



BIG CARES

2020 Corporate Social Responsibility Report



A MESSAGE FROM OUR CEO

Welcome to Big Lots' inaugural corporate social responsibility report, "BIG Cares". Growing up, my mother used to take me shopping at our stores on a regular basis. She was always about making our lives better with new home décor, festive holiday celebrations, and treats and toys for life's special moments. So, you can imagine how thrilled I was to have the opportunity to serve this great Company and our customers. When I became part of the Big Lots team in 2018, my first priority as CEO was to define our North Star—an internal aspiration that guides how we serve our customers and provides direction for our teams' decisions. Our focus has always been to meet our customers' needs by providing an in-store experience that gives them the treasure hunt they want, as well as make a positive impact in our communities. I am proud of the good that we do every day, and how we have continued to make a difference even during a global pandemic.

This year came with many unexpected challenges. The global pandemic is an event unlike any other we have experienced in our lives, and we had to quickly pivot our business to continue to serve our customers without missing a beat. As we learned to navigate a global pandemic, we established a 'new normal' to keep our associates and customers safe and healthy. As an essential business, we recognized the importance of expanding our grocery options online and offering same-day delivery and curbside pick-up to make shopping as safe and convenient as possible for our core customer, Jennifer, and her family. For those customers who continued to visit us in person, we gave them extra coupons and reserved the first hour of shopping each day for our senior citizens and those most vulnerable to the virus. As a thank you for their tireless work, we gave healthcare workers and first responders a 15% discount. To ensure the continued safety of our associates, we established a COVID-19 task force and sought guidance from an expert medical consultant to develop our store safety protocols. We also dedicated employee assistance funds through the Big Lots Foundation to help take care of our people—our most important asset, and we provided our associates incremental hourly wages, bonuses, and enhanced associate discounts.

In addition to the COVID-19 crisis, we faced the reality of racial injustice throughout our country and did not hesitate to take a public stance. I am a passionate believer that every difference makes a difference. Since my tenure at Big Lots began in 2018, we have significantly increased our focus on diversity, equity, and inclusion (DE&I), and, in the past year we have added a number of tangible initiatives aimed at supporting associates by engaging them in guided conversations about race, providing training on inclusive leadership to our management team, and permitted our associates to wear the Black Lives Matter moniker on their uniforms. Now more than ever, it is important that we stand with our associates and customers.

Our response to these events has further proven what I have always known to be true—at Big Lots, we are all a family, and families take care of each other. I am proud to say that since 2015, Big Lots has partnered with Nationwide Children's Hospital to support care and lifesaving research for children and adolescents living with behavioral health conditions. Over the last five years, we have conducted regular point-of-sale campaigns with 100% of the proceeds raised going to support this important cause.

In 2016, we announced a \$50 million transformational gift to construct the first stand-alone behavioral health treatment and research center in the United States dedicated to children and adolescents, which celebrated its grand opening in March 2020. We continue to support Nationwide Children's Hospital in their fight to break the stigma surrounding children's mental health.

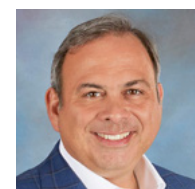
Big Lots is also a staunch supporter of our active military and veterans. In November 2020, we introduced a year-round "Always On" 10% discount for active military personnel and veterans who are members of our Big Rewards program. We are proud partners of the National Veterans Memorial and Museum—the nation's only museum dedicated to telling the stories of veterans from all branches of the military. Over the last two years, we have donated \$2.5 million, and implemented a point-of-sale campaign that raised an additional \$1.4 million through the generosity of our customers. As a graduate of West Point and a veteran, Ranger-certified member of the Army 82nd Airborne myself, I am humbled and proud of our service to these heroes.

Although we have made great strides in the past year, we recognize that there is still work to be done. Since we are known for our friendly associates, we continue to build on this core strength to create an environment that is recognized throughout our industry as a "best place to work." We have always been conscious of our impacts on the environment, and in 2021 we are establishing baseline data to get a better handle on our greenhouse gas (GHG) emissions. Finally, we retained a leading environmental, sustainability, and governance (ESG) consultancy to help us develop a sustainability reporting roadmap to guide us through producing this inaugural sustainability report to be able to tell our great story.

At Big Lots, we are making a BIG impact. We are more than just a transactional relationship. We care about our associates, our customers, and our communities—and we take pride in the good that we do. Our vision is to be the BIG difference for a better life by delivering unmatched value through surprise and delight, and our ultimate mission is to help people live BIG and save LOTS. I am so proud to lead a company that always puts people first, and I am excited for the positive changes that lie ahead.

Thank you for reading our inaugural corporate social responsibility report—BIG Cares—and I look forward to hearing your feedback on our progress.

Sincerely,



Bruce Thorn

Bruce K. Thorn, President and CEO

Picture on Front Cover: Lobby of the Big Lots Behavioral Health Pavilion at Nationwide Children's Hospital.



ABOUT BIG LOTS

Headquartered in Columbus, Ohio, Big Lots (NYSE: BIG) is a friendly, neighborhood discount retailer operating more than 1,400 stores and five distribution centers in 47 states, as well as an e-commerce platform. We employ more than 35,000 associates. Big Lots is obsessed with creating value and an easy, delightful shopping experience, providing everyday essentials and surprising treasures for the home at incredibly low prices. Our vision is to be the BIG difference for a better life by delivering unmatched value through surprise and delight, by building a “Best Places to Work” culture, by rewarding shareholders with consistent growth and top tier returns, and by doing good as we do well.

Founded in 1967 as a closeout retailer of auto parts and vehicles, we have evolved over the last 50 years, officially consolidating all of our business under the name Big Lots in 2001 when we began trading on the New York Stock Exchange. Throughout this evolution, our mission, vision, and values have stayed the same—to help people live BIG and save LOTS.

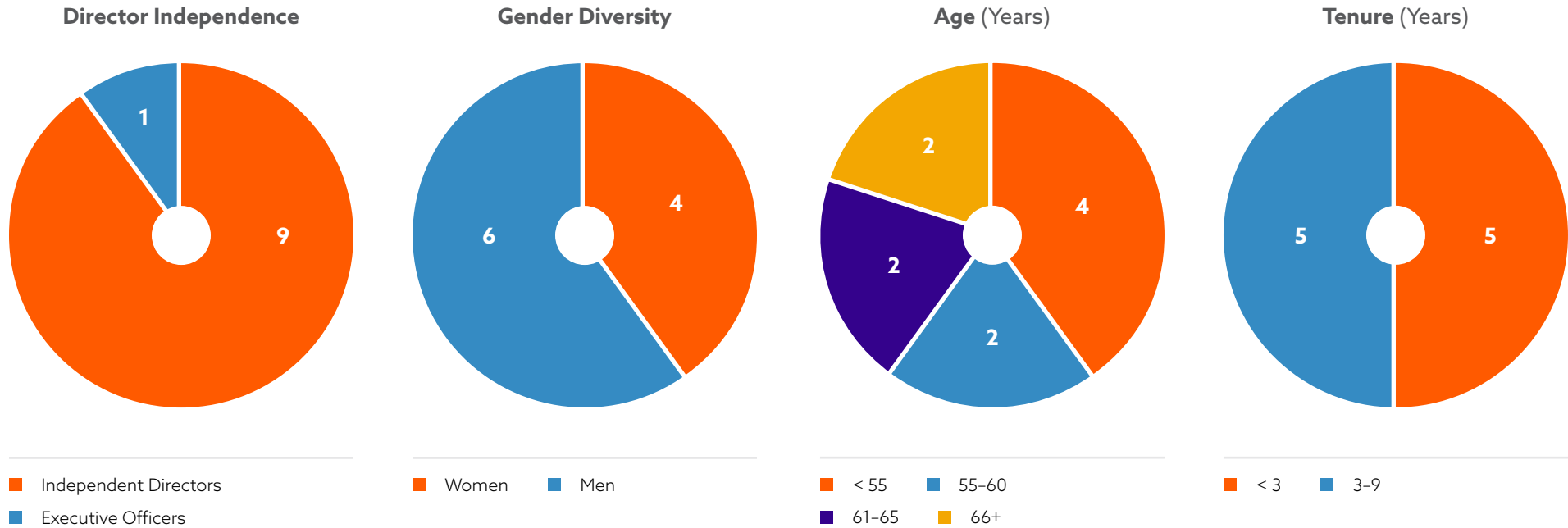
Our Values

At Big Lots, we **Lead with Jennifer**—a persona we created to represent our core customer base and help us stay focused on [our mission, vision, and core values](#). Through research, we find new ways to help Jennifer save money and time while delivering unmatched value through surprise and delight. We **Treat All Like Friends**, approaching every interaction with respect and honesty. We **Succeed Together**, working openly and collaboratively to solicit innovative ideas and fresh perspectives to help make our workplace better. We **Play to Win**—measuring our performance in profit, accelerating growth, and taking ownership for meeting company and individual goals. And finally, most importantly, we **Do Good As We Do Well**—giving back and paying it forward to the communities that we serve and in which we live are deeply ingrained hallmarks of the Big Lots family.

