Lowe's Companies, Inc. - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Since 1946, Lowe’s Companies, Inc. has grown from one hardware store in North Carolina into a Fortune® 50 home improvement company. With more than 2,390 home improvement and hardware stores in the U.S., Canada and Mexico, we help homeowners, renters and professionals complete a wide array of home improvement projects through convenient omni-channel retailing and a comprehensive customer experience. Our 310,000 employees serve more than 18 million customers each week through our stores, contact centers, online channels and on their jobsites and in their homes. As of February 2, 2018, we had fiscal year 2017 sales of $68.6 billion. For more information about our company and 2017 financials, see our Annual Report on Form 10-K. We want our customers to feel good about the high-quality products they choose at Lowe’s.

Our products are selected very carefully, beginning with our sourcing decisions. We care about how our thousands of products are created and about the people who make them. Through collaboration and established management systems, we monitor our suppliers’ practices to ensure we are securing high quality products from suppliers who protect worker rights and the environment. We are also bringing innovative, efficient and eco-certified products into our portfolio-products that provide health and environmental benefits-to meet the needs of an increasing set of customers who prefer these types of products. In 2017, we crafted vision statements and began identifying 2025 goals to guide our future decisions.

We are committed to preserving our shared home, Earth, through sustainable practices and conservation at a local level. Our retail stores require significant amounts of electricity to operate lighting, HVAC and other energy-consuming items, while the transportation of our products from suppliers, to distribution centers to stores requires fuel. We are actively working to manage and reduce energy and fuel usage. At a local level, store waste can add up-cardboard, broken appliances, wood pallets, and more. We recycle these through national and regional partners and provide in-store recycling centers for our customers to bring in certain items. Footprint reduction activities result in cost savings, healthier communities and a better world.

Lowe’s addressed these metrics and new material sustainability topics and goals in our 2017 Corporate Responsibility Report, “Framing Our Future”, accessible at https://newsroom.lowes.com/responsibility/

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Canada
China
Mexico
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our CEO, Robert Niblock, has oversight of climate-related issues, corporate sustainability and public affairs, and is regularly informed by our Corporate Administration Executive, N. Brian Peace, among other executives and committees.
Chief Operating Officer (COO)	Chief Operating Officer Rick Damron co-chairs our Sustainability and Product Stewardship Council, which is our committee that leads and promotes strategic oversight and executive responsibility for climate-related issues. The Council is composed of 14 representatives from business functions across our operations to ensure broad management perspectives.
Other C-Suite Officer	Our Corporate Administration Executive, N. Brian Peace, reports directly to the CEO and represents Lowe's in discussions with the Public Policy Committee.
Other, please specify (Public Policy Committee)	The Public Policy Committee of our Board of Directors provides oversight of our position on significant public issues and corporate social responsibility. Board Member Angela Barly is Chair of Lowe's Public Policy Committee.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	We established a Sustainability and Product Stewardship Council responsible for strategic oversight of the sustainability and social responsibility topics relevant to our business. The council is composed of 14 representatives from business functions across our operations, chaired by five corporate executives and led by Chief Operating Officer Rick Damron. The council meets monthly and oversees the implementation of our sustainability strategy. To maintain transparency and accountability, corporate sustainability and public affairs report to the board on a regular basis and are managed by our Corporate Administration Executive, N. Brian Peace. Mr. Peace reports directly to the CEO and represents Lowe's in discussions with the Public Policy Committee. The Public Policy Committee of our Board of Directors provides oversight of our position on significant public issues and corporate social responsibility and reviews progress on these issues at each board meeting.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Corporate Administrative Executive)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Risk committee	Assessing climate-related risks and opportunities	Half-yearly
Sustainability committee	Assessing climate-related risks and opportunities	Quarterly
Other, please specify (Public Policy Committee)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

As of December 31, 2017, the Lowe's board of directors was comprised of 10 independent directors and our Chief Executive Officer, Robert Niblock. The board is responsible for overseeing risk management processes, including the development of risk mitigation controls and procedures for the material risks we identify. We have developed an Enterprise Risk Management (ERM) process using periodic surveys, external research, planning processes, risk mapping, analytics and other tools to identify and evaluate the operational, financial, environmental, reputational, strategic and other risks that could adversely affect our business. Lowe's board has five committees—Audit, Compensation, Nominating and Governance, Public Policy, and Executive. Risks are evaluated and reported more broadly by The Audit Committee, which reports to the Company's Chief Financial Officer legal matters that may have a material adverse impact on the Company's financial statements, compliance with laws and any material reports received from regulatory agencies. Climate-related issues are evaluated and presented more specifically by our Public Policy committee, responsible for overseeing Lowe's sustainability and corporate social responsibility programs and communicating associated risks to the board. The Public Policy Committee of the Board presents to the full Board at least annually the company's sustainability profile, including greenhouse gas emissions and the steps management has taken to identify, assess, monitor, control, remediate and disclose such exposures. In the U.S., Lowe's corporate social responsibility and sustainability matters are overseen by the Vice President of Corporate Responsibility, who reports quarterly to the Public Policy committee and regularly to the Corporate Administration Executive, a direct report to the CEO. Additionally, our sustainability team meets quarterly with our Sustainability Steering Committee—chaired by the CEO and four senior executives. They also meet monthly with our Product Stewardship Council, consisting of vice presidents and directors from more than 14 functions across Lowe's. Our Canadian Director of Corporate Social Responsibility reports to the Senior Vice President of Corporate Affairs, Sustainability and Compliance, who is a direct report to the CEO of Lowe's Canada and Lowe's International.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

No

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	3	A short-term horizon is characterized by a time frame that is consistent with our existing outlooks on present risks and opportunities, as well as the period of time we identify evolving risk and opportunities and engage with changing conditions by evaluating and adopting any appropriate changes to our strategy.
Medium-term	3	6	A medium-term horizon is consistent with the effects of our existing planning efforts and implementation of strategy. In general, medium term management of risks and opportunities will translate to a long term process enabling our company to better adapt to change, such as rising costs of energy, and preparations to more rapidly adopt new technologies for retail store energy use reduction, including our offering of a broad selection of energy-efficient products.
Long-term	6	12	We do not specifically envision a long-term strategy that exists independent of our present climate change-related efforts and programs and medium-term initiatives. Concerning forested carbon sinks, through our partnerships and policies, Lowe's is working to ensure that those resources will be available to future generations. Since 2000, Lowe's has partnered with our suppliers to support the protection and conservation of forests.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	We have developed an Enterprise Risk Management (ERM) process using periodic surveys, external research, planning processes, risk mapping, analytics and other tools to identify and evaluate the operational, financial, environmental, reputational, strategic and other risks that could adversely affect our business. Our Chief Financial Officer administers our risk management process, including the development of risk mitigation controls and procedures for the material risks we identify.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Lowe's risk management process uses periodic surveys, external research, risk mapping, analytics and other tools to identify and evaluate the operational, financial, environmental, reputational, strategic and other risks that could adversely affect our business. Risk, including those related to climate change, are evaluated on an annual basis by the Board of Directors in conjunction with the results of our monitoring of internal achievements and initiatives as well as our assessment of external regulatory and environmental climates, and we closely consider the interests of consumers,stakeholders and communities in which we do business. We assign materiality consistent with accounting standards stated in our corporate annual reports. Our risk management process also considers the impacts of severe weather events and physical climate parameters.

Lowe's has adopted the concept of Enterprise Risk Management (ERM) using the framework issued in 2004 by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's Chief Financial Officer, who reports directly to the Chairman, President and CEO, is responsible for implementing the Company's ERM processes. The Company's Chief Financial Officer also presents updates on the Company's ERM processes and specific potential risks and trends at other meetings of the Board during the year. In addition, the Chairman, President and CEO addresses as necessary at the regularly scheduled Board meetings matters of particular importance or concern to the Company including any significant areas of risk requiring Board attention.

The Public Policy Committee of the Board annually addresses the company's sustainability profile, including greenhouse gas emissions and the steps management has taken to identify, assess, monitor, control, remediate and report such exposures. The Audit Committee reviews periodically with the Company's General Counsel legal matters that may have a material adverse impact on the Company's financial statements, compliance with laws and any material reports received from regulatory agencies. Additionally, Lowe's reviews significant risks and opportunities by interacting with stakeholders on carbon emission and climate change matters.

Short term climate related risks and opportunities are focused on mitigating exposure to escalating energy costs. We are promoting energy efficiency technologies and practices as a central element of Lowe's competitive strategy. Our business strategy has been influenced in part by the recognition of the risks posed to our business by the likelihood of increasing energy costs, and a response that includes investment in leading energy efficiency technologies that will provide business advantages.

Medium-term initiatives, over the next approximately three to six years, are supported by our strategy and will translate to a long term process enabling our company to better adapt to rising costs of energy, to more rapidly adopt new technologies for retail store energy use reduction and to build upon our leadership in offering a broad selection of energy-efficient products.

An important long-term initiative concerns preservation of forested carbon sinks. Through our partnerships and policies, Lowe's is working to ensure that those resources will be available to future generations. Since 2000, Lowe's has partnered with our suppliers to support the protection and conservation of forests. Guided by our wood policy, we seek to ensure that all wood products sold in our stores are harvested responsibly, from well-managed, non-endangered forests. Lowe's extended our commitment to global forest conservation by supporting the update of the Lacey Act — an effort to combat illegal logging globally.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Canada provincial carbon tax and emissions trading rules present operational risks if strategies to manage those risks are not identified and implemented. Also, U.S. state or regional cap-and-trade schemes may affect our operating costs indirectly through energy supplier cost effects. Mandatory state and federal renewable portfolio standards (RPS) can affect energy supply costs. The cost of state RPS requirements is highly local. Twenty-nine states where we do business have mandatory renewable portfolio standard provisions and an additional 8 states have voluntary goals. In addition, 20 states have energy efficiency resource standards and an additional 6 states have goals.
Emerging regulation	Relevant, always included	We consider the potential impacts from regulatory developments on the cost of energy. Climate change-related legislation and regulations that directly or indirectly result in increased costs of energy would likely pose material operational risks to our company. We expect that these developments will impact our business – either directly or indirectly by increasing transportation costs. We also anticipate that regulations may pose indirect impacts on our vendors including increased costs of manufacturing.
Technology	Relevant, always included	We recognize our unique opportunity to engage with suppliers and customers to offer exceptional products promoting energy efficiency and environmental sustainability. In addition to the ENERGY STAR® products we sell in stores, we developed our "Efficient Home" site Lowes.com/efficienthome. This site consolidates energy and water efficient products in one location to help our customers more quickly find the products they need to be more efficient and help them save money. To help our customers avail themselves of utility sponsored energy efficiency programs, Lowe's developed a rebate finder found at lowes.com/rebatecenter to allow customers to check current rebate offers, submit rebates and check on status.
Legal	Relevant, always included	Consideration of legal risks apply to climate-related, sustainability and environmental matters no less than any other aspect of our business operations.
Market	Relevant, always included	Lowe's monitors market risks of all sorts that have potential ramifications on our business. Focusing on our customers and their interests and needs, we are continuing to offer services and products to help our customers identify opportunities to be more efficient in their energy use and environmental impact, as they save money by their purchases of these products.
Reputation	Relevant, always included	Customer opinion, desires, and behavior changes are considered and addressed as part of our risk management process. Climate change and sustainability may influence consumers' buying habits as they are increasingly exposed to information regarding climate change and their individual environmental impact. The process reinforces our business plan and we respond with continuous improvement of the qualities of our retail services.
Acute physical	Relevant, sometimes included	Lowe's recognizes that extreme weather may affect buying patterns, disrupt the supply chain, increase operating costs and potentially close stores. Extreme weather events related to climate change could impact the timing and costs associated with delivery of goods. Prolonged disruptions in the supply chain could affect the continuity of the merchandise we distribute and sell in our stores, which could reduce revenues.
Chronic physical	Relevant, sometimes included	We consider wood/lumber sourcing exposures and other consumer staple and supply chain factors that may be affected by climate change under scenarios that could have impact on our business (especially drought, wildfires and extended wet seasons) while considering customer needs and materials supplies. Lowe's sources wood and wood-based products from a broad network in our supply chain. Climate change effects could negatively impact our ability to access critical forest resources and preferred suppliers. Forestry management practices that conform to sustainable resource objectives should be less prone to adverse impacts of climate change, but are in no way safeguarded from diverse threats to the vitality of sustainable forests.
Upstream	Relevant, sometimes included	We consider the influences of climate change toward execution of our business strategy. A prominent climate change aspect that has influenced our business strategy is an increased awareness of supply chain risks to business continuity. To mitigate such risks, Lowe's sources the products we sell from a broad diversity of suppliers.
Downstream	Relevant, sometimes included	We consider risks related to customer sentiment of performance, value and efficiency of the products we sell. Our ENERGY STAR ® certified appliances, such as dishwashers, water heaters, refrigerators and washer and dryers, help customers save on their utility bills and reduce their impact on the environment. In 2017, we sold enough ENERGY STAR ® products to save customers approximately $5 billion in utility costs over the products' lifetimes.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

In 2016, we conducted a materiality assessment to prioritize our most significant sustainability topics based on multi-stakeholder feedback. This process was conducted by a third party and included interviews with Lowe's executives and industry research on sustainability topics that are important to peers, suppliers, NGOs, governments, shareholders, employees, consumers, local communities and industry associations. These groups represent voices across our value chain. Material Topics - Through research and analysis, we identified 13 material topics guiding the development of our sustainability strategy and sustainability reporting. Six of the material topics embrace the subject matter of this disclosure.

