

2014 Social Responsibility Report

OUR SHARED RESPONSIBILITY



CONTENTS

INTRODUCTION

| | |
|-------------------------|---|
| Lowe's Promise..... | 3 |
| About This Report | 3 |

| | |
|------------------|---|
| CEO MESSAGE..... | 4 |
|------------------|---|

IMPROVING OUR COMMUNITIES 5

Our Strategy..... 6

| | |
|------------------------|---|
| Charitable Giving..... | 6 |
| Lowe's Heroes..... | 7 |

Improving K-12 Public Education 8

| | |
|--|----|
| Lowe's Toolbox for Education | 8 |
| Boys & Girls Clubs of America..... | 9 |
| Educational Scholarships | 10 |
| Helping Advance STEM Learning with SkillsUSA | 10 |

Improving Communities..... 11

| | |
|---|----|
| Habitat for Humanity International..... | 11 |
| Power Women Power Tools | 12 |
| Rebuilding Together..... | 13 |

Providing Disaster Relief..... 14

| | |
|-------------------------------------|----|
| American Red Cross..... | 14 |
| First Response Team of America..... | 15 |

IMPROVING OUR STORES AND OPERATIONS 16

Energy Efficiency and Carbon Footprint..... 17

| | |
|---|----|
| Monitoring Our Impacts | 17 |
| Efficiency at Our Stores and Distribution Centers | 18 |
| Water Conservation | 18 |

Recycling and Waste..... 19

| | |
|---------------------------|----|
| Changing Behavior..... | 19 |
| Managing Waste..... | 19 |
| Hazardous Materials | 21 |

Logistics..... 22

| | |
|--|----|
| Partnering for Change | 22 |
| Pursuing Efficient Technologies and Practices..... | 22 |

IMPROVING OUR PRODUCTS 23

Products to Help Customers Live Sustainable Lives..... 24

| | |
|--|----|
| Lighting | 24 |
| Smart Home Controls | 24 |
| Windows..... | 24 |
| Water-Saving Products..... | 24 |
| Energy Star and WaterSense Savings..... | 25 |
| Organic and Natural Garden Products..... | 25 |

Training Our Employees..... 26

Listening to Stakeholders..... 27

| | |
|---------------------------------|----|
| Rodent Control | 27 |
| Neonicotinoid Pesticides..... | 27 |
| Responsible Wood Sourcing | 27 |

IMPROVING OUR WORKPLACE..... 29

Employee Relations..... 30

| | |
|---------------------------------------|----|
| Transforming Insight into Action..... | 30 |
| Supporting Women in Leadership | 30 |

CONTENTS

| | |
|--|-----------|
| Attracting Diverse Talent | 31 |
| Seeking Talent at National Black MBA Association Conference..... | 31 |
| Information Technology Senior Management Forum..... | 31 |
| Women of Color STEM Conference..... | 31 |
| Service Academy Career Conference..... | 31 |
| Learning and Development | 32 |
| Building Expertise..... | 32 |
| Fostering Leadership..... | 33 |
| Employee Benefits | 34 |
| Providing Care Our Employees Need..... | 34 |
| Helping Employees Become Wiser About Their Options..... | 34 |
| Promoting Employee Wellness..... | 35 |
| Lowe's Employee Relief Fund..... | 36 |
| Awards and Recognition..... | 36 |
| Health and Safety | 37 |
| Monitoring and Identifying Challenges..... | 37 |
| Responsibility and Accountability..... | 38 |
| Safety Is When Nothing Happens..... | 38 |
| Promoting Engagement..... | 39 |
| GOVERNANCE & ETHICS | 40 |
| Stakeholder Engagement | 41 |
| Material Social Responsibility Issues..... | 41 |
| Political Engagement | 42 |
| Lowe's Political Action Committee..... | 42 |
| Trade Organizations..... | 42 |
| Corporate Governance | 43 |
| Social Responsibility Governance..... | 43 |
| Ethical Business Behavior | 44 |
| Lowe's Code of Business Conduct and Ethics..... | 44 |
| Code Training..... | 44 |
| Lowe's Anticorruption Policy..... | 44 |
| Lowe's Open Door Program and Hotline..... | 44 |
| Customer Privacy..... | 44 |
| IMPROVING SUPPLIER STANDARDS | 45 |
| Lowe's Supply Chain | 46 |
| Vendor Code of Conduct..... | 46 |
| Domestic and Import Suppliers..... | 46 |
| Collaborating with Suppliers and Industry..... | 46 |
| Assuring Product Quality | 47 |
| Fostering Social Accountability | 48 |
| Social Accountability Audits..... | 48 |
| Reporting Mechanisms..... | 48 |
| Assessing Risk of Conflict Minerals | 49 |
| Encouraging Supplier Diversity | 50 |
| Lowe's Four-Step Supplier Diversity Process..... | 50 |
| Incubating Innovation..... | 50 |
| Supplier Spotlights | 51 |
| Hammock Boutique..... | 51 |
| Earth-Kind..... | 51 |
| GRI INDEX | 52 |

INTRODUCTION

Lowe's is pleased to present our 2014 Social Responsibility Report, demonstrating our commitment to the customers and communities we serve and the employees and environment we care for. From the sourcing of products to the completion of a project in a customer's home, Lowe's believes that responsibility is the foundation of our trusted brand.

LOWE'S PROMISE

Lowe's is a home improvement company built on a single purpose—to help people love where they live. That purpose is the foundation of our culture and drives us forward to ensure our business success.

Since 1946, Lowe's has grown from a small-town hardware store to a Fortune 100 company with 1,840 stores in the United States, Canada and Mexico.

Our more than 265,000 full-time and part-time employees are dedicated to differentiating Lowe's through our customer experience and the convenience of omni-channel retailing. We provide products, services, information, advice and an uncompromising approach to safety to more than 16 million customers per week.

The satisfaction of our customers shows in their continued loyalty. Our net sales and earnings have continued to grow each year. In 2014, our sales exceeded \$56 billion and our net earnings totaled \$2.7 billion.

ABOUT THIS REPORT

This report covers the social responsibility programs of Lowe's U.S. home improvement business. We have specified where information for non-U.S. operations and subsidiary companies also has been included.

In this report, we discuss the sustainability topics we believe are most material to our business, our stakeholders and wider society:

- How we govern our business
- The ways we give back to our communities
- How we engage our employees, provide career opportunities and create a safe work experience
- How we work with our suppliers to improve performance and ensure product quality and ethical standards
- The products we sell and how they help customers lead more environmentally responsible lives
- What we do to reduce the environmental impact of our operations while improving efficiencies

In 2014, we focused on enhancing the transparency of our reporting efforts and expanding disclosure. For the first time, we've referred to the Global Reporting Initiative (GRI) G4 guidelines to compile this report and include an index of standard disclosures at the end. Our data has been reviewed and verified internally.

Selected Financial Data for Lowe's Companies, Inc.

| | 2012 | 2013 | 2014 |
|--|----------|----------|----------|
| Net sales (millions) | \$50,521 | \$53,417 | \$56,223 |
| Gross margin (millions) | \$17,327 | \$18,476 | \$19,558 |
| Net earnings (millions) | \$ 1,959 | \$ 2,286 | \$ 2,698 |
| Earnings per common share | \$ 1.69 | \$ 2.14 | \$ 2.71 |
| Total customer transactions (millions) | 804 | 828 | 857 |
| Average ticket | \$ 62.82 | \$ 64.52 | \$ 65.61 |

CEO MESSAGE

At Lowe's, we're driven by a single purpose—to help people love where they live. Love is what turns a house into a home. It's so much more than just the materials, appliances, paint and furniture that make it up. Home represents the emotions, memories and aspirations of the people who live there.

Of course, loving where you live extends outside of your home. Homes are part of the communities that surround us, so our interest and commitment cast a wide social responsibility net. We aim to operate every aspect of our business with integrity, respect for people and care for the environment. This applies across our entire value chain, from the suppliers that manufacture our products, to our stores and operations and to the quality and safety of the products we sell.

This is a long-term commitment that we approach through continual improvement, and 2014 was a year of significant improvement for us. As I reflect on our accomplishments this year, a few highlights come to mind.

At the highest level of our company, we reaffirmed our commitment to social responsibility by revising the board of directors' governance committee charter to reflect the committee's oversight for these efforts.

We also gave back to the communities where we live and work. Lowe's and the Lowe's Charitable and Educational Foundation donated \$28 million to community organizations, and we announced a 5-year, \$23.5 million commitment to further our partnership with Habitat for Humanity.

Lowe's continues to be a great place to work. In 2014, for the first time in the history of our annual employee survey, our stores, distribution centers and customer support centers all reached our benchmark goal of 65 percent, indicating a highly engaged workforce. And we achieved a new record for our Lost Time Incident Rate, improving 21 percent since our 2012 baseline year, which reflects our efforts to make Lowe's a safe place for all employees.

To reduce our environmental footprint, we partnered with our transportation providers to introduce trucks powered by natural gas at five regional distribution centers, helping us reach our goal of using natural gas vehicles to serve at least 20 percent of Lowe's stores served by an RDC.

Throughout this report, we describe these and the many other ways we're fulfilling our purpose through social responsibility. As we look to the future, we plan to continue enhancing and expanding our reporting, focusing on the social responsibility issues that are most important to our business.

We hope you enjoy our report. We encourage you to provide your feedback at socialresponsibility@lowes.com, and we look forward to reporting our progress a year from now.



Robert A. Niblock
Chairman, President and CEO





IMPROVING OUR COMMUNITIES

Lowe's customers and employees are integral to their communities and the foundation of our business. That's why, for nearly 70 years, we've invested in our communities. We contribute millions of dollars annually to schools, nonprofits and community organizations across the United States, Canada and Mexico through our corporate donations, the Lowe's Charitable and Educational Foundation and store giving. We leverage our relationships with trusted partner organizations to deliver impactful, long-lasting results. In 2014, we donated \$28 million to support these efforts.

Our commitment to community investment doesn't stop at charitable giving. Each year, as part of the Lowe's Heroes program, employees volunteer thousands of hours of their time to help out with projects that benefit our communities. We're proud to call them Lowe's Heroes.

**2014
COMMUNITY
IMPACT**

41,020
LOWE'S HEROES VOLUNTEERS

2,051
COMMUNITY PROJECTS

OUR STRATEGY

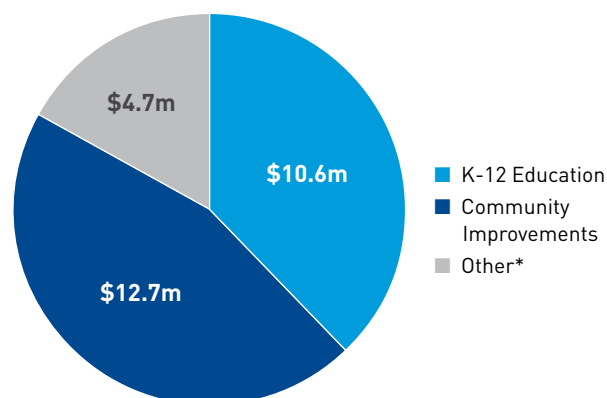
We invest in programs that best serve our communities and are aligned with our core business. With 1,840 stores, Lowe's is present in communities across the United States, Canada and Mexico. We deliver the most meaningful results by partnering with community organizations through a combination of charitable giving and volunteerism.

Given our wide reach, we target our investment in support of two objectives that deliver the greatest overall impact in the communities we serve:

- **K-12 public education:** A good school system is the foundation of every community, and all children deserve access to a great education. Students should be afforded the opportunity to learn in a safe environment with the best learning tools available. Through our signature education grant program—Lowe's Toolbox for Education®—our scholarship funds and continued partnerships, we're always striving to advance educational opportunities for students across the country.
- **Community improvement:** Our business is home improvement, and we feel privileged to partner with organizations such as Habitat for Humanity and Rebuilding Together that strengthen communities by helping ensure that all people have access to safe and affordable housing.

In addition to our core giving areas, Lowe's proudly partners with leading organizations such as the American Red Cross and the First Response Team of America to support relief and recovery efforts after natural disasters. While we can't predict when or where the next disaster will hit, we help our national partners and communities become better prepared and more resilient.

2014 Charitable Giving - \$28 Million Total



*Includes: disaster relief, employee relief fund and employee giving campaign

CHARITABLE GIVING

We're proud of our long history of supporting communities in need, and this was formalized in 1957 with the launch of the Lowe's Charitable and Educational Foundation (the foundation). Since 2007, Lowe's and the foundation have contributed more than \$225 million to support our community programs and partners.

Lowe's maintains a significant commitment to the community despite a fluctuating economic climate. In 2014, as the economy improved, Lowe's was able to fund more philanthropic endeavors. We plan to continue to increase our giving on an annual basis.

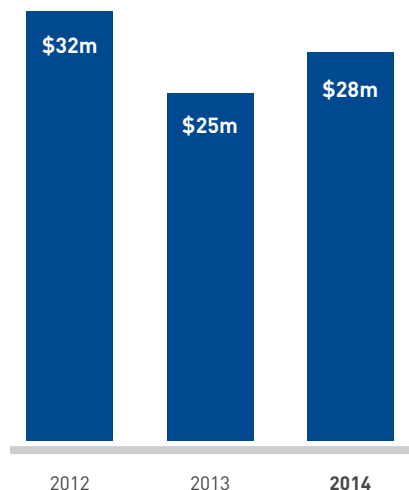
The Lowe's Charitable and Educational Foundation

Since the start of Dwight Eisenhower's second presidential term, the Lowe's Charitable and Educational Foundation has been dedicated to improving the communities we serve. Each year, the foundation awards millions of dollars in grants to help fund education and community improvement programs across the continent. The foundation supports our national partners through charitable contributions, awards millions in education grants through the Lowe's Toolbox for Education program and funds scholarships as well as community grants.

To reflect the diverse interests and leadership capabilities that exist across our operations, the foundation is overseen by a board of directors composed of representatives from Lowe's store operations, employee relations, legal and tax departments, among others. The foundation is chaired by Lowe's Chief Human Resources Officer, Maureen Ausura.

Community Giving, 2012–2014

Total Donations (Corporate Donations and Foundation, and Store Giving)



| | 2012 | 2013 | 2014 |
|---|-------|-------|-------|
| Total giving as a percentage of revenue (net sales) | .064% | .047% | .050% |

LOWE'S HEROES

We have a strong tradition of volunteering. Our employees are committed to improving their communities, and they show their support by volunteering thousands of hours each year. Whether participating in community revitalization efforts after a disaster, conducting how-to clinics to help community members develop construction skills, helping out at K–12 schools or simply cleaning up local parks and beaches, Lowe's employees are always there to lend a hand.

