

# 2023 CORPORATE RESPONSIBILITY REPORT





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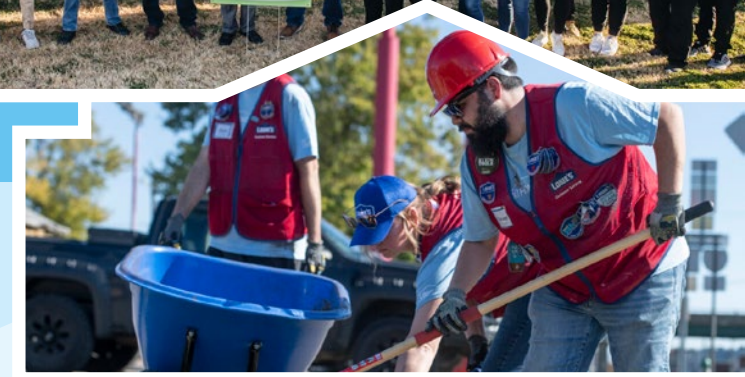
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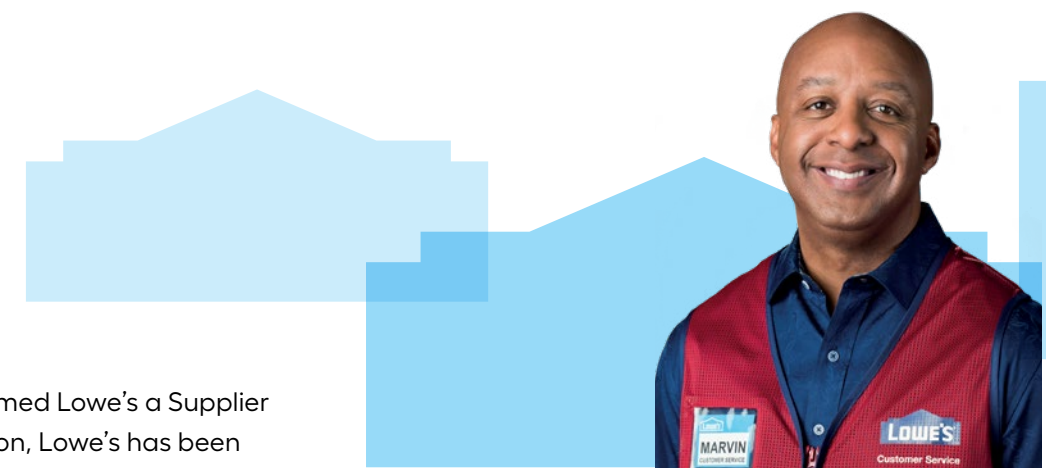
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# LETTER FROM OUR CHAIRMAN AND CEO



**With more than 1,700 stores and a global supplier network, Lowe’s has a responsibility to be a good corporate citizen and steward of our planet’s shared resources.**

We fulfill this charge through a three-pillar sustainability strategy focused on our people and our communities, product sustainability and operational excellence.

The 2023 Corporate Responsibility Report highlights the progress toward our goals and outlines our future plans, with actionable, measurable commitments guiding our efforts.

In 2023, we unveiled our enterprisewide values: service-mindedness, collaboration, inclusivity, respect and a drive to win. These values, paired with our core behaviors, clarify who we are and how we act; they further embed corporate responsibility into our journey to become a world-class omnichannel retailer. And

Lowe’s associates are the foundation to achieve these goals. That’s why, since 2018, we have invested over \$3.5 billion in incremental wages and share-based compensation for our frontline associates.

Our net-zero emissions goal underscores our commitment to helping homeowners and professionals live and work more sustainably. Because those journeys often begin in our aisles, we rolled out sustainable buying guides for our merchants, increased our assortment of energy-efficient products, continued to eliminate EPS Styrofoam and PVC film from our private brand packaging and expanded our use of the How2Recycle label. Our focus on operational excellence in 2023 included adding solar panels to more facilities and EV chargers at our stores.

With a global value chain and our goal to reach net-zero emissions, we understand the importance of collaborating with suppliers to help them along their own sustainability journeys. Our efforts are being recognized externally: CDP (formerly known as the

Carbon Disclosure Project) named Lowe’s a Supplier Engagement Leader. In addition, Lowe’s has been named to the Dow Jones Sustainability Index (DJSI) for North America for the fifth consecutive year.

As always, our frontline associates are fundamental to our accomplishments. I am proud to report that, once again, the number of incidents in our stores and facilities declined in 2023, reflecting the high priority we place on safety across all levels of the business. We also enhanced our robust mental health benefits to increase access to therapy at no cost to the associate.

[The Lowe’s Foundation](#) refined its scope in 2023 to focus on building a sustainable, inclusive talent pipeline of skilled tradespeople through the Gable Grants program. Over five years, the Foundation will invest \$50 million to prepare 50,000 people for careers in the skilled trades to develop a community that can build and revitalize our homes, neighborhoods and infrastructure for the future.

Additionally, as part of our efforts to improve the communities where we live and work, we completed the second year of [Lowe’s Hometowns](#) — our five-year, \$100 million commitment to restore and revitalize community spaces.

The strides we’re making toward our sustainability goals — and the external accolades that stem from them — are only made possible through our associates, who bring the Lowe’s brand to life, embodying our values and advancing our mission every day. I’m grateful for their essential contributions. Together, we’ll continue building a better future as we endeavor to make homes and hometowns better for all.

God bless,

**Marvin R. Ellison**  
Chairman and Chief Executive Officer



# 2023 CORPORATE RESPONSIBILITY HIGHLIGHTS

## OUR PEOPLE AND OUR COMMUNITIES

### BOARD AND EXECUTIVE OFFICER DIVERSITY<sup>1</sup>

**64%**

of our board is diverse, with **45%** identifying as people of color and **36%** identifying as women

**67%**

of our executive officers are diverse, with **56%** identifying as people of color and **44%** identifying as women



**\$50 Million**

commitment by the [Lowe's Foundation](#) over the next five years to help meet growing demand for skilled tradespeople

**\$478+ Million**

invested in our local communities by Lowe's and the Lowe's Foundation since 2018

**\$350+ Million**

awarded in bonuses to our frontline associates in 2023

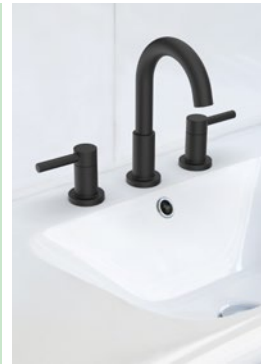
**13%**

reduction in our lost time incident rate (LTIR) from 2022

## PRODUCT SUSTAINABILITY

**\$9+ Billion**

in customer lifetime savings from Lowe's WaterSense® products purchased in 2023



**\$5+ Billion**

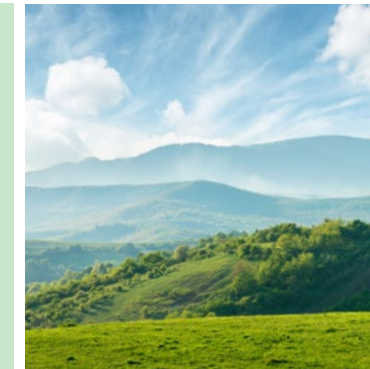
in customer lifetime savings from Lowe's ENERGY STAR® products purchased in 2023



Recognized Trex® with our **Sustainability Partner of the Year** award for its commitment to building a sustainable future through material innovation



Recognized by CDP as a **Supplier Engagement Leader**



Progressing toward our **net-zero emissions by 2050 goal**  
[lowes.com/net-zero](https://lowes.com/net-zero)

## OPERATIONAL EXCELLENCE

### INCREASED GREENHOUSE GAS (GHG) EMISSIONS TARGETS FOR 2030

Reduce scopes 1 and 2

**42%**

from 2021 baseline (up from 40%)

Reduce scope 3

**25%**

from 2021 baseline (up from 22.5%)

Member of **Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Included in the Dow Jones Sustainability Index for North America for the **fifth consecutive year**

<sup>1</sup>As of March 1, 2024.



# ABOUT LOWE'S AND THIS REPORT

**Our mission — together, deliver the right home improvement products, with the best service and value, across every channel and community we serve — guides us and helps drive our sustainability strategy and vision statements.**

Today, we're proud to share Lowe's 21st annual corporate responsibility report, outlining our approach to sustainability and highlighting our goals, performance and progress to date. Our sustainability strategy focuses on three pillars: Our People and Our Communities, Product Sustainability and Operational Excellence. Lowe's is an active member of the [Retail Industry Leaders Association \(RILA\)](#), [Business Roundtable](#) and the [National Retail Federation \(NRF\)](#). We also collaborate with [Change Chemistry](#), [World Wildlife Fund \(WWF\)](#) and the U.S. EPA's [SmartWay®](#), [ENERGY STAR](#) and [WaterSense](#) programs.

This report covers our activities from January 1 to December 31, 2023, unless otherwise noted, and references the [GRI Universal Standards 2021](#) and the [Sustainability Accounting Standards Board \(SASB®\) Standards](#) for Multiline and Specialty Retailers and Distributors as well as Building Products and Furnishings. This report excludes data from our Canadian retail business, the sale of which Lowe's completed on February 3, 2023. In addition, previous years' data exclude Canadian retail data. A third party [verified](#) our 2023 scope 1, 2 and 3 (Use of Sold Products, Category 11) GHG emissions and our water consumption data. For questions regarding Lowe's corporate responsibility activities or reports, contact Chris Cassell, vice president of corporate sustainability, at [socialresponsibility@lowes.com](mailto:socialresponsibility@lowes.com).

**~195 Million**  
SQUARE FEET

**~16 Million**  
WEEKLY CUSTOMER  
TRANSACTIONS

HEADQUARTERED IN  
**Mooreville, N.C.**

OVER  
**1,700** STORES

**\$86 Billion\***  
IN SALES (FY 2023)

**~300,000**  
ASSOCIATES

\*Fiscal Year (FY) covers activities from February 4, 2023 – February 2, 2024.

## Lowe's India

Based in Bangalore, our Lowe's India team comprises approximately 4,000 associates working across technology, analytics, business operations, finance and accounting, product management and shared services to support U.S. retail operations.

## LOWE'S VALUE CHAIN

### UPSTREAM

#### Raw Materials

Wood and Pulp  
Copper, Steel, Iron  
Petrochemicals  
Other

#### Product Manufacturing

Indirect Suppliers  
Tier 1 Suppliers  
(Private Brands and Third-Party Brands)

### LOWE'S OPERATIONS

#### Sourcing and Distribution

Distribution Centers (DCs)  
Transportation  
Global Sourcing Offices

#### Retail Channels

Online  
Retail Stores  
Pro Jobsite  
Project Specialists On-site  
Contact Centers

### DOWNSTREAM

#### Customer Use

Product Use  
Maintenance and Repair

#### End of Life

Product Disposal  
Materials Recycling

# STAKEHOLDER ENGAGEMENT AND PRIORITY TOPICS

## ENGAGING OUR STAKEHOLDERS

Lowe's proactively and regularly engages with our internal and external stakeholders — those groups who impact or are impacted by Lowe's operations — to better understand their needs and concerns and to guide our strategic decision-making. Lowe's also actively collaborates with suppliers, associates, shareholders, customers, local communities, industry associations, government entities, academia and nongovernmental organizations (NGOs) to monitor and respond to emerging challenges, trends and opportunities.

## ASSESSING OUR PRIORITY TOPICS

Understanding the priorities and expectations of our stakeholders plays an important role in how we set our strategies and goals as a responsible business. We last refreshed our priority topics in 2020 when we engaged a third party to assist with facilitating our assessment. As part of that process, we conducted interviews (and validated our results) with Lowe's executives and researched topics important to the stakeholders mentioned above.

The results of this assessment inform our three strategy pillars: Our People and Our Communities, Product Sustainability and Operational Excellence. We plan to conduct a new priority assessment in 2024.

## OUR PEOPLE AND OUR COMMUNITIES

- Workplace Safety
- Culture, Diversity and Inclusion
- Talent Acquisition, Development and Retention
- Associate Health and Well-being
- Community Engagement and Support

## OPERATIONAL EXCELLENCE

- Climate Change, Energy and Emissions
- Waste Management
- Governance
- Ethics and Compliance
- Cybersecurity and Data Privacy
- Business Resilience

## PRODUCT SUSTAINABILITY

- Supplier Social and Environmental Practices
- Natural Resources
- Product Responsibility



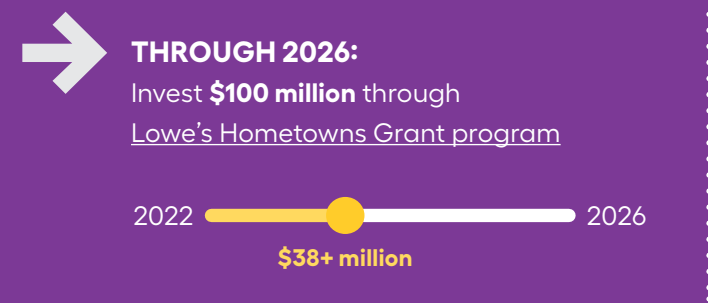


Lowe's strives to deliver the best products and solutions to our customers. Our sustainability strategy focuses on issues important to this mission, including sourcing responsibly; offering safer and more environmentally friendly products; maintaining a diverse, healthy, engaged and skilled workforce; supporting our local communities; and operating efficiently, ethically and responsibly. Many of our priority topics align with the United Nations Sustainable Development Goals (p. 11), and we continue to take action to help meet these targets. Below are the priority topics that guide the development of our sustainability strategy and reporting, along with highlights of our progress in 2023.

# PRIORITY TOPICS AND GOALS: OUR PEOPLE AND OUR COMMUNITIES

## OUR PEOPLE AND OUR COMMUNITIES

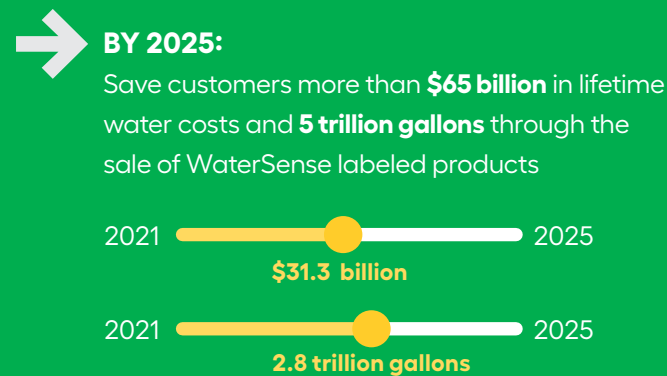
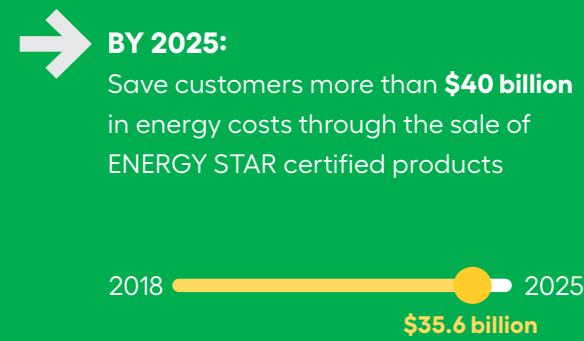
Topic	Why It's Important	Key Stakeholders					
		Associates	Suppliers	Customers	Planet	Communities	Shareholders
<b>Workplace Safety</b>	Strong safety practices protect our people while reducing claims and lost productivity.	✓		✓		✓	✓
<b>Culture, Diversity and Inclusion</b>	Creating a strong sense of belonging within our operations drives engagement, and increased diversity of backgrounds and experiences drives better ideas and positive business results. These values create greater connections with our customers and the communities we serve.	✓	✓	✓		✓	✓
<b>Associate Health and Well-being</b>	Engaged and healthy associates are more productive, miss less work, provide better service and have longer tenure with the company.	✓		✓		✓	✓
<b>Talent Acquisition, Development and Retention</b>	Our associates are our greatest strength, and strong associate development programs help us attract and retain the best talent in the industry.	✓	✓	✓		✓	✓
<b>Community Engagement and Support</b>	Strong, vibrant communities help us attract new talent, sustain our business and provide great places for our associates and their families to live.	✓		✓		✓	✓



# PRIORITY TOPICS AND GOALS: PRODUCT SUSTAINABILITY

## PRODUCT SUSTAINABILITY

Topic	Why It's Important	Key Stakeholders					
		Associates	Suppliers	Customers	Planet	Communities	Shareholders
<b>Supplier Social and Environmental Practices</b>	Protecting workers and communities where our products are sourced and manufactured upholds our responsible sourcing commitments.	✓	✓	✓	✓	✓	✓
<b>Natural Resources</b>	Promoting supply chain continuity while protecting the environment for future generations is paramount to our business practices.	✓	✓	✓	✓	✓	✓
<b>Product Responsibility</b>	Providing safe and environmentally friendly products helps us drive more sustainable outcomes in our customers' homes.	✓	✓	✓	✓	✓	✓



**→ BY 2030:** All private brand packaging will be recyclable, reusable or compostable  
**→ NEW GOAL: Data will be published in 2024 report**



<sup>1</sup>In our 2022 report, data represented progress against in-store SKUs. In 2023, we expanded the definition to include products both in-store and online. This excludes special order sales and drop ship items.

<sup>2</sup>Lowe's defines strategic suppliers as the top 50 suppliers by cost of goods sold.

<sup>3</sup>In 2023, Lowe's updated our definition of "responsibly sourced" to include (1) Forest Stewardship Council (FSC)-certified products from high-risk areas; (2) FSC-, Sustainable Forestry Initiative (SFI)- and Programme for the Endorsement of Forest Certification (PEFC)-certified products from medium-risk areas and (3) products sourced from low-risk areas with vendor acknowledgment and confirmation of compliance with [Lowe's Wood Sourcing Policy](#).

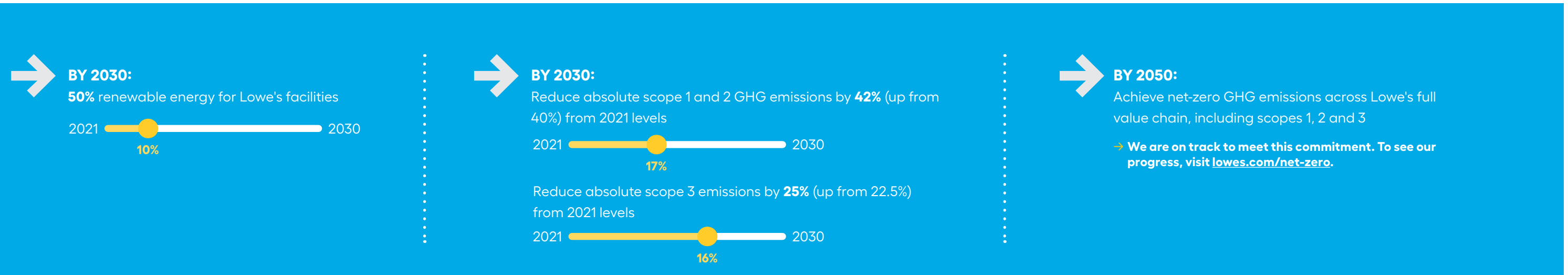
<sup>4</sup>Data represents sales of products with ENERGY STAR, WaterSense and FSC certifications.