Corporate Governance

We believe that sound corporate governance practices drive expanded market presence and profitable growth for our company and our shareholders. As such, we continually strive for a diverse [Board of Directors](#) that value equity, ethics, and integrity of leadership and business dealings. Our 10-person Board of Directors is comprised of nine independent directors (four of whom are women), including a non-executive chairman. In advance of our 2021 Annual Meeting of Shareholders, we have engaged a director search firm and are actively recruiting a director from an underrepresented minority. Other governance highlights include:

- Annual election of all directors and Majority Voting Standard
- Mandatory Board retirement at age 72
- Limit of four public company directorships that Board members can hold at one time
- Annual shareholder engagement and Proxy Access
- Annual Board and Committee self-evaluations
- Executive session of non-associate directors at all regularly scheduled Board meetings
- Director orientation and continuing education



Big Lots has four standing [Committees of the Board](#)—Audit, Compensation, Nominating/Corporate Governance, and the recently established Capital Allocation Planning. All committees are comprised of independent directors. Additionally, our [Public Policy and Environmental Affairs Committee](#)—comprised of our Chief Legal and Governance Officer, Chief Financial Officer, and senior investor relations representative—takes a leadership role in shaping policies and practices related to current and emerging public policy, and environmental and social trends/issues that may affect operations, performance, or public image of the company. For more information on our corporate governance practices please visit our [website](#).

Business Ethics

At Big Lots, we value honesty, integrity, and respect. We expect that everyone who represents our company conducts themselves in an ethical and responsible manner.

As such, our [Code of Business Conduct and Ethics](#) (the Code) covers a wide range of business principles to guide all directors, officers, and associates at Big Lots, including:

- Conflicts of Interest
- Insider Trading
- Competition and Fair Dealing
- Gifts and Entertainment
- Record Keeping
- Confidentiality
- Protection and Proper Use of Company Assets
- Reporting any Illegal or Unethical Behavior

Associates are encouraged to talk to supervisors, managers, or any other appropriate personnel about observed illegal or unethical behavior. Associates may report such activity confidentially through our [BIG Voice hotline](#), available 24 hours a day, seven days a week. We do not tolerate retaliation of any kind against associates who make a report in good faith. We communicate these tenets to our associates via our website, through training, and in our communal workspaces, and we encourage everyone to think before acting in all situations.

Asset Protection and Cybersecurity

Our Vice President of Asset Protection is responsible for the security and integrity of our physical assets (stores, distribution centers, corporate headquarters, and products), and assists our Information Technology team in protecting our digital assets such as our e-commerce platform and associated company data and information. He is also responsible for the physical safety of our customers and associates (to read more about this topic please see the [Workplace section](#) of this report).

Our team of 60 field leaders (in partnership with our store managers) oversee the safety and security of our stores, distribution centers, products, and customer information to help mitigate physical and cyber security risks. Using an online centralized platform allows all our field leaders to access important reports such as cases of shoplifting or safety incidents, in real time. This platform also helps us conduct store audits whether in person or virtually via cameras—once audits are complete, the field leaders are notified automatically. Big Lots was able to scale this program quickly and emerge as an industry leader in this space.

Store Safety Audits

Each store receives a comprehensive audit every year to assess the safety and security of our individual stores, as well as identify trends across our store footprint such as accidents and injuries. The audit results are pulled into our APX online platform that aggregates and tracks this important data, which is accessible to all relevant associates, and helps us determine if additional training is needed at specific stores and around what topic(s). Additionally, since the pandemic has decreased our associate travel by 70%, we employed the use of tablets to enable our audit team to “visit” stores virtually; this gained us efficiencies in our team being able to visit multiple stores in a shorter period of time, increased the number of people that could be present at the audit, and reduced the need for travel. Big Lots is using the APX platform across multiple departments and business functions, allowing us to maximize its full potential and streamline our data and information tracking and storage. To learn more about how we use the APX platform, please see the [Workplace section](#) of this report.



ABOUT THIS REPORT

Big Lots is pleased to present our inaugural corporate social responsibility (CSR) report—BIG Cares—covering historical company information, and highlighting our CSR efforts and associated data through calendar year 2020, unless otherwise noted. We welcome questions and feedback on this report to biglotscsr@biglots.com, and we look forward to reporting on our CSR efforts and progress on a regular cadence in future years.

SOCIAL

Giving back to our communities is an integral part of the Big Lots culture. We value it so much, we incorporated it into our corporate values as “doing good as we do well”, demonstrating that a culture of philanthropy guides core values. Through charitable giving, point-of-sale campaigns, national partnerships, volunteerism, and much more, we aim to make a BIG difference in our communities.

During normal business times, we take the safety of our stores, associates, and customers seriously. Through the COVID-19 pandemic, we increased our focus on safety as well as introduced new services to enable our communities to get what they need, fast. Additionally, we work with our vendors to provide our customers with the best products for an affordable price to help them live BIG and save LOTS.





COVID-19 RESPONSE

As an essential retailer, Big Lots has been at the forefront of adapting to these unprecedented times. With the health and safety of our customers and associates as our number one priority, we created a task force dedicated to responding to COVID-19. In addition, we have been working closely with a former military physician experienced in global emerging infectious disease to evaluate and establish our health and safety efforts.

As the situation and research rapidly developed, our task force responded quickly to implement effective safety protocols in our stores and throughout the company. Through our agility and innovation, we continued to safely deliver essential products to our community throughout this time of uncertainty.

"I could not be prouder of how our team, at every level, has responded to the unprecedented challenges of the COVID-19 crisis. Providing a safe and healthy environment in our stores and distribution centers has been our number one priority."

Bruce Thorn, President and CEO, Big Lots

Customer Safety

Throughout all our Big Lots stores, we have implemented numerous safety protocols and are closely meeting or exceeding the Centers for Disease Control and Prevention (CDC) recommended guidelines and industry best practices to create a safe shopping experience. Our team continuously evaluates our protocols and adjusts to the most updated information available.

Social Distancing

Since the beginning of the pandemic, Big Lots has encouraged 6-foot social distancing in all stores. To provide the space necessary to properly social distance, Big Lots implemented maximum occupancy limits even when not required by state or local regulations. These limits are based on store size and include both customers and associates. Occupancy limits are displayed in the front window of every store and are regulated by store management.

Face Mask Requirement

Beginning in early April 2020, Big Lots began requiring all associates to wear face masks in all Big Lots facilities. As of July 29, 2020, in addition to stores already complying with government-issued mask mandates, Big Lots began requiring face masks to be worn by everyone in all stores. To assist customers with this requirement, we offer complimentary masks at the door as needed. At Big Lots, we consider this just one small thing we can all do to help us get back to the BIG things that matter most.

