

**PURPOSE MEETING
ROBERT NIBLOCK OPENING REMARKS
AUGUST 25, 2015
INDIANAPOLIS CONVENTION CENTER**

DRAFT 3

»ROBERT NIBLOCK:

Thank you...
and good afternoon!

<<PAUSE FOR RESPONSE>>

It is a pleasure to be here today...

and spend time with all of you.

So thank you for being here.

<<SLIGHT PAUSE>>

And a special welcome to Marc Mills...

the new site director at CSC-Albuquerque...

who just started yesterday
and traveled here
to be part of this event event.

Welcome to the team, Marc.

<<PAUSE>>

I'm excited about this meeting...

and the recent opening of CSC-Indianapolis...

because the role our contact centers
play is critical to our business.

In the midst of our transformation
from a home improvement retailer
to an omni-channel home improvement company...

contact centers are an important link
between customers and Lowe's...

customers who want to engage with us
whenever and wherever **they** choose...

in our stores...
in their homes...
online...
or on the phone.

And we know it's working.

In 2014 we topped **\$56 billion** in sales.

We became America's **number one retailer** in appliances.

And just a few months ago our stock price
hit an all-time high...

\$76.25...up more than 50 percent in less than a year's time.

Our contact centers
in Wilkesboro
and Albuquerque
played an important role in those accomplishments.

That's why we're so excited
that CSC-Indianapolis is up and running...

and that you're helping us deliver
even stronger results in 2015.

<<SLIGHT PAUSE>>

But...you're much more
than customer service agents.

As Lowe's employees...

you'll have the opportunity
to make a real difference in this community...

to make a difference in the **neighborhoods**
where you live...
where you shop...
where your kids go to school...
where your dreams come to life.

From Heroes projects
that you can participate in...

to the work of our Community Relations team...

Lowe's is investing in **this** community...

and you're the face of that investment.

You're the **reason** for that investment.

And you're the reason we're here today.

<<PAUSE>>

The last eighteen months
Have been strong for us...

but I believe we have even greater opportunity ahead...

and **that's** the **other** reason I've been looking forward to **this** meeting.

You know...

on many occasions I've started the year feeling engaged...

energized...

and confident about what's ahead...

only to get to the end of the year and realize that our performance came up...
just a little short.

We executed well...

but we were not as **great** as I knew we could be.

So about three years ago...

I decided to look into **why** this was happening.

I thought we had everything we needed to take this company to the next level.

We had omni-channel...

we had iPads and iPhones in our stores...

we were working on differentiated customer experiences.

We had smart people putting plans together...

and talented, passionate people executing them.

But... it just felt like we were leaving opportunity on the table.

And... it became obvious to me that we were missing something critical...

so I commissioned a team to benchmark us against other leading companies.

For months the team pored over data...

met with the leaders of companies that were **consistently** exceeding customer expectations...

and then consulted with Jim Stengel...

a former executive with Proctor & Gamble who had done similar work...

but on a much bigger scale.

Jim conducted a ***ten-year study*** of more than ***50,000*** brands.

And over that ten-year period he found that the 50 fastest growing brands all had one thing in common...

<<LONG PAUSE>>

... a clear purpose that was ***beyond*** just making money.

And... those 50 companies who had a clear purpose...

outperformed the S&P 500 over the same ten-year span by almost ***400%***.

It was becoming clear to me **what** we were missing...

and it had something to do with purpose.

<<PAUSE>>

So after all the research...

all the interviews...

all the consultations...

here's what we learned about purpose.

<<SLIGHT PAUSE>>

Having a purpose helps companies deliver better results...

because it **empowers** employees to focus on the one thing that matters most.

<<SLIGHT PAUSE>>

Having a purpose helps companies **strengthen** employee engagement...

because it helps employees find **meaning** in their work...

and fulfills their desire to be part of something bigger.

<<SLIGHT PAUSE>>

Having a purpose helps companies drive **better** performance...

because it communicates that the company **stands for something...**

something more than just the bottom line...

something that fulfills a greater need in society.

<<SLIGHT PAUSE>>

Not only do companies with a clear purpose **consistently** outperform everyone else...

they **create** enduring growth well beyond **just** the here and now.