# PRIORITY TOPICS AND GOALS: OPERATIONAL EXCELLENCE

## OPERATIONAL EXCELLENCE

Topic	Why It's Important	Key Stakeholders					
		Associates	Suppliers	Customers	Planet	Communities	Shareholders
<b>Climate Change, Energy and Emissions</b>	Investing in energy efficiency and renewable energy lowers operating costs while protecting the environment for future generations.	✓	✓	✓	✓	✓	✓
<b>Waste Management</b>	Reducing operational waste decreases costs and reduces the environmental impact of our operations.	✓	✓	✓	✓	✓	✓
<b>Governance</b>	Effective governance delivers better business results and improves public reputation.	✓	✓	✓			✓
<b>Ethics</b>	Operating ethically is the foundation of being a responsible business and a good corporate citizen.	✓	✓	✓		✓	✓
<b>Compliance</b>	Promoting compliance throughout the business builds brand trust and customer loyalty.	✓	✓	✓			✓
<b>Cybersecurity and Data Privacy</b>	Strong data security and privacy practices prevent financial and reputational loss for customers, associates and our company.	✓	✓	✓			✓
<b>Business Resilience</b>	Preparing for the unknown reduces risks and increases stakeholder confidence.	✓	✓	✓		✓	✓



# NET ZERO IN ACTION

Lowe's is committed to reaching net-zero GHG emissions by 2050. Here's how we made progress toward our goal in 2023. Follow along as we update our Net Zero page with our progress: <https://corporate.lowes.com/net-zero>.

## SUPPLIERS

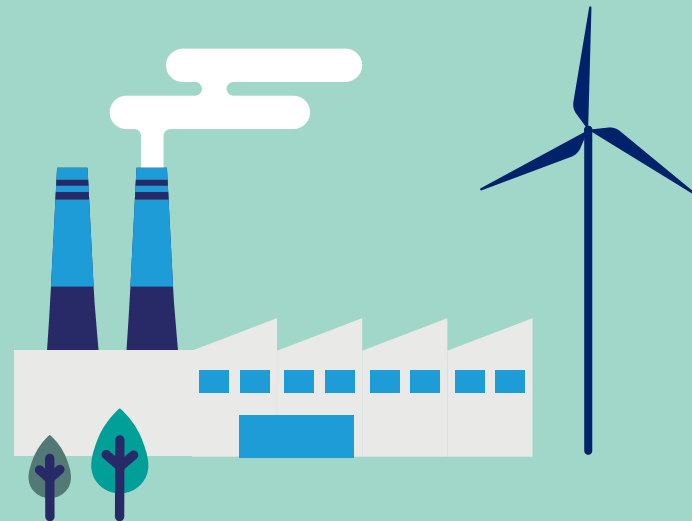


## OPERATIONS



## CUSTOMERS

Worked with our suppliers to encourage reporting scope 1 and 2 GHG emissions through CDP Supply Chain; as a result, CDP named [Lowe's a Supplier Engagement Leader](#)



Invested in sustainable transportation by leveraging EPA's SmartWay program and worked with other partners to evaluate and measure cleaner transportation options; piloted electric yard trucks for moving products

Diverted 1M lbs. of plastic material from landfills since beginning our plastic wrap recycling program in 2022

Installed rooftop solar panels at 174 stores and DCs; 50 installations are currently operating, with all projected to be operational by 2025



Decreased electricity usage by 10% across all Lowe's stores by investing in building efficiency technology

Began to add electric vehicle (EV) charging stations at select stores as a customer amenity

Worked with RILA and other retailers to create the Product Emissions Database, which helps measure the energy impact and carbon footprint of Lowe's and other retailers' products



Helped customers transition from gas-powered to battery-powered products, which now represent more than 60% of outdoor lawn equipment sales\*

\*Sales exclude riding mowers.



# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The U.N. Sustainable Development Goals (SDGs) represent a global call to action to create a sustainable, equitable and just world. The [2030 Agenda for Sustainable Development](#) provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. Although directed at governments, the private sector and civil society have important roles to play in accomplishing these goals. Lowe's has identified five SDGs and six associated targets where we believe we can make the most impact.

## U.N. SUSTAINABLE DEVELOPMENT GOALS AND TARGETS HOW WE PLAN TO CONTRIBUTE

GOAL 7	Ensure access to affordable, reliable, sustainable and modern energy for all	
Target 7.2	By 2030, substantially increase the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> <li>→ Goal to achieve 50% renewable energy for Lowe's facilities by 2030</li> <li>→ Currently, 10% of our energy portfolio comes from renewable energy</li> </ul>
GOAL 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Target 8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	<ul style="list-style-type: none"> <li>→ Continue to monitor and update our Vendor Code of Conduct, including our zero-tolerance stance on modern slavery, forced labor, human trafficking and child labor</li> <li>→ Continue to perform Retail Ethical Sourcing Assessments (RESAs) at supplier factories and leverage third-party certifications to verify compliance (1,395 RESAs were performed in 2023)</li> </ul>
GOAL 11	Make cities and human settlements inclusive, safe, resilient and sustainable	
Target 11.1	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	<ul style="list-style-type: none"> <li>→ Serve our communities through a focus on critical home repairs, skilled trades education, disaster relief efforts and improved community spaces</li> <li>→ In 2022, Lowe's committed to investing \$100 million to restore and revitalize community spaces nationwide through the <a href="#">Lowe's Hometowns</a> program</li> <li>→ In 2023, the <a href="#">Lowe's Foundation Gable Grants program</a> committed \$50 million over five years to train 50,000 job-ready skilled tradespeople</li> <li>→ In 2023, Lowe's and the Lowe's Foundation invested more than \$68.9 million in the communities we serve</li> </ul>
GOAL 12	Ensure sustainable consumption and production patterns	
Target 12.2	By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> <li>→ Goal to save our customers \$40 billion in energy costs and \$65 billion in water costs in lifetime savings by 2025 through the sale of ENERGY STAR-certified and WaterSense-labeled products</li> <li>→ We helped our customers save more than \$5 billion in energy costs and more than \$9 billion in water costs through the sale of efficient products in 2023</li> </ul>
Target 12.4	Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	<ul style="list-style-type: none"> <li>→ Continue to evaluate opportunities to remove chemicals of concern from products offered</li> <li>→ All of our live goods suppliers have discontinued the intentional use of neonicotinoids in their operations, unless required by law</li> </ul>
GOAL 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	
Target 15.2	Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	<ul style="list-style-type: none"> <li>→ Goal to responsibly source 100% of wood products by 2025</li> <li>→ In 2023, 81% of our wood products were responsibly sourced</li> <li>→ In 2023, Lowe's invested more than \$425,000 to support reforestation projects in Canada, the U.S. and Brazil; the projects planted more than 500,000 new trees</li> </ul>

# OUR PEOPLE AND OUR COMMUNITIES

Lowe's has a legacy of supporting our associates and the communities where we live and work. We offer a diverse and inclusive culture where our associates feel safe, valued and equipped to grow. With our support, our associates take pride in working at Lowe's, increasing their engagement and improving our customer service. We also embrace the communities beyond our walls, with initiatives to inspire change and make a difference in people's lives.

## WE ASPIRE TO:

- Foster engaged and healthy associates and safe working environments
- Provide a diverse and inclusive workplace where our associates can grow and thrive
- Serve our communities through a focus on critical home repairs, skilled trades education, disaster relief efforts and improved community spaces





# WORKPLACE SAFETY

**At Lowe's, we want to protect what matters. We work hard to help our associates and customers return home safely to the people they love and the projects they love doing. Safety has been a priority since we opened our doors in 1921 and is embedded in the decisions we make every day throughout the company.**



## GOVERNANCE

Safety metrics are shared with the executive vice president of stores and are regularly included in executive business reviews. Safety metrics are also reviewed annually by the sustainability committee of the board of directors.



## MANAGEMENT APPROACH

The health and safety of our associates and customers is one of our highest priorities. Creating a safety-first culture leads to safe operations for our associates and safe shopping experiences for our customers. Developing this culture starts with giving our leaders the right tools and training to allow associates to work safely while designing incident reduction strategies for our stores and DCs.

### Communications Approach

We continue to focus on creating engaging, relevant and useful safety communications for our store and DC associates. Reinforcing our safety culture with compelling messaging helps us circulate the latest safety ideas and build support for the most effective strategies. This approach communicates our leaders' commitment to safety to our frontline associates, leading to higher associate engagement and greater adoption

of new procedures and equipment. We're proud of how our associates take care of themselves and look out for each other.

### Lowe's Safe Review Program

Establishing a safety-first mindset and reinforcing safe behaviors are central to our incident reduction strategy, which directly helps reduce the number of injuries at our stores.

We employ the Lowe's Safe Review (LSR) program, a daily electronic safety inspection using handheld mobile devices. In addition to identifying hazards and tracking their correction, the LSR platform enables us to review analytics and data regarding the daily condition of stores and the steps taken to address issues. As part of our LSR program, Lowe's tracks safety training completions and uses a root-cause analysis to help leaders take charge of safety at their stores.

Our store managers have the tools to create their own store-specific action plans with support from leadership, including simple, coachable steps to make their operations as safe as possible.

The LSR is also available to district asset protection managers and senior asset protection officers so they can provide documented feedback and support relating to safety. The program is part of a larger management system that helps keep associates updated on safety practices. For example, a proprietary app delivers weekly articles, videos and quizzes. The system captures participation and behavioral data to assess the effectiveness of our safety program.



## TEAMS Leadership

**What it means to be a Lowe's Safe leader:**

- **TOOLS/TRAINING:** Providing the right tools in the right condition and training associates to do their jobs safely.
- **EXPECTATIONS:** Setting Lowe's Safe expectations so all associates understand that they play an active role in fostering a safe environment.
- **ACCOUNTABILITY:** Ensuring personal and peer-to-peer accountability by recognizing when additional training and expectation-setting are needed and having the courage to speak up.
- **MOTIVATION:** Fostering the motivation to problem-solve, identify safety root causes and honestly communicate improvement areas and solutions with teams to maintain associate motivation regarding Lowe's Safe.
- **SUPPORT:** Driving the support of teams to reach their goals by teaching, training, involving associates in problem-solving and encouraging them to have a voice about safety.





## 2023 ACCOMPLISHMENTS

### Safety Management Programs

In 2023, we continued to see a decline in our lost time incident rate (LTIR), which ended the year at 1.58 compared to 1.78 in 2022, a 13% reduction. Our OSHA Recordable Rate declined from 4.30 to 3.71 in the same period. Overall, we reduced incidents (i.e., associate or customer injury) by 2,000 in 2023 as a result of our safety management program and improved safety literacy among our associates.

### New Equipment

Lowe's continues to evaluate potential equipment investments to keep associates and customers safe. In 2023, we invested approximately \$13.5 million in safety equipment aimed at reducing associate risk exposure. This includes new dock locks, drivable lift tables, door carts for transporting large patio doors, rack-mounted aisle blockers and electric pallet jacks. Many tools — such as our drivable lift tables and door carts — were custom-made for the Lowe's environment in partnership with the equipment manufacturer.

### Emergency Response

In 2023, we trained more than 8,500 associates in first aid and CPR. Offered to five associates per location, the two-year certification helps us to provide lifesaving care when it's needed most. In addition, we honored 127 associates with Angel Awards for saving the lives of customers or co-workers — from administering CPR to using automated external defibrillators to revive individuals from sudden cardiac arrest.



## 2024 PLANS

Lowe's will continue to emphasize foundational safety training while developing compelling new learning experiences for our platform to engage associates. This includes introducing refreshed power equipment safety training in 2024 in our stores. We also plan to expand the rollout of equipment and tools designed to enhance on-site safety, such as lift tables and carts specially designed for large patio doors. Finally, we will continue our efforts to reduce the frequency and severity of incidents, including applying a targeted approach to opportunity areas.



## Celebrating Our Safety Successes

**In 2023, we awarded more than 3,700 safety celebrations, an achievement earned after 90 days without incident<sup>1</sup>. We're proud to report that 118 of our stores went a full year without an incident in 2023, compared with fewer than 10 stores in the program's first year in 2019.**

<sup>1</sup>Lowe's increased the number of consecutive days without an incident needed to qualify for a safety celebration, resulting in a decrease in celebrations.



# CULTURE, DIVERSITY AND INCLUSION

We continue to execute our multiyear program to integrate diversity and inclusion initiatives into our corporate strategy across three areas: talent, culture and business. Succeeding in these areas in turn invites and encourages diversity of thought and ideas, giving our associates a stronger sense of belonging. Each step along this journey helps us drive better ideas and outcomes for our customers, our associates and our business.



## GOVERNANCE

Our process helps us drive intentional outcomes. The data and the effectiveness of our team structures are reviewed by human resources and senior leadership during quarterly business reviews. In addition, our chairman and chief executive officer, executive vice president of human resources and board of directors receive regular updates on progress around key initiatives and objectives that help us focus on inclusion by removing subjective targets.



## MANAGEMENT APPROACH

### Associate Engagement

At Lowe's, working together to strengthen our culture benefits everyone, from our associates to our customers and communities. Our core behaviors and values are foundational for us to succeed and bring out the best in each other. By fostering an inclusive culture and encouraging accountability, we increase our associates' engagement and improve customer service.

We strive to foster an inclusive culture that supports associates in unlocking their talents and potential. We measure associate engagement and belonging through a broad-spectrum listening strategy.

Our goal is to create a working environment where associates are proud to represent Lowe's and feel like they are contributing each day. We also seek to create an environment that potential candidates feel inspired to join because they can see a future with the company.



## 2023 ACCOMPLISHMENTS

### Listening and Engagement

We continued to expand our engagement tools through our associate listening program, Building Engagement and Success Together (BEST). This program consists of our global engagement survey program and smaller pulse surveys focused on identifying opportunities in specific teams or locations. In 2023, we increased the cadence of listening touchpoints to hear from associates more often,



## Our Values

In 2023, we introduced new values that underscore what we stand for as a company.

- **SERVICE-MINDED:** Meeting the needs of others
- **COLLABORATIVE:** Combining our resources, experience and know-how
- **INCLUSIVE:** Welcoming everyone and being open to different ideas and perspectives
- **RESPECTFUL:** Treating our teammates, customers and communities with dignity
- **DRIVEN TO WIN:** Striving to be the best in everything we do

helping us act faster on opportunities when they arise. Across these touchpoints, we measure key outcomes such as associate engagement, leadership effectiveness and inclusion to emphasize our commitment to a culture of belonging and proactively identify areas of improvement. For our global engagement survey, our response rate was more than 90%.

In 2023, Lowe's business resource groups created an inclusive, open forum where any associates who shared common interests could meet, support one another and move our organization forward. As we continue to evolve our diversity and inclusion strategy, we're combining those groups into one umbrella group focusing on associate engagement. This inclusion council will align to our community relations strategic pillars.

- Restoring and revitalizing community spaces through [Lowe's Hometowns](#)
- Supporting safe, affordable housing initiatives
- Assisting communities as they prepare for and recover from natural disasters
- Closing the skilled trades labor gap through the [Lowe's Foundation Gable Grants program](#)

### Associate Identities

We enhanced our Self ID campaign in 2023 as part of our ongoing commitment to understanding our associates' identities, including skills and experiences that could be helpful in the workplace. Self ID gives associates additional options to share their backgrounds while allowing us to grow our culture of belonging.

### Schools and Universities

Through a series of unique partnerships, Lowe's has invested more than \$10 million over the past two years in select schools — including historically Black colleges and universities (HBCUs) — to provide students with pathways to Lowe's employment. In 2023, we focused on strengthening our relationships with these partners and delivering on our commitment to students.

In addition, two student cohorts sponsored by Lowe's in 2023 participated in the Charlotte Talent Initiative (CTI) at Queens University of Charlotte, which is designed to help talented students from low-income backgrounds succeed in their careers. To cultivate homegrown talent, Lowe's provided full-tuition scholarships, on-campus professional development and mentorship opportunities to all participating students, with the goal of preparing them for the local Charlotte talent market. As a result, all students from the first cohort of rising seniors were offered summer internships that spanned across the enterprise.



\*Title subject to change.



### 2024 PLANS

We will continue to develop our BEST listening program to hear from associates regularly, helping us adjust to associate priorities and launch more initiatives to meet their needs. We also plan to enhance our engagement strategy by building greater awareness and accountability into the process. Based on survey responses, associates will focus on improving targeted culture areas, and leaders will be measured in these areas as part of their leadership performance goals. Additionally, we plan to build on the progress we've made in developing a diverse and inclusive culture.

