2016 was a milestone year for Best Buy as we celebrated our 50th anniversary. We are proud of our accomplishments and look forward to continued success on behalf of all our stakeholders. One of our key measures of success is the extent to which we positively impact the world, enriching people’s lives through the use of technology and contributing to the common good. Specifically, we focus on five pillars in our ongoing work to prepare Best Buy for the next 50 years of growth:

- Improving the customer experience
- Growing transformational leaders
- Working with our vendors to drive innovation
- Increasing the company’s return to shareholders
- Making the world a better place

These have been our guiding principles the past several years and have helped steer us toward delivering shared success through all aspects of our business. Critical to the notion of “shared success” is our belief that we play an important role in the communities in which we live and work. In the past 50 years we have employed millions of Americans, touching countless lives as we serve customers and help Best Buy families buy homes, pay for college, care for elderly parents or prepare for retirement. In growing transformational leaders, our commitment to diversity delivers shared success for our company and communities. In fact, 50 percent of my direct reports are women and nearly half of our Board of Directors is female.

Two causes we care deeply about as we strive to make the world a better place are the environment and education. For instance, we have been named an ENERGY STAR® Partner of the Year by the U.S. Environmental Protection Agency for four straight years, a reflection of our commitment to help consumers benefit from energy-efficient products. Our consumers have enjoyed millions of dollars in energy savings, and we have cut our carbon footprint by nearly 47 percent (over a 2009 baseline).

We also help extend the life of millions of products a year through our repair service while bringing a second life to products through our trade-in program. In addition, Best Buy operates the most comprehensive e-waste recycling service in the U.S., collecting more than 1.5 billion pounds.

Our focus on education helps ensure America’s workforce is prepared for the jobs of the future. Through our nationwide Geek Squad Academy technology camps and our Best Buy Teen Tech Centers, we are inspiring underserved youth to pursue further education and consider careers in technology. Best Buy has served more than 4.5 million youth through our community programs, grants and partnerships with nonprofits over the past decade.

Our business extends beyond the products and services we offer. It is the pursuit of the common good that continues to drive us.

Respectfully,

Hubert Joly
Chairman and Chief Executive Officer
Best Buy Co., Inc.
About Best Buy

Best Buy is a leading provider of technology products, services and solutions. We offer expert service at an unbeatable price more than 1.5 billion times a year to the consumers who visit our stores, engage with Geek Squad agents or use BestBuy.com or the Best Buy app. The company has operations in the U.S., where more than 70 percent of the population lives within 15 minutes of a Best Buy store, as well as in Canada and Mexico, where Best Buy has a physical and online presence.

Headquartered in Richfield, Minnesota, the company was founded by Richard Schulze in 1966. It was called Sound of Music (incorporated in Minnesota as Sound of Music, Inc.) before the name changed to Best Buy in 1983.

Today, Best Buy has approximately 1,600 stores and locations in North America, including large-format and Best Buy Mobile stores. During fiscal year 2017, the company employed approximately 125,000 people, and generated almost $40 billion in revenue.

In the U.S., our operations consist of Best Buy (BestBuy.com), Best Buy Mobile, Best Buy Direct, Best Buy Express, Geek Squad, Magnolia Home Theater, and Pacific Kitchen and Home.

The International segment is comprised of all operations in Canada and Mexico under the brand names Best Buy, BestBuy.ca, BestBuy.com.mx, Best Buy Express, Best Buy Mobile and Geek Squad.
Awards and Recognition

A- on CDP Climate Change Disclosure

Listed on the FTSE4Good Global Index

Awarded ENERGY STAR® Partner of the Year Award Sustained Excellence

Achieved a perfect score of 100 in the Human Rights Campaign Foundation’s Corporate Equality Index

Listed on the Dow Jones Sustainability Index since 2011

Named to the Newsweek Green Rankings list – 1st among U.S. specialty retailers; 2nd among all retailers

Named to FORTUNE World’s Most Admired Companies List

Named to CR Magazine’s 100 Best Corporate Citizens List

Corporate Campus Awarded ENERGY STAR for Buildings

Sixth in the World for Employee Training from Training Magazine
Best Buy 2020 Strategy

In November 2012, we introduced our transformation strategy called Renew Blue. Since then we have grown comparable sales and increased our profitability. A little more than four years later, we have now completed Renew Blue and unveiled a new strategy: Best Buy 2020: Building the New Blue.

Our customers are at the core of Best Buy 2020. Technology continues to evolve, creating more excitement and opening up an increasing range of possibilities for our customers. It is also creating more complexity, and we believe many of our customers need our help. Our purpose is to help customers pursue their passions and enrich their lives with the help of technology. We want to play two roles for them: be their trusted advisor and solution provider; and be their source for technology services for their home. Our customer value proposition is to be the leading technology expert who makes it easy for our customers to learn about and confidently enjoy the best technology. From a financial standpoint, we seek to gradually grow our revenue, pursue ongoing cost savings necessary to both offset inflationary pressures and fund investments, and build a more predictable set of revenue streams built on more recurring revenues and stickier customer relationships.

There are three growth pillars we will pursue as part of Best Buy 2020:

1. Maximize the multichannel retail business by continuing to enhance the customer experience, investing in growth of certain key product categories and developing broader and stickier customer relationships;
2. Provide services and solutions that solve real customer needs and help us build deeper customer relationships—for example, by meeting the significant technical support needs of our customers and providing more complete solutions such as security monitoring and home automation services as well as the associated products; and
3. Accelerate growth in our International segment, which consists of Canada and Mexico.
With the launch of *Best Buy 2020*, fiscal year 2018 will revolve around the following four priorities:

1. Driving growth from the pillars described above; for example:
   - We will continue to innovate our digital capabilities to effectively help our customers in their shopping journeys.
   - We will pursue growth around key product categories, including emerging product categories like smart home, appliances, where we believe we can continue to grow revenue and mobile where we have the opportunity to return to growth by providing a more compelling experience to our customers.
   - We plan to expand our In-Home Advisor (IHA) program to more markets. With our IHA program, customers receive a free in-home consultation with an experienced technology advisor who can identify their needs, design personalized solutions and become a personal resource over time.
   - We will continue to test new concepts around the country that have the potential to be compelling customer experiences. We have a pipeline of opportunities, some of which we will expect to expand later in fiscal year 2018.
   - We will pursue growth in our International segment by continuing to drive our online channel and by expanding the launch of the successful store remolds in Canada and opening nine new stores in Mexico over the next two years.

2. The second priority is to improve our execution in key areas. We believe we continue to have signification opportunities from improving our sales effectiveness and proficiency, our supply chain for large product fulfillment and small package delivery, and our services fulfillment capabilities.

3. The third priority is to continue to reduce cost and drive efficiencies through the business. As stated previously, we have achieved $350 million of our current $400 million cost reduction target. We are working on the next phase of cost savings and will provide updates on the next goal once we complete our current program.

4. The fourth priority is to build the capabilities necessary to deliver on the first three priorities, which will involve making investments in people and systems to drive growth, execution and efficiencies.
Impacts, Risks and Opportunities

Best Buy is committed to being a responsible corporation. As a retailer and a contract manufacturer of private-label products (which we call Exclusive Brands), we recognize that social, environmental and economic impacts occur throughout our product value chain. As such, our responsibility extends from the responsible sourcing of raw materials to the reuse and proper recycling of materials after the product life has ended.

We believe the largest impact we make as an employer is providing jobs in local communities in the U.S., Canada and Mexico.

The most relevant sustainability risk, as stated in our fiscal year 2017 Annual Report on form 10-K, relates to natural disasters and changes in the climate. The risk or actual occurrence of various catastrophic events could materially adversely affect our financial performance. Such events could be caused by, for example, natural disasters or extreme weather. These events can adversely affect our workforce, prevent employees and customers from reaching our stores and properties, and can disrupt or disable portions of our supply chain and distribution network. As a consequence of these catastrophic events, we may endure interruption to our operations or losses of property, equipment or inventory, which would adversely affect our revenue and profitability.

Our top sustainability priority and opportunity remains our programs supporting customers through the life of their products. Our Geek Squad Agents extend the life of products through repair services. We provide a second useful life through the Best Buy Trade-In Program. And we continue to operate the most comprehensive consumer electronics recycling program in the U.S. Providing these convenient options to customers creates a competitive opportunity for Best Buy.
Focus on Priority Issues

Utilizing internal and external points of view, in fiscal year 2017 and 2018 we partnered with Corporate Citizenship to conduct a sustainability materiality assessment. By following the steps outlined below, we set out to find the intersection of the areas in which stakeholders presented opportunities where Best Buy could lead, and significantly affect our business.

Identification
The first step in our materiality process is identifying potential issues. Our universe of issues draws from several inputs including: past materiality assessments, activist communication, shareholder proposals, industry trends, peer benchmarking and laws and regulations.

Prioritization
The second step is prioritizing issues based on significant economic, environmental and social impacts as shared by our stakeholders.

We elicit feedback by interviewing our executives and surveying leaders within the organization including members of the following teams: Exclusive Brands, Legal, Marketing, Human Resources, Real Estate, Supply Chain, Services, Public Affairs, Sourcing, Consumer Insights, Compliance and Merchandising.

External stakeholders were also surveyed to gain an understanding of how our sustainability efforts are perceived, and on which issues they believe Best Buy should focus. In addition to a survey, select external stakeholders were interviewed for a deeper understanding of their point of view.