Lowe's Heroes include volunteers from our stores, distribution centers and customer support centers, and we're proud to see that employees at all levels pitch in to help. Up until now, we've not formally tracked employee volunteer hours, but we plan to do so in the near future.

Some highlights from our Lowe's Heroes program in 2014 include:

- **Charlotte, North Carolina:** In June 2014, more than 60 Lowe's Heroes teamed up with Fox Sports South and the Charlotte Hornets to make upgrades at Hornets Nest Elementary School. [» Watch the video](#)



- **Niagara Falls, Ontario, Canada:** In October 2014, 17 Lowe's Heroes joined school staff and the community to build an outdoor classroom for the James Morden Elementary School.
- **Hershey, Pennsylvania:** More than 200 Lowe's Heroes, representing 13 central Pennsylvania stores, spent two rewarding days over the summer enhancing facilities at the Vista School, a school that provides specialized education and therapeutic services to children with autism. [» Watch the video](#)
- **Boston, Massachusetts:** During the summer, over 115 Lowe's Heroes joined Rebuilding Together and Carter's Kids to revitalize a community center and two family homes, replacing tiles, installing cabinets, painting walls and fixing broken windows.

For more information on our community and education partnerships, projects and volunteer efforts, please see Lowe's [Giving Coast to Coast](#).

IMPROVING K-12 PUBLIC EDUCATION

Education is a critical feature of a thriving community. We believe that when we invest in education, we're investing in our future. Lowe's is always looking for ways to provide the necessary resources essential for our children to succeed. With funding and volunteer support, we help schools make needed structural and safety improvements, upgrade technology, build innovative learning settings and provide reading programs and scholarship funds.

LOWE'S TOOLBOX FOR EDUCATION

Our signature education grant program is Lowe's Toolbox for Education® (Toolbox). The Toolbox program provides schools and communities with the necessary resources to make improvements where they're needed most. Our grants enable schools to make renovations and safety enhancements as well as upgrade technology and learning materials. Since the program began in 2006, we've provided more than \$42 million in grants to improve 9,600 schools across the country. As a result, more than 5 million schoolchildren have benefited.

Each year, we provide nearly \$5 million in Toolbox grants for K-12 public schools around the United States. Our need-based grants range in size from \$2,000 to \$100,000, and as many as 1,000 schools can benefit in any given year. In 2014, Toolbox provided \$4.6 million in financial assistance for enhancements at 1,103 schools in 49 U.S. states.

Lowe's Heroes also lent a hand, volunteering their time and expertise to these commitments along the way.



Lowe's Toolbox for Education: Encouraging Outdoor Learning in Detroit

At Priest Elementary School in Detroit, a \$3,100 Lowe's Toolbox for Education grant was awarded to help build an outdoor classroom. The classroom, which features hanging gardens, a butterfly bed, four raised plant beds, a small outdoor library and seating areas for reading and quiet time, will be a resource for all students and the community alike. To encourage widespread use, detailed lesson plans for all grades have been created. These lesson plans teach students about energy and food cycles in addition to basic gardening skills and techniques.

Priest Elementary is one of the most multicultural schools in Detroit, and the outdoor classroom provides a creative and inclusive space for students of all ages to work on projects together.

BOYS & GIRLS CLUBS OF AMERICA

The Boys & Girls Clubs of America is a national nonprofit that provides youth development programs, outside of school hours, for at-risk youth. For more than 100 years, Boys & Girls Clubs have been an invaluable resource to the youth of our country, serving nearly 4 million young people annually at more than 4,100 Clubs.

Lowe's has partnered with Boys & Girls Clubs of America since 2009. Over this time, we've provided more than \$5 million in charitable grants and our employees have volunteered thousands of hours of their time to upgrade Club facilities. In 2014, Lowe's donated \$1 million for upgrades in 20 Clubs across the country.

“Lowe's \$1 million investment helps Clubs to continue to provide safe and engaging places where our members can grow and develop the necessary skills needed to achieve great futures.”

—Jim Clark, President and CEO of Boys & Girls Clubs of America

In 2014, our grants helped deliver much-needed upgrades to Boys & Girls Clubs. Some highlights include:

- **Long Beach, California:** Received \$35,000 to improve its energy efficiency, paint walls and refurbish restrooms and floors
- **Lawrence County, Indiana:** Received a \$50,000 grant to establish a center dedicated to teens
- **Springfield, Massachusetts:** Received \$50,000 for an athletic space and two gymnasium renovations
- **Philadelphia, Pennsylvania:** Received \$50,000 to refurbish a kitchen to be used for healthy cooking programs

In addition to our financial contribution, Lowe's Heroes contributed to efforts at several Boys & Girls Clubs across the country. Highlights include:

- **Lowe's Heroes and Team Lowe's Racing:** During the NASCAR season, Lowe's Heroes partnered with Team Lowe's Racing—the team led by six-time Sprint Cup champion Jimmie Johnson—to help upgrade three local Boys & Girls Clubs across the country. In Concord, North Carolina, we revamped a game room at the local Club with fresh paint and Team 48 decals. In Adrian, Michigan, store employees and pit crew members updated



“At the end of the day, it was easy to see the positive impact that was made to the Club. Not only did the kids and staff walk away with the pride in a job well done, but so did the entire Lowe's team. I was also a member of the Boys & Girls Club as a kid, and it meant a lot to me to be able to give back!”

—Chris Parry, assistant store manager, Store 2617 in Concord, New Hampshire, after a rewarding day of work with Team Lowe's Racing.

landscaping outside the Club. In Concord, New Hampshire, we assisted with several upgrades at the local Club, including fixing a drainage issue on the roof and installing an edge barrier to enclose the playground and make it safer for the children.

- **Pumpkins for a Purpose:** During the fall, Lowe's teamed up with Frey Farms, one of our national pumpkin suppliers, to donate more than 6,500 pumpkins to nearly 70 Boys & Girls Clubs in select states across the country. In Tupelo, Mississippi, Lowe's employees stayed around after the delivery to help the kids paint and decorate the pumpkins.

EDUCATIONAL SCHOLARSHIPS

Each year, Lowe's awards academic scholarships to deserving students across the country through our scholarship partner programs. This academic year, Lowe's awarded \$1 million in scholarship funds benefiting students at historically black colleges and universities. Scholarship programs we contributed to included:

- **UNCF:** We awarded UNCF \$500,000 to help respond to the emergency financial aid needs of students attending member institutions. As a result, hundreds of college seniors are able to stay in school, pay off their outstanding tuition balances and graduate on time.
- **Thurgood Marshall College Fund (TMCf):** We awarded TMCf \$500,000 to support the National Emergency Scholarship Program, a program that provides financial assistance to students at public historically black colleges and universities who are entering the final semester of their degree programs. Recipients were awarded up to \$3,100 in scholarship funds.



Additionally, since 2007, Lowe's has made scholarships available to our employees, their families and dependents through the Carl Buchan Scholarship program. Last year, we awarded \$250,000 in scholarships benefiting 50 students pursuing their undergraduate degrees.

"This scholarship has impacted my life greatly. It has allowed me to see the importance of giving, remaining humble and keeping faith. Not only that, but it allowed me to graduate on time with magna cum laude honors, and I am forever grateful. Because of this, I am able to go on and continue to pursue even higher education, in hopes of obtaining my master's in business administration."

—Raven Stringer, Fisk University graduate

HELPING ADVANCE STEM LEARNING WITH SKILLSUSA

Thanks to a \$20,000 grant from Lowe's, students of Eastern Westmoreland Career Technical College in Pennsylvania were able to complete the construction of an outdoor STEM learning center. The 900-square-foot building will be used by students to study alternative energy technologies and will feature an outdoor classroom, windmill, solar array and weather station.

Since 2004, Lowe's has contributed more than \$11 million to support SkillsUSA and its schools and students with grants ranging from \$2,500 to \$25,000.

IMPROVING COMMUNITIES

Home improvement is what we do best, so we bring essential housing and community building and repair services to those in need. We also provide training services through community events such as Habitat for Humanity's National Women Build Week, where we host how-to clinics to teach essential construction and maintenance skills to women across the country in partnership with Habitat for Humanity.

In 2014, we donated \$12.7 million to support community improvement efforts. We worked with Habitat for Humanity and Rebuilding Together to help rebuild, renovate and restore homes in communities across the United States. Lowe's Heroes, working alongside our partners and their families, contributed countless hours of their time to these efforts.

HABITAT FOR HUMANITY INTERNATIONAL

Since 1976, Habitat for Humanity International (Habitat) has been dedicated to providing universal access to suitable and affordable housing. Working in more than 70 countries, Habitat has assisted more than 5 million people as a result of its housing efforts.

For more than a decade, we've teamed up with Habitat to provide safe and affordable housing services in partnership with low-income families and communities throughout the United States. In 2014, we committed an additional \$23.5 million to support these efforts through 2018. This new commitment will bring our total contributions to \$63 million since our relationship began. In 2014, Lowe's donations assisted Habitat's community improvement projects in 49 states and the District of Columbia.

Our employees are quick to roll up their sleeves to support Habitat. In 2014, Lowe's Heroes committed their time and expertise to build or renovate homes in 380 communities across the United States. Lowe's employees also provided training and skills workshops to communities around the nation.

We also were proud to jointly launch a nationwide campaign that aimed to mobilize thousands of community volunteers in support of Habitat's goal of serving 1 million people each year by 2018. The campaign motivated our employees and ignited the spirit of volunteerism among customers to help Habitat build the workforce required to meet its goal.

In 10 cities from coast to coast, including a kickoff event in New York's Times Square to support Hurricane Sandy victims, more than 500 Lowe's Heroes framed homes in Lowe's store parking lots to launch the nationwide volunteer drive.



Home Rises in Middle of Times Square

More than 60 Lowe's Heroes helped kick off a national volunteer drive in New York City's Times Square by framing a new home in partnership with Leslie Morris and her family. Leslie and her son, Neil, who has autism, were among many New Jersey residents who lost their homes 17 months earlier during Hurricane Sandy.

The Times Square frame was transferred to Sea Bright, New Jersey, where construction was completed on the same lot where the family's previous home stood. The home was built on a raised foundation to keep it safe from future storms.

"To help a family that was really hard hit, it's just a great thing," said Morris, who was eager to get her son back to a familiar place and routine. "It really does renew your faith in people."

Lowe's volunteers spent many days putting the finishing touches on the new home in Sea Bright, and more than 700 volunteers committed 4,000 hours of service to the project.

"This process has not just built her house but has changed life for her and Neil," said Ray Gabler, executive director of Habitat for Humanity in Monmouth County.

» [Watch the video](#)



Habitat for Humanity's National Women Build Week

Last May marked the seventh annual National Women Build Week (NWBW). Each year through NWBW, Habitat and Lowe's encourage women from communities across the nation to dedicate one day to help build affordable housing. In 2014, more than 300 Habitat affiliates and nearly 13,000 women across the United States participated in events, building and repairing more than 650 homes in the week leading up to Mother's Day. Lowe's donated \$1.75 million to support the events and approximately 900 Lowe's Heroes employee volunteers took part in build projects and conducted how-to clinics to help people like Nancy Vargas, and her family, get back on their feet.

For Nancy, moving closer to her family in Indiana after a period of hardship was a necessary step, although, due to costs, this also meant having to share a small studio apartment with her two young sons. Through NWBW, Nancy's new affordable residence will not only keep her close to her extended family but will provide her and her sons with a safe and livable space to call home.

"My life and my boys' life will never be the same because of what Lowe's is doing." – Nancy Vargas

» [Watch the video](#)

2014 also brought greater awareness of NWBW through social media. During an April 30 Women Build Twitter party, there were more than 3,500 recorded uses of #womenbuild, which was among the top topics trending in the U.S. (No. 32).

Since NWBW began in 2008, more than 62,000 women from all 50 states have helped build, repair or renovate homes during this event.

POWER WOMEN POWER TOOLS

2014 marked the 10th year of Power Women Power Tools (PWPT), an annual event hosted by Habitat for Humanity of Greater Los Angeles. A crew of more than 200 all-women volunteers framed walls for four new sustainable, affordable homes in Lynwood, California. Lowe's Chief Human Resources Officer, Maureen Ausura, led efforts that attracted hundreds of women from across many sectors and backgrounds to build homes alongside partner homeowners.

REBUILDING TOGETHER

For more than a quarter century, Rebuilding Together has rehabilitated and rebuilt homes in vulnerable communities throughout the United States. Every year, nearly 100,000 community volunteers come together to support almost 10,000 revitalization projects across the nation.

Since 2007, Lowe's has supported Rebuilding Together through a combination of grants and volunteerism. Our grants help low-income community members afford much-needed renovations, including energy efficiency upgrades, safety enhancements and accessibility modifications. To date, our nearly \$12.5 million in contributions and 2,600 Lowe's Heroes, serving nearly 30,000 hours, have enabled critical restoration services benefiting almost 15,000 people. The market value of the work for homeowners is more than \$20 million.

In 2014, we provided \$2.5 million in contributions, and more than 800 Lowe's Heroes assisted projects in 31 communities across the nation.



Rebuilding a Pueblo with Rebuilding Together

Residents of Pueblo of Laguna have called the remote New Mexico village of 4,000 home the majority of their lives. Howard Francis, a Navy veteran and single dad, has lived in his cinderblock home 40 miles outside of Albuquerque for a decade. Over the years, his home fell into disrepair and needed critical updates to help regulate the temperature in the arid desert.

More than 150 volunteers from Lowe's Albuquerque-area stores and customer support center teamed up to repair three homes, including Francis' 350-square-foot house, and build a playground at the pueblo as part of a \$90,000 Lowe's grant. The project holds special significance because it's the first Rebuilding Together project completed on a pueblo. The settlement is home to the Kawaik tribe, one of 22 Native American tribes in New Mexico.

"The coming together of community and people is still here in this world—something that I thought was lost in this day and age," Francis said. "It's good to know there are still good people out there."

» [Watch the video](#)

PROVIDING DISASTER RELIEF

When disasters strike, Lowe's is there to help. Through our partnerships with the American Red Cross (ARC) and the First Response Team of America, we donate millions of dollars in relief support to help communities get back on their feet. Lowe's Heroes also show their support, volunteering thousands of hours of their time to recovery and rebuilding efforts.

Disaster relief activities in 2014 included:

- **Tupelo, Mississippi:** In April 2014, a series of tornadoes struck several Southern and Midwestern states, leaving more than 35 people dead and countless more homeless. In Tupelo, 30 Lowe's Heroes employee volunteers teamed up with the First Response Team of America to help local communities pick up the pieces and start them on their road to recovery.
- **Moore, Oklahoma:** A deadly tornado struck Moore in May 2013. The tornado's path devastated the community, including local school buildings. In October 2014, 40 Lowe's employees joined Jimmie Johnson and the Jimmie Johnson Foundation to celebrate the completion of three high school gymnasiums in Moore that serve more than 1,600 students. Lowe's contributed more than \$250,000 to the rebuild. Since the tornado struck, Lowe's has contributed more than \$1 million to the recovery effort.