Cleaning Protocols

In line with the CDC recommendations and industry best practices for regular cleaning, we have dedicated a number of resources to cleaning and disinfecting our stores. To ensure that every store is adequately cleaned, we created a 24-point cleaning protocol, which our associates follow several times a day using cleaning products approved for killing the virus that causes COVID-19. Our robust cleaning process has been implemented in every store as one of our most important preventative measures.

Contactless Shopping Options

Early in the pandemic, Big Lots realized that our customers could benefit from a contactless shopping option—and curbside pickup was born. This option allows customers to shop online from the comfort of their home and collect their purchases using our contactless pickup process. In addition to curbside pickup, we offer same-day-delivery for thousands of items, ranging from food and cleaning essentials to furniture and mattresses through Instacart and other delivery partners. Finally, our e-commerce site also offers our customers thousands of items available only online for delivery directly to their home.

Dedicated Store Hours

We want to do our part to keep the vulnerable members of our community safe and ensure they have access to the essentials. To do this, we have dedicated the first shopping hour of each day to senior citizens and anyone who is considered to be at high risk of contracting COVID-19.



Prioritizing Our Associates

At Big Lots, we have always been dedicated to the health and safety of our associates. Now more than ever, we are focusing on our associates' total well-being through these uncertain times. In addition to increased health and safety protocols, we came together to provide financial support for our associates that have been particularly impacted by COVID-19.

We are extremely thankful for our associates that continued to work on the front lines through the most uncertain times of the pandemic to provide our community with essential products. To show our gratitude, we provided a \$2 hourly increase for all hourly store and distribution center associates, and a 30% associate discount through September 2020. In fiscal year 2020, Big Lots spent more than \$50 million on COVID-related initiatives, including temporary wage increases, discretionary bonuses, enhanced cleanings in stores and distribution centers, and testing for associates.

Associate Safety

We implemented a number of procedures to protect the health of our associates within our stores, distribution centers, and corporate headquarters. Throughout our stores, we are taking associates' temperatures before each shift, requiring all associates to wear masks in our facilities, and following all stated curfew guides. In our distribution centers and our corporate headquarters, we have installed infra-red thermometers to take associates' temperatures. Additionally, we insist that all associates stay home if they feel sick, and have provided resources to help associates feel comfortable making this decision.

Health Screens

Screening associates for the most common COVID-19 symptoms was recognized early on as a critical tool during the pandemic to identify positive cases even before testing was widely available. As an essential retailer, we recognized the need to quickly create and deploy a health screen that could be utilized daily to keep our associates safer while we stayed open. Big Lots was one of the first U.S. retailers to deploy health screens, quickly repurposing existing technology to create easy, electronic health screens for associates across all locations.

Updating in real time, this tool is used by associates to report if they have any COVID-19 symptoms and to keep track of all positive or close contact cases. All data is housed in one central location and is used to monitor locations with positive cases and identify potential hot spots to allow for more a targeted response.



The Big Lots Foundation Emergency Assistance Fund

In 2015, we established an Emergency Assistance Fund through the Big Lots Foundation and managed by the Columbus Foundation, to assist our associates and their families in times of need. Since the Fund's inception, Big Lots has funded between \$200,000 and \$600,000, annually, to assist associates experiencing financial hardship due to an unexpected crisis such as a hurricane or fire. This year, Big Lots recognized the impact COVID-19 could have on our associates. Proactively, we decided to allocate \$1 million to our Emergency Assistance Fund by creating additional parameters that responded to the needs of associates affected by COVID-19. In addition to corporate funds, our executive team plus many other associates donated portions of their salary, totaling nearly \$250,000, to help fund our associates' needs.



OUR COMMUNITIES

At Big Lots, we care about giving back to the communities in which we live and work. Through our philanthropy, partnerships, and volunteerism, we know we can make a BIG difference. All those at Big Lots, including our associates, vendors, and customers, play a part in making our communities a better place.

Philanthropy

To align with our mission, vision, and values, Big Lots’ charitable giving is focused on four main pillars—hunger, housing, healthcare, and education—which we believe are the most basic needs of any community. We empower all those within our organization to give back to the community in BIG ways through time, talent, and treasure.

Big Lots Foundation

In 2015, Big Lots’ passion for giving back to our communities was formalized through the Big Lots Foundation (the Foundation) after almost 50 years of grassroots philanthropy. Big Lots established the Foundation as a donor-advised fund of the Columbus Foundation to utilize their expertise. While Big Lots drives the mission, focus, and priorities of the Foundation, the nationally recognized Columbus Foundation partners with Big Lots to help direct donations to those most in need. In line with Big Lots’ four pillars of philanthropy, the Foundation’s mission is to improve the lives of families and children facing challenges with healthcare, housing, hunger, and education. Additionally, we have a particular focus on programs and organizations supporting women and children, specifically pediatric behavioral health.

OUR FOCUS ON DONATIONS		
KEY FOCUS PILLARS	CY 2020	LIFETIME GIVING
Education	\$975,751	\$4,839,151
Health	\$861,543	\$3,901,017
Housing	\$812,634	\$3,254,129
Hunger	\$145,083	\$960,186

Pediatric Behavioral Health

Behavioral health, particularly in children, is a passion of the entire Big Lots organization. Several years ago, Big Lots associates recognized the lack of support and resources for children's behavioral health. We decided to take a stand and, by making, at the time, the single, largest, corporate commitment to pediatric behavioral health in the United States, help fund a transformational pediatric behavioral health facility to provide assistance for this particularly important, but rarely talked about issue. By our example, we helped spur other corporate gifts to support behavioral health in the United States. Through our long-standing partnership with Nationwide Children's Hospital (NCH), we are focused not only on treating pediatric behavioral health issues but also on advancing the research and treatment available for this prevalent issue, which has only been exacerbated by the COVID-19 pandemic.



On Our Sleeves®

Children's behavioral health is a part of pediatric healthcare that is typically underfunded and overlooked. Fortunately, Big Lots' gift to Nationwide Children's Hospital sparked a movement that set out to transform pediatric behavioral health. The *On Our Sleeves* movement was launched on World Mental Health Day in 2018, with the mission to provide access to the educational resources needed to break the stigma around children's behavioral health. With resources developed by behavioral health experts at NCH, the movement is able to provide families access to the trusted information they need to have important conversations about children's behavioral health. Through the work of the *On Our Sleeves* movement, the discussion around behavioral health began to open up throughout the nation.

\$26 million

raised to support NCH and the On Our Sleeves movement

We are proud of the part we have played in such an important cause and continue to support the movement through our point-of-sale campaigns. Within the past five years, more than 1,400 Big Lots stores in 47 states have participated in these campaigns, raising over \$26 million to support NCH and the *On Our Sleeves* movement.



"I went home feeling empowered and validated, realizing that asking for help is worth it. Most importantly, I left knowing that although my battle with mental health was not over, I had an endless army of fighters standing with me. To me, Nationwide Children's Hospital means the freedom to be vulnerable, broken, and scared. It's the freedom to heal. It means the freedom to overcome and to thrive—no matter my diagnosis."

Julia, Patient Champion

Nationwide Children's Hospital Behavioral Health Services



Encore Mile

Big Lots is a proud supporter of the Nationwide Children's Hospital Columbus Marathon. Each year, we sponsor the "Encore Mile," which is the portion of the race dedicated to celebrating the children who served as patient champions for NCH in years past. These patient champions are children who received lifesaving treatment at NCH, and chose to inspire the community by sharing their story. On the day of the race, our associates join these patient champions and their families for a day of fun and memories. Together, we cheer for the runners, play games, and make each patient champion feel extra special.

Big Lots Behavioral Health Pavilion

In 2016, Big Lots decided it was time to make a BIG difference in the area of pediatric behavioral health. Through the Big Lots Foundation we committed \$50 million to Nationwide Children's Hospital to support the transformational expansion of its Behavioral Health services. At the time, it was the single largest corporate donation made specifically to a pediatric and adolescent behavioral health program in the U.S. This gift primarily funded the construction of the approximately 380,000-square-foot Big Lots Behavioral Health Pavilion, the nation's first and largest free-standing center solely focused on child and adolescent behavioral health on a pediatric medical campus. The Pavilion opened in March 2020, dedicating its resources to pediatric and adolescent behavioral health research and treatment. Big Lots is proud to be a pace-setter for providing support for children's behavioral health and is honored to support NCH as they make tremendous progress in the area of behavioral health.

