



FISCAL YEAR 2013

# CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT

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01 A Letter From Our CEO

I spent my first week at Best Buy on the sales floor, proudly wearing a blue shirt. I experienced, firsthand, what an incredible company Best Buy is and the extent to which the products and services we provide our customers can have a meaningful impact on their lives.

As a company, we have great strengths. We are the market leader in Consumer Electronics and have a powerful platform from which to deliver a superior multi-channel shopping experience and impartial, knowledgeable advice to our customers.

As focused as we are on our business transformation, called Renew Blue in honor of the blue shirts worn by our sales force, we also want to be a good corporate citizen. With this in mind, we embedded in the Five Pillars of Renew Blue elements of our determination to integrate sustainability in our business wherever possible. Those Five Pillars are:

Reinvigorate and rejuvenate the **customer experience**. We are seeking to put the customer at the center of what we do, addressing their needs and providing unique value to them. One of the ways we do this is by helping our customers extend the life of their technology, in part through our Trade-in and recycling programs.

Attract and inspire **leaders and employees** to deliver extraordinary results for all our customers through rigorous training, authentic listening and an inclusive culture.

Work with **vendor partners** to innovate, drive value and mitigate risk in the supply chain.

Increase return on invested capital (ROIC) for **investors** through our strong corporate governance and ethics.

Continue leadership role in positively impacting **our world** and making it a better place. We will provide learning opportunities through technology and lessen our environmental impact in the communities we serve.

We aspire to maximize our performance in relation to all of our stakeholders - customers, employees, vendors, shareholders, communities, the environment and governments. Our view is that it is not a tradeoff. Renew Blue is the framework in which we will rejuvenate and revitalize our great company AND be a good corporate citizen.

Best Buy's mission is to be the preferred authority and destination for technology products and services. The energy in the organization around the successful execution of our Renew Blue initiatives is inspiring. Our commitment to all our stakeholders is to make Best Buy thrive again and to do that in a responsible way - a way consistent with our past successes and future promise.

Sincerely,

**Hubert Joly**  
President and Chief Executive Officer  
Best Buy Co., Inc.

## Report Overview

Welcome to the Best Buy 2013 Corporate Responsibility and Sustainability (CR&S) Report. Best Buy's mission is clear: to be the preferred authority and destination for technology products and services. Our corporate citizenship activities are woven into how we do business and our Renew Blue transformation plan reflects those same ideals.

In this report, you will see many examples of how we bring our CR&S strategy to life for each of the stakeholder groups touched by our Renew Blue pillars. For instance, our electronics recycling program, which is the most comprehensive in U.S. retail, delivers on our pledge to customers to provide support throughout the life of the products we sell. And, our positive impact on the communities we serve is highlighted by our efforts to bridge the digital divide for teens, our employee volunteerism and our community giving.

Through this report, we share our CR&S strategy and goals as well as progress we have made toward those goals. As an example, we have pledged to collect 1 billion pounds of consumer electronics for recycling by the end of 2014. We are well on our way to meeting this goal and will be updating our commitment in this next fiscal year.

While we have made great progress over the past several years, we know that we have more work to do. Whether it is working with our vendor partners on supply chain matters, or creating strong training programs for our employees, we believe our efforts in CR&S, aligned to our Renew Blue transformation, will positively impact our world. In addition to this report, please visit our website, [sustainability.bby.com](http://sustainability.bby.com), throughout the year, where we will post our progress as well as sustainability stories from across the Best Buy enterprise.

### THE PILLARS OF

## RENEW BLUE



Reinvigorate and rejuvenate the **CUSTOMER EXPERIENCE**



Attract and inspire **LEADERS AND EMPLOYEES**



Work with **VENDOR PARTNERS** to innovate and drive value



Increase **ROIC** for **INVESTORS**



Continue leadership role in positively impacting **OUR WORLD**

### WE ARE FOCUSED ON REINVIGORATING AND REJUVENATING THE CUSTOMER EXPERIENCE

#### At Best Buy, we promise our customers:

- The latest devices and services - all in one place
- Knowledgeable, impartial advice
- Competitive prices
- The ability to shop when and where our customers want
- Support for the life of the products we sell





## About This Report

### REPORT SCOPE

This report covers 99 percent of our business. It covers all Best Buy-branded stores globally and our major subsidiaries, including The Carphone Warehouse and The Phone House stores in Europe; Five Star Appliance stores in China; and Future Shop stores in Canada. Recently, we announced the sale of our 50% interest in Best Buy Europe, the joint venture we created in 2008 with Carphone Warehouse Group plc (CPW). In this report, our overall numbers for the business overview tie to our 2013 Annual Transition Report on Form 10-K which includes Best Buy Europe. However, we have removed CPW programs from the narrative sections.

### GLOBAL REPORTING INITIATIVE

We continue to follow the Global Reporting Initiative (GRI) process in our sustainability report. We believe the GRI framework provides a sound foundation that enables stakeholders to compare reports across time periods, companies and industries. In preparing our report, we have included GRI metrics relevant to our business. For the third year in a row, we are self-declaring GRI Application Level B. Additional information on GRI standards and application levels can be found at [www.globalreporting.org](http://www.globalreporting.org). Select content of the report was verified by our internal audit team for assurance.

### CHANGING FISCAL YEAR

Beginning in fiscal 2013, we changed our fiscal year-end from the Saturday nearest the end of February to the Saturday nearest the end of January. As a result of this change, fiscal 2013 was an 11-month transition period and ended on February 2, 2013.

### FINANCIAL HIGHLIGHTS

Our financial results for fiscal 2013 represent an 11-month transition period based on our new fiscal year-end, compared to fiscal 2012 and 2011, which include 12 months of activity based on our prior fiscal year-end. In addition, the financial highlights for revenue below are presented for continuing operations only for all periods.

### STORE DEVELOPMENT

Occupancy cost reductions continue to be a key focus. In fiscal 2013, we closed 47 large-format U.S. Best Buy stores and expect to close an additional 5 to 10 large-format U.S. stores in fiscal 2014. In addition, we are planning to move forward with new stores in a small number of selected and opportunistic U.S. markets, including 12 new Best Buy Mobile stand-alone stores, 10 Magnolia Design Center (store-within-a-store), and 18 to 25 Pacific Kitchen and Home (store-within-a-store). In our International segment, we will continue to review our portfolio of stores across all geographies.

#### WE WANT YOUR FEEDBACK

contact us with questions, concerns or feedback on this report or any of the programs contained within please e-mail [CorporateResponsibility@BestBuy.com](mailto:CorporateResponsibility@BestBuy.com)





**BEST BUY® By The Numbers**



**RICHFIELD**  
MINNESOTA, USA

Our world headquarters



**45 BILLION**

in total revenue<sup>1</sup> for fiscal 2013

NYSE symbol: BBY

	EMPLOYEE COUNT		STORE COUNT			
	PART-TIME	FULL-TIME				
UNITED STATES	66,510	55,862	1,056	409	34	4
CANADA	8,864	8,161	72	49	140	
MEXICO	989	669	14			
EUROPEAN UNION	6,626	8,864	872	1,517		
CHINA	N/A	8,653	211			



**165,000**

total employees



**4,379**

total stores



<sup>1</sup>. Revenue reported is for fiscal 2013 (11 months). Revenue provided is presented for continuing operations only. See our Annual Transition Report on Form 10-K for full financial disclosure.





03 | BEST BUY® Awards & Recognition in Fiscal 2013



**Carbon Performance Leadership Index**

*Carbon Disclosure Project*

**Carbon Disclosure Leadership Index**

*Carbon Disclosure Project*

**Fortune 500 Green Ranking**

3<sup>rd</sup> Among Retailers

23<sup>rd</sup> Overall

*Newsweek Magazine*

**Dow Jones Sustainability Index**

*Dow Jones*

**Employer Of The Year**

*Autism Society*

**Nation's Leading Green Power Purchaser**

8<sup>th</sup> Among Retailers

30<sup>th</sup> Overall

15<sup>th</sup> Among Fortune 500

*U.S. Environmental Protection Agency*

**Best Companies For Hourly Employees**

*Working Mother*

**Canada's Top 50 Socially Responsible Companies**

*Maclean's*

**Outstanding Training Initiative Award**

*Training Magazine*



# Reinvigorate and rejuvenate the customer experience

**01** Extending the Life of Technology

**02** A Global Responsibility

**03** Helping Customers Choose Sustainable Products

**04** Providing Entertainment in a Responsible Way

**05** Exclusive Brands



# 01 Extending the Life of Technology

At Best Buy, we want to help consumers give their electronics a longer life or offer a destination where they can be properly disposed of safely and responsibly. This helps us work toward achieving our industry-leading goal of reducing e-waste and providing lower-cost technology options for our customers.

## PRODUCT LIFECYCLE



**01 | Extending the Life of Technology**

**A CLOSER LOOK:  
PRODUCT LIFECYCLE**



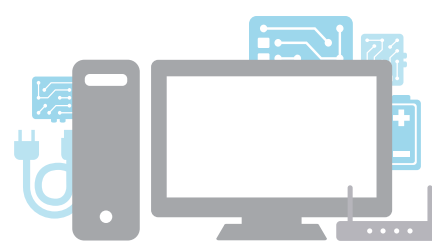
**Repair**

Our Geek Squad® Repair service not only extends the life of products, thereby saving our customers money, it also reduces the amount of electronics going into the waste stream at any one time.



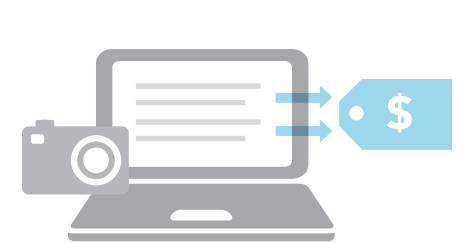
**Refurbish**

At Best Buy, we manage a portfolio of refurbished products, providing our customers opportunities to purchase these products - either at our stores or through secondary markets. Our customers save money by purchasing refurbished products and help to keep functional electronics out of the waste stream.



**PartStore**

We have invested in one of the most in-depth parts catalog in the repairs industry, with nearly five million new and used parts available to technicians and customers in the United States and Canada, including access to parts taken from non-working units. We call this our PartStore.



**Trade-In**

The Best Buy Trade-In program helps customers afford new technology. It is unique in that we provide instant value through a gift card for gently used technology that can be re-sold, and we allow customers to perform a trade-in either in store or online.