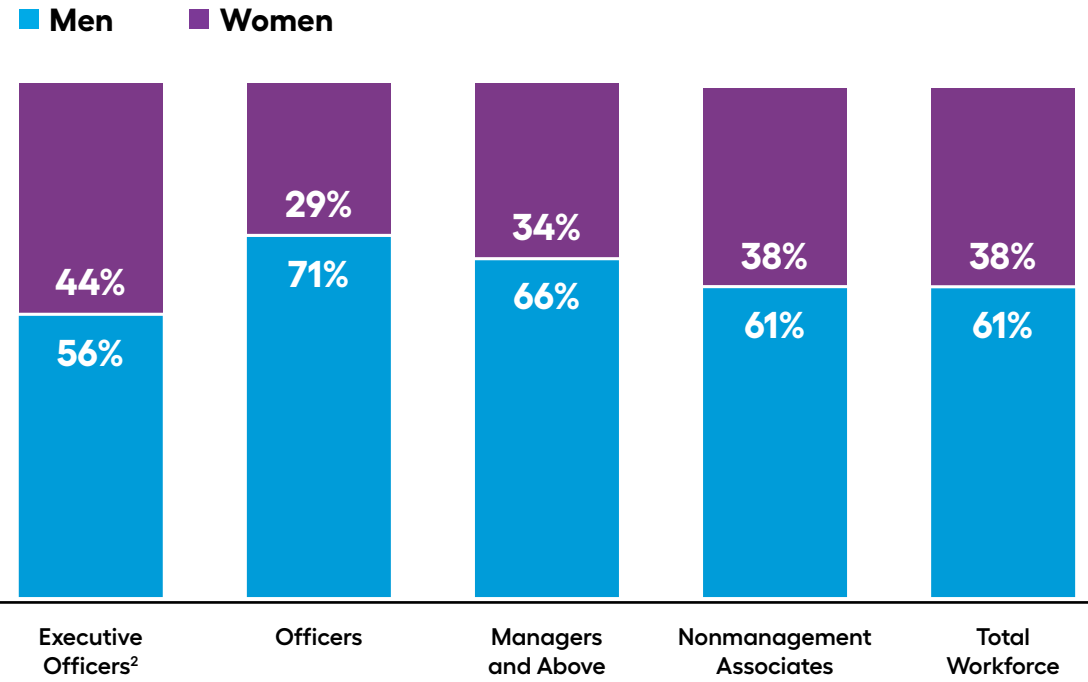
## Lowe's Core Behaviors

**In addition to our values, we provide world-class customer service by fostering the behaviors we believe are directly responsible for our continued success.**

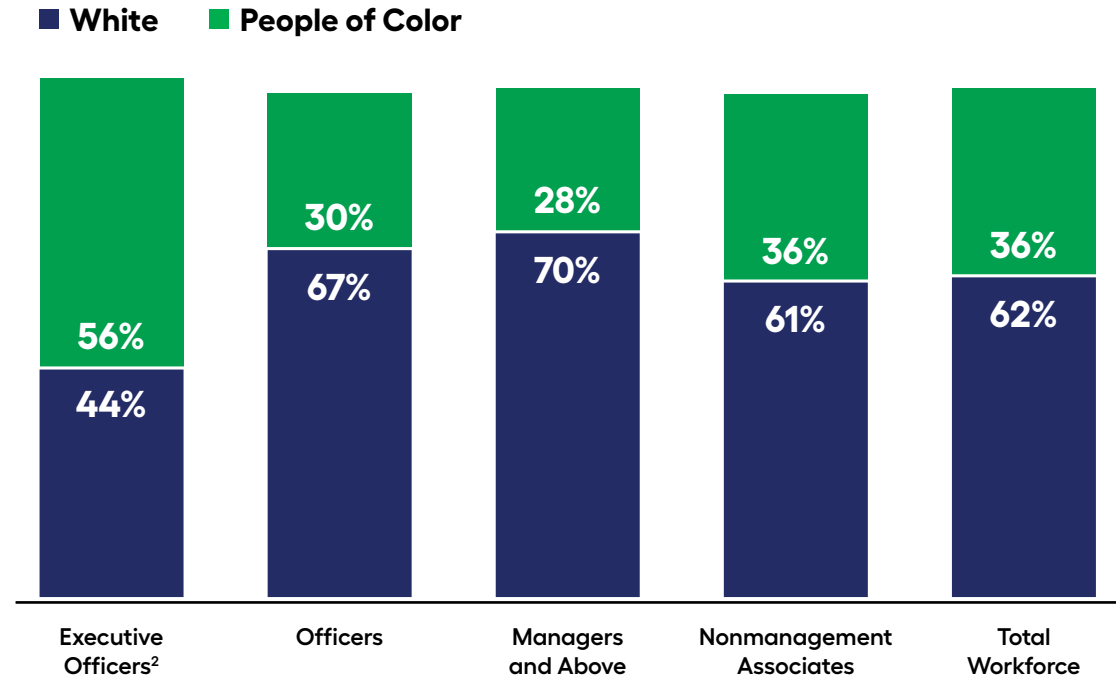
- **FOCUS ON CUSTOMERS:** We build strong relationships with our customers, deliver tailored solutions that meet their needs and are always thinking of ways to add more value.
- **DELIVER RESULTS:** We hold ourselves accountable for delivering results, even through challenging circumstances and ongoing change.
- **TAKE ACTION:** We take immediate and decisive action with appropriate urgency and enthusiasm.
- **SHOW COURAGE:** We address difficult issues and make tough decisions without fear or hesitation.
- **CONTINUE LEARNING:** We're always learning, growing and working to meet individual and organizational goals. We strive to help others do the same.



### 2023 U.S. GENDER DIVERSITY BY ROLE<sup>1</sup>



### 2023 U.S. ETHNIC DIVERSITY BY ROLE<sup>1</sup>



<sup>1</sup> Associates who did not identify were included in the totals but were not assigned to a specific category. This resulted in some subcategories not equaling 100%. These metrics are represented on a fiscal year basis rather than calendar unless otherwise noted.  
<sup>2</sup> Data for executive officers is as of March 1, 2024.

### → 2023 DIVERSITY AND INCLUSION HONORS



2023 DiversityInc Top 50 Noteworthy Companies



2023 Workforce Equity Award



2023 Disability:IN National Best Place to Work for Disability Inclusion



2023 100 Best Companies for Women in India

### RESOURCES:

- [Lowe's Culture, Diversity and Inclusion Reports](#)
- [Lowe's EEO-1 Data<sup>3</sup>](#)
- [Lowe's Pay Gap Analysis<sup>3</sup>](#)

<sup>3</sup> Links to most recent report.

# TALENT ACQUISITION, DEVELOPMENT AND RETENTION

As we work to become the retail employer of choice, we are committed to hiring, developing and retaining the best people by creating valuable career opportunities. Our goal is for our associates to view Lowe's as their "Home to Possibility," delivering good jobs, a sense of belonging and a promising future.



## GOVERNANCE

Our talent acquisition, development and retention programs are reviewed and approved by the HR portfolio demand committee. Processes and tools are in place to allow us to focus resources on the programs that provide the most value. These processes help us identify and mitigate risks early. Our executive vice president of human resources reviews these programs monthly.



## MANAGEMENT APPROACH

### Attracting Top Talent

Attracting top talent means providing our candidates and associates with opportunities to develop, progress and thrive in their careers at Lowe's. With over 2,000 unique roles and a focus on retaining and growing our associates, individuals from all backgrounds and experiences can find their ideal role and achieve success at Lowe's. As our business grows and adapts to changing customer needs, we will continue to adapt how we attract and retain top talent.



### Recruiting Military Talent

We value the hard work and sacrifices veterans and military spouses make every day, as well as the unique perspectives they bring to Lowe's. We partner with the Department of Defense to offer SkillBridge, a 12-week fellowship program that provides essential transition training for military service members into the civilian workforce. The program's success in our stores has spurred the expansion of our fellowships nationwide to include supply chain, technology and corporate roles. Lowe's also allows service members to transition to any viable Lowe's location.

### Career Development

While attracting top talent is essential, we strive to nurture meaningful careers for our current associates by helping them develop the skills and confidence to thrive at Lowe's. Our monthly training activities include a range of onboarding, upskilling and leadership development programs to help associates and leaders grow in their current roles alongside coaching opportunities to help accelerate their career growth. In 2023, we filled more than 80% of our store leadership positions internally.



## Being an Employer of Choice Means:

### → GOOD JOBS

- Stability
- Competitive compensation
- Scheduling flexibility

### → SENSE OF BELONGING

- Empowering relationships
- Connection to community
- Safe place to be you

### → PROMISING FUTURE

- Internal mobility
- Expanded leadership paths
- Training for advancement

## Educational Support

We believe greater access to education leads to increased opportunity. We offer associates tuition-free and partially funded programs at quality schools that include programs such as high school completion, college prep, language learning, technical certificates and advanced degrees.

## Lowe's University

Lowe's University provides all store associates, including leaders, with onboarding and development opportunities tailored to their role. The programs are available to all store associates via our mobile devices on the sales floor or in Lowe's University learning labs in our stores. We also offer live virtual and in-person development programs from the Lowe's University Training Center at our Store Support Center (SSC) in Mooresville. Programs are taught by senior officers and dedicated leadership trainers — former business leaders — who leverage their expertise to grow associates' know-how and confidence.

## Associate Compensation

We have a strong track record of investing in our workforce by offering local market-competitive salaries and wages. Since 2018, we have invested over \$3.5 billion in incremental wages and share-based compensation for our frontline associates. In 2023, we awarded these associates more than \$350 million in discretionary and profit-sharing bonuses. We are also one of few retailers to award stock grants to our store managers and assistant store managers — one of the many ways we incentivize associates to build their careers within Lowe's.



## 2023 ACCOMPLISHMENTS

### Track to the Trades

Lowe's associates can develop new skills through our tuition-free Track to the Trades program, which offers pre-apprentice training in skilled trades including plumbing, electrical, residential construction, HVAC and appliance repair.

In 2023, Track to the Trades added a training pathway for our internal supply chain maintenance roles and entered into a partnership with the MVP Pro and Provider network, which connects associates in the program with professional apprenticeship opportunities while introducing trade professionals to a network of new talent. Approximately 14,000 associates had enrolled in Track to the Trades as of year-end 2023, up from 4,500 in 2022.

### Lowe's University

We continued expanding our Lowe's University offerings in 2023, including launching role-specific assistant store manager academies focused on building and reinforcing technical operations and business knowledge. We also advanced our commitment to leadership development through in-person, weeklong cohort leadership experience programs — completed by more than 1,100 leaders at various levels — and live virtual leadership training attended by nearly 14,000 supervisors, managers and directors.

In 2023, Lowe's University also:

- piloted two 12-week advanced leadership programs (ALPs) to help high-performing assistant store managers and corporate associates prepare for their next roles;
- launched role-specific product and sales training, as well as dedicated Lowe's Pro training to all store associates, which increased Pro knowledge across the store by 17%.

### Lowe's Internships

We remain focused on growing our future workforce by offering a compelling summer internship program. In 2023, we hosted 166 interns representing 71 colleges and universities across 24 states.

## → SUPPORTING OUR MILITARY COMMUNITY



2023 Military Friendly®  
Gold Top 10 Employer



2023 Military Friendly  
Spouse Employer

**26K+**

veterans and military  
spouses currently  
employed

## Military Spouse Fellowship

In 2023, we launched the Lowe's Military Spouse Fellowship, a 12-week program to provide sustainable, meaningful career opportunities to this community. In partnership with Hiring Our Heroes, the program invites military spouses to train in any Lowe's store as sales specialists and potentially join the Lowe's team as full-time associates. Should families be reassigned to a new base, military spouses can relocate to any of our stores nationwide to continue their careers.



## 2024 PLANS

We plan to continue developing our associate training and create new opportunities for career and leadership advancement. In 2024, Lowe's University will expand the ALP pilots for assistant store managers and corporate associates to full programs. In addition, Lowe's University plans to enhance associate offerings, including the rollout of an on-demand, digital leadership development library, role-specific academies for store department supervisors, expanded Pro Services training to further increase Pro sales, and additional role-specific product and sales training.

For Track to the Trades, we plan to build on our partnership with the Lowe's MVP Pro and Provider network, giving interested associates a pathway to careers in the skilled trades industry.



# ASSOCIATE HEALTH AND WELL-BEING

Lowe's associates represent many generations, so we strive to create a workplace that embraces our associates holistically and provides support for complex issues affecting the various facets and stages of their lives. Our goal is to provide comprehensive and competitive benefits that consider whole-person health by supporting physical, financial and emotional wellness.



## GOVERNANCE

Our health and well-being guiding principles serve as a road map for a comprehensive ecosystem of health-related and financial resources, tools and programs to guide our associates along their individual health and financial journeys. We regularly measure and evaluate our programs in accordance with both the needs of our associates as well as industry standards while adhering to rapidly changing regulatory requirements. Our programs are reviewed annually for competitiveness, and proposed plan changes are approved by management. Quarterly, the retirement administrative committee reviews fund and retirement plan performance measures. We conduct monthly financial reviews to confirm that our health care programs are operating within expected financial results. We share health care and retirement plan usage metrics with the compensation committee of the board of directors annually.



## MANAGEMENT APPROACH

We offer a comprehensive benefits package to our associates as a key component of our employer of choice strategy. Our total rewards package provides the resources needed to help our associates live healthy lives while working at Lowe's. We regularly benchmark the industry and update our programs to align with best practices and the needs of our associates, who are the driving force behind our success. We prioritize giving our associates a safe working environment, access to support services and fair compensation for their efforts.

### Our Whole-person Standard

All regular full-time and part-time associates are eligible for a range of health and financial benefits. To support our associates financially, all regular full-time and part-time U.S. associates may participate in our 401(k) plan on the first of the month after 30 days of employment and can receive Lowe's vested match dollars up to 4.25%. In addition, our Employee Stock Purchase Plan is available to eligible associates in the U.S. and India. The health insurance programs we offer include support for chronic disease prevention and management, weight management and mental health and access to second opinions from medical experts.

### Benefits Offered to All U.S. Full- and Part-time Associates

- Health
- Pharmacy
- Dental
- Vision
- Life and disability benefits
- Critical illness, hospital and accident insurance
- No-cost health screenings
- Employee Assistance Program
- Vacation
- Sick time
- Discounted Employee Stock Purchase Plan
- 401(k) plan with a company match up to 4.25%
- 10% Lowe's associate discount
- Broad discount marketplace
- Tuition assistance
- Carl Buchan scholarship program
- Prepaid legal services
- Pet insurance
- Identity theft protection
- Additional combined auto and home insurance

## Additional Benefits for Full-time U.S. Associates

- Telemedicine
- Enhanced travel coverage to Centers of Excellence
- Diabetes prevention program
- Health savings account
- Flexible spending accounts
- Access to second opinions from medical experts
- No-cost diabetes supply and management programs
- Parental resources for children with developmental and learning challenges
- Up to four weeks of paid parental leave for a newborn or newly adopted child
- Adoption assistance program with up to \$5,000 reimbursement per child
- Fertility benefits
- Activation reward
- Accolade health assistants
- Additional medical plan options for some geographic regions (HMO)
- Business travel accident insurance

## Lowe's India

**In 2023, we revamped our insurance program with Flex-Ben — an opportunity for associates to customize their benefits plan to best fit their needs.**

Benefits include an associate assistance program that provides support for emotional wellness; preventive care for associates and family members; reimbursement claims for outpatient domiciliary care, pharmacy, diagnostics and health checkups; insurance coverage for same-sex partners, live-in partners and siblings; crèche facility and family support; tuition reimbursement; and travel and safety benefits.



## 2023 ACCOMPLISHMENTS

### Preventative Care

In 2023, we expanded preventative care options for our associates to use in the comfort of their own homes, on their own time. Catapult Health VirtualCheckup, for example, combines simple at-home testing with face-to-face video consultations with licensed health care providers, creating an innovative alternative to annual in-person checkups. We also began offering Hinge Health virtual physical therapy for at-home rehabilitation of joint and muscle pain. The service includes a personalized exercise plan, app-based exercise routines and access to a dedicated physical therapist and health coach.

### Medical Plan Upgrades

We introduced a more robust medical plan for part-time associates in 2023. Expanded benefits include unlimited virtual health care visits at no cost; unlimited coverage for mental health services, including our 24/7 Employee Assistance Support Line; preventive coverage for health screenings, routine physical exams, age- and gender-appropriate exams, well-child visits and required immunizations; pharmacy discount cards; and four primary care or specialist in-person visits after copay. We also doubled the number of free counseling and therapy sessions available to full-time and part-time associates and household members from five sessions to 10 per year.

### Lowe's Employee Relief Fund

Made possible through associate donations and a one-to-one company match, our Employee Relief Fund supports associates in times of significant, unforeseen financial hardship, such as natural disasters, medical events or a death in the family. The fund distributed more than \$5.5 million in 2023, helping more than 4,550 associates in need.



## 2024 PLANS

We plan to add a more robust Centers of Excellence program vendor with stronger capabilities and facilities that are more easily accessible for our associates. We will also transition to a new employee assistance program that offers enhanced services, including unlimited coaching on such topics as stress management, financial well-being, weight management and family health.

The Lowe's full-time medical and vision plan benefits are evaluated as needed to address potential concerns such as financial barriers to care. Plans are evaluated on an annual basis.





# COMMUNITY ENGAGEMENT AND SUPPORT

Through our community engagement initiatives and partnerships with nonprofits across the nation, along with the efforts of the [Lowe's Foundation](#), we're able to make lasting impacts and develop meaningful connections with the customers and communities we serve, making homes — and hometowns — better for all.



## GOVERNANCE

Members of Lowe's executive leadership team and the board of the Lowe's Foundation — an independent 501(c)(3) — review and approve community grants for the Lowe's Hometowns and the Lowe's Foundation Gable Grant programs, as well as nonprofit partnerships.



## MANAGEMENT APPROACH

Lowe's supports communities through financial grants, product donations, associate volunteerism and partnerships with nonprofits. Our approach is to engage locally and respond to communities' needs, such as helping them with critical home repairs. We put a special focus on assisting our nation's veterans and active military community, first responders and communities where we live and work.

The Lowe's Foundation is focused on closing the skilled trades labor gap across the U.S. by developing a community of skilled tradespeople who can build and revitalize our homes, neighborhoods and infrastructure for the future through the Foundation's [Gable Grants program](#).



## 2023 ACCOMPLISHMENTS

### Lowe's Foundation Gable Grants

In 2023, the Lowe's Foundation announced a five-year, \$50 million commitment to train 50,000 job-ready skilled tradespeople to build a stronger infrastructure that supports our communities for the long term. The Foundation awarded nearly \$11 million in Gable Grants in 2023 to 11 community and technical colleges and three national nonprofit partners. Grantees included Goodwill Industries International, the Local Initiatives Support Corporation (LISC) and the National Center for Construction Education and Research (NCCER). These organizations are driving innovative and sustainable skilled trades education in construction, electrical, HVAC, plumbing and appliance repair. We work with organizations that provide scalable, hands-on training over one to two years, which helps the next generation of tradespeople gain the knowledge and skills to build rewarding careers.

### Lowe's Hometowns Grant Program

From building community gardens to making critical repairs and improving first responder facilities, the momentum of the Lowe's Hometowns program continued in 2023 as 100 nonprofit organizations received grants to restore, renovate and revitalize community spaces. Approximately 1,800 local Lowe's associates in 93 cities stepped in to transform their communities — serving as trusted advisers, providing



## Lowe's Corporate Philanthropic Focus Areas

- ➔ Restoring and revitalizing community spaces through [Lowe's Hometowns](#)
- ➔ Supporting critical housing repairs to preserve long-term homeownership
- ➔ Assisting communities as they prepare for and recover from natural disasters

## The Lowe's Foundation Philanthropic Focus Area

- ➔ Closing the skilled trades labor gap through the [Lowe's Foundation Gable Grants program](#)



needed services and supplies and hammering out renovations alongside the grantees. Being a catalyst for change and inspiring the communities we serve have been central to the continued success of the Lowe's Hometowns program. In 2023, Lowe's Hometowns contributed \$20.7 million toward our overall Hometowns goal to fund \$100 million in the communities we serve through 2026. We anticipate that more than 2.5 million people will benefit from the first two years of Lowe's Hometowns projects within one year of project completion.<sup>1</sup>

**\$68.9+ Million**

**In 2023, Lowe's and the Lowe's Foundation invested more than \$68.9 million in the communities we serve.**

### Nonprofit Partnerships

Alongside our national nonprofit partners, Lowe's:

- partnered with Habitat for Humanity International and Rebuilding Together to complete critical repairs to over 975 homes, allowing families to maintain their single largest investment, safely age in place and build intergenerational wealth support;
- invested in Habitat for Humanity International's Cost of Home national advocacy campaign, which brings local Habitat organizations, partners, volunteers and community members together to find solutions and craft policies expected to allow 10 million people to access affordable homes;
- provided nearly 8,000 beds for more than 3,750 families in need through our partnership with Sleep in Heavenly Peace;

- contributed funding to Building Homes for Heroes, Purple Heart Homes and Operation Finally Home, which together supported over 500 homes for veterans and their families with critical repairs; and
- helped over 86,000 people to receive improved safety or support, over 3,200 meals to be served and over 200 homes to be rebuilt or improved in preparation for or in response to disaster events.<sup>2</sup>

### Disaster Relief

Whether it's providing tools and supplies, dispatching Lowe's tool rental trailer or volunteering tool rental trailers or volunteering for cleanup efforts, we strive to make a difference in how a community recovers and rebuilds, both immediately and in the months and years to come. For example, Lowe's donated \$1 million in 2023 to continued relief and recovery efforts across Maui after deadly wildfires caused catastrophic destruction to homes and businesses on the island. The donation assisted Lowe's disaster relief partners in providing food, emergency shelter, relief supplies and comfort to those affected by the wildfires.