Validation
Next, the Corporate Responsibility & Sustainability team will review the results and set the priority issues.

Review
The final step in our materiality cycle is reviewing the Corporate Responsibility Report with leaders and asking for feedback from internal and external stakeholders. The fiscal year 2017 report will be presented to the Board of Directors once published. We look forward to experiencing continuous improvement of our report through the review process.
Issues Matrix

The following issues will be plotted on the matrix below upon conclusion of our materiality assessment in fiscal year 2018:

Climate Change
Corporate Governance & Accountability
Data Privacy
Digital Divide
Diversity & Inclusion
Employee Talent Attraction & Retention
Environmental Impact of Products
Ethics & Compliance
Innovation
Labor Rights
Operational Environmental Management
Product Sourcing
Supplier Relations
Stakeholder Engagement

We form relationships with the many people and organizations that have stakes in what we do. We interact daily with our employees, our customers and our communities in a variety of ways. We also actively engage in dialogue with external organizations that provide valuable insights and challenge us to grow.

Our sustainability stakeholder engagement strategy continues to evolve as we concentrate on building relationships within our four priority areas.

- Best Buy employees participate in a formal engagement survey every year, supplemented by regular performance reviews and an interactive internal communication site called The Employee Hub;

- In addition to our direct customer conversations, we regularly survey our customers to elicit feedback relating to their overall satisfaction with Best Buy;

- We have regular interaction with elected officials and staff, government agencies and associations on issues that affect our business;

- We have ongoing contact with our investors through calls and meetings, stakeholder councils and analyst surveys where we are able to disclose specific sustainability information;

- We maintain relationships with non-governmental organizations (NGOs), such as industry organizations, activists and community nonprofits, in order to advance the progress in our focus areas; and

- We partner with our product vendors and manufacturing suppliers to innovate and bring additional business value.
Association Memberships

Aspen Institute
Business for Social Responsibility (BSR)
Business Roundtable
Carbon Disclosure Project (CDP) Reporter Services
Ceres
Conflict Free Sourcing Initiative (CFSI) - Steering Committee
Consumer Technology Association (CTA)
Council of State Retail Associations
Electronic Industry Citizenship Coalition (EICC) - Board of Directors
Environmental Initiative - Minnesota Sustainable Growth Coalition
Ethics & Compliance Initiative (ECI)
GreenBiz Executive Network Member
Green Chemistry and Commerce Council (GC3) - Retail Leadership Council
International Association of Privacy Professionals (IAPP)
International Consumer Product Health and Safety Organization
National Association of Environmental Managers (NAEM)
National Center for Electronics Recycling
Public Affairs Council - Board of Directors
Retail Industry Leaders Association (RILA) - Board of Directors and several working groups
Society of Corporate Secretaries and Governance Professionals
World Resources Institute’s Customer Consultative Group
About this Report

Store Development
We had approximately 1,200 large-format and 400 small-format stores at the end of fiscal year 2017. Our stores are a vital component of our omnichannel strategy and represent an important competitive advantage. In the U.S., we have the ability to ship products to customers’ homes from all of our Best Buy stores. Customers may also elect to pick up orders initiated online in any of our stores. In recent years, we have opened more vendor store-within-a-store concepts to allow closer vendor partnership and a better customer experience. In fiscal year 2018 and beyond, we will continue to look for opportunities to optimize our store space, renegotiate leases and selectively open or close locations to support our operations.

Report Timing

Verification
An independent third-party organization (POINT380) verifies 100 percent of our Scope 1, 2, and 3 carbon emissions using the ISO14064-3 standard.

Boundaries
This report includes 99 percent of our operations in the U.S., Canada and Mexico.

The Responsible Sourcing section of this report includes our non-U.S. Exclusive Brands contracted suppliers.

For more information and full financial disclosures, please see the Best Buy Fiscal 2017 Annual Report on Form 10-K at Investors.BestBuy.com.

This report has been prepared in accordance with the GRI Standards: Core option.

Feedback about this report is welcome at CorporateResponsibility@BestBuy.com.
Corporate Responsibility & Sustainability Governance

Strong governance practices are critical enablers of a company’s success. Our corporate responsibility governance structure starts at the highest levels of our company. The independent Nominating, Corporate Governance & Public Policy Committee of our Board of Directors oversees Corporate Responsibility & Sustainability (CR&S). The Committee annually reviews our CR&S program and discusses with management relevant strategies and risks. In addition, we have leaders from across the company who advise our CR&S programs and initiatives, support integration, and assist in setting goals and measuring results. Each of our four focus areas have a cross-functional working group that meets to discuss programs and progress toward goals.
Ethics

Everything that Best Buy is now and strives to demonstrate through *Building the New Blue* ties back to Best Buy’s core values. Our business ethics practices support our core values through validation, support and guidance in the decision-making process for our employees. Employees are expected to live our values every day in their interactions with each other, and with our customers, vendors, business partners and the communities in which we work and live. Operating within a values space, our employees understand that doing business ethically goes beyond financial risk and reward. It is about the people.

Accountability to adhere to our core values is in part accomplished through the expectation that each employee lead by example. We provide our employees with the necessary tools to manage situations in an ethical and effective manner. We start with our guiding document for employee conduct: The Best Buy Code of Business Ethics (the Code).

The Code is available to employees, customers and all stakeholders at [BestBuyEthicsCode.com](http://BestBuyEthicsCode.com). An annual training on the Code is required for all existing employees and is based on realistic examples of ethical dilemmas that our employees have or may encounter in their roles.

For new employees, Code training and general ethics training is specific and intentional, with a purpose of ensuring that each employee recognizes the importance of acting with integrity in all decisions relating to the company. Knowing how critical it is that officers model our core values and set the right ethical tone, we meet one-on-one with each new officer to review key ethics and compliance policies. In addition, we lead annual roundtable trainings for all officers focused on ethical leadership.

In addition to the internal work we do to sustain and enhance an ethical culture, we also frequently benchmark with fellow ethics and compliance professionals to stay abreast of best practices in the industry and bring those best practices to our employee base. Service on professional trade groups and associations allows us to contribute and learn about the thought processes and guiding principles within the business ethics field.

Finally, chief among our responsibilities are helping business teams work through questions and situations that touch upon business ethics and integrity, and assist individual employees who have ethical questions or concerns. Best Buy employees have several avenues for asking questions, reporting concerns or seeking assistance in resolving work-related issues, including:

- Speaking directly to their manager or to an employee relations representative;
- Contacting the Ethics Office via mail, phone, email, web or in person; and
- Asking a question or reporting a concern to the Ethics Office using Best Buy’s dedicated ethics website. The website is available 24/7 and is operated by an independent third-party company so concerns can be reported anonymously.
Political Activity

We believe it is important to work with policymakers on issues impacting our customers, employees, businesses, shareholders and communities. We know collaboration helps bring about change that better serves the communities where we live and work. Our public policy work directly aligns with our business strategy, as well as our aspiration to be environmentally and socially accountable for our brands and business operations worldwide.

In 2016, public policy priorities for Best Buy included:

**Tax Reform:** Best Buy supports comprehensive efforts to reform the tax code so that it is fair, predictable, simple, allows for fair competition and helps fulfill consumers’ technology needs while driving much-needed investment, job creation and wage growth. Best Buy opposes efforts to include a Border Adjustment Tax as part of comprehensive tax reform, which would impose a new 20 percent tax on all imported products and hurt jobs across the U.S.

**E-fairness:** Best Buy supports passage of e-fairness legislation, which would allow all retailers to compete on a level playing field while serving customers across all selling channels.

**Financial Services:** Access for consumers to unsecured credit is critical to our customers and the growth of our business. Best Buy supports policies aimed at protecting critical credit offerings for consumers and reducing credit and debit card interchange fees.

**Competitive Workplace:** Best Buy supports uniform policies that provide employers the flexibility to attract and retain the best talent by offering competitive wages and benefits and flexible scheduling.

**Cybersecurity and Data Privacy:** Customer and employee privacy and data security are essential to our customers, employees and the growth of our business. Best Buy is committed to safeguarding customer data and also ensuring a relationship with our customers that better understands and serves their needs and interests.

**Supply Chain:** Best Buy supports policies that improve and maintain the nation’s multimodal infrastructure to help advance the free flow of commerce while promoting a safe and secure supply chain.

**Energy & Environment:** Best Buy supports policies that promote the responsible recycling of electronic waste, address growing concerns related to climate change and encourage energy efficiency in design and sale of products.

**Emerging Technologies:** Best Buy supports policies that allow for the emergence of new, innovative technologies and products that improve consumers’ lives.
Political Contributions
Best Buy did not make any corporate political contributions directly to candidates in 2016. The organizations below received funding totaling $215,000. All contributions of more than $5,000 are reviewed and approved by the Best Buy Contributions Steering Committee.

- Democratic Governors Association
- Republican Governors Association
- Democratic Legislative Campaign Committee
- Republican Legislative Campaign Committee
- Democratic Attorneys General Association
- Republican Attorneys General Association
- “Defeat the Tax on Oregon Sales” (Oregon Ballot Initiative)

COMMUNITY

Developing and giving back to our communities is core to how we do business at Best Buy.
Addressing the Opportunity Gap

Technology know-how is crucial for young people preparing to enter the job market. Yet, according to the Bureau of Labor Statistics, underserved youth are unprepared for jobs of the future. Over the next decade, 1.4 million jobs (or 77 percent of jobs) will require tech skills, while only 400,000 people will be trained for them.