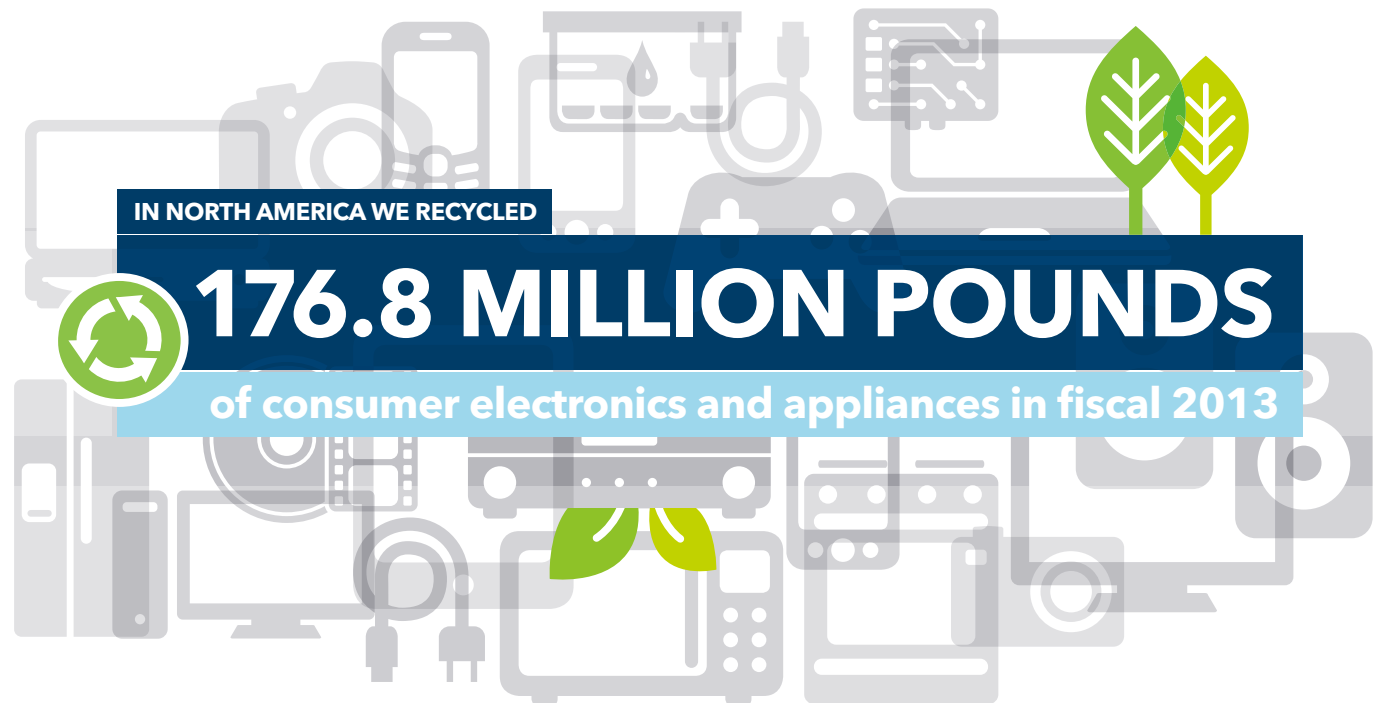
## 02 A Global Responsibility

When there isn't an option to re-purpose a product, we provide customers a place to recycle their electronics.

### CHALLENGE: E-WASTE

Electronic waste continues to be one of the fastest growing waste streams on the planet and improper recycling and disposal is a worldwide problem. Solving the e-waste problem is important because it reduces the need for more landfills, prevents pollution caused by the mining and processing of raw materials and conserves such natural resources as trees, water and minerals. Despite industry efforts to offer more recycling programs, the amount of electronics recycled continues to be low and has not changed much in recent years.

To address this issue, we established our recycling program in 2008. In the U.S., consumers recycle more electronics through Best Buy than any other retailer. We set a U.S. goal to collect one billion pounds of consumer electronics and appliances for recycling by the end of calendar year 2014<sup>1</sup>. To date, we are on target to meet this goal, having collected more than 700 million pounds of consumer electronics and appliances. In fiscal 2013 alone, we collected about 96 million pounds of consumer electronics and 77 million pounds of appliances.



1. Our goal to recycle one billion pounds of consumer electronics and appliances in the U.S. began in June 2008 and ends in December 2014.

02 | A Global Responsibility

OUR GOAL

Recycle 1 billion pounds of e-waste by 2014<sup>1</sup>

1 BILLION POUNDS



1 BILLION POUNDS OF RECYCLED GOODS

x 50,000



50,000 DUMP TRUCKS

x 4,000



4,000 GREAT BLUE WHALES

1. Our goal to recycle one billion pounds of consumer electronics and appliances in the U.S. began in June 2008 and ends in December 2014.



## 02 | A Global Responsibility



## WE MEET &amp; REQUIRE

the highest industry standards for the reuse, refurbishment and recycling of our products



## ENSURING RESPONSIBLE RECYCLING

**Challenge: Exporting**

Unfortunately, e-waste continues to be exported to developing countries, where it may be processed in unhealthy and often dangerous conditions. The demand for this material is due to the value of commodities contained in electronics. It is more expensive to properly recycle electronics in ways that protect human health and the environment, thus it is important for people to understand that they should only use certified recyclers when deciding where to recycle their old electronics. At Best Buy, we provide a responsible way for our customers to recycle their old electronics.

**Our Recycling Standards**

To address this issue, at Best Buy, we promote environmental stewardship by requiring all of our recycling partners to comply with the highest standards in the industry regarding the reuse, refurbishment or recycling of products collected through our programs and the disposal of waste generated from the recycling process. In addition to our own standards, in fiscal 2013, we required certification by either R2® or eStewards®, which are third party standards for responsible practices.

We are a Gold-level participant in the EPA's Sustainable Materials Management (SMM) Electronics Challenge. The mission of the SMM Electronics Challenge is to advance the responsible management of used electronics by challenging manufacturers and retailers of electronics to voluntarily commit to sending 100 percent of used electronics collected for reuse and recycling to certified third-party recyclers.

**Customer Data Privacy and Recycling**

This is a very important issue for our customers and for our company. To ensure our customers' data is protected when it leaves our facilities, we have strict data privacy protection requirements of our partners. We partner with only 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](http://BestBuy.com/Recycling) for more information about how to recycle electronics at Best Buy stores and our commitment to preserving our customers' data privacy.



## 03 Helping Customers Choose Sustainable Products

We want to provide consumers a variety of product options and the best information available so they can make sustainable choices.

## ENERGY-EFFICIENT PRODUCTS

At Best Buy, we offer a large selection of energy-efficient products to help our customers around the world save money by using less energy, including products in Europe and China, that have their own government-managed energy-efficient rating systems. In the U.S. and Canada, we partner with the EPA's ENERGY STAR® program. U.S. Best Buy customers purchased more than 21 million ENERGY STAR® certified products in calendar year 2012 and realized utility bill savings of more than \$51 million<sup>1</sup>. This energy savings equates to just over 680 million pounds of CO<sub>2</sub> emissions avoidance<sup>2</sup>, or the equivalent of removing more than 61,000 cars from the road<sup>3</sup>. Learn more about U.S. ENERGY STAR® certified products at [BestBuy.com/EnergyStar](http://BestBuy.com/EnergyStar).

### CALENDAR YEAR 2012 ENERGY STAR® PURCHASES



**PREVENTED 680 MILLION POUNDS OF CO<sub>2</sub>**

from entering the environment



<sup>1</sup>. Savings based on Best Buy's calendar year 2012 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 \$0.1151/kWh.

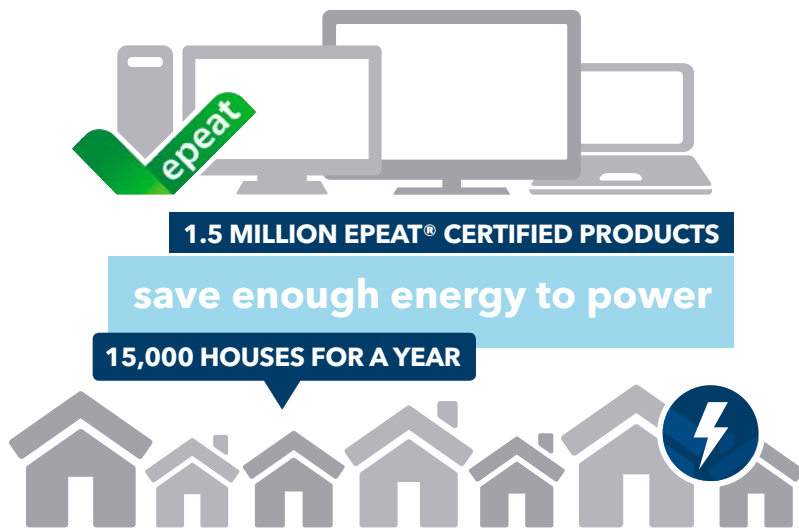
<sup>2</sup>. Savings based on Best Buy's calendar year 2012 sales and the difference in U.S. Environmental Protection Agency's ENERGY STAR Program data regarding annual unit energy consumption between non-ENERGY STAR certified products and ENERGY STAR certified products. Emissions factors are 1.54 pounds CO<sub>2</sub>/kWh and 117 pounds CO<sub>2</sub>/MBtu.

<sup>3</sup>. Savings based on Best Buy's calendar year 2012 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 CO<sub>2</sub>/kWh, 117 pounds CO<sub>2</sub>/MBtu, and 11,244 pounds CO<sub>2</sub>/car/year.

## 03 | Helping Customers Choose Sustainable Products

### EPEAT® RATING SYSTEM

We also offer our business customers access to a helpful tool called EPEAT®, a green electronics rating system that combines more than 50 environmental-performance criteria regarding design, production, energy use, product longevity and recycling with ongoing, independent verification of manufacturer claims. Nearly 500 million EPEAT-registered products have been purchased since the system began in July 2006. U.S. Best Buy customers purchased more than 1.5 million EPEAT-qualified products, which in energy savings, is the equivalent of powering nearly 15,000 houses for a year. With the recent expansion of EPEAT into the imaging (printers and scanners) and television categories, and their historical presence in computing, we look forward to offering even more EPEAT qualified products in the coming year.



### IN GLOBAL COMMUNITIES

In China, beginning in June 2012, the government provided financial subsidies to stimulate the consumption of energy-saving products, mainly household appliances. Five Star sold more than 2 million qualifying energy-saving appliances during fiscal 2013.

### PRODUCT SAFETY

Ensuring the products we sell are safe for customers is essential to being a responsible retailer. 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 Electronics Association (CEA) Product Safety Working Group and the International Consumer Product Health and Safety Organization (ICPHSO). In our fiscal 2012 report, we introduced a potential solution for possible risks of children swallowing coin-sized “button” batteries found in common electronics products such as slim remote controllers, toys and games. Our solution, called the Disc Battery Pressure-Activated Cap, is now in patent-pending status and has been featured at several safety conferences. Another innovation we have in patent-pending status provides a potential solution for the issue of TV tip-over incidents. With our solution, customers can secure their TV without using tools or putting holes in walls or furniture, and yet the solution still allows for TV angle adjustment.

## 04 Providing Entertainment in a Responsible Way

When it comes to gaming and entertainment, customers trust that our Blue Shirts are knowledgeable in the latest and greatest. And by taking extra precaution at checkout, consumers can also rely on our knowledge of rating systems, ensuring their families are going home with age-appropriate gear.

### PROVIDING ENTERTAINMENT IN A RESPONSIBLE WAY

At Best Buy, we are keenly aware of our role in managing mature content when it comes to minors. We want to give our customers the opportunity to choose what is appropriate for themselves and their families, and make our sales staff available to answer questions to help customers make informed decisions.

