



Building Momentum

2015 SOCIAL RESPONSIBILITY REPORT

Lowe's.com/SocialResponsibility

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Introduction

Lowe's 2015 Social Responsibility Report shows in practice the many ways that we're helping people love where they live—the foundation of our culture and our collective success. We reinforce our purpose daily through our dedication to the customers and communities we serve, our environmental stewardship and the care we provide to our employees.

From our wide-ranging community revitalization projects to our employee wellness programs and commitment to ethical sourcing, we believe social responsibility is the cornerstone of our brand and fundamental to our business.

Founded in 1946, Lowe's has grown from one hardware store into a FORTUNE® 50 home improvement company. With more than 1,855 stores in the United States, Canada and Mexico, and 270,000 full- and part-time employees globally, we help homeowners, renters and professional customers complete a wide array of home improvement projects through convenient omni-channel retailing and a comprehensive customer experience. We serve more than 16 million customers a week through product and service offerings, information and advice, and an uncompromising commitment to safety.

Each day, we see the continued satisfaction of our customers through their loyalty. In 2015, our net sales totaled \$59.1 billion, an increase of 5.1 percent from 2014.

About This Report

Our 2015 Social Responsibility Report covers the social responsibility performance of Lowe's Companies, Inc.'s U.S. home improvement business operations. When applicable, we've specified where information for non-U.S. operations and other businesses in our portfolio of companies has been included. This report includes Lowe's data and programs for the calendar year that ended December 31, 2015, unless otherwise stated. All financial information is reported in U.S. dollars.

Selected Financial Data for Lowe's Companies, Inc.

	2013	2014	2015
Net sales (millions)	\$53,417	\$56,223	\$59,074
Gross margin (millions)	\$18,476	\$19,558	\$20,570
Adjusted net earnings* (millions)	\$ 2,286	\$ 2,698	\$ 3,076
Adjusted diluted earnings per common share*	\$ 2.14	\$ 2.71	\$ 3.29
Total customer transactions (millions)	828	857	878

*Adjusted net earnings and adjusted diluted earnings per common share are non-GAAP financial measures. Please see Management's Discussion and Analysis section of our Annual Report on Form 10-K for additional information as well as reconciliations between the company's GAAP and non-GAAP financial results.

The 2015 report discusses sustainability and social responsibility topics that are most important to our diverse stakeholders, business and the communities we serve. These topics include, but are not limited to, the following:

- How we govern our business to create a culture that fosters a safe, ethical and responsible workplace
- How we engage communities through charitable giving and employee volunteerism
- Our approach to employee engagement, development, compensation and benefits, in addition to workplace safety and diversity
- How we reduce the environmental impact of our operations and help customers lead more environmentally responsible lives through our products

- How we work with our suppliers to ensure product quality, promote ethical standards and improve performance

The 2015 report contains standard disclosures from the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. A [GRI Index](#) is included at the end of the report for reference. Additional Lowe's social responsibility and business information can be found in our [Annual Report](#), [Form 10-K](#), [Proxy Statement](#) and our CDP (formerly known as Carbon Disclosure Project) disclosure.

For additional information, or to provide feedback, please visit our [website](#) or email us at socialresponsibility@lowes.com.



As a purpose-driven company, Lowe's is committed to helping people love where they live. That's the lens we use to do what's right for customers and our communities.



CEO Letter

What does it mean to be socially responsible?

At Lowe's, it means we're accountable—to customers, to our people and to the communities we serve. It means we aim to do what's right—to find a solution that works for all of us. It means we strive to be trustworthy—to do what we say and keep our commitments.

Last year, we issued our first report aligned with Global Reporting Initiative (GRI) guidelines, and I made a commitment to continue enhancing our reporting, focusing on the social responsibility issues that matter to our stakeholders. This report is a demonstration of that commitment and a summary of the actions we're taking as we build momentum on our ongoing journey to be a better corporate citizen.

As a purpose-driven company, Lowe's is committed to helping people love where they live. That's the lens we use to do what's right for customers and our communities. In 2015, more Lowe's employee volunteers than ever rolled up their sleeves to help people, schools and neighborhoods in need. In fact, last year every single Lowe's store in the United States, more than 1,700, participated in a Lowe's Heroes project. With double the budget to work with, they more than doubled the impact of their efforts. And we've already announced plans to give our employees the opportunity to do even more in 2016.

Our commitment to helping people goes beyond community projects. It extends to safety and sustainability as well. We listen to customers to ensure we continually evolve to meet their needs. In 2015, we took several steps to make sure we're offering the best possible products. We worked with suppliers to remove ortho-phthalate

plasticizers from all residential vinyl flooring products and committed to phase out the sale of products that contain neonic pesticides. We see it as our responsibility to take a leading role in helping bring better products to the market.

That kind of responsibility requires leadership, so developing our future leaders was an important area of focus in 2015. To continue to build a strong leadership team that reflects the diversity of our communities, we launched a mentoring program that pairs female and minority store managers with market directors to strengthen their leadership skills. And we remain focused on building diversity through our recruiting efforts, attending more than 100 recruiting events to attract people with diverse backgrounds and ideas.

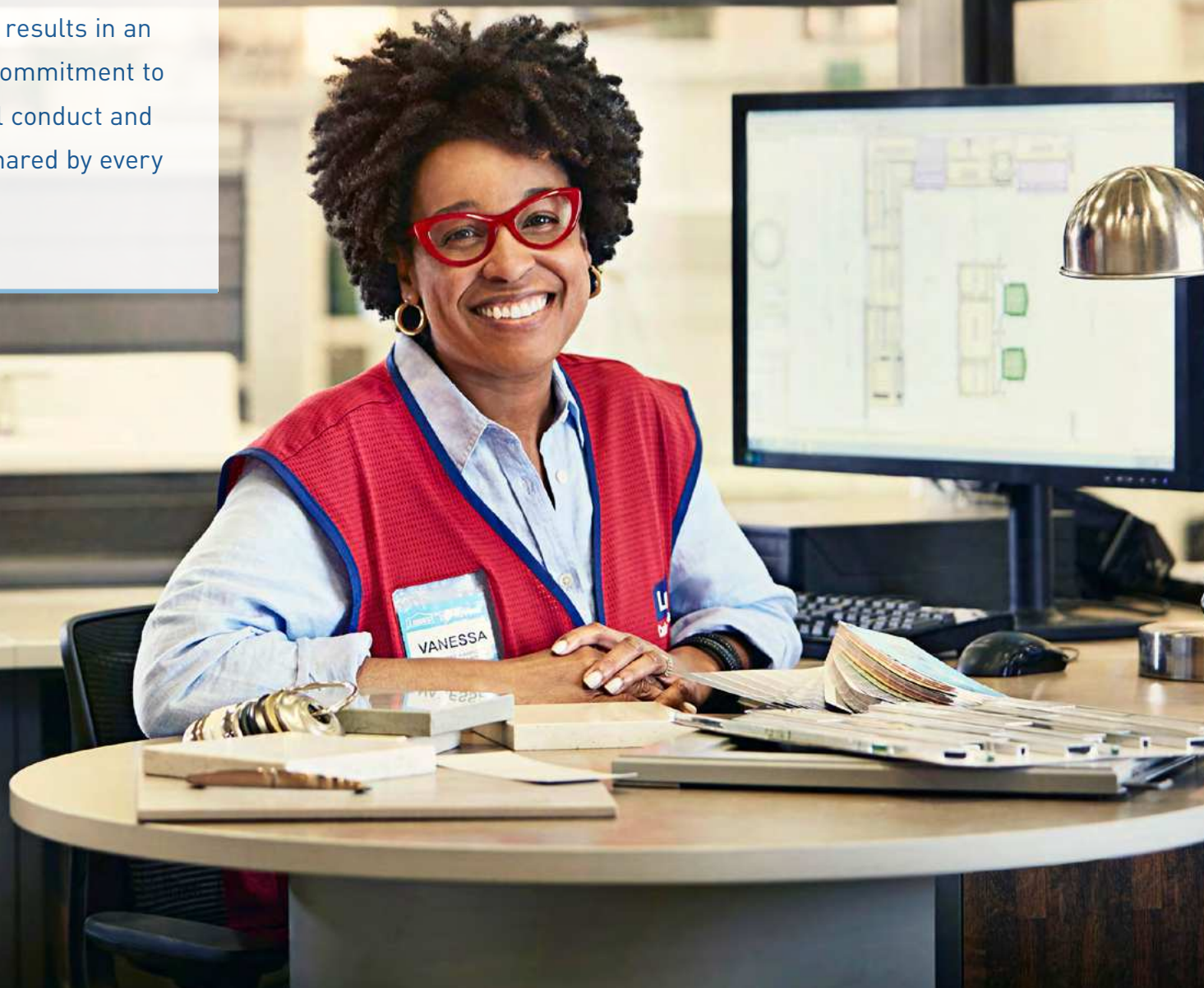
We always strive to do our best, and in 2015 our best enabled us to make tremendous strides in meeting the needs of our employees, customers and communities. As you read this report, I hope you'll agree that Lowe's is focused on the social responsibility issues that are most meaningful to our business and to our stakeholders, and that we're focused on them for the right reasons. I'm proud of what we accomplished in 2015, and I'm looking forward to building on our momentum and sharing our results with you.

Robert A. Niblock
Chairman, President and CEO

[Watch the video](#)

Governance & Ethics

Lowe's has built our reputation over many years by consistently delivering business results in an ethical, responsible manner. Our commitment to upholding high standards of ethical conduct and being a good corporate citizen is shared by every employee, officer and director.



Corporate Governance

Our board of directors engages with management and shareholders, providing oversight and counsel that ensure the long-term success of our business. The board oversees governance practices that enforce our culture of accountability and integrity from the top.

Board Leadership and Oversight

The Lowe's board of directors, chaired by CEO Robert A. Niblock, is made up of 13 members, including three women and three from minority groups. Lowe's strives to have a diverse board that best serves the needs of the company. We appointed two new directors in 2015 and added a third new director in early 2016. To incorporate external perspectives and to ensure that our directors have the right skills needed for the company, the board is committed to refreshing its membership.

Board members serve on four standing committees: audit, compensation, executive and governance. Each committee's structure and charter can be found on our investor site under [Committees and Charters](#).

Our board consistently reviews and adjusts our governance practices to serve the interests of our business and shareholders. Our corporate governance best practices include the following:

- 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.
- Our governance committee conducts an annual 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 directors and shareholders.
- Our recoupment guidelines state 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 restatement.

More information on Lowe's governance, including our board of directors, governance guidelines, committees and charters, is available on our [Investor Relations site](#) and in our [Proxy Statement](#).

Social Responsibility Governance

The Lowe's governance committee has oversight over social and environmental responsibility issues as well as the company's political activities, including political fundraising and contributions. Lowe's corporate administration executive oversees corporate sustainability, community relations and public affairs. Public affairs and corporate sustainability present to the board annually.

Stakeholder Engagement

Understanding our stakeholders' most important concerns helps us identify emerging challenges and build on opportunities to improve. Stakeholder views also inform our decision making, helping us to remain successful.

As opportunities arise, we engage with customers, employees, shareholders, vendors, governments and other organizations to better understand important issues. The table below summarizes our communication channels to engage with each stakeholder group.

Priority Issues

Our understanding of our stakeholders' interests helps us evaluate our social responsibility issues. Some of our most important issues include:

- Community investment
- Employment
- Environmental footprint of our stores, operations and products
- Labor and environmental standards of our suppliers
- Data security

We address our most significant issues in this social responsibility report and cross reference the content using the Global Reporting Initiative (GRI) G4 guidelines (see [GRI Index](#)).

Lowe's Stakeholder Engagement in 2015	
Stakeholder Group	Communication Channels
Customers	Surveys, social media, website and other online communications, customer support centers, customer contact centers, community events
Employees	Annual Employee Opinion Survey, Lowe's ethics hotline, training, community events
Shareholders	Annual Meeting of Shareholders, quarterly earnings calls, analyst and investor meetings, SEC filings, Proxy Statement and annual reports
Suppliers and Vendors	Trade organizations, Lowe's Vendor Code of Conduct training, social accountability audits, supplier diversity programs, Vendor Forum
Government	Public affairs department, lobbying activities, Lowe's Political Action Committee (LOWPAC), trade associations
NGOs and other Community Partner Organizations	Partnerships, community events, charitable contributions

Ethical Business Behavior

We believe that cultivating an ethical and transparent work environment at every level of the company is essential to achieving long-term business success. At Lowe's, we strive to maintain the highest ethical standards and expect our vendors, suppliers and service providers to adhere to our core ethical principles.

Code of Business Conduct and Ethics

Every employee must abide by the Lowe's Code of Business Conduct and Ethics (the Code). The Code sets forth certain requirements for Lowe's employees to ensure that all business is conducted legally and ethically, and establishes our commitment to an ethical and respectful workplace for our employees. A full copy of the Code can be found on our [Code of Business Conduct and Ethics](#) website. It outlines key areas of professional conduct, including:

- Compliance with laws, regulations and internal policies and procedures
- Conflicts of interest
- Fair dealing and fair competition
- Insider trading
- Employee relations

Lowe's requires that all new employees complete an online Code of Business Conduct and Ethics course designed to help them understand the Code. The course provides employees with the necessary resources to comply with the Code and conduct business ethically. Lowe's also requires that certain designated employees, including all global customer support center (CSC) employees based in overseas offices and designated manager-level and above employees based domestically and internationally, certify their compliance with the Code annually.

Our commitment to high ethical standards also extends to our vendors, suppliers and service providers, who are required to comply with [Lowe's Vendor Code of Conduct](#). We offer instructor-led Vendor Code of Conduct training in several languages to import suppliers, including those in North America and Asia (including greater China, India and Vietnam). More information about our Vendor Code of Conduct can be found in [Supply Chain](#).

Anti-Corruption Policy

The [Lowe's Anti-Corruption Guide](#) (the Guide) sets forth policies and protocols that place robust anti-corruption controls in areas including international third-party engagement, foreign charitable contributions, mergers and acquisitions, and recordkeeping. Lowe's reviews and updates the Guide from time to time to ensure it reflects developments in the law and in Lowe's business model.

Lowe's requires annual, regionally relevant anti-corruption training for a substantial majority of employees at the director level and above, including senior executives; corporate employees based in Canada, Mexico, China, India and Vietnam; U.S. corporate employees traveling internationally to high-risk areas; and U.S. corporate employees in high-risk functions.



Open Door and Non-retaliation Policy

Employees and stakeholders are provided with multiple channels to raise questions and report concerns, including third-party operated hotlines that are available 24/7, to report complaints regarding unethical or illegal conduct. All concerns are evaluated, tracked and managed in a prompt and appropriate manner.

Ask Questions and Report Ethical Concerns		
Online	www.ethicspoint.com	
Email	compliance@lowes.com	
Phone	(800) 784-9592	U.S. & Canada
	0800-8911667	Brazil
	10-800-712-1239	Northern China
	10-800-120-1239	Southern China
	01800-9-155860	Colombia
	800-964214	Hong Kong
	000-800-100-1071 or 000-800-001-6112	India
	001-803-011-3570 or 007-803-011-0160	Indonesia
	1-800-80-8641	Malaysia
	001-800-840-7907 or 001-866-737-6850	Mexico
	00801-13-7956	Taiwan
	001-800-12-0665204	Thailand
	120-11067	Vietnam
	(503) 619-1883	Other international locations

Customer Privacy

Lowe's respects customer privacy and aims to ensure that all personal data we hold is treated in a responsible and secure manner. Lowe's Privacy Statements, applicable to the [United States](#), [Canada](#) and [Mexico](#), and other businesses in our portfolio of companies, describe 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 statements also describe the choices customers have regarding Lowe's use of their personal information. We've established administrative, technical and physical safeguards designed to ensure the security of customers' personal information, and we periodically update our privacy statements and procedures to ensure compliance with applicable laws and regulations governing data privacy and security.

Lowe's provides a companywide privacy and security awareness training course to help employees understand and identify risks and responsibilities associated with the handling of customers' personal information and gives them the necessary instructions on how to address suspected data incidents or any other activity that might place personal information at risk. Lowe's also provides more targeted privacy and security training to individual teams and groups with additional data-handling responsibilities.