### Our Hometown Support

Our investment in our own hometown — the greater Charlotte region in North Carolina — continues to be a priority. Since 2020, Lowe's and the Lowe's Foundation have contributed \$37.4 million to support critical needs such as safe and affordable housing and skilled trade workforce development in the region. In 2023, Lowe's and the Charlotte Hornets joined forces with the county and the Grier Heights neighborhood to revitalize the Grier Heights amphitheater. This was a capstone project in a three-year place-based approach to neighborhood revitalization through the Hornets Legacy Project, powered by Lowe's. Also in 2023, Lowe's invested over \$1.2 million in Habitat for Humanity's Jimmy and Rosalynn Carter Work Project. Hundreds of our associates joined thousands of community volunteers to build 27 homes in a neighborhood on the west side of Charlotte.

### LOWE'S INDIA'S COMMUNITY RELATIONS PROGRAM IS GUIDED BY THREE PILLARS:

1. Skill-building
2. Housing and infrastructure
3. Sustainability

**In 2023, over 1,000 Lowe's India volunteers supported community impact projects.**



### 2024 PLANS

We will continue to evolve our community programs by engaging the communities we serve and responding to their greatest needs. This includes evaluating ways to leverage our resources and expertise to maximize our impact and growing our associate volunteering program to restore and revitalize more community spaces. At the highest level, we will maintain our focus on making homes and hometowns better for all.



<sup>1</sup>Full program impact data available in the Lowe's Hometowns Executive Summary at [corporate.lowes.com/our-responsibilities/lowes-hometowns](https://corporate.lowes.com/our-responsibilities/lowes-hometowns).

<sup>2</sup>Data validated by independent social good measurement firm True Impact.

# OUR PEOPLE AND OUR COMMUNITIES DATA<sup>1</sup>

METRIC	2021	2022	2023
<b>WORKPLACE SAFETY</b>			
Associates trained on safety compliance	100%	100%	100%
Number of safety celebrations for stores to celebrate safety rates, completion of safety meetings, trainings or hazmat inspections	5,311 <sup>2</sup>	5,942	3,701 <sup>3</sup>
Total OSHA recordable rate (per 100 full-time employees) (U.S. only)	5.15	4.30	3.71
<b>Goal progress:</b> Reduce lost time incident rate (LTIR) each year (per 200,000 hours)	2.21	1.78	1.58
<b>CULTURE, DIVERSITY AND INCLUSION</b>			
Board members <sup>4</sup>	10	12	11
Women	3 (30%)	4 (33%)	4 (36%)
People of color	4 (40%)	5 (42%)	5 (45%)
Executive officers <sup>5</sup>	9	8	9
Women	3 (33%)	2 (25%)	4 (44%)
People of color	4 (44%)	4 (50%)	5 (56%)
Number of associates: Asia and Europe <sup>6</sup>	3,800	4,200	4,400
Number of associates: U.S. <sup>6</sup>	303,000	303,000	280,000
<b>TALENT ACQUISITION, DEVELOPMENT AND RETENTION</b>			
Average hours of completed training per store associate	8.3	9.9	12.9
Hours of training invested in frontline leaders (completed hours)	581,000	576,000	880,000
Training hours for store managers	26,000	35,000	46,000
Training hours for department supervisors and assistant store managers	554,000	541,000	833,000
<b>ASSOCIATE HEALTH AND WELL-BEING</b>			
U.S. full-time associates participating in Lowe's health insurance plans	65%	60%	62%
U.S. associates participating in Lowe's 401(k) plan	Full-time: 54%; part-time: 19%	Full-time: 53%; part-time: 17%	Full-time: 53%; part-time: 19%
Number of U.S. associates helped via the Lowe's Employee Relief Fund	3,140	2,992	4,550
Total Lowe's Employee Relief Fund monies distributed (global)	\$4.5 million	\$4.2 million	\$5.5 million
Associates participating in Lowe's BEST Engagement Survey	244,208; 90% response rate	265,697; 91% response rate	261,603; 95% response rate
<b>COMMUNITY ENGAGEMENT AND SUPPORT</b>			
Total charitable giving	\$80 million	\$91 million	\$69 million
<b>Goal progress:</b> Invest \$350 million in our local communities by 2025	\$318 million	\$409 million	\$478 million
Total associate volunteer hours <sup>7</sup>	195,300	168,000	181,000
Percent of stores contributing to their local communities through product donation and volunteer opportunities	100%	100%	100%
<b>Goal progress:</b> Invest \$100 million through <a href="#">Lowe's Hometowns</a> Grant program through 2026		\$17.3 million	\$20.7 million
<b>Goal progress:</b> Invest \$50 million from 2023 to 2028 to train 50,000 job-ready skilled tradespeople through the <a href="#">Lowe's Foundation Gable Grants program</a>			\$11 million

<sup>1</sup>Lowe's completed the sale of our Canadian business on February 3, 2023. Prior periods have therefore been recast to exclude the impact of the Canadian retail business.

<sup>2</sup>This metric is represented on a fiscal year basis rather than calendar year. Beginning in 2022, we represented this metric on a calendar year basis.

<sup>3</sup>Lowe's increased the number of consecutive days without an incident needed to qualify for a safety celebration, resulting in a decrease in celebrations.

<sup>4</sup>For additional information on board demographics, see our proxy statements.

<sup>5</sup>Data for executive officers is as of March 1, 2024.

<sup>6</sup>Associate totals are reported at the end of each fiscal year. In the United States, associate totals fluctuate throughout the year to meet elevated levels of demand, such as during the spring season when we temporarily expand our workforce by hiring associates in part-time and full-time positions.

<sup>7</sup>In 2023, we shifted our focus from attaining a goal set before the pandemic (i.e., to contribute more than three million hours of associate community service by 2025) to aligning our efforts with projects that will make the most difference in the community. We will continue to report associates' volunteerism hours annually.



# PRODUCT SUSTAINABILITY

Lowe's strives to put the customer first by providing high-quality items that help our customers live more sustainably. We begin by selecting suppliers and offering products that support human and environmental health, guided by our Human Rights, Wood Sourcing, Safer Chemicals and Conflict Minerals policies. We are also expanding our pursuit of innovative, more efficient eco-products and educating customers on how to reduce their footprint at home.

## WE ASPIRE TO:

- Promote sustainable, responsible and ethical practices throughout our value chain
- Provide customers with eco-friendly, high-quality and safe products
- Help customers live more sustainably at home





# SUPPLIER SOCIAL AND ENVIRONMENTAL PRACTICES

We strive to meet customer demand for innovative and reliable products by responsibly sourcing goods and materials domestically and globally. Our supplier screening process is a key element of our product sustainability efforts.



## GOVERNANCE

Lowe's head of global merchandising oversees our responsible sourcing group, which sits within our international quality assurance (QA) team. Responsible sourcing communicates Lowe's policies to our internal procurement teams, who adhere to these policies in sourcing products that meet our requirements. Lowe's legal team provides vendors with training on our [Vendor Code of Conduct](#) and other requirements related to ethics and integrity. The Vendor Code of Conduct details our social and environmental expectations, which all vendors must sign as part of the overall vendor agreement. Our QA and sustainability teams also conduct regular training sessions with vendors on various environmental, social and governance policies and practices.



## MANAGEMENT APPROACH

### Supplier Compliance

Lowe's is committed to fostering a company that recognizes and respects human rights as is reflected in the [Lowe's Human Rights Policy](#). Our responsible sourcing program is integral in validating our commitment at our vendors' global manufacturing locations. We aim to ensure that workers who manufacture the products we purchase are operating under safe conditions, are being treated fairly and are paid in accordance with local laws, at minimum. We verify compliance with our Vendor Code of Conduct and Human Rights Policy by conducting Retail Ethical Sourcing

Assessments (RESAs) at Lowe's private brand supplier factories, as well as at factories that manufacture products where we are the importer of record. Performed by third-party audit firms to provide impartiality, RESA audits focus on areas such as forced labor, labor contracts, working hours, compensation and benefits, employment practices, environmental compliance and worker health and safety.

To reduce audit fatigue from multiple inspections by multiple retailers, we coordinate our auditing processes with industry peers. We also leverage third-party certifications to verify compliance. After reviewing their methodologies and monitoring processes, we accept certified audits through the Business Social Compliance Initiative (BSCI) and recently agreed to accept Worldwide Responsible Accredited Production (WRAP) programs. However, we retain the right to conduct independent RESA audits to assess for ourselves the working conditions in a supplier factory.

### Corrective Action Plans

We rely on a four-tier, risk-based assessment process, with the first tier representing no or low-risk violations and the fourth tier representing high-risk, serious violations and/or conditions. Suppliers who are not conforming to our Vendor Code of Conduct must submit a corrective action plan (CAP) to our third-party auditor.

We work with our suppliers to develop these plans, and third-party auditors create and implement management systems to address

concerns and develop plans to meet local and Lowe's requirements. The third-party auditors will not schedule the required follow-up assessment until the CAP and evidence have been received, reviewed and approved. The third-party auditor will validate all corrective actions during this follow-up assessment. If the compliance issue is significant and the vendor fails to correct it, we may terminate the business relationship. Before doing so, however, we consider whether helping the supplier or factory address the issue is a viable option.

### Vendor/Factory Training and Awareness

We offer multiple training and awareness sessions throughout the year for our factories and vendor partners.

#### → NEW VENDOR TRAINING

When we onboard a new vendor, we provide training on our requirements and policies to help them understand and align with our expectations. With a focus on helping reach and maintain compliance, these trainings help us build a successful business relationship.

#### → "AT RISK" FACTORY WORKSHOP

We offer "at risk" workshops for vendor factories with one or two orange assessments, which is our second-most serious category of violations after red (the training is mandatory for factories with

two orange assessments). Conducted by Lowe’s responsible sourcing team, these in-person workshops typically take place in our Shanghai, China, location.

→ **AWARENESS TRAINING ON LABOR LAWS**

To help our vendors stay apprised of new requirements, we offer third-party vendor training that serves to raise vendors’ awareness of key changes to local labor laws and reiterate Lowe’s compliance expectations.



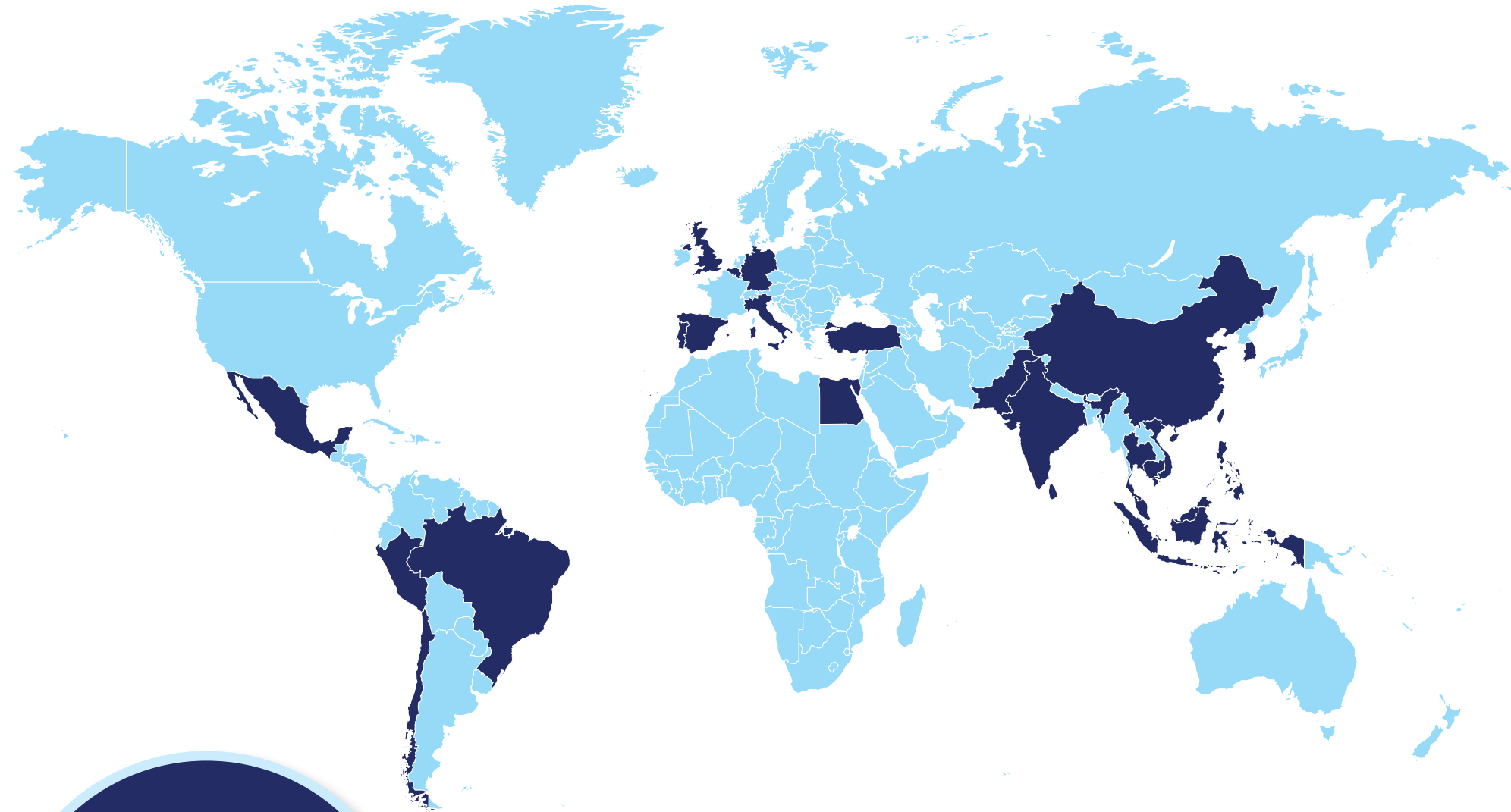
**2023 ACCOMPLISHMENTS**

In addition to accepting certified audits through the BSCI, we recently agreed to accept WRAP programs. We retain the right to conduct independent RESA audits to assess for ourselves the working conditions in a supplier factory. We also began holding “at risk” workshops — which we offer to vendor factories with one or two orange assessments — in locations outside China in 2023, including our first workshop in Vietnam. We plan to hold the workshops in other key countries in 2024.



**2024 PLANS**

We plan to continue performing supplier factory audits as well as follow up and validation of CAPs. We also plan to hold workshops for high-risk factories in other key countries as needed. Looking ahead, we plan to implement solutions to improve visibility into our supply chain and conduct additional due diligence, focusing on forced labor and other emerging risks.



**Lowe’s and our third-party audit partners conducted 1,395 audits within 1,312 factories in 24 countries in 2023.**

**COUNTRIES OF ORIGIN FOR 2023 ASSESSMENTS AND CERTIFICATIONS**

- |            |               |               |                  |
|------------|---------------|---------------|------------------|
| → Belgium  | → Germany     | → Mexico      | → Sri Lanka      |
| → Brazil   | → India       | → Pakistan    | → Taiwan         |
| → Cambodia | → Indonesia   | → Peru        | → Thailand       |
| → Chile    | → Italy       | → Philippines | → Turkey         |
| → China    | → South Korea | → Portugal    | → United Kingdom |
| → Egypt    | → Malaysia    | → Spain       | → Vietnam        |

# NATURAL RESOURCES

With the understanding that our planet’s resources are limited, we strive to sustainably source the materials we choose for our products. Tracking the origin of these resources and embracing sustainable practices play crucial roles in upholding our commitment to environmental stewardship.



## GOVERNANCE

Product development merchants and sourcing managers work together so the natural resources that we procure meet Lowe's sourcing requirements. Lowe's conducts annual vendor surveys to evaluate compliance with our Wood Sourcing and Conflict Minerals policies. Our sustainability steering committee and sustainability committee of the board of directors review the survey results annually.



## MANAGEMENT APPROACH

### Responsible Forestry

Lowe's recognizes the impact the world's forests have on the ecological and climate processes upon which biodiversity and human life depend. Improving the sustainability of our wood supply chain is a priority, and our focus extends beyond our primary wood product, lumber, to the range of additional products that contain wood.

Lowe's is a member of Forests Forward, a corporate program managed by the WWF. Forests Forward engages companies around the world to develop near- and long-term strategies to assess emerging risks, reduce their forest footprints and support other on-the-ground actions, including forest restoration, to keep forests thriving for people, nature and the climate. We continue to collaborate with other retailers as part of Forests Forward to collectively aim for more resilient supply chains for forestry products.

### Conflict Minerals

Lowe's also recognizes the concerns associated with sourcing conflict minerals. We expect vendors to comply with our [Conflict Minerals Policy](#), which was established considering the U.S. Securities and Exchange Commission's (SEC's) conflict minerals rule as mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. We survey our private brand vendors annually to validate compliance with our policy and report in line with SEC regulations.



## 2023 ACCOMPLISHMENTS

### Wood Sourcing Policy

In 2023, we enhanced our [Wood Sourcing Policy](#) to include a more robust risk-based approach. We also added a provision that encourages all vendors to engage in free, prior and informed consent (FPIC) where applicable. FPIC is a right granted to Indigenous peoples to provide or withhold consent, at any point, regarding projects that impact their territories. We also implemented a new grievance mechanism focused on our forestry supply chain.



### Survey Enhancements

Over the last two years, we have expanded our wood sourcing survey to include special order sales (SOS) and online wood products; we also now require vendors to report more information. These updates have helped us better monitor compliance with our Wood Sourcing Policy. While these changes have increased the rigor of our survey, we've concurrently worked to simplify the overall survey experience for vendors with improved functionality for faster completion.