In 2017 we refreshed our sustainability strategy, taking into account our growing and evolving business, our materiality assessment results and our desire to fulfill our purpose of helping people love where they live. Our strategy focuses on value chain responsible sourcing, safer and more eco-friendly product offerings, supporting sustainability of our operations and reducing the intensity metrics of our energy use and emissions. Although we are working towards the 2020 goals we set in 2013, we leveraged our newly developed sustainability strategy to develop new, broader goals for 2025.

Promote sustainable practices throughout our value chain:

• By 2020: 100% of imported wood from regions identified as at risk will be certified by Forest Stewardship Council (FSC).

• By 2025: 100% of our strategic suppliers will have sustainability goals. 100% of our wood products will be purchased from a responsible or controlled source.

Eco-Products, helping customers reduce their impact on the environment:

• By 2025, save customers more than $40 billion in energy costs through the sale of ENERGY STAR products; Increase the number of eco-products available to customers.

Reduce the environmental footprint of our operations:

• By 2020, improve U.S. store electricity use efficiency 13% per square foot (kWh/ft2) of selling space from 2010 baseline.

• Reduce U.S. store carbon emissions 20% per square foot (metric tons CO_2e/ft2) of selling space from 2010 baseline.

• Reduce tons of waste per net sales by 40% from 2010 baseline.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Transition risk

Primary climate-related risk driver
Policy and legal: Other

Type of financial impact driver
Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description
Fuel and Energy Taxes and Regulations. We primarily consider the energy markets in North America where our retail business is conducted—specifically the effect of various regulatory developments on the electricity-generating and fossil fuels sectors, due to potential increases in the costs of energy required for our operations. We recognize that increased transportation, energy, raw materials or carbon related expenses could increase the costs of the products we purchase. To receive and distribute the products we sell, we rely on contract transportation providers that may be directly affected by domestic renewable source fuel standards, fuel-economy standards, or other requirements that may have impact on our business partners. We expect that these developments will impact our business – either directly or indirectly by increasing transportation costs. We also anticipate that regulations may pose indirect impacts on our vendors including increased costs of manufacturing. A specific regional example of concern is likely to have a widespread impact on our supply chain logistics. Lowe’s will be evaluating potential lower emissions transportation options in response to a smog-reduction resolution initiative recently adopted by the California Air Resources Board (CARB). One option being considered may be the use of zero emission vehicles to deliver products to California retail store locations in the South Coast Air Quality Management District (SCAQMD). We were alerted to developments in CARB actions through the Pacific Merchant Shipping Association. The resolution will require moving forward with regulations limiting business activity by placing ‘facility caps’ on warehouses, railyards and distribution centers, and mandate that billions of dollars be spent at California’s ports. A facility cap is an artificial limit on business activity in order to reduce air emissions. From a supply chain perspective, it may be a de facto state-imposed cargo diversion mandate that could have a substantial impact on the costs of goods and materials that we source from global markets.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Potential financial impact
40000000

Explanation of financial impact
We anticipate a measure of protracted increases in the costs of energy due to worldwide demand as well as regulatory developments, and such costs would be anticipated to affect general market pricing of the goods and materials we sell. In the specific regional example described, in the SCAQMD in CA, additional investments may be required in the replacement of transportation fleet vehicles with zero emissions vehicles.

Management method
In our highly competitive market, we are sensitive to risks that add pressure to product pricing in our stores, and we consider the impact of regulations on the costs of the energy as one of the drivers in our approach to risk management. Long term developments in these regulatory arenas are not yet clear, and will bear continued attention as we assess potential impacts to our business in the long term. We have identified regulatory risks that affect us indirectly, as increasing energy costs will likely result from climate programs that directly affect the energy sector under carbon emission caps and regulatory-driven investments in technologies and infrastructure.

Cost of management
500000

Comment
The management of our business is already addressing regulatory risks. Our efforts and investments in energy efficiency and emissions mitigation are anticipated to offset the liabilities we recognize under a “no action” alternative. We have integrated these initiatives with our business plan to offset the identified risks; however, we fundamentally undertake the initiatives represented in the CDP disclosure in pursuit of the objectives of broader financial planning and management of our company.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Transition risk

Primary climate-related risk driver
Technology: Substitution of existing products and services with lower emissions options

Type of financial impact driver
Technology: Costs to adopt/deploy new practices and processes

Company- specific description
Cap and trade schemes. U.S. state or regional cap-and-trade schemes may affect our operating costs indirectly through energy supplier cost effects. California was the first state to launch a cap and trade program, and nine Northeastern States have participated in the RGGI regulatory program that directly affects electricity generation providers. The Western Climate Initiative (WCI) incorporates California, Ontario, Quebec and British Columbia, and WCI engagement will tend to harmonize the approach to the policy and architecture of a cap-and-trade system in those States and Provinces where we operate. Effects on our business and to energy users in general are virtually certain.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Potential financial impact
50000000

Explanation of financial impact
The primary financial risks are increased utility expenses, fuel prices, and refrigerant costs. However, without a comprehensive federal regulatory scheme, the policies and resulting carbon prices would vary widely between states and regions. In the U.S. we would expect our annual utility costs to increase by roughly 2% if a federal cap-and-trade scheme were passed and we were not able to offset our emissions through efficiency and renewable energy based carbon credits.

Management method
Through our government affairs staff and retail association memberships, we continue to monitor developments at the state and regional level. We also continue to make GHG reductions in these regions through improved energy efficiency, new HVAC technologies, and various other methods. To further reduce our carbon footprint, we incorporate energy-efficient technologies and architectural systems into new stores and retrofits of existing stores, such as energy-efficient lighting, white membrane cool roofs, and HVAC units that meet or exceed ENERGY STAR® qualifications. We also participate in demand response programs by voluntarily reducing our lighting and HVAC loads during peak demand periods to support electric grid reliability. In 2017, we won the EPA SmartWay Excellence Award for the ninth year in a row. Looking forward, we will be evolving our strategy by working more closely with our allied and global businesses to share best practices and reduce our operational footprint year over year. In 2016 we began rollout of a state-of-the-art building management system in stores to control lighting, air conditioning and other building systems. We also implemented a light-emitting diode (LED) lighting initiative in select markets and new stores. All light sources for new stores constructed in the future are LED. In 2017, we deployed LED lighting to over 100 stores, variable fan drives to over 350 stores, and installed high-efficiency HVAC units in 100 stores.

Cost of management
0

Comment
Our government affairs staff does not incur incremental costs from this emerging policy. It is likely we will not incur incremental costs in tracking and reporting GHG emissions. Government affairs uses internal resources and retail & business trade associations to keep abreast of legislation and regulations concerning climate change and carbon pricing schemes. The management of our business is already addressing regulatory risks. Our efforts and investments in energy efficiency and emissions mitigation are anticipated to offset the liabilities we recognize under a “no action” alternative. We have integrated these initiatives with our business plan to offset the identified risks; however, fundamentally, we undertake the initiatives represented in the CDP disclosure in pursuit of the objectives of broader financial planning and management of our company.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Transition risk

Primary climate-related risk driver
Market: Other

Type of financial impact driver
Market: Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatement)

Company- specific description
Renewable energy regulation. Mandatory state and federal renewable portfolio standards (RPS) can affect energy supply costs. According to the American Council for an Energy Efficient Economy, 26 US states are currently implementing long-term (3+ years), binding energy savings targets. States have taken a variety of approaches to setting targets, including passing legislation to enact formal energy efficiency resource standards, setting long-term energy savings targets through utility commissions tailored to each utility, or incorporating energy efficiency as an eligible resource in renewable portfolio standards (RPS). Given the diversity of standards, a broad range of compliance activity is taking place across the country, from simply buying renewable energy credits (RECs) to building assets to customer-oriented rebate programs.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Potential financial impact
10000000

Explanation of financial impact
State Renewable Portfolio Standard requirements affect our rates and costs of electricity. Because of the complexities that affect electricity rates, it is difficult to derive a specific effect for RPS or energy efficiency standard compliance if those costs are not explicitly charged because of possible offsetting benefits or other incremental costs included in rates over time.

Management method
We manage this risk through engagement in regulatory processes and direct investment in efficiency and renewable energy projects Lowe’s responsibly manages operations to reduce cost and decrease environmental impact across more than 1,800 U.S. home improvement and hardware stores. In 2016, we built on past experience to explore new technologies, such as LED lighting, and began installing a state-of-the-art building management system (BMS) in stores to control lighting, air conditioning and other building systems, and we received our eighth EPA SmartWay award for superior supply chain environmental performance. In 2017, we deployed LED lighting to over 100 stores, variable fan drives to over 350 stores, and installed high-efficiency HVAC units in 100 stores. We manage compliance obligations in conjunction with investment in a wide variety of projects to minimize usage and costs.

Cost of management
0

Comment
Our government relations staff does not incur incremental costs from this emerging policy. It is likely we will not incur incremental costs in tracking and reporting GHG emissions. Government affairs uses internal resources and retail & business trade associations to keep abreast of legislation and regulations concerning climate change and carbon pricing schemes. Lowe’s recognizes how efficient operations can help protect the environment and our bottom line. We examine our operations regularly to deliver energy efficiency, reduce fuel consumption, and minimize waste generation through increased recycling. We also invest in technology that will help us operate our facilities more efficiently and environmentally responsibly.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description
Tropical cyclones (hurricanes and typhoons). Lowe's recognizes that extreme weather may affect buying patterns, disrupt the supply chain, increase operating costs and potentially close stores. Extreme weather events related to climate change can impact the timing and costs associated with delivery of goods. Prolonged disruptions in the supply chain could affect the continuity of the merchandise we distribute and sell in our stores, which could reduce revenues. Although our operations are subject to interruptions in North America, we consider physical risks due to severe weather and climate change to be global in geographic area. Within the time frame of our assessment, we anticipate the potential exists for our operations to experience disruptions from severe weather events in limited or localized areas, and the occurrence of events that have the potential to disrupt our operations will be intermittent and infrequent. Severe storms in 2017 were devastating for many communities across the United States. In advance of landfall of the named storm Harvey, Lowe's had shipped more than 1,800 truckloads of emergency supplies and building materials from distribution centers across the country. Lowe's operates 27 stores in the Houston area, and the company entered into a warehousing lease to expand space in that locale to store drywall, flooring and other construction materials needed in the city's massive rebuilding effort. A Lowe's spokeswoman summarized the response resiliency: "We expect customer needs for rebuilding products following a storm." "This (leased warehousing) facility increases our supply chain capacity to meet those needs, keeping inventory stocked locally instead of regionally." Based on NOAA's data, the combined intensity and duration of the storms during the season was the seventh most active season in the historical record dating to 1851 and was the most active season since 2005. Three devastating major hurricanes made landfall in 2017 (Harvey in Texas; Irma in the Caribbean and southeastern U.S.; and Maria in the Caribbean and Puerto Rico).