AMERICAN RED CROSS

The American Red Cross is one of the most well-respected disaster relief organizations in the world. Each year, international Red Cross organizations help more than 100 million people in need around the globe, providing food, shelter and relief to impacted communities.

Lowe's participates in the American Red Cross' Annual Disaster Giving Program. We pledge donations in advance of disasters so that Red Cross teams can respond immediately in the wake of an unforeseen event. Since we began working with the American Red Cross in 1999, we've donated more than \$25 million to relief efforts, including \$250,000 last April to assist tornado victims in the U.S.



Promoting Preparedness Leading up to Hurricane Season

In May 2014, Lowe's hosted hurricane preparedness events with the American Red Cross in five communities—Houston, Miami, Mobile, New Orleans and the New Jersey shore. In these areas, Lowe's employees handed out storm kits complete with flashlights, batteries, tarps, work gloves and other emergency supplies to elderly and low-income residents leading up to the hurricane season. Each kit also included a list of 10 preparedness steps to help residents safeguard their family and home during a disaster. As part of the event, Lowe's also hosted a satellite media tour in Mobile with the ARC to share hurricane preparedness tips.

"Most times we go out and we ask for donations. But this time Lowe's knocked on our door and they provided supplies for my seniors. That someone remembers that we're here and stopped at our door, it speaks volumes."—Gwendolyn Mazyck, community manager, Mildred and Claude Pepper Towers, Miami

» [Watch the video](#)

FIRST RESPONSE TEAM OF AMERICA

Since 2007, the First Response Team of America has worked alongside community organizations to provide immediate assistance in the wake of disasters. Using specialized vehicles and equipment, the First Response Team is able to bring critical aid to areas that are otherwise inaccessible to relief workers.

Lowe's has been a national partner of the First Response Team since 2012. During this time, we've donated more than \$1.5 million in funding and thousands of volunteer hours to assist the team's disaster relief efforts. Our support in 2014 included \$750,000 in funding, up from \$500,000 in 2013 and \$250,000 in 2012. These contributions supported the First Response Team's efforts in bringing relief and aid to hundreds of impacted individuals across the U.S.

More than 100 Lowe's Heroes also joined in the recovery activities, working to clear the roads of debris, helping homeowners recover belongings and distributing goods and supplies to affected community members.



Assisting Tornado Victims Across the Southeast

In April 2014, a tornado with 150 mph winds struck Tupelo, Mississippi. Angela Howard and her family found their home in the center of the tornado's path. They took shelter in a nearby friend's basement and made it safely through the storm, but their home was destroyed.

The First Response Team and 30 Lowe's Heroes pitched in to help Angela, her family and the community pick up the pieces. They cleared debris and searched her property for keepsakes and other items that were precious to her and her two daughters.

"Being a single mom, without you guys, I have no idea what I would have done," Howard said. "There are no words to express my gratitude."

The same outbreak of tornadoes affected families across the southeastern United States. Lowe's Heroes traveled from Philadelphia, Columbus, Ohio and Starkville, Mississippi, to assist families in Louisville, Mississippi.

In late 2014, around the holiday season, another set of tornadoes struck Mississippi, killing five and injuring several more. Four Lowe's Heroes chipped in, helping the First Response Team clean up damaged neighborhoods.

Lowe's also donated \$500,000 in 2014 to relief efforts in communities affected by the tornadoes.

» [Watch the video](#)



IMPROVING OUR STORES AND OPERATIONS

With more than 1,840 stores, we manage our operations to reduce our environmental footprint and generate cost savings. As we continue to grow, our challenge is to minimize increases in our use of valuable resources such as energy and water. Our 2013 Social Responsibility Report announced our first set of public sustainability goals, covering energy, carbon emissions and waste.

ENERGY EFFICIENCY AND CARBON FOOTPRINT

Monitoring and managing the energy efficiency of our stores and operations is a win-win, reducing costs and cutting carbon dioxide emissions. With more than 250 million square feet of retail space and 16 regional distribution centers (RDCs), the potential savings and environmental benefits of improved practices are significant. We also strive to make it easier for customers to save energy, water and—importantly—money on their utility bills by providing Energy Star® and WaterSense® products. Our sales employees are trained on how to help customers select energy-efficient products. See [Improving our Products](#).



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

Improve U.S. store energy efficiency 13% per square foot (kWh/ft²)

Reduce enterprise carbon emissions 20% per square foot (tons CO₂/ft²)

Progress in 2014

We replaced approximately 1.6 million fluorescent lamps with lower-wattage lamps, saving enough energy to supply electricity to 14 stores for one year.

In 2014, Lowe's published long-term goals to reduce energy and carbon emissions by 2020, and implemented additional plans to achieve those reductions. We report our energy and emissions data to the CDP annually. This report will be updated once data becomes available.

MONITORING OUR IMPACTS

We review the energy efficiency metrics of our stores annually to identify sites that require additional support and monitoring. The five least-efficient stores in each region are reviewed monthly and monitored throughout the year to help improve their performance.



EFFICIENCY AT OUR STORES AND DISTRIBUTION CENTERS

We design and construct all Lowe's facilities to meet local, state and federal codes and standards, and we remain committed to reducing our environmental impact through efficiency initiatives.

A lighting initiatives team is evaluating current lighting levels to compare various measures, technologies and fixture configurations. We also are evaluating HVAC (heating, ventilation and air conditioning) control measures and technologies that will help us achieve our long-term energy reduction goals while maximizing our investment in existing systems.

WATER CONSERVATION

With severe droughts across much of the United States, water availability is becoming an increasing concern as demand increases. Lowe's takes care to use water responsibly and to deliver conservation programs in water-scarce communities.

As a leading retailer of lawn and garden products, Lowe's understands that water is essential to providing healthy plants to customers. With our significant presence in California, which is experiencing a historic drought, we modified our operations and product offerings. We limit water use at our Lowe's garden centers by shifting watering schedules to earlier in the morning or later in the day to reduce evaporation, removing water from

New Energy Management System to Bring Us Closer to Our Goals

We are piloting a new energy management system (EMS) at 30 Lowe's stores. The new system is intended to identify, in real time, operational issues that can lead to excessive energy use. The EMS promises improved control of our energy system and access to real-time data through new smart meters to support various energy-saving measures and technologies.

The pilot program will be evaluated over a 120-day period. If approved, we plan to complete an enterprise rollout within three years. The success of the system is integral to achieving our energy reduction goals and underscores our commitment to sound stewardship of our energy resources and the comfort of our employees and customers.

outdoor display fountains (posting signs to explain why) and conducting inspections of spigots and hoses to identify and repair leaks. We also encourage customers to adopt water-efficient gardening by placing water-saving products in prominent positions within stores and offering an expanded selection of drought-tolerant plants.

RECYCLING AND WASTE

Awareness and behavior change are integral to our efforts to maximize recycling and minimize waste. This applies to all our employees for store-generated waste and extends to providing customers advice on responsible disposal of select products and packaging.

| By 2020, Lowe's aims to achieve the following milestones for waste measured against a 2010 baseline: | Progress in 2014 |
|--|--|
| Reduce tons of waste per net sales 40% | We prioritized increased waste audits to better understand our waste stream. These audits help identify recycling opportunities for lightweight materials that currently go to landfill. Expanding our recycling program will bring us closer to our 2020 goals. |
| Increase tons of waste per haul 40% | |

CHANGING BEHAVIOR

While many of our award-winning recycling programs have been in place for more than a decade, continuing to educate our employees about responsible waste management is essential to achieving our 2020 goals.

We also help customers understand how to dispose of products at the end of their life cycle, and offer free collection and recycling of used appliances when customers purchase replacements. In 2010, we established recycling centers conveniently located near the customer service desk at every Lowe's store in the 48 continental states. In partnership with the nonprofit organization Call2Recycle, Lowe's recycling centers promote recycling of rechargeable batteries and cell phones, compact fluorescent light bulbs (CFLs) and plastic materials.

In 2014 alone, Lowe's recycled 304 tons of rechargeable batteries, 37 tons of CFLs and 3,503 tons of plastic bags, shrink wrap, stretch film and plastic bottles.

Customers also can recycle plastic plant trays and pots at any Lowe's garden center in the continental United States and Canada. Since the program's launch in 2011, more than 28 million pounds of plastic containers have been kept out of landfills.

MANAGING WASTE

We've established a clear management structure to ensure responsible waste disposal and maximize recycling. Waste is managed at our stores by our planned maintenance teams. Recycling

Lowe's Stores Make Call to Recycle Unwanted Phones

There are an estimated 6 billion cell phone subscriptions around the world—nearly equal to the global population. And many people aren't aware that phones contain valuable materials and are powered by rechargeable batteries that, if not properly disposed of, can cause pollution.

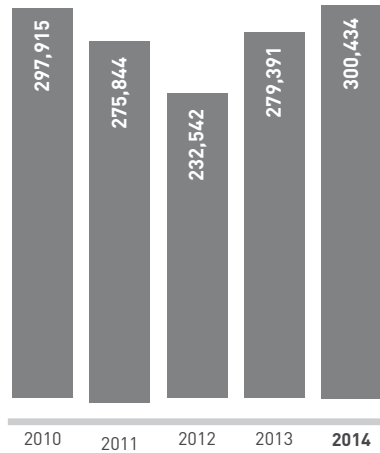
Since 2003, we have offered customers a safe and convenient way to dispose of their old cell phones, in partnership with Call2Recycle, North America's first and largest battery stewardship program. To date, Lowe's has recycled 3.5 million pounds of rechargeable batteries.

In 2014, we continued to increase collections, and Lowe's store participation rate in the Call2Recycle program reached 99.8 percent—the highest participation rate among all major U.S. national retailers in the program. In addition, more than 92 percent of Lowe's sites received an "Excellent" rating for their participation. "Excellent" rated sites return collections to Call2Recycle at least every three months.

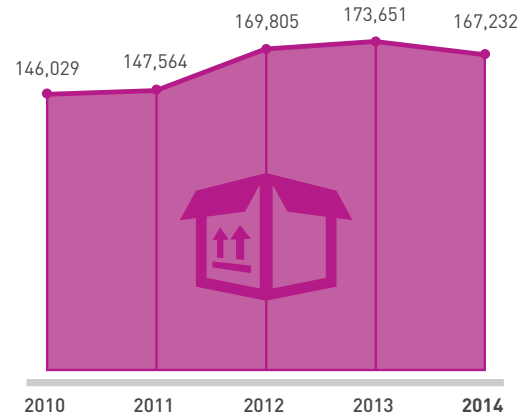
at stores and distribution centers is centrally coordinated by Lowe's corporate office, enabling us to achieve a higher value for the materials. Our store management teams are incentivized through rebates to recycle, based on the volume of recyclables collected.

In 2014, our total waste to landfill increased 7.5 percent from 2013 because of the growth of our business.

Waste to Landfill
(Tons)

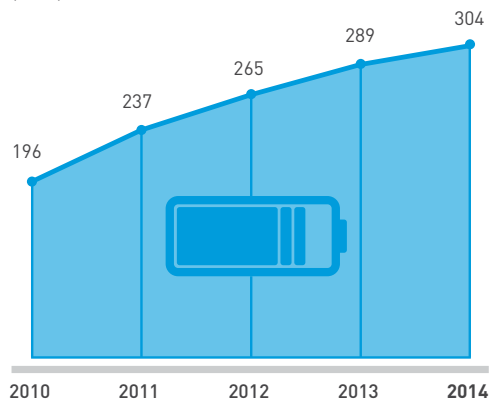


Cardboard
(Tons)

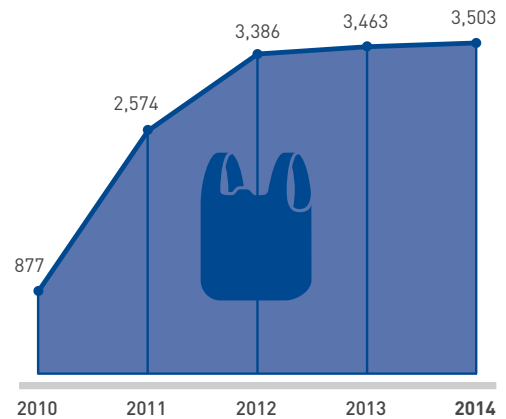


RECYCLED MATERIAL

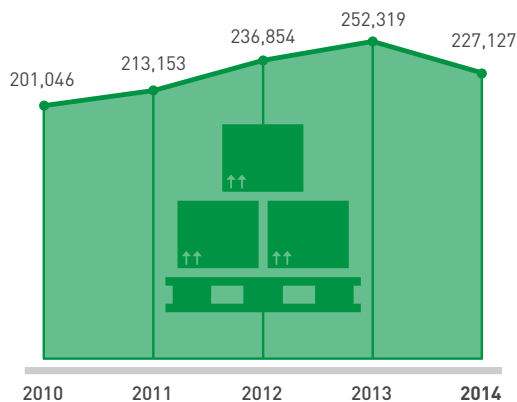
Rechargeable batteries
(Tons)



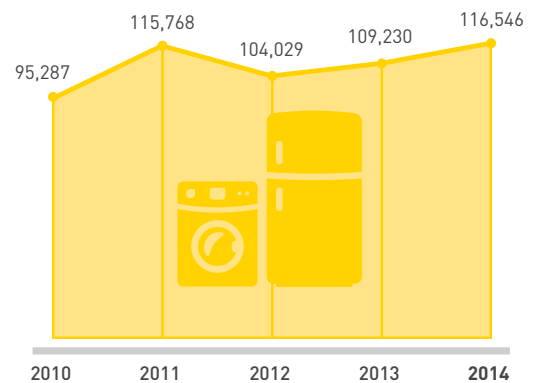
**Plastic bags, shrink wrap,
stretch film and plastic bottles**
(Tons)



Wood pallets
(Tons)



Appliances and scrap metal
(Tons)