"By making this major investment in meeting such a critical need, Big Lots is helping to transform children's health and care for generations to come."

Steven Allen, MD, former CEO,
Nationwide Children's Hospital

Butterfly Run

Big Lots is the presenting sponsor of the Butterfly Run, a community fitness event to grow awareness, break stigmas, and raise funds for the On Our Sleeves® movement in support of lifesaving pediatric behavioral health research at Nationwide Children's Hospital. Since 2017, our associates from around the country have supported the Butterfly Run by running, walking, fundraising, and volunteering.



Partnerships

Big Lots greatly values its national partnerships, and is proud to be able to support organizations that provide critical resources to our communities.

National Veterans Memorial and Museum

Big Lots was a founding supporter of the National Veterans Memorial and Museum (NVMM) in Columbus, Ohio, which helps connect, support, and impact the lives of Gold Star veterans and their families. As the only museum in America that honors all our veterans, NVMM is truly a place of inspiration. We provide continuous support for the museum, having donated \$2.5 million over the past two years and adding a point-of-sale campaign with more than \$1.4 million additional proceeds benefiting NVMM. To further support our veterans, in 2020 we introduced our "Always On" discount, a year-round 10% discount for veterans and active military personnel that are members of our Big Rewards program.

Our associates are extremely passionate about honoring those who have served our country. Since the opening of the National Veterans Memorial and Museum in 2019, our associates have volunteered their time for a number of efforts. We helped start a tradition of planting American flags around the grounds of the museum in honor of Veterans Day.

Over the past two years, nearly 1,500 flags were installed as a symbol of patriotism. Additionally, associates showed support for veterans by writing thank you notes that were delivered to veterans across the country.

Feeding America

Through our partnership with Feeding America, we help address one of our four charitable giving areas: hunger. The Feeding America network is the nation's largest domestic hunger-relief organization, working to connect people with food and end hunger through a network of partner foodbanks across the U.S. Since 2013, Big Lots has been recognized as a Feeding America Mission Partner, donating more than 50 million pounds of food—equal to nearly 43 million meals—to help alleviate the struggle with food insecurity in the U.S.

Beyond product donations, members of our leadership team have volunteered as board members for the MidOhio Foodbank, a Feeding America partner. Additionally, our associates plant and maintain a 17-bed community garden, which has been sustainably providing produce for Feeding America clients for the past five years. In 2020, we donated more than five million pounds of food (equal to nearly four million meals), and in Q4 2020 we raised \$190,000 through a point-of-sale campaign dedicated to supporting Feeding America.

4 million

meals donated to Feeding America in 2020

American Heart Association

Big Lots has a longstanding relationship with the American Heart Association and continues to support their fight against heart disease and stroke, striving to improve and save lives. In 2020, we committed to be the American Heart Association's National Wear Red Day Match partner by pledging to match \$1 million worth of donations, received on their website, through 2023. In February 2021, affectionately known as heart month, we took our support of their Go Red for Women campaign a step further by hosting an in-store, point-of-sale campaign in our 1,400+ locations, yielding more than \$1.2 million.



Volunteerism

At Big Lots, our culture of philanthropy is further demonstrated through the generosity of our associates. To support our people to participate in philanthropic events, Big Lots provides 16 hours of paid volunteer time off (VTO) per year to all associates at our corporate office, as well as field and distribution center leadership. Our associates have donated more than 25,000 hours of their time to a wide variety of organizations that are meaningful to them. Those hours equate to nearly \$750,000 that organizations could, instead, reinvest into their mission.

Furniture Bank of Central Ohio

Throughout the year, our associates participate in several volunteer efforts at the Furniture Bank of Central Ohio to help build pieces of furniture for families in need. Since 2016, more than 960 associates have volunteered nearly 1,900 hours (equal to about 2 ½ months) at the Furniture Bank.

Every year, our associates team up to compete in the Bed Race, Furniture Bank's biggest fundraiser of the year. Instead of race cars, teams compete by pushing a bed on wheels down a race track. Through this fun event, our associates raise funds to provide furniture for families in need.

Every November, we partner with Furniture Bank to engage volunteers in a project called Tables for Thanksgiving. During this event, our volunteers build and paint kitchen tables for families in need throughout central Ohio. Every table is given to a local family just in time for the Thanksgiving holiday. Since 2013, we've engaged hundreds of associate volunteers and built tables for more than 1,000 families in our community.

Pelotonia

Founded in 2008, Pelotonia was established with the objective of funding life-saving cancer research at The Ohio State University Comprehensive Cancer Center – James Cancer Hospital and Solove Research Institute. Pelotonia is a three-day experience that includes a weekend of cycling, fundraising, and volunteerism. Team Big Lots has passionately participated in Pelotonia since 2014, raising more than \$1.3 million for cancer research. Every August, more than 100 Big Lots associates come together to ride anywhere from 25 to 200 miles, and we are proud to have one of the biggest cheer sections along the route!

One of our favorite Pelotonia fundraisers is the Big Lots 500, where executives race around our headquarters parking lot on giant “monster tricycles.” Associates donate to the leader they want to see in the championship, and then the race is on!

City Year Columbus

City Year Columbus is an education-focused nonprofit organization that partners with public schools to keep students in school and on track to graduate. City Year believes that every child has the potential to be successful through the power of education. In 2018, Big Lots became a team sponsor, committing a \$300,000 gift, and was paired with Champion Middle School in Columbus. As team sponsor, Big Lots acts as the primary partner of the AmeriCorps team serving at that school. Team Big Lots has volunteered at City Year's report card conferences, with welcoming students into school in the morning, and celebrating holidays by playing games with students.

\$300,000

gift donated to City Year Columbus as a team sponsor



SUPPLY CHAIN MANAGEMENT

Big Lots works with companies across the globe to provide quality, affordable products to our customers. We recognize the responsibility to hold our suppliers to Big Lots' standards so our customers can feel good about the products they purchase. To uphold our long-standing commitment to uncompromising integrity, we will continue to hold our suppliers to our high ethical standards.