Time horizon
Current

Likelihood
About as likely as not

Magnitude of impact
Medium-high

Potential financial impact
500000000

Explanation of financial impact
With 2017 total revenue of $68.6 billion including RONA assets sales, and more than 1,800 stores if the average store is closed due to a severe weather event, we have the potential for loss of more than $100,000 per day.

Management method
We have corporate emergency preparedness plans in place to address various types of weather-related emergencies, power interruptions and system outages. Lowe's has an extensive network of emergency backup electricity generation systems supporting its facilities throughout North America. Furthermore, we offer a diverse line of products from a broadly-distributed supply chain, and work diligently to minimize the risk associated with availability and delivery of those materials while considering anticipated physical risks that may be associated with climate change. Lowe's operations are also widely distributed geographically in North America, so that local and regional climatic swings or extreme weather events are not likely to pose adverse extended impact to our operations. We have disaster response procedures to respond to a community in need as soon after severe weather events as possible.

Cost of management
10000000

Comment
Our efforts and investments in energy efficiency and emissions mitigation are anticipated to offset the liabilities we recognize under a "no action" alternative. We have integrated these initiatives with our business plan to offset the identified risks; however, fundamentally, we undertake the initiatives represented in the CDP disclosure in pursuit of the objectives of broader financial planning and management of our company. There are costs we incur to keep the program at the ready but additional costs are dependent on the frequency of severe weather in a given year. According to the U.S. government National Oceanic and Atmospheric Administration (NOAA), the 2017 Atlantic hurricane season was extremely active, producing 17 named storms of which included six major hurricanes (Category 3, 4 or 5) – including the first two major hurricanes (Harvey, Maria) to hit the continental U.S. in 12 years.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Rising mean temperatures

Type of financial impact driver
Other, please specify

Company- specific description
Increased operational risks and costs

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Potential financial impact
20000000

Explanation of financial impact
The potential financial implications associated with increased temperatures and the resulting increase in energy use would be higher operational costs.

Management method
Lowe's responsibly manages operations to reduce cost and decrease environmental impact across more than 1,800 U.S. home improvement and hardware stores (excluding the RONA acquisition). In 2016, we built on past experience to explore new technologies, such as LED lighting, and began rollout of a state-of-the-art building management system (BMS) in stores to control lighting, air conditioning and other building systems. In 2017, 100 additional retail locations have been upgraded to interior LED lighting and seven new stores opened with LED lighting already installed. BMS enhances our capability to monitor equipment performance and provide information to help facility managers manage our energy consumption. By the end of 2017, Lowe's implemented BMS in 198 store locations (187 US and 11 Canada home improvement stores). . Lowe's is always looking for innovative ways to implement energy-efficiency projects, and last year the company began the rollout of high-efficiency HVAC units to 100 stores. We are continuing the operational efficiencies with a total goal of 13% reduction in kWh use per square foot in our US stores by 2020 from our 2010 levels.

Cost of management
0

Comment
Since 2004, we have invested over $225 million in systems and energy-efficient upgrades for our stores. Further, we recognize that temperature changes can lead to increased transportation, energy, raw materials or carbon related expenses which could result in an increase to the costs of the products we purchase. In our highly competitive market, we are sensitive to risks that add pressure to product pricing in our stores, and we consider the impact of regulations on the costs of the energy as one of the drivers in our approach to risk management. These risks have been assessed and are revisited periodically. Management of our business addresses these other risks on an ongoing basis to ensure they are not elevated to a degree that poses substantial risks to our business.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Other

Type of financial impact driver
Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description
Induced changes in natural resources. Lowe's sources wood and wood-based products from a broad network in our supply chain.

Climate change effects could negatively impact our ability to access critical forest resources and preferred suppliers. Forestry management practices that conform to sustainable resource objectives should be less prone to adverse impacts of climate change, but are in no way safeguarded from diverse threats to the vitality of sustainable forests. Climate change and increased climate variability have both direct and indirect effects on forests and forest-dependent people. For example, increased winter temperatures combined with fire suppression have led to massive population increases of the mountain pine beetle in Canada, resulting in the premature deaths of millions of trees. In both boreal and tropical regions, climate change is increasing forest susceptibility to stresses that have long been present but previously posed a lesser threat. Adverse effects of climate change could extend to our existing wood suppliers, and these effects may degrade the harvest productivity and wood supply. Lowe's Wood Policy guides our program for maintaining a responsible role in procuring wood and wood products for sale to our customers. Our policy can be found at www.lowes.com/woodpolicy

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Potential financial impact
250000000

Explanation of financial impact
Lowe's is committed to sourcing wood products in accordance with our Wood Policy, and we interact with our suppliers, non-governmental organizations, and other stakeholders including our customers. The potential financial implications associated with diminishing markets for sustainably sourced woods may increase costs to procure these products. We source our products from over 7,500 vendors worldwide. Our more than 630 import supplier relationships are managed by our merchandising teams and the Lowe's Global Sourcing and Supplier Development team. We believe that alternative and competitive suppliers are available for virtually all of our products. If our fulfilment network does not operate properly or if a vendor fails to deliver on their commitments, then we will experience delay in inventory, increased delivery costs, merchandise out-of-stocks which would negatively affect our results of operations.

Management method
Since 2000, Lowe's has partnered with suppliers to support the protection and conservation of forests. Lowe's long-term goal is to ensure that all wood products sold in our stores originate from well-managed, non-endangered forests. We evaluate our wood-sourcing profile by tracking the country where the wood was harvested and if it has sustainable forest certifications. Lowe's maintains a wood-sourcing database to track wood procurement, which we report on every other year. The 2017 wood sourcing database tracked more than 340 million cubic feet of wood for more than 150 suppliers. More than 66 percent of our wood was certified for sustainable management practices. The wood-sourcing database allows us to monitor our wood policy with suppliers and change sourcing profiles that don't meet our expectations.

Cost of management
2000000

Comment

Identifier
Risk 7

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver
Reduced revenues from lower sales/output

Company- specific description
Changes in precipitation extremes and droughts can pose operational risks that test the company's resiliency in the market, and also may impact our vendors and the products they supply.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

Potential financial impact
50000000

Explanation of financial impact
Uncharacteristic or significant weather conditions can affect customer shopping patterns. Droughts can lead to increased sales of water conserving products or decreased sales of live plants as customers delay purchases to wait out a drought. This could also lead to lost sales or greater than expected markdowns.

Management method
Lowe’s will shift product selection at a local or regional level to reflect the prevalent conditions. As an example, shortly after the California drought, the live goods in the garden center shifted to more drought tolerant and native varieties such as succulents or larger native varieties that can withstand water deficiencies better.

Cost of management
0

Comment
With experience gained in the past several years, costs associated with managing these risks is minimal. We use internal resources to manage programs and are considered a part of normal business.

Identifier
Risk 8

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Market: Changing customer behavior

Type of financial impact driver
Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description
Changing consumer behavior. Climate change and sustainability may influence consumers’ buying habits as they are increasingly exposed to information regarding climate change and their individual environmental impact.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
High

Potential financial impact
1000000000

Explanation of financial impact
Changes in consumer behavior could affect demand for certain goods and services. For example, an increase in consumer demand for sustainable and climate-friendly products of 1% of our global sales in a given year could result in roughly $686 million USD in sales revenue (based on $68.6 billion USD including RONA assets sales, total sales in Fiscal Year 2017).

Management method
We mitigate that risk by maintaining a keen awareness of the marketplace to offer the products and services to meet customer demand and expectations, including offering innovative solutions to rising customer interest in sustainably-sourced and energy efficient products. Our communication channels have been developed with our customers so that we maintain a continuous dialog through surveys, social media, website and other online communications, customer support centers, customer contact centers, and community events that we host. We are committed to providing product choices for customers that offer real energy efficiency benefits. Recently acquired RONA has an active Eco Products program in their stores, and we are planning to use their success as

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

Cost of management

0

Comment

Understanding consumer demand is fundamental to our business and embedded in everything we do. This makes it difficult to quantify the total amount allocated to managing this risk. A centerpiece of our 2017 Corporate Responsibility Report, we initially engaged PricewaterhouseCoopers in late 2016 to conduct an assessment of our sustainability practices and identify areas of risk and opportunity. We have enhanced our sustainability strategy and risk management processes by identifying and acting upon 13 topics material to our business. Six of the material topics embrace climate-related subject matter directly, to guide the development of our sustainability strategy and establishment of specific goals.

Identifier

Risk 9

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Shifts in consumer preferences

Type of financial impact driver

Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description

Lowe's serves more than 18 million customers a week through product and service offerings, information and advice, and an uncompromising commitment to safety. Each day, we see the continued satisfaction of our customers through their loyalty. In 2017, our net sales totalled $68.6 billion, including RONA assets sales, an increase of 5.5 percent from 2016. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Reputational value is based in large part on perceptions of subjective qualities, qualities we strive to address each day with our dedicated customers.

Time horizon

Current

Likelihood

Unlikely

Magnitude of impact

Medium-low

Potential financial impact

5000000000

Explanation of financial impact

Lowe's serves more than 18 million customers a week through product and service offerings, information and advice, and an uncompromising commitment to safety. Each day, we see the continued satisfaction of our customers through their loyalty. In 2017, our net sales totaled $68.6 billion, including RONA assets sales, an increase of 5.5 percent from 2016. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Reputational value is based in large part on perceptions of subjective qualities, qualities we strive to address each day with our dedicated customers.

Management method

We continue to focus on helping consumers reduce their energy and water use and their environmental footprint while saving money when they purchase our products and services. We offer a wide selection of environmentally responsible and energy-efficient products for the home, including ENERGY STAR® appliances. By purchasing ENERGY STAR® products in 2017, Lowe's customers saved approximately $5 billion in utility costs over the lifetime of these products. Our knowledgeable employees have access to more than 2,600 online training courses that help them provide guidance to customers selecting energy- or water-efficient products, as well as completing renewable energy, insulation and window projects. By building our employees' sales capabilities and providing better support tools, we're fostering a better sales culture throughout our stores. From helping customers understand the true cost of lighting to selecting appliances such as high-efficiency washing machines, we know our customers choose Lowe's because our employees offer them more than just a transaction.

Cost of management
2000000

Comment
We utilize internal resources to manage programs and have some expenses related to these programs. However, these costs as a percentage of total costs are not accounted in a way that clearly differentiates these initiatives from our business plans.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Product efficiency regulations and standards. New and expansive product efficiency regulations and standards will drive innovations in new and existing product lines that we offer for sale. Such developments offer opportunities to refresh the attractiveness of the products we sell, especially to customers that place higher value on energy efficiency, operating cost savings, and reductions of environmental impacts associated with the products they choose. These opportunities are closely allied to our business interests and our care in fostering and promoting our reputation as a leading retailer of products that offer attractive energy savings, lower environmental impact, and sustainable sourcing management.

Time horizon
Current

Likelihood
Virtually certain

Magnitude of impact
High

Potential financial impact
5000000000

Explanation of financial impact
Lowe’s serves more than 18 million customers a week through product and service offerings, information and advice, and an uncompromising commitment to safety. Each day, we see the continued satisfaction of our customers through their loyalty. In 2017, our net sales totalled $68.6 billion, including RONA assets sales, an increase of 5.5 percent from 2016. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Reputational value is based in large part on perceptions of subjective qualities, qualities we strive to address each day with our dedicated customers.

Strategy to realize opportunity
We continue to focus on helping consumers reduce their energy and water use and their environmental footprint while saving

money when they purchase our products and services. We offer a wide selection of environmentally responsible and energy-efficient products for the home, including ENERGY STAR® appliances. By purchasing ENERGY STAR® products in 2017, Lowe's customers saved approximately $5 billion in utility costs over the lifetime of these products. Our knowledgeable employees have access to more than 2,600 online training courses that help them provide guidance to customers selecting energy- or water-efficient products, as well as completing renewable energy, insulation and window projects. By building our employees' sales capabilities and providing better support tools, we're fostering a better sales culture throughout our stores. From helping customers understand the true cost of lighting to selecting appliances such as high-efficiency washing machines, we know our customers choose Lowe's because our employees offer them more than just a transaction.