HAZARDOUS MATERIALS

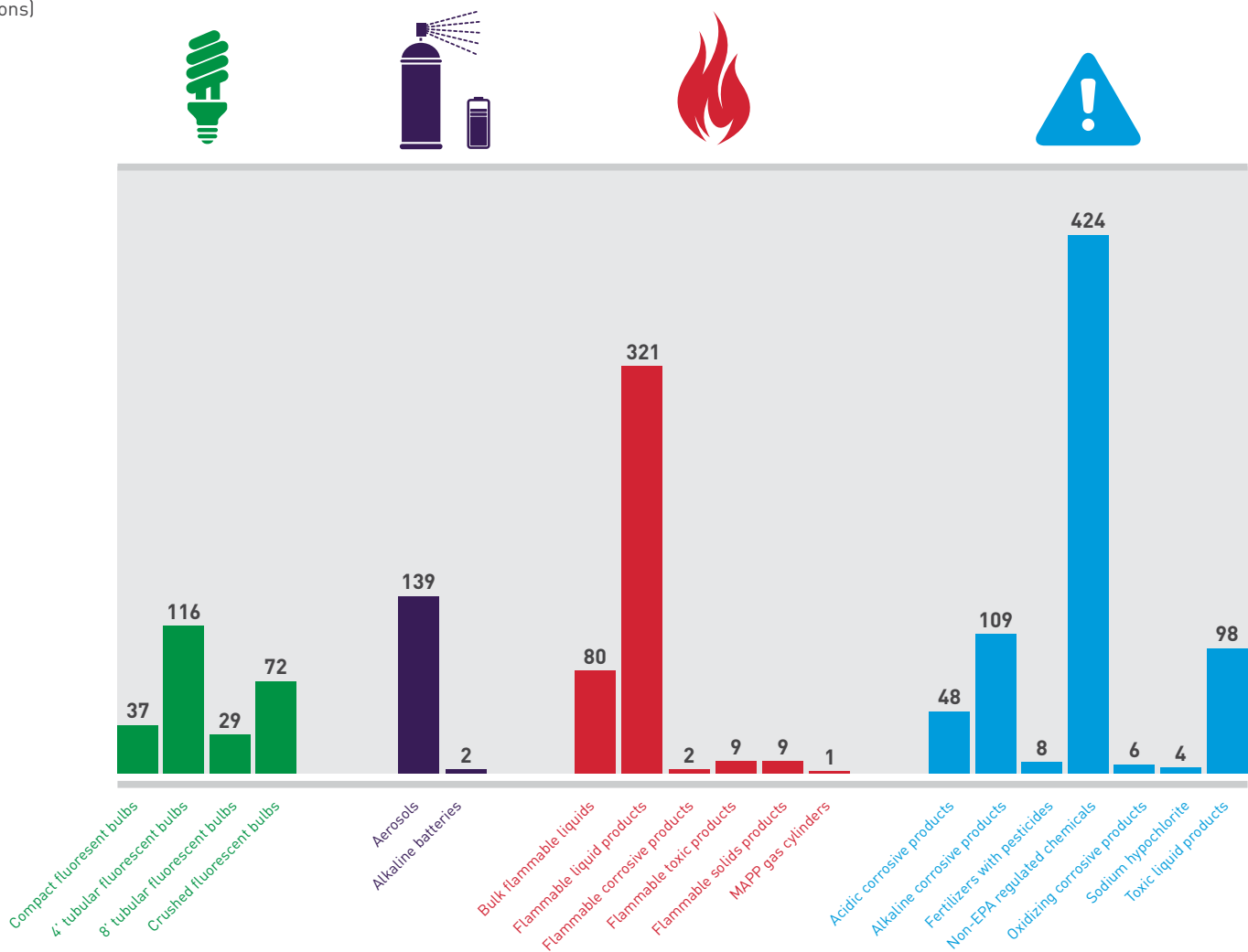
Lowe's carries a wide variety of chemical-based consumer products such as paint, cleaning supplies, adhesives, plumbing products and fertilizers. Our hazardous waste management programs have been in place for more than 20 years and continue to evolve and grow with the business. Responsibly managing and transporting these products starts with one simple step: identification. Our classification system labels each item as a hazardous material (hazmat) or nonhazardous material. Products classified as a Lowe's hazmat item are required to have a Safety Data Sheet (SDS) on file, and steps are taken to ensure their transportation follows U.S. Department of Transportation guidelines as well as Environmental Protection Agency (EPA) and state waste disposal regulations. Lowe's hazmat items that are spilled, damaged or do not meet Lowe's waste minimization guidelines are processed

through the Lowe's hazardous waste disposal program and a licensed hazardous waste disposal service.

All store and distribution center employees receive fundamental training on responsible and safe management of hazardous waste materials during our mandatory new hire safety orientation. Depending on their role, employees receive additional hazmat training through e-learning courses, in-aisle training, activity sheets and other aspects of the Lowe's safety curriculum.

The management methods we use to process hazardous waste materials include fuel blending and energy recovery, incineration, neutralization, recycling and stabilization. In 2014, Lowe's hazardous waste program collected and properly disposed of the following waste streams generated as part of regular business, customer returns and take-backs.

Hazardous Materials by Volume*
(Tons)



*2014 hazardous waste volume data provided by Lowe's hazardous waste disposal vendor

LOGISTICS

Every day, our carriers transport hundreds of thousands of products from suppliers to our distribution centers and then onward to our stores. In partnership with our transportation providers, we're committed to reducing environmental impacts through advanced logistics planning and the use of fuel-efficient vehicles. We also invest in natural gas-powered fleets at select RDCs to reduce fuel costs and greenhouse gas emissions.

We increase efficiency through backhauling (loading trucks on both their outbound and inbound journeys), and optimize trailer loads to save fuel, reduce emissions and maximize the volume of products trucks can carry. Combined with our investments in natural gas-powered fleets, we continue to reduce our total highway mileage and diesel fuel use, yielding carbon savings.

PARTNERING FOR CHANGE

Since 2005, we've partnered with SmartWay®, the EPA program that reduces transportation-related emissions by creating incentives to improve supply chain fuel efficiency. The program has helped reduce our carriers' highway travel by more than 1 billion miles, resulting in fuel savings of more than 207 million gallons and carbon dioxide savings of more than 2.2 million metric tons—equivalent to removing more than 440,000 cars from America's roads.

Lowe's carriers must be SmartWay certified, and we confirm their status during our prospective carrier review process. We also audit our existing partners annually to ensure they maintain their certification. In September 2014, Lowe's received a SmartWay Excellence Award for superior environmental performance in supply chain operations. Lowe's is the only retail shipping partner ever to receive six SmartWay awards.

As one of the first supporters of the Coalition for Responsible Transportation (CRT), we also work to reduce pollution from short-haul trucks through clean-truck incentive programs. The CRT is a membership organization that facilitates practical and responsible reductions in truck pollution without disrupting the flow of commerce.

We continued to work with the EPA and CRT in 2014 to participate in clean-truck incentive programs, first launched in ports in Southern California and across the Southeast. As part of the program, we're working to ensure that by 2015, 100 percent of Lowe's import containers are transported by short-haul trucks that are 2004 models or newer.

We've made great progress toward our goal. In 2014, 97 percent of import containers were delivered by 2004 or newer trucks.

PURSuing EFFICIENT TECHNOLOGIES AND PRACTICES

Natural gas-powered trucks are cleaner and more economical than those powered by traditional diesel fuel. Lowe's joined the Florida Natural Gas Coalition in 2012 to explore alternative fuel vehicles, and in 2013 introduced our first fully natural gas-powered fleet at our Mount Vernon, Texas, RDC. From 2013 to 2014, five other RDCs established full or partial natural gas-powered fleets that use both compressed natural gas and liquefied natural gas. In January 2015, we exceeded our goal to use natural gas-powered fleets for at least 20 percent of Lowe's stores that are serviced by an RDC with the introduction of a new fleet in Pennsylvania.



Maximizing the volume of products our trucks carry also can save fuel and reduce emissions. We attempt to use backhauling for vendor loads and less than truckload consolidation loads within the service area of each RDC's dedicated fleet. As a result, 20 percent of loads inbound to our RDCs are handled as backhauls tied to a store delivery.



IMPROVING OUR PRODUCTS

Lowe's carries thousands of products that help customers live more sustainable lives. From energy-efficient appliances to LED light bulbs, and from insulation to water-saving fixtures, we help customers find the responsible solutions they want. We train our employees to provide advice on greener choices that frequently also offer cost savings through reduced utility bills.

PRODUCTS TO HELP CUSTOMERS LIVE SUSTAINABLE LIVES

To offer customers the latest energy- and water-efficient appliances, 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.

Examples of our energy-efficient products include:

LIGHTING

Lowe's carries a wide variety of LED bulbs for almost every household application, with prices starting under \$10. An average LED bulb will last more than 22 years (based on three hours of usage per day), and over its lifetime will cost about \$30 to operate, while an incandescent bulb will cost \$165 to operate over the same period of time. Our LED assortment includes:



- The new Osram Sylvania Ultra brand introduced in July 2014. This range of 40, 60, 75 and 100-watt equivalent bulbs enhances the visual appeal of LEDs, being the same shape as conventional light bulbs and offering soft white and daylight options.
- The Sylvania Ultra iQ™, the first LED bulb designed to work with Lowe's Iris® home management system. The advanced energy-efficient bulbs are floodlights that work with Iris to eliminate the need for conventional wall dimmers by allowing consumers to control lighting from their smartphone.

SMART HOME CONTROLS

In 2014, we surveyed consumers about their attitudes toward the smart home. We found that more than 70 percent of smartphone users in America wish they could control appliances in their home from their mobile device, and that in general, Americans feel positively toward products that will make their homes safer, more energy-efficient and easier to manage. Lowe's is already bringing the smart home to the average consumer by making it simple, affordable and customizable. Launched in July 2012, Iris is Lowe's smart home solution created to monitor and control many appliances in the home anytime, anywhere from a computer, smartphone or tablet. We offer the most extensive array of connected products on the market, including 50 Iris-compatible devices.



Examples include:

- The Iris Comfort & Control kit features a smart thermostat, enabling consumers to manage energy consumption remotely through the Iris Hub app and view a specific device's current and historical energy usage.
- The EnergySmart electric water heater controller connects with the Iris system to enable customers to control their water heater temperature wherever they are. Users can create customized schedules to save energy by heating water only when they need it.



WINDOWS

- The Pella 250 series energy-efficient window delivers exceptional energy-saving performance. Featuring foam insulation for added energy efficiency and with the option of triple-pane InsulShield® Low-E insulating glass, Pella 250 Series windows are at least 54 percent more energy-efficient than single-pane windows.



WATER-SAVING PRODUCTS

Examples of our water-efficient products include:

- The Iris smart home system now includes an affordable water shut-off valve that can be controlled over the Internet to protect homes from flooding and potentially costly repairs. The smart valve is the first of its kind linked to water leak detectors and temperature sensors to automatically shut off the water supply if a leak is detected or the temperature is too low, which may cause a pipe to freeze when homeowners are away.
- The Orbit hose faucet water timer is easily installed on any hose faucet and allows consumers to remotely turn the hose on/off or schedule watering. This helps consumers save water by turning off the watering cycle when it rains.

- The Oxygenics Vortex showerhead produces a shower stream that feels more powerful than standard showers operating with the same water pressure, but actually uses less water, saving customers money.



The Vortex Oxygenics was selected as a Consumers Digest Best Buy in the faucet and showerhead category in the March/April 2014 issue. Lowe's also named Oxygenics a 2014 Innovative Partner of the Year for its WaterSense certified showerheads.

ENERGY STAR AND WATERSENSE SAVINGS

Through our partnership with U.S. Environmental Protection Agency's Energy Star and WaterSense programs, we track the accumulated energy and water savings from our sales of products meeting these standards. We work on a local level with utility partners 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.

Lowe's sold enough Energy Star products in 2014 to:

- Save customers approximately \$2.4 billion in utility costs over the lifetime of the products
- Eliminate greenhouse gases equivalent to the emissions from nearly 2.9 million cars

Lowe's sold enough WaterSense products in 2014 to:

- Save customers approximately \$23 million annually on water bills
- Reduce water use by approximately 2.5 billion gallons, equivalent to the amount of water used annually by nearly 23,000 U.S. households

ORGANIC AND NATURAL GARDEN PRODUCTS

Lowe's offers customers the opportunity to garden organically with a comprehensive range of natural fertilizers and soils. Our natural garden products include:

- Scott's lawn food
- Kellogg organic soil conditioner
- Jobe's organic vegetable food granules



TRAINING OUR EMPLOYEES

As customers continue to change the way they shop for home improvement products and services, Lowe's is evolving our sales culture, providing better support tools and developing new sales skills in our workforce. We're building our employees' sales capabilities, including the expertise enabling them to advise customers on greener products and the potential savings in utility bills.



Among our more than 3,200 online training courses, we have training modules and in-store activity sheets that include the following sustainability focus areas:

- Helping customers select energy-efficient products
- True cost of light calculator (helping customers appreciate the value of energy-efficient bulbs)
- Introduction to Iris (our smart home solution)
- High-efficiency laundry
- Renewable energy
- Insulation
- Recommending the right window to customers
- Lawn fertilizers and chemicals

LISTENING TO STAKEHOLDERS

Lowe's stores sell approximately 36,000 products, sourced and manufactured from a vast number of raw materials. Through research and engagement with a variety of external stakeholders and advocacy groups, we work to become better informed about potential issues related to the products we sell and how we operate.

We encourage suppliers to consider sustainable and environmentally responsible raw material sources, to design greener products and to share information with consumers. The product concerns on which we've engaged external groups most recently are outlined below.

RODENT CONTROL

People for the Ethical Treatment of Animals (PETA) engaged with us on more humane products to address rodent issues in customers' homes. Over the years, and with open dialogue, we've shifted product placement, expanded alternative products and tested signage to help customers make more informed choices when selecting rodent control products.

NEONICOTINOID PESTICIDES

For years, Lowe's has monitored research focused on the health of honey bees and other pollinators. Studies indicate that multiple factors, including mites, poor nutrition, loss of habitat and genetic conditions, are potentially damaging the health of pollinators. Some studies say that neonicotinoid (neonics) pesticides may be a factor.

Lowe's is committed to regularly reviewing the products and information we offer customers and we're taking the following actions to support pollinator health:

- Including greater organic and non-neonic product selections
- Phasing out the sale of products that contain neonic pesticides within 48 months as suitable alternatives become commercially available
- Working with growers to eliminate the use of neonic pesticides on bee-attractive plants we sell
- Encouraging growers to use biological control programs
- Educating employees and customers through in-store resources such as brochures, fact sheets and product labels
- Providing expanded, related content on Lowes.com to help educate customers
- Funding pollinator gardens through our partnership with Keep America Beautiful

RESPONSIBLE WOOD SOURCING

Natural and old growth forests are important to sustain life on Earth, and Lowe's is committed to preserving them. 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, "non-endangered" forests.



A significant majority of the wood we purchase comes from North American forests, which are some of the most responsibly managed in the world. An important aspect of our policy is determining which forests are "endangered" and require protection. Our goal is to avoid any wood in our products being sourced from endangered forests.

There is no single definition of an “endangered” forest, though terms such as “threatened” and “high conservation value” are used interchangeably. 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 local extinction of indigenous species

Since 2003, Lowe’s has required suppliers to report information on the source of their wood, including where the wood was harvested, the wood species, whether it has sustainable forest certification and the volume purchased.