Political Engagement

We actively engage with local, state and federal governments to support our long-term business priorities and explain our views on matters affecting our business. Our political engagement activities are managed by our vice president of public affairs, and our Lowe's Political Action Committee (LOWPAC) board of directors provides oversight of LOWPAC's political fundraising and contributions.

Lowe's does not make direct corporate contributions to political campaigns or candidates, and 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

LOWPAC is funded by voluntary contributions from Lowe's U.S. home improvement employees. It supports candidates and other political committees that are aligned with our business interests, as determined by LOWPAC's board of directors. In 2015, LOWPAC made \$312,250 in political contributions.

Trade Organizations

In order to gain valuable access and insight into specific industry best practices and lobbying activities on issues most relevant to our business, Lowe's is a contributing member to a number of state and national trade associations. Our full list of memberships can be found [here](#). Lowe's representatives frequently serve in a leadership capacity within many of these organizations, ensuring that our best interests are represented.

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 non-deductible lobbying activities.



Community

Community engagement is at the heart of our business. Across the United States, Canada and Mexico, communities are home to our customers, employees and their families, as well as our more than 1,855 retail locations. For the past seven decades, we've viewed investments in our communities as investments in our business.

Every year, we support our communities through a combination of charitable giving and employee volunteerism. Through the Lowe's Charitable and Educational Foundation, corporate donations and store giving, we partner with trusted organizations and contribute millions annually to educational programs, community rebuilding efforts and disaster relief.

Lowe's employees contribute directly to communities through thousands of hours of volunteer service each year. There's a good reason we call them Lowe's Heroes.

2015 Community Impact



\$33 million
In Charitable Giving



43,192
Lowe's Heroes Volunteers



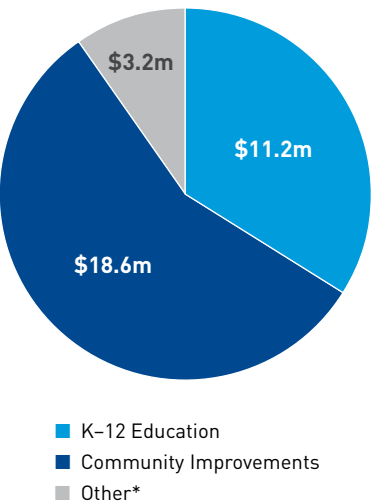
3,795
Community Projects



Our Community Strategy

We align our community giving and volunteer efforts with programs and partnerships that complement our core business. Each year, we support programs that improve K-12 educational systems, help to rebuild and improve our neighborhoods and provide relief to communities in need.

2015 Charitable Giving – \$33 Million Total



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

Our Community Giving Approach

			
	K-12 Public Education	Community Improvement	Disaster Relief
Our approach	Strong schools and educational programs are the backbone of our communities and help ensure all children have access to quality education. Through the Lowe's Toolbox for Education® grant program, educational scholarships and partnerships, we provide opportunities to students across the nation.	As a home improvement company, building strong communities while helping ensure access to safe and affordable housing is a priority. We work with strategic partners to provide building and repair services to communities in need.	Every year, natural disasters strike with little or no warning. While we can't predict when or where they'll happen, we can provide support to leading organizations to aid in relief and recovery efforts.
Nonprofit partners	Boys & Girls Clubs of America The Nature Conservancy SkillsUSA	Habitat for Humanity Rebuilding Together Keep America Beautiful	American Red Cross First Response Team of America

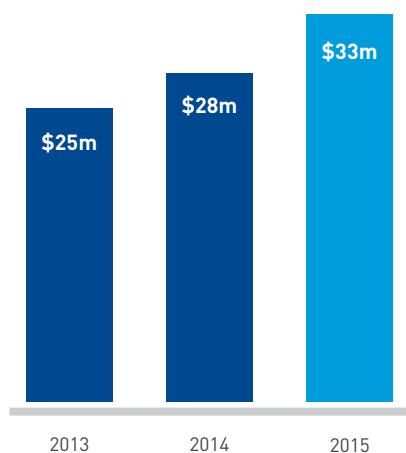
Charitable Contributions

In 1957, we formed the Lowe's Charitable and Educational Foundation (the foundation) to support efforts dedicated to improving our communities. Since then, the foundation has awarded millions of dollars in charitable contributions to support education and community improvement activities across the United States. Each year, the foundation contributes through a combination of:

- National nonprofit partner donations
- Lowe's Toolbox for Education® grants
- Educational scholarships
- Community grants

The foundation is overseen by a board of directors and chaired by Lowe's corporate administration executive.

Community Giving, 2013–2015*



*Includes: Employee relief fund and employee giving campaign

In 2015, Lowe's and the foundation provided more than \$30 million in charitable contributions to community programs and partners, bringing our total charitable contributions to more than \$250 million since 2007.

Our Employee Volunteers: Lowe's Heroes

Lowe's employees selflessly volunteer thousands of hours to improve their communities each year. They help complete critical repairs to K–12 schools and educational centers, contribute valuable construction and repair skills to build and renovate homes, and clean up and rebuild after disasters.

And the momentum continues to build. Last year, for the first time, 100 percent of Lowe's U.S. stores participated in Lowe's Heroes volunteer projects.

We feel our employees should be acknowledged for their service, and in 2015 we started to formally track total Lowe's Heroes volunteer hours. We also doubled the budget for each location's Lowe's Heroes project. Lowe's donated more than \$4 million to Lowe's Heroes projects in 2015.

In early 2016, we announced plans to give our employees the opportunity to do even more, providing eligible full-time employees with eight hours of paid volunteer time off to support approved nonprofit organizations in their communities.

Some highlights from 2015 include:

- **Washington, D.C.:** In April 2015, close to 100 Lowe's Heroes teamed up with Rebuilding Together and Carter's Kids to make critical home repairs and build a playground for an underserved community as part of the Rebuild-A-Block program.



"Your home means a lot to you. I love this house. It gives me enjoyment to know that I can stay in my own home. And I'm so grateful that you all had come into my life."

—Helen Hansborough, homeowner, Washington, D.C.

[Watch the video](#)

- **Monroe, Washington:** In September 2015, 11 Lowe's Heroes completed much-needed safety enhancements to the Monroe Gospel Women's Mission, including replacing an old wheelchair ramp. The mission supports nearly 100 women of all ages annually with temporary housing, food and counseling resources.

- **Billings, Montana:** In the fall, 30 Lowe's Heroes helped revitalize the Tumbleweed Runaway Program facility, repairing laundry rooms in addition to other improvements. The Tumbleweed program provides crisis counseling and additional services to runaway, homeless and other at-risk youth and their families.
- **Dallas, Texas:** The day after Christmas, the Dallas area was hit by 11 tornadoes that left 25,000 residents without power and destroyed or badly damaged more than 1,000 homes. In response, nearly 200 Lowe's Heroes from approximately 40 area stores worked alongside the First Response Team of America and other community organizations to provide relief assistance, including clearing debris and helping to find personal belongings.

[Watch the video](#)

"This is just devastation, and they need our help."

—Lowe's store manager Joey Scott

***"They saved our life, [salvaging] most of our stuff.
It's more than amazing."***

—Tornado victim Glenda Tullius



Investing in Education

An investment in education is an investment in our future. Through strategic partnerships and a combination of educational grants, scholarships and volunteer activities, we're providing students across the country with the necessary resources to ensure a safe and positive learning environment.

Celebrating 10 Years of Lowe's Toolbox for Education®

The year 2015 marked the 10th anniversary of Lowe's Toolbox for Education® (Toolbox), our signature educational grant program. Every year, Toolbox donates approximately \$5 million in grants to K-12 public schools across the United States. These grants, ranging from approximately \$2,000 to \$100,000, support upwards of 1,000 schools per year with structural and safety enhancements, as well as upgraded learning materials and technologies. Lowe's Heroes also pitch in, volunteering their time and skills for a wide variety of projects.

Since the program began in 2006, Toolbox has provided approximately \$48 million in grants, benefiting more than 6 million children and nearly 11,000 schools along the way. In 2015, the Lowe's Charitable and Educational Foundation donated more than \$5.5 million in grants to improve 1,138 schools in 47 states.

To mark the 10th anniversary of Toolbox and celebrate the achievements to date, Lowe's launched the Letters to Lowe's campaign. Letters to Lowe's encouraged students, with the help of their teachers, to write to Lowe's to share how a grant would help benefit their school. In total, nearly 4,000 students submitted letters, with the four winners' schools each receiving a \$25,000 grant. Lowe's Heroes will help the winners bring their ideas to life in 2016. Read the winning letters [here](#).

Please visit the Lowe's Toolbox for Education® [website](#) for more information.

Educational Scholarship Programs

Rising tuition costs make it more difficult for a student to afford a college education. Lowe's scholarship partner programs help to relieve that burden by awarding financial assistance—based on critical financial need—to students each academic year, including \$1.5 million in 2015. Our partner programs—UNCF, Hispanic Scholarship Fund and the Thurgood Marshall College Fund—each received \$500,000 to help students across the country.

“Thank you for being a catalyst in my higher education by supporting the Hispanic Scholarship Fund for students in need of financial assistance nationwide. As a student leader and education advocate, it brings me great joy to know that large-scale corporations like Lowe's Companies give back to the community by investing in education. With the help of this scholarship, I am able to partially pay for my spring 2016 semester, enroll full time and purchase books and school supplies.”

—Viridiana Lopez Pedraza, Chicago State University, student ambassador



Letter Shines Light on Need for Shade

“Hi, my name is Sophia. I am writing this essay to Lowe's. My school needs the \$25,000 because we need a shade structure for our playground. The reason we need a shade structure so badly is because the temperatures here in my town of Rio Rico, Arizona, can reach between 90 to 100+ degrees from May to October.

For that reason, we are more likely to get skin cancer. Arizona is one of the top places in the country for cases of skin cancer. Most of our playground equipment is made with metal that can become really hot and cause injuries like blisters on our hands, scraping of our knees, elbows and other body parts. Plus, we get really hot and have to drink water all the time.

San Cayetano Elementary is in a rural area and our budget is very small. We cannot afford the shade structure. Our parents have tried to raise the money, but we still don't have enough. These are just some of the reasons why we need the money for the shade structure. I hope you can help us.

Thank you.”

—Sophia, 5th grade, San Cayetano Elementary, Rio Rico, Arizona

Each year, the Carl Buchan Scholarship program (named after Lowe's founder) has made scholarships available to our employees, their families and dependents. In 2015, \$250,000 in scholarships were awarded to 50 students.

Supporting Our Partners

Lowe's works with and supports national partners who are committed to improving the education and development for youth across the nation.

Boys & Girls Clubs of America

Since 2009, Lowe's and the Boys & Girls Clubs of America have joined forces to provide opportunities for our nation's young people. With more than 4,100 locations, the Boys & Girls Clubs provide invaluable resources and development programs for millions of kids and teens during critical out-of-school hours. Lowe's supports the clubs each year through charitable donations and employee volunteerism directed at improving club facilities.

In 2015, Lowe's donated \$1 million to support improvement projects at 19 Boys & Girls Clubs in the United States, bringing total contributions to \$7 million to date. Grants as high as \$50,000 will go to support improvement projects such as roof repairs, classroom renovations and safety upgrades. In addition, Lowe's Heroes employee volunteers have donated their time to support these efforts, adding valuable expertise in the process. Read about a Lowe's grant [here](#).

The Nature Conservancy

Since 2005, Lowe's has worked with the Nature Conservancy—a leading global nonprofit organization dedicated to protecting the lands and water on which all life depends—to support the conservation of natural areas across North America and empower the next generation of leaders. Throughout our decade-long

partnership, Lowe's has contributed more than \$10 million to help the Nature Conservancy protect important freshwater and forest lands and to advance youth education and engagement programs.



In 2015, Lowe's contributed \$1.25 million to support the Nature Conservancy's youth educational initiatives. This included funding to support the Nature Works Everywhere school and garden programs, online educational resources, and high school and college internships. Through these programs, we're providing the youth of today with the resources necessary to solve our environmental challenges of tomorrow.

SkillsUSA

In 2015, Lowe's provided \$1.5 million to SkillsUSA to help address the growing U.S. skills gap. SkillsUSA provides 300,000 student members annually with valuable professional, workplace and technical skills. Lowe's funding went to support the Schools in Need grant program, the Chapter Excellence Program, the National Leadership and Skills Conference and TeamWorks competitions held in 35 states.

Since our partnership began in 2004, Lowe's has contributed more than \$14 million in support and grants to SkillsUSA.

Nature Works Everywhere: California Students Take Action to Address Drought

Every day, urban environmental challenges affect communities around the world. In California, Lowe's, the Nature Conservancy and Environmental Charter Middle School-Inglewood (ECMS-I) teamed up to tackle one of these problems—drought—through urban school gardens. The initiative is part of the Nature Conservancy's Nature Works Everywhere program, which provides resources for students and teachers to help them learn the science behind how nature works for us—and how we can all help keep it running strong.

In October 2015, ECMS-I students and teachers, with the help of Lowe's Heroes and the Nature Conservancy, held a one-day garden build on the school's campus. The objective: to put into practice classroom learnings about drought and water conservation in California by planting drought-resistant plants native to that part of the state. The program is empowering local students and community members to address a very real and local environmental challenge with a practical solution, while developing transferable skills in the process.

"Just steps away from some of the most congested freeways in Los Angeles, our school is creating an inspiring and interactive living campus that brings learning to life while also serving as a model of sustainable living and ecological design for the entire community."

—Beth Bernstein-Yamashiro, ECMS-I Principal

[Watch the video](#)

Improving Our Communities

As a purpose-driven home improvement company, we help people love where they live by improving our communities and neighborhoods. We partner with leading organizations, such as Habitat for Humanity and Rebuilding Together, to provide essential housing and building repair services to those in need. We offer training and how-to clinics to teach community members valuable construction and maintenance skills. And we work hard to make our communities places to be proud of.

In 2015, we contributed \$18.6 million in support of community improvement initiatives across the country. Lowe's Heroes, working with our partners and community members, volunteered thousands of hours of their time and technical expertise to assist the efforts.

Supporting Our Partners

Lowe's works closely with longstanding partners who share in our commitment to community improvement. Joining forces with Habitat for Humanity and Rebuilding Together, we worked to restore, rebuild and renovate homes for people and communities in need across the country. With Keep America Beautiful, we're helping to revitalize the public spaces and natural environments we all share.

Habitat for Humanity International

Since 2003, we've partnered with Habitat for Humanity International in affordable housing and community revitalization efforts to help families build strength, stability and independence in the United States. Since our relationship began, we've contributed more than \$63 million, helping more than 5,500 Habitat families build a better future for themselves and their families.

Every year, Lowe's volunteers roll up their sleeves to support Habitat programs. In 2015, more than 2,500 Lowe's Heroes participated, contributing thousands of hours of their time and expertise to support Habitat's community revitalization programs. In addition to providing construction support, employee volunteers also provided technical training and skills workshops in communities and at stores throughout the United States.

Highlights from 2015 include:

- **Holiday Refresh Blitz (nationwide):** In November, nearly 700 Lowe's Heroes, Valspar employees and community volunteers helped with maintenance and repair projects in 10 markets across the United States. Alongside Habitat homeowner families, the volunteers prepared homesites for the upcoming holidays through landscaping, painting and safety and security projects, in addition to neighborhood cleanup.
- **Las Vegas:** In March 2015, nearly 100 Lowe's Heroes joined six-time NASCAR champion Jimmie Johnson and his crew to help frame a four-bedroom home in partnership with a local family before the Kobalt 400 race. Prior to stepping in his car, Johnson handed over keys to the new home to the family.

[Watch the video](#)



- **Houston:** In July 2015, 105 Lowe's employees from 26 stores came together with Habitat construction experts to build a Habitat home as part of a skills-training event. The "Lowe's Training House" provided Lowe's employees the opportunity to strengthen their construction skills to better serve communities in support of Habitat's mission.

Rebuilding Together

For almost a decade, Lowe's has supported Rebuilding Together in its efforts to rehabilitate homes in vulnerable communities. Each year, Rebuilding Together mobilizes nearly 100,000 volunteers to support thousands of community revitalization projects across the United States.