Companies with a clear purpose are in it for the long-run...

because the **reason** they exist goes beyond just profit.

The challenge...

is **FINDING** that purpose...

finding the **right** purpose...

finding an **authentic** purpose.

<<PAUSE>>

Purpose is not a simple concept.

It's more than just selling goods and services to make money.

Purpose is something that's heartfelt... timeless... continuous.

It's not a marketing slogan...
but it is something that speaks to everyone.

It doesn't change...
but it does *inspire* change.

<<SLIGHT PAUSE>>

And it was during all this research...

during all these interviews...

during all this work...

that we discovered something magical.

Or more accurately...
we *uncovered* something magical.

Our purpose.

<<PAUSE>>

It's easy to explain what we do...
and how we do it.

We sell goods and services through our stores...

our website...

our contact centers...

and even right in people's homes.

But purpose is about explaining *why* we do it.

Why do we sell goods and services?

Why do we respond with such empathy in the aftermath of a devastating natural disaster?

Why omni-channel?

Why...

... home improvement?

Is it just about the money?

Or is there something more?

Something more... personal?

Something more... meaningful?

Something more... **connected**...
to customers...

to communities...

to the world around us?

<<SLIGHT PAUSE>>

The answer is 'yes'...

It's **home**... **yes, home**.

»<<ROLL BBDO HOME VIDEO>>

Home is a refuge...
a place where we go to recharge...
refresh... rejuvenate.

Home is a haven...
a place where we express ourselves...

and showcase the things that are important to us.

Home is a community...

a place where we come together...
and share experiences that shape **who** we are...
and **what** we stand for.

So much of what we do...

so much of what we care about...
we find at home.

Home... home is **where** we find fulfillment.

And **that** realization...
that home is where we find fulfillment...

formed the fundamental premise our company is built on...

our answer to the question 'why'...
basically, **our** purpose.

<<SLIGHT PAUSE>>

And **our purpose**...

<<LONG PAUSE>>

... is to help people love where they live.

Yes... to help people love where they live.

<<PAUSE>>

And what we uncovered during our research and employee interviews...

is **that** has **always** been our purpose...

just below the surface...

never really articulated...
but always there.

It was there in the 1940s...
when the company's founder...Carl Buchan...saw an opportunity after World War II...

and turned Lowe's into a supplier of hard goods...
at competitive prices...
for homeowners and professional builders.

By cutting out the middle man...

he positioned Lowe's as their **partner**...

making building and home improvement affordable for anyone who wanted it.

That was important to him because he understood the **meaning** of home...

understood the **virtue** of helping people love where they live.

Our purpose was there in the 1950s...

when the company experienced its first major expansion...

growing to nine stores...

able to **reach more people**...

and **help more people** love where they live.

Our purpose was there in the 1960s...

when the company went public...

and began to expand outside the Southeast.

And it's been there in every decade since...

as our company has grown to more than 1800 stores...

and moved from having a bullpen in the center of the store...

to a big box format ...

to omni-channel.

Over the nearly 70 years this company has been operating...

our plans have changed...

strategies have evolved...

and people have come and gone.

But the one constant...

has been our purpose.

The one constant...

has been our desire to help people love where they live.

<<SLIGHT PAUSE>>

So that's not new...

we've always been a company with a purpose...

but it's been in the background...

never allowed to rise to the top.

We've focused on expansion...
on efficiency ...
on evolving.

We've allowed ourselves to be distracted by critics...
by competition...
by change.

But we've never made our purpose a priority...
never pointed to it as the **reason** 'why' we do what we do.

Well that **ended** this year.

<<SLIGHT PAUSE>>

Right now...
we're putting our purpose **first**.

Right now... we're evolving...
from a company **with** a purpose...
to a company **driven** by purpose.

<<PAUSE>>

Becoming a purpose-driven company doesn't happen overnight...

it's a journey...
and our journey is already under way.

We've been talking about our purpose
across the organization
for more than a year now...

and the response to our purpose has been remarkable...
and powerful.

But becoming a purpose-driven company isn't about getting the words right...

it's about **being** those words...
and **doing** those words.

From recruiting and training...
to leading and developing...
our purpose has to be evident in every activity...

and every decision.

And in order to put our purpose into action...
we must **all** be aligned.