Youth from underserved communities and lower-income families often lack access to tech tools like computers and internet connections—along with training in how to use them. This creates a real challenge for preparing the next generation of talent our country needs to compete and succeed in a global economy. We believe that we have a responsibility to share our knowledge and resources to help underserved populations have access to and experience the benefits of technology, and build their skills to prepare for future careers. We are partnering with national and local nonprofit organizations across the country, the federal government and many of our vendor partners to address this important issue.
Best Buy Teen Tech Centers

Best Buy Teen Tech Centers provide free after-school programs year-round where underserved teens can develop technology skills through hands-on activities. Each location is its own community, a support system and a safe place for its teen members. We partner with The Clubhouse Network to assist with program development, support the centers’ staff and monitor results. In fiscal year 2017, our 11 Teen Tech Centers served approximately 3,300 teens.

At Best Buy Teen Tech Centers, teens learn:

- Music production and audio editing
- Art creation
- Photography and video editing
- Coding to control robotics and make mobile applications
- Animation and design for interactive poetry, stories and games
- 3-D object design

Best Buy Teen Tech Centers are not only addressing the opportunity gap, but also helping build a talent pipeline. We are building a Pathway to Careers program, including internships with local companies and offering career guidance.

Not only are we adding to the programing, but we are also expanding into more cities. In fiscal year 2018, we opened our first Tech Center with a vendor partner, Sony, in San Marcos, California. Our near-term goal is to almost triple the number of Best Buy Teen Tech Centers from 11 to 30.

Fiscal Year 2017

![Best Buy Teen Tech Centers Map]

Los Angeles, CA
Oakland, CA
Lakewood, CO
Miami, FL
Chicago, IL
Minneapolis, MN
Jersey City, NJ
Dallas, TX
San Antonio, TX
Bellevue, WA
Washington, D.C.
Celebrating Geek Squad Academy’s 10th Year

Geek Squad Academy (GSA) is an immersive tech education experience that provides students an opportunity to explore the latest technology in a fun, interactive setting. Best Buy partners with local nonprofits and other organizations to provide these experiences to students ages 10 to 18 through two-day camps and shorter one-day experiences, using local Geek Squad Agents and Best Buy Blue Shirts to teach the interactive, hands-on curriculum. In fiscal year 2017, we held GSA events in 57 cities across the U.S.

GSA celebrated its 10th year of providing free tech training to youth across America, engaging more than 5,600 “Junior Agents.” We visited underserved neighborhoods from Orlando to Seattle, worked with students of the Choctaw Nation in Oklahoma, and supported military families on-base at Camp Pendleton and Naval Air Station Oceana.

Since its inception in 2007, GSA has inspired more than 26,000 kids from underserved communities to become the new generation of engineers, entrepreneurs, teachers, designers and dreamers.

In fiscal year 2018, we are planning 58 events nationwide. That means more than 8,500 teens will learn how to use essential tech tools—and have fun doing so.

New in fiscal year 2018, a BB-8 Robot class will help teens work together to learn programming, completing challenges and solving puzzles. A new pixel art class will teach teens to create original pixel art and animation, beginning with the design of a character.
ConnectHome

Best Buy continues to support ConnectHome, a public-private collaboration to help bridge the digital divide for families with school-age children living in U.S. Department of Housing and Urban Development (HUD) housing. In fiscal year 2017, as part of the HUD partnership, Best Buy provided free digital literacy training and Geek Squad Academy courses to teens in public housing in more than 20 cities. Teen Tech Centers will be used as training and distribution locations for ConnectHome families receiving devices and internet services.

As part of the ConnectHome initiative, we held a Geek Squad Academy camp in partnership with the Choctaw Indian Nation and Durant Independent School District. This was the first GSA on a Native American reservation.

Best Buy Customers and Employees Raised $18.2 Million for St. Jude

Thanks to our generous customers and supportive employees, Best Buy is proud to have presented more than $18.2 million to St. Jude Children’s Research Hospital® and to have finished as the largest St. Jude Thanks and Giving® campaign donor this holiday season.

Best Buy’s contribution increased by nearly 80 percent over a year ago. Since welcoming the St. Jude Thanks and Giving campaign into our stores and online four years ago, Best Buy has helped raise nearly $40 million.

The $18.2 million can run the hospital for more than a week. It can also be used for 12,000 days of chemotherapy or 3,600 days of intensive care costs. Every dollar donated by customers and employees helps St. Jude remain a leader in the global effort to research, treat and defeat childhood cancer and other life-threatening diseases.
Partnering with Nonprofits

Every year through the Best Buy Foundation and our corporate giving programs, we help strengthen the communities where our employees and customers live and work. We do this not just because it’s the right thing to do, but because we rely on our communities to provide a talented workforce.

Our philanthropy aligns with our commitment to help teens build their technology skills and prepare for college and future careers. Since 1999, we have donated more than $333 million through the Best Buy Foundation. The Best Buy Foundation is governed by a Board of Directors consisting of elected leaders from across the company who make final decisions on funding and grant-making.

National Grants
Our National Grants program provides funds to national nonprofit partners that provide underserved youth access to tech education. In fiscal year 2017, we awarded our National Grant recipients a total of nearly $2 million. Our fiscal year 2017 National Partner Grantees included:

- After-School All-Stars
- BDPA
- Collective Shift/LRNG
- Common Sense Media
- Cyber Seniors
- DePaul University/Digital Youth Network
- Dreaming Tree Foundation
- EveryoneOn
- FIRST
- Games for Change
- GRAMMY Foundation
- Hispanic Heritage Foundation
- Mouse
- Science Buddies
- The Clubhouse Network Career Program
- Youth Radio

Community Grants
Our National Grants program is complemented by our Community Grants program, which supports local organizations that also focus on teens and technology. Our Community Grants program is unique because our store employees review the applications from their communities and choose awards based on their local knowledge.

As we serve customers in 1,600 locations across North America, it’s important that we play a key role in helping these communities thrive, as well. In fiscal year 2017, the average Community Grant amount was $5,000, with a total of $2 million awarded.

Twin Cities Fund
Because we are headquartered in Minnesota, the Best Buy Foundation funds nonprofit organizations in the Twin Cities metro area providing access to opportunities for teens through technology and arts and culture organizations that add to the vibrancy and increase the vitality of our headquarters community.
Employees Spent 100,000 Hours Volunteering

Our employees generously share their time and expertise volunteering with local organizations and are essential to how we support our communities. We create opportunities for employees to participate in everything from leading technology workshops at schools to responding in times of disaster. Employees are encouraged to support causes that are personally rewarding, and we recognize their involvement through the TagTeam Award program, which awards monetary donations to nonprofit organizations where groups of employees volunteer their time.

Our employees in Asia participate in two mentoring programs, Youth for Environmental Sustainability (YES) and Organic Garden, both of which educate students on the importance of being environmentally aware and, in turn, being responsible citizens. YES and Organic Garden are initiatives created by Shanghai Roots & Shoots, a nonprofit organization that was founded by primatologist Dr. Jane Goodall in 1991 to teach young people about environmental issues and humanitarian values through group interactions. Best Buy employees conduct “eco action” projects at local schools, where they shed a new light for students on environmental issues through drawings, poetry, music and drama.
PEOPLE

Best Buy aims to treat people with respect—whether they are our employees, customers or workers in factories that produce our Exclusive Brands products.
Employee Engagement

Maintaining a highly engaged workforce
Each year, we ask employees from across the organization what they think about working at Best Buy. We use a formal survey called eVoice to establish a baseline of employee engagement and identify areas to improve the employee experience. The eVoice survey collects feedback from employees across the enterprise in Canada, China, Mexico and the U.S. The survey provides insight not only into employee engagement, but also 11 other dimensions of the workplace environment.

When employees can bring their whole selves to work, there are better outcomes for the individual and the organization. We know that a higher level of employee engagement correlates to better customer experience, stronger financial performance and higher levels of retention, which is why we strive for a highly engaged workforce.

In our eVoice survey in fiscal year 2017, we saw the portion of engaged employees remain at 86 percent. The most recent eVoice survey was the most favorable since its inception, with an improvement in 91 percent of the items measured. We increased an average of 200 basis points on all dimensions of the survey. We also experienced a participation rate of 84 percent in fiscal year 2017.

All leaders are expected to use survey results to strengthen broader engagement. They do this by building action plans with their teams. Using feedback from the 2017 survey, leaders committed to further improving the employee experience and action planning at enterprise and functional levels.

Engagement is a focus at Best Buy every day. Leaders understand what a difference engagement makes and are held accountable through our Leadership Expectations program and company values.

Recognition is an important component leading to an engaged workforce. We recently rolled out a new recognition program called True Blue, which recognizes employees who put their heart and soul into their work every day.

Turnover Number Improves
As a measure of a highly engaged workforce, we are pleased to report a lower turnover rate. We have reduced our turnover from 40 percent in fiscal year 2016 to 36 percent in fiscal year 2017.

Net Impact Corporate Chapter
Best Buy engages employees around sustainability issues through our own chapter of the global nonprofit Net Impact. Net Impact’s 100,000 members use the power of business to make a positive social and environmental impact. The chapter focuses on educational events, networking, campus “greening” projects and community service.
Training & Development

Training Programs Soar in National Rankings
In fiscal year 2017, Training magazine ranked Best Buy No. 6 in the world for employee training, learning and development, up from No. 11 in 2016 and No. 48 in 2015.