Through charitable grants and volunteer activities, we provide critical renovations and revitalization services to assist low-income community members across the

country. In 2015, we contributed \$2.5 million to support projects in more than 100 communities across the United States, with more than 750 Lowe's Heroes employee volunteers lending a hand. Since the start of our partnership in 2007, Lowe's has committed \$15 million in charitable contributions and nearly 31,000 volunteer hours, benefiting more than 15,000 people with essential renovations, including safety and accessibility enhancements and energy-efficiency upgrades.



Rebuilding Together: 10 Years after Katrina

In 2005, Hurricane Katrina devastated the city of New Orleans—killing thousands, overwhelming communities and leaving countless more homeless in its wake. Ten years later, the impact is still being felt. Communities and families are still rebuilding, trying to get back on their feet.

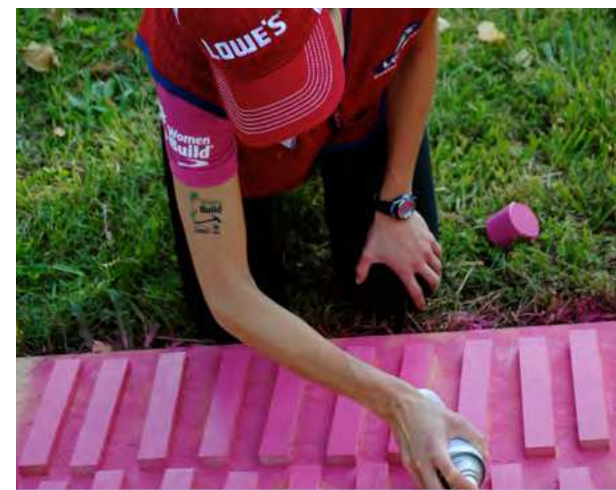
Throughout this challenging journey, Lowe's has worked alongside the resilient communities of New Orleans, helping them rebuild. "This is a community that Lowe's has not forgotten about," said Emanuel Fitch, Lowe's store manager and New Orleans native.

In the immediate aftermath of Hurricane Katrina, Lowe's contributed \$650,000 and volunteer support from Lowe's Heroes to help restore 10 of the 20 firehouses lost by the New Orleans Fire Department.

To commemorate the 10th anniversary of the hurricane, Lowe's teamed up with Rebuilding Together to participate in a two-day community revitalization project in the Gentilly neighborhood of New Orleans. In addition to a \$150,000 grant to Rebuilding Together, nearly 170 Lowe's Heroes employee volunteers provided essential home repairs and maintenance for local homeowners. Volunteers also helped revitalize Gentilly's Fire Station 27, which was in critical need of improvements.

"Ten years after the devastating effects of Hurricane Katrina, there is still work to be done. Together, with the support of Lowe's and the Lowe's Heroes, we are transforming communities in New Orleans and moving closer to our vision of a safe and healthy home for every person," said Sandra Henriquez, interim president and CEO of Rebuilding Together.

[Watch the video](#)



National Women Build Week

In 2015, we once again supported Habitat's National Women Build Week, contributing \$2.5 million to assist 300 Habitat affiliates nationwide. National Women Build Week is a weeklong event where thousands of women come together to build affordable homes in partnership with communities and families.

Last May, approximately 1,700 Lowe's Heroes joined more than 18,000 women volunteers from across the country to build or repair roughly 620 homes over the course of the week. Our employee volunteers contributed by building homes and conducting how-to clinics to assist communities.

"As a mom, you try and secure a home for your kids as you don't know what tomorrow will bring. Habitat [through their partnership with Lowe's] has made it possible for me to provide a stable home for my kids, one that I know they'd be able to afford."

—Maria Torres-Leon, Habitat homeowner

[Watch the video](#)

Keep America Beautiful

Over the past four years, Lowe's has worked alongside Keep America Beautiful and its community affiliates to transform our public and natural spaces, making them places to be enjoyed by all. Since our partnership began, Lowe's has supported community improvement programs with more than \$4 million in charitable grants and thousands of volunteer hours provided by

Lowe's Heroes. What's more, these grants have mobilized more than 40,000 national volunteers since the partnership began.

In 2015, Lowe's contributed \$1 million to support 50 local projects. From Austin to Atlanta, these grants, and support from local Lowe's Heroes, helped clean up and restore disaster sites, revitalize parks and plant community gardens.



Lowe's Helping Keep America Beautiful in 2015 By the Numbers:



50
Grants



52,073
Trees Planted



517
Lowe's Heroes Employee Volunteers



70
Playgrounds and Recreational
Spaces Restored



751,405
Flowers and Bulbs Planted



69,500
Acres of Parks and Public Lands
Cleaned and Improved



5,166
Gardens, Gateways and Green
Spaces Built or Maintained

"We're grateful to Lowe's and all of the Lowe's Heroes employee volunteers, who in partnership with our affiliates and other community-based volunteers spend countless hours to make a difference."

—Jennifer Jehn, president and CEO, Keep America Beautiful

Providing Relief to Communities in Need

Natural disasters strike without warning, cause irreparable damage and inflict pain on the communities they affect. Lowe's is present in communities across the United States, which enables us to respond quickly to events and stay for the long haul. Working with our national partners—the First Response Team of America and the American Red Cross—Lowe's is helping impacted communities get the relief they need while putting necessary measures in place to make communities more resilient. Lowe's donates to these organizations to support relief efforts across the country, and Lowe's Heroes contribute time and expertise to aid in the relief and recovery efforts.

In 2015, Lowe's donated nearly \$1.5 million to help out with disaster relief and recovery efforts across the United States. This included helping communities in South Carolina to recover after historic floods that left more than a dozen dead and assisting others devastated by tornadoes that struck the Southern and Midwestern parts of the United States last spring and winter. Lowe's Heroes also contributed to the recovery, with hundreds of employee volunteers donating their time and services to these efforts.

American Red Cross

Since 1999, Lowe's has teamed up with the American Red Cross to help deliver relief and recovery assistance in the immediate aftermath of a disaster. Each year, through the Red Cross Annual Disaster Giving Program, Lowe's pledges donations that help the Red Cross plan for and respond to disasters. Lowe's Heroes also donate their time to recovery activities.

Together with customers, Lowe's has donated more than \$26 million to Red Cross relief activities, including approximately \$750,000 in 2015.



Assisting Flood Victims in South Carolina

In October 2015, floods ravaged parts of South Carolina, leaving 19 dead and thousands more without access to clean water and electricity. Lowe's teamed up with national partners, including the American Red Cross and the First Response Team of America, to help communities.

Lowe's donated \$500,000 to the Red Cross to provide food and shelter for impacted residents. Meanwhile, Lowe's Heroes from across the Southeast, armed with enthusiasm and resourcefulness, worked alongside community members and partner organizations to clean up and rebuild these stricken areas. Employee volunteers cleared debris and distributed more than 100 cleaning buckets and other relief supplies to community residents to help with their recovery needs.

"It's just something that instinctively tells you that you need to go help them and give back to let them know that they are not in this alone. And that they've got somebody that is helping them get through this situation."

—Richard Murton, Lowe's of Augusta, Georgia

[Watch the video](#)

First Response Team of America

Since 2012, Lowe's has provided more than \$2 million in grants, and hundreds of volunteer hours, to the First Response Team of America to bring relief and assistance to impacted individuals and families all across the United States. Armed with specialized equipment and vehicles, the First Response Team is able to access impacted areas that others cannot reach.

Over the course of 2015, Lowe's supported First Response Team relief efforts in 14 impacted communities with \$750,000 in charitable donations. From towns devastated by tornadoes in Illinois and Texas, to communities affected by flooding in South Carolina, around 500 Lowe's Heroes helped the First Response Team perform search and rescue operations, clear debris and distribute much-needed supplies.



Helping Tornado Victims in Texas

On May 10, 2015, an EF-3 tornado struck the town of Van, Texas. The tornado destroyed more than 500 homes and businesses, injuring 47 and causing two fatalities. The First Response Team of America and nearly 40 Lowe's Heroes were quickly on the scene, removing debris and helping the community recover.

"I was still in shock, and they started working on things immediately," said Joan Birtz, whose home suffered major damage in the tornado. "The coordination from the team was great. What would have probably taken us two months to do, they did in one day. They cleared a lot of debris and helped us get to valuables we were trying to save, and I am so grateful."

Workplace

As we continue our journey to become an omni-channel home improvement company, our employees help differentiate Lowe's by providing exceptional customer experiences. The more our employees are engaged in their work, the more value they can provide to customers, whether it's in-store, over the phone or in their homes. The Lowe's employee family is 270,000 strong (67 percent full time), and we aim to ensure that each is professionally fulfilled.

Our people are dispersed across the United States, Canada, Mexico, China, India and Vietnam, but we're united by a common culture of employee engagement and support. We work to ensure the well-being of our team members so that they can best show their passion for helping people love where they live.



Employee Culture

Culture makes a company. We work to build an internal environment that reflects our values and demonstrates the importance of each player on the team. People who are passionate about their work bring the best ideas, adapt the fastest and drive results.

To capture that momentum, we know our team must be professionally fulfilled, well-trained, knowledgeable about our industry, injury free and appreciated.

“Passion has always been the secret ingredient to building a culture because a passionate and engaged workforce can move mountains.”

—Brent Kirby, Lowe’s Chief Omni-Channel Officer

Employee Engagement

A purpose-driven culture can’t be created overnight. We regularly examine every part of our business to ensure consistency with our values, and we empower team members to join this effort.

To measure how employees feel about the company and our work environment, Lowe’s conducts an annual Employee Opinion Survey (EOS), which asks full-time and part-time staff to share their views on topics ranging from leadership to teamwork and work-life balance to personal well-being.



In 2015, with the goal of determining what matters most to employees, we broadened the EOS to focus not only on employee engagement, but also on overall work experience. Themed “Without you, our story is not complete,” the survey was conducted in the United States, Canada and Mexico.

Based on results, we’re proud to report:

- Overall employee engagement steadily increased for the third year in a row.
- All three of our U.S. business units (stores, distribution centers and customer support centers) reached or surpassed our benchmark goal of 65 percent.
- For the second year in a row, when asked “What word describes Lowe’s to you?” the top survey response from employees was “family.”

Lowe’s leaders use the survey findings to assess how to drive positive change and implement new ideas for our company. For example, the 2015 survey invited in-depth feedback from employees on specific behaviors by their leaders. The findings were used to create a Leadership Indicator report for each Lowe’s executive, including feedback and actionable suggestions. We also launched a new internal reporting site in 2015 that provides leaders with interactive survey results, including targeted focus areas and suggestions on how to improve their approach to leading their teams.



Lowe’s Tree of Appreciation

“The Lowe’s Tree of Appreciation” mural was painted in our Bartonsville, Pennsylvania, store by Desiree Loanzo, a Lowe’s employee. She created it to represent all of the store’s workers from various backgrounds as one family.

Diversity and Inclusion

An inclusive organization values the contributions and perspectives of every employee, regardless of race, gender, background or sexual orientation, and provides a culture where everyone can reach his or her full potential. At Lowe's, we strive to build a diverse workforce that provides a great experience for the diverse customers who shop at our stores. Embracing this spirit, we engaged in hundreds of diversity and inclusion-related activities in 2015, more than tripling our efforts from the previous year.

Women in Leadership

Our Women's Leadership Series helps female employees at Lowe's learn skills essential for leadership growth and professional self-development. In 2015, our events included an annual leadership summit that brought together approximately 120 female directors and vice presidents from field and corporate offices.

The leadership series also provides quarterly sessions specifically for female managers. In 2015, more than 900 women attended these sessions, where they heard from senior leaders and external speakers about developing strong leadership skills.

Leadership Mentoring

In 2014, we launched the Vice President of Store Operations (VPSO) Collaboration Program, which pairs VPSOs (regional executives responsible for 120-plus store locations or 6–10 markets) with female store managers of another region to further develop our female leaders in the field. Now in its second year, the program is a way to more deliberately develop the capabilities of our female leaders while simultaneously giving VPSOs an opportunity to better understand their perspectives.

In a parallel leadership development initiative, Lowe's launched a new field mentoring program in 2015 that pairs market directors (responsible for about 9–13 store locations) with diverse store managers of another region. Market directors share their expertise to support the diversity of Lowe's next generation of leaders.

"If I had worked with a field mentor from my own region, I wouldn't have grown as much because I would have seen what I already knew. Developing a relationship with a market director from another region diversified my way of thinking."

—Joe Becton, former store manager in Chicago, now market director for northern Pennsylvania



VPSO Collaboration Program Q & A with Samantha Hanson, Store Manager, Mountain Home, Arkansas

You were a participant in the VPSO Collaboration Program in 2015. What did the program entail?

I first met my VPSO mentor, Don McMichael of the Seattle area region, at the National Sales Meeting in early 2015, and from there we had informal monthly phone calls for about one year. As a new store manager in a new market, it was very helpful for me to have someone at the VPSO level with whom I could ask questions about navigating certain difficult parts of my job.

How are you now carrying forward what you learned?

Don and I are still in touch, and it is great to have him as an ongoing resource in my career. I've also been able to share some of what I learned about overcoming personal barriers with the Women in Leadership program for the Southern Missouri market. It has been great to work with these women and see so many of them realize that opportunities for advancement do exist at Lowe's.

Attracting Diverse Talent

Lowe's employees belong to the same communities as our customers. Our inclusive approach to recruitment also extends to our supply chain through our supplier diversity program (see [Supply Chain](#)).

Career conferences are an important part of our hiring strategy, allowing management teams to directly recruit from a diverse talent pool. In 2015, we attended more than 100 recruiting events to attract people with diverse backgrounds and ideas. Examples included:

- **National Black MBA Association Conference:** Lowe's has been a strategic partner of the National Black MBA Association (NBMBA) since 2008. In 2015, 40 Lowe's employees attended the annual NBMBA Conference in Orlando, Florida, hiring 10 talented new associates as a result of this partnership. Lowe's also hosted an executive networking event with candidates at this year's conference, giving attendees a unique opportunity to meet one-on-one with members of Lowe's leadership team.



- **Women of Color STEM Conference:** Women of color are particularly underrepresented in careers in science, technology, engineering and mathematics (STEM) subjects. Lowe's participated in the career fair at the annual Women of Color STEM Conference, which featured workshops and training sessions for attendees as well as recruitment opportunities.
- **Military recruitment:** Lowe's is a Military Friendly® Employer, and as we continue to grow, so does our commitment to the military as a source of valuable talent. In 2015, we participated in Service Academy Career Conferences in Savannah, Georgia, San Diego, San Antonio and Washington, D.C. We also participated in RecruitMilitary events in Charlotte, North Carolina, Denver, Boston and Dallas.



Military Veterans @ Lowe's

We recognize, honor and respect all those who serve in the military, and encourage veterans, reservists and military spouses to join the Lowe's family.

In 2015, Lowe's was recognized on the "GI Jobs Military Friendly Employers" list, which honors our commitment to hiring military talent across our organization.

In advance of this recognition, underscoring our commitment to supporting military talent, we formally launched Military Veterans @ Lowe's (MV@L) as a means to engage active duty military personnel, veterans and other employees eager to support veterans. MV@L focuses on:

- Helping the company transition active duty military personnel into a successful career with Lowe's
- Supporting our employees and their families during deployment and return from deployment
- Keeping Lowe's active in the communities where we operate as a supporter of veteran organizations, causes and needs

Learning and Development

We provide professional and academic opportunities to empower employees with the skills, knowledge and resources they need to fulfill our purpose. They are the faces and voices in multiple channels of customer interaction, including in our stores, in homes and through our website and customer care teams and contact centers. It's important that they have the training and knowledge to offer customers a seamless experience that goes beyond a transaction. Programs include robust onboarding, leadership mentoring, professional development, skill-building opportunities and career coaching. Our learning approach supports our business strategy through a focus on improving the customer and employee experience.

Onboarding Talent

To align new employees to our business approach from day one, we offer an employee orientation and onboarding program that helps new employees understand what it means to be part of a purpose-driven, customer-centric company like Lowe's. The experience reconfirms their decision to join Lowe's and prepares them for the next level of onboarding for their functional roles.

We also identify and foster next-generation talent through our Summer Internship and College Talent programs. In 2015, we hired 91 summer interns and provided full-time jobs to 80 individuals through our College Talent program.