That's why we came here today...

to personally share this message with you.

<<PAUSE>>

Clearly...
there are great reasons to be a purpose-driven company.

But why **this** purpose?

Why did we land on "to help people love where they live"?

<<SLIGHT PAUSE>>

Because it's authentic to who we are...
and where we've come from.

Because it's relevant to customers...
and what we do for them.

Because...

relative to our biggest competitors...

it makes us **unique**.

They want to do good...
by first... doing well.

We want to do well...
by first... doing good.

Both will be successful...
but which company would you rather work for?

Both will prosper...

but how does it make **YOU** feel to work for a company that wants to do well...
by first doing good?

Being a purpose-driven company means leading with our heart... instead of our wallet.

It means doing the right thing first... for customers **and** communities...

and understanding that sometimes... payback comes in the end.

It doesn't mean that we no longer care about sales... or profits... or LES... or Exceptions.

But it does mean that day-to-day... our focus needs to be on the customer **first**...

on helping people love where they live...

on supporting the people who serve customers.

And if we do that well...

then as a company...

we'll reach levels we could never achieve otherwise.

<<SLIGHT PAUSE>>

At its core... purpose is an emotional connection.

And **this** purpose...

our purpose...

helps us develop a deep, emotional connection with the customers we serve.

We've got a delivery team at Store 493 in Carbondale, Illinois who understands our purpose...

... perfectly.

Take a look.

»<<ROLL BOX VIDEO>>

A company **without** a purpose...
would never allow that to happen.

A company **without** a purpose...
makes process and efficiency their priority.

Those things are important to us as well...

they're just not the **most** important things.

Helping people love where they live is **our priority**...

and if that means occasionally making an unscheduled stop to deliver empty boxes to
make a little boy's day...

then that's what being a purpose-driven company is all about.

<<SLIGHT PAUSE>>

Home is more than just a collection of products...

it's something people see...

something people feel...

something people experience every day.

It's more than just the four walls that define their space...

it's where **memories** are made...
and where people come together.

It's more than just a dwelling...

it's a place we're invited into...

an opportunity we're given to do something to **make their day**.

<<PAUSE>>

So why are we moving to become a purpose-driven company now?

<<SLIGHT PAUSE>>

Because it's time.

<<SLIGHT PAUSE>>

Right now we're getting ready to provide an omni-channel relationship that truly meets the needs of customers...

whenever and wherever they choose to engage with us.

Right now we have an opportunity to leverage new programs...

and new technology...

to create unique customer experiences that differentiate us from the competition.

Right now we can capitalize on our momentum...

and start to show customers the benefits of our transformational change.

Right now...

everything we've been working on for the last few years...

including the opening of CSC-Indianapolis...

is starting to come together.

And...

becoming purpose-driven will **propel** our transformation from a home improvement retailer...

to an omni-channel home improvement company.

Becoming purpose-driven ensures that all the hard work we've put into transformational change will last well into the future...

because being purpose-driven allows us to build deep, lasting relationships with customers.

And... if we stay **true** to ourselves...

true to our purpose...

and we always put the customer first...

then those deep, lasting relationships will deliver results today... tomorrow...

and for years to come.

<<PAUSE>>

But it won't happen without you.

It won't happen without your commitment to internalizing our purpose...

living our purpose...

and leading *with* purpose.

And that's what today...

and tomorrow...

and the weeks and months ahead

are all about...

learning how to leverage our purpose in everything we do...

learning how to live our purpose every single day...

learning how to lead in a purpose-driven company.

<<PAUSE>>

In just a moment

you're going to see what an expert

on purpose-driven companies

thinks about *our* purpose...

and what he told store managers

at our National Sales Meeting

back in February...

about what they have to do

to bring our purpose to life.

This is a different approach

to doing business...

this will take time...

and at times...

this will be difficult.

But I'm right here with you.

So is your leadership team.

We're **all** in this together.

So... are you with me?

<<PAUSE FOR RESPONSE>>

Then imagine how great we can be
if we truly commit to becoming a purpose-driven company.

So let's get's started **right now...**

let's have a great day...

and let's make
the second half of 2015 great!

<<ROLL ROY SPENCE VIDEO>>

>>**Robert Exits to House**<<

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