to bring people together to build and sustain vibrant communities and inspire a hands-on approach to environmental stewardship. The Lowe's Charitable and Educational Foundation donated \$1 million to Keep America Beautiful to help deliver positive social and economic change to communities across the country.

Lowe's foundation awarded 75 grants, from \$5,000 to \$20,000, to Keep America Beautiful community-based affiliates and participating organizations to reduce waste, increase recycling and generate a positive impact through community improvement projects such as disaster restorations, community gardens, tree plantings and downtown enhancements. Nearly 350 Lowe's Heroes were among the volunteers who donated more than 66,000 hours of service to their local communities through Lowe's-supported projects. Together, Lowe's and Keep America Beautiful completed nearly 600 community improvements projects in 2013.

The impact was seen from coast to coast and included:

- 102,248 pounds of litter collected
- 205 acres of parks and public land cleaned
- 39 miles of shoreline, 27 miles of roads and 10 acres of wetlands cleaned
- 973 trees planted
- 869,208 flowers and bulbs planted
- 55 playgrounds restored
- 174 beautification and community greening projects completed
- 458 community gardens planted

Keep America Beautiful celebrated its 60th anniversary in 2013. Each year, the organization inspires millions of volunteers to take action in their communities to transform public spaces into beautiful places.

Lowe's grants and volunteer assistance supported improvement projects in 75 cities, towns and counties, from Riverside, California, to Washington, D.C. The work ranged from restoring Louisiana wetlands destroyed by Hurricane Katrina to constructing urban community gardens that beautify empty inner-city lots, providing an opportunity for low-income residents to access fresh produce and support local food banks. More than 13,000 volunteers joined with Lowe's and Keep America Beautiful to improve communities across the country.

"The cumulative impact of the Lowe's grant program continues to be remarkable," said Jennifer Jehn, president and CEO of Keep America Beautiful. "Lowe's Heroes are making a significant contribution in aiding our affiliates and partnering organizations to make sure communities across the country are more socially connected, environmentally healthy and economically sound."



Lowe's Heroes volunteered their time and the Lowe's Charitable and Educational Foundation contributed a \$5,000 grant to help Keep Truckee Meadows Beautiful clean up a local roadway and park in northern Nevada.

Transitioning to Natural Gas

For more than a decade, Lowe's has worked with carriers and environmental partners to reduce our greenhouse gas emissions and fuel costs while promoting responsible transportation practices across the industry.

We expanded those efforts in 2013 by launching a dedicated fleet of natural gas-powered trucks at our regional distribution center in Mount Vernon, Texas. The dedicated fleet is among the first serving a major retail distribution center in North America to run solely on natural gas, a cleaner and more economical alternative to diesel fuel.

"The transition to a natural gas-powered fleet was a logical step for Lowe's because of the economic and environmental benefits," said Steve Palmer, Lowe's vice president of transportation. "Given the amount of natural gas that's available domestically, broadly utilizing natural gas will give us an opportunity to better control our transportation fuel costs in the coming years."

Lowe's worked with Clean Energy to research the use of alternative fuels and teamed with longtime carrier partner NFI to launch the dedicated fleet, which will transport up to 70 truckloads a day to Lowe's stores in Texas, Louisiana and Oklahoma. With the transition from diesel, we expect to reduce greenhouse gas emissions nearly 20 percent and cut fuel costs.

"It's a benefit for the drivers, it's a benefit for communities and it's a benefit for the whole supply chain," said Elena Craft, health scientist for Environmental Defense Fund.

And it's just the start. We're working with our truckload carriers across the country to convert their Lowe's-dedicated fleets over the next few years. Our goal is to replace all of our diesel-powered dedicated fleets with natural gas trucks by the end of 2017.

We began that journey at our distribution center in Kissimmee, Florida, in 2012, and natural gas trucks are now active at Lowe's distributions centers in seven states. By the end of 2014, we expect to service more than 20 percent of our stores with natural gas trucks.