Store Capability: Selling and Service Programs

In today's omni-channel retail environment, customers have higher expectations and more sophisticated needs than ever before. We equip employees with holistic selling and service programs to develop the competencies

and confidence required for today's modern sales and service culture—from increased product knowledge about our approximately 36,000 products to better communications skills.

As part of this approach, we are now also providing new employees with three to five days of "protected time" from solo customer interactions on the sales floor, to be used for additional observation, training and preparation.

To ensure the Lowe's team is capable and confident to deliver exceptional customer experiences, we invest more than \$20 million and 9 million hours each year to train our 270,000 employees in customer-facing and leadership roles. Learning@Lowe's offers a variety of learning paths for employees, including online courses, instructor-led classroom training, experiential learning, on-the-job learning, coaching and performance support. Selling@Lowe's enhances the customer experience through training in selling skills.



Leadership Development

We develop our front-line leaders, middle management and executives to ensure they have the knowledge and skills to support Lowe's priorities and enterprise initiatives. These solutions enable leaders to more effectively lead themselves, their teams and the business as customer and employee expectations evolve. Training and development programs include:

- Expanded field leadership development programs empowering store managers and other field leaders to successfully lead in an omni-channel environment
- Mentor-led training opportunities for new assistant store managers, leveraging experts in the field
- An evolving Store Manager Training Program, incorporating new partners and content designed to expand omni-channel thinking and execution
- Training for market and area support team members that aligns with the training for store leaders. This consistency allows support teams to speak the same language as, and fully support, the managers in our stores, distribution centers and contact centers.
- Leadership Development Sessions for field managers throughout the year, involving executive field leadership in supporting professional development and growth opportunities.

Professional Development

In addition to leadership development, we are also committed to offering targeted professional development opportunities at Lowe's that build capabilities across the enterprise. We provide functional and technical training for more than 10,000 of our employees in relevant departments, including merchandising, information technology, supply chain and finance, among others.



Building a Career at Lowe's

Soon after Clay Clement graduated college in 1989, he joined the Lowe's store in Decatur, Alabama, as an office and credit manager in training. More than 26 years later, he's a key leader in our company.

Clay worked his way up our leadership chain, from assistant store manager, to operations manager, then store manager, to district manager. For the past 13 years, he's served as vice president of store operations (VPSO) for the upper Midwest region, covering Indiana, Michigan, Illinois, Wisconsin and Iowa.

Clay's career typifies our commitment to setting up employees for professional success. He now shares his breadth of experience by mentoring store managers through Lowe's VPSO Collaboration Program, creating momentum for others to succeed.

"Everyone needs guidance at some point in their careers," Clay said, "and mentoring is a formal way to introduce our leaders to the culture of collaboration and investing in one another that is becoming a natural part of the way we do business."

Employee Benefits

We want our employees to be well supported—physically, emotionally and financially. Our healthcare, financial security and other ancillary benefits programs go beyond the basic requirements to meet the changing needs of our workforce.

Professional Benefits

Lowe's offers health, dental and vision insurance, vacation, sick time, flexible spending account plans, a discounted stock purchase plan, a 401(k) plan with a company match, no-cost health screenings and more.

Participation in our medical and retirement benefits has increased in recent years. In 2015, more than 75 percent of full-time Lowe's employees participated in our health plans. We also offer medical plans that include maternity-management programs, personal health advocates and other services.

Eighty percent of full-time employees and 20 percent of part-time employees participated in our 401(k) plan in 2015, after meeting the six months of service eligibility requirement. In 2015, Lowe's contributed \$152 million in matching contributions for eligible participants. We also encouraged more employees to save for retirement by introducing a streamlined 401(k) investment lineup accompanied by a comprehensive communication strategy.

Finally, Lowe's tuition-reimbursement program reimburses full-time employees up to \$2,500 per fiscal year. This popular program has reimbursed a total of \$11.3 million over the past three years.

Promoting Employee Wellness

We place a special focus on wellness, preventative care and making sure the right kind of help is available when our employees need it. We also provide resources to encourage our employees to actively manage their health. Our services and strategies are covered in three pillars:

Get the Care You Need, Maintain Your Health and Use the System Wisely.

Care and Health Maintenance

The following programs and benefits, among many others, are available to eligible full-time employees to help them get the care they need and maintain their health:

- No-cost health screenings, offered through five mobile health screening units that make annual site visits to every U.S. store, distribution center and customer support center. We also provide 19 on-site health centers at our distribution and customer support centers. In 2015, employees and family members completed 111,792 health screenings—a 10 percent increase from 2014.
- Virtual doctor visits via the Teladoc remote medical consultation service. These allow employees in our self-funded health plans to visit the doctor using their personal computer, smart phone or telephone, for diagnosis and treatment of nonurgent health issues. Teladoc is available 24/7/365, and first time visits are free of charge.
- Discounted copays (50 percent of a primary care physician visit) at CVS MinuteClinics and free flu shots are available in partnership with Quest Diagnostics and CVS. In 2015, more than 45,000 employees received a flu shot.
- A Quit for Life smoking cessation program that has helped more than 50,000 employees kick the habit since 2006. The six-month program helps more than 56 percent of participants quit smoking.

- A no-cost counseling program for employees and family members, which received nearly 12,000 calls in 2015.

We've also created a health benefits program for our eligible part-time employees and their families. These Preventive and Preventive Plus plans include two or four physician visits to in-network doctors each year. In 2016, the Plus plan also will provide generic prescription drug coverage.

Use the System Wisely

The skyrocketing costs of healthcare for more advanced medical procedures can create significant financial burdens on our employees and their families. To bring more affordable options to our employees, we partner with high-quality providers, like the Cleveland Clinic, through our Centers of Excellence program. This provides eligible employees and their dependents enrolled in our self-funded programs with access to cardiac care. Additionally, Lowe's has partnered with other pre-eminent facilities to provide hip and knee replacements and spine care. Lowe's covers all costs associated with medical procedures, including travel for the patient and a companion.

Since 2010, 110 employees and eligible dependents have received heart surgery at the Cleveland Clinic. In 2015, 208 employees received no-cost hip and knee replacements, and 84 employees received no-cost spine surgery.

Benefits of Communication

We make all of the information about these extensive benefits and opportunities fully available to employees and their families through engaging, interactive and accessible communication channels, including:

- My Lowe's Benefits, an internal web page where employees and their family members can access everything they want to know about their health plan, 401(k) and other available benefits. The site received 10 million views in 2015.
- My Life Track is a wellness portal used by 41 percent of Lowe's employees in 2015—a jump of more than 50 percent since its 2013 launch. Users can track their weight, food intake and activities, and join weight-management programs, 30-day challenges and other initiatives.
- *Connections*, Lowe's social media intranet for employees, hosts benefit and wellness-related blog posts and videos that have topped 10,000 views. Lowe's also issues a benefits magazine annually to help employees and their families learn more about Lowe's offerings.
- In 2016, all participants in our self-insured plans and qualified dependents will have a "personal health system navigator" on call to help with common issues such as replacing an ID card, explaining doctors' bills or finding a primary care physician.

Lowe's Employee Relief Fund

Successful companies are those that connect with their employees not only on a professional level, but also on a personal and emotional level, particularly in times of need.

The Lowe's Employee Relief Fund (LERF) assists those experiencing significant financial hardship through the contributions of fellow team members. All full-time and part-time employees are eligible for support. The program is funded by employee payroll deductions and check contributions, with Lowe's matching each contribution dollar-for-dollar and funding the operating costs.

Since its inception in 1999, LERF has helped more than 23,000 Lowe's employees with more than \$26 million in financial assistance.

In 2015, LERF distributed more than \$3.3 million to assist more than 2,800 Lowe's employees and their families. The funds helped support employees through significant unforeseen hardships, including medical issues, death events, house fires and natural disasters.

Ultimately, the fund is only made possible through the generosity and passion of our employees. Linda Luks was a prime example. A 16-year Lowe's veteran in Albuquerque, New Mexico, she passed away in September 2015, leaving a \$20,000 donation to the fund. Matched by Lowe's, this was the single largest employee contribution to date—a fitting legacy for a woman who viewed Lowe's as part of her own family.

[Watch the video](#)



Help from the Lowe's Family

Each year, natural disasters have a devastating impact on the Lowe's community. When the Riddle family of Vilonia, Arkansas, lost everything in a tornado in April 2014, help and hope were quickly on the way.

Assistance from the Lowe's Employee Relief Fund allowed the family to pay medical bills for injuries sustained during the tornado, rebuild the home they lost and secure the peace of mind they needed to start over.

"It really was a godsend," Shawn Riddle said. "It helped us when we needed it the most."

The support provided to his family, replicated many times over around the country in 2015, was proof for Shawn that "Lowe's takes care of its own people."

Gary Stillwell, the store manager at Lowe's of Conway, Arkansas, said that the culture of support and employee engagement is what differentiates Lowe's. "[This program] shows what we can do as a company—because we are a family," he said.

[Watch the video](#)

Health and Safety

In addition to caring for our employees' health through medical support and wellness programs, we're committed to ensuring that our employees stay injury-free while on the job. We believe zero work-related injuries and illnesses are possible, which is the premise behind our safety program, "Safety Is When Nothing Happens."

We know that achieving zero incidents requires a culture of safety, so our multilayered management approach includes monitoring performance, improving training and feedback, inviting employee engagement and requiring accountability.

We built new momentum for our safety culture in 2015, setting several new store records for the number of days without an incident, including the most "60 Day Awards" (given at 1,724 sites), the most "365 Day Awards" (given at 39 stores) and the most "730 Day Awards" (given at three sites). We also completed the longest streak ever of incident-free days—995 days—at our store in Savannah, Tennessee.

As we track incident-free days and celebrate these milestones, we also clearly articulate to employees and managers that although we strive for zero incidents, the real goal is to take care of each other and make sure all employees go home safely to provide for the people they love and to do the things they are passionate about in life.

Tracking Performance

Employee-led safety begins with ensuring our work areas are safe for every employee, customer and vendor. Every morning, store departments conduct a Daily Safety and HazMat Review (DSHR) to ensure that the area is open and ready for business. Employees are responsible for monitoring their work area and using their company-issued mobile devices to track, correct,

and communicate any potential hazards found in their daily reviews and throughout their shift.

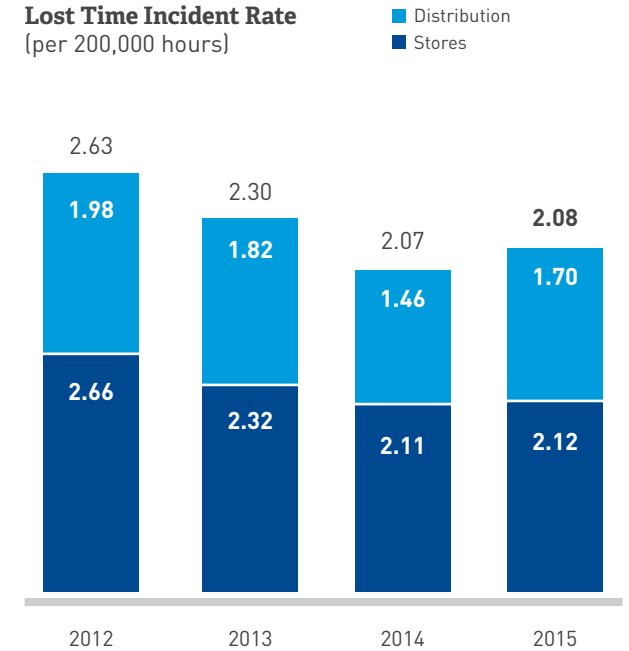
Our employees face a range of potential safety risks in the working environment, including those caused by manual handling and other types of hazards commonly associated with a working warehouse. We log and monitor types of injuries to identify problem areas and prioritize new training programs. In 2015, the average Lost Time Incident Rate at our stores and distribution centers per 200,000 hours was 2.08, down 21 percent from the 2012 baseline year.

The Total Recordable Incident Rate per 100 full-time employees at our distribution centers was 2.50 in 2015—52 percent lower than the North American Industry Classification System Warehouse and Storage overview rate of 5.20.

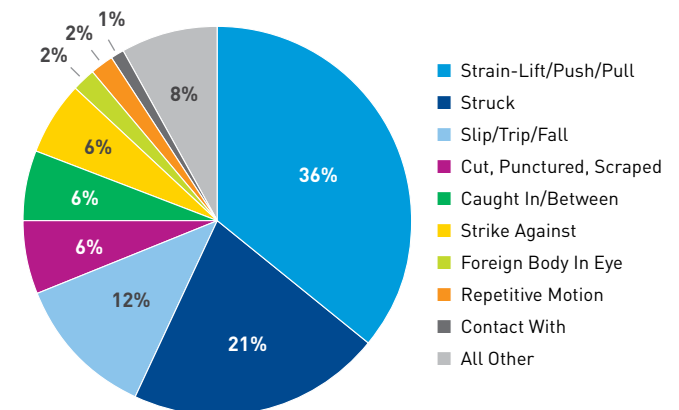
Tracking causes of employee injuries is essential to ensuring that our safety programs are targeted and effective. In 2015, 36 percent of employee injuries were caused by strain from lifting, pushing and pulling, which we're combating through our back injury prevention campaign, "Lift with Your Brain." Since its launch in 2012, it has yielded a 16-percent reduction in related claims, down to 4,539 claims in 2015 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



Safety Training

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. From then on, all training sessions are logged in the Lowe's Training Center, a database that promotes accountability and offers sophisticated analysis for management review over time.

Our training programs, which will continue to evolve in 2016, 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
- **Advanced:** Building existing skills to expert level

At our distribution centers, team-led training sessions give employees an active voice in safety management.

In addition, all Lowe's employees meet with their supervisors to discuss their learning plans and are evaluated annually to ensure they maintain our high level of safety standards. At our distribution centers, team-led training sessions give employees an active voice in safety management.

In 2015, we launched a new certification course for our in-store safety teams as part of our safety journey. Safety teams make up 10 percent of store employees and meet monthly to discuss key safety themes, incident causes and prevention tips. The training modules cover three topics: Safety@Lowe's, Hazard Identification/Root Cause and Presentation Skills for effective communication of safety information. The training is already

helping store employees work together to ensure that incidents are not repeated.

Health and safety preparedness training provides a lifelong set of skills that employees can call upon even outside the normal duties of their jobs. There have been numerous instances when Lowe's employees have used their training to help fellow colleagues or customers in need, either in the store or while making a home delivery. For example, this past year, assistant store manager Lucia Zuniga provided first-aid to a young child in our Madera, California, store.

Responsibility and Accountability

Lowe's leadership teams are directly responsible for creating a culture of health and safety across our stores. With a different store manager leading each site, it's important that we broadcast our safety messaging in a consistent way. To ensure the steady progression toward zero incidents, we lead a coordinated campaign for accountability through awareness, engagement and action.

Awareness efforts track and report health and safety performance data while sharing information through structured communications and training modules, monthly safety meetings and recognizing exceptional performance.

We also engage our workforce about safety on a regular basis through our Tuesday Topics newsletter, monthly meetings, quarterly releases of campaigns and quarterly internal broadcasts. These approaches help identify incident trends and opportunities for new training programs.

The correlation between engagement and safety is clear; the 2015 Employee Opinion Survey revealed that our top 180 most-engaged locations have a 33-percent lower incident rate than our 180 least-engaged locations.

We hold people accountable for unsafe behavior. Problems are identified and addressed through daily safety inspections, weekly management meetings, monthly team meetings and comprehensive Safety and Hazmat store audits in each market.



Safety First

Although we learn as children that "accidents happen," it is a mission in all Lowe's stores to prevent them. With many roles involving the use of heavy equipment and home deliveries on a daily basis, we're proud of the safety culture our employees are demonstrating in our stores.

For example, beginning in late 2014, the Battle Creek, Michigan, store went 420 consecutive days without a recorded accident. Store manager Carrie Baker-Komindo says safety is her staff's main focus. "We are a team and a family, and we are committed to keeping our people safe and keeping our customers safe."

Culture plays a big role for the team. Carrie and her leadership team host morning meetings to discuss safety issues and update a white board daily with the current tally of accident-free days. Associates have a "This Is Why We Work Safe" bulletin board where they post photos of their families, and many proudly wear "Mission 365" stickers or "Club 365" wristbands.