Some of the video games we sell in our stores are M-rated (mature), and we take precautions to ensure they are only purchased by those ages 17 and older. Our registers prompt employees to ask for an ID when an M-rated game or R-rated movie is scanned for purchase. We use a mystery shopping program to routinely test our stores' performance of age verification. We actively work with the Entertainment Software Ratings Board (ESRB), which aims to increase awareness and use of the rating system by parents and other consumers.





# 05 Exclusive Brands

In addition to showcasing our vendor partners' innovative products, we have our own in-house product lines with energy efficiency, safety and other sustainable attributes in mind.



## Energy Usage

Insignia LED Bulb

Standard Incandescent Bulb

## INNOVATING FOR OUR CUSTOMERS

In fiscal 2013, we unveiled an LED light bulb that uses 75 percent less energy than incandescent bulbs and is designed to have a product life of more than 22 years. Developed by Cree, Inc. (NASDAQ: CREE), this Best Buy exclusive product was created in partnership with Minnesota inventor, Dave Carroll. Unlike other LED bulbs, the Insignia LED light bulb looks more like a traditional incandescent bulb, providing immediate full brightness when turned on. The Insignia LED light bulb also avoids the CFL toxic hazards and disposal hassles, since they are mercury- and gas-free. The Insignia bulb is ENERGY STAR certified, making the product even more affordable for customers due to the rebate program. (Contact your local Best Buy store or utility company for rebate information.) Insignia bulbs are available for purchase on BestBuy.com and in all Best Buy U.S. large-format stores.



**05 | Exclusive Brands**

**SUSTAINABLE PACKAGING**

Our Exclusive Brands packaging team focuses on three priorities for improving packaging

**“Optimal” Packaging Design**

In fiscal 2013, we continued the research of systems and tools to support and track packaging materials that will help us measure the benefits of packaging optimization. We continue to look for ways to make our packaging the most appropriate size for the product, while accounting for handling protection, regulatory requirements, assembly methods, retail merchandising and overall customer satisfaction. Our goal is to have 100 percent of Insignia, Dynex, Rocketfish and InIt retail packages “optimally” designed to meet product requirements.

**Safe and Sustainable**

Our aspiration is to eliminate packaging materials that are considered toxic, or create challenges in the material-recovery processes. In fiscal 2013, we eliminated an additional 12 tons of polyvinyl chloride (PVC) plastic from our retail packaging and more than 20 tons of expanded polystyrene foam from our Exclusive Brands TV packaging. Whenever possible, we choose paper-based materials rather than plastic, we eliminate or reduce PVC, we use post-industrial and post-consumer recycled cardboard, and we apply non-solvent coatings and organic inks.

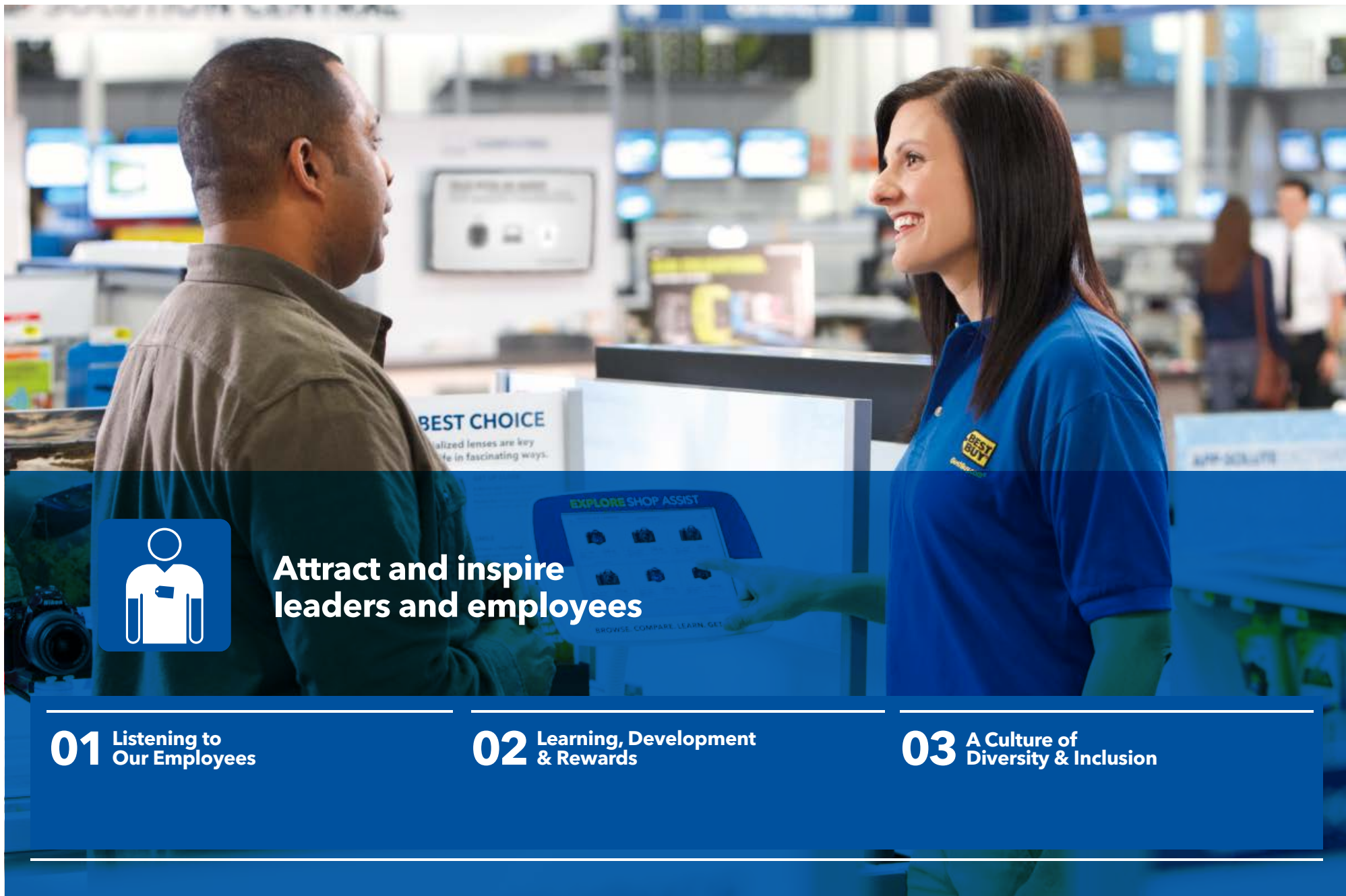
**Customer Education About Disposal**

We want to help our customers understand how to recycle or dispose of packaging materials. Exclusive Brands has joined GreenBlue’s Sustainable Packaging Coalition working group, and is partnering with its How2Recycle labeling initiative – a new and uniform packaging material and recycling coding system.



**OUR GOAL**  
 To have all of our retail packaging “optimally” designed





## Attract and inspire leaders and employees

**01** Listening to Our Employees

**02** Learning, Development & Rewards

**03** A Culture of Diversity & Inclusion



# 01 Listening to Our Employees

Each year, we ask employees from across the organization what they think about working at Best Buy. And we believe that a continuous conversation is an important way to gain feedback. We also believe that the key to practicing authentic listening is to take action on what employees say. At Best Buy, we expect all of our leaders to build action plans with their teams to address their engagement levels collected from the formal employee survey.

## EMPLOYEE ENGAGEMENT

We use formal surveys to establish a baseline of employee satisfaction and identify areas to improve the employee experience. The Employee Satisfaction Index (ESI) collects feedback from employees across the enterprise in the U.S., Canada, Mexico and China. It gives us insight into 23 different dimensions of the workplace environment, accounting for differences in local culture. The Best Buy overall employee satisfaction increased in fiscal 2013 from fiscal 2012.



01 | Listening to Our Employees

A NEW VOICE

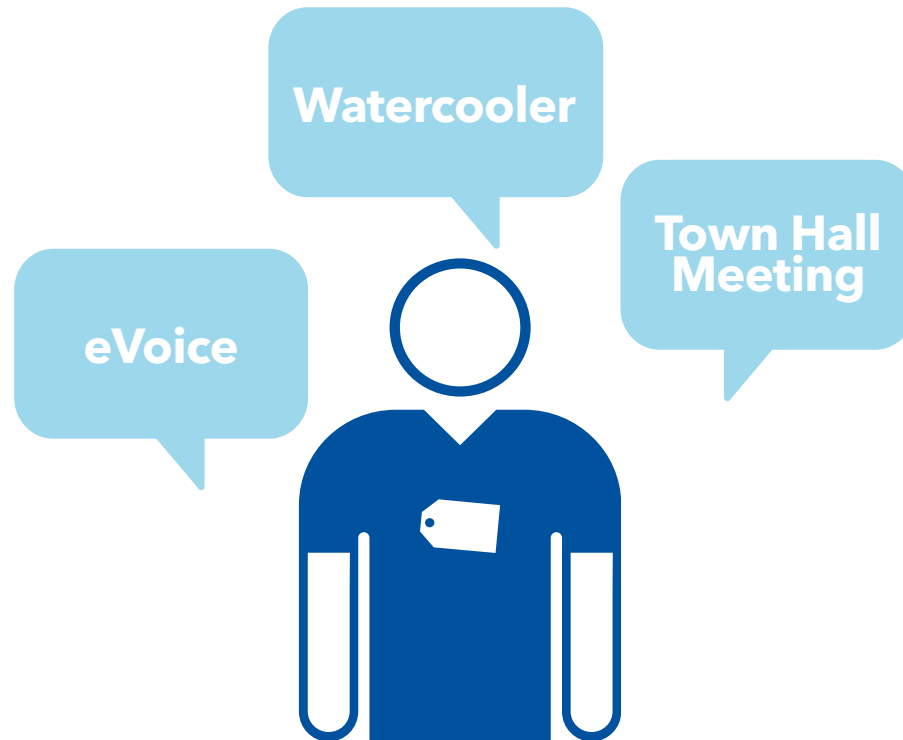
In fiscal 2014, we have transitioned to a new survey called eVoice, which measures engagement in addition to satisfaction and is more aligned with our company strategy. eVoice will provide deeper insights into and key drivers of employees' engagement.

AROUND THE WATERCOOLER

Watercooler is our online forum for employees to engage in free and open dialogue on any Best Buy-related topic.

GLOBAL TOWN HALLS

Senior leaders hold quarterly meetings where they share a state-of-the-business update and progress on critical initiatives. Employees across the globe can participate via the web and ask questions via the webcast.





## 02 Learning, Development & Rewards

Through our broad training programs and emphasis on development, employees are motivated to share ideas and collaborate on business goals, resulting in an environment where Blue Shirts are leading innovation.



### PREPARING EMPLOYEES FOR SUCCESS

Comprehensive training is key to inspiring confidence in our employees to deliver an exceptional customer experience. In fiscal 2013, we received the Outstanding Training Initiative Award from Training Magazine.

02 | Learning, Development & Rewards

## LEARNING LOUNGE

We are committed as an organization to ensuring that no employee goes untrained. In the U.S., we deliver product and service training to our employees through our award-winning platform called Learning Lounge. The site includes training tools such as videos and audio files, accessible anywhere with an Internet connection, so our employees can learn where they like, when they like – and they are paid for their time. Our employees completed more than 12 million courses during fiscal year 2013.