Lowe's teamed with longtime carrier partner NFI to launch a dedicated fleet of natural gas-powered trucks in Mount Vernon, Texas.

Reaching Recycling Milestone

The U.S. Environmental Protection Agency estimates that more than 350 million rechargeable batteries are purchased every year in the United States to power everyday items such as cordless tools, cellphones and laptops. These batteries are a long-lasting power source, but they require proper disposal at the end of their usable life.

As a service to customers and our communities, Lowe's began recycling rechargeable batteries in our stores in 2004. Recently, we marked a decade of in-store recycling by celebrating a rare achievement. Lowe's surpassed 3 million pounds of rechargeable batteries collected from customers, becoming one of just a few companies to reach that milestone.

In partnership with Call2Recycle®—North America's first and largest battery product stewardship program—we've increased customer and store participation every year. In 2013, Lowe's collected more than 578,000 pounds of rechargeable batteries—the largest one-year total in the history of the partnership and nearly 50 percent more than we collected in 2010, the year we introduced our first-of-its-kind recycling center.

The recycling centers near the entrance of Lowe's stores offer customers a free and easy way to properly dispose of rechargeable batteries, cell phones, CFLs and plastic shopping bags; materials that otherwise could be potentially harmful to the environment.

"Lowe's integrated collection efforts are a great example of recycling best practices in the retail sector—a streamlined program with a single collection area for multiple materials," said Carl Smith, CEO and president of Call2Recycle, Inc. "The year-over-year increase in recycling confirms that Lowe's streamlined process is helping consumers make the choice to recycle, and they do."

Our recycling centers also help us minimize the impact of products we sell. As the number of wireless products powered by rechargeable batteries grows, we've worked harder to raise awareness around the importance of recycling batteries when they reach the end of their life.

Since launching our all-in-one recycling centers in 2010, collection boxes have become mainstream in other retail stores. Call2Recycle has established more than 34,000 collection sites throughout the U.S. and Canada, and diverted more than 85 million pounds of batteries from the waste stream.



Teaming Up to Save Water

As a home improvement industry leader, Lowe's values being in a position to help consumers reduce their water use and protect our natural resources. We meet that obligation through the products we sell and the partnerships we've developed.

The past two years, Lowe's worked closely with the Wyland Foundation to support the National Mayor's Challenge for Water Conservation, a friendly competition between cities across the United States to see who can be the most water wise.

Throughout Earth Month in April, participating mayors and city officials encourage residents to take an online pledge to conserve water and other resources. The challenge gives people a simple way to learn about the importance of water conservation. With at least 36 states facing water shortages, including the most severe drought California has seen in decades, that lesson has never been more critical.

Residents from 2,000 cities and all 50 states took part in the 2013 National Mayor's Challenge. More than 44,000 online pledges resulted in commitments to reduce water usage by more than 740 million gallons, which could yield \$30 million in annual residential cost savings.

In addition to making water-saving pledges, challenge participants pledged to reduce their use of single-use plastic water bottles by more than 5 million bottles and eliminate nearly 70 million pounds of hazardous waste from entering watersheds.

A series of public service announcements expanded the conservation message, and a mobile learning experience gave 4,000 students in eight states the opportunity to explore how the quality and availability of water affects the quality of our lives.

In total, the campaign received the support of 70 mayors and reached more than 20 million people.

"This year's challenge gathered the support of an impressive list of cities, mayors, corporations and nonprofits, all of whom shared our enthusiasm for working toward a more sustainable future," said environmental artist Robert Wyland, founder of the Wyland Foundation. "The environmental education and pledges will have an impact in bringing the conversation about conserving resources closer to home."

Along with Lowe's, which provided gift cards to winning participants, the campaign also received support from the U.S. Environmental Protection Agency (EPA), the U.S. Forest Service, the Alliance for Water Efficiency and others.