Cost to realize opportunity

0

Comment

We utilize internal resources to manage programs and have some expenses related to these programs. However, these costs as a percentage of total costs are not accounted in a way that clearly differentiates these initiatives from our business plans.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company- specific description

Change in mean (average) temperature. Temperature changes can have wide-ranging impacts from colder winters which would increase heating costs to warmer summers causing an increased costs of cooling. Extended or prolonged periods of temperature change may drive marginal opportunities for increased sales of building insulation materials and systems which we offer to professionals and home owners.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-high

Potential financial impact

5000000000

Explanation of financial impact

The potential financial implications associated with prolonged changes in regional temperatures may drive customer interest in insulation materials and related materials we sell to install HVAC systems. The sales of existing products are already mature and not likely to expand significantly; however, as a home improvement retailer we must address opportunities that arise from newer technology that offers greater heating / cooling efficiencies.

Strategy to realize opportunity

We maintain a keen awareness of the marketplace to offer the products and services to meet customer demand and expectations, including offering innovative solutions to rising customer interest in sustainably-sourced and energy efficient products. Our communication channels have been developed with our customers so that we maintain a continuous dialog through surveys, social media, website and other online communications, customer support centers, customer contact centers, and community events that we host. We identify opportunities to engage with customers, employees, shareholders, vendors, governments and other organizations to better understand important issues. We are committed to providing product choices for customers that offer real energy efficiency benefits. Customers can find thousands of products at Lowe's that will help them live more sustainable lives. Responsible product choices benefit our communities and the environment, and can save our customers money through reduced utility bills. Our employees are trained to provide personalized advice to help every Lowe's customer find the right solution for their project.

Cost to realize opportunity

250000

Comment
Understanding consumer demand is fundamental to our business and embedded in everything we do. This makes it difficult to quantify the total amount allocated to managing this opportunity.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Climate change and sustainability may influence consumers' buying habits as they are increasingly exposed to information regarding climate change and their individual environmental impact. Lowe's plans and implements programs to identify opportunities associated with changing customer attitudes in this area.

Time horizon
Current

Likelihood
About as likely as not

Magnitude of impact
Medium

Potential financial impact
1000000000

Explanation of financial impact
Changes in consumer behavior could affect demand for certain goods and services. For example, if changes in consumer demand for sustainable and climate friendly products led to a 1% swing in our global sales in a given year this could result in roughly $686 million USD in sales revenue (based on $68.6 billion USD total sales, including RONA assets sales, in Fiscal Year 2017.

Strategy to realize opportunity
We maintain a keen awareness of the marketplace to offer the products and services to meet customer demand and expectations, including offering innovative solutions to rising customer interest in sustainably-sourced and energy efficient products. Our communication channels have been developed with our customers so that we maintain a continuous dialog through surveys, social media, website and other online communications, customer support centers, customer contact centers, and community events that we host. We identify opportunities to engage with customers, employees, shareholders, vendors, governments and other organizations to better understand important issues. We are committed to providing product choices for customers that offer real energy efficiency benefits. Customers can find thousands of products at Lowe's that will help those live more sustainable lives. Responsible product choices benefit our communities and the environment, and can save our customers money through reduced utility bills. Our employees are trained to provide personalized advice to help every Lowe's customer find the right solution for their project.

Cost to realize opportunity
0

Comment
Understanding consumer demand is fundamental to our business and embedded in everything we do. This makes it difficult to quantify the total amount allocated to managing this opportunity. Relating to our focus on sustainable and climate friendly products, we featured the results of a materiality assessment in our 2017 Corporate Responsibility Report, which resulted in our commitment to offer and promote Eco-Product in our stores with superior environmental and health profiles compared to traditional products. We affirmed our goal that by 2025, Lowe's will save customers more than $40 billion in energy costs through the sale of ENERGY STAR® products, and increase the number of eco-products available to customers.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Our public image and reputation are critical to ensuring that our customers shop at Lowe's, our vendors want to do business with Lowe's and our sales associates and specialists want to work for Lowe's. We must continue to manage, preserve and grow Lowe's public image and reputation in order to benefit from opportunities related to our company's reputation.

Time horizon
Current

Likelihood
More likely than not

Magnitude of impact
Medium

Potential financial impact
1000000000

Explanation of financial impact
Lowe's serves more than 17 million customers a week through product and service offerings, information and advice, and an uncompromising commitment to safety. Each day, we see the continued satisfaction of our customers through their loyalty. In 2017, our net sales totaled $68.6 billion, including RONA assets sales, an increase of 6 percent from 2016. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Reputational value is based in large part on perceptions of subjective qualities, qualities we strive to address each day with our dedicated customers.

Strategy to realize opportunity
We continue to focus on helping consumers reduce their energy and water use and their environmental footprint while saving money when they purchase our products and services. We offer a wide selection of environmentally responsible and energy-efficient products for the home, including ENERGY STAR® appliances. By purchasing ENERGY STAR® products in 2017, Lowe's customers saved approximately $5 billion in utility costs over the lifetime of these products. Our knowledgeable employees have access to more than 2,600 online training courses that help them provide guidance to customers selecting energy- or water-efficient products, as well as completing renewable energy, insulation and window projects. By building our employees' sales capabilities and providing better support tools, we're fostering a better sales culture throughout our stores. From helping customers understand the true cost of lighting to selecting appliances such as high-efficiency washing machines, we know our customers choose Lowe's because our employees offer them more than just a transaction. Lowe's Innovation Labs is leveraging predictive technologies and trends to help develop the next generation of eco-products. Lowe's Innovation Labs is using novel narrative-driven processes to leverage the power of story to think broadly about potential applications for disruptive technologies, build an innovation roadmap and rapidly prototype new technology in real-world, living labs.

Cost to realize opportunity
500000

Comment
We utilize internal resources to manage programs and have some expenses related to these programs. However, these costs as a percentage of total costs are not accounted in a way that clearly differentiates these initiatives from our business plans. Our Innovation Labs enterprise will yield opportunities to leverage new opportunities for technologies and offer exciting enhancement to our customers' experience. Keep current with news from Innovation Labs by visiting http://www.lowesinnovationlabs.com/

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Climate change and sustainability may influence consumers' buying habits as they are increasingly exposed to information regarding climate change and their individual environmental impact.. We mitigate that risk by maintaining a keen awareness of the marketplace to offer the products and services to meet customer demand and expectations, including offering innovative solutions to rising customer interest in sustainably-sourced and energy efficient products. In 2017, we identified that development and promotion of eco-products is one of 13 most relevant material topics to our sustainability outlook. We had engaged a third party to conduct a materiality assessment to prioritize our most significant sustainability topics based on multi-stakeholder feedback. This process included interviews with Lowe's executives and industry research on sustainability topics that are important to peers, suppliers, NGOs, governments, shareholders, employees, consumers, local communities and industry associations. These groups represent voices across our value chain. We want customers to feel good about the high-quality products they choose at Lowe's. Our products are selected very carefully, beginning with our sourcing decisions. We care about how our thousands of products are created and about the people who make them. Through collaboration and established management systems, we monitor our suppliers' practices to ensure we are securing high-quality products from suppliers who protect worker rights and the environment. We are also bringing more innovative, efficient and eco-certified products into our portfolio—products that provide health and environmental benefits—to meet the needs of an increasing set of customers who prefer these types of products. In 2017, we crafted vision statements and began identifying 2025 goals to guide our future decisions.
Supply chain and/or value chain	Impacted	We offer a diverse line of products from a broadly-distributed supply chain, and work diligently to minimize the risk associated with availability and delivery of those materials while considering anticipated physical risks that may be associated with climate change. Lowe's operations are also widely distributed geographically in North America, so that local and regional climatic swings or extreme weather events are not likely to pose adverse extended impact to our operations. We have disaster response procedures to respond to a community in need as soon after severe weather events as possible. In 2017, we identified that assurance of sustainable practices throughout our value chain is one of 13 most relevant material topics to our sustainability outlook. Lowe's has committed to ensuring that 100% of our strategic suppliers will have sustainability goals by 2025. A specific regional example of concern is likely to have a widespread impact on our supply chain logistics. Lowe's will be evaluating potential lower emissions transportation options in response to a smog-reduction resolution initiative recently adopted by the California Air Resources Board (CARB). One option being considered may be the use of zero emission vehicles to deliver products to California retail store locations in the South Coast Air Quality Management District (SCAQMD). We were alerted to developments in CARB actions through the Pacific Merchant Shipping Association. The resolution will require moving forward with regulations limiting business activity by placing 'facility caps' on warehouses, railyards and distribution centers, and mandate that billions of dollars be spent at California's ports.
Adaptation and mitigation activities	Impacted	We continue to make GHG reductions in these regions through improved energy efficiency, new HVAC technologies, and various other methods. To further reduce our carbon footprint, we incorporate energy-efficient technologies and architectural systems into new stores and retrofits of existing stores, such as energy-efficient lighting, white membrane cool roofs, and HVAC units that meet or exceed ENERGY STAR® qualifications. We also participate in demand response programs by voluntarily reducing our lighting and HVAC loads during peak demand periods to support electric grid reliability. In 2017, we identified that reduction of the environmental impact footprint of our operations is one of 13 most relevant material topics to our sustainability outlook. We are actively implementing our year 2020 energy efficiency intensity goal. Looking forward, we will be evolving our strategy by working more closely with our allied and global businesses to share best practices and reduce our operational footprint year over year. In 2017, we won the EPA SmartWay Excellence Award for the ninth year in a row. In 2016 we began rollout of a state-of-the-art building management system in stores to control lighting, air conditioning and other building systems. We also implemented a light-emitting diode (LED) lighting initiative in select markets and new stores. All light sources for new stores constructed in the future are LED.
Investment in R&D	Impacted	Lowe's has been working with the X-Prize foundation over the last few years to identify the long-term risks and opportunities associated with housing across the globe. Most recently, Lowe's and X-Prize partnered to develop a Future of Housing Roadmap, a comprehensive guide to the challenges and breakthroughs required to house the next 3 billion people on the planet. This roadmap identifies key innovation opportunities that will help Lowe's, its suppliers, and others develop products and services that will move the home improvement industry towards a more sustainable future.
Operations	Impacted	Our communication channels have been developed with our customers so that we maintain a continuous dialog through surveys, social media, website and other online communications, customer support centers, customer contact centers, and community events that we host. We are committed to providing product choices for customers that offer real energy efficiency benefits. Recently acquired RONA has an active Eco Products program in their stores, and we plan to use their success as a model in Lowe's Home Centers. Customers can find thousands of products at Lowe's that will help those live more sustainable lives. Responsible product choices benefit our communities and the environment, and can save our customers money through reduced utility bills. Our employees are trained to provide personalized advice to help every Lowe's customer find the right solution for their project. Finally, we engaged with PricewaterhouseCoopers in late 2016 to conduct an assessment of our sustainability practices and identify areas of risk and opportunity. Based on this assessment, we have enhanced our sustainability strategy and risk management processes. Lowe's presented the integration of material sustainability topics and new goals in our 2017 Corporate Responsibility Report, "Framing Our Future", accessible at https://newsroom.lowes.com/responsibility/
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted for some suppliers, facilities, or product lines	Our operating revenue depends on customer satisfaction with the merchandise and services we offer. In changing markets and developing shifts in customer preferences, we factor these considerations in our financial planning process.
Operating costs	Impacted	A primary tenet of our business strategy is a focus on reducing operating costs and risks, assuring business continuity due to severe weather and/or prolonged climate impacts, and generating value through products that provide energy efficiency solutions sought by our customers.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Throughout 2017 we continued a rollout of investments in state-of-the-art building management system in stores to control lighting, air conditioning and other building systems. We also implemented a light-emitting diode (LED) lighting initiative in select markets and new stores. All light sources for new stores constructed in the future are LED.
Acquisitions and divestments	Impacted for some suppliers, facilities, or product lines	Inherent efficiencies and synergies evaluated as part of any prospective acquisition include consideration of risks and opportunities that have climate-related aspects.
Access to capital	Not yet impacted	Certain risks and opportunities have obvious relationships to the company's performance and reputation. By ensuring our business plans and our disclosures address and manage these opportunities, we consider that access to capital may be enhanced or degraded depending on our capability and commitment to manage the risks and leverage the opportunities.
Assets	Impacted	We invest in our facility assets to manage certain risks. We believe that our maturing energy conservation program, driving energy efficiency in our operations, will enable our company to adapt and be better able to respond to climate change risks and opportunities as they develop, thereby providing strategic gains that may differentiate Lowe’s from its competitors. Our business strategy has been influenced in part by the recognition of the risks posed to our business by the likelihood of increasing energy costs, and a response that includes investment in leading energy efficiency technologies.
Liabilities	We have not identified any risks or opportunities	Balance sheet liabilities are evaluated but do not appear to relate to the identified risks and opportunities.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, and we do not anticipate doing so in the next two years

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Lowe's is a values-based company with a corporate purpose to help people love where they live. This responsibility begins in our supply chain and carries through our products' end of life. It also spans from our homes to our communities. We continually evaluate climate-related issues to determine ways we may best serve interests of our stakeholders and our operating plans. Managing the environmental impact of our operations and establishing goals are also critical to our sustainability strategy.