Supplier Standards

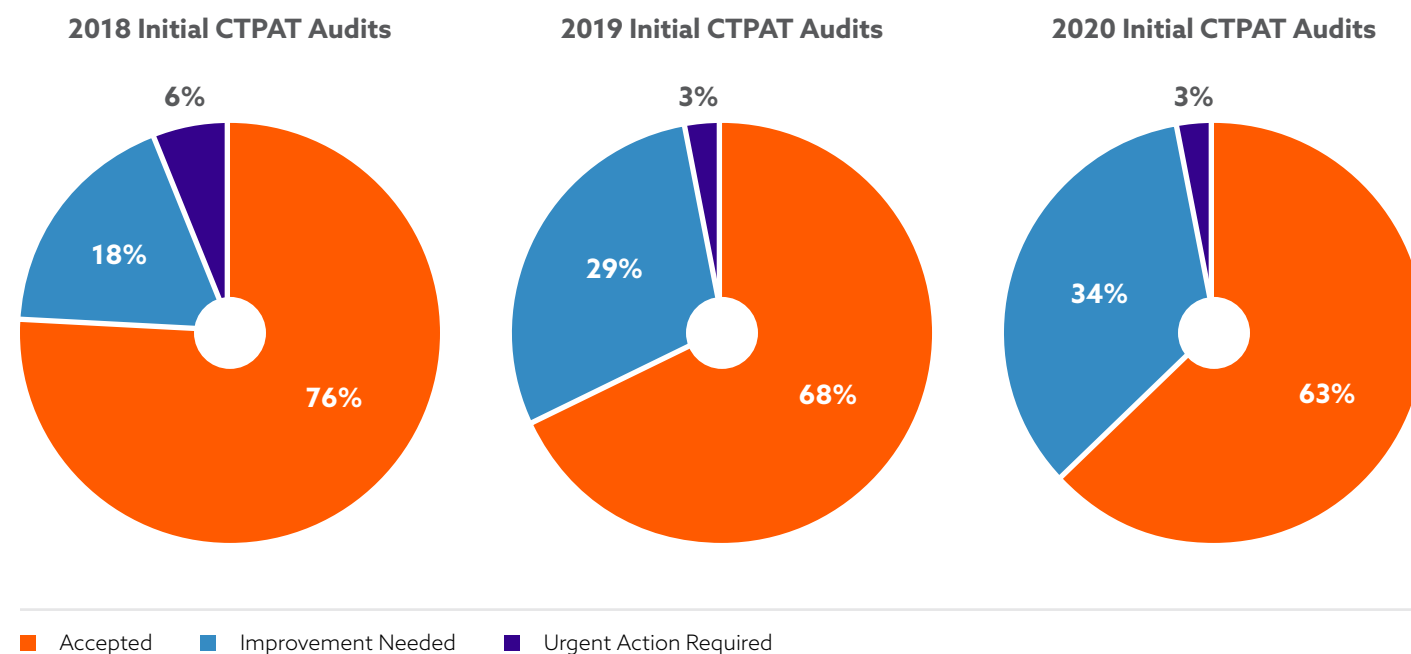
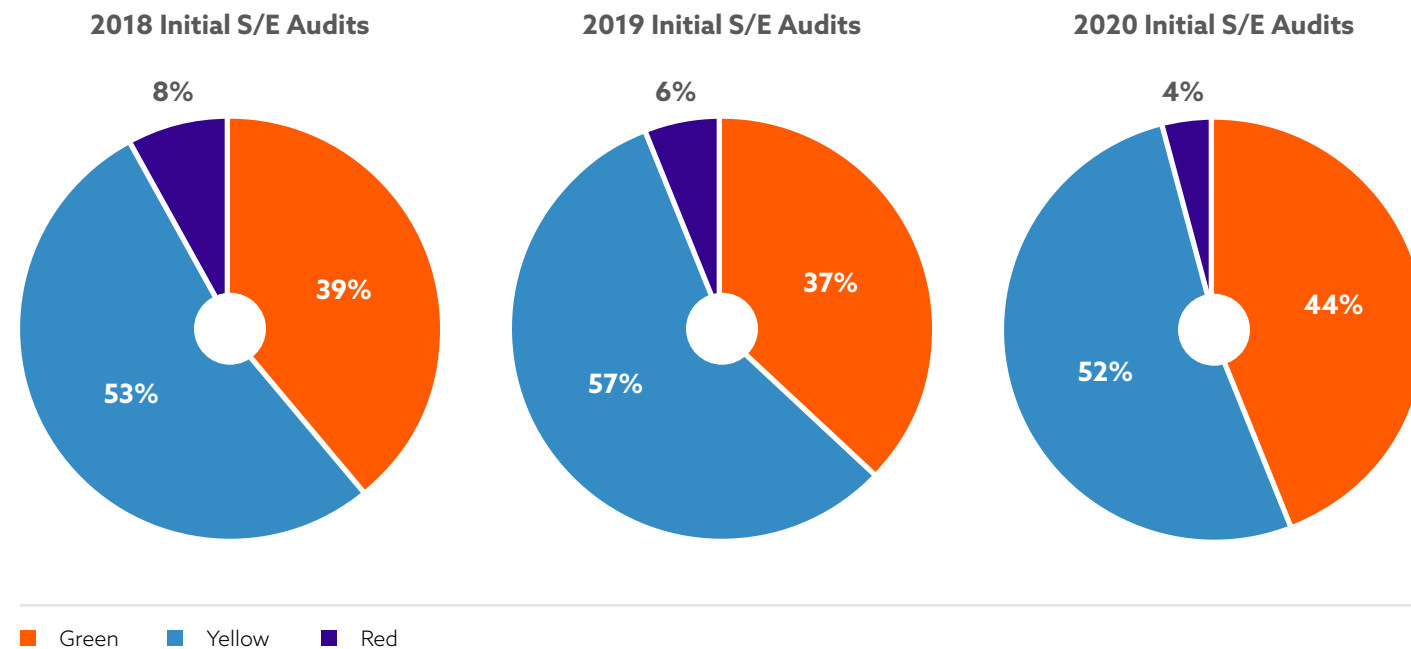
We rely on our supplier partners to help provide our customers and communities with affordable and quality products. We provide our partners with clear guidance on all of our standards in our [Vendor Routing and Compliance Guide](#). In this guide, Big Lots' commitment to responsible business conduct is emphasized through its Supplier Code of Conduct. Big Lots expects all vendors, suppliers, manufacturers, contractors, and subcontractors to respect human rights, conduct ethical business dealings, and uphold Big Lots' standards including:

- complying with all laws, rules and regulations
- providing workers with minimum wages and benefits, maximum working hours, and healthy and safe working conditions
- ensuring no forced labor or child labor
- requiring nondiscrimination in hiring and freedom of association between workers
- upholding anti-corruption and anti-bribery standards

To enforce our supplier standards, Big Lots conducts third-party audits on all suppliers. All facilities are provided a score of either green, yellow, or red. Green facilities are re-audited after two years and yellow facilities are re-audited annually. Facilities that receive a red score are provided guidance on bringing their operations up to Big Lots' standards and are then re-audited. Although we prefer to help our suppliers improve, we stop conducting business with any facility that receives three red scores in a row and is unable to conduct their operations in accordance with our standards. Any zero-tolerance findings, such as incidents of child labor, result in an automatic loss of business. Since implementing this process, we have seen a substantial improvement throughout our suppliers.

Responsible Sourcing

We want our customers to be able to feel good about the products they purchase in our stores. As a result, we have made a commitment to source 100% cage-free eggs by 2025, improving our food supply chain for our customers. Many of our soft goods and housewares products are produced at environmentally friendly and socially responsible facilities that are OEKO-TEX® certified. Additionally, Big Lots sources many food and consumer products that are organic or Non-GMO verified, including many of our own private label products.



WORKPLACE

Our associates are an integral part of the Big Lots family, dedicated to our mission of helping people live BIG and save LOTS. We strive to create a workplace that allows them to thrive and grow both personally and professionally, by providing opportunities for training and development, paid volunteer time off, and competitive compensation and benefits. We also aim to foster a culture of diversity and inclusion that welcomes and values people from all backgrounds, and have launched a formal Diversity, Equity, and Inclusion (DEI) initiative as described below.



TALENT MANAGEMENT

Big Lots is committed to attracting, developing, and retaining talent. No matter where you sit in the company, we provide resources to help you grow and advance in your career because we want all our people to succeed. Big Lots' Talent Development team leverages our internal leaders and managers to identify talent needs at all levels of the company.