Lowe's joined the EPA WaterSense® program in 2008, and we've worked together each year to educate homeowners about the benefits of water conservation. In 2013, Lowe's sold enough WaterSense products to save customers \$24 million and 2.6 billion gallons of water annually—the amount of water that flows over Niagara Falls in 1½ hours.



Marine artist Robert Wyland (left) and Washington D.C. Mayor Vincent Gray kick off the National Mayor's Challenge for Water Conservation. Lowe's supported the campaign for the second year in a row.

Restoring Louisiana Wetlands

Rising sea levels and hurricane storm surges have eaten away at Louisiana's coastline over the years. The state has lost 1,880 square miles of coastland in the last 80 years, according to a recent report, and scientists expect an additional 1,750 square miles will disappear by 2064 if no action is taken to save the coasts.

In an effort to help rebuild the coastline and protect local communities from future storm surges, Lowe's contributed a \$20,000 grant and partnered with Keep Terrebonne Beautiful and the Louisiana Coastal Conservation Association to complete the second phase of their floating islands restoration project in Terrebonne Parish.

Lowe's Heroes from Lowe's of Houma joined local schoolchildren and community volunteers to create 600 square feet of shoreline protection along Island Road, which leads to the homes of two Native American tribes in southern Louisiana. Because residents engage in subsistence fishing along this road, the new marsh habitat will sustain marine life and protect vital infrastructure for years to come.

"In South Terrebonne Parish, the best way to help your community is to help restore the wetlands," said Wendy Billiot, executive director of Keep Terrebonne Beautiful. "The local community appreciates very much that people from other parts of Terrebonne Parish and the state took an interest in helping them protect this part of their community. Often, underserved communities are written off as unsalvageable. This project gave residents new hope for their community."

Launched in 2011, the coast restoration project uses a "floating island" system developed by Martin EcoSystems to increase the amount of marsh and stabilize the natural shoreline. Unlike other major wetland restoration projects, the floating island approach uses materials that any volunteer can easily manage.

Mats made from 100 percent recycled plastic bottles are the foundation of the islands; they were predilled with 210 holes. Volunteers then added potting soil and 230 plants per mat. The students put the plants in the mats, and Lowe's Heroes helped carry them to the water's edge, where professionals hauled them out to the marsh and anchored them in place. The plants will grow a root system and tie into existing marsh. The goal is to increase the amount of marsh from 120 linear feet to 1,500 linear feet.

"This project was Phase II of a very big project and proves beyond the shadow of a doubt that floating islands work," Billiot said. "We are very proud to have been part of that project, and we hope that Lowe's and Keep America Beautiful share in that pride with us."



Hanging plant roots under the floating marshes remove pollutants in the water. The new marsh will help sustain marine life for local Native American tribes and provide a barrier of protection for their homes along the shore.

Revitalizing Ohio Greenway

The growing Mill Creek Greenway system in southwest Ohio is physically changing the face of the region—improving water quality, aquatic and wildlife habitat, and the health of inner-city and suburban neighborhoods. Mill Creek’s industrial and urban watershed flows through more than 40 neighborhoods, home to half a million residents. Once a symbol of urban blight, the creek and distressed communities along the greenway are becoming a model of restoration.

Last fall, more than 20 Lowe’s Heroes employee volunteers worked alongside 50 students from Withrow High School to continue the progress, revitalizing a half-mile stretch of the Mill Creek Greenway Trail as part of a \$20,000 Lowe’s grant to Keep Cincinnati Beautiful. The trail connects to a larger trail system and sections of future greenway trail development in Cincinnati.

Over the past three years, Lowe’s has supported Keep America Beautiful and its affiliates, like Keep Cincinnati Beautiful, with more than \$3 million in grants.

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Working with nonprofit Groundwork Cincinnati/Mill Creek (GWC), volunteers landscaped three areas along the trail path. They amended soil at each site with compost, planted trees and ornamental grasses, built benches from salvaged granite pieces and finished off each site with mulch.