In 2017 we refreshed our sustainability strategy, taking into account our growing and evolving business, our materiality assessment results and our desire to fulfill our purpose of helping people love where they live. Our strategy focuses on responsible sourcing, safer and more eco-friendly product offerings, maintaining a diverse, healthy, engaged and skilled workforce, supporting our local communities and operating ethically and responsibly. Although we are working towards the 2020 goals we set in 2013, we leveraged our newly developed sustainability strategy to develop new, broader goals for 2025.

Supplier Social & Environmental Practices:

Promote sustainable practices throughout our value chain; By 2021: 100% of imported wood from regions identified as at risk will be certified by FSC or another certification recognized under the PEFC program. By 2025: 100% of our strategic suppliers will have sustainability goals. 100% of our wood products will be purchased from a responsible or controlled source, thus either certified by FSC.

Eco-Products: Help customers reduce their impact on the environment and increase the number of eco-products available to customers. By 2025, save customers more than $40 billion in energy costs through the sale of ENERGY STAR products.

Reduce the environmental footprint of our operations: By 2020: Improve U.S. store electricity use efficiency 13% per square foot (kWh/ft2) of selling space from 2010 baseline. We have exceeded our goal to reduce U.S. store indirect carbon emissions by 20% per square foot (metric tons CO2e/ft2) of selling space from 2010 baseline.

Lastly, we intend to reduce tons of waste per net sales by 40% from 2010 baseline. Our product portfolio varies across the U.S. and Canada due to differing customer needs and government regulations. Our RONA operations within Lowe's Canada have had a strong system in place for approving eco-products for a number of years. They leverage lifecycle analyses of product categories to define the criteria used to approve and promote certain products as "eco-products" on our website and in stores. By the end of 2017, RONA had 2,700 eco-products in its portfolio—products with at least one of more than 50 eco-labels. We plan to expand the Lowe's Canada platform for identifying eco-products globally and set product category targets in 2018–2019. Additionally, Lowe's Innovation Labs is leveraging predictive technologies and trends to help develop the next generation of eco-products.

We also offer ENERGY STAR® and WaterSense products across our portfolio that save customers money through reduced energy and water consumption, and protect the environment. These certifications ensure that each product that earns the label is independently certified to deliver the quality, performance and savings that consumers expect. We host energy efficiency guides and an online Rebate Center for U.S. customers to find eco-product incentives and rebates through our website, and we will provide similar resources to Canadian customers in the near future. Lowe's is always looking for innovative ways to implement energy-efficiency projects, and last year the company achieved the interim goal to install high-efficiency HVAC units at 100 stores. Lowe's achieved significant energy savings through these investments, while recycling over 4 million pounds of materials which would have otherwise ended up in a landfill. Included in those materials were over 3 million pounds of metals, 560,000 pounds of compressors, and 63,000 pounds of refrigerant.

Lowe's is focused on reducing carbon emissions from its stores and operations. To further Lowe's intentions related to reducing carbon emissions, the company plans to assess the feasibility of clean energy deployment and update its future goals for reducing its carbon footprint. This will help evaluate the company's public goals and develop a roadmap for additional actions Lowe's can take to reduce its environmental footprint and help our shared Earth. As a part of Lowe's long-term commitment and view on the importance of sustainability, the company plans to assess how it can approach meeting the carbon reduction objectives outlined in the Paris Climate Agreement. Because Lowe's understands the need to prepare for a low carbon economy in the future, Lowe's is committed to continuing to engage stakeholders on this important topic and make regular disclosures over the next few years.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

We have developed an Enterprise Risk Management (ERM) process using periodic surveys, external research, planning processes, risk mapping, analytics and other tools to identify and evaluate the operational, financial, environmental, reputational, strategic and other risks that could adversely affect our business. Climate-related scenario analysis is not fully integrated with our ERM process, However, we plan on investigating the application and use of more extensive scenario analysis initially through action within our Audit Committee and research presented to the committee via the Chief Financial Officer.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Scope
Scope 2 (location-based)

% emissions in Scope
80

% reduction from baseline year
20

Metric
Metric tons CO2e per square foot*

Base year
2010

Start year
2014

Normalized baseline year emissions covered by target (metric tons CO2e)
9.71

Target year
2020

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

% achieved (emissions)
100

Target status
Retired

Please explain
The Target Year 2020 goal was attained during 2016 based on the use of updated eGRID2016 emission factors released by USEPA early in 2018. We also identified that progress in reduction of emissions intensity is accelerating with the rollout and implementation of additional energy efficiency projects at our network of U.S. retail stores. The "Metric" description provided must be clarified, not as CO2e per square foot, but that the Target Year 2020 Goal was based on Scope 2 emissions associated with operation of U.S. Lowe's Home Center stores per 1000 square feet of selling space. The character limit of 40 characters and spaces for the "Metric" option of "Other, please specify" cannot accommodate the above description of this intensity target. For the field at right, "% change anticipated in absolute Scope 1+2 emissions", we anticipated that the rollout and implementation of energy efficiency projects at our retail stores will yield approximately 15 percent reduction in Scope 2 absolute emissions. Our estimate assumed that physical climate will not vary substantially at the completion of the target. The Scope 2 contribution to our absolute emissions was previously nearly 90 percent. Therefore, we estimated that the percent change to absolute Scope 1 and 2 emissions at target completion would be a 13 percent reduction. We do not associate Scope 3 emissions with this intensity target.

% change anticipated in absolute Scope 1+2 emissions
13

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target
Waste

KPI – Metric numerator
Metric tonnes, U.S. non-hazardous waste

KPI – Metric denominator (intensity targets only)
Net Sales, in millions $USD

Base year
2010

Start year
2017

Target year
2020

KPI in baseline year
6.31

KPI in target year
3.79

% achieved in reporting year
60

Target Status
Underway

Please explain
2020 GOAL - Reduce tons of waste per net sales by 40% from 2010 baseline. 2017 PERFORMANCE - Reduced waste intensity by 24.6% since 2010. Reduction of 24.6% relative to the target of 40% reflects 60 percent complete in reporting year. Lowe's not only has the capabilities to recycle and reuse our created waste, we also have the responsibility to contribute to a circular economy by creating ways for customers to lessen their waste. We manage our waste program at the enterprise level in the U.S. and Canada. We communicate our waste policies and expectations in our contracts with waste haulers and provide documented recycling and hazardous waste disposal techniques for our employees to follow. Our store waste streams—cardboard, plastic, wood pallets, scrap wood, metal and Styrofoam—are recycled through regional and national partners. We resell as much of this recycled material as we can, offsetting store expenses. Additionally, we operate in-store recycling centers for customers to recycle items such as compact fluorescent lamps (CFLs), plastic bags, batteries, paint and more. We will continue to invest in reducing our waste streams and increasing our recycling capabilities going forward.

Part of emissions target
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Target
Engagement with suppliers

KPI – Metric numerator
Number of strategic suppliers that have verified sustainability goals

KPI – Metric denominator (intensity targets only)
Number of strategic suppliers

Base year
2017

Start year
2017

Target year
2025

KPI in baseline year

KPI in target year

% achieved in reporting year

Target Status
Underway

Please explain

BY 2025: 100% of our strategic suppliers will have sustainability goals. Lowe's recognizes the importance of sourcing our products sustainably and strives to promote responsible business practices throughout our value chain. Lowe's QA Team is responsible for monitoring conflict minerals and wood sourcing. Our Vendor Code of Conduct outlines our sourcing and conflict mineral requirements. We outline our efforts to procure and sell sustainably certified wood and wood products and collaborate with suppliers and external groups in our wood policy, which we plan to harmonize with our RONA operations' wood policy for certified lumber in 2018. We request our vendors to verify that they source wood from well-managed, non-endangered forests and to submit wood location, species, sustainable forest certifications and volume purchased. As stated in our Vendor Code of Conduct, we commit to avoiding the use of conflict minerals—tin, tantalum, tungsten or gold—in our products. We require our vendors to source materials from responsible suppliers, including certified conflict-free smelters and refineries in this region. We update our conflict mineral compliance program and SEC reporting in alignment with due diligence guidance from the Organisation for Economic Co-operation and Development (OECD). Additionally, we work with NGOs and benchmark our processes and goals against peers to identify new opportunities and solutions.

Part of emissions target
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Target
Other, please specify (Responsible sourcing of wood products)

KPI – Metric numerator
Source regions of wood products procured by Lowe's for sales and verified to be certified by the Forest Stewardship Council (FSC)

KPI – Metric denominator (intensity targets only)
Source regions of wood products procured by Lowe's for retail sales

Base year
2017

Start year
2017

Target year
2025

KPI in baseline year
66

KPI in target year
100

% achieved in reporting year
0

Target Status
Underway

Please explain
Percent achieved in reporting year is not yet available, because base year is also 2017. By 2021: 100% of imported wood from regions identified as at risk will be certified by FSC By 2025: 100% of our wood products will be purchased from a responsible or controlled source, certified by FSC. Lowe's Policy on the Wood Contained in Its Products. Lowe's long-term goal is to ensure that all wood products sold in our stores originate from well-managed, non-endangered forests. In order to meet this goal, Lowe's will: • Aggressively phase out the purchase of wood products from endangered forests as these areas are identified and mapped. • Work with vendors to encourage the maintenance of natural forests and environmentally responsible forest practices. • Give preference to the procurement of wood products from independently certified, well-managed forests. FSC is recognized as having the highest certification standards available today and will be given preference over other certification systems. • Continue to encourage our customers to increase the efficiency of wood use. • Work with our suppliers to increase the procurement of quality recycled, engineered and alternative products, when their environmental benefits are clearly demonstrated.

Part of emissions target
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Target

Other, please specify (Energy efficient product sales)

KPI – Metric numerator

Billion USD of estimated costs of electricity use avoided by sales of ENERGY STAR® rated products over the estimated life time of sold products

KPI – Metric denominator (intensity targets only)

Not applicable

Base year

2017

Start year

2017

Target year

2025

KPI in baseline year

5000000000

KPI in target year

40000000000

% achieved in reporting year

0

Target Status

Underway

Please explain

By 2025: Increase the number of eco-products available to customers AND Save customers more than $40 billion in energy costs through the sale of ENERGY STAR ® products. 2017 PERFORMANCE: In 2017, our ENERGY STAR ® products saved customers approximately $5 billion in utility costs over the products' lifetime. Our promotion and sales of ENERGY STAR ® qualified products ultimately result in emissions reductions from the replacement of older appliances with more efficient appliances by our customers. For example, An ENERGY STAR ® certified washer uses approximately 25 percent less energy than a standard model, helping to save roughly $45 in utility costs over the course of a year. Our assortment of energy-efficient and cost-saving lighting options includes LED and compact fluorescent (CFL) light bulbs. ENERGY STAR ® certified LED and CFL bulbs, for example, can save customers approximately $55 in energy bills over the bulb's lifetime. Emission reductions and savings are based on 2017 sales and the difference in U.S. Environmental Protection Agency's ENERGY STAR ® Program data regarding annual unit energy consumption between non-ENERGY STAR ® certified products and ENERGY STAR ® certified products.