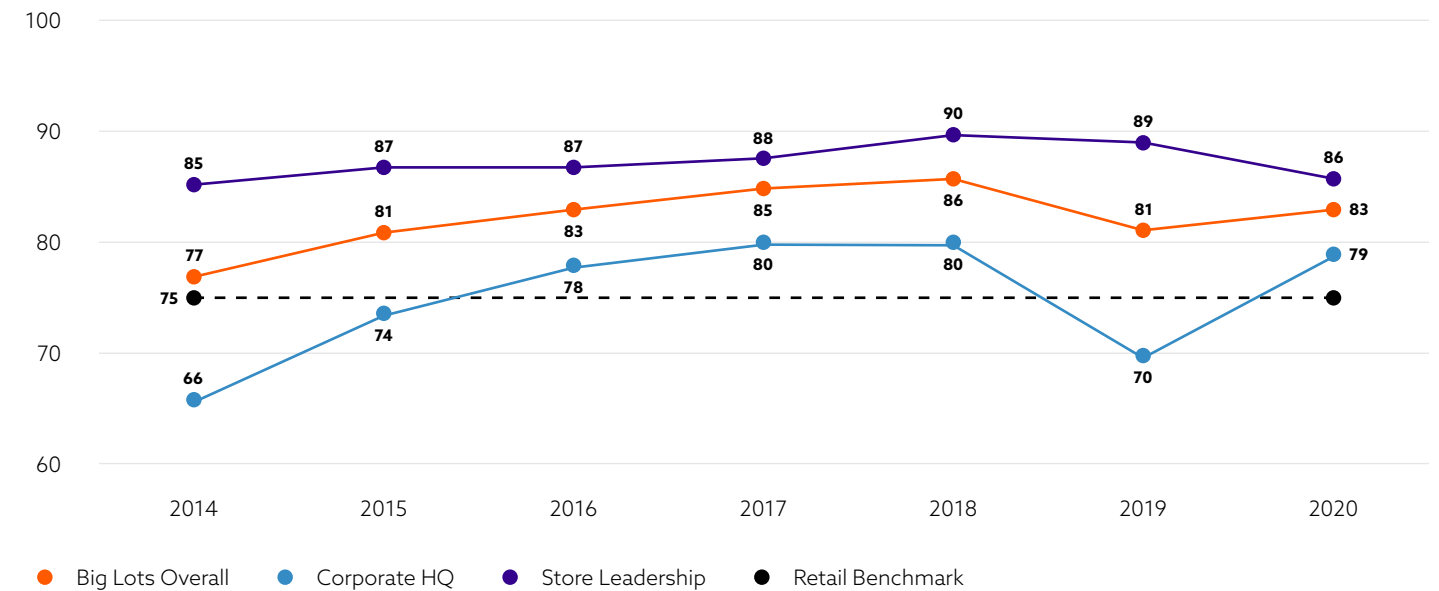
Typically, this process begins in July of every year, with leaders helping to develop the talent pipeline by identifying high-potential associates from within the company and assessing their readiness for the next level in their respective job functions. This process culminates in November with a CEO Talent Review session where our executive team discusses the performance, potential, and targeted development actions for the level of directors and above in our organization.

Engagement

We believe in strong associate engagement and satisfaction to promote a sense of community amongst our associates. We have conducted an annual associate engagement survey for each of the past eight years to collect feedback from our associates to measure engagement, manager effectiveness, inclusion, and performance enablement. These survey results give us insight into our company culture as well as identify areas of improvement to help us continue building a 'best place to work' environment.

Our 2020 survey completion rate was 93% with an 82% favorable engagement rate. According to the company that facilitates our survey, both percentages are industry-leading, and our engagement rate has remained steady since we began conducting the survey. Overall, our item-level trends continue to increase, exceeding retail benchmarks in 2020. We also conducted two additional pulse surveys in 2020 specifically about our COVID-19 response. We are pleased to report that our associates responded that they were satisfied with our COVID-19 response.

Employee Engagement Index Trends



For the annual employee engagement survey, each team leader is equipped with their team's overall survey response, and guidance on how to discuss results and areas of opportunity going forward with the team during feedback sessions. Additionally, team leaders are expected to report out on feedback sessions and associated action plans, and to incorporate these actions plans into their business goals. In addition to the survey, throughout a normal year we engage with our associates through several events:

- Quarterly town-halls, sponsored meals, and annual family events
- Sample sales at each of the five distribution centers and CHQ, with proceeds benefiting the Big Lots Foundation Emergency Assistance Fund
- Give-aways and contests, such as the Holiday Home Makeover

Even this year, amid the pandemic, we were able to continue each of these events, either in person in a safe, socially distanced manner or virtually.



DIVERSITY, EQUITY AND INCLUSION

Big Lots strives to be a diverse, equitable, and inclusive workplace, and we began to formalize our efforts around diversity, equity, and inclusion (DEI) in 2019. From the top down, we believe that every associate makes a difference and that DEI is an important and critical tenet of a successful business. We work to promote these ideals throughout the company, every day. We are in the process of formalizing and institutionalizing our DEI initiatives, but we recognize that DEI is a journey and that we still have far to go. We are an equal opportunity employer committed to the principle of providing our people with a work environment free from discrimination and harassment.

All employment decisions are based on business needs, job requirements, and individual qualifications without regard to race, color, religion, ethnic origin, sexual orientation, gender identity, age, disability, marital status, military service status, medical history, or any other status protected by the laws and regulations of the locations where we operate. We do not tolerate discrimination and/or harassment based on these characteristics.

DEI Strategy

In December 2019, we engaged The Kaleidoscope Group to assess our current policies, procedures, and practices around DEI and set strategy around effective recruiting, engagement, and retention of a diverse and inclusive workforce. This included establishing a governance structure, aligning leadership, developing initiatives, and taking a public stance in support of marginalized populations.

Our 2021 DEI Strategic Focus Areas are talent, customer, and culture.





DEI Governance

Diversity, Equity, and Inclusion Strategy is led by our Corporate Manager of Diversity and Inclusion, and the newly formed DEI Council, a group of 18 associates from all levels and areas of the company and from diverse backgrounds, that uplift the authentic and genuine voices of all our associates. To make sure this strategy is achieved, we also formed the DEI Executive Advisory Committee, comprised of six senior leaders who provide guidance to the DEI Council, as well as approve DEI Strategy and promote its achievement through organization-wide action ownership in connection with Big Lots' Business Strategies. The DEI Executive Advisory Committee also champions leadership commitment to DEI, inspires it in others, and ensures DEI is addressed regularly at the executive level.

LGBTQIA+

For the past two years we have participated in the Columbus Pride Festival and Parade, organized by [Stonewall Columbus](#). Founded in 1981, Stonewall Columbus aims to increase the visibility and acceptance of the LGBTQIA+ community and welcomes more than 700,000 visitors to Columbus Pride annually. We also support the [Kaleidoscope Youth Center](#), the largest and longest-standing organization in Ohio solely dedicated to serving and supporting LGBTQIA+ youth, as well as [Equitas Health](#), a regional non-profit health system serving the healthcare needs of the LGBTQIA+ community in 13 cities across the Midwest.





Human Rights Campaign for Corporate Equality Index

Human Rights Campaign Foundation's Corporate Equality Index (HRC CEI) is one of the leading national benchmarking tools measuring workplace equality on corporate policies, practices, and benefits pertinent to lesbian, gay, bisexual, transgender, and queer employees. From reporting our giving to LGBTQIA+ Communities, intentional advertising, and training initiatives, we increased our score from a 65 to a 90 in 2019. We have maintained that score in 2020 and 2021, even as the 2021 CEI criteria reflected HRC's most robust standards in the survey's 19-year history. Since our active participation in 2019, Big Lots has exceeded the average CEI score for all Fortune 500 companies, which currently stands at 76. Big Lots 2021 report can be found [here](#). Further, work with the HRC led to a new way to support our transgender associates. In July, the Supreme Court ruled that discrimination based on gender identity and sexual orientation is illegal under Title VII of the 1964 Civil Rights Act. Since then, more and more transgender associates have felt safe enough to live authentically at Big Lots. To support transgender associates, our DEI Council, Legal department, and Associate Relations department created new guidelines to help us align human resources, managers, and co-workers to the needs of transitioning associates. As we strive to be a more diverse, equitable, and inclusive workplace, Big Lots wants transgender associates to feel safe and valued throughout our company.



Black Lives Matter

Big Lots [stands](#) with our African American associates and customers against racial inequality. In response to the murder of George Floyd and to take a stand against racial inequality and discrimination, we donated \$100,000 to the [NAACP Legal Defense and Educational Fund](#), and signed a letter to the Columbus City Council along with 750 other business and organization leaders pledging to come together to find solutions to combat systemic racism. This stance flows from our historical and consistent support for racial equality, including nearly a decade of sponsorship for the largest Dr. Martin Luther King Jr. Day breakfast in the nation. In the wake of George Floyd's murder, we provided resources and support to our associates to help them start and maintain ongoing dialogue around racial inequality. We provided a space for our people to engage in open and transparent conversations around race, with nearly 150 associates participating in conversations guided by our Corporate Manager of Diversity and Inclusion in June 2020. Additionally, 60 Big Lots leaders participated in inclusive leadership training, learning how to act courageously as leaders in the face of adversity, and we plan to continue inclusive leadership training in 2021. We also supported our associates who chose to wear the Black Lives Matter (BLM) moniker during work hours in response to the deaths of George Floyd, Breonna Taylor, and countless other lives lost and similar events.