### Commitment to Reforestation

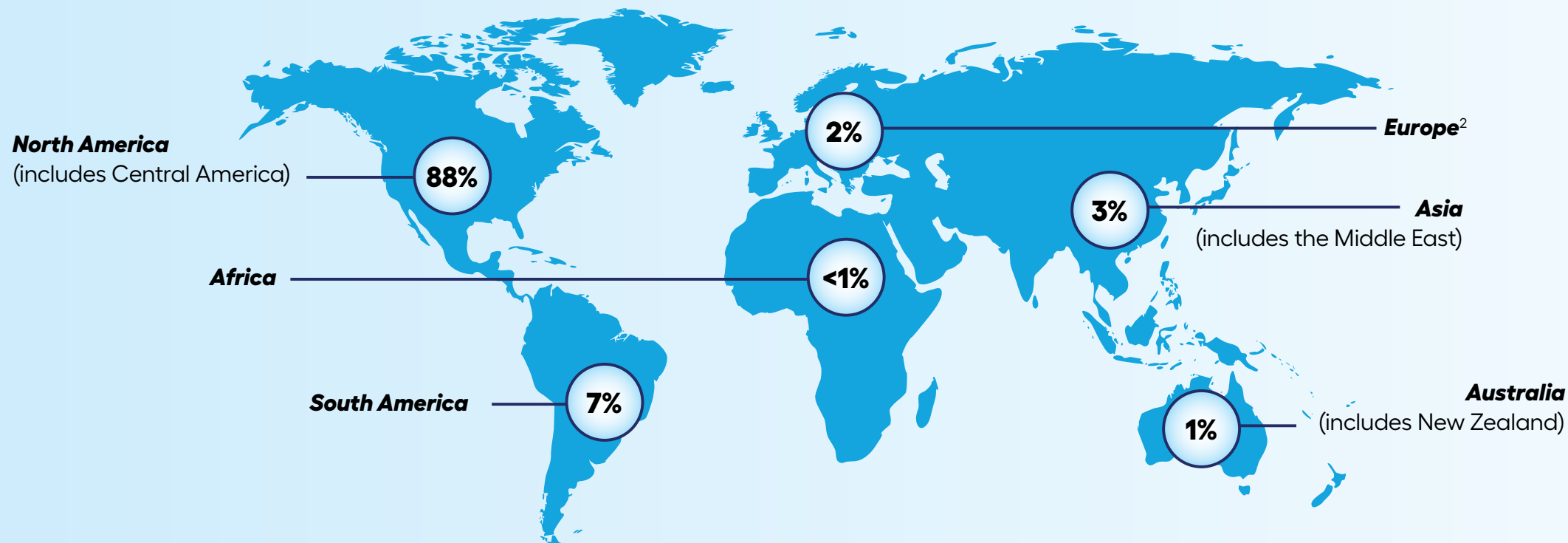
In 2023, Lowe's invested more than \$425,000 to support reforestation projects in Canada, the U.S. and Brazil. The projects, which planted more than 500,000 new trees, focus on nature-based restoration solutions and Indigenous-led endeavors identified in partnership with environmental NGOs such as the WWF, the Arbor Day Foundation and others.



### 2024 PLANS

In 2024, we plan to add a new due diligence process in our Wood Sourcing Policy to help strengthen our wood sourcing supply chain. We will continue to engage with peer organizations via WWF to drive responsible wood sourcing and sustainable forest management practices, and we plan to continue our reforestation efforts in key strategic sourcing areas.

## LOWE'S WOOD SOURCING BY CONTINENT<sup>1</sup>



### Countries of Significant Wood Sourcing

United States	74%
Canada	14%
Brazil	5%
China	1%
Chile	1%
New Zealand	1%

<sup>1</sup>All data provided was gathered through Lowe's annual wood sourcing survey. The 2023 survey had a 99% response rate and included sourcing data from November 1, 2022, through October 31, 2023.

<sup>2</sup>Lowe's stopped sourcing wood from Russia in 2022.

# PRODUCT RESPONSIBILITY

With our focus on making homes better for all, we continue to expand our assortment of responsibly sourced, safe and efficient products that help customers live more sustainably at home. We strive to partner with suppliers to reduce their products' impact and design products for a circular economy, a system in which products and materials are created to be longer-lasting and then reused, repurposed or recycled as raw materials for other products.



## GOVERNANCE

As a retailer, our largest impact on people and the planet is through the products and associated packaging we sell. Product and packaging responsibility and supplier sustainability metrics are shared with merchandising leadership annually and are reviewed by the sustainability steering committee and sustainability committee of the board of directors. Across our portfolio, suppliers are encouraged to substantiate sustainability claims by obtaining trusted third-party certifications with rigorous standards for protecting people, natural resources and the planet.

indoor air quality, increased safety and resiliency and fewer carbon emissions — all while saving customers money. To achieve our net-zero goal by 2050 across our value chain, we must accelerate this transition, including helping lead the shift from gas-powered to battery-powered and electric products and championing energy-efficient products for customers, such as those certified by ENERGY STAR. Educating our customers will be important to make this transition. By providing energy-efficiency guides and online rebate centers on our website, we are able to help customers make environmentally friendly purchasing decisions at the best price possible.



## MANAGEMENT APPROACH

### Sustainable Materials

Lowe's strives to use sustainable materials to protect and conserve natural resources. Across our product portfolio, we are committed to increasing the use of recycled and renewable materials, which help to reduce waste and use less energy on sourcing and processing raw materials.

### Customer Emissions Reduction

Lowe's is committed to helping our customers transition to energy-efficient electric homes. Making these changes can result in cleaner

### Supplier Emissions Reduction

We work with our suppliers to help them make meaningful changes to reduce their GHG emissions, including driving efficiency, electrifying assets and sourcing renewable energy throughout their operations and value chain. We help many suppliers take the first step by providing the training and tools to track and report their emissions data. We also partner with them to identify opportunities within their operational and upstream footprint to reduce emissions and set reduction targets.





## Water Conservation

Lowe's strives to promote water-efficient products that protect our environment and save customers money. Water is a vital resource and continues to grow in importance in the face of diminishing water supplies in regions across the world. Efficient water use can have major environmental, public health and economic benefits by helping to improve water quality and reliability, maintain aquatic ecosystems and protect drinking water resources. Lowe's is proud to offer a range of WaterSense products, which are certified by the U.S. EPA to use at least 20% less water than comparable alternatives. Starting in 2022, Lowe's private brands began sourcing only new items that were WaterSense labeled in eligible Kitchens & Bath categories (e.g., bathroom faucets, toilets, showerheads).

## Healthy and Safe Homes

Lowe's promotes a healthy home environment by helping reduce exposure to pollutants and chemicals of concern and by providing products that support human and ecological health. Lowe's offers customers a wide selection of products with third-party certifications such as GREENGUARD Gold, which labels products with low chemical emissions that contribute to healthier indoor air quality. We are committed to improving products' ingredient transparency and partnering with suppliers and industry groups to drive innovation in green chemistry. This includes focusing on products that disclose chemical content and are free of chemicals linked to adverse health effects.

Lowe's stays informed about product safety best practices and emerging risks and regulations by engaging with the International Consumer Product Health and Safety Organization as well as RILA. We work with the Retail Leadership Council (RLC) of Change Chemistry (formerly GC3) and partner with companies across multiple sectors to address chemicals of concern. To

manage chemicals more responsibly, Lowe's Safer Chemicals Policy contains a number of strategic actions and commitments and is updated as regulations evolve. Lowe's is proud to partner with industry peers and suppliers to drive progress on the RLC Statement on Chemical Innovation Priorities and Transparency Road Map, which is designed to improve ingredient transparency and drive innovation in green chemistry.

## Circular Product Design

Lowe's strives to promote a circular economy that reduces a customer's waste footprint and extends product life for increased use. The most effective way to reduce waste for our customers is to prevent its creation in the first place. We are partnering with suppliers to design products with their entire life cycle in mind. This minimizes the environmental impact from the extraction of raw materials to the product's end of life. We also seek to provide durable products so customers can enjoy them longer; this helps to reduce customers' waste footprint while protecting natural resources and diminishing the need to extract new materials. Incorporating circular design principles can allow more products to be reused, recycled and recirculated when they reach their end of life.

## Sustainable Packaging

We are committed to working with our suppliers to use circular design principles that reduce our packaging footprint. To promote the circular economy and reduce waste, we set a new goal to design all private brand packaging to be recyclable, reusable or compostable for private brand items by 2030. We are also committed to including strategic labeling to educate customers on how they can recycle several types of packaging. We accomplish this by adding the How2Recycle label, which aims to educate and empower consumers to properly dispose of product packaging.

## EMISSIONS FROM CUSTOMER USE OF LOWE'S PRODUCTS

Percentage of Emissions	Lowe's Product Categories
>25%	Appliances
10-25%	Rough Plumbing, Seasonal & Outdoor Living
5-10%	Electrical
1-5%	Décor, Lawn & Garden, Tools
<1%	Building Materials, Flooring, Hardware, Kitchens & Bath, Lumber, Millwork, Paint







## 2023 ACCOMPLISHMENTS

### Sustainable Buying Guides

We completed the rollout of Lowe's Sustainable Buying Guides to help our merchandising teams embed sustainability criteria within our product purchasing decisions. Aligned with our public commitments, these guides support Lowe's efforts to expand our assortment of responsibly sourced, safe and efficient products.

### Customer Emissions Reduction

Lowe's continued to expand our selection of products and services that help customers reduce their emissions and save on utility bills, from battery storage and rooftop solar to EV chargers. We also continued to add battery-powered lawn and outdoor power equipment. In fact, more than 60% of our sales in outdoor power equipment represent battery-powered technology (excluding riding lawn mowers). Through the sale of Lowe's ENERGY STAR products in 2023, we estimate that customers will save more than \$5 billion in lifetime energy costs.



**In 2023, Lowe's led collaboration with Target and other members of RILA to create a database that allows our industry to standardize how we measure the energy impact of our products. Specifically, the database allows retailers to measure their Category 11: Use of Sold Product emissions; Lowe's used the database to calculate our emissions included in this report.**

### Supplier Emissions Reduction

As a result of our collaboration, more than 60% of our suppliers (by spend) reported their operational emissions data to CDP in 2023, an increase from 19% in 2021. To recognize our 2023 work, Lowe's was one of three North American-based retailers named a [CDP Supplier Engagement Leader](#). The recognition spotlights Lowe's innovative work to engage suppliers and consequently help reduce scope 3 emissions across our value chain.

### Water Conservation

We estimate that sales of WaterSense-labeled products in 2023 will provide customers with more than \$9 billion in lifetime savings and reduce water consumption by more than 800 billion gallons of water over the lifetime of the products.

### Sustainable Packaging

In 2023, we created a sustainable packaging reference guide to establish standardized principles for suppliers who design packaging for our private brand products. The tool kit is intended to accelerate our transition to circular packaging to reduce waste and improve efficiency. To date, we have audited 56% of our private brand packaging portfolio to exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film.



## 2024 PLANS

### Next Steps for Sustainable Buying Guides

We plan to continue leveraging Lowe's Sustainable Buying Guides to help drive product selection throughout 2024. In addition to providing the guides as a reference, we plan to equip Lowe's merchants and vendors with training, tools and resources to drive more sustainable and efficient products into our stores and online assortments — all intended to help our customers live more sustainably at home.

### Supplier Emissions Reduction

We plan to continue collaborating with our suppliers to decrease their products' emissions by creating road maps that address their unique challenges to decarbonization. In addition, we will continue to help suppliers identify ways to reduce emissions across their value chain and track progress.

### Sustainable Packaging

As we pursue our new goal of designing all private brand packaging to be recyclable, reusable and compostable by 2030, we will provide our suppliers with tool kits to support the transition.

# PRODUCT SUSTAINABILITY DATA<sup>1</sup>

METRIC	2021	2022	2023
<b>SUPPLIER SOCIAL AND ENVIRONMENTAL PRACTICES</b>			
Number of Lowe's RESA audits conducted	1,404	1,663	1,395
Follow-up assessments conducted to validate implementation of corrective actions	921	1,270	1,144
<b>Goal progress:</b> 100% of our strategic suppliers <sup>2</sup> will have sustainability goals in place by 2025	74%	86%	96%
<b>NATURAL RESOURCES</b>			
Response rate for global vendors surveyed for conflict minerals compliance <sup>3</sup>	100% (79 vendors representing 1,640 products)	100% (165 vendors representing 3,894 products)	100% (161 vendors representing 3,744 products)
Total wood sourced (million ft <sup>3</sup> )	348	395	398
North America	84%	87%	88%
Europe, Middle East and Africa	2%	2%	3%
South America	8%	7%	7%
Asia Pacific	6%	4%	4%
Percent of total wood volume with FSC certification	8.5%	10.8%	4.2%
Percent of total wood volume with SFI or PEFC certification	59%	48%	42%
<b>Goal progress:</b> 100% of wood products will be responsibly sourced by 2025 <sup>4</sup>	69%	59%	81%
Percent of wood volume sourced from high-risk areas	5%	7%	1%
Percent of wood volume sourced from high-risk areas with FSC certification	10%	25%	19%
<b>Goal progress:</b> 100% of wood products sourced from Canada will originate from credible third-party certified forests by 2027	—	—	76%
CDP Forests Score	B-	B-	C
<b>PRODUCT COMPLIANCE (IMPORTS AND PRIVATE BRANDS)</b>			
Number of product tests conducted by third parties	6,932	7,365	6,602
Number of transit tests conducted by third parties	5,684	5,639	5,402
<b>ENVIRONMENTALLY FRIENDLY PRODUCTS</b>			
<b>Goal progress:</b> All private brand packaging will include the How2Recycle label, where space allows, by 2025	—	33%	59%
<b>Goal progress:</b> 100% of private brand Kitchens & Bath items added will be WaterSense labeled starting in 2022 (number of items added)	—	40	65
ENERGY STAR products offered in-store and online	44,000	55,000	55,000
Customer lifetime savings from Lowe's ENERGY STAR products (USD)	\$6 billion	\$7 billion	\$5.9 billion
<b>Goal progress:</b> Save customers more than \$40 billion in energy costs through the sales of ENERGY STAR products by 2025	\$23.1 billion	\$29.7 billion	\$35.6 billion
WaterSense products offered in-store and online	13,000	12,500	11,900
Customer lifetime savings from Lowe's WaterSense products (USD)	\$11.1 billion	\$10.4 billion	\$9.8 billion
Customer lifetime savings from Lowe's WaterSense products (gallons)	1 trillion	1 trillion	853 billion
<b>Goal progress:</b> Save customers more than \$65 billion in water costs through the sales of WaterSense products by 2025	\$11.1 billion	\$21.5 billion	\$31.3 billion
<b>Goal progress:</b> Save customers more than 5 trillion in gallons of water through the sales of WaterSense products by 2025	1 trillion	2 trillion	2.8 trillion
<b>Goal progress:</b> Increase the amount of sales of eco-products to customers each year <sup>5</sup>	\$9.6 billion	\$9.9 billion	\$9.9 billion

<sup>1</sup>Lowe's completed the sale of our Canadian business on February 3, 2023. Prior periods have therefore been recast to exclude the impact of the Canadian retail business.

<sup>2</sup>Lowe's defines strategic suppliers as the top 50 suppliers by cost of goods sold.

<sup>3</sup>In 2022, we expanded our conflict mineral and wood surveys to include SOS and online wood products and their respective vendors.

<sup>4</sup>In 2023, Lowe's updated our definition of "responsibly sourced" to include (1) FSC-certified products from high-risk areas; (2) FSC-, SFI-, and PEFC-certified products from medium-risk areas and (3) products sourced from low-risk areas with vendor acknowledgment and confirmation of compliance with [Lowe's Wood Sourcing Policy](#).

<sup>5</sup>Sustainability-related products are currently defined as WaterSense-labeled and ENERGY STAR-certified or products with an FSC certification.



# OPERATIONAL EXCELLENCE

At Lowe's, operational excellence means reducing risk and increasing efficiency and effectiveness by being good stewards of the environment, operating with integrity and embracing transparency. Mitigating climate change; reducing our energy use, emissions and waste; and evaluating and enhancing our governance practices helps us succeed as a sustainable, ethical operation and build a stronger tomorrow.

## WE ASPIRE TO:

- Strengthen business resilience and improve operational efficiency to reduce our impact on the environment
- Uphold responsible and ethical business practices throughout our organization





# CLIMATE CHANGE, ENERGY AND EMISSIONS

Lowe's is committed to mitigating climate change by pursuing a net-zero GHG emissions goal by 2050. As part of our work to reach net zero, we plan to increase the energy efficiency of our operations, explore the electrification of our transportation fleet and expand renewable energy procurement. Our emissions-reduction targets and strategies are in line with the latest climate science.



## GOVERNANCE

Our board and its sustainability committee monitor and oversee progress toward our climate-related goals and targets. Our sustainability steering committee leads management's efforts to integrate corporate responsibility into our business, and our retail facilities and sustainability teams manage and track our operational energy use.

We report annually to CDP and align our disclosures with the principles set forth by the Task Force on Climate-related Financial Disclosures (TCFD). We also verify our operational GHG emissions through a third party.



## MANAGEMENT APPROACH

Lowe's strives to embed sustainability into our daily and long-term decision-making across the company. Achieving our ambitious net-zero milestones requires collaboration, ingenuity and tenacity. We are intentional in our approach, including forging strong partnerships with suppliers and other third parties to accelerate our progress.

## Energy Efficiency and Renewable Energy

Achieving net-zero operational emissions requires us to continue reducing the energy we consume and to expand our renewable energy initiatives. Lowe's leverages building management technology, data analytics and utility demand response programs to improve building performance, reduce energy consumption and decrease emissions. We are also committed to harnessing renewable energy through direct or indirect procurement or on-site generation, with a goal of reaching 50% renewable energy for our operations by 2030. Lowe's achieved 10% in 2023.

## Managing Our Water Impacts

Water conservation continues to grow in importance in the face of diminishing water supplies in regions across the world. While our consumption is modest compared with other industries, we continue to explore ways to reduce water consumption in our operations. We also carefully manage chemical disposal to prevent release into waterways. In addition, we sell water-saving products to our customers and install them in our stores and facilities. Our [Water Stewardship Policy](#) guides our organization's water management decisions across our entire value chain.

Our on-site solar installations in New Jersey helped produce enough energy to power nearly half of our stores' consumption in the state for 2023.



## Transportation

We are committed to reducing emissions from our transportation-related activities through innovative solutions and in-depth data analytics. We continue to collaborate with vendors, stores and DCs to create highly efficient trucking systems via our intermodal, reverse logistics and back-haul programs to decrease emissions and environmental impact.

Lowe's is a U.S. EPA SmartWay program partner, successfully achieving 100% SmartWay certification for all our transportation providers in 2023. SmartWay-certified carriers are recognized for their commitment to reducing GHG emissions and adopting sustainable transportation practices. The program provides access to comprehensive data and oversight of scope 3 emissions associated with our U.S. transportation footprint.