We maintain a responsible wood sourcing database and publish a Wood Sourcing report every two years. Our latest report is incorporated in our [2013 Social Responsibility Report](#). Our 2014 report will be published on our website during 2015.



Canadian Boreal Forest

Canada’s boreal forest stretches nearly coast to coast and offers a wealth of natural resources for recreation, habitat and renewable wood products. Balancing these sometimes competing priorities can be challenging, but Lowe’s has been involved early on through the Boreal Business Forum (connected to the Canadian Boreal Initiative) to encourage a landscape approach to forest management that includes a broad stakeholder range, including First Nations, provincial governments, environmental groups and forest products companies.

This initiative is attempting to influence policy and practice on a national scale, and we remain encouraged about current and future progress.



IMPROVING OUR WORKPLACE

We start with a simple premise—engaged employees create a more positive, productive work environment and happier customers. Our more than 265,000 employees (64 percent full-time, 36 percent part-time) work in the United States, Canada, Mexico, China, India and Vietnam, and we aim to ensure that all of them are fulfilled by their work. Customers choose Lowe's because our employees offer more than just a transaction. They demonstrate our enthusiasm for helping people love where they live.

EMPLOYEE RELATIONS

Lowe's listens to our employees. Their feedback provides essential information for leadership and ideas for improving our company. Our annual Employee Opinion Survey, conducted each fall, asks all permanent full-time and part-time employees to share their views on a variety of topics, from company culture to work-life balance. Our leadership team reviews the survey findings and initiates programs to address the issues and opportunities raised.

Nearly 80 percent of Lowe's employees participated in the 2014 Employee Opinion Survey. We're proud to report that for the first time in the survey's eight-year history, all three of our U.S. business units (stores, distribution centers and customer support centers) reached, or surpassed, our benchmark goal of 65 percent, indicating a highly engaged workforce.

The positive messages in the "word cloud" below reflect responses to the question: "What word describes Lowe's to you?" The biggest change in employee responses to this question is the prevalence of the word "family."



TRANSFORMING INSIGHT INTO ACTION

Lowe's launched an Employee Opinion Survey reporting site in 2007 to provide leaders with consistent, specific direction on areas that need action. We continue to improve the site each year.

In recent years, the Employee Opinion Survey consistently revealed three areas for leaders and employees to focus on to improve employee engagement. These included 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. By maintaining focus on these issues, our leadership team played a significant part in raising employee engagement. These efforts were recognized by the independent, career-focused website CareerBliss, which named Lowe's one of the 10 happiest retailers to work for in 2014.

Lowe's future success will be enhanced by attracting and retaining diverse talent and fostering an inclusive culture. Our employees are part of the same communities as Lowe's customers, and the more closely we reflect these communities in our workforce, the more in tune with their needs and expectations we'll be. Our inclusive culture also extends to our supply chain through our supplier diversity program (see [Improving Supplier Standards](#)).

An inclusive organization values the contributions and perspectives of every employee, and provides a culture where everyone can reach their full potential. In 2014, the readers of the website Diversity/Careers in Engineering & Information Technology named Lowe's as one of only three retailers included in the Best Diversity Companies of the year. The National Inclusion Project also recognized Lowe's as a 2014 Champions Honoree for our work in supporting an inclusive workforce for individuals with disabilities, and Veteran Recruiting selected Lowe's as one of its Top 10 VetFriendly Employers in 2014, as voted by the veterans and military spouses who attended Veteran Recruiting virtual career fairs.

SUPPORTING WOMEN IN LEADERSHIP

The annual Lowe's Women's Leadership Series is an example of our commitment to helping women at Lowe's understand and enhance skills essential for leadership growth and self-development. In 2014, the series included an annual summit that brought together nearly 120 women from field and corporate offices to network and take part in interactive events. The series provides many opportunities for women to share insights, mentor each other and collaborate.

In 2014, Lowe's launched a new program to develop our pipeline of women leaders. Our VPSO (Vice President of Store Operations) Collaboration Program pairs vice presidents with women store managers to collaborate on ways to develop and expand our leadership team. We'll leverage the program again in 2015 with a new group of store managers, and launch a new field mentoring program to pair women and minority store managers with market directors whose expertise will support leadership development.

ATTRACTING DIVERSE TALENT

Lowe's is committed to attracting and retaining employees from diverse cultural and professional backgrounds, and we aim to create a talent pool that reflects the diverse communities where we do business. Career conferences are an important part of our hiring strategy, and provide management teams with the opportunity to interact with and directly recruit a diverse workforce.



SEEKING TALENT AT NATIONAL BLACK MBA ASSOCIATION CONFERENCE

In September 2014, 40 Lowe's employees attended the annual National Black MBA Association (NBMBA) Conference in Atlanta, Georgia, with one goal in mind: Seek out and hire the best talent. And they succeeded, hiring 18 new employees on the spot. Lowe's has been a strategic partner of the NBMBA since 2008 to support its commitment to developing partnerships that help create intellectual and economic wealth in the black community.

INFORMATION TECHNOLOGY SENIOR MANAGEMENT FORUM

Lowe's Companies, Inc. is a member of the Information Technology Senior Management Forum (ITSMF), an organization that strives to increase the level of African-American representation at senior levels of IT through executive leadership development programs, networking initiatives, formal mentoring and strategic partnerships. In 2014, Lowe's partnered with the ITSMF Management Academy to offer employees entry to a one-year program that provides virtual and classroom training specifically designed for middle management professionals.



WOMEN OF COLOR STEM CONFERENCE

Women of color are particularly underrepresented in careers in science, technology, engineering and mathematics (STEM) related subjects. To promote awareness of the importance of women in STEM fields, Lowe's participated in the career fair at Women of Color magazine's annual Women of Color STEM Conference, held in October 2014. The conference honors the significant achievements of women in the STEM professions and features awards ceremonies, workshops and training sessions that allow attendees to network, recruit and refocus on personal and professional development.

SERVICE ACADEMY CAREER CONFERENCE

Lowe's commitment to recognize, honor and respect those who serve in the U.S. military is rooted in our history. Lowe's was founded on the heels of World War II by military veteran Carl Buchan, and more than 14,000 Lowe's employees are veterans or active service members. We're honored to hire military talent and regularly participate in military-sponsored career fairs and events, including Service Academy Career Conferences (SACC) across the U.S. since 2012. This year, Lowe's hiring managers attended SACCs in Georgia, Texas and California to hire employees on-site. We also demonstrate our commitment to men and women who serve in the National Guard or the Reserve by signing the Employer Support of Guard and Reserve Statement of Support. The statement is designed to encourage employers to act as advocates for employee participation in the Guard and Reserve.



LEARNING AND DEVELOPMENT

We provide training and development opportunities to our employees to promote engagement and achieve strong business results through a culture of continual improvement. Our programs include offsite development training for leaders, professional development, skills building opportunities and coaching.

BUILDING EXPERTISE

Lowe's stores offer approximately 36,000 products, and choosing the right one can be overwhelming. Providing helpful product expertise is a key reason customers return to our stores when tackling a challenging home improvement project. In addition to sales expertise, our employees also master a wide range of technical skills and knowledge to help customers complete their projects.



Our employees help build the Lowe's brand every day through the quality of their service. Customers interact with Lowe's through multiple channels, including at our stores, in homes and through our website and customer care teams/contact centers. It's essential that our employees offer a seamless customer experience and deliver the same quality of service regardless of their location and role. In 2014, we worked to align contact center and in-store training programs to ensure a consistent approach by building communication skills and trade and product knowledge across our sites.

Our targeted training and flexible learning programs, Learning@Lowe's and Selling@Lowe's, teach these skills and empower employees to accelerate their career development. The Learning@Lowe's program offers a variety of learning paths for employees and includes online courses, instructor-led classroom training, experiential learning, on-the-job learning, coaching and performance support. Selling@Lowe's focuses on advancing our sales culture and enhancing the customer experience through selling skills training. We constantly evaluate our training investment and strategy to optimize our learning infrastructure. And we're seeing results. Average annual call times are increasing year over year, indicating more dialogue with customers.

Employees in selling roles receive an average of 50 hours of training per year, while non-selling employees receive an average of 30 hours. In total, we invest more than \$20 million and 9 million hours each year to train our 265,000 employees in customer-facing and leadership roles.

Breaking Communication Barriers

¿Hablas español? Do you speak Spanish? 120 additional Lowe's distribution center employees now do after participating in the Minnesota-based Concordia Language Villages Spanish immersion program. Distribution center executives launched the program to meet the training needs of Lowe's employees. In its fifth year, the program has helped reduce communication barriers between Spanish-speaking and English-speaking Lowe's employees. Employees who take on the immersion process make a 24/7 commitment to the Spanish language during their time at El Lago del Bosque, the Spanish Language Village. From small-group intensive classes and role play to cooking demonstrations and football games, every activity aims to provide vocabulary and cultural knowledge that relates directly to Lowe's operations. "When language problems arise at our facility, we can reach out to a new work-related network," said John Gann, a Lowe's manager and immersion graduate.



In October 2014, Lowe's Director of Leadership Development, Chad Sanders, and Vice President of Learning and Development, Lisa Doyle, received the Bronze Collaboration Award from Chief Learning Officer magazine, commending our six-week store manager training program.

FOSTERING LEADERSHIP

We make significant investments in developing our current and future leadership teams to ensure our continued growth. We aim to provide current and next-generation leaders with development opportunities to enhance their capability to lead themselves, lead their teams and run the business. The Lowe's Leadership Institute works to ensure our leaders are able to engage and direct our workforce and undertake personal assessments and formal learning programs. In 2014, we collaborated with the Ken Blanchard Co. and faculty from the University of North Carolina's Kenan-Flagler Business School to develop an award-winning store manager training program (SMTP). The six-week program targets potential future store managers and helps participants understand the business, customers and their own leadership talents. In 2014, we promoted 217 SMTP graduates to store manager.



The six-week store manager training program is absolutely the best development program that I have been a part of. The knowledge and skills I learned and discovered during the training are going to prove extremely valuable to me not only in my career, but also in my personal life. I can now see all of the leadership opportunities that exist at Lowe's, and I'm eager to promote engagement and improvements in the workplace. I feel honored and privileged to have taken part in the program."

—Darin Duh, Store Manager at Lowe's of Hatfield Township, Pennsylvania and 2014 SMTP graduate

EMPLOYEE BENEFITS

In addition to training and career development, our health and benefits programs make Lowe's an attractive place to build a long career. Lowe's is committed to supporting healthier, happier lives and offers health and dental insurance, vacation, sick time, flexible spending account plans, a discount stock purchase plan, a 401(k) plan with a company match, tuition reimbursement programs, no-cost health screenings and more. We promote long-term well-being by encouraging employees to invest in their future, both physical and financial, through engaging communications for our employees and their families.

PROVIDING CARE OUR EMPLOYEES NEED

Participation in the variety of medical benefits Lowe's offers has increased in recent years. In 2014, more than 76 percent of the full-time workforce participated in our health plans. Our self-funded medical plans include maternity management programs, personal health advocates and other services.

Lowe's no-cost flu shot program also has grown. Employees can get a flu shot during on-site events, or at CVS stores. More than 64,000 employees received a flu shot in 2014, up 25 percent from 2012.

Lowe's 401(k) savings plans are another area of recent growth. Employees taking part in the program are saving more toward retirement. From 2012 to 2014, the average deferral rate (percent of an employee's income deducted pretax and placed into 401(k) savings) jumped 28 percent, and the average account balance jumped 82 percent.

HELPING EMPLOYEES BECOME WISER ABOUT THEIR OPTIONS

We communicate the range of benefits we offer to our more than 265,000 employees through My Lowe's Life, an internal website launched in 2005. The site gives employees instant access to information they need—from their pay stubs and vacation time to direct deposit information.

In late 2013, we enhanced My Lowe's Life with the new [My Lowe's Benefits](#) website, where employees and their family members can access everything they want to know about their health plan, 401(k) and other available benefits. My Lowe's Benefits received more than 14 million page views in just over a year, including 2.5 million views during the most recent annual enrollment period for our benefit plans.

Employees also receive information about Lowe's benefits and wellness events through Connections, Lowe's social media intranet for employees. Blog posts about wellness events and benefits often receive more than 1,000 page views, and videos have topped 10,000 views. Employees also can view a benefits magazine, brochures and other benefits materials online.

PROMOTING EMPLOYEE WELLNESS

We encourage our employees to take an active role in their health. Lowe's offers no-cost health screenings through five mobile health screening units that make annual site visits to every store, distribution center and customer support center. We also offer 18 on-site health centers at our distribution centers and customer support centers. In 2014, employees completed 100,000 health screenings. This 30 percent increase in participation from 2013 was due in part to our top-tier health coverage program that requires health screenings. More than 275,000 screenings were conducted in the past three years.

More than 25 percent of employees are now actively engaged in our [My Life Track](#) website—a wellness portal for Lowe's employees and their families—up more than 50 percent from 2013 to 2014. Employees and family members use the site to track their weight, food intake and activities, and to participate in weight management programs, 30-day challenges and other initiatives.

Three other programs have had a similarly strong response. Lowe's Quit for Life smoking cessation program has helped more than 9,000 employees quit smoking since the beginning of the program in 2006, and it has a 96 percent satisfaction rating with employees. The six-month program helps more than 50 percent of participants quit smoking.

Lowe's Family Assistance Program, a no-cost counseling program for employees and family members, received more than 20,000 calls in the past three years. Lowe's tuition reimbursement also has been well utilized. The program reimburses full-time employees up to \$2,500 per fiscal year and has reimbursed a total of \$6 million the past two years.



Jan Senkbeil (left) needed a new right knee—and got it with no out-of-pocket costs, thanks to Lowe's hip and knee replacement program. "Lowe's is very forward-thinking," she said. "When you give great benefits, you get great employees."

Lowe's No-Cost Hip and Knee Replacement Program

More than 180 employees received no-cost hip and knee replacements in 2014 as part of our newest healthcare program. The service is delivered through a partnership with four facilities in the U.S., designated as Centers of Excellence because of their high quality of care and patient satisfaction.

Launched in January 2014, the initiative is open to all Lowe's employees enrolled in our self-funded health plans, and includes full reimbursement of associated travel for the patient and a companion. This is one example of how our benefits programs go beyond basic requirements and continue to meet the changing needs of our workforce. In early 2015, Lowe's launched a no-cost spine surgery benefit for employees in collaboration with three Centers of Excellence. These programs build upon the first-of-its-kind heart surgery program we launched with the Cleveland Clinic in 2010.