Operations

Lowe's responsibly manages operations to reduce cost and decrease environmental impact across more than 1,855 home improvement and hardware stores. In 2015, we built on past experience to explore new technologies, such as LED lighting, and began testing a state-of-the-art building management system (BMS) in stores to control lighting, air conditioning and other building systems. We piloted and plan to expand a new cardboard bale return program to work toward our waste and recycling goals, and received our seventh EPA SmartWay award for superior environmental performance in our freight supply chain.



Energy and Carbon Footprint

As a first step to reducing our energy and carbon footprint, we're focusing on building systems to collect, verify and report reliable environmental data in our stores. Analysis of this data will enable us to achieve the greatest impact from our energy-efficiency investments, implementing improved technologies and processes in stores where they have the most benefit.

Lowe's reports energy and emissions data annually to the [CDP](#) (formerly known as the Carbon Disclosure Project). To understand our greenhouse gas (GHG) impact and measure progress toward our goals, every year we review our energy and associated emissions across our operational portfolio and actively pursue energy-efficiency and emissions reductions projects. Information gathered from our store operations, bill pay vendor and BMS are used to determine energy consumption and identify equipment anomalies for additional review and corrective actions.

To make progress toward our energy-efficiency goals, we reduce lighting at stores during nonsales hours, implement various lighting energy-efficiency upgrades where appropriate and optimize building energy controls based on store activity.

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

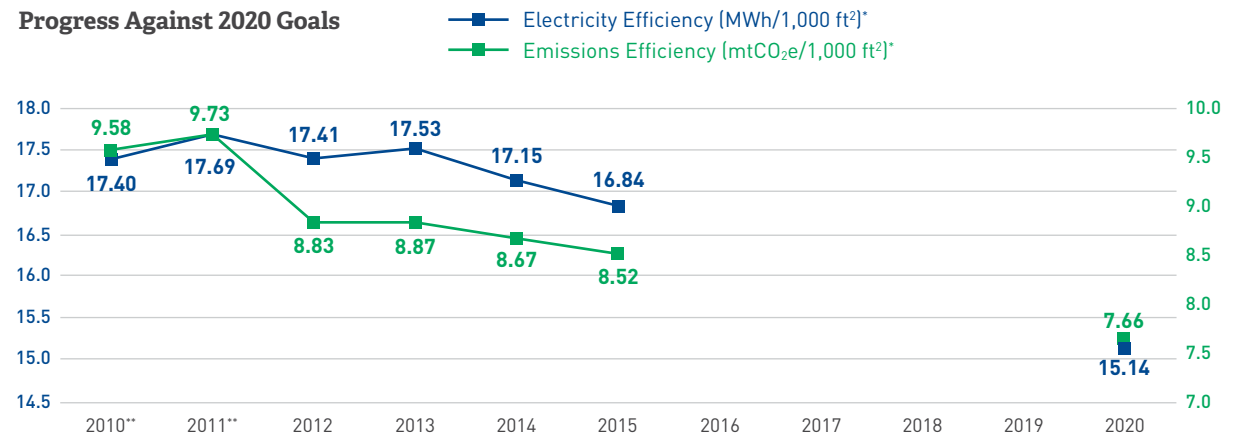
Performance to Date

Improve store energy efficiency 13 percent per square foot (kWh/ft ²) from a 2010 baseline*	Improved energy efficiency by 3.2 percent from the 2010 baseline
Reduce store carbon emissions 20 percent per square foot (metric tons CO ₂ /ft ²) from a 2010 baseline*	Reduced carbon emissions by 11.1 percent from the 2010 baseline

Store Energy Efficiency and Emissions*

	2010**	2011**	2012	2013	2014	2015
GHG emissions (mtCO ₂ e)	2,446,686	2,434,709	2,217,789	2,232,293	2,183,513	2,150,574
GHG emission intensity (mtCO ₂ e/1000 ft ²)	9.58	9.73	8.83	8.87	8.67	8.52
Electricity use per retail store (MWh/1000 ft ²)	17.40	17.69	17.41	17.53	17.15	16.84

Progress Against 2020 Goals



*Includes operating U.S. Lowe's stores only

**U.S. Environmental Protection Agency eGRID2010 (9th Edition) emission factors for electricity-generating plants in 2010 and 2011 data years; succeeding years use eGRID2012

Building Management System

Building Management Systems (BMS) monitor equipment performance and provide information to help facility managers manage our energy consumption. In 2015, Lowe's implemented a 30-store BMS pilot to verify the benefits of the system and determine best practices. Looking forward, we plan to test this program at an additional 30 stores starting in early 2016.

Energy Efficiency

New York and California experience some of the highest electricity costs in the United States. Utilities in these regions offer LED lighting incentives, providing a return on the investment in new lighting. LEDs also reduce maintenance costs and improve lighting conditions compared with fluorescent lighting fixtures. In 2015, Lowe's implemented a 21-store LED lighting pilot initiative in select New York and California stores.

As of January 31, 2016, 20 of the 21 LED retrofits had been successfully executed. On average, these projects yielded a 23-percent reduction in energy consumption while maintaining existing in-store light levels. We

decided to postpone the 21st retrofit to review the data and explore opportunities to maximize lighting energy savings potential through dimming control technology. We're currently evaluating additional opportunities to implement LED lighting technology in other high-electricity cost markets.

In locations where we don't anticipate a financial return from switching to LEDs, we're transitioning from 32-watt to 28-watt fluorescent fixtures that consume less power.

Although Lowe's retail stores account for the majority of our energy consumption, we also implement energy-efficiency upgrades at our distribution centers where the cost savings and emissions reductions are significant. For example, an interior and exterior LED re-lamping project at our Regional Distribution Center in Lebanon, Oregon, also included wireless dimming controls and motion sensors. Lowe's recouped the initial investment through incentives and electricity savings in less than a year for this entire energy-efficiency upgrade.



Proof-of-Concept Store in Bristol, Virginia

The new Lowe's store in Bristol, Virginia, is the first to utilize the new BMS, LED general lighting and HVAC (heating, ventilation and air conditioning) units with variable frequency drives (VFDs).

- The new BMS automatically controls light levels and HVAC settings during predetermined employee and customer hours.
- New LED lighting fixtures are designed to meet specialized sales floor lighting criteria.
- The HVAC system features VFDs that adjust fan speeds to meet ventilation, cooling and heating needs while reducing energy consumption.

Water Conservation

Lowe's is committed to using water responsibly and efficiently. With several U.S. states experiencing severe drought conditions, we're mindful of the water resources we use in our operations and encourage our customers to use water responsibly.

Garden Center Water Management

With the historic drought in California, we modified our operations and product offerings in the state. We limit water use at our California garden centers by shifting watering schedules to earlier in the morning or later in the day to reduce evaporation, removing water from outdoor display fountains (posting signs to explain why) and conducting inspections of spigots and hoses to identify and repair leaks.

We encourage customers to adopt water-efficient gardening by placing water-saving products in prominent positions within stores. These products include block, soil, mulch and stone, which aid in groundwater retention and erosion control. We also offer an expanded selection of drought-tolerant plants. In addition, we worked with vendors and internal partners to ensure that available rebates from local water districts were called-out in-store for relevant product lines.



Clean Water Challenge

UNICEF estimates that more than 660 million people around the world don't have access to safe drinking water. To inspire simple and scalable solutions to this global problem, [Lowe's Innovation Labs](#), the disruptive innovation hub of Lowe's Companies, Inc., partnered with [Singularity University Labs](#) to launch the [Clean Water Challenge](#).

The open innovation program invited citizen scientists and the DIY community in the San Francisco Bay Area and beyond to design and build an affordable water-purification device that could potentially provide safe drinking water in underserved communities where resources are limited. Experience has shown that the best clean water solutions must be simply built and repaired. Using materials only found at Lowe's, nine teams created a reliable clean water solution that uses solar energy to heat water to a minimum of 65 degrees Celsius.

"This Lowe's challenge basically means that I'm able to contribute to something that can help people around the world," said Sharon Clausson of San Diego, California, one of two grand-prize winners at Demo Day at our store in Sunnyvale, California. Clausson created her prototype for less than \$50 using a large storage box, spray adhesive, a 36x36-inch piece of Reflectix and four Irwin clamps.

Ted Rees from Mountain View, California, was the second grand-prize winner.

[Watch the video](#)

Recycling and Waste

Lowe’s recycling programs strive to increase recycling and minimize waste that goes to landfill.

By 2020, Lowe’s aims to achieve the following milestones for waste measured against a 2010 baseline:	Performance to Date
Reduce tons of waste per net sales by 40 percent from a 2010 baseline	Reduced tons of waste per net sales by 12.6 percent from the 2010 baseline (from 6.31 tons/net sales to 5.60 tons/net sales)
Increase tons of waste per haul by 40 percent from a 2010 baseline	Our tons of waste per haul performance has remained flat since the 2010 baseline as a result of challenges in removing certain materials (such as Styrofoam) from our waste stream

The recycling market in 2015 was a challenging one. Although our partnership with Call2Recycle allowed us to collect and recycle more than 650,000 pounds of rechargeable batteries in 2015, the recycling industry as a whole experienced widespread consolidation, and some recycling companies closed shop. As a result, Lowe’s renegotiated recycling contracts to manage these rapid industry changes as we work toward our waste and recycling goals. Through this transition in 2015, we increased the number of recycling vendors we partner with and are working to establish reliable recycling data with all our vendors.

In 2015, we continued to gather waste and recycling data for Lowe’s stores in the United States and reconfirmed benchmarks. We are continually evaluating our process to minimize waste to landfill and reduce disposal costs. As a result, we may accelerate or recalibrate our goals in the future to better reflect industry direction and challenges.

Recycling Centers

Recycling centers are located near the customer service desk at every Lowe’s store in the continental United States. We partner with nonprofit organization [Call2Recycle](#) and encourage customers to recycle compact fluorescent lamps (CFLs), plastic bags, rechargeable batteries and cell phones. In 2015, almost 1,700 of our stores participated in the rechargeable batteries

recycling program, the highest participation rate among U.S. national retailers. Since we began the program in 2004, we’ve recycled more than 4.3 million pounds of batteries.

We also offer collection of used appliances when a customer purchases a new replacement, and Lowe’s garden centers accept plastic plant trays and pots for recycling in the continental United States and Canada. We kept more than 9 million pounds of plastic containers out of landfills in 2015, and we’ve recycled more than 38 million pounds since 2011.

Managing Waste at Our Stores and Distribution Centers

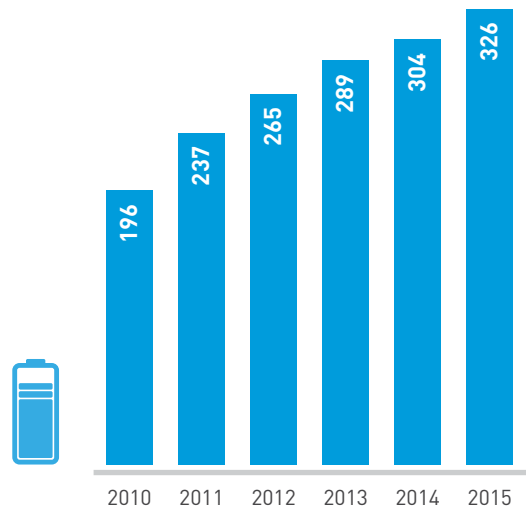
Lowe’s is committed to responsibly managing our waste disposal and maximizing recycling. These efforts are centrally coordinated for stores and distribution centers by Lowe’s corporate office and managed on-site by our planned maintenance teams. Our store management teams are incentivized to recycle by rebates based on the volume collected. Additionally, we are placing more emphasis on data analytics to reduce the variance in tons per haul across our stores. In 2015, we focused on increasing our waste audits to better understand our waste stream and to identify the causes of inefficiencies and recycling opportunities.

Flatbed Distribution Center Cardboard Bale Return Program

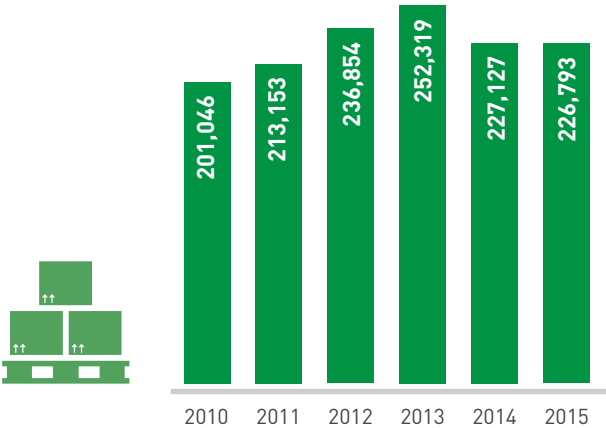
In 2015, Lowe’s started a cardboard bale return program at three of our flatbed distribution centers (FDCs). In the past, flatbed trailers for these locations used to return empty to the FDC after delivering product to stores. Starting with 60 store locations, we began sending cardboard bales back to the FDCs. This measure allowed us to consolidate full truckloads of cardboard by sending it directly to paper mills for recycling. The program eliminated the need for a cardboard-recycling vendor to service each of our 60 participating stores, instead servicing only three of our FDCs. With the success of this program, in 2016 we plan to add 10 FDCs supporting more than 200 stores.

Recycled Material (Tons)*

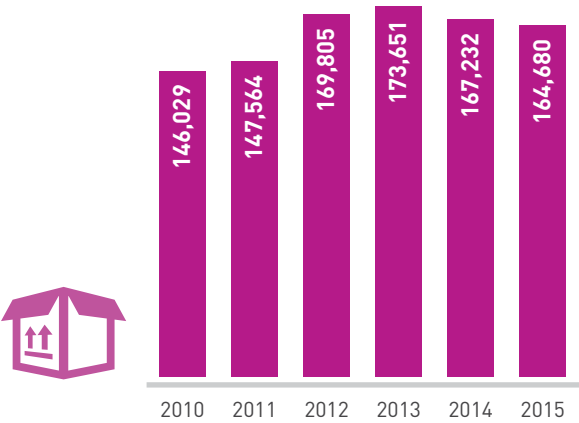
Rechargeable batteries



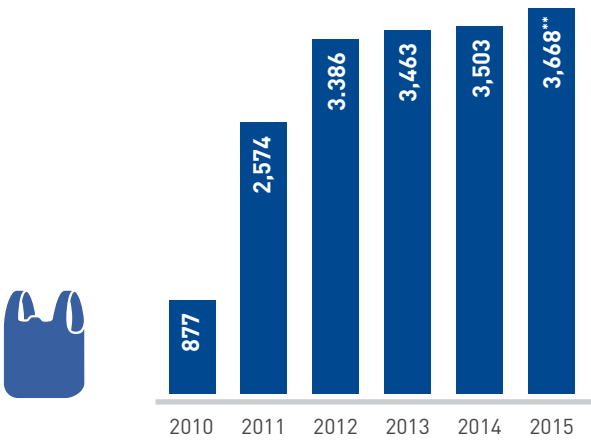
Wood pallets



Cardboard



Plastic bags, shrink wrap, stretch film and plastic bottles



*Includes only operating U.S. Lowe's stores and distribution centers.
 **The 2015 plastics recycling data contained reporting gaps due to recent changes with recycling vendors. Our total 2015 tons of plastics recycled is an estimated figure derived by applying the historical relationship between net sales and plastics recycling.

Hazardous Materials

Lowe's is committed to managing the hazardous materials, chemicals and other regulated materials we sell and use at each and every facility. Our hazardous waste management program has been in place for more than 20 years and continues to evolve and grow with the business.