In the U.S., we deliver product and service training to our employees through our platform called The Learning Network. The site provides training content in the form of eLearnings, videos, virtual environments and documents. In addition, our employees use The Learning Network to register for instructor-led training. We deliver skills and behavior training using both classroom instructor-led training and virtual classroom instructor-led training.

Our employees completed more than 10 million training courses in fiscal year 2017. That demonstrates our commitment to a highly trained workforce, which creates exceptional customer experiences.

In addition to the overall training award, Training gave Best Buy its Outstanding Initiative Award for our Gravity learning tool. Employees use Gravity to scan a product and be taken immediately to a video that provides 90 seconds of key information. There have been more than 2 million views through Gravity since it launched in November 2015.

Leadership Expectations
In fiscal year 2017, Best Buy continued to ensure leadership accountability for behaviors that reflect our Values and fuel high levels of engagement and performance through the Leadership Expectations. The Leadership Expectations are embedded in core people processes and apply to managers across the company.

A leader at Best Buy is expected to:
- Live the values - Exhibit behaviors foundational to and characteristic of the best of Best Buy;
- Lead people - Recognizes diverse talent and develop self, individuals and the team;
- Set direction - See through complexity, consider alternatives and find the best possible path; and
- Drive results - Set expectations, drive accountability and move the team/organization to achieve goals.

Best Buy Founder Establishes Employee Relief Fund
Richard (Dick) Schulze, Best Buy’s founder and chairman emeritus, along with his late wife, Sandy, believed that a company is a family. They embedded the spirit of giving back and taking care of one another into the culture of Best Buy. Employees still feel that continued support from our founder today.

As part of Dick and Sandy’s legacy of commitment to Best Buy employees, in fiscal 2017, the Richard M. Schulze Family Foundation established a new Best Buy Employee Disaster Relief Fund. Any employee, full-time or part-time, who has been with the company one year or more can obtain relief funds if impacted by a federally declared disaster.

This new fund will allow us to continue the Schulze family’s commitment to helping our employees when they need it most. Dick Schulze made philanthropy a way of life at Best Buy, and that continues today.
Diversity & Inclusion

In order to achieve our Best Buy 2020 strategy, we need to have a strong, high-performance culture. Our culture at Best Buy begins with our values. Included in the Best Buy 2020 effort is our focus on attracting and inspiring our employees.

Best Buy believes in unleashing the power of our people and utilizing their unique talents, life experiences, beliefs and backgrounds to create incredible experiences for our customers. We attract and invest in top talent and foster an inclusive culture that creates growth opportunities for employees, empowering them to bring their whole selves to work.

**What is Diversity?**

In our view, diversity is the understanding that each individual is unique, and the recognition of our individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs or other ideologies.

**What is Inclusion?**

Inclusion is fostering these unique talents in a safe, positive and nurturing environment. It is about understanding each other and moving beyond simple tolerance to embracing, celebrating and leveraging the rich dimensions of diversity within each individual.

Best Buy does not discriminate based on age, sex, race, color, ethnicity, citizenship, national origin, sexual orientation, gender identity, creed, religious preference or belief, disability, marital/family status or any other characteristic protected by law. Other characteristics may be recognized and protected under specific national, provincial, state or local laws, regulations or ordinances. Best Buy is dedicated to ensuring this policy is followed during hiring, selection for training, promotion, transfer, layoff, termination, leaves of absence, rates of pay or any other term or condition of employment. When needed, Best Buy will provide reasonable accommodations for disabled employees or those with specific religious requirements. Acting in accordance with these guidelines shows respect, humility and integrity while helping to create a positive work environment for everyone.
Employee Diversity

**African-American Employees (U.S.)**
Percentage of U.S. Best Buy Employees

- FY15: 15%
- FY16: 14%
- FY17: 14%

U.S. Population: 12.6%

**Asian-American Employees (U.S.)**
Percentage of U.S. Best Buy Employees

- FY15: 4%
- FY16: 5%
- FY17: 5%

U.S. Population: 4.8%

**Hispanic Employees (U.S.)**
Percentage of U.S. Best Buy Employees

- FY15: 18%
- FY16: 19%
- FY17: 20%

U.S. Population: 16.3%
Employee Diversity

<table>
<thead>
<tr>
<th>Gender Diversity</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female Employees (Enterprise)</td>
<td>28%</td>
<td>26%</td>
<td>27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board of Directors Diversity</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Directors</td>
<td>10</td>
</tr>
<tr>
<td>Hispanic Board Directors</td>
<td>0</td>
</tr>
<tr>
<td>African-American Board Directors</td>
<td>0</td>
</tr>
<tr>
<td>Asian-American Board Directors</td>
<td>1</td>
</tr>
<tr>
<td>Female Board Directors</td>
<td>4</td>
</tr>
</tbody>
</table>

Best Buy promotes participation in our Employee Resource Groups (ERG), which are groups of employees who form networks based on a shared dimension of diversity, such as age, race, ethnicity, gender, disability, sexual orientation or gender identity. ERGs are inclusive and open to everyone. ERGs support organizational goals such as recruitment, retention, engagement, business strategy and community involvement.

Supplier Diversity

Our commitment to diversity and inclusion extends to the suppliers we partner with. Supplier diversity is both an expectation of our stakeholders and good for our business. Our Supplier Diversity program within our Goods Not For Resale (GNFR) business promotes strength in our supply chain, economic enablement in our communities and is a reflection of the markets and customers we serve.

In fiscal year 2017, our focus was to:

- Continue to increase spending with certified diverse suppliers in GNFR;
- Positively affect the economic vitality in the communities where we live and work; and
- Create a supplier network that mirrors the diversity of our customers.
Human Rights

Doing business the right way means we understand how our operations, our products and services and even our business relationships could affect employees, our customers and people in the communities where we operate. We are committed to addressing any adverse impacts we may encounter. To that end, we have taken steps to align with the United Nation’s Guiding Principles on Business and Human Rights (UNGPs), which is widely accepted as the global standard for how businesses should respect human rights.

In fiscal year 2016, in partnership with Business for Social Responsibility (BSR), we completed a Human Rights Impact Assessment to identify actual and potential risks and to better understand which rights are most salient for our business. The results of the assessment concluded that Best Buy operates in a relatively low-risk industry regarding human rights and that we have effective management systems in place. Of course, there are always opportunities to strengthen practices, and we are actively working to make improvements on the minor findings that were identified.

In fiscal 2017, we focused on training and documentation, and we incorporated human rights content into our Code of Business Ethics training, which is mandatory for all employees. In addition, we provided in-depth human rights training to leadership in Sourcing, the team which works closely with our suppliers. We are making progress toward a management system for human rights, based on our ISO14001 certified Environmental Management System.

Our Human Rights Policy is the basis of our management system and focuses on the following stakeholders:

- Respecting the rights of workers by improving labor conditions and environmental practices at facilities that manufacture or recycle electronics for Best Buy;
- Respecting the rights of Best Buy employees and striving for a diverse, inclusive and respectful workplace free of harassment and discrimination;
- Respecting the rights of our customers, including their right to privacy; and
- Seeking to advance the right to education in the communities where we operate by sharing our knowledge of technology.

We plan to expand our work on human rights in fiscal year 2018 in the following ways:
- Assess our grievance mechanisms against the UNGP principles;
- Establish a Privacy Task Force supporting the Risk & Compliance Committee; and
- Develop a comprehensive responsible sourcing program roadmap including private-label, Goods Not For Resale and branded products.
Product Safety

As a responsible retailer, it is essential to ensure the products we sell are safe for customers. To stay apprised of regulatory issues and trends that impact our product safety program, we hold memberships in the Retail Industry Leaders Association (RILA) Product Safety Committee, the Consumer Technology Association (CTA) Product Safety Working Group and the International Consumer Product Health and Safety Organization (ICPHSO). We also actively participate in Underwriters Laboratories (UL) standards and technical panels for standards relating to consumer electronics to provide our voice in protecting our customers.

For our direct import and private-label products, we focus our product safety in four areas:

- General product safety compliance with various voluntary and mandatory standards;
- Hazardous substances (such as ROHS, TSCA and others);
- Energy efficiency programs; and
- Radio-frequency interference compliances (FCC rules for radio noise and communications).

One of the safety issues we are actively working on involves TV tip-over incidents. In addition to the dedicated TV safety page on BestBuy.com, we produced a Geek Squad Tech Tip video on the topic of TV tip-over prevention. This educational video was shared via our social media channels and our corporate news site, Corporate.BestBuy.com. Consumers can easily find the video on the Home Theater services page of BestBuy.com.

In fiscal year 2016 and 2017, we were proud to participate in CTA and Safe Kids Worldwide’s National TV Safety Day campaign. Each year, we released a blog post on our corporate news site outlining TV safety tips with Tweets to support the content.

Concurrently, we have committed to the Consumer Product Safety Commission to work on providing consumers with more knowledge about placing TVs in safe locations within a residence. One step we’ve taken is including CTA-based television safety instructions directly on top of the TV within Insignia TV packaging (not just in the manual) to increase the likelihood of consumer readership.

