

CHAIRMAN, CEO AND PRESIDENT



Letter From Our CEO

Our eight core values are the greatest gift our founders, Bernie Marcus and Arthur Blank, gave us almost four decades ago. Their philosophy was that if we operated according to these values, the rest would take care of itself. Our founders were right, and we continue to use these values as our guide every day.

We know that our business impacts our communities, and it's important to us that we do things the right way. When we consider everyday questions through the lens of our values, decisions become easier: Do we buy a certain species of wood from a specific region? Should we partner with a supplier to replace a chemical? Which nonprofit should we support in our community?

We also know that our biggest environmental and social impacts come from the manufacturing and use of the products we sell. With that in mind, this year's report contains an expanded product impact section including improvements that we are making in collaboration with our suppliers.

Other report highlights this year include:

- An update on our quarter-of-a-billion dollar pledge to advance veteran housing through 2020
- Our 10th consecutive year of recognition by the Environmental Protection Agency (EPA) as Retailer of the Year, as well as our Sustained Excellence Award for both ENERGY STAR® and WaterSense® products
- Advancements in supply chain efficiency as recognized by the EPA's SmartWay® Transportation Award
- Progress against our 2020 renewable and alternative energy goal of 135MW through the expansion of solar, wind and fuel cell technology

We are far from alone on this journey. I want to thank our incredible associates and suppliers who have made social and environmental responsibility a top priority. I hope that you find our *2017 Responsibility Report* informative; and as always, we welcome your feedback on our progress and initiatives.

Craig Menear, Chairman, CEO and President