## 2023 ACCOMPLISHMENTS

### Reduced Shipments

We're optimizing our distribution practices from our DCs to our stores (and vice versa) to reduce our total number of shipments. In 2022, we increased the minimum fill rate for our trucks from 50% to 75% before sending them to stores. This policy resulted in a 2% increase in average cubic volume per shipment in 2023 and reduced the number of shipments to our stores by nearly 5%. We made a similar effort to better utilize return trips from our stores to our DCs, filling 50,000 trucks with vendor freight — i.e., products that will eventually be sold in our stores — rather than returning empty.

## Renewable Energy

In 2023, we continued making strides to implement on-site solar installations at our stores and within our supply chain network. We announced the details of rooftop solar panel installations at 174 stores and DC locations nationwide, including locations throughout California, Illinois, New Jersey and the District of Columbia. Once each site is completed, the solar panels will provide approximately 90% of the electricity needed for each location.

### Electrifying Our Fleet

Lowe's is exploring ways to electrify the Lowe's fleet and pilot electric vehicle technology at our stores, DCs and other facilities. In 2023, we partnered with Hiab, our truck-mounted forklift vendor, to pilot the use of an electric truck-mounted forklift. Equipped with a lithium-ion battery capable of charging from a conventional wall socket, the Moffett eSeries forklift generates no emissions, very little noise and no vibration, making it ideal for moving goods in residential areas and low-emission zones.

To help reduce our fleetwide emissions, we are installing telematics technology on all Lowe's trucks. Telematics systems give us real-time visibility into information such as our trucks' fuel data, driving behaviors and idling times.

### Net-Zero Emissions Goal

Lowe's developed enhanced 2030 emissions targets based on guidance provided during the Science Based Targets initiative (SBTi) validation process. Through this same process, Lowe's also determined that we did not have a viable pathway to achieve an additional emissions reduction target related to the sale of fossil fuels that is required to achieve SBTi validation. This target represents 0.13% of Lowe's emissions footprint, with the majority related to the sale of propane gas. As a result, Lowe's has decided to withdraw from SBTi validation. We will continue to collaborate with industry stakeholders to identify solutions for emissions reduction related to the sale of fossil fuel products while also meeting the needs of customers who rely on propane for heating and cooking.



## 2024 PLANS

We plan to continue expanding the number of stores and DCs we power with renewable energy. This includes completing rooftop solar installations at approximately 80 locations in 2024. We are also considering new sites and states for on-site solar development and have identified additional possible sites. We will continue to assess the viability of new technologies for our operations, such as new HVAC, battery storage, microgrid and carbon reduction innovations. In addition, Lowe's will continue evaluating virtual power purchase agreement (VPPA) opportunities and the impact of EV charging stations at our stores.

Member of

**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

## Dow Jones Sustainability North America Index

We are proud to share that Lowe's was listed on the Dow Jones Sustainability North America Index for the fifth consecutive year.

This index comprises sustainability leaders as identified by S&P Global through its Corporate Sustainability Assessment (CSA). The DJSIs are float-adjusted market capitalization weighted indices that measure the performance of companies selected using sustainability criteria.



# WASTE MANAGEMENT

**We strive to divert waste from landfills where possible through our reuse and recycling initiatives and by finding new uses for spent materials. Managing our waste streams and their associated scope 3 emissions is a key component to achieving our net-zero goal.**



## GOVERNANCE

We actively track, manage and audit our waste streams to determine where our waste is generated and identify opportunities to increase recycling and implement circular economy principles. Waste management is overseen by the vice president of real estate, construction and retail facilities, who reports to the senior vice president of store operations, a direct report to the executive vice president of stores.



## MANAGEMENT APPROACH

Our priorities include reducing waste to landfills from our operations, increasing recycling rates and providing customers with recycling options that help to reduce their waste streams at home. To achieve this, we are incorporating circular economy principles into our operations and sharing lessons learned across stores and regions.

### Diverting and Recycling Waste

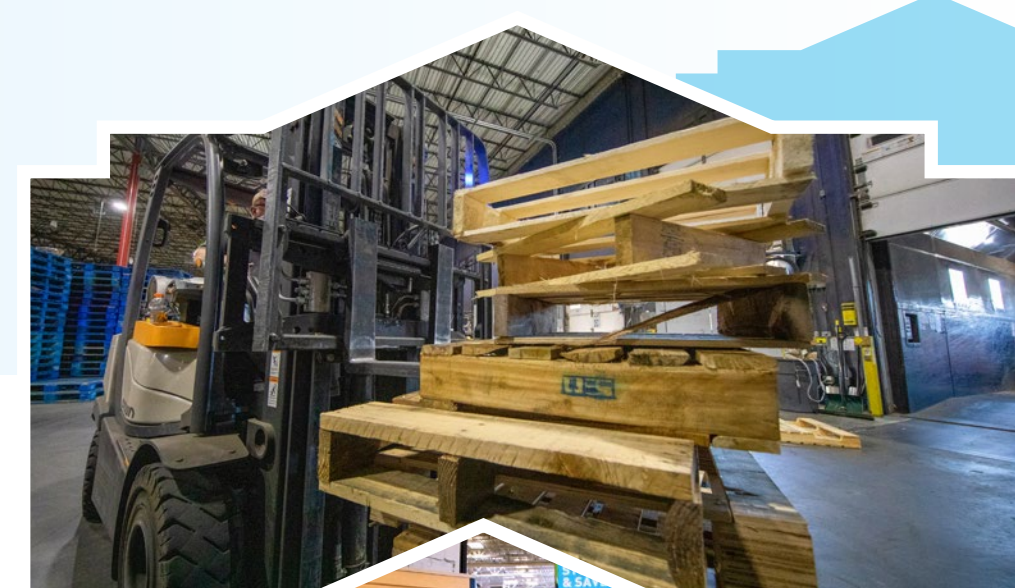
We partner with suppliers to improve recycling and waste diversion, develop regional management processes, measure waste streams and conduct waste audits. Store waste streams, including cardboard and scrap wood, as well as plastic in our DCs, are recycled through regional and national partnerships where possible. We also operate

in-store recycling centers where customers can recycle items such as compact fluorescent lamps, rechargeable batteries, plastic planter pots and cell phones.

Lowe's is reducing the amount of returned or damaged products sent to landfills through our reverse logistics program. By leveraging centralized reverse hubs in the U.S., products previously destined for landfills are transported from stores back to our DCs for reuse or recycling in secondary markets. We also partner with local nonprofits to divert unsold products resulting from category resets to their homebuilding and renovation projects, helping support their missions while reducing waste to landfills.

### Hazardous Waste Management

Our internal hazardous waste protocols, based on U.S. regulations and industry best practices, promote responsible management, transport and disposal of all hazardous materials. We regularly examine new ways of improving our technologies and processes to enhance the classification and onboarding of hazardous materials, including proper shipping, handling and disposal once a product enters the Lowe's system. We actively pursue opportunities to keep hazardous materials from becoming hazardous waste through recycling, donations and reuse. We partner with nonprofit organizations, recycling centers, donation outlets and charities to find alternative homes for materials.



### Circular Economy Principles

Achieving a net-zero emissions goal requires us to manage and mitigate the environmental impacts of the waste we generate. As we continue to analyze methods of increasing the recyclability of our materials and products, we also evaluate how we can participate in the circular economy by turning the waste we produce into useful materials.

To reduce the amount of waste that is directed to landfills, we also take steps to sort our waste into distinct categories. These better-organized waste streams help us identify materials that may have value to others, find markets where we can send these materials and occasionally generate additional revenue.





## 2023 ACCOMPLISHMENTS

### Recycling at Our Regional Distribution Centers

We finished equipping our regional DCs with pallet grinders in 2023 to expand our recycling capabilities. These grinders enable us to transition wood waste into mulch and reusable wood products. At other DCs, we continue to roll out Styrofoam densifiers, which allow materials to be palletized, picked up and recycled.

### Trex Collaboration

Lowe's advanced our plastic film recycling program in 2023 through our partnership with Trex, which manufactures sustainably made, wood-alternative decking using 95% recycled and reclaimed materials. Recognized as our Sustainability Partner of the Year in 2023, Trex diverts more than 1 billion pounds of waste materials — such as industrial wood scrap and polyethylene plastic film — from landfills and waterways each year. Since joining the NexTrex® recycling program in 2022, our DCs across the country have contributed more than 1 million pounds of recycled plastic material for use in Trex products.



## 2024 PLANS

In 2024, we plan to expand our focus on reducing our existing waste streams in quantity and improving the quality through improved management activities. We will also expand our partnerships with waste reduction vendors to recycle or dispose of additional hazardous materials. Plans are also underway to deepen our partnership with the NexTrex program, including contributing additional product volume from our DCs and identifying other areas within Lowe's that use stretch wrap plastic. We also plan to continue exploring efficient ways to divert products from landfills through donations to nonprofit organizations.



BEFORE



AFTER





# GOVERNANCE

Lowe's is committed to doing business with integrity, honesty and transparency.



## MANAGEMENT APPROACH

### Board Oversight

Our board of directors and its five standing committees, each of which is composed of solely independent directors, are responsible for overseeing corporate strategy and risk management processes. In addition to oversight by the full board of directors, the board has delegated primary responsibility for more frequent and in-depth oversight of the company's environmental and social strategy to its sustainability committee. The board also coordinates with its other committees to provide active board- and committee-level oversight of the company's management of environmental- and social-related risks across the relevant committees.

The following is a nonexclusive list of topics reviewed by the board or its committees:

- Responsible sourcing and supply chain management
- Sustainable consumer products
- Environmental performance
- GHG emissions and climate-change risks
- Human capital strategy
- Diversity and inclusion
- Associate safety
- Cybersecurity and data privacy
- Political contributions and government affairs activities
- Ethics and compliance

### Political Involvement

Lowe's generally does not make contributions from corporate funds to political campaigns, super political action committees (PACs) or political parties. We provide transparency by publishing annual reports of the company's political contributions and the aggregate dues paid to trade associations that engage in lobbying activities. We list trade associations to which our company makes yearly payments of \$5,000 or more, and our PAC contributions are publicly available on the [Federal Election Commission website](#).

Our [Political Engagement and Contributions Policy](#) articulates our principles concerning political contributions, trade associations and lobbying activities. In the U.S., our voluntary associate-led Lowe's Companies Inc. political action committee (LOWPAC) raises money for political candidates to address issues relevant to the company's priorities and strategy. Lowe's government affairs (GA) team regularly assesses and evaluates the company's relationships with all current trade associations to align with the company's strategy.

Our GA team actively participates and communicates with trade associations to help shape their agendas and priorities (e.g., serving on trade associations' boards) and to maintain real-time knowledge of their advocacy positions and policies. The nominating and governance committee of our board of directors has oversight of Lowe's GA activities, including lobbying priorities, trade association memberships and LOWPAC.

## Board's Role in Risk Oversight



### RESOURCES:

- [2023 Annual Report](#)
- [2024 Proxy Statement](#)
- [Corporate Governance Guidelines](#)
- [Committee Charters](#)
- [Corporate Political Contributions](#)
- [LOWPAC Report](#)
- [Trade Association Memberships](#)
- [Political Engagement and Contributions Policy](#)

# ETHICS AND COMPLIANCE

Our commitment to doing the right thing guides us throughout our decision-making processes.



## GOVERNANCE

Our chief legal officer (CLO), chief compliance officer (CCO) and other members of our legal team monitor legal and regulatory developments, assess their impact on our operations and manage associated risk by ensuring active and ongoing compliance efforts on a global basis. Our CLO, CCO and corporate compliance and ethics team also drive internal awareness of ethical standards while actively monitoring and managing response to reporting channels for ethics-related concerns.

The audit committee has primary responsibility for overseeing risks related to compliance and ethics. Our CLO, CCO, internal audit team and external auditor regularly assess the company's performance in these areas and report their findings to the audit committee. Reporting to the audit committee includes ethical reporting trends and metrics, assessments of compliance with existing regulations and evaluations of the emerging regulatory landscape as it relates to our business.



## MANAGEMENT APPROACH

### Ethics

Our legal team communicates to associates the standards contained in our [Code of Business Conduct and Ethics](#) and associated policies. Most associates in management roles and certain other associates designated by leadership are required to annually affirm that they have complied with the Code of

Business Conduct and Ethics, do not have knowledge of any violations and have not been asked to engage in any code-violating activity.

We require all management associates, international leadership and associates who represent Lowe's in foreign jurisdictions to receive annual training on our anti-corruption policies and procedures. Additionally, all associates receive annual antiharassment workplace training.

We encourage our associates to report ethics, compliance, discrimination or harassment concerns. We offer multiple avenues for associates to speak up, including:

- directly to a manager or the corporate compliance and ethics group;
- anonymously through our third-party-managed EthicsPoint whistleblower hotline; and
- through dedicated Lowe's email addresses and telephone numbers.

### Compliance

Lowe's complies with the laws and regulations that govern our business and consistently adopts best practices through partnerships with the RILA and the [Business Ethics Leadership Alliance](#).

Compliance for us is not static, and we work to evaluate and anticipate emerging issues. By staying abreast of new legal and regulatory requirements, we can train, communicate to and prepare our associates to adjust to any necessary changes.



## RESOURCES:

- [Code of Business Conduct and Ethics – updated](#)
- [Vendor Code of Conduct](#)
- [Conflict Minerals Policy](#)
- [Human Rights Policy](#)
- [Anti-Corruption Compliance Policy](#)
- [Safer Chemicals Policy](#)
- [Sustainability Policy](#)
- [Water Stewardship Policy](#)
- [Wood Sourcing Policy](#)



# CYBERSECURITY AND DATA PRIVACY

Protecting the data and maintaining the trust of our customers, associates and business partners are of paramount importance to us. Lowe's strives to balance our legitimate needs to collect, use and share such data against individuals' privacy interests and expectations.



## GOVERNANCE

Our chief digital and information officer (CDIO), our chief information security officer (CISO) and senior members of our information security group are responsible for identifying, assessing and managing risks from cybersecurity threats. The CLO and chief privacy officer (CPO) manage companywide data management practices. Oversight responsibility over cybersecurity and privacy risk is shared by the board and the audit committee; the audit committee is primarily responsible for overseeing risks related to cybersecurity, data protection and privacy matters.

The audit committee regularly reviews metrics about cyber threat response preparedness, program maturity milestones, risk mitigation status and the current and emerging threat landscape, in addition to the results of third-party reviews and assessments of our security controls.

Our CDIO or CISO provide regular cybersecurity updates in the form of written reports and presentations to the audit committee at its quarterly meetings, which are also provided to the full board. We also have protocols by which certain cybersecurity incidents are escalated and, where appropriate, reported to the audit committee in a timely manner.



## MANAGEMENT APPROACH

### Cybersecurity Compliance and Oversight

We have adopted physical, technological and administrative controls on cybersecurity. Our risk management processes include, among others, the following features:

- We leverage the National Institute of Standards and Technology security frameworks as well as established internal security standards, industry practices and applicable regulatory requirements. Our program is designed to comply with a range of applicable industry standards, such as the Payment Card Industry Data Security Standard.
- We maintain cybersecurity insurance coverage that provides protection against potential losses arising from certain cybersecurity incidents.
- We require that cybersecurity awareness and data privacy training, along with companywide and tailored training programs, be provided to associates annually. We also regularly conduct phishing and social engineering simulations and host events to increase awareness, including an annual cybersecurity awareness summit and monthly campaigns.

- A cross-functional team conducts periodic simulated exercises, and we perform regular vulnerability scanning and conduct vulnerability testing during the software development life cycle.
- We collaborate with internal stakeholders and third-party assessors and consultants to conduct regular reviews, tests and audits of our security program. This coordinated approach reviews security controls that safeguard our information assets, including payment information, through processes such as security control assessments and third-party penetration testing. Additionally, we utilize tabletop exercises, penetration and vulnerability testing, red team exercises, simulations and other evaluations to improve our security measures and strategies.

### Threat Management and Incident Response

We have a cybersecurity incident response plan in place which provides a framework for responding to cybersecurity incidents. Our information security team leverages technologies and vendors to monitor and respond to security threats via a dedicated security operations center. In the event of a security incident, a defined procedure outlines containment, response and recovery actions that draw on resources and leadership across the company as needed.

### Third-Party Risk Management

Our cybersecurity risk management processes extend to the oversight and identification of threats associated with our use of third-party service providers. We have developed contracting processes and terms to gain commitments from certain vendors and third-party service providers to adhere to appropriate security practices and outline specific security requirements and expectations, including compliance with industry standards, applicable laws and regulations and our internal security policies. We regularly evaluate and assess vendor risk levels based on a variety of factors, such as the nature of shared data, potential impact to business continuity and vendors' security posture. Our processes extend beyond initial evaluations to include proactive monitoring and routine oversight.

### Data Privacy Compliance and Oversight

We are committed to safeguarding our customers' data privacy rights by properly handling the personal information entrusted to us. We have legal and technology teams dedicated full time to managing the company's privacy practices transparently and responsibly. Our teams use a suite of technologies to support and enhance the privacy program operations. Our Privacy Statement clearly discloses our data practices including how we collect, use and share data of our customers, business partners, associates and job applicants.

We regularly review and update these statements to reflect the changing regulatory landscape and internal practices. We respect customers' choices related to their personal data. To empower customers with control over their data, we not only provide consumers the ability to access, delete, correct or restrict certain sharing or processing of their data in the states that require it to do so but also extend certain rights to consumers in all states.

Privacy is a key consideration in our internal business operations. To embed privacy considerations early into project design, any new projects involving the collection, use or sharing of personal information are subject to a formal privacy impact assessment process.

We participate in various privacy and retail industry groups to remain at the forefront of regulatory and policy trends, industry best practices, and to provide input to various legislative privacy initiatives. We actively participate in and contribute to the RILA Privacy Leaders Council, the National Retail Federation (NRF) Privacy Working Group and other state privacy leaders' working groups, and we encourage our privacy talent to pursue professional training and certifications accredited by the International Association of Privacy Professionals (IAPP).



### 2023 ACCOMPLISHMENTS

We continued to invest in associate education and awareness programs to bolster resilience within our organization. In addition, we continued to address emerging threats by taking security measures.



### 2024 PLANS

Lowe's monitors the industry for new and improved capabilities, best practices and future innovation in cybersecurity and data protection. We are dedicated not only to securing our business but also to being an innovator in our capabilities and operations, enhancing security and data privacy capabilities and building digital trust in our products and services. We take earning our associates' and customers' trust seriously, and we strive to meet their expectations in an evolving virtual and regulatory landscape.