Associate-Directed Philanthropy

As part of Big Lots' commitment to a culture of philanthropy, we empower associates from each of our five distribution centers and nine nationwide regions to direct the philanthropic efforts in their communities. A committee of associates has reviewed funding applications to decide how to prioritize and direct nearly \$2 million from the Big Lots Foundation to local non-profits since 2016. After receiving a Big Lots Foundation National Exclaim grant, Habitat for Humanity engaged a team of our local field leaders to construct a house in the Cincinnati area for a single parent and her children. Our volunteers spent the day getting the house ready to welcome the new family, and truly become a home.

Working Parents Network

COVID-19 has impacted our associates in unprecedented ways, especially our associates who are working parents. The pandemic caused us to shift our business focus and reimagine how and when we work, driving us to launch the Working Parents Network (the Network) in September 2020. This, our first official Business Resource Group (BRG), is an online network of associates that began with an hour-long lunch and learn and has since grown to a full-blown community. The Network provides an outlet for working parents to connect and share pain points and best practices of juggling work and parenting responsibilities. Content is posted weekly in the online group, and associates are still leveraging the Network to receive guidance and support on how to have difficult conversations with their managers as they continue to navigate these challenging times.

Our DEI Strategy includes launching more of these formal BRGs in 2021 with the input of our associates on what they want and need. Our hope is that these BRGs will be associate-driven and provide the same level and type of support that our Working Parents Network has established.

TRAINING AND DEVELOPMENT

Another way we support our associates is through training and development. Big Lots offers a variety of professional development opportunities for associates to build skills, expand their knowledge base, take on more responsibility, and hone leadership skills to advance their career.

Big Lots University

Big Lots University is our e-learning management system available to all associates and offers a range of professional development courses. Whether an associate has five minutes or an hour, they can access training modules on topics such as:

- Active Listening
- Conflict Resolution
- Identifying Talent
- Becoming a Great Leader: How to Motivate Employees
- Creating Collaboration
- MicroStrategy
- Driving Accountability
- Time Management

In 2020, Big Lots had 1,443 enrollments in 153 different professional development courses with 920 completions.

1,443

enrollments in 153 different professional development courses

Leadership Development Programs

Big Lots aims to promote from within by providing numerous leadership development opportunities. For example, all leaders at our distribution centers are automatically enrolled in Leadership Fundamentals—an eight-part training program that comprises four core courses and four specialized courses in the area of an associate's interest. In 2020, we launched a General Manager Leadership development program focused on accelerating the development of our General Managers in our distribution centers. Our Merchant Training Program identifies high-potential, entry-level associates to guide through an intensive job rotation that prepares them to be a merchandise buyer. This program has been highly successful over the past several years, and we look forward to continuing to develop these future leaders in 2021.

Performance Reviews and Peer Recognition

Recognition for hard work is incredibly important to us. Big Lots employs two processes for performance reviews—exempt associates are assessed at year-end and non-exempt associates are assessed in connection with the anniversary date of their first day of work. Reviews are structured to assess associate performance based on annual performance goals set at the start of the year and how they are executed to determine salary adjustments and/or incentive eligibility. Performance management at Big Lots is an annual cycle starting with setting strategy-aligned performance goals and ends with an annual performance review. In between those two steps, managers and associates have quarterly performance and development conversations to review performance against goals and progress being made on their Individual Development Plan (IDP). These regular conversations improve performance, engagement, and reduce end-of-the-year surprises.

Additionally, peer-to-peer recognition helps foster the culture of community amongst our associates. We have invested in a social media platform—Exclaim—that allows managers to recognize associates for a job well done by awarding them points through this platform. Associates can cash in these points for gift cards to Big Lots and other non-competitor companies, and we also plan to conduct contests where associates can win prizes based on how well they accomplish the contest objectives.

Exclaim also allows, and encourages, all associates to recognize each other on the social-media-like platform. This ongoing and frequent peer-to-peer acknowledgement is another way we are creating a best place to work environment. Finally, on a quarterly basis, associates can also receive an internal cash award of up to \$500 for going above and beyond in their job through our Be the Big initiative. Associates throughout the company are asked to nominate a co-worker and share how they went above and beyond in their work. Once the nominations are collected a committee of 13 diverse associates votes on the nominees and one from each designated location wins.



COMPENSATION AND BENEFITS

Big Lots offers our associates a comprehensive benefits package and competitive compensation aimed at meeting personal and professional needs. We benchmark our compensation structures for specific job positions to ensure they are competitive in the market, as well as bonus and pay equity programs to ensure they are mutually beneficial.

We take great pride in our ability to provide our people with the following benefits:

- Medical
- Dental
- Vision
- Company-paid and supplemental life insurance
- Short- and long-term disability
- Paid sick days
- Bonus program
- Vacation
- Educational assistance
- Flexible spending account
- Associate assistance
- Relocation assistance
- 401(k) savings plan and company match

Big Lots believes in taking care of our people, supporting work-life balance, income protection, health and wellness, and retirement planning. Benefits are subject to eligibility requirements and part-time or full-time associate status.

Health and Wellness

The well-being of our associates is our top priority. For those enrolled in our medical program, Big Lots provides zero cost preventive care for the associate and enrolled family members. Telehealth visits are subsidized and have been reduced to a \$0 cost during the COVID-19 pandemic. Big Lots is proud to provide mental health benefits to every one of our associates through the EmployeeConnect Employee Assistance Program. We ensure that our associates have access to the resources they need to successfully manage their personal well-being, especially in times of crisis.

Emergency Assistance Fund

In 2015, Big Lots partnered with The Columbus Foundation and the Gifts of Kindness LLC to create the Big Lots Foundation Emergency Assistance Fund (the Fund). The Fund provides grants for food, shelter, and other basic needs to Big Lots associates experiencing financial hardship due to an unexpected personal crisis. This program has emergency guidelines in place to ensure that funding is available for as many associates as possible to receive assistance. In the past five years, we have awarded \$1.6 million to help approximately 600 associates. We continue to assess additional ways that Big Lots and our Foundation can support our people, and we encourage our associates to donate to the Fund to help support their Big Lots family. This year, in response to the pandemic, we added to our Emergency Assistance Fund by creating an additional portion solely dedicated to our associates affected by COVID-19. Specifically, associates at the Senior Vice President level and above donated 10% of their salaries for three months to contribute to the Fund, equal to approximately \$185,000. Please see the [Social section](#) of this report for more details on how the Emergency Assistance Fund was leveraged as part of our COVID-19 response.



SAFETY

At Big Lots, the safety of our associates is of primary importance. We never ask anyone to do anything that would jeopardize their safety, the safety of their coworkers, or the safety of our customers. There are several mandatory training courses that all store associates must complete, and all courses are assigned via our e-learning management system (in response to the pandemic) and training hours are tracked.

Throughout 2020 we developed and increased our safety trainings and protocols in response to crises such as the COVID-19 pandemic and civil unrest, when the safety of our associates and customers was more critical than we have ever experienced. Please see the [Social section](#) of this report for our associate response to COVID-19.

Safety Training

In 2020, we launched aggressor/active shooter training via our e-learning management system for our store associates. This training incorporated video simulations filmed in our stores so associates could see firsthand how they would apply the training in their own environments. We also launched argumentative and de-escalating conversations training in March to help our associates deal with challenging situations involving customers. This training was not planned in response to the pandemic, but it has especially helped our store associates deal with pandemic-related issues such as enforcing COVID-19 safety protocols and procedures.