### LEARNING LOUNGE COURSES COMPLETED

**12 million**  
FISCAL YEAR 2013

**7.15 million**  
FISCAL YEAR 2012

**4.3 million**  
FISCAL YEAR 2011

### RESPONSIBILITY TO EVERYONE



One example of an e-learning that our new employees complete during their orientation is "Responsibility to Everyone."

This course covers harassment prevention, diversity and inclusion best practices and respect in the workplace.

## REWARDING EMPLOYEES

### Path To Excellence

Path to Excellence is our new performance recognition platform, whereby employees can be recognized by leaders with points and awards for delivering great customer experiences, or reaching business goals. Points can also be earned by demonstrating behaviors that support the strategic priorities of the enterprise as well as achieving milestone years of service awards. All of these points can be redeemed for items such as event tickets, merchandise, gift cards, travel, and Reward Zone certificates. Similarly, as employees complete Knowledge Zone status levels (Bronze, Silver, Gold and Platinum) of their personalized learning path through Learning Lounge, they are recognized with pins to wear to designate their level of proficiency.

### Part-Time Benefits

For part-time employees, Best Buy offers competitive pay and many of the same benefits and rewards that we offer to full-time employees. U.S. part-time benefits include a 401(k) retirement fund, an employee discount at Best Buy stores and an Employee Assistance Program (where employees can go for help with personal issues). This year, we enhanced part-time health offerings with free flu shots, access to a nurse line and prescription drug discounts. In fiscal 2014, we have expanded our Short Term Incentive (STI) program to include all store employees.

### Rewarding Globally

Five Star rewards its employees through a similar program called Learning Passport. Employees take courses, earn points and exchange the points for gifts.

Best Buy Mexico employees who have made a significant contribution to our business are recognized in their stores through a quarterly award called "La Pieza Clave."



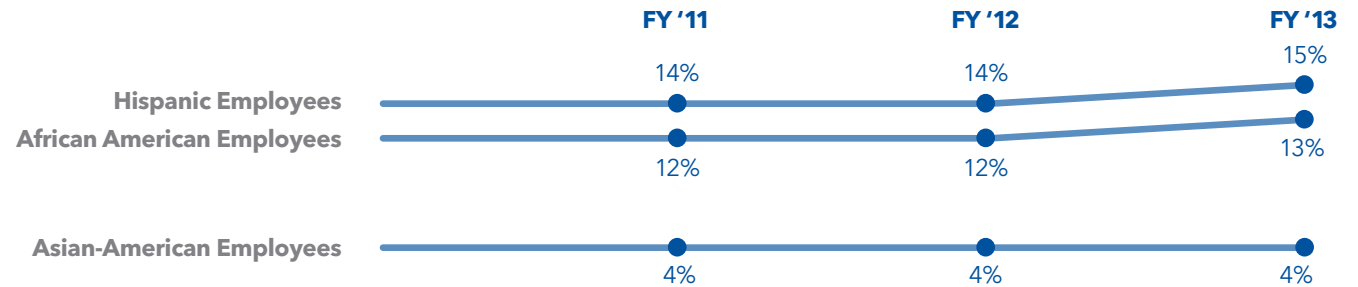
## 03 A Culture of Diversity & Inclusion

At Best Buy, we work to create an environment that respects and leverages the unique experiences and perspectives of our employees. In developing a diverse and inclusive workforce and culture, it is important that all of our employees feel welcome and valued.

### EMPLOYEE DIVERSITY

Our Employee Business Networks (EBNs) are the backbone of our diversity and inclusion efforts in the U.S. These groups are based on dimensions of diversity such as age, race, gender, abilities, military service, sexual orientation and gender identity.

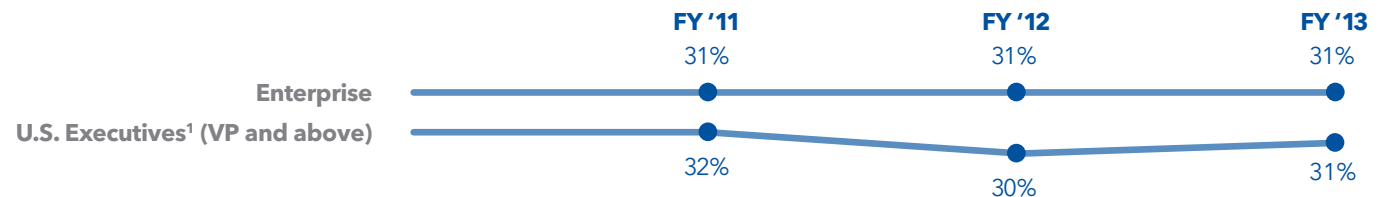
#### PERCENT OF MINORITY GROUP MEMBERSHIP EMPLOYEES (U.S. ONLY)



### FEMALE LEADERSHIP

One of the most active EBNs is the Best Buy Women’s Leadership Forum (WOLF), an engaged and inspired network of over 10,000 employees, customers, partners and friends that benefit the individuals in the network, our business and our communities. “WOLF Packs” are the center of the network, made up of retail and corporate employees (both female and male) who meet monthly to focus on leadership development and business innovation. We are proud to have been named to Working Mother’s list of Best Companies for Hourly Employees in fiscal 2013 for the second consecutive year.

#### PERCENT OF FEMALE EMPLOYEES



1. Percent represents January fiscal month end for 2011, 2012 and 2013

03 | A Culture of Diversity & Inclusion

SUPPORTING COMMON INTERESTS

Growing in popularity, Focused Involvement Networks (FINs) are groups of Best Buy employees who share a common interest or passion. Examples are Facing Autism in a Caring Environment (FACE), the Best Buy Cycling Team and the Best Buy Racing Network.



HUMAN RIGHTS STATEMENT



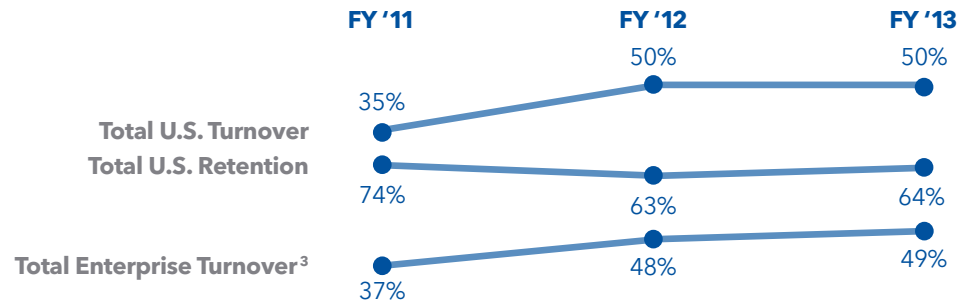
At Best Buy, we recognize and embrace the responsibility to respect human rights in our own operations, as well as through our business relationships.

We have long taken steps to meet this responsibility through our Code of Business Ethics and our Supplier Code of Conduct. We will continue to explore programs in this area.

RECIPROCAL MENTORING

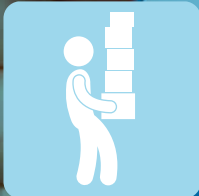
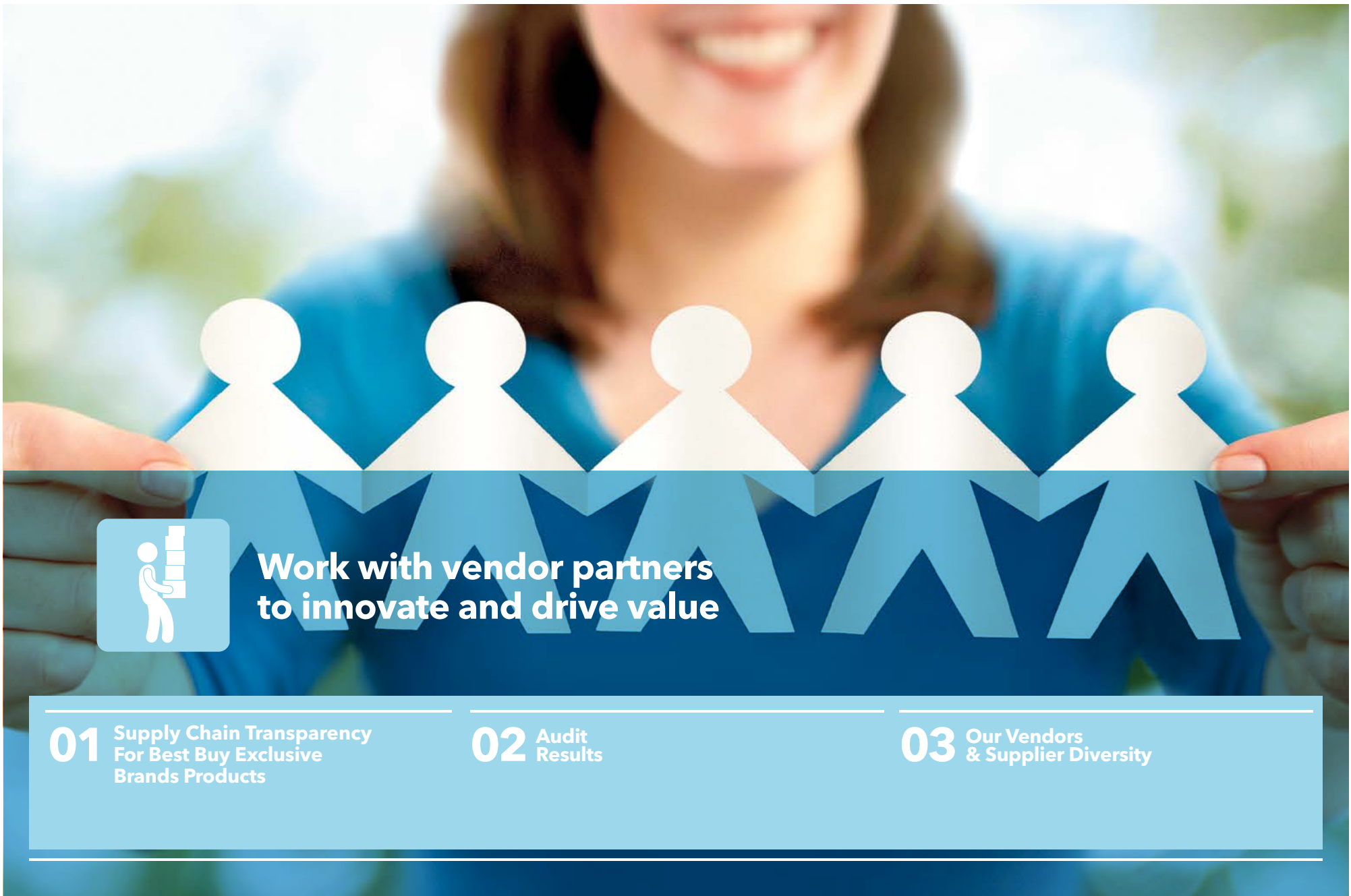
Now in its third year, the Reciprocal Mentoring Program pairs senior leaders with emerging leaders from one of our Employee Business Networks, where both play the role of mentor and mentee. The purpose is to leverage diversity to positively influence our employees, customers and communities. It also provides senior leaders and emerging leaders with leadership-development opportunities and contributes to retention of diverse talent. In fact, the retention rate of emerging leaders who participated in the program was more than 90 percent in fiscal 2013.

