



# Carbon Reduction

Best Buy is committed to addressing climate change by finding cost-effective solutions to save energy and directly reduce carbon emissions through making operational improvements and sourcing renewable energy.

## **New Goal Set**

While the issue of climate change is worldwide, the impact is felt close to home for Best Buy. It is experienced in the communities where we live and work in the form of devastating droughts, severe storms and rising temperatures that affect the environment, our communities and human health. In fiscal year 2016, approximately 60 percent of our large format stores were impacted by extreme weather events.

In addition to these climate impacts, carbon reduction makes good business sense, driving efficiencies and saving costs. In fiscal year 2016, we joined more than 150 leading U.S. companies in signing the American Business Act Pledge on Climate Change. In our pledge, we committed to further advancing our efforts toward addressing this global challenge and achieving our updated carbon reduction goal.

In fiscal year 2015, we exceeded our goal to reduce our carbon emissions 20 percent by 2020. In fiscal year 2016, we reset our goal and pledged to reduce our own absolute carbon emissions by 45 percent by 2020 to be achieved through operational reductions and renewable sourcing (over a 2009 baseline). This science-based goal was set shortly after CDP awarded Best Buy a perfect score of 100A on the climate disclosure survey.

## **Renewable Energy**

Renewable energy is a new component of our 45 percent by 2020 goal, with up to 12 percent of the reduction being achieved through a combination of on-site renewables, offsite renewables and REC purchases.

On-site renewables systems are not a viable option for Best Buy because the majority of our facilities are leased. Therefore, we have been a strong supporter of renewable energy through the purchase of Renewable Energy Credits (RECs). In calendar year 2015, we offset approximately 21 percent of our U.S. electricity through RECs. In January 2016, through the EPA's Green Power Partnership, we ranked No. 49 overall and No. 4 among retailers. Our REC program was an independent emission reduction effort, which was not counted toward our 20 by 20 reduction goal.

## **Energy Use in Our Stores**

The **Energy Management System** we have been using in our stores since 2012 has been a substantial factor in our past carbon reduction. It allows us to automate the lighting, heating and air conditioning, thereby optimizing store energy usage. We are also still realizing the benefits of our fiscal year 2015 store lighting retrofit project. We transitioned 840 stores from high-wattage, metal halide fixtures to more efficient, lower-wattage fluorescent fixtures. It reduced our lighting energy usage by nearly half.

In fiscal year 2017, we will be working on several projects to uncover energy-saving opportunities in our locations, including increased use of LED lighting, improved display management and equipment process improvements.

## **Dedicated Fleet**

In addition to our customer-facing vehicles, we closely manage our fleet of inventory distribution trucks. We continue to reduce "empty miles," (miles driven with no products in the truck), by backhauling e-waste to the distribution centers, where it is collected by our recycling partners.

In addition, we require our dedicated fleet transportation partners to follow these policies and requirements:

- Be certified through the EPA's SmartWay program
- Follow the Coalition for Responsible Transportation's standards for using certain trucks and engines
- Adhere to our "No idling" policy

## Geek Squad Vehicles

We closely manage the carbon emissions of our fleet of more than 4,000 Geek Squad vehicles. We aim to use smaller vehicles as often as possible, and map the most efficient routes to our destinations. In order to meet customer demand, we needed to add more than 100 vans and small trucks to our fleet in calendar year 2015, which increased our fuel usage slightly compared to 2014.

We continue to build efficiency through the use of telematics that we deployed to our fleet in fiscal year 2015. Telematics technology allows the tracking of key vehicle performance metrics, which can be used to potentially route, monitor, locate and service vehicles within our fleet.

Telematics helps increase our Geek Squad fleet efficiency by:

- Ensuring unused vehicles are repurposed or retired
- Reducing fuel expense through efficient routing and reduced speeding and engine idle time
- Reducing maintenance expenses through real-time vehicle diagnostics and maintenance records

We are also part of the Department of Energy's National Clean Fleets Partnership. This public/private partnership provides fleets with resources, expertise and support to incorporate fuel-saving measures into operations.