LOWE'S EMPLOYEE RELIEF FUND

In times of great need, the Lowe's Employee Relief Fund assists those experiencing significant financial hardship through the generous contributions of fellow Lowe's employees. All full-time and part-time employees are eligible for support. The program is supported by contributions from employees through payroll deductions and check contributions, with Lowe's matching each contribution dollar-for-dollar and funding the operating costs. Since its inception in 1999, the fund has processed more than 21,000 applications and contributed more than \$23 million in financial assistance. In 2014, the Lowe's Employee Relief Fund distributed more than \$3 million to employees and their families.

AWARDS AND RECOGNITION

In 2014, for the second time in four years, Lowe's benefits programs were recognized with the Employer Innovator award from Health Data & Management Solutions (HDMS), a software development company. Lowe's wellness program also has been certified gold by the National Business Group on Health and the CEO Roundtable on Cancer.

HEALTH AND SAFETY

At Lowe's, we believe "Safety Is When Nothing Happens," and that's a commitment we extend to our employees, customers, vendors and contractors. Strong foundational training programs prepare employees for successful, safe and long careers. This is why every employee undergoes comprehensive New Hire Safety Orientation during their first days at Lowe's.

Our programs and policies build safety into every process and every facet of our business. Our approach is time-tested and supported by rigorous training programs, monitoring systems and top-to-bottom internal engagement, yielding reductions in Lost Time Incident Rates each year.

In 2014, 26 stores and nine distribution centers went 365 days with zero incidents and were recognized with "365 Awards." Additionally, two sites went 730 days with zero incidents, exemplifying our safety program "Safety Is When Nothing Happens."

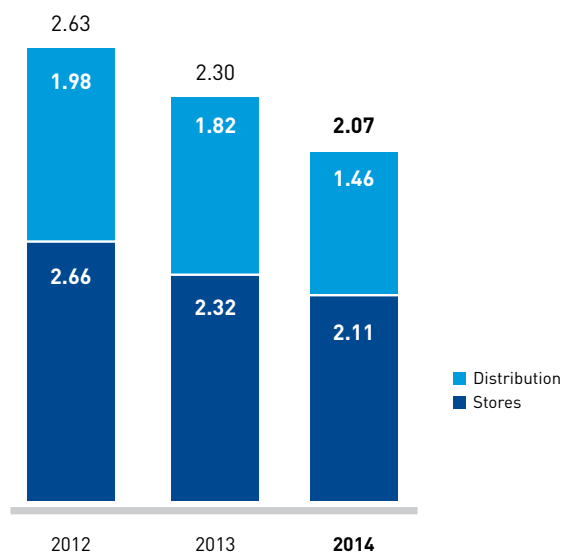
MONITORING AND IDENTIFYING CHALLENGES

Our employees face a range of potential safety risks in the working environment, including those caused by manual handling and other types of hazards commonly associated with a working warehouse. We log and monitor types of injuries to identify problem areas and prioritize new training programs (see below). In 2014, the average Lost Time Incident Rate at our stores and distribution centers per 200,000 hours was 2.07, down 21 percent from the 2012 baseline year. The total recordable incident rate per 100 full-time employees at our distribution centers was 2.79 in 2014—46 percent lower than the North American Industry Classification System (NAICS) Warehouse and Storage overview rate of 5.2.

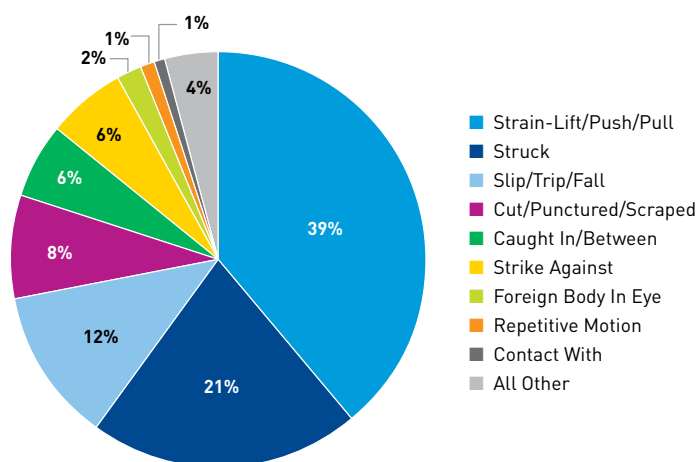
Tracking causes of employee injuries is essential to ensuring that our safety programs are targeted and effective. In 2014, 39 percent of employee injuries were caused by strain from lifting, pushing and pulling, a fact we're combatting through our safety campaign "Lift with your Brain." The campaign focuses on back injury prevention. Since its launch in 2012, it's yielded a 15 percent reduction in related claims, down to 4,601 claims in 2014 from 5,431 in 2012.

We constantly evaluate our actions to make sure we're providing the safest place to work and shop, and continue to achieve improvements in employee safety as we improve our systems, equipment, processes and training.

Lost Time Incident Rate
(per 200,000 hours)



Employee Injuries - Top Causes



RESPONSIBILITY AND ACCOUNTABILITY

Lowe's leadership teams are directly responsible for tracking and reporting our health and safety performance, and upholding our zero-tolerance policy for unsafe behavior. We create a culture of awareness, engagement and action through daily safety inspections, weekly management meetings, monthly team meetings and at least twice-yearly comprehensive Safety and Hazmat store audits conducted by Area Loss Prevention & Safety team members in each market. We strictly adhere to holding people accountable for unsafe behavior, which is essential to ensuring the safety of every employee, customer and vendor.

More than 90 percent of our retail locations are staffed with a loss prevention, safety and hazmat employee. Each month, a group of key managers, led by the store manager and loss prevention, safety and hazmat team, review incidents, monthly safety topics, training and key safety messaging. Follow-up actions are then delivered to every employee through in-the-aisle training. Employees are responsible for monitoring their work and use their mobile devices to log hazards found in their daily reviews.

We rely on our employees to speak up when they notice something isn't right. Our message, "See something, say something," is especially integral to our efforts to help prevent workplace violence events. In 2014, we released a monthly Safety Meeting Topic on active shooter events, a troubling risk that we hope none of our employees has to face. But they need to be prepared. Our process for reacting to active shooter events is built into our emergency plan and is reinforced quarterly through Tuesday Topics, which are discussed at our store staff meetings. We'll continue to address safety risks through structured communication and additional training modules.



SAFETY IS WHEN NOTHING HAPPENS

Every new store and distribution center employee, regardless of role, receives mandatory health and safety training featuring real-life scenarios that relate to their work at Lowe's. These inductions are the start of our employees' ongoing health and safety training.

There's no "one size fits all" training course. Employees at our stores have different needs and face different risks from those who work at our distribution centers. The training we provide reflects this, so that our campaign, "Safety Is When Nothing Happens," rings true for all Lowe's locations.

Every Lowe's employee meets with their supervisor to discuss their learning plan and is evaluated annually to ensure they maintain our high level of safety standards. Our training programs are delivered in three phases: fundamental (basic practices to be ready for the sales floor, including safety and environmental training); developmental (promoting career progression and skills building); and advanced (building existing skills to expert level). At our distribution centers, team-led training sessions give employees an active voice in safety management.

In 2015, we'll launch new training modules for our in-store safety teams as part of our journey toward zero incidents. Safety teams make up 10 percent of store employees and meet monthly to discuss key safety themes, incident causes and prevention tips. New training for 2015 will include three modules: Safety at Lowe's, Incident Identification/Root Cause and Presentation Skills.

All training sessions are logged in the new Lowe's Training Center, a database that promotes accountability and offers sophisticated analysis for management review.

PROMOTING ENGAGEMENT

The correlation between engagement and safety is clear: the 2014 Employee Opinion Survey revealed that our 340 most-engaged locations have a 20 percent lower incident rate than our 340 least-engaged locations. Making sure safety is always at the forefront of our employees' minds is integral to their well-being and the well-being of their colleagues and customers. Communication is key to the relentless pursuit of zero incidents at Lowe's. We regularly communicate our safety messages and focus areas through our Tuesday Topics newsletter, monthly safety meetings, quarterly releases of the safety campaign and quarterly internal broadcasts on safety performance, where we identify incident trends and training programs to address.

We recognize outstanding safety performances during the annual Lowe's national sales meeting, attended by every Lowe's store manager, market director and executive. During the last two meetings, the vice president of loss prevention, safety and hazmat recognized 365 Award winners, recapped the year's performance and set expectations for the next year.



Race for the Cup: NASCAR-inspired Program Boosts Engagement

In 2014, Lowe's employees took 13 million voluntary quizzes—enough to challenge the entire population of Michigan—as part of our NASCAR-inspired Race for the Cup program. Race for the Cup is our annual employee learning competition that pits stores against each other through a simple premise: The more quizzes and training modules an employee completes, the faster their team's virtual car moves toward the finish line. Ten percent of all quizzes focus on safety, meaning our employees completed 1.3 million voluntary safety quizzes in 2014—up 25 percent from 2013.

Employees participate in Race for the Cup on special kiosks in each store's training room, where their unique identification numbers generate a training module and a quiz tailored to their role. These quizzes provide important knowledge beyond initial training, while boosting team spirit and engagement. This year, the Lowe's Myrtle Beach, South Carolina, team was first to the finish line, and awarded a storewide celebration and a visit from NASCAR driver Jimmie Johnson. Race for the Cup is proven not only to promote engagement, but also improve performance. Stores with the highest participation rate report lower injury rates and higher sales.



GOVERNANCE & ETHICS

We take our commitment to responsible management very seriously and continually reinforce our oversight of ethical behavior. Our employees demonstrate their commitment to integrity on a daily basis through their interactions with customers, vendors, shareholders, community partners and governments. We listen carefully to feedback from our stakeholders to ensure we're walking the talk.

STAKEHOLDER ENGAGEMENT

Good business means listening to our stakeholders. We engage with customers, vendors, shareholders, partner organizations, governments and employees to find out what issues matter most to them. The feedback we receive from our stakeholders informs our decisions and helps us evolve to remain relevant and successful. Below are some highlights of our stakeholder engagement activities in 2014.

| Lowe's Stakeholder Engagement in 2014 | |
|---|---|
| Customers | We strive to consistently improve the customer experience. We connect with customers not only in our stores every day but also through our volunteer efforts, surveys, customer support centers, social media, our website and other online communications. In 2014, we conducted an online customer satisfaction survey to gather feedback on how we do business and the areas where we can improve. |
| Employees | By listening to our employees, we learn how best to promote a positive and productive working environment. We engage employees through a variety of initiatives, including our annual Employee Opinion Survey, the Lowe's ethics hotline, training, our Open Door Policy and volunteer opportunities. In 2014, nearly 80 percent of our employees (full-time and part-time) participated in our Employee Opinion Survey. As a result of our efforts, Lowe's was recognized by CareerBliss as one of the 10 happiest retailers to work for in 2014 (see Improving Our Workplace). |
| Government | We engage with government officials to advance issues that matter to our business and shareholders. We participate through our government affairs department, lobbying activities and LOWPAC, our employee political action committee (see Political Engagement). |
| NGOs and other Community Partner Organizations | We maintain partnerships with NGOs and community organizations to advance our valued community and sustainability programs. In 2014, we worked closely with and supported these organizations through charitable donations and employee volunteer activities (see Improving Our Communities). |
| Shareholders | We engage our shareholders to inform our business strategy and to better understand the environmental, social and governance issues that are most relevant to them. Communication channels include meetings, such as our Annual Meeting of Shareholders, quarterly earnings calls and our Analyst & Investor Conference, as well as our SEC filings, Proxy Statement and annual reports (visit Investor Relations). |
| Suppliers and Vendors | We promise customers high standards of safety and quality as well as high labor and environmental standards across our supply chain. We engage suppliers through trade organizations and Lowe's Vendor Code of Conduct training, and through social accountability audits and supplier diversity programs. In 2014, we also offered in-person Vendor Code of Conduct training opportunities to new vendors (see Supplier Standards). |

MATERIAL SOCIAL RESPONSIBILITY ISSUES

Our engagement activities help us understand the social responsibility issues that matter most to our stakeholders. Our most important issues include community investment, employment, the environmental footprint of our stores, operations and products, and the labor and environmental standards of our suppliers.

We report on these issues throughout this report and cross-reference our report content to the Global Reporting Initiative (GRI) G4 reporting guidelines in a [GRI Index](#).

POLITICAL ENGAGEMENT

Lowe's engages with government through outreach and lobbying activities on issues that matter to our business, our industry and our shareholders. Our political and government affairs programs are managed by our vice president of government affairs, who ensures that all Lowe's legislative and regulatory practices are in compliance with state and federal laws and regulations.

While we do not make direct corporate contributions to political campaigns or candidates, Lowe's supports issues that are aligned with our public policy agenda and business priorities. Furthermore, Lowe's does not contribute to 501(c)(4) or 527 organizations, as defined by the Internal Revenue Code, for express political purposes.

LOWE'S POLITICAL ACTION COMMITTEE

Lowe's sponsors an employee political action committee (LOWPAC) that is funded by voluntary employee contributions and contributes to candidates and other political committees supportive of our business interests. The determination whether to contribute to a candidate or political committee is overseen by LOWPAC's board of directors, which consists of a chairman, treasurer, secretary and several other members.

Questions the LOWPAC board considers when making contributions to candidates or political committees may include:

- 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.

Political Accountability Index

Since 2011, the Center for Political Accountability (CPA) has released an annual index that examines the political disclosure policies and practices of 300 large American companies. The report found that in 2014, about 60 percent of major U.S. companies publicly reported some level of their political contributions. Companies were ranked on a scale from 0 to 100, with 100 representing full disclosure on all relevant indicators.

In 2014, Lowe's scored 71.4 (up from 65.7 in 2013).

For more information on the CPA, please visit its [website](#).

TRADE ORGANIZATIONS

Lowe's is a contributing member of numerous state and national trade associations. These provide Lowe's with valuable access and insight into specific industry best practices and lobby on the public policy issues most relevant to our business. They also create a forum for us to connect with other industry members and leaders. Representatives of our senior management, as well as our government affairs department, frequently serve in a leadership capacity within many of these organizations, ensuring that our best interests are served.

The state and federal associations we support focus on educating public officials on the importance of the retail industry, and advocate on legislative and regulatory issues specific to the industry. As a result, these trade organizations use a portion of contributions for nondeductible lobbying activities.

A full list of trade association memberships can be found [here](#).

CORPORATE GOVERNANCE

Our board of directors engages with management and shareholders, providing oversight and guidance and ensuring we conduct business in a responsible and ethical manner. In addition to CEO Robert A. Niblock, who serves as the chairman of the board, our board of directors is made up of 11 directors, including two women and two from minority groups. As part of our long-standing policy, every member of the board, with the exception of the chairman, qualifies as an independent director. When the CEO also serves as the chairman of the board, the independent directors elect an independent lead director on an annual basis.

Board members serve on four standing committees: audit, compensation, executive and governance. Each committee, with the exception of the executive committee, has a charter that mandates the committee's purpose, composition and procedure, authority and responsibilities. Every year, the board conducts an internal performance review to determine the effectiveness of the board and its committees.