We carry a wide variety of chemical-based consumer products such as paint, cleaning chemicals, adhesives, plumbing products, building materials and fertilizers, in addition to batteries and products that contain batteries. These items have to be properly managed throughout

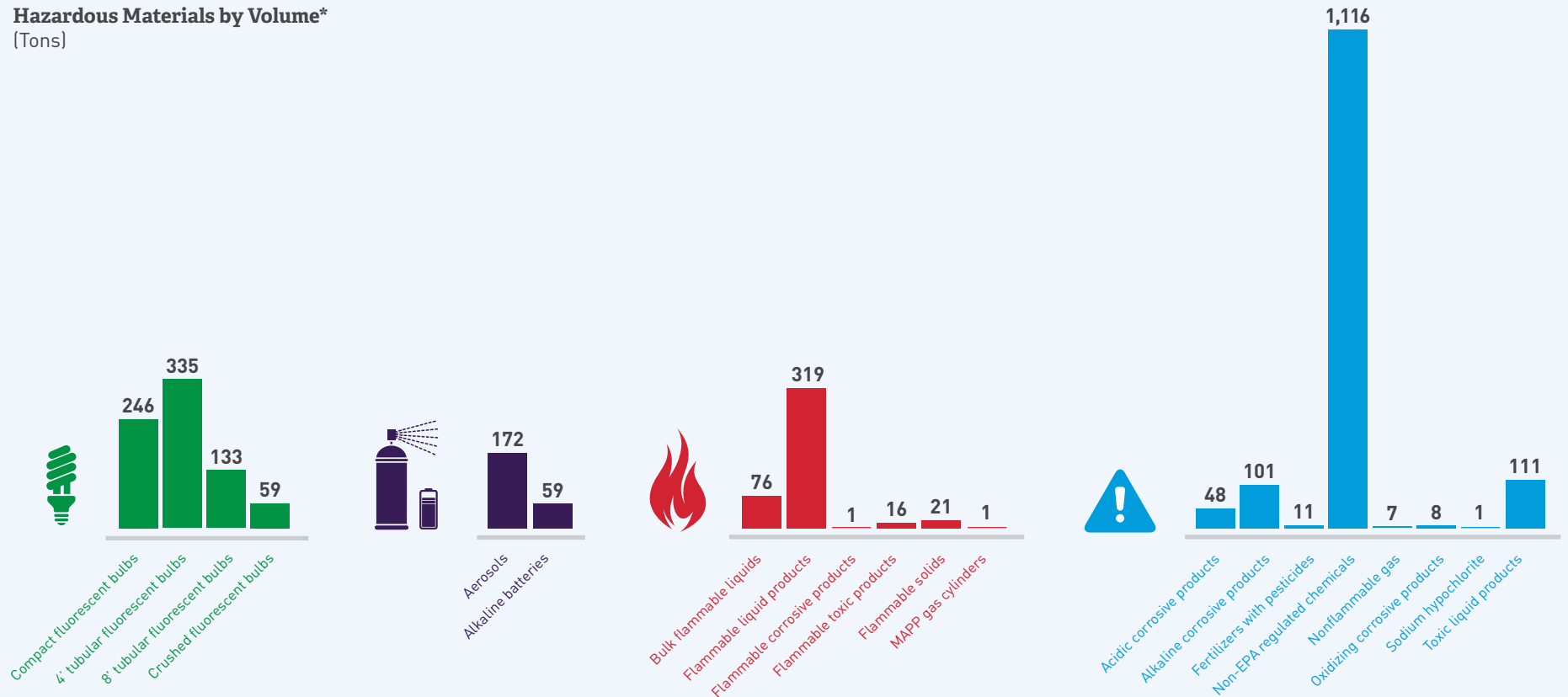
their lifecycle at Lowe's to ensure the protection of customers, employees and communities we serve, as well as the environments that we live in. In the event that these products are not sellable, or that they are spilled or damaged they become hazardous waste and must be handled appropriately.

Responsibly managing and transporting these products starts with one simple step: identification. Our classification system labels each item as a hazardous material (HAZMAT) or non-hazardous 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 and Environmental Protection Agency 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 Lowe's employees receive training on responsible and safe management of hazardous waste materials during our mandatory New Hire Safety Orientation. Depending on their role, relevant employees receive additional HAZMAT training through e-learning courses, in-aisle training, activity sheets, job aids and other aspects of the Lowe's safety curriculum.

Hazardous Materials by Volume*
(Tons)



Logistics

We work with our transportation providers to ensure that the thousands of products we ship daily, from suppliers to our distribution centers and onward to our stores, have the least possible impact on the environment.

We have partnered with the Environmental Protection Agency's (EPA) [SmartWay](#) program since 2005 to reduce transportation-related emissions by creating incentives for our freight contractors to improve efficiency. 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. Through this collaborative partnership, Lowe's has saved more than 27 million gallons of diesel fuel and reduced CO₂ emissions by approximately 280,000 metric tons in 2015.

The [Coalition for Responsible Transportation \(CRT\)](#) facilitates a practical market-based approach of reducing truck pollution and promoting clean air at America's ports. As a founding member of this membership organization, Lowe's continued to be involved with the CRT in 2015 and focused on improving efficiencies of truck drivers going into and out of ports. Looking forward, we're exploring scheduling practices and coordinating loads with ports to reduce truck idling time.



2015 Environmental Protection Agency SmartWay Excellence Award

Lowe's is proud to be one of only 11 companies in 2015 to receive the EPA's [SmartWay Excellence Award](#) in the logistics and shipping category, representing the best environmental performers of SmartWay's nearly 3,000 partners. Additionally, Lowe's is the only retail shipping partner ever to receive seven SmartWay awards.

"EPA is pleased to honor these SmartWay Partners with a 2015 Excellence Award. Through their environmental leadership in the greener goods movement, each of these companies is demonstrating its commitment to our shared goal of a healthier, more sustainable future for the communities and families we serve."

—Chris Grundler, director, EPA Office of Transportation and Air Quality

Pursuing Efficient Fuels and Practices

Natural gas-powered trucks run cleaner than those powered by traditional diesel fuel. In 2015, we continued working with carrier partners to incorporate natural gas into our fleets. For example, in central Florida one of our carrier partners launched a new dedicated fleet consisting of 12 compressed natural gas (CNG) trucks to serve Lowe's operations in the area.

Maximizing the volume of products our trucks run also can save fuel and reduce emissions. Within our Regional Distribution Center (RDC) dedicated fleet, we attempt to use backhauling for vendor loads and consolidate loads when delivering products from the RDC to our stores. In another initiative aimed at reducing empty truck miles, we're reaching out to export vendors and working with them to potentially coordinate loading containers at ports.



Q&A with Rick Gabrielson, Vice President, Transportation

Why is natural gas such an important part of Lowe's transportation fleet?

Natural gas is an abundant domestic resource and switching from diesel to natural gas-powered trucks cuts fuel costs and reduces greenhouse gas emissions.

In 2012, Lowe's decided to begin transitioning our dedicated transportation fleet to natural gas, and we've made significant progress. Today, more than 36 percent of our dedicated fleets have replaced diesel with natural gas-powered trucks, and we run distribution centers in eight states with this new technology.

What are the challenges to greater adoption of natural gas in your fleet?

Infrastructure to support natural gas expansion is still emerging across the country. As a result, the application of natural gas fleets makes the most sense for standardized routes from a fixed site. That's why many of our natural gas fleets mainly service our RDCs. Additionally, the recent drop and subsequent price fluctuations in diesel fuel have made the economics of this transition more challenging. Greater adoption of natural gas across the trucking industry, which in turn could cause more infrastructure investments, would help accelerate our conversion.

Product Sustainability

Customers can find thousands of products at Lowe's that will help them live more sustainable lives. Responsible product choices benefit our communities and the environment, and can save our customers money through reduced utility bills. Our employees are trained to provide personalized advice to help every Lowe's customer find the right solution for their project.



Products to Help Customers Live Sustainable Lives

Every day, more people make choices to try to reduce their environmental impact. We build on this momentum by offering a wide selection of energy- and water-efficient products that enable our customers to conserve resources and save money.

Employee Training

Our knowledgeable employees have access to more than 2,600 online training courses that help them provide guidance to customers selecting energy- or water-efficient products, as well as completing renewable energy, insulation and window projects. By building our employees' sales capabilities and providing better support tools, we're fostering a better sales culture throughout our stores.

From helping customers understand the true cost of lighting to selecting appliances such as high-efficiency washing machines, we know our customers choose Lowe's because our employees offer them more than just a transaction.



ENERGY STAR® and WaterSense® Savings

We offer and promote hundreds of ENERGY STAR and WaterSense products in partnership with the U.S. Environmental Protection Agency (EPA) and track the accumulated energy and water savings from these products.

By purchasing ENERGY STAR products in 2015, Lowe's customers will save approximately \$2.3 billion in utility costs over the lifetime of these products. The ENERGY STAR products Lowe's sold in 2015 will eliminate greenhouse gases equivalent to the emissions from nearly 2.8 million cars.

Lowe's sold enough WaterSense products in 2015 to save customers approximately \$25.7 million annually in water bills and reduce annual water use by about 2.6 billion gallons, equivalent to the amount of water used annually by 17,500 households.

Energy-Efficient Lighting and Windows

Lowe's offers energy-efficient lighting and windows to help customers save money on electricity bills and reduce their associated emissions.

ENERGY STAR certified light bulbs can save \$30 to \$80 in energy bills over their lifetime because they use 70 to 90 percent less energy than incandescent bulbs.

We continue to expand our LED product selection, and prices for LED bulbs start at under \$10. Our LED assortment includes:

- The Utilitech 65W LED flood light bulb is ENERGY STAR rated and provides a warm, white light. Suitable for indoor or outdoor locations, it has a rated life of up to 25,000 hours.



- The Project Source dimmable LED downlight has a five-year warranty and is ENERGY STAR certified, providing up to 35,000 hours of maintenance-free operation.



Upgrading to energy-efficient windows also yields significant energy savings. Through our in-home sales specialists, we offer customers installation of energy-efficient windows.

Water-Saving Products

With water shortages in many regions, Lowe's enables customers to reduce water use through water-saving products such as:

- The WaterSense certified Delta In2ition MagnaTite showerhead sculpts water into a unique wave pattern, giving the feeling of more water without using more water. Additionally, the pause feature reduces water to a trickle, allowing you to conserve water during your shower.



- The water-efficient American Standard Esteem VorMax toilet uses 1.28 gallons of water per flush and also keeps the toilet bowl cleaner longer due to its rimless flushing technology. The VorMax Flushing System delivers a powerful jet of water that scrubs the bowl clean from top to bottom, providing a flush that cleans and conserves water.



Organic and Natural Garden Products

We've significantly expanded our selection of organic and natural soils, plant food and pest control products. Lowe's sells nearly 30 different types of organic soils, with a majority of them regionally manufactured from raw materials in those communities.

- We offer organic plant food products from popular brands such as Eco-Scraps, Jobe's, Espoma and Kellogg.



- We've also grown our selection of organic pest control products more than 40 percent for customers who wish to garden organically with brands such as Bonide and Garden Safe.



Listening to Stakeholders

Lowe's stores sell more than 36,000 products that are manufactured around the world using a large number of raw materials. As a purpose-driven company, we listen to customers and engage in ongoing research and discussions with suppliers, manufacturers and external stakeholders to ensure our products are continually improving. We're focused on increasing the number of environmentally responsible products we sell and building momentum to bring better solutions to the market.

In 2015, Lowe's engaged with the Consumer Products Safety Commission (CPSC), People for the Ethical Treatment of Animals (PETA), Friends of the Earth, Mind the Store, Greenpeace, the U.S. EPA, the Green Chemistry and Commerce Council (GC3) and socially and environmentally responsible investors. An overview of the product discussions and the actions we've taken are described below.

Green Chemistry

Recognizing Lowe's sells many products containing different chemicals, we joined the GC3 to become better informed and begin considering alternative, safer options without sacrificing quality, efficacy and affordability. This collaboration started in 2015, and we're just beginning to explore the benefits.

Phthalates in Vinyl Flooring

Lowe's worked with a number of stakeholders, including advocacy groups, suppliers and trade associations, to better understand the potential human health impact of certain phthalate chemistries contained in vinyl flooring. To address those concerns, we worked with suppliers to remove ortho-phthalate plasticizers from all residential vinyl flooring products by the end of 2015.



Cordless Window Coverings

Some window blinds have accessible cords that can form a hazardous loop and present a safety risk to young children. To better understand this issue and help find a solution, we continued our ongoing dialogue with the CPSC to share our information and perspective on window coverings. Lowe's is a member of the Window Covering Safety Council, and we work closely with Parents for Window Blind Safety (PFWBS), which has created a "Seal of Approval" to educate consumers about which window coverings families with homes frequented by young children might consider.

Lowe's requires our suppliers to comply with all industry or government standards, and we carry the broadest in-stock selection of cordless blinds and shades in retail.

For example, our [allen + roth cordless window coverings](#) are now shipped in packaging carrying the PFWBS Seal of Approval.

While the window coverings we offer are tested by third-party labs to ensure they meet or exceed any requirements, we're exploring options to eliminate window coverings with accessible cords that can form a hazardous loop—a step that goes well beyond today's requirements. Our goal is to eliminate these products from our in-stock assortment by the end of 2018. To achieve this goal, we are:

- Working with manufacturers to innovate the technology required to make cordless products more accessible to all customers
- Continuing to expand cordless options in every window covering category
- Improving our point of sale signage to clearly communicate which products are safe for households with small children

As we make progress toward our 2018 goal, we'll continue to work with our employees, Parents for Window Blind Safety, window covering manufacturers and other stakeholders to educate customers about alternative products and their benefits.

Zero-VOC Paints

Volatile Organic Compounds (VOCs) are chemicals that can enter the air as gases from certain solids and liquids. VOCs are emitted by a wide array of products, including paints. Valspar Zero-VOC paints are offered exclusively at Lowe's and provide customers an alternative to traditional paint that does not sacrifice on quality.

Neonicotinoid Pesticides

Honeybees and other pollinators play an essential role in our agriculture and food system. Research has shown that neonicotinoid (neonic) pesticides are among multiple factors, including mites, poor nutrition and loss of habitat and genetic conditions, that may be contributing to declining bee populations. Lowe's is committed to monitoring research associated with the health of honeybees and other pollinators.

In April 2015, we announced plans to phase out the sale of products that contain neonic pesticides within 48 months as suitable alternatives become commercially available. To achieve this goal, we work closely with growers and suppliers to support sustainable practices, and we provide resources and information to our customers. Some of the actions we've taken include:

- Offering greater organic and non-neonic product selections, along with additional products such as wildflower seed specially blended to attract pollinators
- Encouraging growers and suppliers of live plants to use biological control programs and eliminate the use of neonic pesticides on plants that attract bees and other pollinators
- Educating employees and customers on Lowes.com with gardening tips to protect pollinators and through in-store resources such as brochures, fact sheets and product labels, along with signs in our lawn and garden pest control aisle that encourage pollinator health



We're also working to improve pollinator health by continuing to fund pollinator gardens through our nonprofit partnership with Keep America Beautiful, an organization that envisions a future where every community is a clean, green and beautiful place to live. In 2015, Lowe's provided the funding and volunteers to help plant nearly 250 flower and community gardens, more than 52,000 trees and 751,000 flowers, bulbs and shrubs. For more information on our work with Keep America Beautiful, please see the [Community](#) section.

Non-invasive Plants in California

In 2015, Lowe's engaged with Sustainable Conservation through its PlantRight program to offer non-invasive planting options to customers at our Lowe's and Orchard Supply Hardware stores in California. The PlantRight program is committed to raising awareness of invasive plant species in California and collaborating with the nursery industry to prevent the spread of invasive plants in the state. Lowe's vendor growers use PlantRight's science-based [list](#) of locally invasive garden plants and suggested alternatives as a guide to provide even better plants for our customers.

Rodent Control

PETA has engaged in open dialogue with Lowe's for many years around humane products to address rodent issues. Glue traps are one product PETA has prioritized to find more humane alternatives. Based on these conversations, we've expanded alternative products, shifted product placement and implemented signage to help customers make informed rodent-control choices for their homes.

In addition, we're testing integrated pest-management strategies to help reduce the number of mice caught in our stores by discouraging their entry. Finding a cost-effective strategy to reduce incidents will improve humane treatment and provide a safer working and shopping environment.



"Considering 50 percent of our state's most problematic invasive plants are of horticultural origin, the nursery industry can play a significant role in solving this environmental problem. Lowe's leadership in preventing further invasive plant problems cannot be overstated."

—Ashley Boren, executive director, Sustainable Conservation

Responsible Wood Sourcing

Old growth forests play an important role in providing us with clean air and raw materials to make the products we use every day. Since 2000, Lowe's has partnered with suppliers to support the protection and conservation of forests.