Part of emissions target

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	4	440000
Implemented*	0	0
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type
Energy efficiency: Building services

Description of activity
Building controls

Estimated annual CO2e savings (metric tonnes CO2e)
37000

Scope
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
7400000

Investment required (unit currency – as specified in CC0.4)
24600000

Payback period
4 - 10 years

Estimated lifetime of the initiative
6-10 years

Comment
Building Management System (BMS) Rollout. BMS monitors equipment performance and provides valuable information that helps facility managers manage energy consumption to reduce costs and carbon emissions. By the end of 2017, we implemented BMS in 198 store locations (187 U.S., 11 Canada). This new system will provide robust monitoring and control to optimize and reduce energy use. Lifetime includes longer term system recommissioning. We plan to link our BMS to our distribution centers and RONA locations in the near future. In 2018, we plan to extend our energy-efficiency projects and expand our LED lighting and HVAC replacement initiatives. We aim to create and implement standardized, comparable and actionable scorecards to assess each store’s efficiency and to inform and scale best practices.

Activity type
Energy efficiency: Building services

Description of activity
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
198000

Scope
Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
43100000

Investment required (unit currency – as specified in CC0.4)
325000000

Payback period
4 - 10 years

Estimated lifetime of the initiative
6-10 years

Comment
Holistic lighting optimization initiative. At the close of 2017, we upgraded 132 retail locations to interior LED lighting, consistent with our target for the year, and new stores opened with LED lighting already installed. In 2018, we plan to extend our energy-efficiency projects and expand our LED lighting initiative, and continue to investigate solutions for specific lighting needs to enhance energy efficiency as well as the customer experience. Lifetime will vary based on the specific lighting measures and criteria. Holistic lighting study provided insight to alternative scenarios, including de-lamping, EMS controls, and LED retrofit. The result from the LED pilot study showed 23-26% energy savings per store on average, and reduced lighting energy usage to less than 0.7 watts/SF.

Activity type
Energy efficiency: Building services

Description of activity
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
172000

Scope
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in CC0.4)
35600000

Investment required (unit currency – as specified in CC0.4)
348500000

Payback period
4 - 10 years

Estimated lifetime of the initiative
6-10 years

Comment
HVAC installations (new / rooftop sweep). New HVAC rooftop unit (RTU) installations using variable frequency drive technology are envisioned to take place at 969 stores that will have RTUs of 13 years or more of service. HVAC installations (new & retrofit) are now utilizing variable frequency drive (VFD) technology. Based on more accurate occupancy and lighting load data, proper HVAC sizes are ensured to save energy while providing necessary IAQ standards and enthalpy levels. In 2017 100 store locations benefitted from high efficiency HVAC and VFD roof-sweep replacements.

Activity type
Energy efficiency: Building services

Description of activity
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
37000

Scope
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in CC0.4)
8130000

Investment required (unit currency – as specified in CC0.4)
11700000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
HVAC installations (retrofit VFD motors). Targeted retrofit of variable frequency drive motors in rooftop units are envisioned to take place at 758 stores. In 2017, 368 store locations received replacement VFD motors. Investment required for this initiative is largely bundled with the other HVAC retrofits and RTU sweeps described above. For demonstration purposes, we estimate a stand-alone investment of $3 million for the idling and reprogramming efforts.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	We construct new stores to meet or exceed local and state jurisdictional building and energy efficiency codes.
Dedicated budget for energy efficiency	Lowe's directs the implementation of dedicated budgets for energy efficiency projects on an ongoing schedule. Our initiatives typically have had an implementation schedule of one to five years. In 2017, to further Lowe's goal around carbon emissions, the company plans to assess the feasibility of clean energy deployment and update its future goals for reducing its carbon footprint. This will help evaluate the company's public goals and develop a roadmap for additional actions Lowe's can take to reduce its environmental footprint and help our shared Earth.
Other	Lowe's is committed to understanding the needs and concerns of our stakeholders—those groups who impact or are impacted by Lowe's operations—to guide strategic decisions and continuous improvement. Our active collaboration with suppliers, employees, shareholders, consumers, local communities, governments, peers, industry associations and NGOs enables us to monitor emerging challenges, trends and opportunities. As a part of Lowe's long-term commitment and view on the importance of sustainability, the company plans to assess how it can approach meeting the carbon reduction objectives outlined in the Paris Climate Agreement. Because Lowe's understands the need to prepare for a low carbon economy in the future, Lowe's is committed to continuing to engage stakeholders on this important topic and make regular disclosures over the next few years.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Our ENERGY STAR ® certified appliances, such as dishwashers, water heaters, refrigerators and washer and dryers, help customers save on their utility bills and reduce their impact on the environment. In 2017, we sold enough ENERGY STAR ® products to save customers approximately $5 billion in utility costs over the products' lifetimes.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Energy Star program)

% revenue from low carbon product(s) in the reporting year
5

Comment
The identified low carbon groups of products are factored by total annual sales units and an energy savings figure appropriate to the product line. Our promotion and sales of ENERGY STAR® qualified products ultimately result in emissions reductions from the replacement of older appliances with more efficient appliances by our customers. For example, An ENERGY STAR ® certified washer uses approximately 25 percent less energy than a standard model, helping to save roughly $45 in utility costs over the course of a year. Our assortment of energy-efficient and cost-saving lighting options includes LED and compact fluorescent (CFL) light bulbs. ENERGY STAR ® certified LED and CFL bulbs, for example, can save customers approximately $55 in energy bills over the bulb's lifetime. Emission reductions and savings are based on 2017 sales and the difference in U.S. Environmental Protection Agency's ENERGY STAR® Program data regarding annual unit energy consumption between non-ENERGY STAR® certified products and ENERGY STAR® certified products.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2007

Base year end
December 31 2007

Base year emissions (metric tons CO2e)
276821

Comment
Calendar 2007 was the earliest year in which we had sufficient activity data to support a robust greenhouse gas inventory. In the 10 years since the close of our fiscal 2007, Lowe’s has increased retail selling space by 24 percent and increased annual revenues by 42 percent. Our investor relations resources can be found on the web at: http://phx.corporate-ir.net/phoenix.zhtml?c=95223&p=irol-IRHome

Scope 2 (location-based)

Base year start
January 1 2007

Base year end
December 31 2007

Base year emissions (metric tons CO2e)
2868824

Comment
We identified a transcription error for the Scope 2 result reported in past CDP disclosures. The correct result is presented and it reflects a 10,336 metric tonnes reduction from the previously reported 2,879,160 metric tonnes. The year 2007 results are presented as a base year, but are not incorporated in any metrics or targets that Lowe’s is presently monitoring.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Lowe's is not reporting market based Scope 2 emissions.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)
399567

End-year of reporting period
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment
In 2017 we decided to identify opportunities for significant investment in market based renewable energy sources. We would report market based figures in future disclosures after the execution of contracts with suppliers.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
2021567

Scope 2, market-based (if applicable)
<Not Applicable>

End-year of reporting period
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Recent acquisitions of professional & business-to-business retailers that are allied with Lowe's home improvement retail formats, but not fully integrated with the business during 2017. Acquisitions included Maintenance Supply Headquarters, a leading distributor of maintenance, repair and operations products, and Central Wholesalers, enabling us to better serve the multifamily housing industry.

Relevance of Scope 1 emissions from this source

Emissions excluded due to recent acquisition

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to recent acquisition

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not evaluated

Explain why the source is excluded

Access to activity data from the newest business acquisitions was not fully realized during 2017. We plan on completing our access to key operational data from these recently acquired companies to ensure that we fully evaluate activities and emissions with respect to our reporting boundary.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from purchased goods and services at this time.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from capital goods at this time.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others associated with fuel and energy related activities at this time.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

382844

Emissions calculation methodology

The SmartWay® Transportation Partnership program in the U.S. provides tailored carrier and shipper assessment tools for the composite set of transport modes to ensure that methodology does not deviate from the USEPA's model. Available carrier modes include truck, rail, logistics, and multi-modal (truck/rail/logistics). Carriers input data into their carrier reporting tool for each applicable fleet or business unit level that a shipper can easily identify. For truck carriers, this is typically at the trucking fleet level. The multi-modal, logistics, and shipper reporting tools import carrier performance data, multiplied by each carrier's share of that shipper's freight, providing shippers with a composite weighted average of their emissions performance. These calculator platform is provided in the SmartWayCarrierData2016.xls file, which may be downloaded from the USEPA web site. The calculator tool generates carbon data with scientifically-based methods using USEPA emission factors, and provides consistent and comparable metrics for freight emissions across all industry sectors. The tool enables partners to integrate complex activity data into a single environmental performance profile. The reporting tools generate outputs in grams-per-ton-mile or gram-per-mile allowing for emissions rankings within each mode of moving goods. Emissions results are reported in short tons. We converted the emissions result to metric tonnes by factoring 0.9072 short tons per metric tonne. In Canada, we collected contract transporter activity data and applied Canada government emission factors to derive Scope 3 emissions from upstream transportation.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

All of our U.S. carriers conform to SmartWay® standards, and we depend on contract carriers and intermodal transportation systems to transport merchandise to our distribution centers and to our stores. We have data available to present the 2016, 2015 and 2014 Scope 3 emissions from our upstream transportation network. The data lags in that 2017 results are not yet available due to the time cycle published by USEPA for the release of updates of the USEPA calculator tool, and due to the collection of activity data from each one of our transporters to derive a composite set of results.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that derive from waste generated in operations at this time.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7893

Emissions calculation methodology

The business air travel data and calculation methodology originates from the UK government department DEFRA, as published in their most recent greenhouse gas (GHG) conversion factors documentation. The emissions methodology is based upon emissions factors which describe the rate at which various types of passenger flight emit greenhouse gases in relation to distance travelled. Emissions are calculated by simply multiplying these rates by the typical distances of domestic, short-haul and long-haul flights. The emissions associated with multiple passengers and/or multiple journeys can be obtained by simply multiplying by the appropriate number of passengers and journeys respectively. Rental vehicle emissions calculation methodology uses actual vehicle miles travelled and average governmental fuel economy ratings for at least 16 vehicle class descriptions to compute the gallons of fuel consumed. Global warming potentials for GHGs are sourced from IPCC 5th edition. The derived amount of fuel used is multiplied by emission factors established by The Climate Registry as updated by WRI/WSBC.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Passenger rental car data was not available for the reporting period. As flight activity in the reporting period was equivalent to the previous reporting period, the rental car emissions estimate from 2011 was used. The rental car portion of this Scope 3 category is 8.8 percent of the total. In 2017 and 2016, we had the benefit of the full complement of air segment travel data. We used the 2017 and 2016 results that were calculated on the same basis to ensure the consistency of year-to-year tracking of this Scope 3 element.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of reporting year activities that contribute to Scope 3 emissions from employee commuting at this time.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of any upstream leased assets that contribute to Scope 3 emissions.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from the downstream distribution of sold products at this time.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from the processing of sold products at this time.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from the use of sold products at this time.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from the end of life treatment of sold products at this time.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

We have not undertaken a survey of any downstream leased assets that contribute to Scope 3 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

The recently acquired RONA business in Canada had operated under a model that includes retail stores under corporate control and other stores under an affiliation agreement similar to a franchise agreement. The reporting year inventory includes all such affiliated assets with Scope 1 and Scope 2 emissions; thus, there are no relevant franchise Scope 3 emissions.

Investments

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
We have not undertaken a survey of activities that contribute to Scope 3 emissions that are controlled by others from investments at this time.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00003529

Metric numerator (Gross global combined Scope 1 and 2 emissions)
2421134

Metric denominator
unit total revenue

Metric denominator: Unit total
68600000000

Scope 2 figure used
Location-based

% change from previous year
4.85

Direction of change
Decreased

Reason for change
Relative to 2016, the maturing electricity efficiency projects effectively reduces the metric numerator, and growth of annual revenue increases the metric denominator.