Our board is consistently reviewing and adjusting our governance practices to best serve the interests of our business and shareholders. Some of our corporate governance practices include:

- Our governance committee conducts a formal evaluation of the CEO
- The executive committee considers potential succession planning on an annual basis
- We require all non-management directors to meet ownership thresholds for Lowe's stock. We believe this promotes greater shared interests between shareholders and directors
- Our recoupment guideline states that in the event of significant restatement of financial results, the board will review, and adjust as necessary, any incentive compensation paid to executive officers in the period of reinstatement.

More information on Lowe's board of directors, committees and respective charters can be found in our [governance guidelines](#) online.

SOCIAL RESPONSIBILITY GOVERNANCE

In 2014, Lowe's revised the governance committee charter to clarify that the committee has oversight of environmental and social responsibility issues as well as political fundraising and contributions. Our director of corporate sustainability reports to the corporate administration executive, and our community relations group is also housed within corporate administration.

ETHICAL BUSINESS BEHAVIOR

Maintaining the highest level of ethical standards is paramount to our long-term business success. We require that all of our employees, as well as vendors and suppliers, comply with our core ethical principles.

LOWE'S CODE OF BUSINESS CONDUCT AND ETHICS

Every employee must abide by the Lowe's Code of Business Conduct and Ethics (the Code). The Code explains the appropriate measures to ensure that all business is conducted legally and ethically, and establishes our commitment to a safe and respectful workplace for our employees. When a new employee starts at Lowe's, they must certify that they have read the Code and will comply with all of its provisions. The Code outlines key areas of professional conduct we expect all employees to adhere to, including:

- Conflicts of interest
- Compliance with laws and regulations
- Insider trading
- Employee relations

A full copy of the Code can be found on our [Code of Business Conduct and Ethics](#) website.

CODE TRAINING

We provide companywide ethics training courses online to help employees understand the Code. Our courses provide employees with the necessary resources to comply with the Code and conduct business ethically. Lowe's also requires certain employees, including all global customer support center (CSC) employees and managers and higher in the field, to certify their compliance with the Code annually.

Our commitment to high ethical standards extends to our vendors, who are required to comply with Lowe's Vendor Code of Conduct. We offer instructor-led Vendor Code of Conduct training to key vendors in their native languages, including those in North America, India and Asia. For more information about our Vendor Code of Conduct and related training, see [Improving Supplier Standards](#).

LOWE'S ANTICORRUPTION POLICY

Our anticorruption guide explains the anticorruption policies and protocols that Lowe's employees and vendors must use to comply with domestic and international laws. We require key employees and vendors to undertake training on an annual basis. All international employees receive training in their native languages. Specific U.S. CSC employees, such as those who travel internationally or work in Lowe's Global Sourcing and International Business Development, also are required to receive training annually. The anticorruption guide will be updated in 2015.

For more information on Lowe's anticorruption policy, please see the [Lowe's Anticorruption Guide](#).

LOWE'S OPEN DOOR PROGRAM AND HOTLINE

We provide all our employees and stakeholders with confidential channels to report complaints about unethical conduct or illegal behavior. Lowe's Open Door Program allows employees to report these concerns directly to their supervisors and through an anonymous hotline. Every complaint is investigated, tracked and handled in an appropriate manner. We take each complaint seriously, and we follow up on each instance of alleged misconduct.

Report an Ethical Concern:

Online: www.ethicspoint.com

Telephone: (800) 784-9592 for the U.S. and Canada;
10-800-120-1239 for Southern China;
10-800-712-1239 for Northern China;
800-964214 for Hong Kong;
001-800-840-7907 or 001-866-737-6850 for Mexico;
00801-13-7956 for Taiwan;
or (503) 619-1883 for use internationally

Email: compliance@lowes.com

CUSTOMER PRIVACY

Lowe's respects customer privacy and strives to ensure that all personal data we hold is treated in a responsible manner. The Lowe's Privacy Statement describes the types of personal information we collect, how we use it (including marketing communications), how we share it and how we protect it. The privacy statement also describes the choices customers have regarding Lowe's use of their personal information. We have established administrative, technical and physical safeguards designed to ensure the security of customers' personal information, and we periodically update our privacy statement and procedures to ensure compliance with applicable laws and regulations governing data privacy and security.

For more information on customer privacy, please see our privacy statements for the [U.S.](#), [Canada](#) and [Mexico](#).



IMPROVING SUPPLIER STANDARDS

A typical Lowe's store stocks approximately 36,000 products, and more than half a million items are sold on Lowes.com. This exceptional product choice combined with high standards of safety, quality, labor conditions and environmental performance in our global supply chain is an important part of our promise to customers.

LOWE'S SUPPLY CHAIN

Lowe's sources products from more than 7,000 suppliers whose products are made in over 30 countries. Approximately 90 percent of our supply chain spending is on products for sale in our stores (merchandise). The other 10 percent is for the goods and services that support our operations. In 2014, our cost of sales was more than \$36 billion.

VENDOR CODE OF CONDUCT

Every supplier that sells products and/or services to Lowe's and our subsidiaries is required to conform to our [Vendor Code of Conduct](#) (the Code). In addition to laying out the requirements for doing business with Lowe's, the Code clearly states our expectation that all suppliers comply with all local laws and regulations in the countries and regions where they operate. The Code covers 17 points related to ethical business practices.

Our Vendor Code of Conduct Covers:

1. Compliance with laws and Lowe's policies
2. Forced labor
3. Child labor
4. Compensation
5. Freedom of association
6. Employment practices
7. Acceptance of gifts and benefits
8. Sourcing
9. Conflict minerals
10. Health and safety
11. Environment
12. Conflicts of interest
13. Subcontractors
14. Anticorruption
15. Confidentiality and intellectual property
16. Monitoring and enforcement
17. Whistleblower protection

New sourcing suppliers receive in-person training on the Code. The training, delivered several times a year, informs vendors about our expectations and the guidelines, and helps them understand how to implement our requirements.

DOMESTIC AND IMPORT SUPPLIERS

Most of the suppliers we source our products from are "domestic suppliers." These are suppliers who either import products into the United States, or produce them domestically, and deliver products to Lowe's. Through the Vendor Code of Conduct, we require these suppliers to ensure the products and the factories where these products are made comply with all laws and conform to our expectations.

Lowe's sources approximately 15 percent of our products from "import suppliers," taking ownership of the products at the point of shipment. These suppliers are chosen and managed either by our merchandising team or by Lowe's Global Sourcing (LG Sourcing), a wholly owned subsidiary of Lowe's. In 2014, we sourced from 862 of these factories. Our quality assurance and social accountability audit programs assess and improve the standards of labor and environmental performance of our import suppliers.

COLLABORATING WITH SUPPLIERS AND INDUSTRY

The challenges we see with our suppliers are not unique to Lowe's. Rather, they reflect challenges common across the manufacturing industry, and in developing economies where regulations and compliance oversight are not as strong as in the United States. We want to build long-term relationships with our suppliers, and to see them succeed. These relationships help us deliver on our quality promise to customers and improve the reliability of our supply chain.

Recognizing that many of our peers face the same challenges, and often source from the same suppliers, we're seeking opportunities for greater efficiency and to learn from each other. We participate in issue resolution and contribute to the industry approach through organizations such as the Retail Industry Leaders Association.

ASSURING PRODUCT QUALITY

Quality and product safety are nonnegotiable for Lowe's products. Every year, LG Sourcing conducts nearly 20,000 tests on products where Lowe's is the importer of record, through third-party test labs, and nearly 1,000 tests in our U.S.-based testing facility.

In addition, LG Sourcing works with third-party inspectors to perform preshipment inspections of Lowe's products. Items selected for inspection are evaluated for packaging and product specifications, proper labels, verification against production samples, normal function and other factors.

Suppliers with a long history of high-quality performance may be eligible for a Skip Lot inspection program, meaning that not every shipment requires inspection. Approximately 42 percent of our suppliers received Skip Lots at varying levels in 2014. These suppliers have qualified for a limited number of inspections and are required to maintain their high-quality record. If any safety or quality problems are identified, LG Sourcing third-party inspectors resume inspection of every shipment.



FOSTERING SOCIAL ACCOUNTABILITY

Our Social Accountability Program (SAP) is central to our commitment to doing business responsibly and maintaining our heritage as a trusted brand.

The primary objectives of the SAP are to:

- Ensure the products we source are manufactured in safe facilities by workers who are treated well and paid in accordance with local law
- Foster capacity building and positive change within our supply chain
- Reinforce our commitment to social and environmental responsibility

SOCIAL ACCOUNTABILITY AUDITS

We undertake social accountability audits in more than 900 manufacturing facilities operated by Lowe's import suppliers and managed by LG Sourcing. Suppliers covered by the SAP undergo an annual social accountability audit as part of our bundled audit program. This combines a social accountability and environmental audit, a quality audit and a Customs-Trade Partnership Against Terrorism (C-TPAT) audit into a single, streamlined and comprehensive process. Our audits are conducted by Lowe's approved third-party audit firms. Each supplier is notified in advance of a two-week window when audits are expected to take place, but the actual audit date is unannounced.

In addition to an annual audit, all new import suppliers managed by LG Sourcing are required to undergo a bundled audit before doing business with Lowe's.

The social accountability audit comprises 18 categories and 148 checkpoints, focusing on such topics as working hours, compensation and benefits, employment practice, environmental compliance and worker health and safety. The full audit process includes meetings with factory managers, a factory tour, worker interviews and document review. In 2014, Lowe's conducted 1,388 audits in 945 factories across 22 countries.

When our auditors identify an area of noncompliance, the factory is required to develop a corrective action plan. Factories have 30, 90 or 180 days to correct the problem, depending on the severity and type of the noncompliance. At the end of the corrective period, the factory is reaudited. In 2014, Lowe's factories completed 966 corrective action plans.

We may deny business after certain types of noncompliance and where suppliers do not meet the corrective action plan and reaudit requirements.

In addition to our bundled audits, quality assurance inspectors may conduct random mini-audits if they identify risks on-site during a quality assurance inspection. These mini-audits focus on high-risk issues such as underage workers and facility safety. If potential problems are identified in a mini-audit, Lowe's may require a full audit.

Social Accountability and Environmental Audit Categories

- | | |
|-----------------------------------|--------------------------------------|
| • Management overview | • Living conditions and requirements |
| • Working hours | • Dining conditions and requirements |
| • Compensation and benefits | • Emergency preparedness |
| • Child labor/young labor | • Occupational injury |
| • Forced labor | • Machine/operator safety |
| • Discrimination | • Safety hazards |
| • Discipline, harassment or abuse | • Chemicals and hazardous materials |
| • Freedom of association | • Environmental compliance |
| • Employee labor contracts | |
| • Working conditions | |

REPORTING MECHANISMS

In addition to our formal audit program, we want to hear about all instances of suspected violations of our Vendor Code of Conduct or local laws. Anyone can report suspected violations to a confidential hotline by phone in their local language, or online at www.ethicspoint.com.

Report an Ethical Concern:

Online: www.ethicspoint.com

Telephone: (800) 784-9592 for the U.S. and Canada;
10-800-120-1239 for Southern China;
10-800-712-1239 for Northern China;
800-964214 for Hong Kong;
001-800-840-7907 or 001-866-737-6850 for Mexico;
00801-13-7956 for Taiwan;
or (503) 619-1883 for use internationally

Email: compliance@lowes.com

ASSESSING RISK OF CONFLICT MINERALS

Conflict minerals are those that are sourced from conflict regions, including the Democratic Republic of Congo (DRC) and neighboring regions, where there is a high risk that revenue generated by mining can directly or indirectly fund armed conflict by groups that have been accused of committing human rights abuses. The primary minerals of concern are tin, tantalum, tungsten and gold, referred to as 3TG minerals.



Our Vendor Code of Conduct specifies that our suppliers cannot provide 3TG minerals to Lowe's from conflict regions unless sourced from a certified mine or conflict-free smelter. To meet this requirement, our suppliers must maintain records showing that products supplied to Lowe's are conflict-free and respond to all requests for information from Lowe's about conflict minerals.

As of 2014, U.S. companies are required to submit annual filings to the U.S. Securities and Exchange Commission, as part of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. These filings require disclosure of whether any minerals used to manufacture products contain conflict minerals originating in the DRC or bordering states.

We worked with the accounting firm KPMG to prepare and submit our 2014 disclosure on conflict minerals. We received a 92 percent response rate from our in-scope suppliers, representing coverage of 95 percent of products surveyed. For 2015, we have established a dedicated team that will manage our conflict minerals compliance. The team is responsible for continual program enhancement based on the Organisation for Economic Cooperation and Development's Due Diligence Guidance. Through this effort and increased due diligence with our in-scope suppliers, we are focusing on identifying and assessing risk in our supply chain.

ENCOURAGING SUPPLIER DIVERSITY

At Lowe's, our culture of diversity extends all the way to our supply chain. The aim of our supplier diversity program is to give small and diverse businesses an opportunity to provide products and services to Lowe's. We view our efforts with small and diverse businesses as an investment in our future, as we seek out the most innovative products for customers. We focus on building relationships with women-, minority-, veteran- and service-disabled veteran-owned businesses, as well as those operating in Historically Underutilized Business zones (HUBZones).

LOWE'S FOUR-STEP SUPPLIER DIVERSITY PROCESS



- 1. Source:** Seek small and diverse suppliers with innovative products and services
- 2. Evaluate:** Screen prospective suppliers and evaluate their products and services
- 3. Develop:** Provide valuable business guidance to potential suppliers
- 4. Present:** Help the supplier present products and services to Lowe's merchants and buyers

Historically, our supplier diversity program has focused on procurement of services and goods that support our operations. In 2014, we refocused our efforts to make diverse suppliers a bigger part of our merchandise supply chain.

To establish and grow our relationships with potential small and diverse suppliers, we participate in industry organizations and conferences where small and diverse businesses are present, such as the Women's Business Enterprise National Council, National Minority Supplier Development Council, National Veteran Owned Business Association, U.S. Business Leadership Network and the Small Business Association.

INCUBATING INNOVATION

Big businesses start out small. For many small and diverse suppliers, doing business with Lowe's is the first time they're operating at such a large scale. We have developed programs to help onboard these suppliers, with a focus on innovation and differentiation.

SUPPLIER SPOTLIGHTS



Hammock Boutique

"It's not just the hammock. It's the story behind the hammock," said Hammock Boutique cofounder and owner Josefina Urzaiz.

Lowe's International Sourcing Development discovered Hammock Boutique in 2014 and brought it into our business with the help of Lowe's supplier diversity team. The company's one-of-a-kind, handcrafted hammocks are made in Yucatán, Mexico, using traditional Mayan patterns that have been passed down from generation to generation.