Lowe's long-term goal is to ensure that all wood products sold in our stores originate from well-managed, non-endangered forests. We work with suppliers to encourage the maintenance of natural forests and environmentally responsible forest practices, and to increase the supply of certified wood products that we can make available to customers. Where there are proven environmental benefits, we also strive to increase the procurement of quality recycled, engineered and alternative products.

Our [wood policy](#) describes our sourcing guidelines. While the term "endangered" forest is often used interchangeably with "threatened" and "high-conservation value" forests, we consider the following characteristics to guide the application of our endangered forest policy:

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

Lowe's Wood-Sourcing Database

The Lowe's responsible wood-sourcing database actively tracks wood procurement, which we report on every

other year, most recently in 2014. The database tracked more than 400 million cubic feet of wood for more than 11,500 products from 284 suppliers in 2014. North America has some of the most responsibly managed forests in the world, and since establishing our supplier database in 2003, we've purchased 85 percent to 94 percent of our wood from the United States and Canada. In 2014, we sourced approximately 94 percent of the wood we purchased from North America.

The wood-sourcing database allows us to monitor and enforce our wood policy with suppliers and change sourcing profiles that don't meet our expectations. To populate the database, Lowe's suppliers self-report where the wood was harvested, wood species, volume and if the wood has sustainable forest certifications. The information is not verified by external third parties.

Public Engagement and Conservation

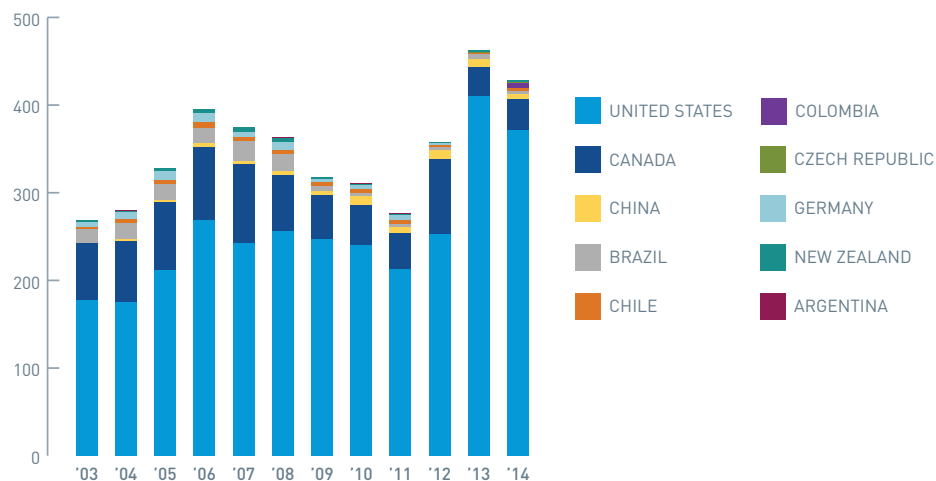
In addition to responsible sourcing, we're committed to contributing to forest-conservation efforts. As a charter member of the [Boreal Business Forum](#), Lowe's, along with other forest products customers, engages with provincial governments, forest products companies, environmental groups and First Nations to review and assess progress toward a broad, landscape-scale conservation plan to address the health of caribou herds in the Canadian boreal forest. In 2015, our efforts included on-site tours of active forestry operations, assessment of conservation plans and in-person meetings.



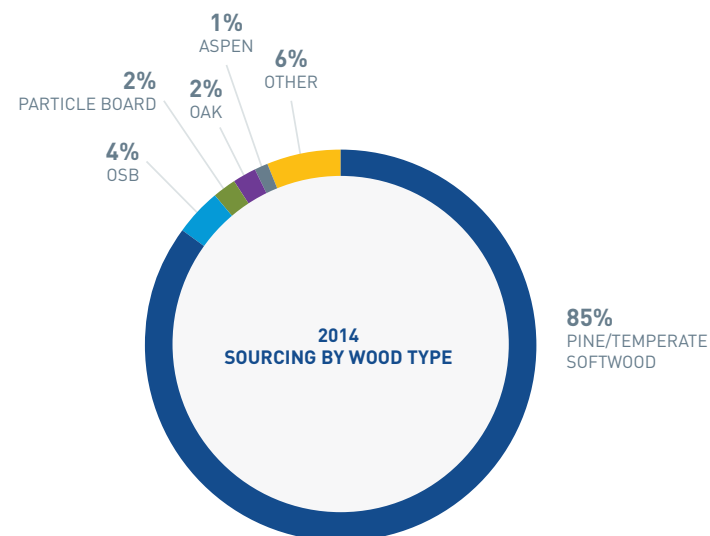
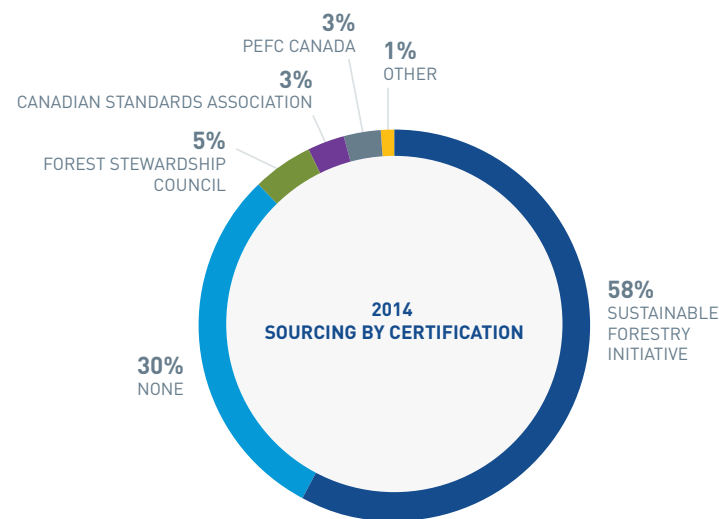
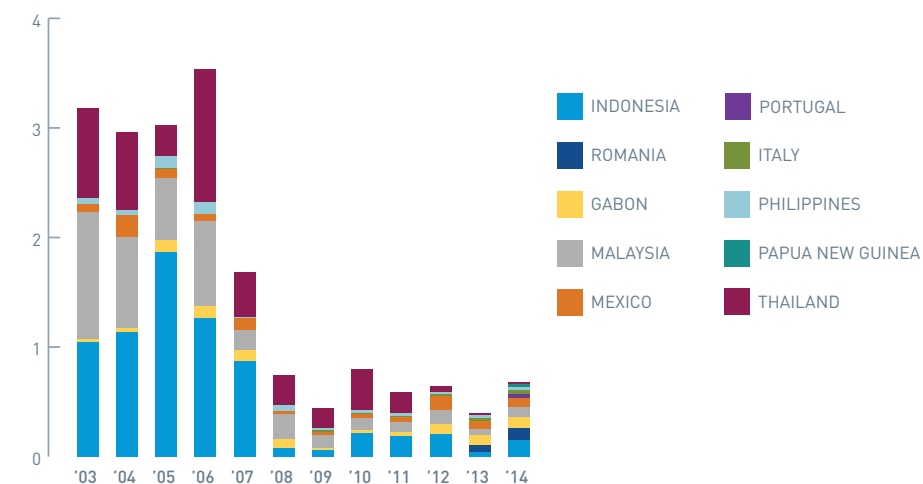
Wood-Sourcing Metrics

We evaluate our wood-sourcing profile by tracking the country where the wood was harvested and if it has sustainable forest certifications. In 2014, 70 percent of our wood was certified for sustainable management practices, with 58 percent certified under the Sustainable Forestry Initiative. Since 2012, we increased our sales of certified wood by 2 percent. Below is a summary of our wood sourcing as of 2014.

WOOD SOURCING BY COUNTRY TOP 10
(Cubic Feet in Millions)



WOOD SOURCING BY COUNTRY OTHERS
(Cubic Feet in Millions)



Supply Chain

A typical Lowe's store has more than 36,000 products in stock at any time, and as our digital sales channel expands, we offer more than 500,000 products online. The approximately \$38 billion we spend each year on products for sale and the goods and services we require to run our business represent a total supply chain of about 7,500 suppliers worldwide.

Achieving our purpose of helping people love where they live starts with great products and suppliers. We set high expectations for ethical business behavior through our Vendor Code of Conduct and work closely with hundreds of suppliers to ensure that their quality, ethics, labor and environmental performance meet our standards.

Supplier Management and Engagement

We hold ourselves to high ethical standards and expect the same from those who supply products and services to Lowe's. Across all countries and product categories, we work with suppliers to ensure they meet our high standards for conduct and quality.

Vendor Compliance and Code of Conduct

The [Lowe's Vendor Code of Conduct](#) lays out the basic requirements for doing business with Lowe's. It covers compliance with applicable local laws as well as Lowe's policies and expectations related to ethics, anti-corruption, social accountability, conflict minerals, confidentiality and intellectual property, privacy and more.

All new import suppliers (see below) undergo a pre-qualification audit, and our onboarding training for new import suppliers covers the Vendor Code of Conduct and associated requirements.

"We manage risks across our business starting with our suppliers. Our commitment to customers, to deliver safe, ethical and high-quality products, extends from our supplier management policies, programs and practices. In this way, we manage risk and deliver value for all our stakeholders."

—Marshall Croom, Chief Risk Officer

Domestic and Import Suppliers

We categorize suppliers as either domestic or import suppliers. Domestic suppliers are those who either import products into the United States or produce them domestically before delivering them to Lowe's.

Import suppliers manufacture abroad, and Lowe's serves as the importer for them. They account for approximately 14 percent of our supply chain spend. While all suppliers are required to follow our Vendor Code of Conduct, we focus most of our supplier management efforts on import suppliers. Ongoing relationships with import suppliers are managed by our merchandising teams and by Lowe's Global Sourcing and Supplier Development team.

In 2015, we sourced products from nearly 700 import vendors and focused on improving product quality, labor standards, environmental performance and anti-terrorist controls in the following programs:

- Quality assurance
- Social accountability and environment (SAE)
- Customs-Trade Partnership Against Terrorism (C-TPAT)

Lowe's Vendor Code of Conduct

The Lowe's Vendor Code of Conduct covers 17 areas of ethical business practices:

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. Anti-corruption
15. Confidentiality and intellectual property
16. Monitoring and enforcement
17. Whistleblower protection

Product Quality

Lowe's customers trust our brand to deliver products that meet their expectations. Product quality is paramount to maintaining that trust, so each year Lowe's Global Sourcing conducts more than 15,000 product-quality tests. We rely on third-party test labs and our own state-of-the-art, U.S.-based test facilities to perform this rigorous quality assurance on products from import suppliers.

Lowe's Global Sourcing and Supplier Development team also works with third-party inspectors to conduct pre-shipment inspections on products we sell. Packages randomly selected for inspection are evaluated for proper packaging specifications, labeling, conformity with production samples, working condition and other factors. More than 166,000 inspections were conducted in 2015.

We have longstanding relationships with many of our suppliers, so those with strong track records of quality performance may be eligible for our Skip Lot program. For suppliers in this program, not every shipment requires inspection, as long as the supplier maintains quality performance. As soon as a safety or quality problem is identified, Lowe's Global Sourcing and Supplier Development resumes inspection of every shipment. In 2015, more than 50 percent of our import suppliers participated in the Skip Lot program at some level.

Rewarding Standout Suppliers

Each year, we honor top suppliers for their commitment to product quality, innovation and customer service as Vendor Partners of the Year. In 2015, we selected Hitachi, Pergo and Sunrise Global as winners for their contributions to our purpose of helping people love where they live.

In addition, several partners were highlighted for their achievements in product innovation, including some with social responsibility benefits. Blue Rhino was honored for its propane tank technology that minimizes environmental impacts. Skydrop was recognized for the smart irrigation timer that monitors water needs through real-time weather data, and Samsung was honored for its activewash™ washing machine, which is ENERGY STAR certified.



Building Accountability Into Our Supply Chain

Our accountability to customers and other stakeholders is built on a foundation of accountability for social and environmental performance from our suppliers.

Lowe's Social Accountability and Environmental (SAE) program focuses on import suppliers and seeks to:

1. Ensure that workers who manufacture the products we buy are operating in safe conditions, treated fairly and paid in accordance with local law
2. Build the capabilities of our suppliers to create positive change
3. Reinforce our commitment to social and environmental responsibility

Our SAE program includes a rigorous social and environmental accountability audit. These audits are conducted at least annually as part of our bundled audit program, which also includes a quality audit and a C-TPAT audit. This streamlined process is carried out by third-party auditors who are trained in Lowe's policies and expectations. Import suppliers receive advance notification of a two-week period in which their audit will take place, but dates and times are unannounced.

Auditors examine factory SAE program performance against 148 indicators in 18 categories (see chart) through meetings with factory managers, a factory tour, worker interviews and document review. When auditors identify violations or areas of noncompliance at a factory, the supplier is required to develop a corrective action plan and has 30, 90 or 180 days to correct the problem, depending on its severity. The factory is then re-audited at the end of the corrective period.

In 2015, we conducted 1,025 SAE audits and re-audits in 767 factories in 25 countries.

Social Accountability and Environmental Audit Categories

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



Reporting Concerns

In addition to our audit process and oversight, we believe it's important that workers have a safe way to report ethical, safety or other workplace concerns and potential violations of our Vendor Code of Conduct or local laws. Anyone can report a concern online, via email or by phone in their local language.

Online	www.ethicspoint.com	
Email	compliance@lowes.com	
Phone	(800) 784-9592	U.S. & Canada
	0800-8911667	Brazil
	10-800-712-1239	Northern China
	10-800-120-1239	Southern China
	01800-9-155860	Colombia
	800-964214	Hong Kong
	000-800-100-1071 or 000-800-001-6112	India
	001-803-011-3570 or 007-803-011-0160	Indonesia
	1-800-80-8641	Malaysia
	001-800-840-7907 or 001-866-737-6850	Mexico
	00801-13-7956	Taiwan
	001-800-12-0665204	Thailand
	120-11067	Vietnam
	(503) 619-1883	Other international locations

Partnering with Suppliers

We view our suppliers as long-term partners and want to help them improve when they face social and environmental challenges. In 2015, we hosted training sessions that brought together top import suppliers in the United States and China, including Shenzhen, Shanghai and Hong Kong. They participated in training and workshops that provided them with best practices and solutions based on specific audit findings in their facilities. Participants had an opportunity to interact and share ideas, and survey results showed that the training was well received. We'll continue to monitor their performance to measure outcomes for the participants. In the future, we hope to expand our capability-building efforts to more suppliers.

We also engage peers and industry groups to help build capabilities across our supply chain. Lowe's is a founding member of the Retail Industry Leaders Association (RILA) Responsible and Ethical Sourcing Workgroup. In addition to monthly calls, the group held its first full-day meeting in August 2015 and brought together more than 20 retailers and brands for an open forum to discuss best practices, challenges and opportunities to embed social accountability into our shared supply chains. In addition to informing the ways that participants think about these issues, the group also provides future direction for RILA's own responsible-sourcing initiatives.

"Lowe's supplier training has helped us improve our social performance in a number of ways. They provided feedback based on our specific challenges, and gave us an opportunity to learn from local peers."

—Shinning Golden Yida Co. Ltd.

Conflict Minerals

Our [Vendor Code of Conduct](#) specifies that our suppliers cannot provide tin, tantalum, tungsten or gold (3TG minerals) to us from high-risk conflict regions in the Democratic Republic of Congo or the adjoining countries unless sourced from a certified conflict-free smelter or refinery. Lowe's requires all of our suppliers to maintain records to ensure their raw materials that go into the products we sell do not contribute to armed conflict or human rights abuses in these conflict regions.

Our conflict minerals compliance program is managed by a dedicated team. The team is responsible for maintaining and enhancing the company's conflict mineral management and reporting program in alignment with the Organisation for Economic Cooperation and Development's Due Diligence Guidance, in addition to assessing risks across our supply chain.

We work with KPMG to help prepare and submit our annual disclosure on conflict minerals to the Securities and Exchange Commission as required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In 2015, 100 percent of in-scope suppliers responded to our request for disclosure information, representing 100 percent of products surveyed.