In our distribution centers, we have increased awareness around safe working practices including launching a video series—one video a month is filmed at a different distribution center, and this heightened focus on safety has helped to decrease our number of injuries. Big Lots has a team of area asset protection leaders that perform a number of responsibilities, including auditing stores to ensure compliance with mandatory training and engaging with store associates to take a deeper dive into training topics and reinforce the importance of completion.

Emergency Preparedness and Response

Big Lots is always prepared to deal with emergency situations. Through our APX tool, we developed health screens for store associates that track and report if a person has COVID-related symptoms. If someone tests positive an automatic email is sent to affected parties. This capability has helped minimize exposure at the store level and keep people safe. Big Lots was one of the first retailers to implement this tool in response to the pandemic, after consulting with major corporations such as Costco and Amazon. As Center for Disease Control (CDC) guidelines evolve, our leaders can update and modify protocols in APX in real-time. Additionally, leaders can conduct geographic mapping to identify hot spots as they emerge.

During extreme weather situations we have an established protocol in place to ensure essential supplies get to our stores in preparation for customers to shelter in place. We recently invested in a software solution that functions as a mass notification tool to help guide our company through impacts of extreme weather such as power outages or flooding. We also invested in a social media monitoring tool that searches key terms and phrases on the internet related to things like civil unrest and protests, and alerts store leaders to potential situations that may pose a threat to associate and customer safety.

ENVIRONMENT

At Big Lots, we recognize it is important to care for our planet. To do this, we engage everyone within the organization to help our company operate sustainably. From company-wide environmental initiatives to our dedicated Green Team, we are incorporating sustainable actions throughout the entire Big Lots organization.





ENVIRONMENTAL PROGRAMS

At our corporate headquarters in Columbus, OH, we have implemented a number of environmental programs to improve the impact our organization has on the environment. With involvement throughout all levels of the organization, these programs are a way every associate at Big Lots makes a BIG difference for our planet.

Green Team

We know that when our associates are passionate about an issue, they deliver BIG results. That is why we created the Green Team, a group of associates dedicated to reducing the impact Big Lots has on the environment. To create the Team, we brought together our associates with a passion for sustainability and gave them the tools to make a difference. They promote events, activities, and educational opportunities that encourage sustainable practices throughout the organization, such as composting and eliminating Styrofoam packaging in our corporate headquarters café. Together, they adopted and maintain a park near our corporate headquarters, as well as adopted a highway and several city blocks and vacant lots in the city of Columbus that the Team cleans up twice a year. Unfortunately we had to pause these efforts in 2020 due to the pandemic, but we hope to continue our clean-up in 2021. The Team also continues to implement programs to reduce paper printing across all of our stores, offices, and DCs, and drive many more sustainability initiatives.

Corporate Headquarters LEED Certification

When we opened our new corporate headquarters in May of 2018, we knew we wanted to take this opportunity to put a focus on sustainability. That's why we made the decision to make our corporate headquarters LEED (Leadership in Energy and Environmental Design) SILVER certified. LEED is a third-party certification program that is a nationally accepted benchmark for the design, construction, and operation of an efficient and environmentally friendly building. Committing to building a greener headquarters reduces our impact on the environment and creates a better, healthier work environment for our associates. Through LED lights, lower workstations, natural light, low flow toilets, and much more, we designed our headquarters to be as efficient of a building as possible. To reduce our waste, we converted all of our serving utensils to compostable material, eliminated plastic straws, and installed recycling stations for paper, plastic, and glass throughout the building.

In addition to efficiencies throughout the building, we encourage our associates to commute using more energy efficient options. We offer free charging stations and reserve prime parking spots for fuel efficient vehicles at our corporate headquarters and at our distribution center in Apple Valley. We also encourage associates to commute via bike when possible by providing easily accessible bike racks throughout our headquarters campus.

Associate Initiatives

To make our organization more sustainable, we encourage our associates to submit cost savings ideas via a dedicated email address. Since 2019, nearly 100 associate ideas have been submitted, with approximately a dozen implemented and several more in review. As an incentive, associates that submit innovative and creative ideas are rewarded with a gift card. All ideas are reviewed quarterly, and our team proposes next steps for ideas that will be implemented.



WATER

To reduce our water consumption, we dedicate time to evaluate the water use throughout all of our facilities and identify opportunities for reduction. This process has helped us identify leaks and other issues to successfully minimize our water use throughout the company. Going forward, we will continue to explore and execute on opportunities to reduce our water consumption across our footprint.



WASTE

In 2020, Big Lots began exploring the development of a “Zero Waste” program to minimize the waste our stores and distribution centers produce. We are continuing to review how we want to measure success through a set of key performance indicators (KPIs), and how to best pilot the program in order to roll it out effectively companywide. Currently, our program expectations are to optimize our waste management and give us the tools to truly achieve and sustain zero waste in both cost and landfill to recycle ratio.

We recognize that to reduce waste throughout the company, we need to change associate behaviors. To do this, we have developed classes on sustainability that will be offered to all associates via Big Lots University in 2021. This training will further incorporate sustainability into the culture at Big Lots.



ENERGY AND EMISSIONS

Big Lots is dedicated to optimizing our energy use to minimize our impact on the environment. By implementing energy management systems in our retail stores and utilizing renewable energy, we have already made BIG improvements. To help us improve even further, this year we partnered with a third-party vendor to verify our carbon footprint. Understanding our baseline energy consumption will help us continue to make improvements throughout our company and operate as efficiently as possible.

Energy Management Systems

Big Lots recognizes the importance of using energy as efficiently as possible. That is why we decided to act and implement energy management systems throughout our stores. We have deployed just under 1,400 systems in facilities that have adequate lease terms. There are over 14,000 sensors and 1,500 integrated meters, and other components that were rolled out to optimize our stores’ use of HVAC units and lights, resulting in BIG energy reductions, totaling to \$1 million a month in savings. We have a team dedicated to monitoring and continually optimizing the energy management systems to keep improving and minimizing our energy use.

\$1 million/mo

in savings due to the deployment of components that optimize our stores' use of HVAC units and lights

OUR ENERGY USE			
RESOURCE	2018	2019	2020
Gas (MMBtu)	666,952	638,491	550,548
Electric (kWh)	584,348,920	539,801,828	520,338,553

Renewable Energy

At Big Lots, we recognize the importance of utilizing renewable energy. In California, we installed a 240-kW solar array to provide renewable energy to one of our facilities. Additionally, we are utilizing wind energy at a number of sites in Texas, further reducing our carbon footprint and fuel consumption. We are excited about the renewable energy sources we have been able to invest in thus far, and are continuously looking for and evaluating additional opportunities to integrate renewable energy into our operations.

Greenhouse Gas Emissions

In 2020, Big Lots retained a third-party firm to help us establish a corporate emissions inventory based on 2019 data gathered from our corporate headquarters, five distribution centers, and a sample of five retail stores in different climatic regions. At the company-level, we provided data inputs for certain emissions activities such as purchased goods and business travel. At the facility-level, we provided data inputs for other emissions activities such as utilities consumption. From here, our partner firm developed a methodology, results, and recommendations based on their preliminary emissions analysis.

EMISSIONS ANALYSIS					
RESOURCE	SCOPE 1 DIRECT	SCOPE 2 INDIRECT (ELECTRICITY) ¹	SCOPE 2 INDIRECT (ELECTRICITY) ²	SCOPE 3 INDIRECT (VALUE CHAIN)	TOTAL
Corporate Total Emissions (MtCO ₂ e)	36,235	210,408	183,421	2,430,729	2,650,385
% of Total Emissions	1.4%	–	6.9%	91.7%	–

¹Location-based
²Market-based

This initial emissions inventory provided us some key takeaways:

- We now have the ability to track absolute emissions and carbon intensity over time
- Actions taken to reduce emissions can be shared with stakeholders and the public to increase our disclosure and transparency while also providing us cost savings
- Compared to some of our retail peers, we have one of the lowest carbon footprints relative to absolute Scope 1 and 2 emissions, and greenhouse gas intensity by square foot

We plan to report on our progress to reduce emissions in subsequent sustainability reports.