We use social media to track customer complaints and immediately share product recall information via our @BestBuySupport Twitter handle (in addition to our traditional safety recall communications measures). We assess our product categories for safety improvements on an ongoing basis, and we are pleased to report that in fiscal year 2017 there were no safety recalls on our private-label products.
Data Privacy

Best Buy is committed to protecting the privacy of our customers’ information, and we use a variety of information security measures to protect their transactions and valuable data. Whether customers are shopping online or in our stores, we use security best practices to protect the confidentiality of personal information under our control, and we appropriately limit access to it. Our digital properties use encryption technology to protect customers’ personal information including names, addresses and credit card numbers.

We have also been awarded the TRUSTe Privacy Seal, indicating our privacy policy and practices are in compliance with TRUSTe’s program requirements. Specific details of Best Buy’s commitment can be found in Best Buy’s Privacy Policy (BestBuy.com/Privacy). Best Buy employees and contingent workers are required to understand and comply with the policies, standards and guidelines concerning data privacy and protection, and know how they apply to each person’s work to ensure we respect and protect our customers’ privacy.

Additionally, Best Buy is a corporate member of the International Association of Privacy Professionals, the world’s largest privacy community. Best Buy also is a corporate member of the Association of Corporate Counsel (ACC), a global association of more than 40,000 in-house attorneys, and a heavy participant in ACC’s Information Technology, Privacy and eCommerce Committee. These memberships help us understand industry shifts and benchmark our peers in order to help maintain appropriate privacy and security standards.

Best Buy’s employees, including Blue Shirts and Geek Squad Agents, as well as third parties who provide services on Best Buy’s behalf, are required by policy and process to treat customer information with care. We have administrative, technical and physical safeguards that reflect this obligation.

Best Buy processes are designed to avoid unnecessary access to confidential information. Our Geek Squad Agents are trained to never access data on a customer’s device except in limited circumstances, and only to the extent necessary to perform the service, such as when a customer asks us to recover data. When information is still on a device that a customer trades in or gives to Best Buy for recycling, the device is protected until it is sent to the appropriate location for data wipe or disposal.

In fiscal year 2017, Best Buy did not report any significant substantiated complaints regarding breach of customer privacy and loss or customer data.
Supply Chain Sustainability Program

We partner with approximately 160 factories, mainly in China, to produce our private-label products. We work with these suppliers on the design, production and testing of these products, and partner with them to ensure they meet our expectations for safe workplaces where workers are treated fairly and safely.

Through our Supply Chain Sustainability (SCS) program, we seek to mitigate risk, enhance the partnership with our suppliers by helping build their capacity for responsible business practices, and create value for all stakeholders. Our leadership in the Electronic Industry Citizenship Coalition (EICC) includes participating on its Board of Directors, and allows us to partner with many of the national brands we sell, including Apple, Intel, Microsoft and Samsung. Collectively, we embrace a common supplier code of conduct and audit methodology that creates business value by improving working and environmental conditions in the supply chain.

Part 1 - Code Introduction and Adoption
Before working with new suppliers, we provide an in-depth training on our code and program, and conduct a third-party audit of their facilities, which includes environmental and human rights screening criteria. In fiscal 2017, we screened 100 percent of our new factories using environmental and human rights criteria and provided these suppliers with an on-site training focused on the EICC code. When conducting pre-contract screenings, we identify non-conformance and require the supplier to take corrective action. If there is a priority non-conformance, it must be addressed immediately. Suppliers that are unwilling or unable to address priority violations are rejected. In the past fiscal year, we rejected more than 10 percent of potential new factories based on our initial screenings.

Part 2 - Self-Reporting
Existing suppliers assess their performance against the EICC code by completing an annual self-assessment questionnaire (SAQ) and submitting quarterly key performance indicator (KPI) reports. The SAQs help us better understand our suppliers’ policies and management systems, while KPI reports provide insight into their sustainability practices and performance. In fiscal year 2017, we achieved a 99 percent completion rate for SAQs and a 99 percent completion rate for KPIs. Any supplier that does not provide either an SAQ or KPI report is automatically considered a high-risk supplier and will be audited.

Part 3 - Risk Assessment
We evaluate our suppliers’ ability to meet the EICC code, which guides how we monitor their performance and build their capacity. Our evaluation takes into consideration several dimensions of business and social risk as well as the factories’ willingness to be transparent. Based on the results of our assessments, suppliers are classified by risk level. We focus our audits and capacity-building on those suppliers identified as medium or high risk. By focusing our efforts, we believe we can more effectively improve environmental practices, better protect worker rights and build a more reliable supply chain.
Part 4 - Monitoring
For suppliers identified as high risk, a third-party conducts an audit, and for medium-risk suppliers, Best Buy conducts an audit in order to identify any gaps between the suppliers’ performance and the EICC code. We not only assess their social and environmental performance, referred to as “practices compliance,” we also review the management system they have in place to drive EICC code compliance, which is known as “management compliance.”

<table>
<thead>
<tr>
<th>Fiscal Year 2017 Audits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory Count (non-U.S.)</td>
<td>164</td>
</tr>
<tr>
<td>Number of Third Party-led Audits</td>
<td>84</td>
</tr>
<tr>
<td>Number of Best Buy-led Audits</td>
<td>24</td>
</tr>
<tr>
<td>Total Number of Audits</td>
<td>108</td>
</tr>
</tbody>
</table>

When non-conformance is discovered, we classify them into the following categories:

- **Priority Non-conformance** is the highest severity audit finding requiring escalation by the auditor and immediate attention by the vendor. Priority Non-conformance consists of findings that represent: 1) a serious non-conformance of the EICC code or applicable legal requirements; 2) an immediate threat to life or health; or 3) risk of serious and immediate harm to the community or environment. The identification of any Priority Non-conformance automatically results in a failed audit. Vendors must take immediate action to remedy all Priority Non-conformances through the Priority Non-conformance Remediation Process.

- **High Risk Major Non-conformance** is a significant failure in the management system that affects the ability of the system to produce the desired results and/or satisfy legally mandated requirements. The identification of High Risk Major Non-Conformances will result in a High Risk Warning. Two High Risk Warnings for the same non-conformance finding within a single year is considered the equivalent of a Priority Non-conformance.

- **Major Non-conformance** is a significant failure in the management system that affects the ability of the system to produce the desired results.

- **Minor Non-conformance** is an isolated or random incident which, by itself, does not indicate an inherent problem with the management system.

For all types of non-conformance, we conduct follow-up audits to determine if violations—whether priority, high risk major, major or minor—are resolved.

Part 5 - Capacity-Building
We build our suppliers’ capacity so they can close any gap between their performance and the EICC code. We conduct annual trainings on the EICC code to ensure our suppliers have the tools to meet the code and fully understand our expectations.
Part 6 - Reporting
Each year we publicly disclose our suppliers’ rates of compliance against the EICC code.

<table>
<thead>
<tr>
<th>Fiscal Year 2017 Audit Category</th>
<th>Practices Compliance</th>
<th>Management Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>76%</td>
<td>90%</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>67%</td>
<td>98%</td>
</tr>
<tr>
<td>Environment</td>
<td>85%</td>
<td>96%</td>
</tr>
<tr>
<td>Ethics</td>
<td>100%</td>
<td>72%</td>
</tr>
<tr>
<td>Management System</td>
<td>100%</td>
<td>73%</td>
</tr>
</tbody>
</table>

In fiscal year 2017, we did not find child labor, forced labor or freedom of association violations in the factories we audited. If such a violation was to be found, it would be considered a priority violation—the highest severity audit finding—and would require escalation by the auditor and immediate attention by the vendor/factory. Best Buy suppliers are given remediation guidelines to ensure immediate corrective actions are taken, and sustained, to ensure the protection of workers and a continued business relationship with Best Buy.

Addressing key issues
Chemicals have become a topic of concern in many industry supply chains, including electronics. We are working with several multi-stakeholder organizations on this issue. In fiscal year 2018, we will be releasing a chemicals management statement, which will include a Restricted Substance List for our products and for the use of chemicals in the manufacturing process.

Looking for Opportunities to Enhance Worker Morale and Conditions
Factories in China face a difficult labor market and often struggle to retain employees. This can have a detrimental effect on the quality of products produced at the factory and its ability to be a reliable supplier to Best Buy. To address these challenges, in the past few years, leading companies have implemented factory worker surveys to drive improvements in factory conditions. Worker surveys not only allow companies to assess labor conditions at a factory, but also gain invaluable insights that can help factory management better engage workers and strengthen overall business performance through higher retention rates. Through a worker survey program, we are moving beyond audits to gain a deeper partnership with key factories and drive increased efficiency. At the same time, we are seeking to empower our suppliers, increasing their ownership of sustainable business practices.

In fiscal year 2016, we piloted a worker survey program with three factories. In fiscal year 2017, Best Buy partnered with ELEVATE, a trusted supply chain consultant, to implement the worker survey program with six factories. Factories were carefully chosen based on several criteria including importance to the business and willingness to participate.

Methodology
Phase 1: Baseline Survey
To establish a baseline, the first step of the worker survey program consisted of a questionnaire for both workers and supervisors focusing on 12 key areas, including compensation, working hours, productivity and living conditions. Following the survey, results were shared with each factory’s management team.
Phase 2: Training and Improvement Plan
Results of the survey were analyzed using not only the six factories, but comparative data from ELEVATE. The team then conducted a half-day interactive training focusing on the opportunity areas identified. We then held one-on-one meetings with each factory and conducted an on-site visit. Using these inputs, an improvement plan was put in place with specific key performance indicators.