### RESOURCES:

- [Lowe's Privacy Request Portal](#)
- [Lowe's United States Privacy Statement](#)
- [Lowe's Privacy Statement for Lowe's Pro Supply](#)
- [Lowe's Associate Privacy Statement](#)
- [Lowe's Job Applicant Privacy Statement](#)

# BUSINESS RESILIENCE

Lowe's strives to actively plan for and effectively respond to risks, disasters or incidents that threaten our ability to conduct business.



## GOVERNANCE

Our enterprise risk management and business continuity teams are responsible for identifying risks that have the potential to disrupt our operations and strategic direction. The leadership of our enterprise risk council presents an annual overview of the enterprise risk management program to the audit committee and the full board of directors, including information on the company's enterprise risk assessment process, key conclusions, categorizations and trends in identified risk exposures and mitigation focus areas.



## MANAGEMENT APPROACH

Lowe's takes both a short- and long-term approach to resiliency, with additional focus given to climate change, policymaking and disaster preparation through continuity planning. These interwoven issues are complex and require ongoing and adaptable management approaches.

### Business Continuity

Our business resilience and continuity plans emphasize people, places, processes and providers. We currently have over 200 continuity plans in place and plan to add new ones annually. Development of continuity plans for our operations in India are ongoing, and we plan to further enhance stress-test plans that are already in place. We use continuity plans to improve our accessibility

to customers and aid our associates in times of disruption. In addition, we plan to continue developing an enhanced crisis support team (CST) process in partnership with the Global Security Operations Center to improve crisis incident management plans across the organization.

### Global Security Operations Center

We launched the Global Security Operations Center (GSOC) in 2020 with the mission of protecting all Lowe's associates, customers and assets through a centralized approach to the timely collection, analysis and dissemination of essential security information. The GSOC leverages an Everbridge visual command center to evaluate, analyze and communicate potential external threats to relevant stakeholders across the organization 24/7/365. In 2021, the GSOC launched a program to communicate on-site escalated threats to all Lowe's assets globally. In addition to security and emergency incident operations, the GSOC intelligence team focuses on physical security threat intelligence operations. GSOC also works with other Lowe's teams monthly to identify any convergence of threats and scan the horizon for potential impacts from possible targeted activism, civil unrest, geopolitical issues, potential reputation impact and other threats.

### Lowe's Command Center

The Lowe's Command Center was founded after Hurricane Hugo in 1989 to provide rapid response support to associates, customers and communities impacted by natural disasters. In 2022, the Command Center expanded its focus to include major international and





domestic transportation disruptions — anything that puts Lowe's people or assets at risk. This expanded focus includes an evaluation of the infrastructure, product and support needed; how many locations are affected; and where we should deploy our resources before, during and after a hazardous event, all with the intention of supporting the communities we serve.

### Building for Resilience

We conduct a TCFD analysis annually to assess our exposure to climate-related risks and better understand the impacts on our value chain. To evaluate the potential impacts to our business, we identified possible stressors to our business model in accordance with various climate scenarios and reviewed these stressors with a cross-functional team to determine the risks and opportunities across our value chain.

Climate-related risks are integrated into our enterprise risk management processes. For more details on TCFD, see the [TCFD reporting section](#) at the end of this report.



## 2023 ACCOMPLISHMENTS

### Lowe's Command Center

To better communicate the Command Center's scope, in 2023, we updated its mission to better describe how we deliver best-in-class emergency response for natural disasters and major disruptions, with a focus on enhancing supply chain resilience, improving enterprisewide collaboration and prioritizing the safety and support of Lowe's associates, customers and communities. The team is also focused on strengthening our natural disaster rapid response capabilities, including updates to staged inventory that can be ready to deploy quickly from strategically located supply chain locations. This helped Lowe's expedite critically needed supplies during severe weather events in 2023, including our responses to tornado damage in Shawnee, Oklahoma; wildfires in Maui, Hawaii; and Hurricane Idalia across the Southeastern U.S.

### Global Security Operations Center

The GSOC continued to enhance customers' and key stakeholders' experience by upgrading and adjusting processes, technology and delivery. In 2023, we continued implementing our on-site incident management process by rolling out the process companywide — including all Lowe's assets — as part of our emergency physical security incident intake and communication process. We further enhanced the follow-the-sun intelligence model implemented in 2022 at our Store Support Center in Bangalore.



## 2024 PLANS

We will continue our commitment to help communities prepare for, withstand and recover from extreme weather events by bolstering our response efforts and capabilities. This includes meeting the immediate needs of associates, customers and communities affected by disasters in the areas where we live and work. We plan to continue strengthening our GSOC intelligence programs; for example, by evaluating how a threat convergence program may help avoid incidents through enhanced collaboration with our business partners, and ways a travel security program may help address the safety and security of Lowe's global travelers.



# OPERATIONAL EXCELLENCE DATA<sup>1</sup>

METRIC	2021	2022	2023
<b>CLIMATE CHANGE, ENERGY AND EMISSIONS</b>			
Renewable energy capacity (MW)	102	102	123
Renewable energy generated (MWh) <sup>2</sup>	287,818	309,785	321,451
Total energy consumption within the organization (MWh)	5,272,442	5,280,889	4,381,174
Diesel used (MWh)	780,956	888,574	522,377
Electricity used (MWh)	2,936,414	2,760,328	2,410,433
Natural gas used (MWh)	1,225,489	1,354,206	1,179,567
Propane used (MWh)	241,162	230,347	220,383
<b>Goal progress:</b> Achieve 50% renewable energy for Lowe's facilities by 2030	9%	9%	10%
Direct (scope 1) GHG emissions (thousands of metric tons CO <sub>2</sub> e)	508	437	413
Indirect (scope 2 location-based) GHG emissions (thousands of metric tons CO <sub>2</sub> e)	1,045	1,025	868
Indirect (scope 2 market-based) GHG emissions (thousands of metric tons CO <sub>2</sub> e)	938	932	785
<b>Goal progress:</b> Reduce absolute scope 1 and 2 emissions by 42% below 2021 levels by 2030 <sup>3</sup>	—	-5%	-17%
Renewable energy credits used	287,818	252,229	234,769
GHG emissions intensity (location-based metric tons CO <sub>2</sub> e/1,000 ft <sup>2</sup> )	8.01	7.49	6.57
GHG emissions intensity (market-based metric tons CO <sub>2</sub> e/1,000 ft <sup>2</sup> )	7.45	7.02	6.14
Energy (electricity) intensity of stores (MWh/1,000 ft <sup>2</sup> )	12	12	10
GHG emissions intensity of stores (location-based metric tons CO <sub>2</sub> e/1,000 ft <sup>2</sup> )	7.0	6.3	5.5
GHG emissions intensity scopes 1+2 (MT of CO <sub>2</sub> e per million U.S. dollars of revenue) <sup>3</sup>	16.0	14.9	13.9
Indirect (scope 3) GHG emissions (thousands of metric tons CO <sub>2</sub> e) <sup>4,7</sup>	143,282	137,876	120,103
Category 1: Purchased goods and services (thousands of metric tons CO <sub>2</sub> e) <sup>5</sup>	9,792	9,326	8,111
Category 4: Upstream transportation and distribution (thousands of metric tons CO <sub>2</sub> e) <sup>6</sup>	3,905	3,552	3,989
Category 11: Use of sold products (thousands of metric tons CO <sub>2</sub> e) <sup>7</sup>	116,619	110,045	96,023
Category 12: End-of-life treatment of sold products (thousands of metric tons CO <sub>2</sub> e)	11,442	13,716	10,764
<b>Goal progress:</b> Reduce absolute scope 3 emissions by 25% below 2021 levels by 2030	—	-3%	-16%
GHG emissions intensity scope 3 (MT of CO <sub>2</sub> e per million U.S. dollars of revenue)	1,600	1,500	1,400
CDP Climate Change Score	B	B	B

<sup>1</sup>Lowe's completed the sale of our Canadian business on February 3, 2023. Prior periods have therefore been recast to exclude the impact of the Canadian retail business.

<sup>2</sup>Renewable production for solar installations at stores and our virtual power purchase agreements are included.

<sup>3</sup>Market-based emissions are used to calculate this metric.

<sup>4</sup>For other scope 3 category values, refer to our public [CDP Climate Report](#).

<sup>5</sup>Purchased goods and services currently includes only the emissions associated with product manufacturing. Lowe's is working to address the gap in the measurement of upstream raw material emissions.

<sup>6</sup>Based on the GHG protocol guidance, we have reallocated our Category 9: Downstream Transportation and Distribution emissions to Category 4: Upstream Transportation and Distribution emissions. There is no change to our overall emissions because of this change.

<sup>7</sup>Based on more granular product use factors for Category 11: Use of Sold Products, Lowe's restated 2021 and 2022 emissions for the category. This restatement impacted the overall emissions for scope 3 as well.



# OPERATIONAL EXCELLENCE DATA<sup>1</sup>

METRIC	2021	2022	2023
<b>WASTE MANAGEMENT</b>			
Nonhazardous waste generated (thousands of metric tons)	678	567	729
Landfilled	469	376	430
Recycled	209	191	299
Hazardous waste generated (thousands of metric tons)	1.22	1.39	1.34
Fuel blending	0.15	0.38	0.33
Incineration	0.76	0.48	0.47
Neutralization	0.18	0.24	0.26
Recycling	0.06	0.13	0.12
Landfill <sup>2</sup>	0.06	0.16	0.15
<b>WATER</b>			
Water usage (billion gallons)	2.55	2.55	2.47
CDP Water Security Score	B	B	C
<b>GOVERNANCE, ETHICS AND POLITICAL INVOLVEMENT</b>			
Number of independent directors (as of year-end)	9 out of 10	11 out of 12	10 out of 11
U.S. political contributions: LOWPAC (USD)	\$192,500	\$496,250	\$524,500

<sup>1</sup>Lowe's completed the sale of our Canadian business on February 3, 2023. Prior periods have therefore been recast to exclude the impact of the Canadian retail business.

<sup>2</sup>This waste is sent to a treatment, storage and disposal facility (categorized as "Subtitle C" by the EPA) for proper disposal.

# GRI AND SASB INDICES

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>GENERAL DISCLOSURES</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details		<b>CG-MR-000.A</b> Number of: (1) retail locations and (2) distribution centers		Lowe's Companies, Inc. Mooresville, North Carolina, USA Corporate Responsibility (CR) Report p. <a href="#">5</a> ; <a href="#">FY 2023 10-K p.1</a> Lowe's is a publicly traded corporation under the NYSE: LOW	
	2-2 Entities included in the organization's sustainability reporting				This sustainability report covers Lowe's Companies, Inc.	
	2-3 Reporting period, frequency and contact point				Reporting period: Calendar year 2023 except as otherwise noted. Reporting frequency: Annual Contact point: Chris Cassell, Vice President of Corporate Sustainability <a href="mailto:socialresponsibility@lowes.com">socialresponsibility@lowes.com</a>	
	2-4 Restatements of information					
	2-5 External assurance				CR Report p. <a href="#">5</a>	
	2-6 Activities, value chain and other business relationships		<b>CG-MR-000.B</b> Total area of: (1) retail space and (2) distribution centers		CR Report pp. <a href="#">5</a> , <a href="#">37</a> , <a href="#">38</a>	
	2-7 Employees		<b>CG-MR-310a.1</b> Percentage of: (2) in-store employees earning minimum wage, by region  <b>CG-MR-330a.1</b> Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees		CR Report p. <a href="#">5</a> 0.01% of associates in the United States earn state or local minimum wage. All Lowe's associates earn more than the federal minimum wage. <a href="#">2023 CD&amp;I Report pp. 7-8</a>	



GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>GENERAL DISCLOSURES (continued)</b>						
<b>GRI 2: General Disclosures 2021</b>	2-9 Governance structure and composition			<b>TCFD-G:</b> a) The board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	CR Report p. 39 <a href="#">Corporate Governance Guidelines</a> <a href="#">Sustainability Committee Charter</a> <a href="#">TCFD Report</a> <a href="#">2024 Proxy Statement pp. 12-23</a>	
	2-10 Nomination and selection of the highest governance body				<a href="#">Corporate Governance Guidelines</a> <a href="#">2024 Proxy Statement pp. 1-2, 12</a>	
	2-11 Chair of the highest governance body				<a href="#">2024 Proxy Statement p. 9</a>	
	2-12 Role of the highest governance body in overseeing the management of impacts			<b>TCFD-M:</b> a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	CR Report pp. <a href="#">13</a> , <a href="#">15</a> , <a href="#">18</a> , <a href="#">20</a> , <a href="#">22</a> , <a href="#">26</a> , <a href="#">28</a> , <a href="#">35</a> , <a href="#">41</a> , <a href="#">43</a> <a href="#">TCFD Report</a> <a href="#">2024 Proxy Statement pp. 17-20, 23</a>	
	2-13 Delegation of responsibility for managing impacts				CR Report pp. <a href="#">15</a> , <a href="#">18</a> , <a href="#">20</a> , <a href="#">22</a> , <a href="#">26</a> , <a href="#">28</a> , <a href="#">35</a> , <a href="#">41</a> , <a href="#">43</a> <a href="#">2024 Proxy Statement p. 23</a>	
	2-14 Role of the highest governance body in sustainability reporting				<a href="#">Corporate Governance Guidelines</a> <a href="#">Sustainability Committee Charter</a> <a href="#">TCFD Report</a> <a href="#">2024 Proxy Statement p. 23</a>	
	2-15 Conflicts of interest				<a href="#">Corporate Governance Guidelines</a>	
	2-16 Communication of critical concerns				<a href="#">2024 Proxy Statement p. 23</a>	
	2-17 Collective knowledge of the highest governance body				<a href="#">2024 Proxy Statement pp. 5-12</a>	
	2-18 Evaluation of the performance of the highest governance body				<a href="#">2024 Proxy Statement p. 15</a>	
	2-19 Remuneration policies				<a href="#">2024 Proxy Statement pp. 27-33</a>	
	2-20 Process to determine remuneration				<a href="#">2024 Proxy Statement pp. 21, 23, 34</a>	
2-21 Annual total compensation ratio				In 2023, the ratio between the annual total compensation of the chief executive officer and the annual total compensation for the median employee was 557 to 1. For more information, see our <a href="#">2024 Proxy Statement p. 54</a> .		

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>GENERAL DISCLOSURES (continued)</b>						
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy				CR Report pp. <a href="#">7-9</a> <a href="#">Lowe's Sustainability Policy</a>	
	2-23 Policy commitments				<a href="#">Corporate Responsibility Reports and Policies</a>	
	2-24 Embedding policy commitments				CR Report pp. <a href="#">10</a> , <a href="#">13-14</a> , <a href="#">18-20</a> , <a href="#">26</a> , <a href="#">28-31</a> , <a href="#">35-37</a> , <a href="#">40-41</a>	
	2-25 Processes to remediate negative impacts				CR Report p. <a href="#">40</a>	
	2-26 Mechanisms for seeking advice and raising concerns				CR Report pp. <a href="#">28</a> , <a href="#">40</a>	
	2-27 Compliance with laws and regulations				CR Report pp. <a href="#">40-41</a>	
	2-28 Membership associations				CR Report pp. <a href="#">5</a> , <a href="#">39</a> <a href="#">2023 CD&amp;I Report pp. 19-20</a>	
	2-29 Approach to stakeholder engagement				CR Report p. <a href="#">6</a>	
	2-30 Collective bargaining agreements					SDG 8.8
<b>MATERIAL TOPICS</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics				CR Report p. <a href="#">6</a>	
	3-2 List of material topics				CR Report pp. <a href="#">7-9</a>	
<b>ECONOMIC PERFORMANCE</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report pp. <a href="#">40-41</a>	



GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>ECONOMIC PERFORMANCE (continued)</b>						
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change			<p><b>TCFD-S:</b></p> <ul style="list-style-type: none"> <li>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</li> <li>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</li> <li>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</li> </ul> <p><b>TCFD-R:</b></p> <ul style="list-style-type: none"> <li>a) Describe the organization's processes for identifying and assessing climate-related risks</li> <li>b) Describe the organization's processes for managing climate-related risks</li> <li>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management</li> </ul>	<p><a href="#">TCFD Report</a></p> <p><a href="#">CDP Climate Report<sup>1</sup></a></p>	
<b>ANTI-CORRUPTION</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				CR Report p. <a href="#">40</a>	
<b>GRI 205: Anti-Corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures				CR Report p. <a href="#">40</a>	
<b>MATERIALS</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<b>CG-BF-410a.1</b> Description of efforts to manage product lifecycle impacts and meet demand for sustainable products			CR Report pp. <a href="#">28</a> , <a href="#">30</a> <a href="#">Wood Sourcing Policy</a> <a href="#">Conflict Minerals Policy</a>	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	<b>CG-BF-430a.1</b> Total wood fiber purchased, (1) percentage from third-party certified forestlands, by standard, and (2) percentage meeting other fiber sourcing standards, by standard			CR Report p. <a href="#">33</a>	SDG 12.4

<sup>1</sup>Links to most recent report.

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>MATERIALS (continued)</b>						
<b>GRI 301: Materials 2016</b>	Other: wood sourcing by region; certified wood products; wood products with an FSC or PEFC certification	<b>CG-BF-430a.1</b> (1) Total weight of wood fibre materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard and (4) percentage certified to other wood fibre standards, (5) percentage by standard			CR Report p. <a href="#">33</a>	SDG 15.2
<b>ENERGY</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				CR Report pp. <a href="#">35-36</a>	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization		<b>CG-MR-130a.1</b> (1) total energy consumed (2) grid electricity (3) percentage renewable		CR Report p. <a href="#">45</a>	SDG 7.2
	302-3 Energy intensity				CR Report p. <a href="#">45</a>	
	302-4 Reduction of energy consumption				CR Report p. <a href="#">45</a>	SDG 12.2
	Other: fuels used; electricity used				CR Report p. <a href="#">45</a>	
<b>EMISSIONS</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				CR Report pp. <a href="#">35-36</a>	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (scope 1) GHG emissions			<b>TCFD-M</b> b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks	CR Report p. <a href="#">45</a>	SDG 15.2
	305-2 Energy indirect (scope 2) GHG emissions			<b>TCFD-M</b> b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks	CR Report p. <a href="#">45</a>	SDG 15.2
	305-4 GHG emissions intensity				CR Report p. <a href="#">45</a>	SDG 15.2
	305-5 Reduction of GHG emissions	<b>CN0603-01</b> (1) total energy consumed (2) grid electricity (3) percentage renewable		<b>TCFD-M</b> c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	CR Report p. <a href="#">45</a>	SDG 15.2
	Other: EPA SmartWay savings; CDP Climate Change Score				CR Report p. <a href="#">45</a> <a href="#">CDP Climate Report</a> <sup>1</sup>	

<sup>1</sup>Links to most recent report.