Supplier Diversity

Supplier diversity is an important element of our overall supply chain management approach. Sourcing products and services from small and diverse businesses helps us develop new supplier relationships, offer customers a broad range of innovative products and enhance our own business while building momentum for economic growth in local communities.

Our [supplier diversity practice](#) gives small businesses and those owned by women, minorities, veterans and people with disabilities, as well as those operating in a Historically Underutilized Business Zone (HUBZone), an opportunity to sell products and services to Lowe's, on equal footing with more established suppliers, and to help them grow their businesses through our engagement.

Industry organizations and conferences can be a valuable resource for identifying new small and diverse suppliers to support our operations and stock our shelves. In 2015, we engaged with organizations including the Women's Business Enterprise National Council, the National Minority Supplier Development Council, the National Veteran Owned Business Association, the U.S. Business Leadership Network and the Small Business Association. For example, our director of supplier diversity moderated a retail panel discussion at the National Minority Supplier Development Council's 2015 national conference with speakers from other leading retailers including Macy's, JC Penney and Starbucks.

Scaling Small Business

Many of the new small and diverse business suppliers that we bring into our program have never worked with an international retailer like Lowe's before. We believe it's important to help them succeed, and offer resources

Lowe's Four-Step Supplier Diversity Process

Our supplier diversity program focuses on building long-term relationships with small and diverse businesses.

- 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

and programs that help them scale their business to meet our needs and differentiate themselves in a competitive industry.

In 2015, we hosted our first annual Buying Days event at our headquarters in Mooresville, North Carolina. The event brought together 44 small businesses to get to know Lowe's and each other through presentations from our executive team and speed-networking sessions with our merchants and procurement buyers.





Grilling Up Growth: Charleston Gourmet Burger Company

At the 2014 regional Minority Supplier Development Council conference in Greenville, South Carolina, we met Chevalo and Monique Wilsondebriano, the husband and wife team behind Charleston Gourmet Burger Company. Their small, minority-owned business operates out of Charleston, South Carolina producing a gourmet barbecue sauce and marinade that is gluten free, low in sodium and contains all-natural ingredients.

Chevalo, a former paramedic and member of the New York City Community Emergency Response Team, responded to the call for help on September 11, 2001,

and survived the collapse of the World Trade Center. Several months later, he moved with Monique and their four children to Charleston, where they quickly became known among family and friends for their homemade barbecue sauce. The rave reviews encouraged them to bring their product to market.

Our Supplier Diversity team helped the Charleston Gourmet Burger Company better understand the unique characteristics of its product offering that made it different from other products on the market and helped guide the owners through the product line review and onboarding process.

"Supplier Diversity really helped us to navigate everything and understand what it took to become a supplier and do business with Lowe's," Monique said. "Without them, we would not be in this position right now."

Lowe's customers can find the Charleston Gourmet Burger Company marinade in more than 500 Lowe's stores. "Lowe's can definitely help us to become a household name," said Monique, "so I'm excited to be in the No. 1 store for grills in the United States. It's pretty awesome."

[Watch the video](#)

Global Reporting Initiative

We have reviewed our 2015 Social Responsibility Report (SRR) 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 SRR, financial statements and other governance documents on our websites.

GENERAL STANDARD DISCLOSURES			
INDICATOR	DESCRIPTION	LOCATION	REPORTED
			<ul style="list-style-type: none"> ● Fully ◐ Partially
Strategy and Analysis			
G4-1	CEO Letter	CEO Letter, page 4	●
G4-2	Key impacts, risks and opportunities	CEO Letter, page 4 Introduction > About This Report, page 3 2015 Form 10-K	●
Organizational Profile			
G4-3	Organization name	Lowe's Companies, Inc.	●
G4-4	Primary brands, products and services	CEO Letter, page 4 Introduction > About This Report, page 3 2015 Form 10-K	●
G4-5	Headquarters location	Mooreville, North Carolina	●
G4-6	Where the organization operates	Introduction, page 3 2015 Form 10-K	●
G4-7	Nature of ownership and legal form	2015 Form 10-K	●
G4-8	Markets served	Introduction, page 3 2015 Form 10-K	●
G4-9	Scale of the organization	Introduction, page 3 2015 Form 10-K	●
G4-10	Total workforce by employment contract and gender	Employees, page 24 2015 Form 10-K	◐
G4-11	Collective bargaining agreements	2015 Form 10-K	◐
G4-12	Supply chain description	Supply Chain, page 48 Supply Chain > Supplier Management and Engagement, page 49 2015 Form 10-K	●

G4-13	Organizational changes during the reporting period	2015 Form 10-K	●
G4-15	External charters, principles or other initiatives	Operations > Logistics, page 39 Product Sustainability > Listening to Stakeholders, page 44 Product Sustainability > Responsible Wood Sourcing, page 46	●
G4-16	Membership associations	Governance & Ethics > Political Engagement, page 10 Operations > Logistics, page 39 Product Sustainability > Listening to Stakeholders, page 44	●
Identified Material Aspects and Boundaries			
G4-17	Entities included in financial statements	Introduction, page 3 2015 Form 10-K	●
G4-18	Process for defining report boundaries and content	Introduction > About This Report, page 3 Governance & Ethics > Stakeholder Engagement, page 7	◐
G4-22	The effect of any restatements of information provided in previous reports and the reasons for such restatements	Introduction, page 3 Operations > Energy and Carbon Footprint, page 33 Operations > Recycling and Waste, page 36	◐
Stakeholder Engagement			
G4-24	Stakeholder groups	Governance & Ethics > Stakeholder Engagement, page 7	●
G4-25	How stakeholders were identified	Governance & Ethics > Stakeholder Engagement, page 7 Full Report	◐
G4-26	Approach to stakeholder engagement	Governance & Ethics > Stakeholder Engagement, page 7	●
G4-27	Topics raised during stakeholder engagements	Governance & Ethics > Stakeholder Engagement, page 7 Full Report	◐
Report Profile			
G4-28	Reporting period	Calendar year 2015 except where noted otherwise	●
G4-29	Date of most recent report	2014 Social Responsibility Report, April 2015	●
G4-30	Reporting cycle	Annual	●
G4-31	Report contact	responsibility@lowes.com	●
G4-32	In accordance option, GRI Index and report assurance	This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines	●
Governance			
G4-34	Governance structure of the organization	Governance & Ethics > Corporate Governance, page 6 Proxy Statement	●
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	Governance & Ethics > Corporate Governance, page 6	●
G4-36	High-level accountability for sustainability topics	Governance & Ethics > Corporate Governance, page 6	●
G4-37	Process for consultation	Governance & Ethics > Corporate Governance, page 6	◐

G4-38	Composition of the board and its committees	Governance & Ethics > Corporate Governance, page 6	●
G4-39	Whether the chair of the board is also an executive officer	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 > Corporate Governance, page 6 Governance Guidelines	◐
G4-43	Board knowledge of sustainability topics	Governance & Ethics > Corporate Governance, page 6	◐
G4-44	Board performance with respect to governance of sustainability topics	Governance & Ethics > Corporate Governance, page 6 Governance Guidelines	◐
G4-45	Board role in the identification and management of sustainability impacts, risks and opportunities	Proxy Statement Governance Guidelines	●
G4-46	Board role in reviewing risk management processes for sustainability topics	Proxy Statement Governance Guidelines	●
G4-47	Frequency of the board's review of sustainability impacts, risks and opportunities	Governance & Ethics > Corporate Governance, page 6 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	Governance & Ethics > Ethical Business Behavior, page 8 Workplace > Employee Culture, page 23 Governance Guidelines	●
G4-51	Remuneration policies for the board and senior executives	2015 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 > Ethical Business Behavior, page 8 Lowe's Code of Business Conduct and Ethics	●
G4-57	Helplines or advice lines for employees	Governance & Ethics > Ethical Business Behavior, page 8 Lowe's Code of Business Conduct and Ethics	●
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	Governance & Ethics > Ethical Business Behavior, page 8 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)	2015 Form 10-K	●
	G4-EC1	Economic value	2015 Form 10-K Introduction, page 3 Community [full section]	●
	G4-EC2	Climate change risks	2015 Form 10-K Operations > Energy and Carbon Footprint, page 33	●
	G4-EC3	Benefit plan coverage	2015 Form 10-K Workplace > Employee Benefits, page 28	●
	Indirect Economic Impacts			
	G4-DMA	Disclosures on management approach (DMA)	Introduction, page 3 Community [full section]	●
	G4-EC7	Development and impact of infrastructure investments and services supported	Introduction, page 3 Community [full section]	◐
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	Introduction, page 3 Community [full section]	◐
	Procurement Practices			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Building Accountability Into Our Supply Chain, page 51	◐
ENVIRONMENTAL	Energy			
	G4-DMA	Disclosures on management approach (DMA)	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	◐
	G4-EN3	Energy consumption (Scope 1 + 2)	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	●
	G4-EN5	Energy intensity	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	●
	G4-EN6	Energy reductions	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	◐
	G4-EN7	Energy reductions in products and services	Product Sustainability > Products to Help Customers Live Sustainable Lives, page 42	◐
	Water			
	G4-DMA	Disclosures on management approach (DMA)	Operations > Water Conservation, page 35	◐

INDICATOR		DESCRIPTION	LOCATION	REPORTED
ENVIRONMENTAL	Biodiversity			
	G4-DMA	Disclosures on management approach (DMA)	Product Sustainability > Listening to Stakeholders, page 44 Product Sustainability > Responsible Wood Sourcing, page 46	🕒
	G4-EN12	Impacts on biodiversity	Product Sustainability > Listening to Stakeholders, page 44	🕒
	G4-EN13	Habitats protected or restored	Product Sustainability > Responsible Wood Sourcing, page 46	🕒
	Emissions			
	G4-DMA	Disclosures on management approach (DMA)	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	🕒
	G4-EN15	Greenhouse gas (GHG) emissions (Scope 1)	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	🟢
	G4-EN16	GHG emissions (Scope 2)	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	🟢
	G4-EN17	GHG emissions (Scope 3)	Reported 2015 Energy and Emissions data will be available at www.cdp.net	🕒
	G4-EN18	GHG emissions intensity	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	🟢
	G4-EN19	Reduction of GHG emissions	Operations > Energy and Carbon Footprint, page 33 Reported 2015 Energy and Emissions data will be available at www.cdp.net	🟢
	Effluents and Waste			
	G4-DMA	Disclosures on management approach (DMA)	Operations > Recycling and Waste, page 36	🕒
	G4-EN23	Waste by type and disposal method	Operations > Recycling and Waste, page 36	🕒
	G4-EN25	Hazardous waste	Operations > Recycling and Waste, page 36	🕒
	Products and Services			
	G4-DMA	Disclosures on management approach (DMA)	Product Sustainability (full section)	🕒
	G4-EN27	Mitigation of environmental impacts of products and services	Product Sustainability (full section)	🕒
	Transport			
	G4-DMA	Disclosures on management approach (DMA)	Operations > Logistics, page 39	🕒
	G4-EN30	Environmental impacts from product distribution and employee travel	Operations > Logistics, page 39	🕒
	Supplier Environmental Assessment			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain (full section)	🕒
	G4-EN32	New suppliers screened using environmental criteria	Supply Chain > Supplier Management and Engagement, page 49	🕒
	G4-EN33	Supply chain environmental impacts	Supply Chain > Supplier Management and Engagement, page 49	🕒

Indicator		Description	Location	Reported
SOCIAL: Labor Practices and Decent Work	Employment			
	G4-DMA	Disclosures on management approach (DMA)	Workplace [full section]	🕒
	G4-LA2	Benefits provided to full-time employees	Workplace > Employee Benefits, page 28	🟢
	Occupational Health and Safety			
	G4-DMA	Disclosures on management approach (DMA)	Workplace > Health and Safety, page 30	🟢
	G4-LA5	Workforce represented in health and safety committees	Workplace > Health and Safety, page 30	🕒
	G4-LA6	Rates of injury, occupational disease, lost days, absenteeism and work-related fatalities	Workplace > Health and Safety, page 30	🕒
	Training and Education			
	G4-DMA	Disclosures on management approach (DMA)	Workplace > Learning and Development, page 26	🕒
	G4-LA9	Average hours of training for employees	Workplace > Learning and Development, page 26	🕒
	G4-LA10	Programs for skills management and lifelong learning	Workplace > Learning and Development, page 26	🟢
	G4-LA11	Employees receiving performance and career-development reviews	Workplace > Learning and Development, page 26	🕒
	Diversity and Equal Opportunity			
	G4-DMA	Disclosures on management approach (DMA)	Workplace > Diversity and Inclusion, page 24	🕒
	G4-LA12	Diversity of employees and governance bodies	Governance & Ethics > Corporate Governance, page 6 Workplace > Diversity and Inclusion, page 24	🕒
	Supplier Assessment for Labor Practices			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Building Accountability Into Our Supply Chain, page 51	🟢
	G4-LA14	New suppliers that were screened using labor practices criteria	Supply Chain > Supplier Management and Engagement, page 49	🟢
	G4-LA15	Negative impacts for labor practices in the supply chain	Supply Chain > Building Accountability Into Our Supply Chain, page 51	🕒
	Labor Practices Grievance Mechanisms			
	G4-DMA	Disclosures on management approach (DMA)	Lowe’s Code of Business Conduct and Ethics	🟢

	INDICATOR	DESCRIPTION	LOCATION	REPORTED
HUMAN RIGHTS	Non-Discrimination			
	G4-DMA	Disclosures on management approach (DMA)	Lowe's Code of Business Conduct and Ethics	●
	Child Labor			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Supplier Management and Engagement, page 49	●
	Forced or Compulsory Labor			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Supplier Management and Engagement, page 49	●
	Supplier Assessment for Human Rights			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Building Accountability Into Our Supply Chain, page 51	●
	G4-HR10	New suppliers screened for human rights	Supply Chain > Supplier Management and Engagement, page 49	●
	G4-HR11	Human rights impacts in the supply chain	Supply Chain > Building Accountability Into Our Supply Chain, page 51	●
SOCIETY	Local Communities			
	G4-DMA	Disclosures on management approach (DMA)	Community (full section)	●
	G4-S01	Local community engagement, impact assessments and development programs	Community (full section)	●
	Anti-corruption			
	G4-DMA	Disclosures on management approach (DMA)	Governance & Ethics > Ethical Business Behavior, page 8 Lowe's Code of Business Conduct and Ethics	●
	G4-S04	Communications and training on anti-corruption	Governance & Ethics > Ethical Business Behavior, page 8 Supply Chain > Supplier Management and Engagement, page 49	●
	Public Policy			
	G4-DMA	Disclosures on management approach (DMA)	Governance & Ethics > Political Engagement, page 10	●
	G4-S06	Political contributions	Governance & Ethics > Political Engagement, page 10	●
	Supplier Assessment for Impact on Society			
	G4-DMA	Disclosures on management approach (DMA)	Supply Chain > Building Accountability Into Our Supply Chain, page 51	●
	G4-S09	New suppliers screened for impacts on society	Supply Chain > Building Accountability Into Our Supply Chain, page 51	●
	G4-S010	Negative impacts on society in the supply chain	Supply Chain > Building Accountability Into Our Supply Chain, page 51	●

INDICATOR		DESCRIPTION	LOCATION	REPORTED
PRODUCT RESPONSIBILITY	Customer Health and Safety			
	G4-DMA	Disclosures on management approach (DMA)	Product Sustainability > Listening to Stakeholders, page 44 Supply Chain > Product Quality, page 50	●
	G4-PR1	Health and safety impact assessments of products and services	Product Sustainability > Listening to Stakeholders, page 44 Supply Chain > Product Quality, page 50	●
	Product and Service Labeling			
	G4-DMA	Disclosures on management approach (DMA)	Product Sustainability > Listening to Stakeholders, page 44 Supply Chain > Product Quality, page 50	●
	G4-PR3	Product and service information and labeling	Product Sustainability > Listening to Stakeholders, page 44 Supply Chain > Product Quality, page 50	●
	Customer Privacy			
	G4-DMA	Disclosures on management approach (DMA)	Governance & Ethics > Ethical Business Behavior, page 8	●
	G4-PR8	Customer privacy and losses of customer data	Governance & Ethics > Ethical Business Behavior, page 8	●