Phase 3: Impact Measurement
In fiscal 2018, the team will conduct a follow-up survey and visit each supplier to seek the results of the improvement plans. ELEVATE will then present a final report to the factories.
Conflict Minerals

The Democratic Republic of the Congo (DRC) and its neighboring countries have reserves of tin, tantalum, tungsten and gold (known as 3TG), all of which are commonly used in the manufacturing of many consumer products. Occasionally, these minerals are illegally sourced and traded in the eastern DRC and surrounding areas by armed groups who are responsible for human rights violations. As such, these minerals are known as “conflict minerals.”

In 2010, the United States passed into law Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires companies to disclose whether the 3TG used in their products originated from the DRC or covered countries, as defined by the law.

Historically, we have had very limited engagement with parties beyond the direct suppliers (i.e., those suppliers with which we have a contractual agreement) in our private-label supply chain. Consequently, it is a significant challenge to identify, with certainty, the smelters, refiners and recyclers and the source of the materials they process. One way we address this challenge is by participating in and, in some cases, leading collaborative industry efforts that seek to gather accurate data about the sources of 3TG, and encouraging smelters to be validated as conflict-free through third-party audits in an effort to ensure a supply chain in which human rights abuses do not exist.

Due Diligence

To determine the source and chain of custody of 3TG used in our private-label products, we conducted due diligence on our supply chain. Our due diligence process is based on the five-step Organisation for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), an internationally recognized due diligence framework.

| Establish Management System | Identify and Assess Risks | Respond to Risks | Audit Supply Chain | Report |

Performance of our Due Diligence Measures

We are working with consumer electronics and retail industry peers to maximize the efficiency and effectiveness of our efforts to identify relevant smelters and refiners, and encourage their participation in the Conflict Free Sourcing Initiative’s (CFSI) Conflict-Free Smelter Program (CFSP) or a similar program.

We have a Conflict Minerals Policy that established our Exclusive Brands’ commitment regarding the sourcing of 3TG. Such commitments include aligning with the OECD Guidance, supporting industry efforts and seeking to avoid sourcing 3TG that directly or indirectly benefit non-state armed groups. The policy also establishes expectations for our private-label suppliers, including their application of relevant aspects of the OECD Guidance, supporting our efforts to identify smelters and refiners by completing an annual CMRT, and limiting their sourcing of 3TG to smelters and refiners validated as conflict-free. Our policy can be found at Corporate.BestBuy.com/Sustainability.
<table>
<thead>
<tr>
<th>Fiscal Year 2017 Conflict Mineral Program Key Performance Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusive Brands factories that attended in-person training</td>
<td>90%</td>
</tr>
<tr>
<td>3TG products that have had their supply chains surveyed</td>
<td>100%</td>
</tr>
<tr>
<td>Exclusive Brands factories that returned a CMRT</td>
<td>100%</td>
</tr>
</tbody>
</table>

Given our position in the supply chain, we relied heavily on our direct suppliers to provide information about the smelters that processed the 3TG used in our products.

Since we do not have a direct relationship with any smelters in our supply chain, we do not conduct audits. Instead, we support the development and implementation of an effective smelter audit program through our membership in the CFSI, which administers smelter audits.

The CFSI coordinates independent, third-party audits to validate that smelters source conflict-free materials. We support many CFSI activities through our participation on work groups and task forces. In particular, we serve on the CFSI Steering Committee and as the Chair of the Smelter Engagement Team, which researches and validates alleged smelters and conducts coordinated outreach to known smelters to encourage them to be audited. We also conducted a total of 12 meetings with non-validated smelter facilities in 2017 to provide an overview of CFSI, assess their sourcing practices and encourage their participation in the CFSI audit program.

To date, nearly 90 percent of the processing facilities reported by private-label suppliers have been validated as conflict-free via an independent, third-party audit or have committed to go through an audit. Nevertheless, based on our due diligence process and the subsequent information we gathered, we are unable to determine the origin of all the 3TG used in our products and whether armed DRC groups directly or indirectly benefitted. This is primarily due to the lack of transparency among smelters who have not yet been audited. While there have been improvements in the systems of transparency and control for the sourcing of 3TG necessary to the functionality and/or production of our ExB products, these results are not unexpected, especially given our downstream position as a retailer and manufacturer of ExB products.

Of the smelters and refiners provided by our suppliers, we identified 37 instances for which we had reason to believe that the 3TG they processed may have originated in the DRC or a neighboring country and may not have been from recycled or scrap sources. All 37 of these processing facilities have been validated as conflict-free through CFSI or another independent, third-party audit scheme. Furthermore, we have not identified a supplier, smelter or refiner that we have reason to believe may be sourcing from the DRC or a neighboring country and—directly or indirectly—benefitting armed groups.

In fiscal year 2017, we continued to collaborate with the retail and consumer electronic industries to improve the systems of transparency and control in our supply chain.

- We met directly with Chinese and U.S. government bodies, the OECD and several China-based smelters to discuss the development of a Chinese due diligence standard for responsible sourcing of 3TG; and
- We took steps to remove five smelters from our supply chain who were assessed as high-risk and refused to be transparent about their sourcing practices and locations.
ENVIRONMENT

Best Buy aims to be a good steward of the environment through our operations, services and products we sell.
Managing Environmental Impacts

Best Buy is committed to being a good steward of the environment. Not only do we focus on reducing our environmental impacts, but we help our customers live more sustainably through our assortment of energy-efficient products and our convenient electronics recycling program.

The backbone of our environmental programs is our ISO 14001-certified Environmental Management System (EMS), which was audited in fiscal year 2017. Our EMS helps us systematically manage progress toward our environmental goals and commitments and ensure that we are in compliance with all applicable laws and regulations. Our ISO 14001 certification was initially awarded in June 2012 and covers all U.S. operations. We were the first U.S. large-format retailer to earn this certification.

As part of our Environmental Statement (Corporate.BestBuy.com/Sustainability) Best Buy commits to:

- Systematically manage and continuously improve the environmental performance of our operations and supply chain;
- Provide customers with a variety of product options and the best information available so they can make sustainable choices;
- Continue to develop appropriate waste minimization, pollution prevention and accessible recycling programs; and
- Comply with all applicable environmental laws and regulations.

We are pleased to report no significant fines or non-monetary sanctions implemented against Best Buy for environmental non-compliance in fiscal year 2017.
Addressing Climate Change in Our Operations

While the issue of climate change is worldwide, the impact is felt in the communities where we live and work in the form of water shortages, increased storms and rising temperatures that affect the environment, our communities and human health. In fiscal year 2017, more than half of our large format stores were impacted by extreme weather events.

We are committed to addressing climate change by finding cost-effective solutions to save energy and directly reduce carbon emissions through operational improvements and sourcing renewable energy. Carbon reduction is not only the right thing for the planet, but it makes good business sense, driving efficiencies and saving costs.

After achieving our goal to reduce our own absolute carbon emissions 20 percent by 2020 in fiscal year 2016, we re-set the goal to reduce our emissions 45 percent by 2020 to be achieved through operational reductions and renewable sourcing (over a 2009 baseline). At the end of calendar year 2016, we are thrilled to have exceeded that goal, with a nearly 47 percent reduction.

A new goal is being formulated and will be announced soon.
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.

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

Renewable Energy

Renewable energy sourcing through Renewable Energy Credits (RECs) represented 12 percent of the nearly 47 percent carbon reduction, over our 2009 baseline. 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 RECs. In calendar year 2016, we offset approximately 31 percent of our U.S. electricity through RECs. In January 2017, through the EPA’s Green Power Partnership, we ranked No. 25 overall.
Efficient Transportation

**Geek Squad Rolls Out Hybrids**
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 April 2016, we announced the rollout of more than 1,200 Toyota Prius c hybrids nationwide to serve as our new Geekmobile vehicles. Geek Squad selected the Toyota Prius c because of its innovative engineering, low cost to maintain and environmental advantages.

The gas mileage outperforms traditional gas-run cars. The Prius c hybrid Geekmobile fleet has been getting an average of 42 miles per gallon (MPG). Over the past year, the Prius fleet saved 140,000 gallons of gas, the carbon equivalent of taking 263 cars off of the road for a year.

We look forward to realizing the full carbon benefits of the hybrid vehicle change in fiscal year 2018.
Right-Sizing Geek Squad Delivery Trucks
In order to meet customer demand, we needed to add more than 388 vans and mid-size box trucks to our fleet in fiscal year 2017, which increased our overall fuel usage slightly compared to fiscal year 2016. When we added new delivery trucks, many were specially designed to weigh less than 10,000 pounds, using less gas yet providing the interior dimensions and load capacity to meet our business needs. We only use large delivery trucks in metro delivery hubs, where they are the most efficient option.

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, that can be used to 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 routes and reduced speed and engine idle time; and
- 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.

Dedicated Truck 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 follow these requirements:
- Be certified through the EPA’s SmartWay program;
- Follow the Coalition for Responsible Transportation’s standards for using certain trucks and engines; and
- Adhere to our “no idling” policy.
Carbon Reporting

Since 2008, we have disclosed carbon emissions data to the CDP (formerly known as the Carbon Disclosure Project). Each year, we have increased the boundaries of our reporting and/or become more refined in our reporting methodology. In 2016, we received a score of A- from CDP, putting us among the highest scoring U.S. retailers.

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; and
- The Climate Registry: General Reporting Protocol.

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption within the organization</td>
<td>Fuel consumption: 2,724,940,800,000,000 joules</td>
</tr>
<tr>
<td></td>
<td>Electricity consumption: 1,038,420 MWh</td>
</tr>
<tr>
<td></td>
<td>Total scope 1,795,560 MWh</td>
</tr>
<tr>
<td>Energy intensity</td>
<td>.0396 MWh/Sq Ft</td>
</tr>
<tr>
<td>Reduction of energy consumption</td>
<td>79,926 MWh or 4.3% reduction year-over-year</td>
</tr>
<tr>
<td>Direct GHG emissions (Scope 1)</td>
<td>210,547 MT CO₂e</td>
</tr>
<tr>
<td>Energy indirect GHG emissions (Scope 2)</td>
<td>338,317 MT CO₂e</td>
</tr>
<tr>
<td>Other indirect GHG emissions (Scope 3)</td>
<td>3,131,567 MT CO₂e</td>
</tr>
<tr>
<td>GHG emissions intensity*</td>
<td>.015 MT CO₂e/Sq Ft</td>
</tr>
<tr>
<td>Reduction of GHG emissions</td>
<td>25,461 MT CO₂e, or 4.4% reduction year-over-year</td>
</tr>
</tbody>
</table>

*not including RECs
Helping Our Customers Live Sustainably

At Best Buy, we are committed to providing our customers with a wide assortment of sustainable products. This includes offering a large selection of energy-efficient and smart home products.

Promoting Eco-Labels

At Best Buy, we offer a large selection of ENERGY STAR® certified products to help our customers save money, reduce energy use and protect the environment by meeting strict energy guidelines set by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy. Our U.S. customers purchased more than 23 million ENERGY STAR certified products in fiscal year 2017 and realized utility bill savings of more than $45 million1. This energy savings equates to more than 543 million pounds of CO2 emissions avoidance2, or the equivalent of removing nearly 52,000 cars from the road for a year3. Learn more about U.S. ENERGY STAR certified products at BestBuy.com/ENERGYSTAR.

Since their launch in 2008, Best Buy’s exclusive Blue Label laptops have changed the dynamic of how laptops are designed. Each generation brings insights from Best Buy customers and employees into desired features, styling and performance. These are translated into product specifications for further development by our leading computing partners. The resulting laptops are offered exclusively at Best Buy stores and online. In fiscal year 2017, all of our Blue Label laptops met ENERGY STAR certification criteria. Moving forward, ENERGY STAR certification is required for all Blue Label laptops.

In 2017, the EPA named Best Buy a Retail Partner of the Year for the fourth consecutive year. This award is based on our outstanding marketing and customer education of the benefits of ENERGY STAR certified products. We trained more than 130,000 Blue Shirts over the last eight years on the benefits of ENERGY STAR certified products. We also educated customers about ENERGY STAR in stores and online. The ENERGY STAR logo is featured on all applicable fact tags in stores and our Best Buy ENERGY STAR video plays on in-store televisions throughout the year.

In addition to ENERGY STAR, which focuses on the customer-use phase, we identify, mark and promote EPEAT® products for our business customers. These products are rated on more than 50 environmental-performance criteria regarding design, production, energy use, product longevity and recyclability—with ongoing, independent verification of manufacturer claims. Materials used in TVs, computers and printers contain reduced amounts of hazardous materials, such as mercury and lead. In fiscal year 2017, Best Buy customers purchased more than 5.2 million EPEAT-registered products, which collectively helped avoid the disposal of 3,546 metric tons of hazardous waste, equivalent to the weight of more than 28,000 refrigerators.4

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1. Savings based on Best Buy's fiscal 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. Electricity rate is $0.128/kWh.
2. Savings based on Best Buy's fiscal 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. Emissions factors are 1.53 pounds CO2/kWh and 117.29 pounds CO2/MBtu.
3. Savings based on Best Buy's fiscal 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. Emissions factors are 1.54 pounds CO2/kWh, 117.29 pounds CO2/MBtu, and 10,471 pounds CO2/car/year.
4. Savings based on Best Buy's fiscal year 2017 sales of EPEAT registered desktop computers, computer displays, notebook computers, printers, and televisions, compared to non-EPEAT registered equipment, calculated using the U.S. EPA Electronics Environmental Benefits Calculators for Computers (v4), for Imaging Equipment (v1), and for Televisions (v1). Savings result from avoiding the use of toxic materials such as lead in printed circuit boards and mercury in light sources, which require special handling and treatment at the end of the product life.
Smart Home is a Sustainable Home

A growing category for Best Buy, called smart home, features smart or connected devices that automate functions in a home. These products not only make our customers’ lives easier and provide peace of mind, but many also deliver environmental benefits, making a smart home a sustainable home. Examples include:

**Smart Thermostats** - They save money and energy while improving the comfort of customers’ homes. These devices are “smart” because they are able to observe patterns and make adjustments such as turning off when the house is empty and dynamically building a profile based on actual household schedule, not pre-programmed inputs. Optimized performance not only reduces utility bills, it extends the lifespan of the home’s heating and cooling equipment.

**Smart Lighting** - LED light bulbs are more energy efficient, contain fewer hazardous chemicals and last longer than a traditional bulb. Smart lighting systems provide even more power reduction options such as remote access and geo-fencing technology.

**Smart Irrigation** - Select Best Buy stores now carry a Wi-Fi enabled irrigation control that utilizes real-time weather data and analytics to use less water while maintaining a healthy yard. The system can conserve 15 to 40 percent of water. That’s thousands of gallons of water per year, per household, which is especially relevant in parts of the U.S. where water scarcity is an issue.

**Energy Tracking** - Another energy-saving product that can be found at Best Buy stores is a home energy meter, which helps customers monitor electricity consumption real-time from a smartphone. This product can help identify the products in a home that are using an excessive amount of energy.
Chemicals in Products

Over the past several years, there has been heightened awareness about potentially hazardous chemicals in products. We are actively working to protect our consumers and employees through safer alternatives or by eliminating potentially harmful chemicals.

Green Chemistry & Commerce Council
One way we are addressing chemicals is through joining the Green Chemistry & Commerce Council (GC3), a business-to-business forum that works collaboratively to accelerate the application of green chemistry across industry sectors and supply chains.

We are a member of the Retail Leadership Council (RLC), where we collaborate with peer companies to promote safer chemicals, materials and products. The RLC is composed of a select group of retail leaders who are working proactively to:

- Understand what chemicals are in our products;
- Develop chemicals policies;
- Engage our suppliers in improving chemical management;
- Identify and implement safer alternatives to chemicals of concern; and
- Educate our customers.

EICC Chemical Management Task Force
To further address the ongoing challenge of reducing risks and protecting workers in the electronics supply chain, the EICC has made chemical management a priority issue. In 2015, the EICC created a Chemical Management Task Force where members work to better identify and properly manage chemical risks in their supply chains. The Chemical Management Task Force has helped the EICC to:

- Increase member awareness and involvement in the safe use of chemicals;
- Develop training and capability-building activities to reduce worker exposure;
- In-person training courses on Employee Health & Safety (EHS) and Industrial Hygiene
- Online training courses on effective chemical management;
- Fact sheets for workers and managers on product and workstation cleaning, plating and etching, bonding and gluing, painting, chemical transportation, storage, labeling, and personal protective equipment; and
- Explore how to phase out hazardous chemicals and pursue safer alternatives, where feasible.

In fiscal year 2018, we plan to release a Chemicals Management Statement, which will outline our roadmap to reduce the use of chemicals, phase out chemicals of concern and improve the general management of chemicals.
Product Lifecycle Management - Repair, Reuse, Recycle

We support our customers throughout the life cycle of their products. We offer a full suite of services to extend the life of products (repair), give products a second life (reuse) and provide convenient end-of-life options (recycle).

Repair
We want to help customers extend the life of their products, and we do this using the skills of our more than 20,000 Geek Squad Agents and repair partners. In fiscal year 2017, Best Buy repaired more than 5 million devices, saving customers money and keeping electronics in the “use” phase.

Every large-format Best Buy store houses a Geek Squad Precinct, where everything from computers to mobile phones to digital cameras is repaired. Or our repair technicians will fix larger items like TVs and appliances in customers’ home. In addition, remote Agents support software repair, keeping our customers’ computers and tablets functioning. We also operate eight repair depots including Geek Squad City, a facility in Louisville, Kentucky, that encompasses nearly four acres and houses the largest concentration of Agents anywhere.

For those customers who choose to repair their products at home, we help support them with PartStore, a convenient website where customers can access more than 5 million replacement parts to fix their own devices.
**Best Buy Trade-In Program**
The Best Buy Trade-In Program is the core of our “reuse” phase of the product life cycle. We offer customers a convenient way to get value for products that are still in good, working condition in more than 1,200 of our stores. These products are typically re-sold in secondary markets, bringing a useful second life for products that might otherwise sit idle in someone’s home, end up recycled or in a landfill. Another benefit of the Best Buy Trade-In Program is it gives an opportunity for those who may not be able to afford brand-new technology.

We are constantly evaluating categories where we can offer consumers value for electronics they no longer use. The most common items that are traded in are laptops, tablets and mobile phones.
E-waste Recycling
To address the global issue of electronic waste, we established our recycling program in 2009. We continue to operate the most comprehensive consumer electronics takeback program in the U.S. With 70 percent of the U.S. population living within 15 minutes of a Best Buy store, we are also the most convenient place for recycling.

When we started the program, we set a U.S. goal to collect 1 billion pounds of consumer electronics and appliances for recycling by the end of 2014. In June of 2014, we met that goal. Best Buy renewed our commitment to the challenge of e-waste by setting a new goal to collect an additional 2 billion pounds of consumer electronics and appliances for recycling by the end of 2020. In fiscal year 2017 alone, we collected more than 86 million pounds of consumer electronics and 88 million pounds of appliances.

![Graph showing recycling (millions of lbs) for Electronics and Appliances]

In fiscal year 2017, due to the increasing costs to run our recycling program, particularly the cost of appropriately disposing of glass, we introduced a fee for computer monitors and TVs. This change to our program allowed us to continue to provide this service for our customers. All other products—such as batteries, ink cartridges, computers, printers and hundreds of other items—continue to be recycled for free at all of our stores.

During fiscal year 2017, we collected a lower amount of e-waste, specifically fewer tube TVs. Our current intake is more manageable from a cost and labor standpoint, ensuring the service itself is sustainable for Best Buy. We will continue to work closely with the consumer electronics industry to develop more and better recycling options.

In 2017, Best Buy was awarded the EPA’s Sustainable Materials Management (SMM) Electronics Gold Tier Award winner for the third straight year. The award commends superior corporate efforts to divert electronics from landfills by working with third-party certified recyclers, as well as being transparent about recycling data and performance. In 2016, the amount of electronics we collected for recycling avoided the release of more than 450 million pounds of CO₂ into the atmosphere. That’s the equivalent of the electricity needed to power 23,000 U.S. homes for a year.

5. Due to state laws that limit end-of-life fees, we no longer collect TVs and computer monitors for recycling in Illinois, Pennsylvania and Connecticut.
**Battery Recycling**

Best Buy stores, service centers and distribution centers collected more than 200,000 pounds of used rechargeable batteries for recycling in 2016. The recycling kiosks located in each of our stores accept used rechargeable batteries as well as other recyclable items, making it quick and easy for customers to recycle. Best Buy partners with Call2Recycle®, North America’s first and largest consumer battery stewardship program. For the past four years, Best Buy has been named a Call2Recycle Leader in Sustainability for our strong commitment to sustainability through our consistent participation in the program.
Our Recycling Standards
We promote environmental stewardship by requiring all of our recycling service providers to adhere to Best Buy standards and contractual obligations, conduct recurring onsite, desktop and downstream audits, and certify their operations to ISO14001 standards. In addition to our own standards, we require all electronics recycling partners to maintain eStewards® or R2® industry certifications.

Customer Data Privacy and Recycling
Another concern when recycling electronics is ensuring that any customer data left stored on such products is handled appropriately. To ensure our customers’ data is protected, we have strict data privacy protection requirements for our employees and our partners. We only work with pre-qualified companies in our secondary markets, and we regularly audit our recycling partners to ensure compliance with our data privacy standards. Visit BestBuy.com/Recycling for more information about how to recycle electronics at Best Buy stores. (See page 32 for further discussion on customer data privacy.)

We are working collaboratively with the industry to minimize the impacts of e-waste through our participation in the following working groups:
- EPA’s Sustainable Materials Management Working Group
- R2 Technical Advisory Committee
Best Buy Joins “I Want To Be Recycled” Campaign

Best Buy joined Keep America Beautiful and the Ad Council to encourage consumers to recycle their shipping boxes in partnership with the “I Want To Be Recycled” campaign. We announced the partnership in July 2016 and at the start of the busy holiday shopping season, these boxes started to arrive on doorsteps nationwide.

Best Buy ships products in these boxes from eight distribution centers and nearly 1,400 store locations.

Already, our efforts to make boxes more appropriately sized have reduced material waste. We also ensure that the cardboard we use is FSC-certified, meaning it comes from responsibly managed forests.
Sustainable Packaging

Best Buy aims to continuously improve the packaging of our private-label products. We are committed to providing quality packaging with more sustainable attributes.

Our recent efforts include:
- Select Modal cellphone case packages use bioplastics, a plant-based biodegradable material;
- Insignia paperboard packages contain at least 30 percent recycled material (when not corrugate or cardboard); and
- Insignia packages use water-based coatings, which ensure the packages can be easily handled by a recycling facility.
Protecting Natural Resources

Waste Diversion

We are working with our waste management partners to increase our landfill diversion rate for U.S. operations. We are seeking to achieve an 85 percent diversion rate for all U.S. operations by the end of fiscal year 2020.

These are the initiatives driving our progress:

- We included language in Vendor Master Agreements to make our vendors responsible for display recycling/disposal in the display exit plan. Additionally, we provided vendor display design requirements to improve Best Buy’s ability to recycle and repair displays in-store.
- We are seeing the benefits of cold-press foam densifiers that we added to our distribution centers in fiscal year 2017. These machines help us divert a greater amount of expanded polystyrene from landfills, reduce labor and create transportation efficiencies.
- We added a position in some of our distribution centers to focus on commodity recycling.

![Waste Diversion Chart]

In fiscal year 2016 and 2017, our waste diversion rates declined because we improved our data collection and reporting by adding locations and waste streams to our reporting. Moving forward, we have a more comprehensive baseline from which to improve. We see a significant opportunity to increase our waste diversion, and we are creating strategic partnerships to have greater impact.
Waste Figures (Calendar Year 2016)

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste volume</td>
<td>24,000 lbs.</td>
</tr>
<tr>
<td>Universal waste (lamps, batteries) volume</td>
<td>35,000 lbs.</td>
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<tr>
<td>Non-hazardous waste recycled</td>
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</tr>
<tr>
<td>- Paper/cardboard</td>
<td>74 million lbs.</td>
</tr>
<tr>
<td>- Plastic</td>
<td>5.8 million lbs.</td>
</tr>
<tr>
<td>- Metal</td>
<td>2.6 million lbs.</td>
</tr>
<tr>
<td>Non-hazardous waste landfilled</td>
<td>68 million lbs.</td>
</tr>
<tr>
<td>Non-hazardous waste composted</td>
<td>266,000 lbs.</td>
</tr>
</tbody>
</table>

In its disposal of hazardous materials, Best Buy utilizes authorized methods, including recycling, incineration and use of authorized landfills. Best Buy’s service providers determine which disposal method to use by referring to hazardous waste management methods conversion tables. The conversion tables outline approved disposal methods by specific hazardous waste code.

Water Reduction

In calendar year 2016, we used about 1.4 million cubic meters of water in our U.S. operations. As with other environmental resources, we seek to minimize our impact through building design, operational monitoring and usage reduction programs.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Water Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.5 million cubic meters</td>
</tr>
<tr>
<td>2015</td>
<td>1.4 million cubic meters</td>
</tr>
<tr>
<td>2016</td>
<td>1.4 million cubic meters</td>
</tr>
</tbody>
</table>
Paper Procurement

As part of our environmental stewardship, we are committed to the protection and efficient use of the world’s resources, including the forests used for the paper we procure.

As part of our procurement requirements, we:
- Require 100 percent of paper procured to be certified to an internationally-recognized forestry standard;
- Acquire chain of custody statements for all insert paper; and
- Maintain at least 30-percent recycled content in our office paper.

Since fiscal year 2014, we have reduced our insert paper volume by 42 percent. Our full Paper Procurement Corporate Statement can be found at Corporate.BestBuy.com/Sustainability.
<table>
<thead>
<tr>
<th>GRI Number</th>
<th>Disclosure Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
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<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
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<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>3</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>3</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>3</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
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</tr>
<tr>
<td>102-7</td>
<td>Scale of the operation</td>
<td>3</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
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</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>33-38</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
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</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
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<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>30, 37</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
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<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
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<td>102-15</td>
<td>Key impacts, risks and opportunities</td>
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<tr>
<td>102-16</td>
<td>Values, principles, standards and norms of behavior</td>
<td>14</td>
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<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
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<td>Executive-level responsibility for economic, environmental and social topics</td>
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<td>102-40</td>
<td>List of stakeholder groups</td>
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<td>102-41</td>
<td>Collective bargaining agreements</td>
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<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
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<td>102-43</td>
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<td>Key topics and concerns raised</td>
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<td>102-45</td>
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<td>See 10-K</td>
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<td>102-46</td>
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<td>102-47</td>
<td>List of material topics</td>
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<td>102-48</td>
<td>Restatements of information</td>
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<td>102-49</td>
<td>Changes in reporting</td>
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<td>102-50</td>
<td>Reporting period</td>
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<td>102-51</td>
<td>Date of most recent report</td>
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<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
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<tr>
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<td>GRI content index</td>
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<tr>
<td>102-56</td>
<td>External assurance</td>
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<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
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<tr>
<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures</td>
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<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>45</td>
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<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>45</td>
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<td>302-4</td>
<td>Reduction of energy consumption</td>
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<td>Reductions in energy requirements of products and services</td>
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<td>Indirect (Scope 2) GHG emissions</td>
<td>45</td>
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<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
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<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
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<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
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<td>306-2</td>
<td>Waste by type and disposal method</td>
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<td>307-1</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>40</td>
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<td>Employee turnover</td>
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<td>405-1</td>
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<td>Operations that have been subject to human rights reviews or impact assessments</td>
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<td>New suppliers that were screened using social criteria</td>
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<td>Assessment of the health and safety impacts of product and service categories</td>
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