GLOBAL RATES OF EMPLOYEE TURNOVER<sup>1</sup> & RETENTION<sup>2</sup>



At Best Buy, we know that higher levels of employee engagement correlates to lower levels of turnover, which is one reason that we strive for a highly engaged workforce.

- 1. Turnover represents the percent of employees who voluntarily ended employment at Best Buy during the fiscal year.
- 2. Retention represents the percent of employees who remained employed at Best Buy for the entire fiscal year.
- 3. Due to regional differences in reporting, the data does not include Carphone Warehouse figures.



## Work with vendor partners to innovate and drive value

**01** Supply Chain Transparency For Best Buy Exclusive Brands Products

**02** Audit Results

**03** Our Vendors & Supplier Diversity



# 01 Supply Chain Transparency For Best Buy Exclusive Brands Products

For Best Buy Exclusive Brands, we work with suppliers on the design, production and testing of our products, and partner with these suppliers to ensure they meet our expectations for safe, clean workplaces where workers are treated with dignity and respect.

In late 2012, we launched a redesigned approach to supply chain sustainability to improve systems and controls so we can more effectively work with our Exclusive Brands suppliers to increase supply chain transparency, reduce non-compliance and drive continuous improvement.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM

From 2007 to 2012, the approach we used to monitor suppliers' management practices was called the Social and Environmental Responsibility (SER) program. Through the SER program, we focused on eliminating non-compliance and instilling labor, health and safety and environmental best practices. The program succeeded in helping to build supplier capacity and improve social and environmental performance. For more information about the SER program, please see the fiscal 2012 Best Buy Sustainability Report.







## 01 | Supply Chain Transparency

## TRANSITIONING TO THE SUPPLY CHAIN SUSTAINABILITY PROGRAM

Given the industry evolution in recent years, we sought to design a new program that incorporated leading practices and shifted our focus from audits to responsible capacity-building and from managing risk to creating sustainable business value.

In late fiscal 2012, we joined the Electronic Industry Citizenship Coalition (EICC) and began to transition from our SER program to one based on EICC protocols. EICC membership includes approximately 80 of the world's most prominent consumer electronics companies. Collectively, we embrace a common supplier code of conduct and audit methodology that create business value by improving working and environmental conditions in the supply chain.



### FISCAL 2012 GOAL

**In the fiscal 2012 Sustainability Report we announced two supply chain goals:**

**By the close of fiscal 2013, we would**

1. Adopt the EICC's code, tools and protocol
2. Ensure 100 percent of our non-U.S. based suppliers are prepared to convert to an EICC based program

### THE RESULTS:

**We officially launched the Supply Chain Sustainability program in Sept. 2012**

**100 percent of suppliers were prepared to convert to an EICC based program through the following means:**

**Multiple communications** to all vendors informing them of the transition and providing guidance on steps they should take to prepare

**Multiple in-person training sessions** on the EICC-based program, including four two-day training sessions dedicated entirely to the new program

**Translated EICC documents** into Mandarin and created new supporting material to help suppliers meet the EICC code

**Going forward:** By close of fiscal 2014, we will train our suppliers and partners on responsibility reporting and provide tools on the Global Reporting Initiative (GRI), encouraging more transparency in our supply chain.





## 01 | Supply Chain Transparency

Our conversion to the Supply Chain Sustainability (SCS) program, which is based on the EICC code, protocol and tools, builds on the strengths of our SER program and reinforces our commitment to seek solutions to current and emerging challenges through increased industry collaboration.

The SCS program incorporates a six-phase approach to code compliance, which retain several steps of the SER program, such as pre-contract audits, capacity building and public reporting.

Through the SCS program we expect to see deeper engagement with strategic suppliers and, over time, improvement as they increase ownership of their sustainability practices. In addition, SCS will result in more nimble and streamlined support for our Global Sourcing and Exclusive Brands teams.

### PHASE 1: CODE INTRODUCTION & ADOPTION

Before working with new suppliers, we provide in-depth training on our code and program, and conduct a full audit of their facilities.

### PHASE 2: SELF-REPORTING

Existing suppliers assess their performance against the code by completing an annual self-assessment questionnaire (SAQ) and quarterly key performance indicator (KPI) reports.

### PHASE 3: RISK ASSESSMENT

We evaluate our suppliers' ability to meet the code, which guides how we monitor their performance and build their capacity.

### PHASE 4: MONITORING

We perform full audits at high-risk suppliers and validation audits that are used to confirm SAQ and KPI results at medium-risk suppliers, and identify gaps between suppliers' performance and the code.

### PHASE 5: CAPACITY BUILDING

We build our suppliers' capacity so they can close the gap between their performance and the code.

### PHASE 6: REPORTING

Each year we publicly disclose our suppliers' rate of conformance against the code.



## 01 | Supply Chain Transparency

### STAKEHOLDER COLLABORATION

Another important industry resource for our company is the Global Social Compliance Program (GSCP), a business-driven coalition of retail companies that seek to harmonize supply chain programs. GSCP members, assisted by stakeholders, are developing a set of reference tools and processes that provide a common interpretation of labor and environmental requirements. Through our membership in the GSCP, we hope to become more effective in remediation, capacity building and training.

### OUR APPROACH TO CONFLICT MINERALS

In calendar year 2013, the Conflict Minerals law, in the Dodd-Frank Act, which requires companies to disclose the source of tin, tungsten, tantalum and gold used in their products, went into effect. These conflict minerals are mined in the Democratic Republic of Congo (DRC), where some mines and mining activities are exploited by armed groups, who in turn use the profits to further violence and human rights abuses.

To support the fight against the use of conflict minerals from the DRC, we are a member of the EICC's Conflict Free Sourcing Initiative and engaged with their Conflict Free Smelter Program. We also play a leadership role in the Retail Industry Leadership Association's (RILA) Conflict Minerals Working Group. Through these partnerships we have worked to develop educational material for suppliers, engaged stakeholders and conducted pilots to better understand the challenges to identifying the source of conflict minerals.



02 | Audit Results

## ASSESSING OUR SUPPLIERS

In the third quarter of fiscal 2013, we waived SER audits at our lowest-risk suppliers in order to complete the transition to the SCS program and prepare our suppliers for SCS audits. Since we moved to the new program, we conducted approximately ten audits and 16 validation visits to the medium- to high-risk suppliers. The results of these audits are in line with our SER program results. Due to the differing measurement and scoring methodology between the two programs, we are limiting our disclosure of audit results in this year's sustainability report to the SER program. Starting with our fiscal year 2014 report, we will provide a full account of our suppliers' SCS audit results.

Two of the most prevalent issues found during our audits are related to wages and working hours. We take these issues very seriously and instead of relying solely on audits to gather this information, we track wage and working hour information from all of our suppliers on a quarterly basis. We use this information to identify root causes and emerging trends, as well as to engage in conversations, both internally and with factory management, in an attempt to identify solutions.

1. The percent of suppliers receiving a human rights audit dropped in fiscal 2012 for two reasons; we waived audits at low-risk suppliers during our transition to the SCS program and under the new program, we will focus on medium- and high-risk suppliers.

2. Factory audit results reflect the performance of active factories at the close of fiscal 2013 that manufactured Exclusive Brands product within each fiscal year. Factory audit performance reflects comprehensive audit results only and does not include findings from follow-up audits.

### EXCLUSIVE BRANDS SER FACTORY AUDIT PROGRAM RESULTS

	FY '11	FY '12	FY '13
<b>Factories</b>	145	154	<b>152</b>
<b>Full Factory Audits<sup>1</sup></b>	154	160	<b>82</b>
<b>Terminated Factories</b>	3	0	<b>1</b>
<b>Potential New Factories Rejected Based On Initial Audit</b>	2	5	<b>2</b>
<b>% of Suppliers That Have Undergone A Human Rights Audit<sup>1</sup></b>	97%	97%	<b>70%</b>

### EXCLUSIVE BRANDS AUDIT RESULTS <sup>2</sup>

	FY '11	FY '12	FY '13
<b>Harassment &amp; Abuse Issues</b>	0%	0%	<b>0%</b>
<b>Health &amp; Safety Issues</b>	13%	16%	<b>18%</b>
<b>Forced Labor Issues</b>	0%	0%	<b>0%</b>
<b>Environmental Issues</b>	5%	5%	<b>7%</b>
<b>Wage &amp; Compensation Issues</b>	19%	25%	<b>33%</b>
<b>Discrimination Issues</b>	0%	0%	<b>0%</b>
<b>Right To Freely Associate Issues</b>	0%	0%	<b>0%</b>
<b>Working Hours Violations</b>	63%	74%	<b>89%</b>
<b>Child Labor Violations</b>	0%	0%	<b>0%</b>



## 03 Our Vendors & Supplier Diversity

By collaborating with our vendor partners through multi-stakeholder groups and fostering relationships with a diverse set of suppliers, we continue to innovate for our industry, and ultimately, our customers.

### VENDORS

We see our vendors as partners and work closely with them to move our industry forward. One example is our membership with The Sustainability Consortium (TSC), a multi-stakeholder collaboration whose mission is to design and implement credible, transparent and scalable science-based Sustainability Measurement and Reporting Systems (SMRS) accessible for all producers, retailers and users of consumer products. With the SMRS, companies can improve the quality of decision making about product sustainability. This enables companies to design better products, effectively manage the sustainability of upstream supplies and suppliers, and communicate product sustainability downstream to consumers.



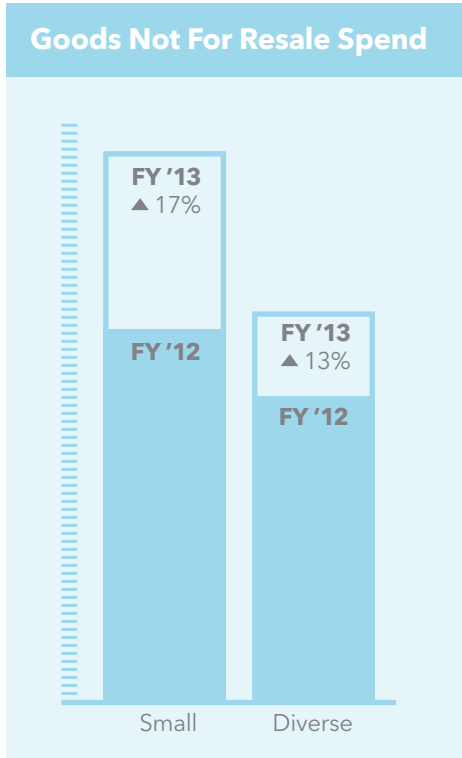
#### We participate in three Working Groups:

**Electronics Working Group** - Focuses on providing credible and scientifically grounded support for communicating the real impacts of all consumer electronics. With a thorough evaluation of consumer electronics throughout the value chain, this sector can make a difference in how users understand the sustainability of their electronics and what that means to society. We hold a co-chair position of this working group.