The volunteers also artistically enhanced a section of the site’s chain-link fence by weaving colorful strips of salvaged industrial vinyl in a zig-zag pattern. When the project is complete, more than 200 panels of chain-link fencing will come together to create a colorful art installation.

The project site is part of the planned 14-mile Mill Creek Greenway Trail, which extends from the Hamilton County Fairgrounds in Carthage to the Ohio River, connecting to the Ohio River Trail on the western and eastern riverfronts. To date, GWC has completed river improvements and constructed the paved hike and bike trail along 3.5 miles of the river. As the trails continue to expand, Cincinnati residents will have improved outdoor recreational opportunities and new ways to travel from neighborhood to neighborhood without getting in a car.

“This stretch of trail is now inviting to trail users and passers-by as well,” said Linda Holterhoff, executive director of Keep Cincinnati Beautiful. “Planting larger trees will help increase the tree canopy along the path. This benefit will be felt in the years to come as they will help reduce runoff into the creek and provide some much-needed shade. In a heavily underserved population, with the creation of beautiful and inviting space, residents can begin to celebrate the revival of not only the creek, but the neighborhood as well.”

The Mill Creek Greenway Program is an important component of the Mill Creek Healthy People/Healthy River Strategy that GWC is implementing in collaboration with private and public partners, including Keep Cincinnati Beautiful. The strategy also includes ecological improvements, planting edible forest gardens along the river, transforming derelict properties and providing environmental education programs for thousands of students each year.



More than 20 Lowe’s Heroes helped clean up and landscape a half-mile stretch of the Mill Creek Greenway Trail in Cincinnati.

Protecting Water in New Mexico

Water is essential for life. Nowhere is this more evident than in New Mexico, where the Rio Grande and its tributaries supply water to Albuquerque—the location of one of Lowe’s corporate offices—but also to Santa Fe, Native American Pueblos and other communities. In fact, this water sustains more than half of the state’s population and is an essential ingredient for New Mexico’s economic growth.

However, each year the size and severity of wildfires in the state increases, along with subsequent post-fire flooding that degrades rivers, streams and other critical water sources. State and federal agencies spend hundreds of millions of dollars a year reacting to these fires, not including the lost revenue to business. The Nature Conservancy recognized that without action, New Mexico’s future water security was at great risk.

Thanks to a strategic, significant and foundational investment from Lowe’s, the conservancy has developed a solution that can bring clean water to New Mexicans for generations to come—the Rio Grande Water Fund.

This innovative project will invest in the restoration of forested lands upstream so that clean water can be secured for communities downstream such as Albuquerque, the state’s largest city. The goal of the water fund is to generate sustainable funding over the next 30 years to proactively increase the pace and scale of forest restoration, including 40 percent of the highest-risk areas in the Rio Grande watershed.

Water provides a high return on investment. It is a necessity for residents, industry, agriculture and many service activities, and to promote and sustain economic activity in the largest cities and marketplaces in the state. Water supports recreational activities and sustains the beautiful places that make New Mexico the “Land of Enchantment.” And investments through the Rio Grande Water Fund in forest treatments have the added benefits of creating jobs in rural communities, providing wood materials for locally sourced products and protecting habitat for numerous forest and water-dependent species.

“Growth, conservation and well-managed natural resources can all work together if the end game is to build a resilient economy and a quality place for current and future generations to live, work and raise a family,” said Dale Dekker, principal of Dekker/Perich/Sabatini and a member of the Rio Grande Water Fund Advisory Council.

Lowe’s two-year investment in this project affords New Mexico the opportunity to act now to protect watersheds and the water supply.



Restoration of forestland will help improve recreational activities and ensure clean water for New Mexicans for generations to come.

Photo courtesy of © Katrine Aigner for The Nature Conservancy