Intensity figure
11.26

Metric numerator (Gross global combined Scope 1 and 2 emissions)
2421134

Metric denominator
Other, please specify (Retail Selling Space (per 10^3 sq ft))

Metric denominator: Unit total
215000

Scope 2 figure used
Location-based

% change from previous year
4

Direction of change
Decreased

Reason for change
Relative to 2016, the maturing electricity efficiency projects effectively reduces the metric numerator, and the relatively marginal growth of selling space slightly increases the metric denominator.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	393323	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	452	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	1343	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	4449	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	342375
Canada	56557
Mexico	635

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Lowe’s Home Centers LLC, a wholly owned subsidiary of Lowe’s Companies, Inc.	341626
Lowe’s of Canada, a wholly owned subsidiary of Lowe’s Companies, Inc.	56557
Lowe’s of Mexico, a wholly owned subsidiary of Lowe’s Companies, Inc.	635
Orchard Supply Hardware (U.S. States of California, Oregon, Florida), a wholly owned subsidiary of Lowe’s Companies, Inc.	1384

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	1946167	0	0	0
Canada	67582	0	0	0
Mexico	7600	0	0	0
Asia Pacific (or JAPA)	217	0	0	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Lowe's Home Centers LLC, a wholly owned subsidiary of Lowe's Companies, Inc.	1931793	0
Lowe's of Canada, a wholly owned subsidiary of Lowe's Companies, Inc.	67582	0
Lowe's of Mexico, a wholly owned subsidiary of Lowe's Companies, Inc.	7600	0
Orchard Supply Hardware (US States of California, Oregon, Florida), a wholly owned subsidiary of Lowe's Companies, Inc.	14374	0
Lowe's Global Sourcing, a wholly owned subsidiary of Lowe's Companies, Inc.	217	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No change
Other emissions reduction activities	86550	Decreased	3.6	The net effect of our electricity use initiatives is estimated to contribute a 3.6 percent decrease of absolute indirect emissions between the 2017 reporting year inventory and the restated 2016 inventory. The result of 3.6 percent decrease in emissions due to emissions reduction activities is the inverse equivalent to the change in absolute emissions (+0.4) added to change due to acquisition (+3.4) less the change in output (-0.1) and change due to physical conditions (-0.1). To reiterate: The net reduction is equivalent to the 3.6 percent of emissions required to offset the expression, 3.6 = +0.4 + 3.4 – 0.1 – 0.1. Likewise, the derivation of the associated emissions in metric tonnes is the number required to offset the sum of changes listed below.
Divestment	0	No change	0	No change
Acquisitions	80992	Increased	3.4	Acquisition of RONA took place prior to the reporting year, and the 2017 inventory has accounted for the recently acquired assets. We simplified the calculation of this change for the purpose of this question to address the significant components: Scope 1 emissions to heat facilities, 27,995 tonnes; Scope 1 mobile combustion emissions, 19,148 tonnes; Scope 2 electricity use, 33,848 tonnes. The sum of these components is 80,992 tonnes. The acquisition change represents a 3.36 percent increase relative to the 2016 absolute emissions, calculated as: 80992 / 2411086 = 0.0336.
Mergers	0	No change	0	No change
Change in output	3015	Increased	0.1	While the company grew during the year, the manner in which we calculate emissions associated with the company's output resulted in a decrease. We identified the new facilities and summed their associated Scope 1 and 2 emissions. In addition, Scope 1 mobile combustion emissions is a reflection of output of the activities to transport merchandise under control of Lowe's. The increase associated with new facility Scope 1 and 2 emissions was 315 and 5,555 tonnes, respectively. Scope 1 mobile combustion emissions decreased in 2017 and was -8,886 tonnes, after deducting the RONA/Canada mobile emissions accounted above in acquisitions. The net result was 315+5555-8886 = -3015 tonnes. The change represents a 0.1 percent decrease relative to the 2016 absolute emissions, calculated as: 3015 / 2411086 = 0.0013.
Change in methodology	0	No change	0	While methodology did not change substantively, we adapted updated emission factors consistent with applicable inventory protocols. We substituted the US electricity grid subregion emissions factors from the "eGRID2016" reports released by USEPA in early 2018. The net effect of the updated eGRID emission factors to the year 2016 inventory was a decrease to our US indirect emissions from purchased electricity of 9.3 percent, relative to the "eGRID 2014" emission factors that were replaced. As the US indirect emissions from electricity composed 85.3 percent of the Lowe's GHG inventory for the reporting year, the impact to the inventory was a reduction of 8.0 percent. We found that by applying the updated emission factors, the 2016 Scope 2 inventory emissions being reported were 2,057,357 mtCO2e, and the 2015 Scope 2 inventory result that applied the replaced "eGRID 2014" emission factors were 2,269,273 mtCO2e, which is a difference of -211,736. The percentage decrease associated with the application of the updated emission factors was -211736 / 2269273 = -9.33 percent. The change to absolute emissions is factored by the 85.3 percent contribution of US indirect emissions to arrive at 7.96 percent (-7.96 percent or -0.0796 =.853*-.0933). We applied the updated emission factors (which are retrospective to the 2016 data year) to the previous 2016 inventory as part of a restatement of that inventory. Consequently, upon the restatement of the 2016 inventory that utilizes the same emission factors as the 2017 inventory, there is no change in emissions due to the updated emission factors. However, the Scope 2 emissions for Lowe's decreased by 8.0 percent relative to the emissions reported within the CDP2017 response last year.
Change in boundary	0	No change	0	No change
Change in physical operating conditions	1475	Decreased	0.1	The reporting year change in emissions from the use of natural gas and liquefied petroleum gas fuels combusted to heat buildings changed very little relative to 2016. Scope 1 heating emissions in 2016 were 133,832 tonnes, and the 2017 heating emissions were 132,357, after deducting the contribution of RONA facilities accounted in the acquisition above. The net result was 132357-133832 = -1475 tonnes. The change represents a 0.1 percent decrease relative to the 2016 absolute emissions, calculated as: 1475 / 2411086 = 0.00061. We typically account for the proportional change in emissions associated with electricity used to operate heating mechanical systems in our facilities; however, the change in heating gas consumption indicates that further calculation is not warranted for the purpose of this question.
Unidentified	0	No change	0	No change
Other	0	No change	0	No change

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		1867954	1867954
Consumption of purchased or acquired electricity	<Not Applicable>		4768213	4768213
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>		6636168	6636168

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
905575

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
209101

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization
716028

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
22662

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
14554

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
34

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Compressed Natural Gas (CNG)

Emission factor
0.407

Unit
kg CO2 per gallon

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

Diesel

Emission factor
10.21

Unit
kg CO2 per gallon

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

Jet Kerosene

Emission factor
9.75

Unit
kg CO2 per gallon

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

Liquefied Petroleum Gas (LPG)

Emission factor
5.68

Unit
kg CO2 per gallon

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

Motor Gasoline

Emission factor
8.78

Unit
kg CO2 per gallon

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

Natural Gas

Emission factor
53.06

Unit
kg CO2 per million Btu

Emission factor source
The Climate Registry, General Reporting Protocol for the Voluntary Reporting Program, Version 2.1, January 2016. Default Emission Factors Update March 2017.

Comment
de minimis emission factors for methane and nitrous oxide were also used.

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity			0	0
Heat				
Steam				
Cooling				

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Solar PV

MWh consumed associated with low-carbon electricity, heat, steam or cooling
0

Emission factor (in units of metric tons CO2e per MWh)

Comment
Lowe’s receives electricity from seven (7) solar array sources, including one (1) third party Purchased Power Agreement, one (1) array owned by Lowe’s that has its RECs sold, and five (5) arrays owned by Lowe’s and their RECs are not sold. We are presenting the quantities as zero and conducting Scope 2 calculations based on location based emission factors until such time as the accounting of low-carbon electricity can be verified in its entirety.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy use

Metric value
16

Metric numerator
4,061,524

Metric denominator (intensity metric only)
253,810

% change from previous year
4.9

Direction of change
Decreased

Please explain
Electricity used (MWh) to operate U.S. Lowe's stores per thousand square feet of associated selling space. In 2014, Lowe's announced this target to attain reduction of electricity intensity by 13 percent in 2020. We are identifying progress in reduction of emissions intensity, accelerating with the rollout and implementation of additional energy efficiency projects at our network of U.S. Home Center stores.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Lowes 2017 Verification Statement - Limited FINAL.pdf

Page/ section reference
Page 1 and 2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism
Climate change is integrated into supplier evaluation processes

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Through research and analysis conducted in 2016 and 2017, we identified two relevant material topics that are established to guide the development of our sustainability strategy, specifically: Sustainable Sourcing, and also Supplier Social and Environmental Practices. Lowe’s QA team ensures import and private-brand vendors receive social accountability and environmental (SAE) audits, conducted by credited third parties. During a vendor SAE audit, we focus on employee benefits and compensation, human rights, health and safety, record-keeping, environmental compliance and management systems. Based on audit results, Lowe’s requires the vendor to develop a corrective action plan and make necessary changes within a designated timeframe. We began to incorporate our international businesses into our global sourcing group’s purview in 2017. We plan to combine our global businesses’ social and quality auditing practices and resources starting in 2018 to deploy a unified quality assurance program. We will also update our vendor training program.

Impact of engagement, including measures of success
We are committed to conducting business responsibly everywhere we operate. The Lowe’s social accountability and environmental (SAE) program is instrumental in achieving this commitment. We uphold the SAE program standards and expectations by auditing our import vendors’ factories. In 2016, we expanded the audit scope to include factories producing our private branded products by domestic vendors. Factory SAE program performance is measured against 148 indicators in 18 categories. Throughout 2017, 1,130 SAE audits were performed in 1,002 factories across 30 countries. We also conducted 136 re-audits to ensure that corrective action plans were implemented properly.

Comment
Goal established in 2017: By 2025, 100% of our strategic suppliers will have sustainability goals. We hold our suppliers to the same ethical standards as we hold ourselves through our Vendor Code of Conduct. Import suppliers represent around 9 percent of our supply chain spend. Ethical business practices covered by Lowe’s Vendor Code of Conduct include environmental standards among 17 criteria. Before a new import supplier is approved, it must go through a pre-qualification audit. If approved, the supplier is briefed on our Vendor Code of Conduct and associated requirements during onboarding.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
20

% total procurement spend (direct and indirect)
15

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Lowe's sustainable sourcing objectives are established to ensure that critical raw materials (e.g., wood, conflict minerals) are sourced responsibly and with minimal impact to the environment and society. To ensure supply chain continuity while improving the environment for future generations, Lowe's implements our Policy on the Wood Contained in Products. Lowe's long-term goal is to ensure that all wood products sold in our stores originate from well-managed, non-endangered forests. In order to meet this goal, Lowe's will: •Aggressively phase out the purchase of wood products from endangered forests as these areas are identified and mapped. •Work with vendors to encourage the maintenance of natural forests and environmentally responsible forest practices. •Give preference to the procurement of wood products from independently certified, well-managed forests. The Forest Stewardship Council (FSC) is recognized as having the highest certification standards available today and will be given preference over other certification systems. •Continue to encourage our customers to increase the efficiency of wood use. •Work with our suppliers to increase the procurement of quality recycled, engineered and alternative products, when their environmental benefits are clearly demonstrated.

Impact of engagement, including measures of success
Long-term partnerships benefit our suppliers and our business. By actively engaging our suppliers, they can grow with us. In 2016, we held 12 vendor training events that covered relevant Code of Conduct and industry topics. Our approach to supply chain management is always advancing and is well-informed by collaborating within our industry.

Comment
We began to incorporate our international businesses into our global sourcing group's purview in 2017. We plan to combine our global businesses' social and quality auditing practices and resources starting in 2018 to deploy a unified quality assurance program. We will also update our vendor training program.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
100

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
We rely on our vendors to provide quality products to Lowe's, and we expect them to do so ethically, while protecting worker rights and the environment. Our Quality Assurance (QA) team has accountability for the social and environmental practices of import vendors where Lowe's is the importer of record and for private-brand vendors. Our Vendor Code of Conduct sets supplier social and environmental expectations as part of our vendor contract, which they must sign in agreement. Lowe's Legal team provides vendor responsibility training on the Vendor Code and our Ethics Program, and our QA team conducts monthly trainings in Shanghai and Shenzhen, China on various vendor topics. We provide our vendors with the same reporting channels as our employees to report any code of conduct concerns.

Impact of engagement, including measures of success
Long-term partnerships benefit our suppliers and our business. By actively engaging our suppliers, they can grow with us. In 2016, we held 12 vendor training events that covered relevant Code of Conduct and industry topics. Our approach to supply chain management is always advancing and is well-informed by collaborating within our industry.