**Retail Working Group** - Collaborates with other TSC Sectors to explore ways to improve business-to-business communications, education, and decision making across the supply chain.

**Measurement Science Working Group** - Establishes scientific methodologies for use by the different TSC Working Groups. The group ensures that the user community has robust methods, data, and tools for the integration of sustainable thinking into everyday business decisions.

03 | Our Vendors & Supplier Diversity



SUPPLIER DIVERSITY

Similar to the benefits of employing a diverse workforce, supplier diversity drives innovation. Our supplier diversity program seeks to increase the percentage of spend we allocate to small businesses (as defined by the federal government) and diverse businesses (defined as 51 percent owned and operated by women, minorities, veterans, or gays, lesbians, bisexuals and transgendered people (LGBT)).

Fiscal 2013 highlights:

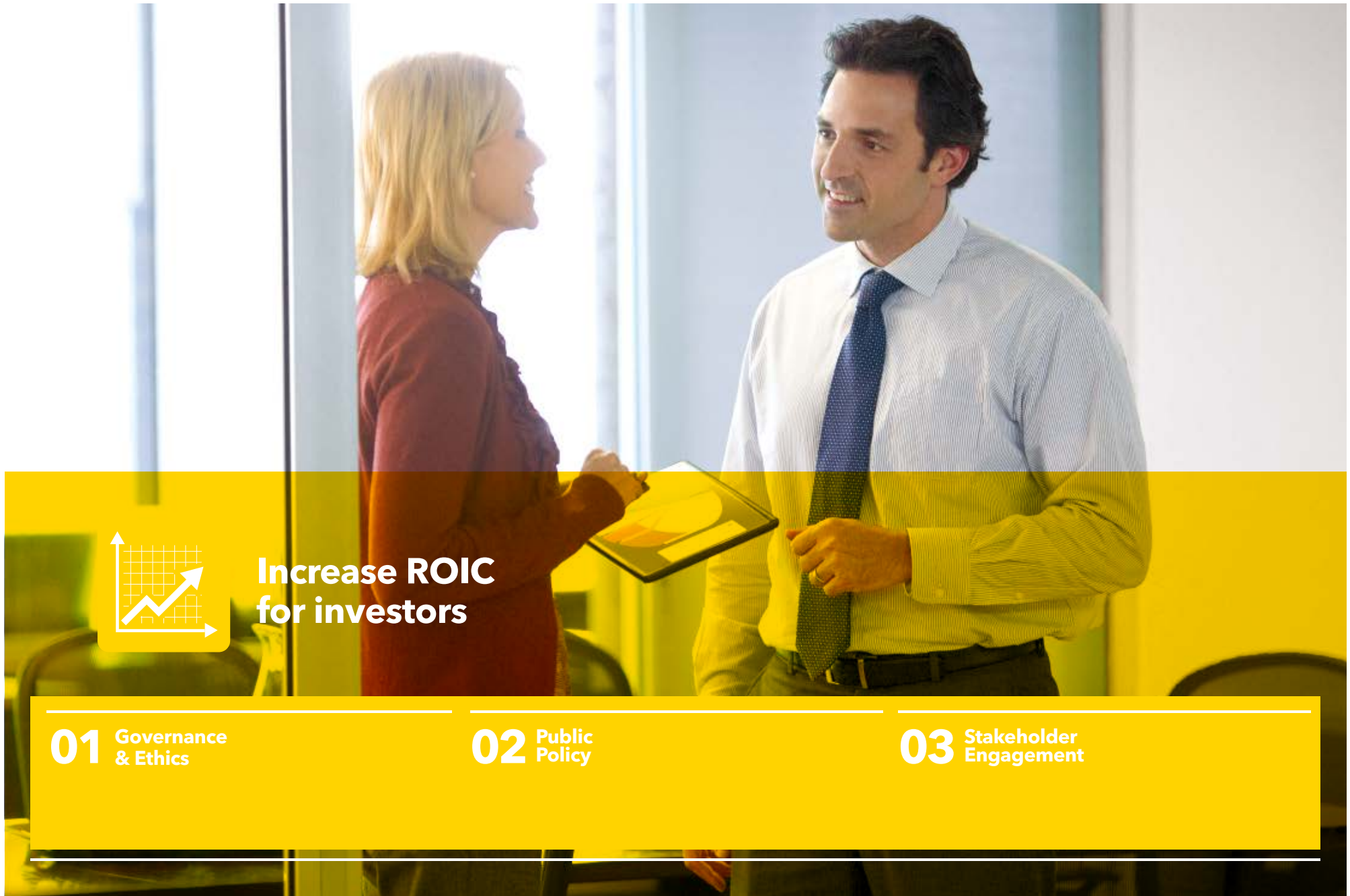
We achieved a 17 percent increase in our Goods Not For Resale (GNFR) spend with suppliers that are certified small and a 13 percent increase with suppliers that are certified diverse.<sup>1</sup>

We received the Corporate Partner of the Year Award from the Women’s Business Development Center, a local nonprofit that certifies and supports women-owned enterprises.

Our employees mentored five women- and ethnic-minority-owned companies to better position them to do business with us, as well as other Fortune 500 companies.

<sup>1</sup>The scope of our supplier diversity work includes U.S. Goods Not for Resale, which are products and services that we do not sell in our stores (for example, suppliers of Information Technology services, light fixtures, janitorial services, etc.).





# Increase ROIC for investors

**01** Governance & Ethics

**02** Public Policy

**03** Stakeholder Engagement



## 01 Governance & Ethics

Corporate responsibility begins at the top with a core group of individuals dedicated to monitoring everything from enterprise risk to environmental regulation, but it extends far beyond the confines of the offices of a few. From officer to entry level, every Best Buy employee is held to the same unwavering standards; they are written in our core values, and serve as a reminder of their ever-present importance in our personal and professional conduct. It is a responsibility we all share in order to develop more influential leaders, highly trusted employees and a greater, stronger Best Buy.

## GOVERNANCE

Our corporate responsibility governance structure starts at the highest levels of our company. The Board of Directors' Nominating, Corporate Governance and Public Policy committee oversees Corporate Responsibility & Sustainability (CR&S). The Board works with our executive leaders in guiding our sustainability strategy. In addition, we have a cross-functional committee of company leaders that advise our Corporate Responsibility & Sustainability programs and initiatives, support integration, set goals and measure results.

## ETHICS

Our compliance and ethics structure is led by:

**Chief Compliance Officer:** Monitors and addresses enterprise risks in the areas of law and public policy, including corporate governance, environmental regulation and product safety, among others.

**Chief Risk Officer:** Identifies emerging risks, including risks associated with sustainability, and develops the processes to address those risks.

**Chief Ethics Officer:** Seeks to help our company conduct business in the most ethical manner by developing business standards, policies and practices that go beyond complying with the law, including such issues as bribery, anti-corruption and privacy. Read more about the Best Buy Code of Business Ethics at [BestBuyEthics.com](http://BestBuyEthics.com).

## 02 Public Policy

Our public policy work directly aligns with our aspiration to be environmentally and socially accountable for our brands and business operations worldwide.

### POLITICAL SPENDING

The Political Contributions Steering Committee is comprised of five senior executives whose role is to review and approve corporate funding for political contributions of \$5,000 or more. We publicly disclose corporate political contributions in our Political Activity & Public Policy Report each year. This information is reviewed annually by the Nominating, Corporate Governance and Public Policy Committee of the Board of Directors.

### FAIR COMPETITION

Best Buy supports federal e-fairness legislation, the Marketplace Fairness Act, which allows states to apply sales tax collection laws fairly to all sellers, regardless of their business model. This legislation does not represent a new tax, rather it simply helps ensure fair competition that ultimately benefits consumers and our communities. The current laws were put in place before the Internet or e-commerce even existed. Just as retail has evolved over the years, the tax code needs to evolve to reflect modern patterns in how consumers shop, not by creating a new tax but by enforcing the laws already on the books. We are encouraged by the bipartisan support the measure has received in Congress so far, and we hope that Congress passes the Marketplace Fairness Act this year.

### TURN UP THE VOTE

The Best Buy internal Turn Up the Vote campaign is designed to encourage all employees to get involved in the electoral process and vote. As a company, we encourage employees to be engaged in the communities where we do business and where we live. We provide employees with tools and resources necessary to vote on Election Day.

### BLUEGRASSROOTS NETWORK

At Best Buy, we encourage employees to engage in the political process, both professionally and personally. The BlueGrassroots Network gives employees the opportunity to learn about the issues impacting our company, form relationships with government officials at all levels and promote good citizenship. Collaboration between our employees and elected officials helps bring about change that better serves the communities where we live and work. Our public policy work directly aligns with our aspiration to be environmentally and socially accountable for our business operations worldwide.

TO VIEW OUR

**COMPANY POLICIES**



[Click here »](#)



## 03 Stakeholder Engagement

At Best Buy, we form relationships with the many people and organizations that have a stake in what we do. We interact daily with our employees, customers and our communities in a variety of ways. We also work with a formal stakeholder advisory board to share insights and gain an outside perspective on our sustainability efforts.

### CERES ADVISORY BOARD

We have instituted a formal advisory board through Ceres, a U.S. network of socially responsible investment companies, environmental organizations and other public interest groups that work with companies to address sustainability challenges. Through a dialogue that includes leaders from across our organization, we formally ask for insight and ideas as well as share challenges, opportunities and successes. This has been a beneficial partnership for us since 2010 and we plan to continue engaging with this group.

**The Ceres formal advisory board includes members from each of these organizations:**

- Calvert Investments
- Christian Brothers Investment Services, Inc.
- Electronics TakeBack Coalition
- Environmental Defense Fund (EDF)
- National Environmental Education Foundation (NEEF)
- Natural Resources Defense Council (NRDC)
- Pax World Management LLC
- The United Methodist Church, General Board of Pension and Health Benefits
- Verité

### MULTI-STAKEHOLDER ORGANIZATION MEMBERSHIPS

In addition to influencing our overall sustainability strategy, stakeholders play a role in shaping our annual sustainability report. We have gathered their recommendations, evaluated them and even modified our communication to improve our sustainability efforts.