Urzaiz founded Hammock Boutique out of a desire for a more fulfilling, entrepreneurial career than her previous days on Wall Street. Returning to her hometown in Mexico, she began her business that now employs more than 500 individuals, most of them women, in impoverished communities. Their work preserves local traditions, provides much-needed employment and supports the growth of the local economy. Hammock Boutique also reinvests 10 percent of proceeds into the local community for education and development programs. "We don't see our company as a hammock company," Urzaiz said. "We see ourselves as an instrument of change. The only way to break the generational poverty cycle in these communities is through educating the next generation."

Lowe's partnership with Hammock Boutique has been an important factor in the small, woman-owned business's ability to achieve its mission. Lowe's has featured Hammock Boutique in our online retail channels, and we're expanding sales to more than 150 stores in the coming year.

» [Watch the video](#)



Earth-Kind

In March of this year, at the Women's Business Enterprise National Conference in New Orleans, the Lowe's supplier diversity team met with Earth-Kind, a woman-owned business that produces organic rodent repellent that is safe for indoor use.

Earth-Kind's founder and CEO, Kari Warberg Block, developed the Stay Away Botanical Rodent Repellent as a solution for her own family farm. Made from essential oils and plant fibers, Stay Away provided a natural alternative to the chemicals found in many other products. Earth-Kind's mission also extends to its workforce; about 20 percent of the workforce is composed of employees with developmental disabilities.

Though the product had been proven in the farming and industrial sector, Earth-Kind had little experience with big-box home improvement retailers. Lowe's supplier diversity team worked with Warberg Block to help her develop the product presentation for our merchandising managers in August 2014. After her successful presentation and pitch, Lowe's plans to sell Earth-Kind products in 300 stores in 2015.

"Without the supplier diversity program, I'm pretty confident I wouldn't be sitting here," Warberg Block said. "Even though I know we have the best product out there, there are still a whole number of things that go into making it work on the shelves of a national retailer. The supplier diversity program has helped us navigate that territory, which was new for us."

» [Watch the video](#)

GLOBAL REPORTING INITIATIVE

We have reviewed our 2014 Social Responsibility Report against the [Global Reporting Initiative \(GRI\) G4 guidelines](#), an internationally recognized framework for reporting on governance, economic, environmental and social issues. The index below details the location of our disclosure on GRI metrics and indicators found in our Social Responsibility Report, financial statements and other governance documents on our websites.

| GENERAL STANDARD DISCLOSURES | | | |
|-------------------------------|--|--|------------------------|
| GRI INDICATOR | DESCRIPTION | LOCATION | REPORTED |
| | | | ● Fully ○ Partially |
| Strategy and Analysis | | | |
| G4-1 | CEO Letter | CEO Message, page 4 | ● |
| G4-2 | Key impacts, risks and opportunities | Introduction, page 3 CEO Message, page 4 Form 10-K | ● |
| Organizational Profile | | | |
| G4-3 | Organization name | Lowe's Companies, Inc. | ● |
| G4-4 | Primary brands, products, and services | Introduction, page 3 CEO Message, page 4 Form 10-K | ● |
| G4-5 | Headquarters location | Mooresville, North Carolina | ● |
| G4-6 | Where the organization operates | Introduction, page 3 Form 10-K | ● |
| G4-7 | Nature of ownership and legal form | Form 10-K | ● |
| G4-8 | Markets served | Introduction, page 3 Form 10-K | ● |
| G4-9 | Scale of the organization | Introduction, page 3 Form 10-K | ● |
| G4-11 | Collective bargaining agreements | Form 10-K | ○ |
| G4-12 | Supply chain description | Improving Supplier Standards, pages 45-46 Form 10-K | ● |
| G4-13 | Organizational changes during the reporting period | Form 10-K | ● |
| G4-15 | External charters, principles or other initiatives | Introduction, page 3 Improving Our Stores and Operations, page 22 Improving Our Products, page 27 | ● |
| G4-16 | Membership associations | CEO Message, page 4 Improving Our Stores and Operations, page 22 Improving our Products, page 27 Governance & Ethics, page 42 | ● |

| GRI INDICATOR | DESCRIPTION | LOCATION | REPORTED |
|---|--|--|----------|
| Identified Material Aspects and Boundaries | | | |
| G4-17 | Entities included in financial statements | Introduction, page 3 Form 10-K | ● |
| G4-18 | Process for defining report boundaries and content | Introduction, page 3 Governance & Ethics, page 41 | ● |
| Stakeholder Engagement | | | |
| G4-24 | Stakeholder groups | Governance & Ethics, page 41 | ● |
| G4-25 | How stakeholders were identified | Governance & Ethics, page 41 | ● |
| G4-26 | Approach to stakeholder engagement | Governance & Ethics, page 41 | ● |
| G4-27 | Topics raised during stakeholder engagements | Governance & Ethics, page 41 | ● |
| Report Profile | | | |
| G4-28 | Reporting period | Calendar year 2014, except where noted otherwise. | ● |
| G4-29 | Date of most recent report | 2013 Social Responsibility Report, May 2014 | ● |
| G4-30 | Reporting cycle | Annual Report | ● |
| G4-31 | Report contact | socialresponsibility@lowes.com | ● |
| G4-32 | "In accordance" option, GRI Index and report assurance | This report contains Standard Disclosures from the GRI Sustainability Report Guidelines. | ● |
| Governance | | | |
| G4-34 | Governance structure of the organization | Governance & Ethics, page 43 Proxy Statement | ● |
| G4-35 | Process for delegating authority for sustainability topics from the board to senior executives and other employees | Governance & Ethics, page 43 | ● |
| G4-36 | High-level accountability for sustainability topics | Governance & Ethics, page 43 | ● |
| G4-38 | Composition of the board and its committees | Proxy Statement Governance Guidelines | ● |
| G4-39 | Whether the chair of the board is also an executive officer | Governance & Ethics, page 43 Governance Guidelines | ● |
| G4-40 | Nomination and selection processes for the board and its committees | Governance Guidelines | ● |
| G4-41 | Board conflicts of interest | Proxy Statement Governance Guidelines | ● |
| G4-42 | Board and executives' roles in the organization's mission statements, strategies, policies and goals related to sustainability impacts | Governance & Ethics, page 43 Governance Guidelines | ● |
| G4-43 | Board knowledge of sustainability topics | Governance & Ethics, page 43 | ● |
| G4-44 | Board performance with respect to governance of sustainability topics | Governance & Ethics, page 43 Governance Guidelines | ● |
| G4-45 | Board role in the identification and management of sustainability impacts, risks and opportunities | Governance & Ethics, page 43 Proxy Statement Governance Guidelines | ● |

| GRI INDICATOR | DESCRIPTION | LOCATION | REPORTED |
|-----------------------------|---|---|----------|
| G4-46 | Board role in reviewing risk management processes for sustainability topics | Governance & Ethics, page 43 Proxy Statement Governance Guidelines | ● |
| G4-47 | Frequency of the board's review of sustainability impacts, risks and opportunities | Governance & Ethics, page 43 Governance Guidelines | ● |
| G4-48 | Highest committee or position that formally reviews and approves the organization's sustainability report | Chief Executive Officer | ● |
| G4-49 | Process for communicating critical concerns to the board | Improving Our Workplace, page 30 Governance & Ethics, page 43 Governance Guidelines | ● |
| G4-51 | Remuneration policies for the board and senior executives | Form 10-K Proxy Statement Governance Guidelines | ● |
| G4-52 | Process for determining remuneration | Proxy Statement Governance Guidelines | ● |
| G4-53 | Stakeholders' views on remuneration | Proxy Statement Governance Guidelines | ● |
| Ethics and Integrity | | | |
| G4-56 | Code of conduct | Governance & Ethics, page 44 Lowe's Code of Business Conduct and Ethics | ● |
| G4-57 | Helplines or advice lines for employees | Governance & Ethics, page 44 Lowe's Code of Business Conduct and Ethics | ● |
| G4-58 | Mechanisms for reporting concerns about unethical or unlawful behavior | Governance & Ethics, page 44 Lowe's Code of Business Conduct and Ethics | ● |

SPECIFIC STANDARD DISCLOSURES

| INDICATOR | DESCRIPTION | LOCATION | REPORTED |
|---------------|----------------------------------|--|---|
| ECONOMIC | Economic Performance | | |
| | G4-DMA | Disclosures on management approach (DMA) | Form 10-K ● |
| | G4-EC1 | Economic value | Form 10-K Introduction, page 3 Improving Our Communities, pages 5-15 ● |
| | G4-EC2 | Climate change risks | Form 10-K Improving Our Stores and Operations, pages 16-18 ● |
| | G4-EC3 | Benefit plan coverage | Form 10-K Improving Our Workplace, pages 34-36 ● |
| | Indirect Economic Impacts | | |
| | G4-EC7 | Infrastructure investments | Introduction, page 3 Improving Our Communities, pages 5-15 ○ |
| | G4-EC8 | Indirect economic impacts | Introduction, page 3 Improving Our Communities, pages 5-15 ○ |
| | Procurement Practices | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, pages 45-51 ○ |
| ENVIRONMENTAL | Energy | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Stores and Operations, pages 17-18 Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report ○ |
| | G4-EN3 | Energy consumption (Scope 1 + 2) | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report ● |
| | G4-EN5 | Energy intensity | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report ● |
| | G4-EN6 | Energy reductions | Improving Our Stores and Operations, pages 17-18 Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report ○ |
| | G4-EN7 | Energy reductions in products and services | Improving Our Products, pages 24-25 ○ |
| | Water | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Stores and Operations, page 18 ○ |

| | INDICATOR | DESCRIPTION | LOCATION | REPORTED |
|---------------|-----------------------|--|---|------------------------|
| ENVIRONMENTAL | Biodiversity | | | |
| | G4-EN12 | Impacts on biodiversity | Improving Our Products, pages 27-28 | <div><div></div></div> |
| | G4-EN13 | Habitats protected or restored | Improving Our Products, pages 27-28 | <div><div></div></div> |
| | Emissions | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Stores and Operations, pages 17-18 Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | G4-EN15 | GHG emissions (Scope 1) | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | G4-EN16 | GHG emissions (Scope 2) | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | G4-EN17 | GHG emissions (Scope 3) | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | G4-EN18 | GHG emissions intensity | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | G4-EN19 | Reduction of GHG emissions | Complete Energy and Emissions data will be available in our 2014 CDP report, available after publication of this report | <div><div></div></div> |
| | Effluents and Waste | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Stores and Operations, pages 19-21 | <div><div></div></div> |
| | G4-EN23 | Waste by type and disposal method | Improving Our Stores and Operations, pages 19-21 | <div><div></div></div> |
| | G4-EN25 | Hazardous waste | Improving Our Stores and Operations, page 21 | <div><div></div></div> |
| | Products and Services | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Products, pages 23-28 | <div><div></div></div> |
| | G4-EN27 | Mitigation of environmental impacts of products and services | Improving Our Products, pages 23-28 | <div><div></div></div> |

| INDICATOR | DESCRIPTION | LOCATION | REPORTED | |
|---------------------------------------|--|--|--|---|
| ENVIRONMENTAL | Transport | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Stores and Operations, page 22 | 🕒 |
| | G4-EN30 | Environmental impacts from product distribution and employee travel | Improving Our Stores and Operations, page 22 | 🕒 |
| | Supplier Environmental Assessment | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, pages 45–51 | 🕒 |
| | G4-EN32 | New suppliers screened using environmental criteria | Improving Supplier Standards, page 46 | 🕒 |
| | G4-EN33 | Supply chain environmental impacts | Improving Supplier Standards, page 46 | 🕒 |
| SOCIAL: Labor Practices & Decent Work | Employment | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Workplace, page 29-30 | 🕒 |
| | G4-LA2 | Benefits provided to full-time employees | Improving Our Workplace, pages 34–36 | 🕒 |
| | Occupational Health and Safety | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Workplace, pages 37–39 | 🕒 |
| | G4-LA5 | Workforce represented in health and safety committees | Improving Our Workplace, pages 37–39 | 🕒 |
| | G4-LA6 | Rates of injury, occupational disease, lost days, absenteeism and work-related fatalities | Improving Our Workplace, pages 37–39 | 🕒 |
| | Training and Education | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Workplace, pages 32-33 | 🕒 |
| | G4-LA9 | Average hours of training for employees | Improving Our Workplace, page 32 | 🟢 |
| | G4-LA10 | Programs for skills management and lifelong learning | Improving Our Workplace, pages 32-33 | 🟢 |
| | Diversity and Equal Opportunity | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Workplace, pages 30-31 | 🕒 |
| | Supplier Assessment for Labor Practices | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 48 | 🕒 |
| | G4-LA14 | New suppliers that were screened using labor practices criteria | Improving Supplier Standards, page 48 | 🕒 |
| | G4-LA15 | Negative impacts for labor practices in the supply chain | Improving Supplier Standards, page 48 | 🕒 |
| Labor Practices Grievance Mechanisms | | | | |
| G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 48 Code of Business Conduct and Ethics | 🕒 | |

| INDICATOR | DESCRIPTION | LOCATION | REPORTED | |
|---|--|---|--|---|
| SOCIAL: Human Rights, Society, Product Responsibility | Non-Discrimination | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Code of Business Conduct and Ethics | ● |
| | Child Labor | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 46 | ● |
| | Forced or Compulsory Labor | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 46 | ● |
| | Supplier Human Rights Assessment | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 45–51 | ● |
| | G4-HR10 | New suppliers screened for human rights | Improving Supplier Standards, page 48 | ● |
| | G4-HR11 | Human rights impacts in the supply chain | Improving Supplier Standards, page 48 | ● |
| | Local Communities | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Our Communities, page 5–15 | ● |
| | G4-S01 | Local community engagement, impact assessments and development programs | Improving Our Communities, page 5–15 | ● |
| | Anti-Corruption | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Governance & Ethics, page 44 Improving Supplier Standards, page 46 Code of Business Conduct and Ethics | ● |
| | G4-S04 | Communications and training on anti-corruption | Governance & Ethics, page 44 | ● |
| | Public Policy | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Governance & Ethics, page 42 | ● |
| | G4-S06 | Political contributions | Governance & Ethics, page 42 | ● |
| | Supplier Assessment for Impacts on Society | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 48 | ● |
| | G4-S09 | New suppliers screened for impacts on society | Improving Supplier Standards, page 48 | ● |
| | G4-S010 | Negative impacts on society in the supply chain | Improving Supplier Standards, page 45–50 | ● |
| | Customer Health and Safety | | | |
| | G4-DMA | Disclosures on management approach (DMA) | Improving Supplier Standards, page 47 | ● |
| | G4-PR1 | Health and safety impact assessments of products and services | Improving Supplier Standards, page 47 | ● |