## Looking ahead

In April 2016, we announced the rollout of nearly 1,000 Toyota Prius c hybrids nationwide to serve as our new Geekmobile vehicles. When Geek Squad began more than 20 years ago, it was a small, local business dedicated solely to repairing personal computers. Now, it is a national organization of more than 20,000 Agents who help customers learn about and enjoy their technology, and the new Geekmobile better reflects today's new Geek Squad.

Geek Squad selected the Toyota Prius c because of its innovative engineering and environmental advantages. The Prius revolutionized the auto industry as the first mass-produced hybrid car.

Switching to the Prius c will cut the Geekmobile fleet's carbon emissions in half. The car gets an EPA-estimated 53 miles per gallon in the city. That's more than double the fuel economy of the previous Geekmobile and it is top among all non-plug-in cars.



## Global Climate Engagement

In fiscal year 2016, Best Buy's Vice President of Public Affairs & Sustainability attended COP21, the United Nations global conference on climate change. COP21 brought together business, nonprofit and government leaders from around the world to collectively agree to reduce the carbon emissions that are warming our planet and creating economic risks. By participating in COP21 in Paris, we continued to deepen our relationships with government officials and business leaders and helped influence the climate change policies that will help our company and our customers move to a low-carbon economy.

The 187 countries who gathered in Paris unanimously agreed to reduce their carbon emissions to confront climate change. The following outlines our four key takeaways from COP21:

**Our world is united** – This remarkable agreement resulted from the public and private sectors working together to forge a global pact to keep global warming well below 2 degrees Celsius (3.6 degrees Fahrenheit), with a target of below 1.5 C (2.7 F).

**Long-term goals were set** – As part of the agreement, countries will report on their progress with emissions reduction every two years and set new goals every five years.

**Best Buy is helping lead where it matters most** – The agreement confirms that our commitment to carbon reduction is in lock step with what matters most. Countries worldwide made carbon commitments, and by setting our own carbon-reduction goal of 45 percent by 2020, we are fully aligned with what's meaningful to our customers, our business and the planet.

**Youth and technology are key** – It became abundantly clear that future solutions for addressing climate change will come from technological innovation powered by our nation's youth. Our partnership with Climate Generation enables its network of education ambassadors to further empower young people to speak out about climate change. Our ongoing teen programming, such as Geek Squad Academy and Teen Tech Centers, will further help youth use technology to help lead the way.



*Laura Bishop, vice president of public affairs and sustainability (upper right), speaking to educators at the COP21 climate conference*

## Carbon Reporting

Since 2008, we have disclosed carbon emissions data to the CDP. Each year, we have increased the boundaries of our reporting and/or become more refined in our reporting methodology. In 2010 we adjusted our reporting boundaries to include all locations in Canada and Mexico, a square footage increase of 12.6 percent. In 2011, we included some scope 3 (indirect emissions) activities. In 2012, we added two additional scope 3 categories (Use of Sold Product and Employee Commute). In 2013, we developed an industry-leading waste emissions calculator to measure the carbon impacts of our waste, recycling and compost programs. In 2014, we continually improved upon our reporting methodologies, increasing the accuracy of our inventory as well as our reporting frequency. This resulted in a perfect score of 100A.

The methodologies used to report our energy consumption include:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- U.S. EPA Climate Leaders: Direct Emissions from Stationary Combustion
- U.S. EPA Climate Leaders: Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment
- The Climate Registry: General Reporting Protocol

## Energy and GHG Data EN 3-7, 15-19

Key Performance Indicator	DATA
Energy consumption within the organization	Fuel consumption: 2,883,506,400,000,000 joules Electricity consumption: 1,074,586 MWh Total scope 1 & 2: 1,875,560 MWh
Energy intensity	0.0332275 MWh/Sq Ft
Reduction of energy consumption	34,415 MWh or 1.8% reduction year-over-year
Direct GHG emissions (Scope 1)	219,869 MT CO <sub>2</sub> e
Energy indirect GHG emissions (Scope 2)	*354,451 MT CO <sub>2</sub> e
Other indirect GHG emissions (Scope 3)	1,019,791 MT CO <sub>2</sub> e
GHG emissions intensity	0.01017468 MT CO <sub>2</sub> e/Sq Ft
Reduction of GHG emissions	*120,444 MT CO <sub>2</sub> e, or 17.3% reduction year-over-year

\*not including RECs