**We are a member of, or collaborate with, the following organizations (partial list):**

#### Sustainability Strategy and Development

- Business for Social Responsibility (BSR)
- Ceres
- The Sustainability Consortium - we co-chair the Electronics Sector working group
- Boston College Center for Corporate Citizenship - we participate on the executive board
- Aspen Institute Business and Society Senior Leaders Forum - we participate on the executive board
- Retail Industry Leaders Association (RILA) - we hold a seat on the Board of Directors
- Consumer Electronics Association (CEA) - we co-chair CEA's Green Standards and Disclosure Working Group



## 03 | Stakeholder Engagement

### MEMBERSHIPS CONTINUED

#### Supply Chain Integrity Organizations

- Electronics Industry Citizenship Coalition (EICC) - we have a seat on the Board of Directors
- Global Social Compliance Program (GSCP)

#### Environment

- Carbon Disclosure Project (CDP)
- EPA's Green Power Partnership
- National Association of Environmental Managers (NAEM)
- World Resources Institute's Customer Consultative Group
- U.S. Department of Energy's Better Building Challenge
- EPA's Smart Way

#### Social Change Organizations

- Boys & Girls Clubs of America (BGCA)
- Intel Computer Clubhouse Network
- MOUSE

### CONNECTING WITH CUSTOMERS THROUGH THE CONSUMER INSIGHTS UNIT

At Best Buy, we believe our customers are a critical stakeholder. We reach out to our customers and use their feedback to develop technology solutions that matter to them, including solutions that help them live more sustainably. Our Consumer Insights Unit (CIU) focuses on gaining insights about customers including information about behaviors, attitudes and values that help us meet their expectations. These insights are shared with leaders across the enterprise to help influence strategic changes in both the customer and employee experience. In addition, we connect with our customers through:

**Our Stores** - Blue Shirts (store employees) and Geek Squad Agents are trained to help customers find products and solve their technology challenges.

**U.S. Customer Experience Surveys** - In early fiscal 2014, we implemented a holistic customer experience survey methodology that incorporates feedback from all of our channels including purchasers as well as non-purchasers. These surveys are used to gather Net Promoter Score<sup>®1</sup>, which allow employees to better understand the differentiation between exceptional and marginal experiences. Our Net Promoter Score<sup>®</sup> has improved since the new methodology began; the greatest improvements have been observed within our services channels and among our store non-purchasers. Our goal is continuous customer experience improvement.

<sup>1</sup>Net Promoter, NPS, and Net Promoter Score are trademarks of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld.

**Enterprise Customer Care** - Customers can contact us when and how they prefer to get the answers they need from 1-888-BEST BUY. In addition, we have chat, email and social media outlets for serving customers' needs.





# Continue leadership role in positively impacting our world

**01** Helping People Succeed Through Technology

**02** U.S. & Global Programs

**03** Employee Volunteerism

**04** Our Operations

**05** Reducing Our Carbon Footprint



## 01 Helping People Succeed Through Technology

While we live in a world immersed in technology, too many still lack access. We are directing our philanthropic efforts to providing greater access to technological tools, resources and opportunities for teens to succeed academically and expand future career possibilities.

### CHALLENGE: "THE DIGITAL DIVIDE"

According to the Federal Communications Commission (FCC), more than 100 million Americans lack access to broadband service and a home personal computer. As a business we provide technology solutions - not just products - that are tailored to the unique needs of our customers. With technology so ingrained in our society, it is imperative that everyone develops 21st-century skills for their future success. We believe we have a responsibility to share our knowledge and resources to help more people experience the benefits of technology. We are partnering with the FCC and other organizations to tackle this issue.

IN FISCAL YEAR 2013



Our enterprise-wide donations totaled over \$23 million

### HELPING TEENS BUILD 21<sup>ST</sup> CENTURY TECHNOLOGY SKILLS

At Best Buy, we are working to provide greater access to technological tools, resources and opportunities for teens to develop 21st-century technology skills. Research shows that too many teens have little or no access to technology and as a result fall behind their more connected peers. There is also an opportunity for teens who do have access, as they could move beyond passive consumption and engage in the development and creation of media and technology. Our mission is to provide teens opportunities to develop technology skills that inspire future education and career choices.



## 02 U.S. & Global Programs

By aligning our resources with nonprofit organizations, Best Buy is able to support a variety of technology programs locally and internationally that educate and inspire youth.



### BEST BUY® TEEN TECH CENTERS

Best Buy Teen Tech Centers provide a safe place where teens can develop technology skills through hands-on activities such as filmmaking, music production, graphic design, robotics, mobile applications and game development. We are currently piloting this program with nonprofit partners in Chicago, Miami, San Antonio and Minneapolis. We partnered with the Intel Computer Clubhouse Network (ICCN) to assist with program development, support the centers' staff and monitor results. ICCN is a program of the Museum of Science, Boston with the support of the MIT Media Laboratory and has a 20-year track record serving 25,000 youth annually through 100 clubhouses worldwide.



## 02 | U.S. & Global Programs

### ADDITIONAL U.S. PROGRAMS

#### Teen Tech Summits

In fiscal 2013, we created Best Buy Teen Tech Summits – interactive technology workshops. The goal of the events was to expose teens to various technology skills and connect them with local nonprofit resources where they can continue to develop their knowledge. Topics included computer e-cycling, robotics, digital imaging and music production. The summits were held in conjunction with nonprofit partners in six communities across the country: Houston, Philadelphia, Minneapolis, San Antonio, San Jose and Washington, D.C.

#### Geek Squad Summer Academy

Geek Squad Summer Academy (GSSA) is an interactive learning program for young people ages 10-18 to develop technology skills and consider technology-based career paths. We partnered with local nonprofit organizations to host Academies where Geek Squad Agents led classes such as computer programming, digital photography, digital video and digital music. In fiscal 2013, academies were held across the U.S., and more than 4,700 youth earned Junior Agent certifications. Additional Geek Squad Summer Academies are planned for fiscal 2014.

#### Joining Forces

Geek Squad Agents also conduct Geek Squad Summer Academies as part of the Joining Forces initiative, led by First Lady Michelle Obama and Dr. Jill Biden. The initiative asks Americans to get involved in supporting U.S. troops. Geek Squad Summer Academies support the educational emphasis of the national program by offering customized training to help members of the armed services and their families stay connected via technology. Five of the Geek Squad Summer Academies were held on U.S. military bases in the summer of 2013, with plans to host additional sessions in fiscal 2014.

#### Community Grants

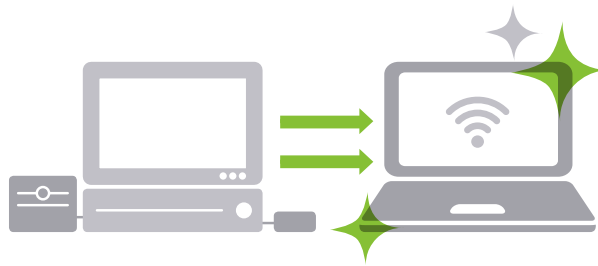
Through the Community Grants program, Best Buy retail teams across the U.S. choose nonprofit organizations within their local communities that help teens develop 21st-century technology skills necessary to excel at school and inspire future career choices. In fiscal 2013, we gave \$2.75 million to more than 500 nonprofits nationwide.

#### Connect2Compete

We also help underserved populations gain regular access to the Internet, thereby increasing access to the opportunities that come with it, such as jobs, education and convenience that can enhance a person's quality of life. C2C is targeting populations that do not have access to the Internet or the skills to use technology. We partner with Connect2Compete, a private and nonprofit sector partnership that promotes broadband adoption and digital literacy in disadvantaged communities. The Federal Communications Commission (FCC) is leading the effort to bring partners together and ensure that the project meets its goals over time.



02 | U.S. & Global Programs



GLOBAL PROGRAMS

Canada’s Future Generation Tech Lab

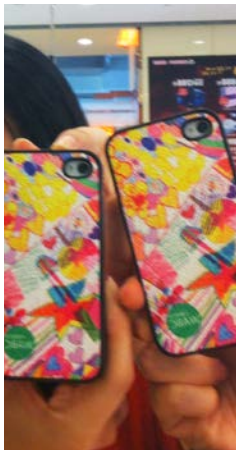
Best Buy Canada and Future Shop awarded 12 high schools grants totaling more than \$200,000 to update their technology. Applicants were judged based on the impact of the technology on students’ learning potential.

Best Buy China and Autism

Best Buy China has focused its philanthropy efforts on children with autism. These are a few examples of how individual stores and teams are bringing this to life:

During China’s Golden Week, the Five Star Shanxilu store hosted a charity event with popular Chinese DJ, Deng Huang. Proceeds were donated to the Children’s Physiological Research Center of Nanjing Medical University subsidiary hospital for the care of autistic children.

As a part of its Thanksgiving celebration, the Exclusive Brands China office held a fundraiser supporting children’s autism. They sold products featuring artwork created by autistic children, including cell phone cases.





## 03 Employee Volunteerism

Our employees are essential to how we support our communities by generously donating their time and expertise to volunteer and building local partnerships. We create opportunities for employees to participate in everything from leading technology workshops at Best Buy Teen Tech Summits to responding in times of disaster. Employees are encouraged to support causes that are personally rewarding.

### TAGTEAM AWARDS

Last year, more than 18,000 U.S. Best Buy employees volunteered more than 100,000 hours to causes and organizations for which they were passionate. We encouraged their involvement by offering “TagTeam Awards,” a program that gives monetary donations to nonprofit organizations where employees give their time.



### DISASTER RELIEF

In fiscal 2013, we developed a comprehensive strategy to leverage products, services and cash donations in response to disasters. We also piloted a program to create and deploy disaster connectivity kits, which included specific technology items such as mobile phone chargers, batteries and flashlights. However, our greatest strength in disaster relief is our ability to mobilize volunteers across the country.

**We led community responses to five disasters in fiscal 2013:**

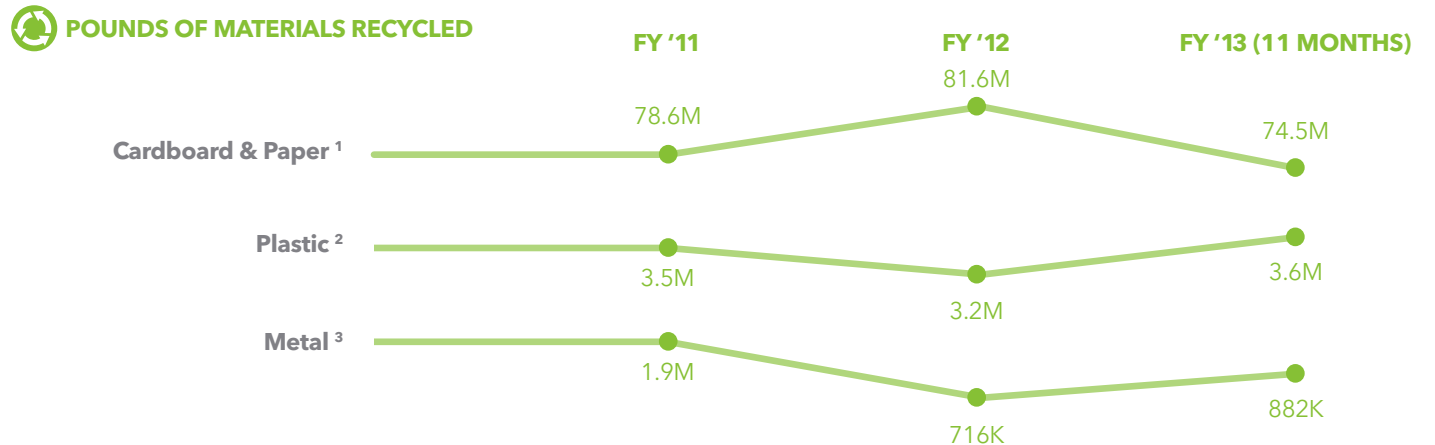
- Hurricane Isaac
- Northern Minnesota floods
- Colorado wildfires
- Superstorm Sandy
- Sandy Hook School tragedy

# 04 Our Operations

In order to provide an exceptional customer experience, we first must ensure our operations are sustainable.

## RESPONSIBLE RECYCLING IN OUR OPERATIONS

At Best Buy, we not only help our customers recycle their electronics, we recycle waste created in our own operations as well. Our stores and logistic centers capture, sort and recycle packaging materials such as cardboard, paper, plastic shrink film, bubble wrap and expanded polystyrene. Additionally, our stores and logistics centers either find a second use for or recycle outdated display fixtures and scrap metal as well as retired equipment. Instead of those materials entering the waste stream, we ensure the proper recycling through our approved partners.



## WASTE DIVERSION

We are currently on track to reach 75 percent waste diversion by the end of fiscal year 2014, for all U.S. large format stores and logistics centers. These are the initiatives driving our progress:

- Expanding our recycling capabilities at our retail locations through contract renegotiation
- Leveraging our vendor partners to further expand capabilities of recyclable materials
- Developing in-house solutions to move current retail waste streams to logistics facilities where they are processed as recyclable commodities

1. Conversion to pounds calculated using short tons.

2. Plastic recycling is from store and distribution center recycling programs and does not include plastic recycled through the appliance or electronics recycling programs.

3. Metal recycling is from project, store and distribution center material only and does not include metal recycled through the appliance or electronics recycling programs.



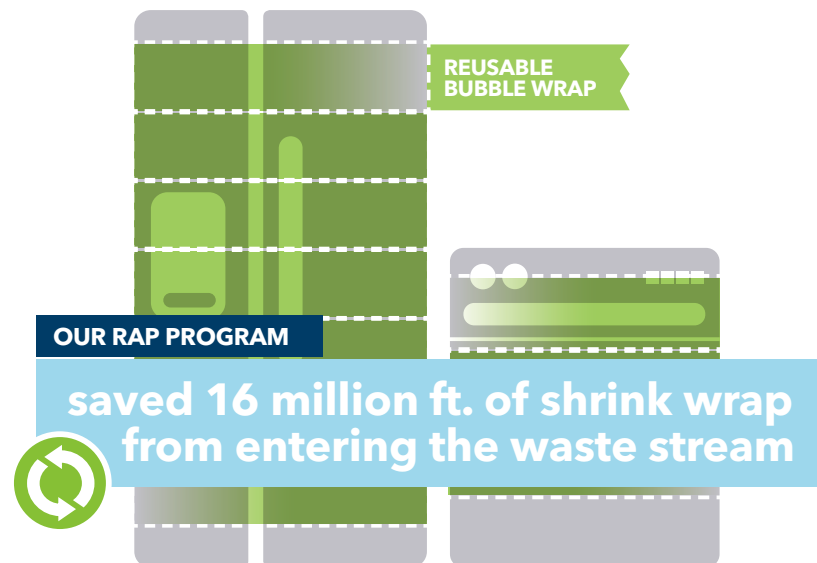
## 04 | Our Operations

### INNOVATING TO REDUCE WASTE

Every employee can make a contribution to the efficiency and sustainability of the company. The Rapid Appliance Protector (RAP) is an employee invention intended to solve the problem of using disposable packing materials for transporting open-box refrigerators and dishwashers. By creating a re-usable “wrap” for the appliances, we cut down on the cost of bubble wrap, increased the safety of our employees and reduced the amount of plastic entering the waste stream. In fiscal 2013, the RAP program diverted 16 million feet of shrink wrap from entering the waste stream. Every employee can make a contribution to the efficiency and sustainability of the company.

### WATER REDUCTION

In calendar year 2012, we used about 1.6 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 reducing programs.



## 05 Reducing Our Carbon Footprint

At Best Buy, we are continuously working to make our stores more sustainable, increase efficiency within our supply chain and even mitigate our indirect carbon emissions.



## CHALLENGE: CLIMATE CHANGE

We acknowledge the global challenge of climate change and we are committed to finding cost effective solutions to save energy, which directly reduces emissions of carbon into our atmosphere. In 2009, we set a goal of reducing absolute carbon emissions in North America by 20 percent by the year 2020 (over our 2009 baseline) – we call it our “20 by 20” carbon reduction goal. Three years into our effort, we have made significant progress and are more than three quarters of the way toward the achievement of our goal. We were recognized by the Carbon Disclosure Project (CDP) in both the Carbon Disclosure Leadership Index (CDLI), scoring a 96 for disclosure, and the Carbon Performance Leadership Index (CPLI), scoring an “A” for performance. The combined score of 96A is tied for the second-highest score among S&P 500 companies, and is the highest combined score among retailers.

### Calendar Year 2012 Energy Consumption (CO<sub>2</sub>e):

**Direct energy consumption** by primary energy source<sup>1</sup>: **209 CO<sub>2</sub>e**  
**Indirect energy consumption** by primary energy source<sup>1</sup>: **648 CO<sub>2</sub>e**

### Over 2009 baseline:

**Absolute carbon reduction** since goal was set<sup>2</sup>: **16.8%**  
**Energy saved** by conservation and efficiency improvements<sup>2</sup>: **223M kWh**

1. Calendar year 2012 North American operations.  
 2. Calendar year 2012 North American operations over 2009 baseline.



## 05 | Reducing Our Carbon Footprint

### HOW STORES REDUCE ENERGY CONSUMPTION

Across our North American locations, we are reducing energy consumption through proactive energy conservation measures. Examples include:

1. We use an integrated Energy Management System, enabling store energy usage to be optimized.
2. We use store temperature controls, allowing the store to shed energy load during hours of lower traffic volumes, using a simple switch.
3. Through our enterprise energy management platform, we participate in a prescriptive load shedding program called "Demand Response," reducing lighting levels and making minor adjustments to HVAC set points.
4. We replace store lighting with energy-efficient LED bulbs when appropriate.
5. We cool our stores with outside air, generally in early morning hours, called economizer optimization.



### Dedicated Fleet

We are reducing "empty miles," (miles driven with no products in the truck), by back-hauling e-waste to the distribution centers, where it is collected by our recycling partners, or we bring e-waste directly to the recycler. We set a goal to reduce our empty miles by 1.6 million in fiscal 2013, and we were successful in reducing empty miles by more than 560,000 and continue to focus on driving further reduction. In addition, we require our transportation partners to follow these policies and requirements:

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

### Reducing Fuel Used By Geek Squad Vehicles

At Best Buy, we closely manage our fleet of more than 4000 vehicles. By using smaller vehicles as often as possible, and mapping out the most efficient routes to our destinations, we have reduced fleet carbon emissions by 16 percent in fiscal 2013. We are also affiliated with the Department of Energy's National Clean Fleets Partnership.







## 05 | Reducing Our Carbon Footprint

### ADDITIONAL CARBON REDUCING ACTIVITIES

#### Intermodal Use

We are increasing our use of intermodal transportation, a combination of trucks and train versus trucks only. We grew our use of intermodal transportation to 58 percent of inbound loads in fiscal 2013 from 54 percent in fiscal 2012. These four percentage points reduced carbon emissions by more than 2500 metric tons.

#### Designing High-Performance Buildings

Our High-Performance Buildings program sets the standard for how our stores will be built and remodeled to reduce energy use and improve indoor air quality. We continue to retrofit stores with dimmable fluorescents and skylights, as well as LED focal lighting.

#### Purchasing Renewable Energy Credits

We seek to offset the impact of our emissions in part through the purchase of renewable energy in the form of Renewable Energy Credits (RECs). RECs advance the output of clean energy facilities, thereby reducing fossil fuel emissions. In calendar year 2012, we offset approximately 12 percent of our U.S. energy through RECs. This is an independent emission reduction effort, which we do not count toward our 20 by 20 reduction goal (see above). In January 2013, through the EPA's Green Power Partnership, we ranked No. 30 overall and No. 8 among retailers.

#### Scope 3 Emissions

Measuring, managing and mitigating greenhouse gas emissions are not limited to our facilities. In fact, there are significant impacts to consider even before the product reaches our doors and after it leaves our stores. As we continue to decrease our direct carbon footprint, at the same time we are identifying relevant indirect categories - like business travel, employee commuting, upstream transportation and the use of sold products - to develop programs that reduce our indirect carbon footprint. We believe that a comprehensive approach is essential for our communities, customers and the environment - just another step forward in our journey to make a positive impact on the world.

### ISO 14001 CERTIFICATION

To help manage progress toward our environmental goals and ensure compliance, we utilize an ISO 14001-certified Environmental Management System (EMS). The certification, awarded in June 2012, covers more than 1000 of our large format stores and distribution centers in the U.S., making us the first U.S. large-format retailer to earn this certification. To ensure our environmental programs evolve with our business needs and improve our interaction with the world, we conduct three types of audits:

1. A third party conducts audits of our stores for conformance to the ISO 14001 standard and environmental compliance.
2. We conduct internal audits of our Environmental Management System (EMS) to learn directly from employees how to continuously improve our environmental performance.
3. We conduct audits of our partners - recyclers, energy providers, etc.

We believe that investing in this enhanced EMS gives us an objective look at our operations and a structured framework for continuously improving how we interact with the environment. For more information, see our **Environmental Policy**.





## GRI Index

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<b>4.1 Process for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance</b>	Each committee chair conducts and annual, formal evaluation of their committee, and every year the Nominating Committee chair conducts an evaluation of the full Board. Results are compiled, compared to results of the prior four years, and assessed. Goals and opportunities are identified for ongoing focus throughout the year.
<b>4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization</b>	We do not currently apply the Precautionary Principle in our organization.



**4.12 Externally developed economic environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses**

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For Our Investors/Stakeholder Engagement

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For Our Investors/Stakeholder Engagement

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For Our Investors/Stakeholder Engagement

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For Our Investors/Stakeholder Engagement

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**EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change**

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**EC3 Coverage of the organization's defined benefit plan obligations**

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For Our World/Reducing Our Carbon Footprint

**EN4 Indirect energy consumption by primary source**

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For Our Customers/Helping Customers Choose Sustainable Products

**EN7 Initiatives to reduce indirect energy consumption and reductions achieved**

For Our World/Reducing Our Carbon Footprint

**EN8 Total water withdrawal by source**

For Our World/Our Operations

**EN16 Total direct and indirect greenhouse gas emissions by weight**

For Our World/Reducing Our Carbon Footprint



<b>EN18</b>	<b>Initiatives to reduce greenhouse gas emissions and reductions achieved</b>	For Our World/Reducing Our Carbon Footprint
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<b>LA13</b>	<b>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</b>	For Our Employees/A Culture of Diversity & Inclusion
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<b>HR4</b>	<b>Total number of incidents of discrimination and actions taken</b>	For Our Partners/Audit Results
<b>HR5</b>	<b>Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights</b>	For Our Partners/Audit Results
<b>HR6</b>	<b>Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to effective abolition of child labor</b>	For Our Partners/Audit Results
<b>HR7</b>	<b>Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor</b>	For Our Partners/Audit Results
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<b>PR5</b>	<b>Practices related to customer satisfaction</b>	For Our Investors/Stakeholder Engagement