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>WASTE</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">37</a>	
GRI 306: Waste 2020	306-3 Waste generated				CR Report p. <a href="#">46</a>	SDG 12.4
	306-4 Waste diverted from disposal	<b>CG-BF-410a.2</b> (1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled			CR Report p. <a href="#">46</a>	SDG 12.4
	306-5 Waste directed to disposal				CR Report p. <a href="#">46</a>	SDG 12.4
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">26</a>	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria				100%	
	308-2 Negative environmental impacts in the supply chain and actions taken				CR Report p. <a href="#">26</a>	
<b>ECO-PRODUCTS</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>CG-BF-250a.1</b> Discussion of processes to assess and manage risks or hazards associated with chemicals in products <b>CG-BF-410a.1</b> Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	<b>CG-MR-410a.2</b> Description of processes to assess and manage risks and/or hazards associated with chemicals in products		CR Report pp. <a href="#">28</a> , <a href="#">30</a> <a href="#">Sustainability Policy</a> <a href="#">Wood Sourcing Policy</a> <a href="#">Safer Chemicals Policy</a> <a href="#">Water Stewardship Policy</a>	SDG 12.4
Eco-Products	Other: ENERGY STAR and WaterSense products; customer savings from ENERGY STAR and WaterSense products		<b>CG-MR-410a.1</b> Revenue from products third-party certified to environmental and/or social sustainability standards		CR Report p. <a href="#">33</a>	SDG 12.2



GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>EMPLOYMENT</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">20</a>	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				CR Report pp. <a href="#">20</a> , <a href="#">24</a> <a href="#">2023 CD&amp;I Report p. 17</a>	
	Other employees participating in health insurance and 401(k) plans; employee relief fund; employees completing employee opinion survey				CR Report pp. <a href="#">20</a> , <a href="#">24</a>	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">13</a>	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system				CR Report p. <a href="#">13</a>	SDG 8.8
	403-2 Hazard identification, risk assessment and incident investigation				CR Report p. <a href="#">13</a>	SDG 8.8
	403-4 Worker participation, consultation and communication on occupational health and safety				CR Report p. <a href="#">13</a>	
	403-5 Worker training on occupational health and safety				CR Report pp. <a href="#">13-14</a> , <a href="#">24</a>	
	403-6 Promotion of worker health				CR Report p. <a href="#">21</a>	
	403-8 Workers covered by an occupational health and safety management system				100%	
	403-9 Work-related injuries				CR Report pp. <a href="#">14</a> , <a href="#">24</a>	

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>TRAINING AND EDUCATION</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">18</a>	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee				CR Report p. <a href="#">24</a>	SDG 8.2
	404-2 Programs for upgrading employee skills and transition assistance programs				CR Report p. <a href="#">18</a> <a href="#">2023 CD&amp;I Report p. 12</a>	SDG 8.2
	Other: hours of training invested in leaders				CR Report p. <a href="#">24</a>	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">15</a> <a href="#">2023 CD&amp;I Report pp. 16-17</a>	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees				CR Report p. <a href="#">24</a> <a href="#">2023 CD&amp;I Report pp. 7-8</a> <a href="#">2024 Proxy Statement p. 5</a>	
<b>LOCAL COMMUNITIES</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">22</a>	SDG 11.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs				CR Report p. <a href="#">22</a>	
	Other: total charitable giving; total associate volunteer hours; total stores participation in a Lowe's Heroes project				CR Report p. <a href="#">24</a> <a href="#">2023 CD&amp;I Report p. 21</a>	
<b>SUPPLIER SOCIAL ASSESSMENT</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">26</a>	SDG 8.8
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria				CR Report p. <a href="#">26</a> 100%	
	414-2 Negative social impacts in the supply chain and actions taken				CR Report p. <a href="#">27</a>	
<b>PUBLIC POLICY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">39</a>	
GRI 415: Public Policy 2016	415-1 Political contributions				CR Report p. <a href="#">39</a>	

GRI Standard	Disclosure	Alignment With SASB Building Products and Furnishings	Alignment With SASB Multiline and Specialty Retailers and Distributors	Alignment With TCFD	Response/Location	Lowe's Priority SDGs and Targets
<b>CUSTOMER HEALTH AND SAFETY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics				CR Report p. <a href="#">30</a> <a href="#">Safer Chemicals Policy</a>	SDG 12.4
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		<b>CG-MR-410a.2</b> Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products		CR Report p. <a href="#">33</a>	
<b>CUSTOMER PRIVACY</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics		<b>CG-MR-230a.1</b> Description of approach to identifying and addressing security risks		CR Report p. <a href="#">41</a>	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				Due to confidentiality restraints, we do not disclose this information.	



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES 2023 REPORT

This report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the leading framework for promoting more informed investment decisions related to a company's exposure to climate-related risks and opportunities. This report summarizes how we assess risks and opportunities associated with climate change and our actions to date, and it is structured around the four TCFD elements describing how organizations operate: governance, strategy, risk management and metrics and targets.

## GOVERNANCE

### A) Describe the board's oversight of climate-related risks and opportunities.

Our board of directors views oversight and effective management of environmental and social issues and their related risks as important to the company's ability to execute our strategy and achieve long-term sustainable growth. The board receives regular updates on environmental and social topics from our vice president of corporate sustainability. In addition to oversight by the full board of directors, the board has also delegated primary responsibility for more frequent and in-depth oversight of the company's environmental and social strategy to the sustainability committee.

As part of its key functions, the sustainability committee:

- Assists the board in discharging its responsibilities relating to oversight of the company's sustainability strategies and initiatives and to review the company's position on significant environmental and social issues
- Reviews, discusses and provides feedback to management on the company's programs, policies and practices pertaining to the company's environmental and social responsibility issues and impacts to support the sustainable growth of the company
- Monitors the company's performance against relevant external sustainability indices and reviews the company's annual Corporate Responsibility Report
- Reviews and makes recommendations to the board regarding responses to shareholder proposals encompassing matters overseen by the committee

The charter for the sustainability committee can be found [here](#).

### B) Describe management's role in assessing and managing risks and opportunities.

Our sustainability steering committee, which is composed of executives and subject matter experts from across the company, is led by Lowe's executive vice president of merchandising and assists with evaluation and the oversight of climate-related risks and opportunities. The sustainability council, which is composed of cross-functional Lowe's stakeholders, is led by Lowe's vice president of corporate sustainability and helps identify and evaluate Lowe's climate-related risks and opportunities. The key functions of these management committees are described below.

#### Sustainability Steering Committee

- Reviewing identified environmental, social and related public policy trends, issues, risks (including climate-related risks) and concerns
- Reviewing Lowe's sustainability-related goals and strategies
- Monitoring performance against external sustainability indices
- Reviewing the annual Corporate Responsibility Report
- Reviewing and providing recommendations on programs, policies and practices pertaining to environmental and social responsibility issues and impacts to support the sustainable growth of Lowe's

#### Sustainability Council

- Developing plans and initiatives to meet sustainability commitments
- Identifying and evaluating Lowe's climate-related risks and opportunities
- Monitoring performance against external sustainability indices and public commitments
- Reporting outcomes to the sustainability steering committee
- Contributing to and reviewing the annual Corporate Responsibility Report

## STRATEGY

To evaluate the potential impacts of climate change-related risks and opportunities on our business strategy, we utilize multiple climate science-based scenarios commonly used in conjunction with the TCFD framework:

### Intergovernmental Panel on Climate Change RCP8.5

This scenario represents a future where minimal action is taken to mitigate global warming. Physical stressors such as hurricanes, temperature rise and wildfires are more frequent and severe in this scenario. Lowe's selected this scenario to better understand the impact of extreme climate stressors on our value chain.

### Network for Greening the Financial System (NGFS) scenarios (Net Zero 2050/Below 2°C/Nationally Determined Contributions)

These scenarios represent a future where varying levels of action are taken to mitigate global warming through policy changes to incentivize a cleaner and more efficient global infrastructure. The most significant stressors in these scenarios are related to the rapid transition to a low-carbon economy. Lowe's selected multiple scenarios to better understand the range of outcomes that could result from this transition.

### A) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

Through our scenario-based approach, we identified risks and opportunities related to stressors associated with each scenario. We then evaluated the potential impacts of those stressors in different scenarios over a 30-year time horizon. The following risks and opportunities were assessed during our scenario analysis:

## CLIMATE-RELATED RISKS

Stressor (Risk Type)	Climate-Related Risk Definition	Potential Financial Impact	Mitigation Strategy	Time Horizons
<b>Policy (Transition)</b>	The risk from policy or regulation aimed at mitigating climate change, which could include: <ul style="list-style-type: none"> <li>→ A carbon tax on GHG emissions</li> <li>→ Building efficiency requirements</li> <li>→ Product efficiency requirements</li> <li>→ Fleet emissions requirements</li> </ul>	New carbon taxes could result in: <ul style="list-style-type: none"> <li>→ Increased operational expenses</li> <li>→ Increased product costs</li> <li>→ Increased transportation and other service costs</li> <li>→ Increased capital expenditures for fleet electrification and building efficiency</li> </ul> New product efficiency regulations could result in increased product costs.  The magnitude of the potential risk varies based on how aggressively these policies are implemented.	In December 2022, Lowe's committed to a goal of reaching net-zero emissions across scopes 1, 2 and 3 by 2050 to accelerate the decarbonization of our value chain.	Long-term (6+ years)
<b>Chronic (Physical)</b>	The risk from gradual changes to our climate due to increased emissions, which could include increased: <ul style="list-style-type: none"> <li>→ Average temperatures</li> <li>→ Heat wave days</li> <li>→ Cooling degree days</li> <li>→ Sea-level rise</li> <li>→ Changes to precipitation or season predictability</li> </ul>	Increased warming could result in: <ul style="list-style-type: none"> <li>→ Increased electricity and water costs</li> <li>→ Increased damage to our live goods inventory</li> <li>→ Increased damage to our stores</li> <li>→ Decreased sales in outdoor categories</li> <li>→ Inland migration from coastal stores</li> </ul>	Lowe's regularly evaluates new opportunities to increase the resilience of our facilities, improve energy and water efficiency, and also evaluates our product mix to meet changing seasonal needs.	Long-term (6+ years)
<b>Acute and Chronic (Physical)</b>	The risk from increased frequency and severity of climate events, which could include: <ul style="list-style-type: none"> <li>→ Extreme temperatures</li> <li>→ Drought</li> <li>→ Hurricanes</li> <li>→ Tornadoes</li> <li>→ Wildfires</li> <li>→ Extreme precipitation and flooding</li> <li>→ Frost</li> <li>→ Pests</li> </ul>	Increased climate variability could result in: <ul style="list-style-type: none"> <li>→ Disruption of natural resource supply such as timber</li> <li>→ Vendor factory disruption leading to product shortages</li> <li>→ Disruption to supply chain and logistics</li> <li>→ Damage to Lowe's facilities</li> </ul>	Lowe's regularly evaluates supplier location and exposure to identify potential risk areas. We then focus on supplier diversification in those regions to minimize potential disruptions to our supply chain.	Long-term (6+ years)

## CLIMATE-RELATED OPPORTUNITIES

Stressor (Opportunity Type)	Climate-Related Opportunity Definition	Potential Financial Impact	Realization Strategy	Time Horizons
<b>Policy (Transition)</b>	The opportunity from increased demand for energy-efficient and electric products as a result of new rebates and incentives from the Inflation Reduction Act.	Tax credits and rebates allow a customer to purchase these products at a lower cost. The magnitude of the potential opportunity varies based on how and when individual states apply for this program.	Lowe's continues to expand our portfolio of energy-efficient and electric products to offer customers options in line with demand. Lowe's plans to educate the customer on relevant information applicable to this incentive program.	Near-term (0-3 years)
<b>Technology (Transition)</b>	The opportunity to reduce operating expenses by implementing innovative new technologies.	Reduced operating expenses through the implementation of new energy-saving or emissions-reducing technologies in our operational footprint.	Lowe's regularly evaluates new technologies to address primary sources of energy use and emissions within our operational footprint.	Medium-term (3-6 years)
<b>Market (Transition) and Chronic (Physical)</b>	The opportunity from increased demand for energy and water-efficient products due to either regulatory changes or increased climate variability, which could include: <ul style="list-style-type: none"> <li>→ Extreme temperatures</li> <li>→ Drought</li> <li>→ Product efficiency requirements</li> </ul>	New product efficiency regulations or increased warming of the climate could result in increased consumer demand for products that require less water or energy to perform a similar function. Increased heat levels could also lead to incremental sales of products to improve the energy efficiency of the home.	Lowe's continues to expand our portfolio of energy and water-efficient products to provide customers options in line with demand.	Medium-term (3-6 years)
<b>Acute (Physical)</b>	The opportunity from increased demand for climate-resilient products due to increasing severity and frequency of weather events, which could include: <ul style="list-style-type: none"> <li>→ Hurricanes</li> <li>→ Drought</li> <li>→ Wildfire</li> <li>→ Extreme precipitation and flooding</li> </ul>	Increased severity and frequency of acute events could result in increased demand for products that improve the climate resilience of homes.	Lowe's continues to evaluate new product offerings to improve climate resilience while educating our customers on the best ways to protect their homes from the impacts of severe weather events.	Long-term (6+ years)

**B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.**

Lowe's mission is to deliver the right home improvement products, with the best service and value, across every channel and community we serve. The climate-related risks identified in the tables on [page 57](#) have the potential to impact our business in a number of ways, including increasing operational expenses, increasing the cost of the products we sell, disrupting our supply chain and impacting the mix of products we offer to our customers. There are also several business opportunities in the scenarios we reviewed, including the transition of the residential sector to a low-carbon future and the reduction of operating expenses through investments in energy efficiency and renewable energy. Both the risks and opportunities identified in this report are taken into consideration during the organization's strategic and financial planning processes.

In 2022, Lowe's committed to a goal of reaching net-zero emissions across scopes 1, 2 and 3 by 2050 with interim goals in 2030. The steps required to achieve this commitment aim to accelerate the decarbonization of our value chain while contributing to the reduction of global GHG emissions. The opportunities identified in this assessment have been part of our strategy as the company has focused on driving operational efficiency and delivering the best products to our customers.

**C) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

Over the years, Lowe's has adjusted our business model and product mix to adapt to changing customer needs and market conditions. In each scenario we reviewed, we identified a balance of opportunity and risk that reflects the resilience of our business model. For example, the stressors identified in the RCP8.5 scenario have the potential to disrupt our supply chain and operations, but they also create an opportunity for Lowe's to provide customers with the products and services they need to repair damage from severe weather events and prepare their homes for future events. In 2°C or lower scenarios, product efficiency requirements and carbon tax schemes have the potential to increase product and operational costs, but they also have the potential to increase revenues as customers work to decarbonize their homes. Lowe's will continue to focus on improving energy efficiency within our own operations and product mix while accelerating our efforts to reduce emissions and build resilience throughout our value chain.

**RISK MANAGEMENT**

**A) Describe the organization's processes for identifying and assessing climate-related risks.**

Lowe's leveraged the following methodology to identify and assess our climate-related risks:

- Prioritized specific topics for a scenario analysis
- Assessed public climate scenarios and pathways to determine best scenarios for analysis
- Used internal and external research to determine climate-related stressors
- Quantified each risk and opportunity via scenario-analysis to better understand the impact on the business

Qualitative criteria considered substantive based on financial or strategic impact are:

- Changes to sales or revenue across a group of products or enterprise
- Expenses or capital expenditures are increased
- Noncompliance with external legal or regulatory requirements
- Corporate initiative, functional objective or project goals are not met
- Negative impact on individuals' (associates'/customers') health and safety or to the environment
- Public view of Lowe's brand is negatively impacted

Lowe's is focused on risks and opportunities across the short term (0-3 years), medium term (3-6 years) and long term (6+ years), spanning from 2021 to 2050 and beyond.

**B) Describe the organization's processes for managing climate-related risks.**

The primary responsibility for the identification, assessment and management of the various risks we face belongs to Lowe's management. At the management level, risks are prioritized and assigned to senior leaders based on the risk's relationship to the leader's business area and focus. The senior leaders develop plans to respond to the risks and measure the progress of risk management efforts.

**C) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.**

Our executive vice president, chief legal officer and corporate secretary provide centralized oversight of Lowe's enterprise risk management program, which is managed by our chief compliance officer and the Office of Enterprise Risk Management in partnership with the Enterprise Risk Council (ERC), which comprises senior company leaders with broad enterprise experience. The ERC supports the execution of the enterprise risk management program by (i) working to identify, assess and categorize existing risks faced by the company, (ii) identifying senior leaders responsible for managing such risks and (iii) evaluating action plans and progress to appropriately manage those risks. Currently, climate risks are integrated within the enterprise risk management framework.

**METRICS AND TARGETS**

**A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

METRICS	
<b>Energy Use</b>	
Electricity consumption within the organization (MWh)	
Electricity intensity (MWh/1000ft <sup>2</sup> )	
Diesel consumption within the organization (MWh)	
Natural gas consumption within the organization (MWh)	
Propane consumption within the organization (MWh)	
Gasoline consumption within the organization (MWh)	
<b>Emissions</b>	
Scope 1 (mtCO <sub>2</sub> e)	
Scope 2 (mtCO <sub>2</sub> e)	
Scope 3 (mtCO <sub>2</sub> e)	
<b>Products</b>	
Revenues obtained from sustainability-related products (USD)	
Customer lifetime energy savings from Lowe's ENERGY STAR products (USD)	
Customer lifetime water bill savings from Lowe's WaterSense products (USD)	
Customer lifetime water savings through WaterSense product sales (gallons)	
Customers' GHG emissions savings from Lowe's ENERGY STAR products over lifetime (mtCO <sub>2</sub> e)	

**B) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks.**

SCOPE	RISKS
<a href="#">Scope 1</a>	Carbon tax and efficiency standards resulting in increased operational costs.
<a href="#">Scope 2</a>	Carbon tax and efficiency standards resulting in increased operational costs.
<a href="#">Scope 3</a>	Carbon tax and efficiency standards resulting in increased product costs.

**C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

Lowe's goals, targets and progress are available in the body of the annual Corporate Responsibility Report.





This report includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe,” “expect,” “anticipate,” “plan,” “desire,” “project,” “estimate,” “will,” “should,” “could,” “would,” “may,” “strategy,” “goal,” “target,” “potential,” “opportunity,” “outlook,” “scenario,” “guidance” and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections and assumptions about our sustainability program and goals and business outlook, priorities, expectations and intentions. Such statements involve risks and uncertainties and we can give no assurance that they will prove to be correct or that any plan, initiative, projection, goal, target, commitment or expectation can or will be achieved. Actual results and outcomes may differ materially from those expressed or implied in such statements. Investors should carefully consider the risk and uncertainties described in “Item 1A - Risk Factors” in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A in our quarterly reports on Form 10-Q or other subsequent filings with the Securities and Exchange Commission. All such forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. Standards of measurement and performance made in reference to our environmental and social goals and other sustainability plans and goals may be based on evolving protocols and assumptions which may change or be refined.

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