Comment
We began to incorporate our international businesses into our global sourcing group's purview in 2017. We plan to combine our global businesses' social and quality auditing practices and resources starting in 2018 to deploy a unified quality assurance program. We will also update our vendor training program.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Share information about your products and relevant certification schemes (i.e. Energy STAR)

Size of engagement
100

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement
We want customers to feel good about the high-quality products they choose at Lowe's. Our products are selected very carefully, beginning with our sourcing decisions. We care about how our thousands of products are created and about the people who make them. We are bringing more innovative, efficient and eco-certified products into our portfolio—products that provide health and environmental benefits—to meet the needs of an increasing set of customers who prefer these types of products. In 2017, we crafted vision statements and began identifying 2025 goals to guide our future decisions. We recognize our unique opportunity to engage with suppliers and customers to offer exceptional products promoting energy efficiency and environmental sustainability. In addition to the ENERGY STAR® products we sell in stores, we developed our "Efficient Home" site https://www.Lowes.com/efficienthome. This site consolidates energy and water efficient products in one location to help our customers more quickly find the products they need to be more efficient and help them save money. To help our customers avail themselves of utility sponsored energy efficiency programs, Lowe's developed a rebate finder found at https://www.lowes.com/rebatecenter to allow customers to check current rebate offers, submit rebates and check on status. Additional examples of our engagement include product advertising, internet communications on sustainability topics, and employee training to support customer awareness of energy efficient solutions as well as fulfillment of customer interests for these products. We continually strive to offer customers products that directly contribute to improved efficiency and reductions in the use of energy, water, and other resources.

Impact of engagement, including measures of success
Lowe's announced the Eco-Product target aimed at helping customers reduce their impact on the environment. In 2017, our ENERGY STAR products saved customers approximately $5 billion in utility costs over the products' lifetime. By 2025, our goal is to save customers more than $40 billion in energy costs through the sale of ENERGY STAR products. Fundamentally, we will increase the number of eco-products available to customers and promote these products via our omni-channel marketing infrastructure.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to education customers about your climate change performance and strategy

Size of engagement
100

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement
Through research and analysis conducted in 2016 and 2017, we identified 13 material topics instrumental to furthering Lowe's sustainability strategy, specifically one of the material topics is to reduce our company's environmental footprint. We believe we have a compelling narrative and record of performance to share with customers and other stakeholders. In 2017, Lowe's presented our 2016 Social Responsibility Report, demonstrating our commitment to the customers and communities we serve and the employees and environment we care for. Most recently, public information regarding 2017 and current matters is concentrated in our report "Framing Our Future", Lowe's fifteenth annual corporate social responsibility report, outlining Lowe's management approach to our most material sustainability topics and highlighting our goals, performance and progress. This report is aligned with the Global Reporting Initiative (GRI) Standards, and covers our activities between January 1, 2017, and December 31, 2017.

Impact of engagement, including measures of success
Our 2013 Social Responsibility Report announced our first set of public sustainability goals, covering energy, carbon emissions and waste. Since then we continue to monitor and update our progress annually in the Social Responsibility Report. Ongoing goals relative to managing our company's environmental footprint: By 2020: Improve U.S. store electricity use efficiency 13% per square foot (kWh/ft2) of selling space from 2010 baseline. Reduce U.S. store indirect carbon emissions 20% per square foot (metric tons CO2e/ft2) selling space from 2010 baseline. Lowe's has presently achieved and surpassed this goal. Reduce tons of waste per net sales by 40% from 2010 baseline.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

Size of engagement

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement
Prospects for leading edge opportunities are well represented by Lowe's efforts in XPRIZE competition and our Innovation Labs initiatives. In 2016, the Lowe's-sponsored Healthy & Safe Homes team competed against eight other international teams looking to secure an XPRIZE, the renowned crowdsourcing awards that harness the world's genius and imagination to solve humanity's biggest challenges. XPRIZE competitors sought to design solutions to the questions "What if construction methods and materials were not only less harmful to human health and the environment, but actually cleaned the air, removed harmful chemicals and generated energy? The Lowe's Healthy & Safe Homes XPRIZE team was led by architect Eric Corey Freed, one of the top 10 "Most Influential Green Architects" in the world. Over a six-month period, our team worked to develop the next potential XPRIZE with the intent of creating disruptive impact on the materials we use to build our buildings and homes. Current materials and methods of construction negatively impact our health and the environment. Following our successful engagement in 2016, Lowe's partnered with X-Prize to develop a Future of Housing Roadmap, which highlights environmental and societal challenges associated with building and maintaining housing for the next 3 billion people.

Impact of engagement, including measures of success
The roadmap identifies key areas of innovation that are required in order to sustainably house the world's population in 2050, including innovative cooling techniques, regenerative concrete, 3d-printed homes, and financial system changes to bring housing within reach to the masses. This roadmap will lead to innovation challenges that will help us make step-change improvements in the housing industry. Read more about Lowe's Innovation Labs at http://www.lowesinnovationlabs.com/

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

We are a values-based company with a corporate purpose to help people love where they live. This responsibility begins in our supply chain and carries through our products' end of life. It also spans from our homes to our communities. Our vision statements guide our strategies and can be found on the Product Sustainability, Community Impact and Operational Excellence overview pages of this report. Lowe's is an active member of the Retail Industry Leaders Association (RILA) and a founding member of the Coalition for Responsible Transportation. We also collaborate with the Green Chemistry & Commerce Council's Retail Leadership Council and the U.S. EPA's SmartWay, ENERGY STAR and WaterSense programs. Lowe's engages with a broad range of stakeholder in implementing our Wood Policy, which applies to the sourcing of wood contained in the products we sell. Lowe's long-term goal is to ensure that all wood products sold in our stores originate from well-managed, non-endangered forests. In order to accomplish our goal, we will support the work of conservation organizations, governments, indigenous peoples and other groups that help to improve forest management practices worldwide. We will continue to work with our suppliers to help increase the supply of certified wood products we can make available to our customers. Lowe's is committed to understanding the needs and concerns of our stakeholders—those groups who impact or are impacted by Lowe's operations—to guide strategic decisions and continuous improvement. Our active collaboration with suppliers, employees, shareholders, consumers, local communities, governments, peers, industry associations and NGOs enables us to monitor emerging challenges, trends and opportunities. The outline of our 2017 stakeholder engagement activities include: Customers - In-store interactions, social media, website and digital communications, customer contact centers, community events, surveys Shareholders - SEC filings, Proxy Statement and Annual Report, Annual Meeting of Shareholders, quarterly earnings calls, analyst and investor meetings, and continued engagement with institutional shareholders to discuss our strategy, performance, governance practices, climate change and sustainability efforts Employees - Employee Opinion Survey, performance reviews, Code of Business Conduct and Ethics, Lowe's ethics hotline, training and development, community events, internal digital channels, internal focus groups Suppliers and Vendors - Trade organizations, Lowe's Vendor Code of Conduct training, social accountability audits, conflict mineral report, wood sourcing survey, vendor advisory council, vendor forum, supplier diversity programs Government - Lobbying activities, Lowe's Political Action Committee (LOWPAC), trade associations, Government Affairs departments NGOs/Community Partners - Partnerships, community events, charitable contributions, volunteerism, corporate social responsibility department and regular engagement with stakeholders. Our approach to supply chain management is always advancing and is well-informed by collaborating within our industry. As one of the founding members of the Retail Industry Leaders Association (RILA) responsible sourcing workgroup, we continue to engage our peers in constructive dialogue. In September 2016, we participated in RILA's Retail Sustainability and Environmental Compliance conference. Issues addressed included turning supply chain data into insights, action and results; mapping forced labor risks to enable responsible sourcing; and defining the role of risk assessment in corporate responsibility programs within the retail industry.

We are a founding member of The Coalition for Responsible Transportation (CRT), an organization that works collaboratively with local policymakers and communities to develop innovative solutions that reduce port truck pollution while maintaining flow of commerce. In 2016, we added an additional board member to CRT and will partner with other CRT members to pilot the use of free form container stacks to decrease port turn times. The pilot began in 2017 in collaboration with the Northwest Seaport Alliance in Seattle/Tacoma. We are committed to utilizing intermodal transportation, which relies on a combination of truck, rail and cargo ships to efficiently move products around the globe. Through our backhaul program, we utilized our dedicated fleet to pick up vendor freight after delivering products to our stores, which helps avoid empty truck miles on return trips to our distribution centers.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	As an employee-sponsored political action committee, LOWPAC is completely funded by voluntary U.S. employee contributions. The LOWPAC Committee determines how political contributions are spent and ensures their alignment with our business priorities. Some of the engagement supported by LOWPAC includes promotion of energy efficiency standards and low carbon products.	

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Retail Industry Leaders Association

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

The Retail Industry Leaders Association Sustainability Initiative does not espouse a specific position on climate change, but rather serves as a facilitator for member retailers to share information, practices and experience that support leadership in sustainability achievements. They have programs to help members reduce their energy consumption, generate renewable energy and reduce carbon emissions.

How have you, or are you attempting to, influence the position?

Lowe's has been involved in RILA activities since its beginning, helping to contribute to the efficacy of the Retail Sustainability Initiative annual meetings.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Lowe's seeks to develop policy solutions that bring about good environmental stewardship and that make business sense. The nature of our engagement is in harmony with our climate-related strategy, and we do not consider that complexities exist to the extent that our engagement efforts are, or would become, inconsistent with our business strategies. Lowe's retail facilities are primarily in the U.S. and we also have stores in Canada and Mexico. Our corporate climate change strategy is applied consistently across all business units, states and countries in which we operate. Our Sustainability and Product Stewardship Council leads and promotes strategic oversight and executive responsibility for climate-related issues. The Council is composed of 14 representatives from business functions across our operations to ensure broad management perspectives. The Public Policy Committee of our Board of Directors provides oversight of our position on significant public issues and corporate social responsibility; thus, this committee is informed to ensure that our activities are consistent with the overall climate change strategy. Our policy-related participation in trade associations is almost exclusively focused on technology advancements and operations guidance relating to energy efficiency. Lowe's carefully monitors, reviews, prioritizes and implements energy efficiency measures that are identified both internally and through the interactions we have with trade associations. As promotion of energy efficiency standards, technologies and practices are a central element of Lowe's strategy, our engagement in the promotion of public policies that enhance the development of energy efficiency technologies and products is inherently consistent with our business strategy, to the extent that no conflicts have been identified. As customers' needs change, we continue to expand our offering of quality products that are produced in line with our principles and values. An average Lowe's store stocks 36,000 products while our digital sales channel now offers more than 400,000 products. Our ability to meet customer needs is dependent on our thousands of suppliers worldwide. Through our Vendor Code of Conduct, we work with suppliers to deliver quality products that comply with our ethical, social and environmental standards. We are working to align our supply chain management with our subsidiaries and international businesses to understand where efficiencies may exist.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions

performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_01_Introduction.pdf

Content elements
Other, please specify (Introductory content to all elements)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_02_Report_Overview.pdf

Content elements
Other, please specify (Overview to report content)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_03_Stakeholders_Materiality.pdf

Content elements
Strategy

Publication
Please select

Status
<Not Applicable>

Attach the document
<Not Applicable>

Content elements
<Not Applicable>

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_04_Value_Chain.pdf

Content elements
Other, please specify (Description of our Value Chain)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_05_Sustainable_Products.pdf

Content elements
Other, please specify (Sustainable Product Sourcing)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_06_Sustainability_Goals.pdf

Content elements
Other, please specify (Sustainability Goals)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_07_Vendors_Sustainability.pdf

Content elements
Other, please specify (Sustainable Product Sourcing)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_08_Links_to_our_Resources.pdf

Content elements
Other, please specify (Sustainability Resources List)

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_09_Metrics_Product_Sustainability.pdf

Content elements
Other metrics

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_10_Operational_Excellence.pdf

Content elements
Governance

Publication

In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_11_Metrics_Additional.pdf

Content elements
Other metrics

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Lowes_2017CRReport_FramingOurFuture_12_GRI_Conformance_Index.pdf

Content elements
Strategy

Publication
In mainstream reports in accordance with the CDSB Framework

Status
Complete

Attach the document
LOWES 20184102 10K Report_Environmental_Stewardship.pdf

Content elements
Strategy

Publication
In mainstream reports in accordance with the CDSB Framework

Status
Complete

Attach the document
LOWES 20184102 10K Report_Risk_Factors.pdf

Content elements
Risks & opportunities

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Corporate Administration Executive	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms