Corporate Responsibility & Sustainability Report

FISCAL 2023
Corporate.BestBuy.com

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Message from our CEO.

Since Best Buy's inception, the concept of stakeholder capitalism has been a core tenant of this vibrant company, starting with our founder and his personal engagement across all stakeholders.

As has always been the case, we have worked hard to serve not only our customers and shareholders, but also our employees, vendor partners and communities. Engaged employees, active in and reflective of their communities, build deep relationships with loyal customers, supported by unique vendor partnerships, all driving growth and shareholder value over the long term. We believe this balanced approach is critical for Best Buy to continue to grow and flourish. In doing so, we fundamentally believe the work we do — and the way we do that work — drives long-term value creation for all.

A part of this commitment and focus is our work in the environmental, social and governance space. We know that pursuing this work is not only the right thing to do, but it is also directly tied to business results. A strong Best Buy is a key part of a vital community: We create meaningful work that can create generational wealth, provide access to technology and educational opportunities in all communities, and integrate sustainability into our business operations.

While fiscal year 2023 brought continued macroeconomic uncertainty, I am proud of the way Best Buy focused on what we do best: serving our employees and customers, investing in our strengths, planning a definitive course for the future, and supporting our communities.

It is because of the tireless work of our employees that Best Buy continues to evolve and grow into an even more vibrant company. I believe this commitment is driven by our shared connection to our company purpose: to enrich lives through technology. It is a purpose that is more relevant now than ever.

Directly aligned with that purpose, we celebrated milestones and continued our progress in various areas over the last year. Here are just a few highlights I would like to share with you:

- The Best Buy Foundation™ opened the 52nd Best Buy Teen Tech Center®. That puts the foundation more than halfway to its goal of building a network of 100 locations across the United States by 2025. These centers continue to provide young people with the access, inspiration and opportunity they deserve to help them define their futures.
- We continue to be recognized for the many ways we are supporting our employees and communities. We ranked 34th, and were the No. 1 retailer, on the JUST Capital list that evaluates and ranks the largest publicly traded companies in the U.S., in part, on how a company invests in its workers, supports its communities and minimizes environmental impact.
- We further advanced our focus on the circular economy. We introduced a mail-in service where customers can order a prepaid box from us, fill it with old electronics and ship it to be responsibly recycled. As the nation's largest retail collector of e-waste, Best Buy has collected more than 2.7 billion pounds of electronics and appliances for recycling since 2009.

These are just a few examples of our balanced progress across constituencies. I invite you to read through this report and see how Best Buy is working to make a positive impact on people, our communities and the planet in service of our vibrant future. There is more work to do, and we are confident in our strategies to accomplish it.

I am so grateful to our team members across the company for their commitment to our customers, communities and one another.

To our customers, stakeholders and shareholders, thank you for your ongoing trust and support.

Respectfully,

Corie Barry, CEO
Best Buy Co., Inc.

About Best Buy.

Headquartered in Richfield, Minnesota

More than 90,000 employees

More than 1,000 stores in the U.S. and Canada

More than $46 billion in revenue for FY23

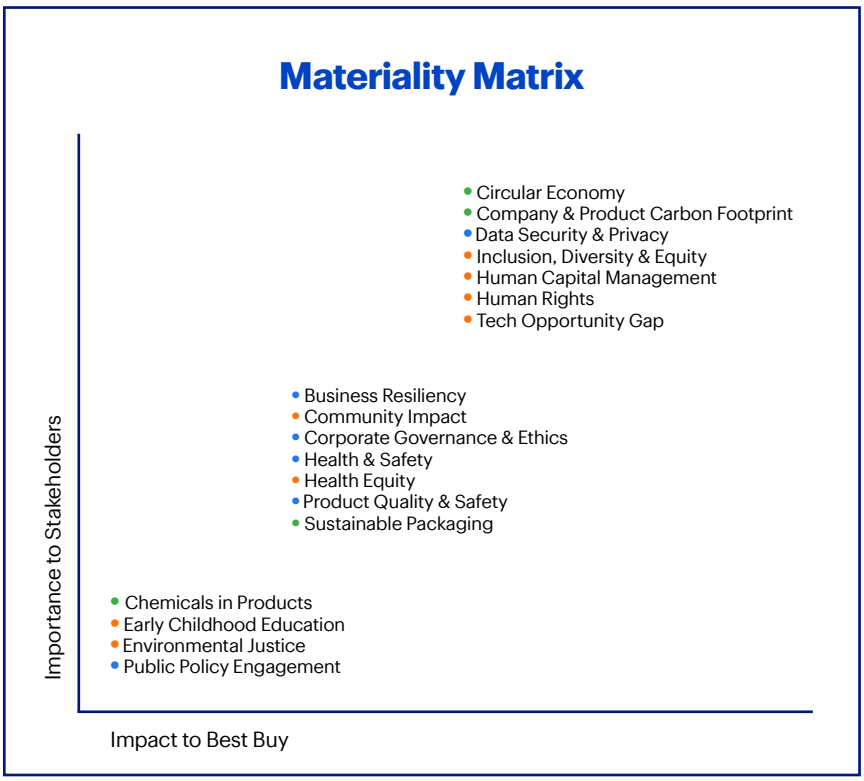
About this report.

Best Buy has been reporting yearly on a variety of environmental and social topics since 2006. This report includes our operations in the U.S. and Canada, reflecting the fiscal year ending Jan. 28, 2023 (FY23) unless otherwise stated. The Responsible Sourcing section reflects only our private-label manufacturing.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards. Our Scope 1, 2 and 3 emissions data is externally verified by Optera. Other frameworks referenced or taken into account include Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Development Goals (SDGs). Best Buy also reports to CDP.

Through a materiality assessment including stakeholder surveys and interviews, these issues were plotted on a matrix based on a five-year outlook. All of the issues listed are of high importance to both external stakeholders and our business; however, the issues were categorized by the degree to which internal and external stakeholders believe we should intensify our efforts to grow our business.

For more information and full financial disclosures, please see the Best Buy FY23 Annual Report on Form 10-K at investors.bestbuy.com.



100+ issues considered initially.
These are the top 18. All are important.

Issue Category Key:
- **Environmental**
- **Social**
- **Governance**

FY23 Highlights.

Great place to work

45% of our Board of Directors members are women

Elevated benefits around caregiver support, pay continuation and tuition support

Partnered with Joshin, which provides support for employees with a focus on disabilities and neurodivergence

Employees spent an average of 44 hours on training and development

Environmental

Reduced our carbon emissions 66% (over 2009 baseline)

Made additional investments in solar energy, bringing our total investments to five solar fields

Collected over 2.7 billion pounds of electronics and appliances for recycling since 2009

Social impact

The Best Buy Foundation™ supported a network of 52 Best Buy Teen Tech Centers®

Since 2020, Best Buy and the Best Buy Foundation™ have allocated more than $13 million to expand college preparation and career opportunities for students from disinvested communities

Supply chain

100% of private-label factories are audited before business is conducted

Achieved zero waste TRUE certification at three additional supply chain facilities, bringing our total to four certified facilities

Recognition.

Ethisphere
Named to *Ethisphere*'s list of World's Most Ethical Companies for the ninth year

Bloomberg
Named to Bloomberg's Gender-Equality Index for the third year

CNBC
Named #1 in Retail Industry; third year making the list

FTSE4Good Index
Included in FTSE4Good Index for the ninth year

CDP Worldwide
Named to CDP Climate A List for the sixth year; among the top two percent of companies reporting to CDP

DiversityInc.
Top 50 Companies for Diversity by DiversityInc

MSCI Inc.
Rated AAA (highest possible) by MSCI ESG Research

Dow Jones
Included in Dow Jones Sustainability Index for the 12th year

ISS Governance
Awarded Prime status on ISS-ESG Corporate Rating

Barron's
Named as one of Barron's Most Sustainable Companies for the sixth year in a row

Parity.org
Named to Parity.org's list of Best Companies for Women to Advance and its inaugural list of Best Companies for People of Color to Advance

Company strategy.

We believe our strategy is the right one to deliver growth and long-term value for all Best Buy stakeholders, including employees, customers, shareholders, vendors, and communities where we live and work.

Here are three reasons why we believe this:

1. Technology is a necessity, and we are the only national tech solutions provider for the home.
2. We have built a unique ecosystem of customer-centric assets, delivering experiences that no one else can.
3. Our differentiated abilities and ongoing investments in our business are designed to lead to compelling financial returns over time.

These three factors enable us to pursue our company purpose, which is to enrich lives through technology. They also help us carry out our vision of humanizing and personalizing technology solutions for every stage of life.

We are crystal clear on the things we need to do to grow as a company. We also know that as we grow it is critical that we contribute to a more inclusive, diverse and equitable world.

Our commitment to making a positive impact on our employees, communities and planet has never been stronger.

Stakeholder engagement.

Throughout our more than 50-year history, Best Buy has been cultivating relationships with multiple stakeholders — the many people and organizations who have a collective stake in what we do. We interact daily and in a variety of ways with our employees, customers, shareholders, vendors, and communities where we live and work. We also actively engage in dialogue with external organizations that provides valuable insights and challenges us to grow. Ultimately, we make future-minded decisions with the to strengthen our business, improve people's lives and promote the health of our communities for years to come.

Stakeholder	Examples of how we engage and interact
Employees	• Create a sense of belonging and foster a welcoming culture that prioritizes an inclusive and diverse work environment and supports career development. • Focus on holistic well-being for the employee and their loved ones. • Gain employee insights and feedback through formal surveys and other listening channels.
Customers	• Put customers at the center of all we do, enabling them to enrich their lives through technology. • Seek to humanize and personalize technology solutions for every stage of life. • Serve customers on their terms digitally, virtually, in our stores and in their homes to meet their ever-changing expectations. • Create a customer-led feedback loop allowing them to share the feedback they want.
Investors and Shareholders	• Disclose metrics and information that support our initiatives and engage with shareholders on a variety of topics throughout the year. • Ensure good company governance and ethics.
Elected Officials, Regulators and Non-Governmental Organizations (NGOs)	• Engage in the political process by sharing expertise and insights, and advocating public policy positions, to protect and grow the business in ways that directly impact our employees, customers, shareholders and communities. • Maintain relationships with NGOs, including associations and activists, to educate them on our business and understand their priorities.
Communities and Environment	• Prepare teens from disinvested communities for careers of the future. • Connect with underserved communities to understand their needs and collaborate on solutions. • Reduce our impact on the environment and help our customers do the same.
Vendors and Partners	• Partner with product vendors and manufacturing suppliers to innovate and bring additional business value. • Work with diverse suppliers to increase representation in our company and the communities we serve. • Work with our manufacturing suppliers to strengthen their social and environmental performance through coaching, focused trainings, and capacity building.

Environmental.

Environmental.

At Best Buy, we aim to meaningfully reduce our impact on the environment and help our customers do the same. We aspire to drive forward the circular economy, a framework developed by the Ellen MacArthur Foundation that addresses global issues like climate change, biodiversity loss, waste and pollution.

We are committed to the circular economy and focus on Best Buy's highest-impact areas, including:

- Conserving natural resources.
- Reducing waste in our operations.
- Assorting and promoting products that are more sustainable.
- Sourcing renewable energy to power our operations.
- Aligning our business model in ways that improve people's lives and promote the health of our communities for years to come.

The foundation of our environmental program is our ISO 14001-certified Environmental Management System (EMS), which covers all U.S. operations. Our EMS helps us systematically manage progress toward our environmental commitments and ensures that we comply with all applicable laws and regulations. In 2012, we were the first U.S. large-format retailer to earn ISO 14001 certification and are certified by a third-party to the newest standard, ISO 14001:2015.

Environmental commitments.

OPERATIONS

Carbon neutral

We're committed to becoming carbon neutral by 2040

85%

We're committed to achieving 85% waste diversion across our U.S. operations by 2025

15%

We're committed to reducing enterprise water usage by 15% by 2025

PRODUCTS

20%

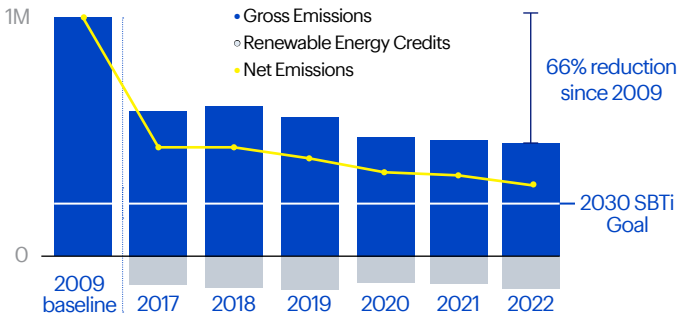
We're committed to reducing carbon emissions from products in ENERGY STAR categories sold to our customers by 20% by 2030

$5 billion

We're committed to helping our customers save $5 billion in energy costs by 2030 through the sales of ENERGY STAR certified products (over the course of the products' lifetime)

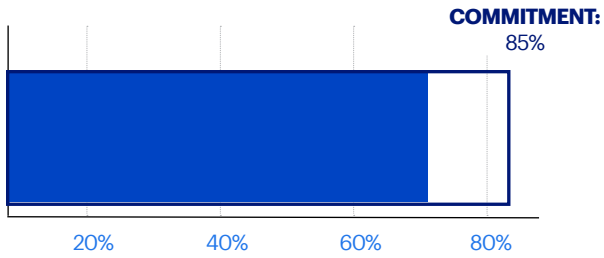
Environmental progress.

Carbon emissions reduction in U.S. and Canada operations
(in $MTCO_2e$)



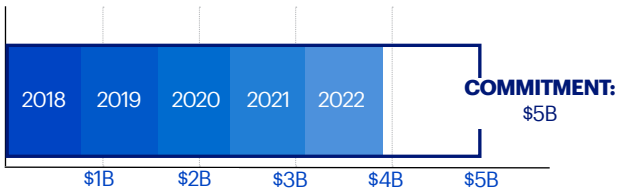
From 2009 through the end of 2022, we **reduced our operational carbon usage by 66%,** and are working toward achieving carbon neutrality by 2040.

Waste diversion across our U.S. operations



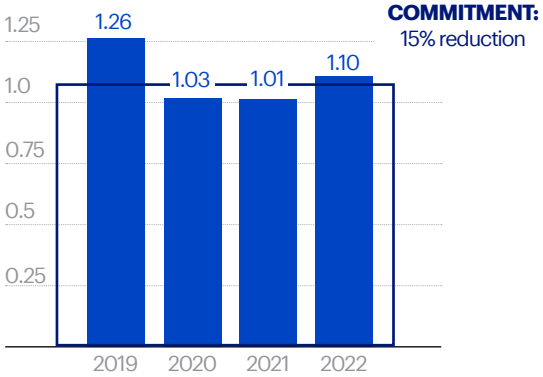
We **achieved 70% waste diversion**, working toward our goal of 85% waste diversion across our U.S. operations by 2025.

Energy savings in $ from ENERGY STAR certified products
(over the course of the products' lifetime)



More than 90 million ENERGY STAR certified products have been purchased at Best Buy since 2017. As a result, we estimate **Best Buy customers will save nearly $4 billion in energy costs**, working toward our 2030 goal of helping customers save $5 billion over the lifetime of their products.

Water usage across U.S. and Canada operations
(in millions of cubic meters)



We have **reduced enterprise water usage by 13% since 2019**, working toward our goal of reducing usage by 15% by 2025.

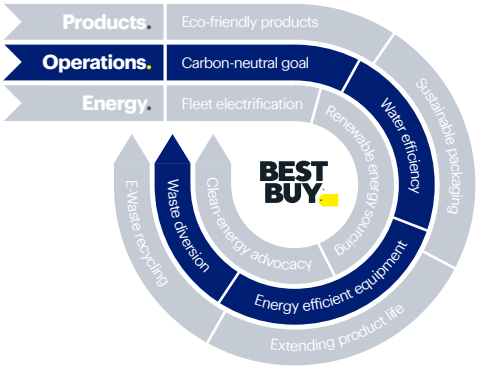
Sustainable operations.

At Best Buy, we continuously seek opportunities to reduce our energy consumption. We make investments in energy-efficient equipment and look for additional ways to improve our energy management processes. We then prioritize renewable energy sources for the remainder of our energy consumption.

In 2019, we set a goal to reduce carbon emissions by 75% by 2030 (over a 2009 baseline) and to become carbon neutral by 2040. These goals adhere to Science Based Targets initiative (SBTi) requirements, meaning our reduction is in line with the reduction required to keep the global temperature increase below 2°C as outlined in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Circular Economy

(Operations)



We are proud to be recognized as an environmental leader for our ongoing work to reduce our impact on the planet. We were one of the early companies to sign The Climate Pledge, a commitment to be carbon neutral across our business by 2040 — a decade faster than our previous goal of 2050. The Climate Pledge was founded in 2019 to mobilize companies across multiple business sectors to reach net-zero carbon emissions by 2040. Today, more than 400 businesses across the world have signed the pledge.

As a signatory of The Climate Pledge, we will:

- Measure and report greenhouse gas emissions (GHG) on a regular basis.
- Implement decarbonization strategies in line with the Paris Agreement through real business change and innovations, including efficiency improvements, renewable energy, materials reductions and other carbon emission elimination strategies.
- Take actions to neutralize any remaining emissions with additional, quantifiable, real, permanent and socially beneficial offsets that achieve net-zero annual carbon emissions by 2040.
- Advance our current Scope 3 commitment to reduce emissions 20% by 2030 by working collaboratively with suppliers, utilities, NGOs and policymakers to align to future SBTi Net-Zero Scope 3 guidance, putting us on a pathway to address all supply chain emissions.

Sustainable operations.

We have reduced our operational carbon usage by 66% since 2009.

Many projects scaled across our operations have contributed to this, including our additional investments in LED lighting, process controls and high efficiency HVAC systems. The grid is also getting cleaner, which contributes to our carbon usage reduction and is something we actively advocate for with investor-owned utilities and policy makers.

We are continually commended as a leader in addressing climate change. For the sixth consecutive year, CDP, the global authority on climate change, named Best Buy to its prestigious Climate A List. The list recognizes our actions to cut emissions, mitigate climate risks and advance a low-carbon economy. We are among the top 2% of all 15,000 companies participating in CDP (see the appendix for further data).

We know that meaningful climate action is a collaborative effort and leading companies must come together to solve this difficult challenge. This is why we are a founding member of Breakthroughs 2030: Retail Campaign, which is the United Nations Climate Change Race to Zero initiative that encourages retailers and retail associations to take climate action together by setting science-based targets and committing to achieve net zero carbon emissions by 2050.

THE CLIMATE PLEDGE Paris... 10 years Early

CDP DISCLOSURE INSIGHT ACTION A LIST 2022 CLIMATE

2030 BREAKTHROUGHS RETAIL

Our path to carbon neutrality.

While we have achieved significant progress toward our carbon emissions reduction goals from both operational reductions and renewable sources, we recognize there is more work to be done. We aim to acheive our carbon reduction goals by minimizing our energy usage, advocating for a cleaner grid, electrifying our fleet, sourcing from renewable energy sources, and neutralizing remaining emissions with additional quantifiable, permanent and socially beneficial offsets.

Water management.

Water scarcity is a growing, worldwide issue. Our business relies on healthy watersheds in the regions where we operate, and many of the products we sell, like washing machines and dishwashers, are dependent on water.

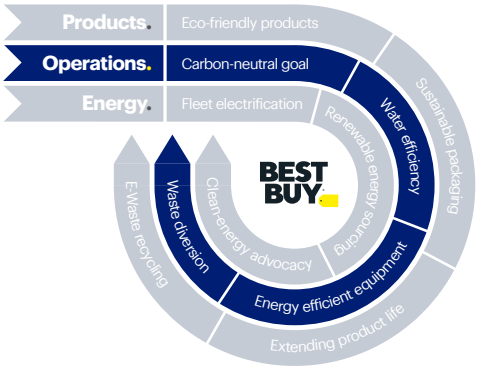
By taking steps to reduce our water consumption and helping our customers to do the same, especially in water-scarce regions, we aim to make this resource more abundant and readily available to the communities we serve.

From our stores to our distribution centers to our headquarters in Minnesota, we are committed to sustainably managing the water we use. In 2019, we committed to reducing enterprise water usage by 15% by 2025. In 2022, we used approximately **1.1 million cubic meters of water** in our U.S. and Canadian operations. This is a reduction of 13% over 2019.

Our full Water Corporate Statement can be found at corporate.bestbuy.com/sustainability.

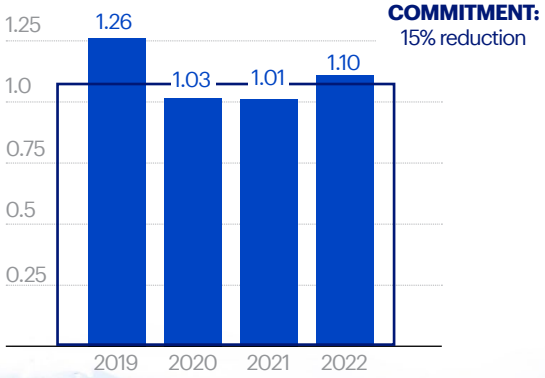
Circular Economy

(Operations)



Water usage across U.S. and Canada operations

(in millions of cubic meters)



Plastic reduction.

Plastic bags.

We continue working toward solutions to reduce plastic bag usage in our stores. In FY23, we transitioned to offering paper bags in some of our U.S. stores, while also giving customers the option to purchase a plastic bag for 10 cents. A portion of the plastic bag fee goes toward supporting teens through programs like the Best Buy Teen Tech Centers.

With this change, we've **reduced plastic bag usage by 47%** since FY22.

Canadian stores.

In FY22, we transitioned from using plastic to paper bags in our Canadian stores. Customers shopping in-store can purchase a 30-cent paper bag with a portion of the bag sale supporting programs that help increase tech equity in our communities.

In FY23, we also launched two limited-edition charitable paper bag projects that raised over $90,000 to bring tech to Canadian youth.

Best Buy Canada Headquarters becomes LEED Gold Certified.

In FY23, the Best Buy Canada corporate team moved into a new, sustainably designed building that is LEED Gold certified. LEED certification is a globally recognized building rating system that provides a framework for environmentally efficient buildings. The new headquarters has several sustainability attributes that conserve energy and water, help to reduce waste, and help employees reduce their environmental impact.

Waste reduction.

In FY23, **we achieved 70% waste diversion**, working toward our goal of 85% waste diversion across our U.S. operations by 2025. To improve our waste diversion, we partner with a B Corp-certified software provider to use technology and analytics to identify opportunities that reduce waste.

TRUE certification for zero waste.

In FY22, our supply chain facility in Chino, California, was the first location to achieve TRUE certification for zero waste. TRUE (Total Resource Use and Efficiency) certification helps facilities define, pursue and achieve zero waste goals, which increases their resource efficiency, cuts their carbon footprint, and supports public health. Facilities achieve certification by meeting rigorous program requirements administered by Green Business Certification Inc.

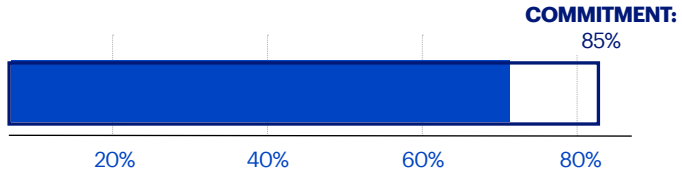
In FY23, we achieved zero waste TRUE certification at three additional supply chain facilities, bringing our total to four certified facilities. We plan to expand certifications to additional locations this year with a goal to certify all supply chain locations as zero waste by 2025.

We continue to invest in equipment to drive up the recycling rates in our locations. We added 42 new cardboard balers in FY23 to further improve our waste-diversion capabilities. Today, around 70% of our locations have cardboard balers. In addition to balers, our supply chain locations use polystyrene densifiers, which break apart and condense polystyrene into cubes, taking up less room on trucks.

Employee engagement.

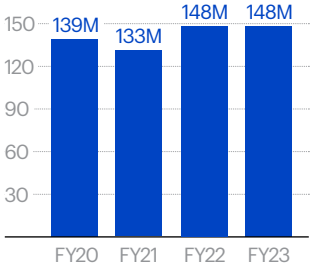
Employee engagement is a key component of our waste reduction strategy. In FY23 we expanded our "Green Teams" to support 10 additional locations across our supply chain, bringing the total to 14 locations. Members of Green Teams help support our waste diversion goal and zero waste certification efforts, as well as educate and train their colleagues to ultimately drive a zero waste culture and reduce waste in our facilities.

Waste diversion across our U.S. operations

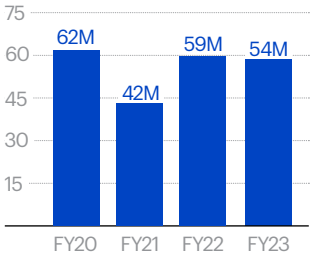


Non-hazardous waste (enterprise)

Pounds of materials recycled

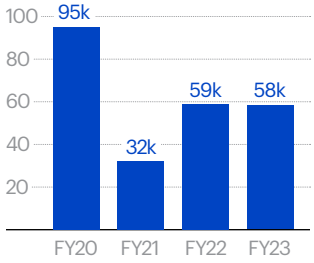


Pounds of materials landfilled

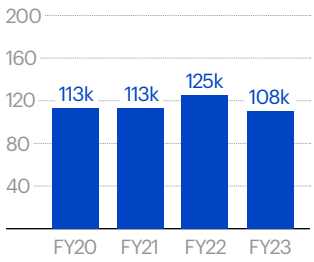


Other waste (enterprise)

Pounds of hazardous waste



Pounds of universal waste



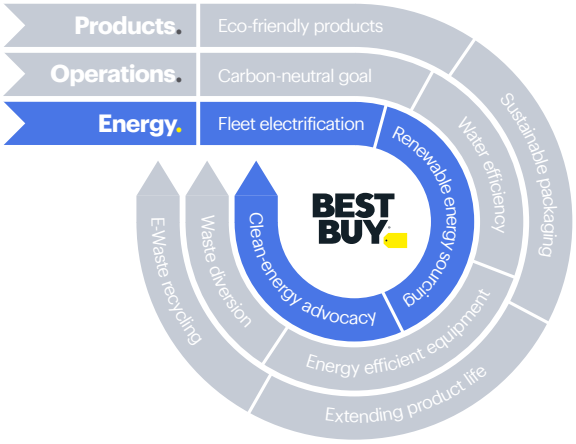
Renewable energy.

Renewable energy is a priority in our environmental strategy. **In FY23, we made additional investments in solar energy, bringing our total to five solar fields.** These investments help to accelerate progress toward our carbon reduction goals.

We also continue to acquire Green-e® certified U.S. wind Renewable Energy Credits (RECs), which encourage the production of new renewable energy systems. We are proud to be a Green Power Partner (GPP), an EPA-led program that seeks to develop new renewable generation capacity nationwide while also helping to protect the environment.

Circular Economy

(Energy)



Electrification.

We work closely with other companies to accelerate the adoption of electric vehicles (EVs) and EV charging infrastructure. We are part of Ceres' Corporate Electric Vehicle Alliance (CEVA), a collaborative group of companies focused on accelerating the transition to electric vehicles.

We also continue to look for the most efficient vehicles for our store fleet. Several years ago, we transitioned to the Toyota Prius C for many of our Geek Squad Agents and In-Home Consultants.

Sustainable products.

Best Buy is committed to helping our customers live more sustainably, and committed to reducing carbon emissions from the products we sell.

ENERGY STAR®.

ENERGY STAR certified products save money, reduce energy and water use, and protect the environment by meeting strict energy-efficiency guidelines set by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.

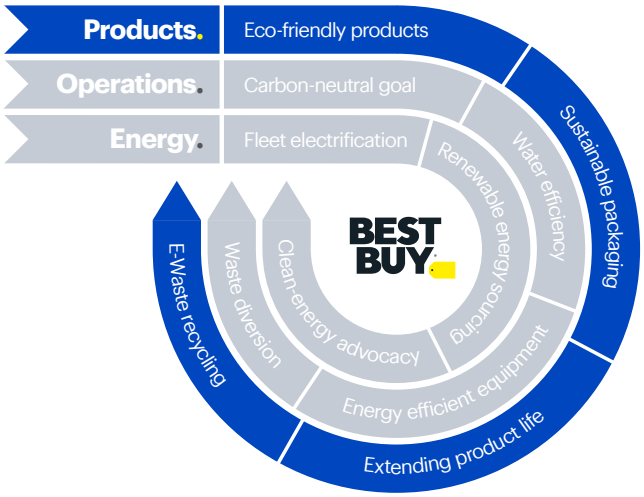
In 2019, we set a goal to reduce carbon emissions from ENERGY STAR products sold to our customers by 20% by 2030 (over the 2017 baseline), saving our customers $5 billion in energy costs. This is the Scope 3 component of our science-based carbon goal.

At a time when the climate crisis seems too big to solve, we recognize that our customers are making an impact every time they select an ENERGY STAR certified product. More than 90 million ENERGY STAR certified products have been purchased at Best Buy since 2017. As a result, we estimate Best Buy customers will save **nearly $4 billion in energy costs, working toward our 2030 goal of helping customers save $5 billion** over the lifetime of their products.

According to the EPA, the ENERGY STAR mark is recognized by 90% of American households. Nearly 840 utilities, state and local governments, and nonprofits leverage ENERGY STAR in their efficiency programs, reaching roughly 95% of households in all 50 states.

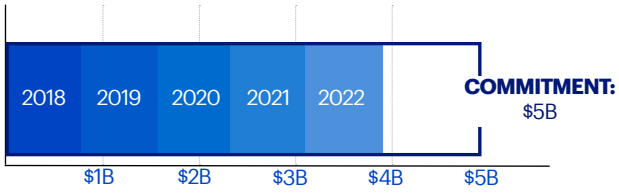
Circular Economy

(Products)



Energy savings in $ from ENERGY STAR certified products

(over the course of the products' lifetime)



Sustainable products.

We make it easy for customers to shop for energy-efficient products, both online and in our stores, by highlighting the ENERGY STAR mark. For the past 12 years, we have offered an employee e-Learning specific to ENERGY STAR through our award-winning platform, the Learning Network. Store employees who take the training learn about the benefits of ENERGY STAR certified products, which products are certified, how to identify them and how to help customers find them. To date, employees have taken an ENERGY STAR e-Learning more than 300,000 times.

Best Buy is proud to be a 2023 ENERGY STAR Partner of the Year — our 10th consecutive year winning this award, for which we've also received a special distinction for Sustained Excellence.

"At Best Buy, we continue to look for new ways to drive forward the circular economy and bring the most energy-efficient products to our customers.

"We know our impact goes beyond their purchase and are committed to helping them reduce their energy consumption and help lower their energy costs. We do this by working side by side with our vendors to bring our customers the latest technology in ENERGY STAR certified products and ensure the best possible experience when shopping for more sustainable products."

— Jason Bonfig, senior executive vice president of customer offerings and fulfillment

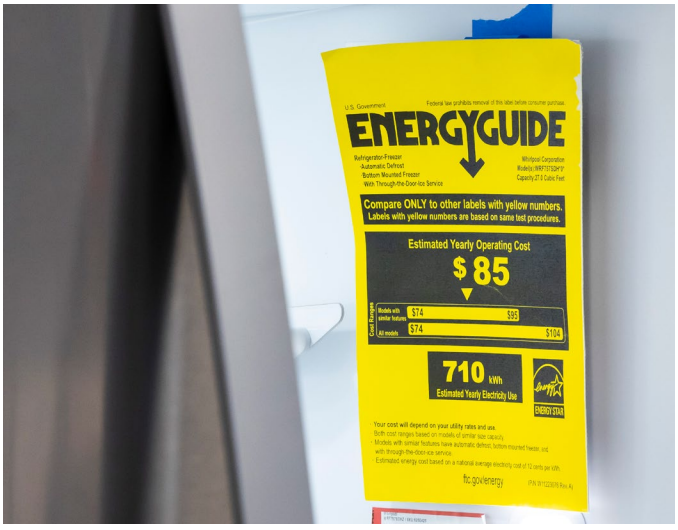
Sustainable products.

Expanding our assortment of sustainable products.

In FY23, we expanded and grew our existing lineup of products that we offer in our electric transportation, electric tools and EV charging categories as customers look for more sustainable alternatives to gas-powered modes of transportation and lawn care equipment. This includes additional brands, colors and sizes of electric bikes and scooters, lawn mowers, snow throwers, and other yard equipment at varying price points to meet our customers' needs. Beyond our expansion of those categories, customers can find other sustainably focused products on our Sustainable Living shopping page online, including portable solar solutions and ENERGY STAR certified products.

Rebates.

As part of our marketing efforts, we partner with electric utilities to help customers access rebates for products that use less energy and water. Utility rebates can reduce the upfront cost to consumers, making it a more affordable purchase option. Through our online Rebate Finder, we help customers find localized rebates for refrigerators, freezers, dryers, smart thermostats and more. We have also added a capability that enables customers to claim instant rebates for some products during the checkout process. We project this enhancement will help to grow the sales of these more sustainable products while simplifying the customer experience.



Sustainable packaging.

We continue to work with industry stakeholders to develop a strategy around making our packaging more sustainable in our private-label products and in the fulfillment of customer purchases.

In 2023, we released our first public statement to support our enterprise initiatives that address how we can improve our packaging so that it preserves the value of the product and supports circular economy opportunities, lessening our impact on the environment.

With this commitment, we focus on the following principles when considering the impacts of packaging:

Material efficiency and effectiveness.

We are working to right-size and optimize our packaging while protecting products from damage.

In FY23, we explored options for reducing the amount of corrugate material that goes into Best Buy systems. When vendors send products to our supply chain locations, the boxes contain 'inner packs' of corrugate material that separates the boxes that were previously distributed to stores. In FY23, we identified 250 products that didn't need inner packs and worked with vendors to reduce the additional material for those products.

Responsible sourcing.

To minimize single-use plastics and incorporate more sustainably sourced materials, we are looking for ways to responsibly source packaging materials.

In FY23, we launched a new line of protective cases for the iPhone 14, and the packaging is made from sustainability sourced paper certified by the Forest Stewardship Council® (FSC®). The FSC label means it comes from responsibly managed forests, which preserve biological diversity and provide environmental, social and economic benefits to help protect the planet. The phone cases are the largest lineup yet of Best Buy private-label products to get this packaging.

Additionally, the packaging in some of our Insignia televisions and wearable accessories is also certified by FSC.

Design for recovery.

With a focus on design, we are concentrating on procuring packaging materials that are recyclable, compostable, or reusable to reduce environmental impacts and improve the end-of-life management.

We use a 100% recyclable mailer at three Best Buy distribution centers. The mailer requires fewer supplies like air pillows or thermal tape for shipping products. The mailers also take up less space than boxes, which allows for more packages to be shipped and fewer resources to ship the same number of products.

For televisions that need to be shipped and do not have their original box, we use a modular packaging unit called a "TV taco", or a recyclable cardboard corrugate box. These supplies protect the televisions, extending their life so they can be repaired or purchased again as an open-box product.

Recycled content.

We are working to include more packaging materials made from recycled content.

We have transitioned some of our shipping boxes to a more sustainable option made from more than 30% recycled content.

Sustainable packaging.

Packaging messaging.

We recognize the importance of putting messaging on our packaging to help our customers know how to recycle it.

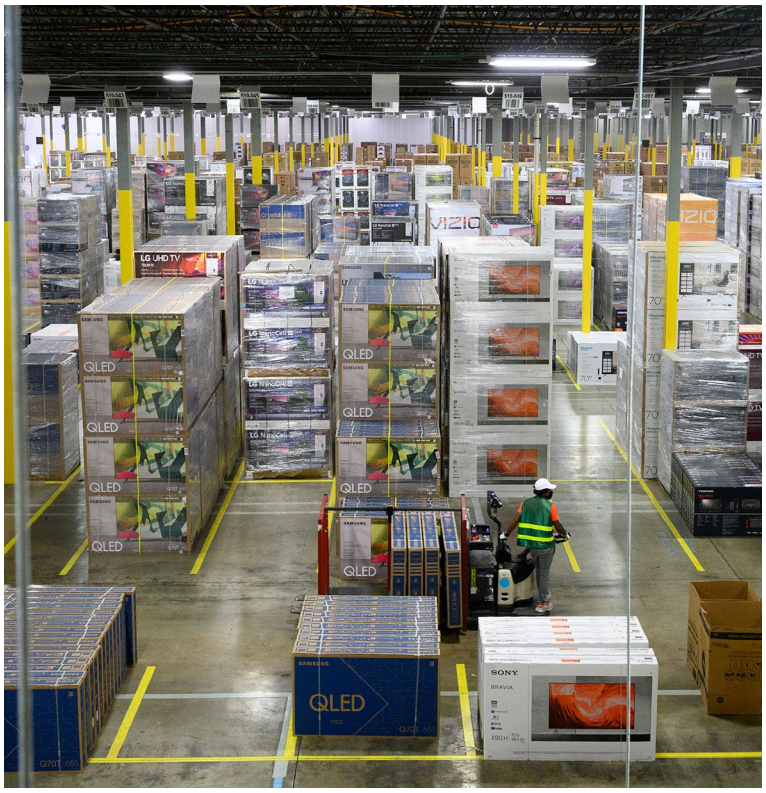
Since 2015, we have participated in the "I Want To Be Recycled" campaign, a partnership with Keep America Beautiful and the Ad Council. Our ship-from-store boxes, made from FSC-certified cardboard, feature a custom message encouraging consumers to recycle.

Circular value chain.

We seek opportunities to source materials and to contribute feedstock at end-of-life to close the loop for packaging.

To reduce the amount of virgin plastic used in shipping, we are working with vendor partners on a pilot where we "close the loop" for bubble wrap that is typically used for open-box items. With this new process, we collect the bubble wrap and other plastic films that are used to protect televisions and appliances and recycle it into feedstock for the bubble wrap we procure. This material is made from 90% recycled content.

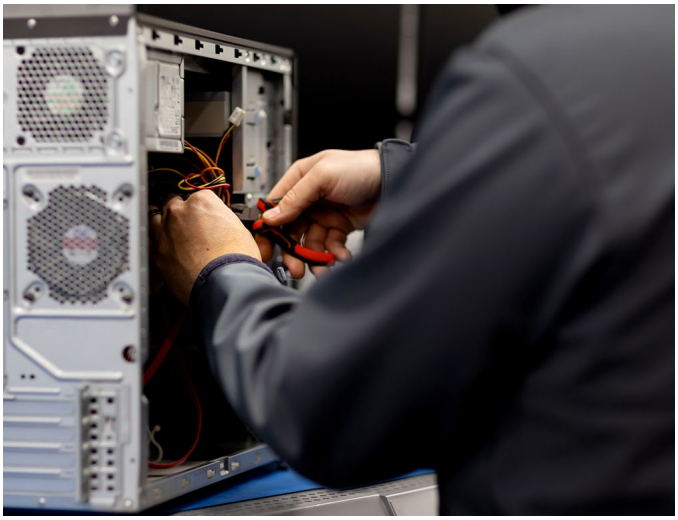
To improve the efficiency of our equipment at supply chain locations and reduce waste, we collaborate with local companies to recycle expanded polystyrene (EPS). In FY23, we recycled a total of 5 million pounds of EPS from our own operations and from other companies. In FY24, we plan to broaden our partnership to include more businesses.



Product life extension.

Repair.

We want to help customers extend the life of their products, and we do this by using the skills of our Geek Squad Agents and repair partners. Most Best Buy stores house a Geek Squad Precinct, where products — from computers to mobile phones to digital cameras — are repaired. Our repair technicians fix larger items like TVs and appliances in customers' homes. We also operate repair facilities within our distribution centers including Geek Squad City, a facility near Louisville, Kentucky. Best Buy's repair operations are a critical asset in our circular economy strategy of keeping products in the "in use" phase for as long as economically possible.

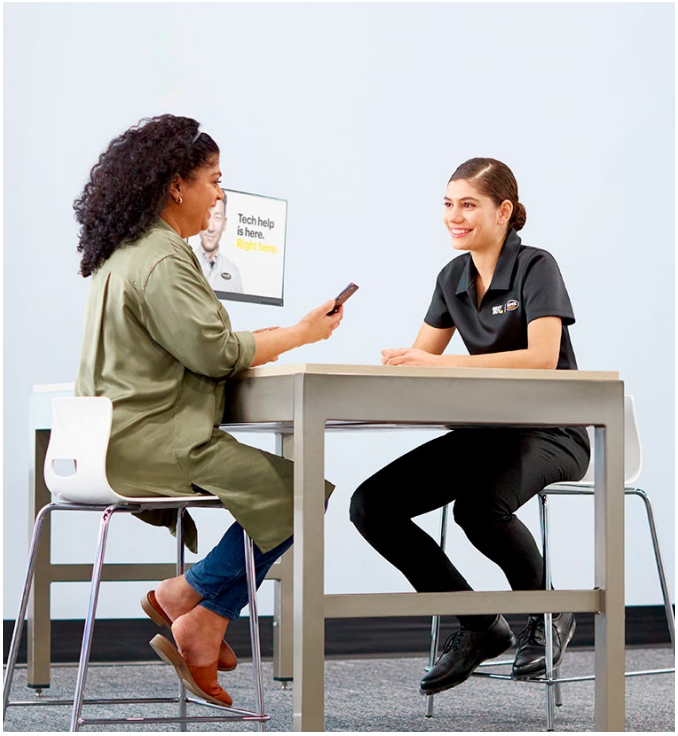


Trade-in.

The Best Buy Trade-In Program is the core of our "reuse" phase of the product life cycle. In nearly all of our stores, we offer customers a convenient way to get value for products that are still in good working condition. These products are typically re-sold in secondary markets, bringing a useful second life to products that might otherwise sit idle in someone's home, get recycled or end up in a landfill.

Not only does the Best Buy Trade-In Program enable customers to upgrade sooner, it gives an opportunity to those who might not be able to afford brand-new technology.

Many companies offer phone trade-in options, but Best Buy goes beyond phones and includes laptops, tablets, cameras, smart watches and video game consoles. In FY23, we helped customers trade in more than 600,000 devices.



Product life extension.

Standalone Haul-Away service.

In FY23, we expanded our Standalone Haul-away pilot to be available nationwide. Through this program, customers can request pickup and recycling for old electronics. This keeps tech, including appliances, out of landfills and gives it a second life. The Best Buy Standalone Haul-Away service will remove and recycle up to two large products, including TVs, major appliances, all-in-one computers, monitors and select smaller products.

Best Buy outlet stores.

Best Buy outlet stores offer a wide assortment of discounted products like major appliances and televisions. In FY23, Best Buy customers could shop at 19 outlet stores. In these stores, we expanded our assortment of products to include laptops, tablets, gaming products, mobile phones and more. Every new outlet will also have a Geek Squad area where customers can get tech support. By shopping at our outlet stores, customers are helping to limit waste by giving technology a new, longer life.

Outlet stores are also a great chance for our customers to find energy-efficient products at an affordable price.

Product life extension.

E-waste recycling.

To address the global issue of electronic waste, we established our recycling program in 2009. We continue to operate the most comprehensive consumer electronics and appliances takeback program in the U.S.

In FY23, we collected more than 183 million pounds of electronics and appliances for recycling, bringing our total to more than 2.7 billion pounds. Through our e-waste recycling collection program, we are helping to keep electronics out of landfills, which benefits the environment and human health.

Before partnering with Best Buy, our recycling partners must pass a thorough environmental, safety and downstream audit process, and they are subject to recurring onsite, desktop and downstream assessments. In addition to our own standards, we require all electronics recycling partners to maintain ISO 14001 certification, ISO 45001 safety certification or industry equivalent, and be certified to eStewards® or R2® industry certifications.

Recycle-by-mail technology boxes.

In April 2023, we launched a nationwide service to help our customers easily recycle their tech by mail. To request this new service, customers can order the prepaid Best Buy Technology Recycling Box online and then fill it with tech like tablets, cords, keyboards and more. Customers can drop off the box at their nearest UPS drop-off location for it to be shipped, so the tech can be responsibly recycled.

Chemicals management.

Best Buy is building a thriving business while ensuring we are a good steward of the environment and supporting the responsible use of chemicals in compliance with all laws and regulations. Through our chemical management program, we reduce the potential for exposure to chemicals of high concern (CHCs) for our employees, our customers and in the disposition of the products we sell.

In January 2022, we published an updated chemicals statement reflecting changes in our chemicals management program. This included a commitment that new televisions in our private-label brand will adhere to the European Union's eco-friendly display enclosure requirements outlined in Commission Regulation 2019/2021. Our industry-leading goal is designed to promote a safer circular economy and better support the recycling of plastics.

We address the human health and environmental risks of chemicals in the following ways:

- **Regulatory compliance:** Our compliance management systems ensure the products we sell comply with all applicable chemical regulations.
- **Beyond compliance restrictions:** Our Restricted Substances List (RSL) constrains the use of CHCs in products and packaging, going beyond what is required by regulations.
- **Goals:** We publicly share quantifiable goals to reduce or eliminate chemicals in our products and packaging.
- **Transparency:** We report progress toward our goals in our annual Corporate Responsibility and Sustainability report.
- **Supplier monitoring and corrective action**: We participate in the Responsible Business Alliance supplier audit program to monitor the safe use of chemicals by our private-label suppliers and require them to correct any identified gaps, as referenced on Page 68.
- **Trade organization participation:** We support innovation in green chemistry and product chemical disclosure through our membership on the Green Chemistry and Commerce Council (GC3) and our participation on their Retail Leadership Committee.

Social.

A great place to work.

We are a team of more than 90,000 strong. We work in stores, distribution centers, homes, offices and call centers. We are focused on bringing the best experiences to our customers, and that starts with making sure Best Buy is a great place for all to work. We aim to create a diverse, dynamic and inclusive environment that encourages learning and growth. We foster a culture of belonging, to help our employees feel appreciated and comfortable bringing their authentic selves to work. We support each other, our identities and our communities.

We are Best Buy.

At the end of FY23, we employed more than 90,000 employees in the U.S., Canada, and Asia composed of approximately 58% full-time employees, 32% part-time employees and 10% occasional/seasonal employees.

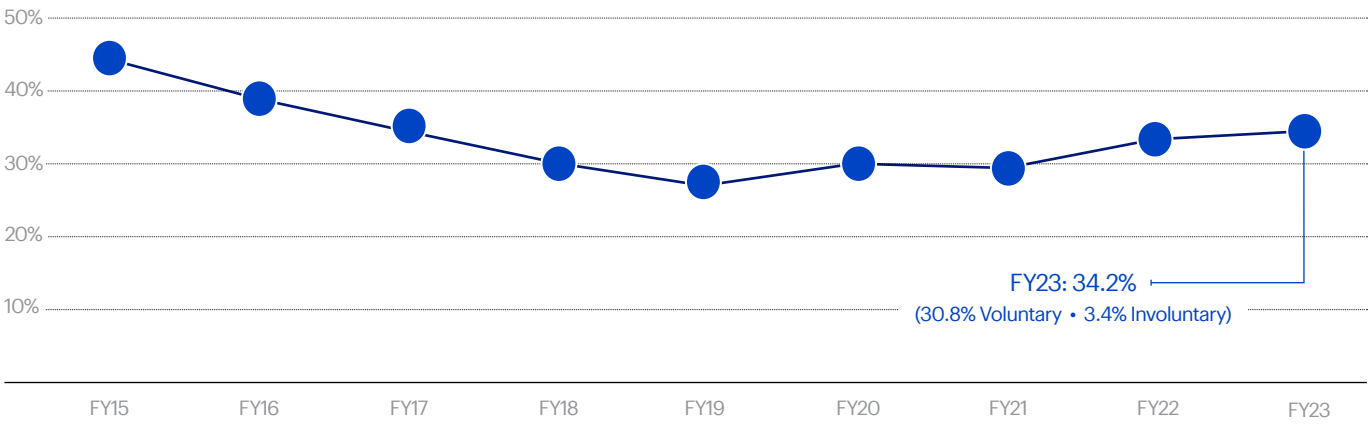
Engaging employees.

Seeking and responding to employee feedback is core to our culture. When we understand what employees desire, it creates a better workplace for everyone.

In the past, we measured employee engagement through an annual survey with a high focus on participation and scores, followed by leaders investing significant time into elaborate action plans. We've learned that engagement is so much more than just a point-in-time survey, and we needed to broaden our approach to truly capture and respond to how our employees were feeling.

As our engagement strategy has evolved, we've experienced an overall decline in employee turnover.

Employee turnover (year-by-year)



Engaging employees.

In FY23, we conducted a confidential and voluntary companywide survey for our engagement program, Blueprint, in which every employee was invited to participate. Afterward, leaders at all levels across the enterprise took action on the feedback gathered in the survey. They selected one key area to focus on, with the goal of improving their employees' engagement and experience.

We also leaned heavily into the continuous listening aspect of Blueprint. Instead of relying solely on one-time survey results, we encouraged leaders to stay connected with employees in a variety of ways throughout the year. This ensures employees' voices are heard and leaders are equipped to take immediate steps to address concerns and elevate ideas. Continuous listening includes one-on-one conversations and casual interactions, and in FY23 we expanded it to include another forum called Collaborative Conversations.

Collaborative Conversations.

Throughout the year, corporate and field employees from hundreds of teams across the country participated in listening sessions, which brought together their voices, experiences and insights about the work environment. These discussions were held both in person and virtually to include as many people as possible.

In identifying who to engage in these sessions, special attention was paid both to locations with opportunity areas — to gain better insights and understanding about the opportunities that exist in those areas — as well as locations with leaders who have demonstrated a vision of good, therefore helping others to learn from their examples and share their best practices.

Collectively, these sessions not only yielded helpful context to the Blueprint survey feedback, but in many cases the discussions helped highlight specific issues and identify possible solutions. In some conversations, leaders were active participants and positioned to address employee concerns as quickly as possible, as well as make connections across the business to ensure feedback reached the right teams who could help. We saw many instances where issues that surfaced were resolved in real time.

We also invested in new tools to guide leaders in their action taking. With LinkedIn Learning, full-time employees can participate in a variety of online courses, including those that specifically focus on employee engagement and leadership development in the areas they seek to improve.

Serving our customers.

At Best Buy we are customer obsessed, meaning that we put customers at the center of everything we do. It means making them feel excited, confident, and appreciated. And that starts with our employees. When our teams are grounded in customer insight and empowered to put customers first, they inspire those feelings by listening and empathizing to help customers realize what's possible with technology.

As customer expectations continue to grow and evolve, we focus on human-centered experiences to remain anchored in their needs.

Customer feedback.

To keep these commitments to our customers, we endlessly pursue a deeper understanding of them. Through researching, studying behaviors, and measuring every experience they have with Best Buy, we learn more. That insight inspires customer-first mindsets, fuels strategies that lead to memorable experiences, and helps us build deeper customer relationships.

Best Buy's experience measurement program encompasses a holistic and robust approach. We gather feedback from customers at key moments in their shopping journeys, as well as perceptions they have about Best Buy at an overarching, relational level. It's critical to understand what's working (or not working) for our customers in the stores, online, in their homes and virtually. Insights garnered from these various listening posts are critical to frontline associates all the way up to executive leaders, as they inform everything from coaching opportunities for individual employees to tactical, operational opportunities all the way to strategic-level decisions.

Best Buy relies on the Net Promoter System (NPS) to quantify customers' perceptions of their experiences. An NPS score is based on whether a customer would recommend a product or service. We measure changes in NPS by using basis points (bps), where 100 bps is equivalent to one percent.

We've been measuring NPS for more than a decade and have built a strong culture around this approach to understanding customers' experiences. In our growth areas, we saw improved customer perceptions around availability and price of products, appointment availability and quality of the service, as well as improved perceptions around delivery times.

FY23 NPS growth compared to FY22

+210bps	+250bps	+290bps
Store Purchasers	Home Delivery	Geek Squad Services (in-store and in-home)

Learning and development.

Creating economic mobility and career paths are at heart of our learning strategy, which is why we invest in training and furthering our employees' skills. This past year we shifted from developing job-specific skills and proficiencies to building transitional leadership and functional skills, which enable a more flexible and talented workforce. Investing in learning and development for our employees opens career opportunities and creates a more productive, engaged and adaptable workforce.

We continue to evolve to meet the needs of our customers.

Consumer shopping habits continue to shift, and our customers have come to expect more from their overall experience. They want to shop us on their terms, through the channel they prefer, and they are looking for us to be there every step of the way as they make decisions about what technology is best for them today and in the future. Ensuring our employees have diverse knowledge and skillsets, so we can meet our customers' needs and expectations, is critical to our success.

Here are a few examples of how we're doing this:

- Our leaders, both field and corporate, had a chance to engage in a leadership development program this year. This included participating in skill development sessions and launching a new leadership skills framework that focuses on the 4 Quotients (4Qs) — adaptability, emotional, intelligence and technology — to help us be clear and consistent in how we think about leadership development and career movement in the company. More details about the 4Qs can be found on Page 35.
- We created an enhanced onboarding program for employees that is specific to individual roles but also creates a consistent experience. Our measurement shows that prioritizing this experience kickstarts development, establishes a clearer career path and results in better retention with the organization.
- We launched a program with an artificial intelligence platform to proactively plan for future workforce roles, creating new learning and career paths.
- We continued offering LinkedIn Learning to full-time employees for continuous learning in leadership and functional skills.

Learning and development.

The 4 Quotients (4Qs).

In FY23 we launched a new leadership skills framework called the 4 Quotients (4Qs) that are based on four types of competencies: adaptability, emotional, intelligence and technology. Employees are encouraged to learn the new framework, talk about the skills that ladder to these competencies during development and quarterly conversations with their leaders, and explore trainings that support these skillsets. To build upon this progress, we are also building a new 4Qs Behavioral Competency Model that ties behaviors to each competency. This allows our employees to focus on their development and better understand their strengths and weaknesses.

Adaptability Quotient (AQ)

Ability to lead, adapt, and thrive in a time of uncertainty and change.

Emotional Quotient (EQ)

Ability to leverage social and emotional skills to understand people's strengths, work effectively with others, and create a culture of belonging.

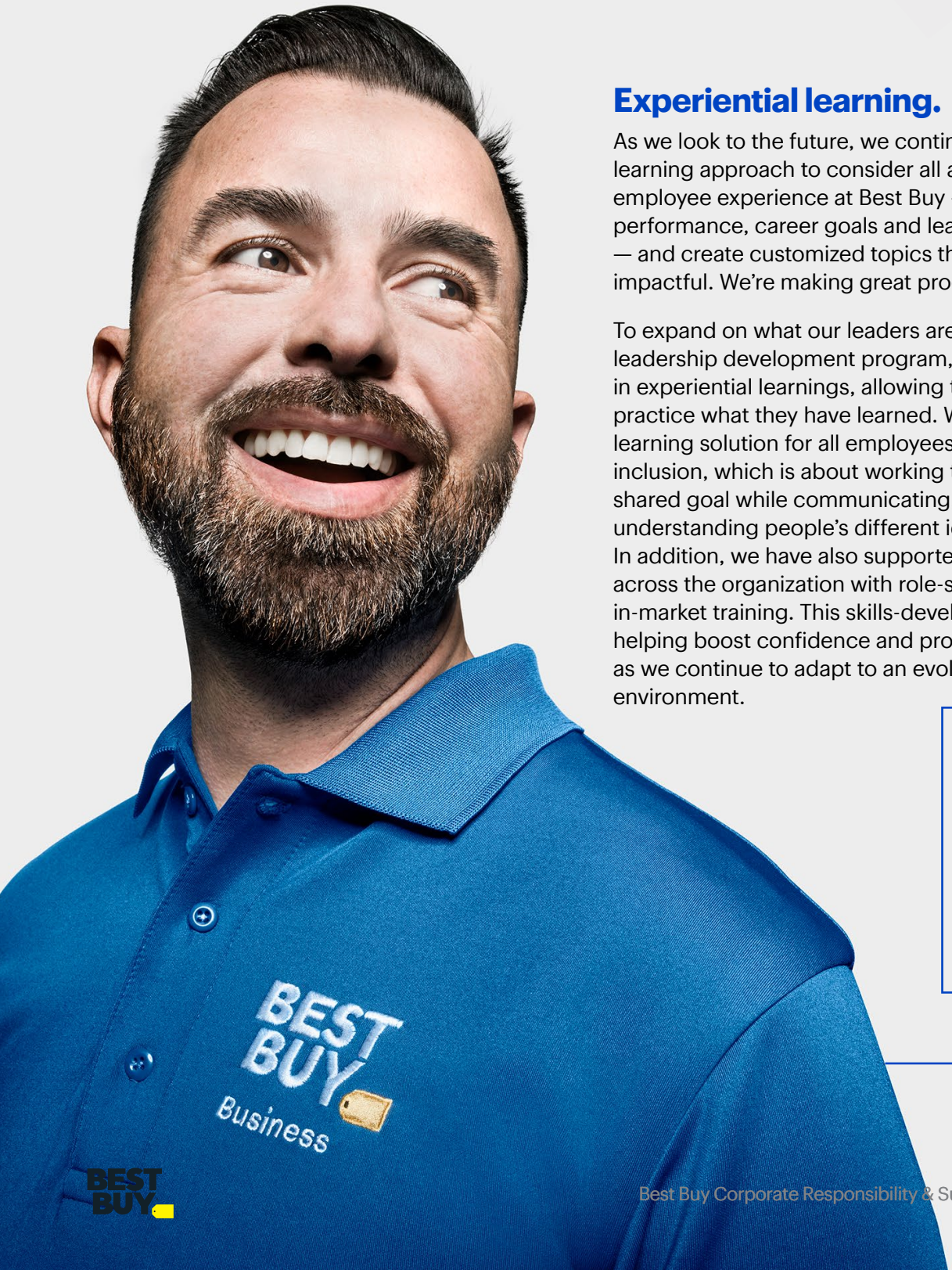
Intelligence Quotient (IQ)

Ability to apply reason, cognitive thinking and learning experiences to one's role.

Technology Quotient (TQ)

Digital fluency and the ability to understand and thrive in a digital economy.

Learning and development.



Experiential learning.

As we look to the future, we continue to evolve our learning approach to consider all aspects of the employee experience at Best Buy — knowledge, performance, career goals and learning preferences — and create customized topics that are relevant and impactful. We're making great progress in this area.

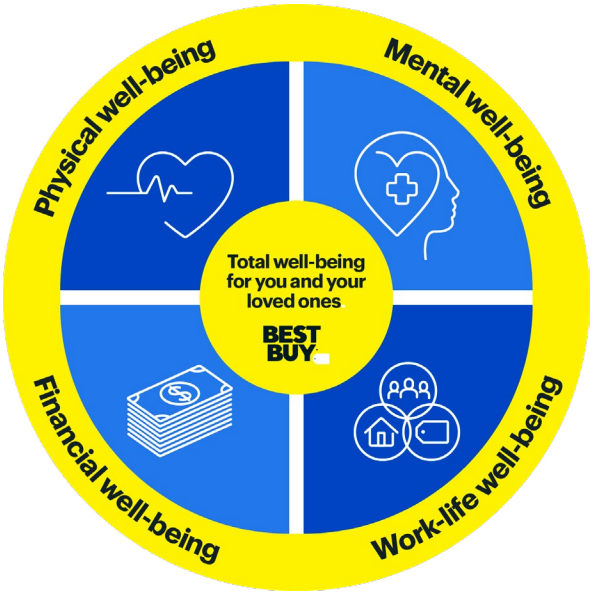
To expand on what our leaders are learning through our leadership development program, they have participated in experiential learnings, allowing them to put into practice what they have learned. We also created a new learning solution for all employees focused on conscious inclusion, which is about working together to achieve a shared goal while communicating, interacting with and understanding people's different identities and cultures. In addition, we have also supported functional upskilling across the organization with role-specific workshops and in-market training. This skills-development program is helping boost confidence and proficiency in our teams as we continue to adapt to an evolving customer and environment.

44

Average number of hours an employee spent on training and development in FY23.

Employee benefits.

At Best Buy, we want to help employees live happy, healthy and productive lives — at work and at home with those who matter most. We invest in a wide array of benefits to support employees and their loved ones with their overall well-being: physical, mental, financial and work-life balance. We believe that creating a culture of holistic well-being makes Best Buy a great place to work and drives business results.



Meaningful moments.

Over the last few years, we have made intentional investments in benefits that help us meet the unique needs of all employees, especially during critical, meaningful moments. Some of the areas we continue to concentrate on include:

- **Caregiver Support:** In FY23, we elevated caregiver support for employees with a focus on disabilities and neurodivergence by introducing our partnership with Joshin. We also offer all full-time and part-time employees no-cost access to Wellthy, a caregiver support program that offers personalized help with issues ranging from emergency housing and health care, to substance abuse, elder care, and many other moments of crisis or complexity.
- **Pay continuation:** We provide up to six weeks of pay at 100% during a qualifying leave of absence, ensuring predictable pay for employees in need. When combined with caregiver pay, eligible employees can receive up to 10 weeks at 100% pay for maternity leave.
- **HOPE Fund:** We support employees facing personal financial hardships through the HOPE Fund — which stands for Helping Our People in Emergencies — offered in partnership with the Richard M. Schulze Family Foundation and allows employees to apply for up to $2,500 in financial assistance.
- **Included Health:** We offer all employees and their household members free access to Included Health, a comprehensive health platform and concierge service that connects them to high-quality providers who understand the unique needs of their community. One-on-one Care Coordinators can also help to find trusted community advocates and local resources, plus answer benefits and care questions.
- **Tuition support:** We've expanded our list of select universities and training programs that offer tuition discounts, special scholarship opportunities and reduced fees for employees, and in some cases, their immediate family members. When combined with our tuition assistance program, eligible employees have the opportunity to earn a degree, online or on-campus, with no out-of-pocket costs.

Employee benefits.

Unique and evolving needs.

Investing in our people is more important than ever. The pandemic amplified financial stress, as well as mental and physical strain. As things have begun to normalize, one thing is clear: Employees are placing a higher value on workplace benefits that address these challenges. In FY23, we focused on broadening our support network and learning about our employees' evolving needs.

- **Personalized support.** We know that when a person is experiencing a major life event or serious situation, they may not recall every benefit that is available. We have strengthened our ability to provide personalized support in these moments. Our Well-being Ambassador Network has grown to more than 1,000 employee volunteers throughout the country who generate awareness of our benefits, serve as a resource when employees have questions and provide insights to our program managers. Additionally, we offer a benefits concierge service through our HR Support Center, with dedicated agents who can help employees get connected to all the benefits that apply to their unique situation.
- **Listening and learning.** We deployed a national McKinsey & Company study, with results reflecting the mental well-being of our entire population, helping to identify best practices and recognizing Best Buy as a leading organization in the mental health space. We also partnered with an outside firm to solicit feedback from all employees through an employee preferences survey, which provided insight on the benefits our employees value most. In this survey, 85% of our employees ranked our well-being benefits at or above market.

Evolving pay structure.

Best Buy is committed to offering a competitive pay structure that recognizes the value our employees create for our customers every day and ensures we are paying our employees at or, in most cases, above the minimum hourly wage. We continually review and evolve our pay structure, including the introduction of a $15 per hour minimum starting wage in 2020, which resulted in at least a 4% increase for all hourly store employees below the leadership level. (See Pages 46-47 for more on pay equity at Best Buy.)

Minimum starting wage $15

Percentage of hourly employees paid more than local statutory min. wage*.. 99.74%

Average hourly wage of full-time and part-time employees..... $18.90

** Based on local statutory minimum wage for each U.S. location in which we do business.*
^ As of end of FY23.

Social justice.

As a purpose-driven company, it is important for us to show support for the issues that matter most to our business and stakeholders, including our employees, customers, shareholders, vendors, and communities where we live and work.

We address social justice issues by engaging with our communities, advocating for public policy positions that directly impact our stakeholders, driving new strategic initiatives, and supporting our employees in exercising their right to vote.

Our social justice commitments deepened in 2020 after tensions around systemic discrimination reached a boiling point. Our CEO, Corie Barry, empowered and challenged Best Buy to "do better" in addressing social disparities and injustices wherever we can.

Community engagement.

We are connecting and building trust with underserved communities to co-create solutions to help solve pressing needs, specifically in the areas of early childhood education, environmental inequities, health equity and access to tech and careers.

We work collectively through coalitions and community partnerships such as the Minnesota Business Coalition for Racial Equity (MBCRE), which focuses on improving the economic outcome for Black residents in Minnesota in the areas of employment opportunity, business development and community well-being.

Social justice policy issues.

We advocate on issues that affect the lives of our employees, their families and communities, including climate change, voting rights, immigration reform, racial equity, broadband and tech access, and LGBTQIA+ equality.

Here are some of the ways Best Buy advocated for social justice issues in 2022:

- **Endorsed the CROWN Act** as part of MBCRE in our home-state of Minnesota. The CROWN Act bans hair discrimination based on different hair textures and styles.
- **Joined the Shine a Light campaign**, an initiative organized by the Anti-Defamation League that brings together companies speaking out against hate and antisemitism, and that aim to create inclusive and equitable workplaces where individuals of all identities and religious backgrounds can thrive.
- **Supported the Respect for Marriage Act**, which requires the federal government to recognize the validity of same-sex and interracial marriages, by joining more than 240 companies in signing a letter organized by the Human Rights Campaign (HRC).
- **Supported a permanent solution for Deferred Action for Childhood Arrivals (DACA) recipients** to continue to live and work in the U.S. as part of the Coalition for the American Dream.

Social justice.

Strategic initiatives.

We are exploring new ways to use Best Buy's core assets and capabilities to positively impact urgent community needs in the areas of early childhood education, environmental justice, and health equity.

- In early childhood education, we help remove barriers to receiving quality education by strengthening services and expanding programs to reach underserved children and families. We've partnered with Richfield Public Schools in Richfield, Minnesota, where Best Buy is headquartered, and have connected them to other strategic partners to bolster their early childhood education programming.
- We are working to support healthy, sustainable and more environmentally equitable communities. We continue to look for opportunities to invest in community-led solutions that address environmental injustice and support nonprofit partners who are leading efforts in this area.
- Best Buy Health aims to enable care at home for everyone. Through our focus on health equity, we are working to improve health outcomes and access to quality, affordable care for people in underserved communities. We also partner with organizations to support urgent community health needs and diverse representation in health careers.

Voting.

Best Buy encourages employees to be engaged in the communities where we live and work, which includes exercising their right to vote. For nearly two decades, our internal, nonpartisan Turn Up the Vote program has provided tools and resources to help employees vote. These include voter registration assistance; polling place locators; help with absentee, mail-in and early voting; and access to candidate and ballot initiative information.

We partner with nonpartisan, business-led organizations that are committed to civic engagement and fair and transparent elections, including the Civic Alliance and Time to Vote. Additionally, we offer paid time off for employees who volunteer at the polls on Election Day.

Best Buy Health.

As technology moves rapidly into health care, and health care moves further into the home, Best Buy Health is making great progress toward our goal to enable care at home for everyone, through the entirety of a person's health journey.

We continue to identify ways to enable more equitable healthcare through our partnerships, products and services, and we continue working on expanding access to care, lowering the cost of care and improving health outcomes.

In FY23, we expanded access to care by adding over-the-counter hearing aids to our product assortment. To make the process of getting a hearing aid more approachable, customers can use our online hearing assessment tool, or get assistance from our Blue Shirts in one of our 300 stores with an in-store hearing experience, to find a device that works for them.

We also launched a new Social Care service within our aging at home commercial business, linking customers with licensed social workers to find support and resources for food insecurity, community programs and other senior well-being support through loneliness, grief and more. We also added services like Nurse On-Call and Care Advocate personalized planning, as we recognize that a person's health consists of more than standard medical care.

Through our Current Health care at home platform and services, we partner with health care providers to enable programs like Hospital at Home, post-acute care or chronic condition management. We take care of the technology in a patient's home, so providers and caregivers can focus on patient care and recovery. Together with our partners, we continue to see how enabling care at home has great potential to provide more equitable care, reduce readmission rates, improve the patient experience, lower the cost of care, and ease the burden on patients and providers.

Inclusion, Diversity & Equity.

Building an impactful and inclusive culture for all.

At Best Buy, we aim to drive an inclusive experience for all. We strive to be the most equitable workplace, empowered by our differences and reflecting the customers and communities we serve.

"We are committed to building a diverse, equitable and inclusive world for our employees, customers and communities. By centering our work on Best Buy's Inclusive Behaviors — vulnerability, empathy, courage and grace — we are driving positive change within our company and communities, today and for future generations."

— Amelia Hardy, chief inclusion & diversity officer

Inclusion, Diversity & Equity.

OUR GOALS

WORKFORCE

1 out of 3

New, salaried corporate positions filled by BIPOC employees by 2025

New, salaried field positions filled by women employees by 2025

OPPORTUNITY

$1.2 billion

Spending with diverse businesses by 2025

EDUCATION

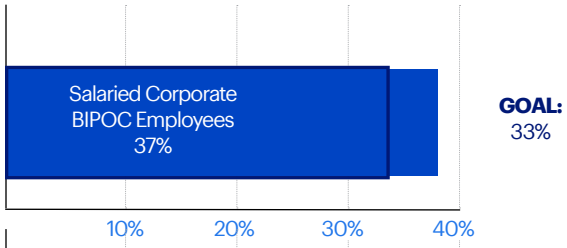
100

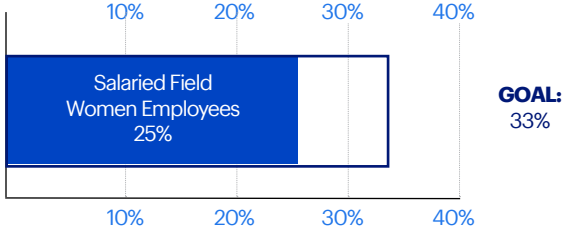
Supporting a network of Best Buy Teen Tech Center locations by 2025

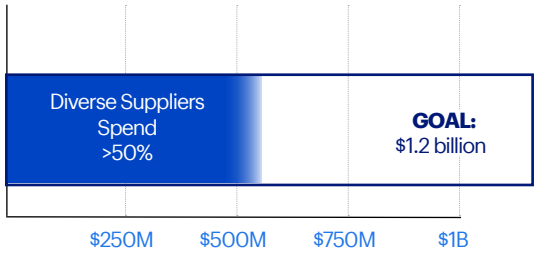
$44 million

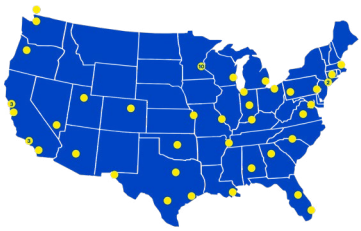
To expand college prep and career opportunities for students from disinvested communities by 2025

OUR PROGRESS



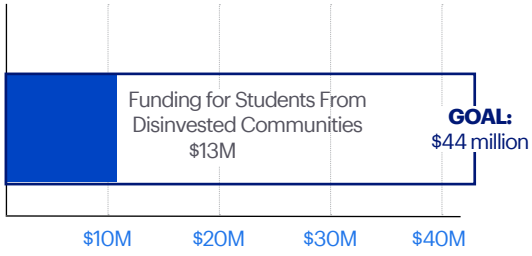






52

Best Buy Teen Tech Center locations supported at the end of FY23



Inclusion, Diversity & Equity.

Progress toward our goals.

In June 2020, we committed to making systemic, sustainable changes that address social injustices to strengthen our company and our communities. To support these goals, we are focusing our efforts on our inclusive leadership behaviors, recruitment and hiring, employee development and talent mobility, and integrating inclusion, diversity and equity (ID&E) into our culture and our business operations.

We're proud to share the progress we've made toward our 2025 goals:

- In FY23, we filled **37% of new, salaried corporate positions with BIPOC** (Black, Indigenous and People of Color — specifically Black, Latino/a/x, Indigenous, Asian, Native Hawaiian and Pacific Islander) employees, exceeding our goal to fill one out of every three positions.
- In FY23, we filled **25% of new, salaried field positions with women employees**, compared to our goal to fill one out of every three positions.
- At the end of FY23, we were **more than half way** to meeting our goal of spending at least $1.2 billion with diverse businesses by 2025.
- At the end of FY23, the Best Buy Foundation supported a network of **52 Best Buy Teen Tech Center locations**. We're on track to meet our goal of 100 locations by 2025.
- Since 2020, Best Buy and the Best Buy Foundation have allocated **more than $13 million to expand college preparation and career opportunities for students from disinvested communities**, including increasing scholarship funding, to help meet our goal to spend $44 million by 2025.

Inclusion, Diversity & Equity.

Best Buy Inclusive Behaviors.

Best Buy's purpose is to enrich lives through technology, and we know we can't do that without an inclusive culture and diverse employees who reflect our customers and communities. We embed inclusion, diversity and equity within our ecosystem at Best Buy.

Nurturing a culture of equity and inclusion while expanding diverse representation is fundamentally important to the long-term success of our business, and strengthens our employees' sense of belonging. The inclusive culture we strive for is supported by our Inclusive Behaviors, a framework that empowers employees to bring their authentic selves forward.

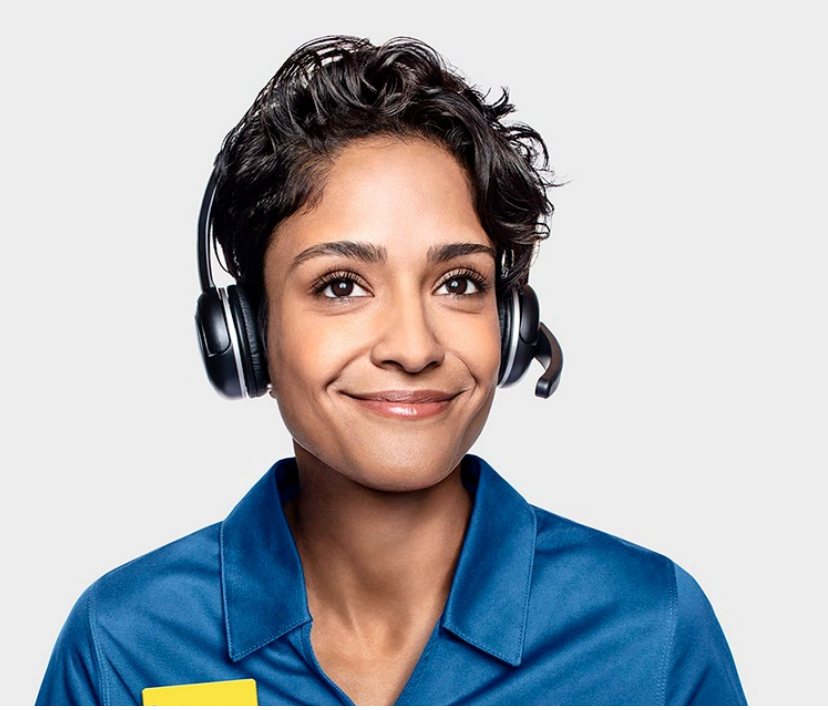
Vulnerability is the ability and willingness to share our life experiences, shortcomings and mistakes with others today to be stronger tomorrow, together.

Empathy is being purposeful about understanding the unique experiences of everyone around us.

Courage is the ability to think or act boldly in the presence of fear.

Grace encourages us to create an environment to take calculated risks, learn and recover from mistakes and be kinder to ourselves and others in the process.

Used together, these behaviors transform our self-awareness and ability to understand, collaborate with and support others.



Recruitment and hiring.

Demonstrating inclusive hiring practices and developing a diverse talent pipeline are integral parts of our ID&E strategy. In FY23, our talent acquisition team started reporting to our chief inclusion and diversity officer, which strengthens our commitment to inclusive and equitable hiring.

Blue Check: Blue Check Interview Panelists (BCIPs) are Best Buy employees who have completed trainings on inclusion and diversity in the talent selection process and are trained to deliver an exceptional and equitable interview experience for candidates, hiring leaders and their peers. Their purpose is to provide objectivity and equity in the interview process and create a psychologically safe space for candidates. As of the end of FY23, more than 750 employees have been certified as BCIPs, including both corporate and field employees.

Inclusion, Diversity & Equity.

Internships: Best Buy's formalized internship program has been active for more than 10 years. During that time, the internship program has grown and evolved in many ways. In FY23, Best Buy hired more than 200 paid summer interns. Our 10-week internships involved high school, college and graduate-level students from more than 75 universities and 26 states.

Interns worked with a variety of teams at the Best Buy corporate offices in Richfield, Minnesota; Boston; and Seattle, as well as in our distribution centers throughout the country. Interns participated in professional development events, trainings, social events, volunteer opportunities and talks with senior executives. Interns can take part in mentorship opportunities, join employee resource groups and network with Best Buy employees.

In FY23, we also offered paid summer internships to participants at Best Buy Teen Tech Centers. They had the opportunity to work in Best Buy retail stores and be immersed in various store operations, including customer service, sales and Geek Squad. Additionally, interns had access to mentorship from Best Buy store leaders and professional development workshops hosted by partners of the Best Buy Foundation.

New Wave: New Wave is an external hiring, integration and development program focused on increasing underrepresented leaders mainly in our corporate functions. The program gives us the opportunity to rapidly improve representation in specifically identified areas of the business where we have gaps in hiring and retaining diverse talent.

Since 2019 when the program was launched, New Wave participants have joined Best Buy's legal, communications and public affairs, human resources, and digital, analytics and technology teams.

The Mom Project: The Mom Project is committed to helping women remain active in the workforce in every stage of their journey and works with employers who are committed to designing and supporting a better workplace. In FY23, we continued our partnership with The Mom Project to expand our recruitment of skilled, diverse female talent for a variety of opportunities.

Pay equity.

As part of our goal of being recognized as one of the best places to work, we are focused on creating a culture where people feel valued and can be their true, authentic selves at work. That recognition includes equitable pay, regardless of gender, race, ethnicity, or other identities. Pay is an important part of our overall compensation offering, and ensuring employees see our pay system as fair helps to fuel our culture and supports employee engagement.

Pay gaps associated with gender or race persist across various industries and often reflect the broader social challenges we're facing where unconscious bias and unequal access to opportunities are factors. Within Best Buy we combat these challenges through regular reviews of our pay data, policies, practices and tools.

Inclusion, Diversity & Equity.

How pay gaps are measured.

Unadjusted or raw median pay gaps measure the difference between the median pay of one group of employees versus another (group refers to male, female, white, Black, etc.). Median pay represents a typical employee's pay. Employees in a group are ranked based on their pay, and the individual who is between the highest and lowest paid is the representative for the entire group. This approach explicitly includes differences in job responsibilities and pay.

Adjusted pay gaps measure pay differences associated with race or gender after factors are considered such as job responsibilities, seniority, experience and local labor market conditions. This is calculated using a statistical model to measure equal pay for equal work to explicitly focus on measuring whether peers doing similar work with similar qualifications are paid fairly.

In FY23, we made progress on our BIPOC relative to white unadjusted pay, from 94.2% in FY22 to 96% in FY23.

Annually, we conduct an enterprise pay review, which takes into account employees' responsibilities, tenure and location, and other job-related factors. Adjustments are made as needed. Ensuring employees are paid fairly and equitably is a goal across our pay processes.

Best Buy's U.S. pay equity results

	Women relative to Men	BIPOC* relative to white
Unadjusted Pay Gaps**		
Median Pay Rate	100.4%	96.0%
Adjusted Pay Gaps***		
Controlled Pay Gap	99.6%	99.8%

*BIPOC represents the following: American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino of any race, Native Hawaiian or other Pacific Islander and anyone of two or more races.

**The unadjusted median pay rate includes all U.S. employees (hourly and salaried) as of Jan. 28, 2023. The pay rate was calculated using all wages, bonuses and stock awards that vested in FY23 and dividing by hours worked.

***The adjusted pay gap includes all U.S. employees as of Jan. 28, 2023, excluding officers, commission-based sales professionals and employees on tenure-based step-rate programs in Supply Chain. The model focuses on base pay, as almost all bonus and stock programs for this population are driven by job level, salary and company results on a formulaic basis. Control variables in the model include job level, time in job level, tenure with Best Buy and local geography.

Inclusion, Diversity & Equity.

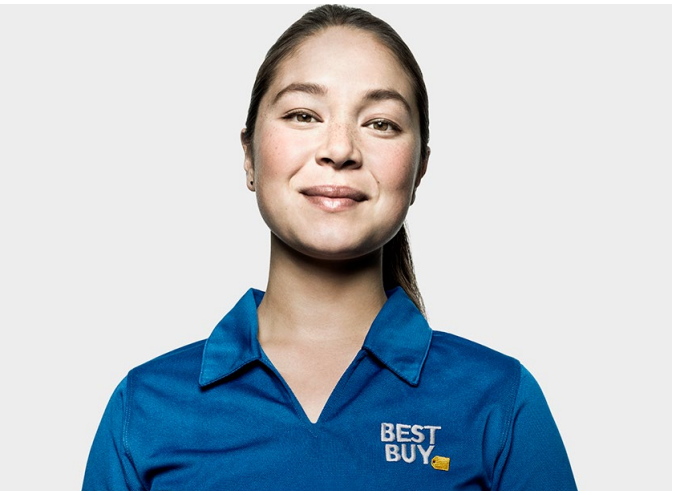
Employee development and talent mobility.

We are committed to developing diverse talent to prepare employees for careers of the future.

Tidal Wave: In FY23, we expanded our Tidal Wave initiative that provides experiential learning opportunities for employees across the enterprise. The initiative emphasizes opportunities for diverse talent, serving mainly in the roles of manager and above, both in the field and at our corporate office.

Through Tidal Wave, employees can grow their career interests and gain new skills. The program puts participants on six-to-12-month rotational assignments across Best Buy to help them develop new skills, meet new colleagues and learn a different part of the business. The program also brings fresh perspectives to different business teams. At the end of their Tidal Wave assignment, participants return to their jobs with greater experience, skills and often a chance to continue with the role on their Tidal Wave team.

Quarterly Conversations: We encourage our employees to engage in a Quarterly Conversation with their leader and have a meaningful, purpose-driven conversation to discuss performance and development, in a format that is consistent across the enterprise. This is time dedicated to a strategic, forward-focused discussion to align work and development goals to career aspirations. In FY23, we added questions to prompt additional conversations about ID&E and Inclusive Behaviors between employees and their leaders.



Inclusion, Diversity & Equity.

Mentoring.

At Best Buy, we are growing our mentorship programs in both corporate and retail environments to help create career development opportunities and increase a sense of belonging.

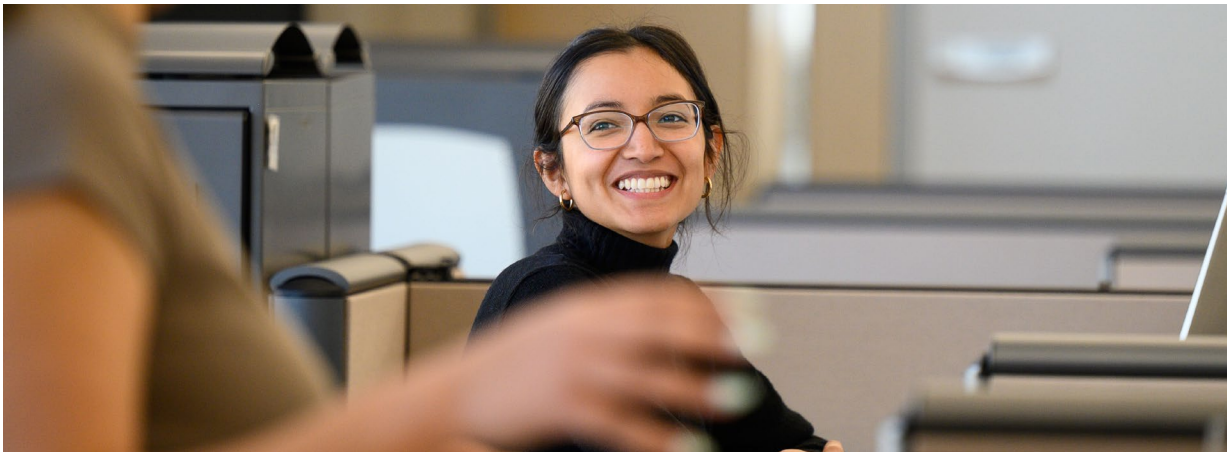
Women's Employee Engagement Group Mentor Circles are designed to bring women with diverse backgrounds, careers and job levels together to share ideas, advice and experiences in an inclusive environment. Our circles are designed to foster authentic dialogue, a sense of community, and an opportunity to learn and grow professionally and personally. More than 250 employees participated in FY23.

The Young Professionals Development Group Mentorship Program is designed to connect employees with a mentor from outside their normal work hierarchy to encourage personal and professional development, career pathing and networking. Pairing is based on not only current job roles, but also organizational interests, leadership types and career development experiences. More than 400 employees participated in the program in FY23.

#IamRemarkable, created by Google, is an initiative focused on empowering everyone, especially women and underrepresented groups, to celebrate their accomplishments in the workplace and beyond, thereby challenging current perceptions and breaking modesty norms and glass ceilings. In FY23, more than 600 Best Buy employees participated, and leaders from across the enterprise became certified facilitators and champions for the initiative.

In FY23, we expanded the #IamRemarkable program to be an enterprise initiative — open to any employee to participate in as part of their career development. We hosted workshops for members of the Women's ERG in March 2023. In the summer of 2023, we are offering workshops for our summer interns and other in-person workshops for all employees, aiming to host 400 workshops across the enterprise in FY24.

Inclusion, Diversity & Equity.



Best Buy Customer Care Mentorship Pilot is a mentorship program we launched in FY23 that connects Best Buy Customer Care employees with Best Buy leaders who can help the employees identify opportunities in their professional development plan to accelerate their career growth. In the mentorship program, participants receive guidance about their career development in a safe and trusting environment, build new skills, expand their professional networks, and broaden their understanding of career opportunities at Best Buy.

McKinsey Management Accelerator Program: The McKinsey Management Accelerator Program is a third-party program designed for early- to mid-career leaders. The program builds core leadership and management capabilities, such as strategic thinking and problem solving, and provides a foundational understanding of key functional areas, such as operations, talent management and pricing.

In FY23, McKinsey started a similar program focused on individual contributors, and Best Buy supported employees in participating in this program.

Our focus is to create a space where everyone feels valued and included. In addition to the core leadership and management skills that are learned, each cohort also provides a strong networking opportunity for its members that lasts long after the program ends.

Since 2020, more than 200 Best Buy employees have graduated from the McKinsey program.

Inclusion, Diversity & Equity.

Engagement.

Enterprise Inclusion Groups (EIGs): One of the best ways to nurture our inclusive culture is through our communities of belonging. Our enterprise inclusion groups build relationships, grow from exploration and learning, and are one of the best forms of networking by offering an opportunity for all employees to connect with others who have similar — or different — cultures, interests, perspectives and hobbies. EIGs are open to all employees, whether they identify as a member of the community represented or are taking the first steps in their allyship journeys.

Membership in EIGs grew by more than 26% in FY23. Our Inclusion Groups include employee resource groups, focused inclusion networks and a young professional development group.

Employee Resource Groups (ERGs): Our ERGs aim to elevate cultural perspectives and inspire cultural growth. ERGs also promote mentorship and career development for diverse talent.

The ERGs at Best Buy include:

- Asian ERG
- Black ERG
- disABILITIES ERG
- Indigenous ERG
- Unidos ERG
- Military ERG
- Pride ERG
- Women's ERG

Inclusion, Diversity & Equity.

Focused Inclusion Networks (FINs): FINs allow employees to engage through a broader intersectional scope of diversity. Through active opportunities for inclusive leadership learning experiences, FIN leaders and members can engage in communities of belonging around shared interests, beliefs and passions that compliment other communities of inclusion groups.

- Best Buy Auto Club
- Best Buy Cycling
- Best Buy Run & Walk Club
- BlueSounds
- Christian Connection Network
- Conservative
- Data Analytics
- Families
- Gaming
- Junior Achievement
- Jewish Network
- Muslim Network
- Natural Employee Wellness (N.E.W.)
- NET Impact
- Photography
- Project Management Practitioners
- University of St. Thomas Alumni
- Remote Workers
- Saint Cloud State University Alumni
- Toastmasters
- University of Minnesota Alumni

Young Professionals Development Group: The Young Professionals Development Group helps Best Buy attract, develop and retain employees and is open to anyone at Best Buy regardless of their age or where they are in their career journey. This group helps to elevate generational perspectives in the enterprise and provide insight on the changing U.S. workforce. Through this group, young professionals can build connections outside of their existing network, participate in events that assist in their growth and development, and empower all professionals and their managers at Best Buy. More than 2,500 employees participate in the Best Buy Young Professionals Development Group.

Inclusion, Diversity & Equity.

Integrating ID&E into the culture at Best Buy.

At Best Buy, we know an inclusive culture allows every employee to fully contribute. This is why we focus on integrating ID&E practices into our culture and everything we do.

Inclusion, Diversity & Equity Foundations.

To support an inclusive culture, we launched a five-part training series in FY23 called ID&E Foundations. Through this required training series, employees learn about our Inclusive Behaviors of vulnerability, empathy, courage and grace — as well as what Best Buy is doing to become a more inclusive, diverse and equitable business. Since the training launched in June 2022, more than 70,000 employees have completed the course.

Inclusion and Diversity Steering Committees (IDSCs).

Our inclusion and diversity steering committees (IDSCs) are an integral part of our strategy to foster inclusion among all employee groups. IDSCs are made up of a cross-functional group of leaders who meet regularly to drive initiatives that support inclusion and diversity efforts at Best Buy.

With the support of IDSCs, each business group within Best Buy integrates the enterprise ID&E strategy within its unique team. As an example, our corporate supply chain IDSC team collaborated with our human resources team to launch a series of listening sessions for, among others, women and BIPOC employees. The goal was to listen and gather feedback from these groups, and to provide an actionable plan on how to create a more inclusive environment within the corporate supply chain team. The human resources team, a woman from of the executive team, and the supply chain IDSC team led two series of listening sessions for a total of seven sessions in FY23.

Based on feedback from employees, the supply chain IDSC shared a plan with leaders on how to better retain and develop women and BIPOC employees, with inclusion as a focus. These actions included hosting a monthly women's lunch to help create connections, adding upskilling into leadership discussions and employee trainings to establish clear guidelines for talent planning to support women and BIPOC employees, and integrating these objectives into the FY24 supply chain goals to build on and sustain the momentum.

Inclusion, Diversity & Equity.

Racial Equity Leadership Immersion (RELI): When George Floyd was murdered in Minneapolis, not far from our corporate headquarters, we formed a company-wide task force for racial equity. The task force involved leaders from all parts of the company who came together to recommend ways Best Buy could best address racial and social inequity to create a greater impact at Best Buy. That task force evolved into the Racial Equity Leadership Immersion (RELI) program.

Once employees are nominated by leaders or peers and are selected for the RELI program, they complete an assessment that measures intercultural competence and provides an indicator of one's approach in dealing with cultural differences and commonalities. This provides a baseline for leaders to refer to and reflect upon throughout their journey, as well as understand how the RELI experience has affected their intercultural competence at the end of the program.

Participants of RELI cohorts dedicate 3-4 hours a week for five months to explore the roots of racism, the imperatives of racial equity, social justice and how this impacts the workforce of the present. While practicing Best Buy Inclusive Behaviors and psychological safety, they have opportunities to ask questions, challenge respectfully, and share their own lived experiences. The sessions consist of a mix of facilitated large-group learning and small-group interactions, anonymous polling, guest facilitators, panel discussions, simulation/immersive experiences, film screenings, field trips and more. The work is aimed at helping leaders make the connection in applying their RELI experience into their work and lives in a practical and meaningful way.

Through the program, hundreds of leaders have experienced leadership transformation and have become agents of positive change within Best Buy. They build on these experiences by embedding ID&E into their business operations and how they make business decisions. Since RELI started, four cohorts have completed the program, with two more cohorts underway in FY24.

Candid Conversations: Best Buy continues to virtually host Candid Conversations, a powerful forum for finding connection with colleagues through purposeful conversation and storytelling. In FY23, topics in these sessions included how to navigate polarizing conversations, as well as a discussion around mental health and the resources Best Buy offers to help employees. By creating relaxed, inclusive environments that encourage vulnerability, we find courage in exchanging the stories and perspectives of our difficult realities, helping us better empathize with those around us, regardless of differences.

In FY23, we held three Candid Conversations with a total live, virtual attendance of more than 4,000 employees across the enterprise.

Inclusion, Diversity & Equity.

Supplier diversity.

At Best Buy, we believe that supplier diversity increases competition, promotes innovation, serves customer needs, and aligns with our business strategy. It is our policy to promote and provide opportunities to diverse suppliers while ensuring that we receive the highest quality products and services at the greatest value.

We continue making progress on our commitment to invest in diverse businesses, focusing on funding and supporting partner organizations that are empowering BIPOC leaders in the tech and consumer products industries. At the end of FY23, we were more than half way to meeting our goal of spending at least $1.2 billion with diverse businesses by 2025. Partnerships with diverse suppliers contribute to our efforts to create a stronger, more vibrant community of diverse innovators in the tech and consumer product industries.

Brown Venture Group (BVG): We continued our partnership with Brown Venture Group, a Minneapolis-based venture capital firm that focuses exclusively on Black, Latino and Indigenous emerging technology startups. Since our partnership began in FY22 and with the support of Best Buy's investment, BVG has deployed industry-transforming capital across dozens of diverse portfolio companies. More importantly, we recognize the progress BVG is shepherding to break down barriers faced by disinvested BIPOC entrepreneurs.

We've committed to investing up to **$10 million** with BVG.

RangeMe: In FY23, we continued our partnership with RangeMe, an online sourcing platform that connects us with more than 200,000 potential brands and their products, to expand our retail network of diverse-owned suppliers.

In FY22, a dedicated position was created to oversee our efforts in supplier diversity. Through this additional support, we have increased the engagement with our local Twin Cities nonprofit organizations that help advocate for diverse suppliers. We have also increased the number of partnerships we have with national diverse certifying agencies. We collaborate with these groups in areas of mentorship, education, business opportunities and access to resources, to improve the connection and readiness of diverse suppliers. These partnerships are vital to the success of our program.

In FY23, we enhanced our Tier 2 program focusing on key Prime suppliers in the Goods Not For Resale (GNFR) space. Prime suppliers are those that are not seen as diverse but who pay diverse suppliers to ensure goods and services are provided to Best Buy. We partnered with key Prime suppliers to target specific diverse suppliers so we could develop and increase their spend when possible. We also reassessed our Tier 2 portal, providing more up-to-date definitions and more specific spend reporting requirements. This category is expected to grow as our program continues to mature.

More information on our supplier diversity program can be found at: partners.bestbuy.com/partner-diversity.

Best Buy Canada Supplier Diversity: In FY22, Best Buy Canada launched a Mentorship and Accelerator Program (MAP) that connects Black and Indigenous innovators with mentorship opportunities and a platform to help grow their businesses. In October FY23, Black and woman-owned business Yu-mn was the first business to go through MAP. Through this program, Best Buy worked with Yu-mn to support launching their fitness products in Best Buy stores and on bestbuy.ca.

Inclusion, Diversity & Equity.

Marketing.

Being thoughtful about how we market our products, reach potential customers and represent diversity in our social media and advertising is critical to being a customer-obsessed company. In FY23, we continued our efforts to better represent diversity through a focus on our marketing review council, crew and casting representation, and in our paid advertising.

Marketing review council: In April 2021, we created an internal marketing review council to consult, discuss and advise on our marketing and creative work to ensure it accurately and respectfully reflects the diversity of our employees and customers, while authentically promoting members of disinvested groups. Through FY23, this cross-functional council reviewed and provided guidance on brand, seasonal, and go-to-market advertising campaigns across broadcast, digital, online, radio, social, influencer, in-store, and out-of-home activations.

Crew and casting representation: We continue to increase representation across production crew roles such as directors, assistant directors, photography directors, senior producers, photographers, motion graphic designers and editors. In FY23, **more than one-third of our crew members were from underrepresented communities**.

Paid advertising: We are also committed to supporting diverse backgrounds in our paid advertising. In FY23, **more than half of our paid advertising featured BIPOC, LGBTQIA+, and/or diverse abilities cast members and family structures**.

Inclusion, Diversity & Equity.

Best Buy's Take Stock project celebrates real stories through photographs.

When it comes to creating the stock photography we use for cultural moments and our marketing campaigns, we want to give creators more control of their work, especially when it's based on their identity and depicts their communities and unique perspectives. As part of the Take Stock project, we asked photographers to tell their own stories of how people in their communities use technology. In FY23 we used photos from this project for our marketing campaigns, and also funded each photoshoot and made sure the photographers retained the rights to sell their images anywhere, including stock photography sites.

More of this.

More of this campaign: In 2021, we launched the "More of this" interview series on our Best Buy social media channels. For the last two years, this series featured individuals who are helping to close the gap on issues of inequity in the digital world, centering on Black, Latino/a/x, LGBTQIA+, AAPI and women's voices.

Through this campaign, we shared social media posts to highlight cultural moments like Diwali, Memorial Day, Lunar New Year, Coming Out Day and many more.

Measuring progress.

Diverse leadership.

In FY23, we were one of only 13 companies on the Fortune 100 to be led by a woman CEO. In FY23, our Board of Directors was composed of 45% women Directors and 36% diverse Directors.

In FY23, 20% of our senior corporate leadership (Directors and above) were BIPOC. Additionally, in March 2023, we announced that two women were appointed to our Board of Directors, Sima Sistani, a media and technology leader, and Melinda Whittington, an executive in the furniture industry.

Progress in hiring.

	People of color	Black	Asian	Hispanic
FY21	33%	8%	11%	11%
FY22	39%	8%	14%	13%
FY23	38%	9%	14%	12%
Percentage change	-1%	+1%	0%	-1%

**Calculations previously included hires that did not disclose demographics and are now excluded; starting Sept. 25, 2022, with the launch of Workday, applicants are asked two separate race and ethnicity questions.*

Diverse representation.

Black employees*
FY18 ..... 14%
FY19 ..... 14%
FY20 ..... 14%
FY21 ..... 13%
FY22 ..... 14%
FY23 ..... 14%

FY23 Totals
Manager & above 5%
VP & above 5%

Hispanic employees*
FY18 ..... 21%
FY19 ..... 22%
FY20 ..... 22%
FY21 ..... 22%
FY22 ..... 24%
FY23 ..... 21%

FY23 Totals
Manager & above 7%
VP & above 4%

Asian employees*
FY18 ..... 5%
FY19 ..... 5%
FY20 ..... 5%
FY21 ..... 5%
FY22 ..... 5%
FY23 ..... 6%

FY23 Totals
Manager & above ... 14%
VP & above 3%

Female Employees**
FY18 ..... 26%
FY19 ..... 26%
FY20 ..... 28%
FY21 ..... 27%
FY22 ..... 26%
FY23 ..... 25%

FY23 Totals
Manager & above .. 33%
VP & above 34%

Two or more races*
FY22 ..... 4%
FY23 ..... 5%

FY23 Totals
Manager & above 2%
VP & above 0%

* U.S. employees
** Enterprise-wide employees

EEO-1 Report: Please see our EEO-1 report, which provides additional demographic data about Best Buy's U.S. workforce, reported according to categories required by the EEOC.

Human rights.

Best Buy respects human rights. We seek to identify salient human rights risks, develop measures to detect and prevent adverse human rights impacts, conduct remediation if impacts occur, and drive continuous improvement of our human rights management. Further, we seek to advance human rights through our actions and operations.

We believe that we can have the greatest impact by focusing on the rights most at risk, as determined by our human rights impact assessment.

We seek to manage these risks by:

- Respecting the rights of workers in the supply chain and leveraging industry partners through the Responsible Business Alliance (RBA) to improve raw material sourcing practices, the recruitment of workers, working conditions and environmental performance in the global electronics supply chain.
- Respecting the rights of Best Buy employees and striving for a diverse, inclusive, equitable and respectful workplace free of harassment and discrimination.
- Respecting the rights of workers in the consumer electronics recycling value chain through adherence to policies and standards for safe and responsible recycling.
- Respecting the rights of our customers, including their right to privacy.
- Seeking to advance the right to education in communities where we operate through sharing our knowledge of technology, including Best Buy Teen Tech Centers.

Human rights.

We adhere to a set of internationally recognized standards and principles to ensure we meet our commitment to respect human rights, including:

- Following global standards of human rights such as the United Nations Guiding Principles on Business and Human Rights.
- Maintaining strong governance practices that include several of the company's most senior executives.
- Communicating our human rights commitments.
- Proactively engaging stakeholders to protect and advance human rights through our memberships and partnerships.
- Heightening our engagement with suppliers to improve upon the issues found at the factory level and to provide targeted trainings, resulting in an increased closure rate of our supplier corrective action plans (CAPs).
- Elevating the visibility of our supply chain grievance mechanism to ensure it's more accessible to factory workers.
- Enhancing our supplier trainings to include more content on responsible recruitment practices and carbon reduction efforts.
- Optimizing our minerals due diligence process.

For more details, see our Human Rights Corporate Statement at corporate.bestbuy.com/human-rights.

Responsible sourcing.

Best Buy is not only a retailer, but we also manufacture private-label products. We partner with 178 factories on the design, production and testing of these products, and we also partner with them to ensure they meet our expectations for safe workplaces where workers are treated fairly. Our Responsible Sourcing program was developed to adhere to the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles for Business and Human Rights. Our company measures responsible sourcing risks in the supply chain on an ongoing basis.

Through our Responsible Sourcing program, we seek to mitigate risk, enhance our partnership with these private-label suppliers, and create value for all stakeholders. We are an active member of the Responsible Business Alliance (RBA), which allows us to partner with many of the brands we sell, including Apple, Intel, Microsoft and Samsung. Collectively, we embrace a common Supplier Code of Conduct and audit methodology that creates business value by improving working conditions and environmental practices in the supply chain.

Best Buy private-label brands

INSIGNIA™ | BEST BUY essentials™

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All of our supplier contracts require adherence to our Supplier Code of Conduct. Additionally, we engage with internal cross-functional teams including sourcing, engineering and supply chain, to promote awareness of our program and deepen the integration of the work into all functions of our business.

Our Responsible Sourcing program for our private-label suppliers consists of a five-step process, working closely with our suppliers to manufacture quality products while ensuring workers are treated fairly in a safe environment.

"We take pride in the high-quality and affordable products Best Buy offers through our private-label brands. We build strong relationships with our global suppliers to partner on the design, production and testing of these products to make it easy for our customers to enjoy technology. Our responsible sourcing program is key to our success — deepening our partnerships and ensuring workers are treated fairly in a safe environment."

— Newton Guillen, vice president of Best Buy private-label brands

Responsible sourcing.

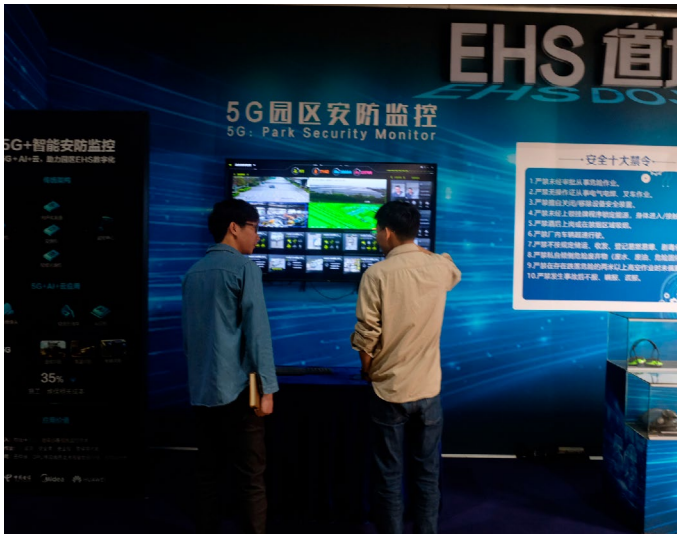
1. Code introduction

Before working with new suppliers, we provide an in-depth training on our code and program, including our expectations on critical risks such as human trafficking and forced labor.

We conduct third-party audits at 100% of our potential supplier factories, which includes environmental and human rights screening criteria. When conducting pre-contract screenings, if we identify non-conformance, we require the supplier to take corrective action. If there is a priority non-conformance violation found, it must be addressed immediately. Suppliers that are unwilling or unable to address priority violations are rejected.

2. Self-reporting

Existing suppliers assess their performance against the code by completing an annual self-assessment questionnaire (SAQ). In FY23, we achieved a 100% completion rate for SAQs.



3. Monitoring

Best Buy conducts a full audit at least every other year to identify any gaps between suppliers' performance and the code. We align our own audit protocol to that of RBA, and we also accept other approved third-party audits. Our audits include worker interviews and visits to all structures on the factory premises, including warehouses, dormitories and canteens. Due to continued COVID-19 barriers, we leverage an adapted virtual audit when needed, still prioritizing the same visibility to the facility and workers. We not only assess their social and environmental performance, referred to as "practices compliance," but we also review the management systems they have in place to drive code compliance, known as "management compliance."

Responsible sourcing.

When a non-conformance violation is discovered, we classify it by severity:

Priority non-conformance is the highest-severity audit finding, requiring escalation by the auditor and immediate attention by the supplier. Priority non-conformance consists of findings that represent:

1. A serious non-conformance of the RBA code or applicable legal requirements;
2. An immediate threat to life or health; or
3. Risk of serious and immediate harm to the community or environment.

The identification of any priority non-conformance (such as forced labor) automatically results in a failed audit. Suppliers must take immediate action to remedy all priority non-conformances through the priority non-conformance remediation process. If the factory is unable or unwilling to address the priority non-conformance, we will terminate the relationship.

High-risk major non-conformance is a significant failure in the management system that affects the ability of the system to produce the desired results and/or satisfy legally mandated requirements. Two high-risk warnings for the same non-conformance finding within a single year is considered the equivalent of a priority non-conformance.

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

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

For all types of non-conformance, we follow up to determine if violations — whether priority, high-risk major, major or minor — are resolved. All instances of non-conformance require a corrective action plan, which we approve and monitor.

Responsible sourcing.

Corrective Action Plan (CAP) closure.

We believe continued dialogue with suppliers results in more meaningful improvements for supply chain workers, promotes healthy and safe working conditions, and reduces negative environmental impacts.

In FY23 we increased our engagement with suppliers to successfully increase the closure rate of supplier CAPs. Whenever non-conformances are found during an audit, we expect our suppliers to identify the root cause of the issues and indicate how they intend to improve the issue and measure progress. The suppliers then must close the non-conformances according to Best Buy's timelines and provide the supporting evidence. Due to the nature of issues related to working hours and social insurance, we allow factories to provide longer-term risk mitigation plans with phased targets, maintaining continuous dialogue to foster transparency and accountability.

While we recognize the time and effort it takes suppliers to address non-conformances, we believe we can make a stronger impact on remediation efforts by implementing a monitoring mechanism. Starting in FY24, we will require an additional third-party audit if the supplier does not submit a CAP or if they do not remediate the non-conformance within the reasonable timeframe allowed.

Below are the closure rates of the top five non-conformances (excluding working hours and social insurance, given the approach for those described previously) during our own or approved third-party audits.

Top Findings in FY23

Category	Closure Rate
Occupational Safety	92%
Emergency Preparedness	90%
Occupational Injury and Illness	93%
Hazardous Substances	88%
Food, Sanitation and Housing	100%

Based on our audits and accepted report findings, we found 12 factories in violation of certain fees charged to workers. Through our CAP process, we worked with the factories to return physical examination fees to 208 workers and to purchase social or commercial insurance for 1,866 workers.

Our progress in FY23.

- 89% of FY23 findings were closed/downgraded within the prescribed timeline.
- 100% of priority non-conformances were closed.
- 92% of high-risk major non-conformances were closed.
- 89% of major non-conformances were closed.
- 90% of minor non-conformances were closed.

Responsible sourcing.

4. Training and communication

We are committed to transparency with our suppliers on our priorities, our monitoring approaches, audit assessment steps, code requirements, the key elements of a supply chain sustainability management system, and the steps to improve their adherence to our requirements. We host our annual supplier meeting and leverage virtual trainings to deliver this content and deepen our relationship and engagement with our suppliers. We frequently leverage RBA's training resources to improve factory performance. In FY23, we assigned four training plans and 86 factories participated in these trainings.

In FY23, we enhanced our training program by:

- Monitoring completion of our onboarding training by new suppliers to ensure they have the tools necessary to integrate the expectations of the Supplier Code of Conduct into their operations.
- Introducing carbon reduction management courses to our suppliers to raise awareness and build capacity.
- Requiring relevant suppliers who rely on foreign migrant workers and their associated labor recruitment agencies to be trained on responsible recruitment courses, including methods and tools to eliminate recruitment fees.
- Identifying our suppliers' growth areas and assigning coursework to examine the underlying causes leading to specific issues and guidance toward improvement.

In addition to the above, we also reframed our annual supplier meeting to communicate to our suppliers our priority focus areas, important program updates and requirements, and new initiatives and tools.

5. Reporting

Each year we publicly disclose our suppliers' compliance against our Code of Conduct. The "Audit Results" table aggregates the performance of all suppliers across our key audit categories.

FY23 Audits

Third-party audits	86
Best Buy audits	12
Total audits	98

Audit Results

Category	Practices Compliance	Management Compliance
Labor	81%	99%
Health and safety	77%	99%
Environment	92%	99%
Ethics	99%	95%
Management system	100%	84%

Responsible sourcing.

Evolution of factory oversight management.

The COVID-19 pandemic continues to affect the supply chain and the ways we have been able to conduct audits and training in our Responsible Sourcing program. We have had to adapt to remote audits, desktop reviews, and shared third-party audits. While this transition was necessary due to external factors, it also allowed us to strategically shift our focus and resources to training and building deeper relationships with factory management and workers, driving continuous improvement and a greater impact. We also recognize this shift comes with limitations, specifically around transparency and accountability.

To address these challenges, we have enhanced our internal governance procedures around report validation efforts and collecting and incorporating more workers' voices.

We have significantly increased our report validation efforts over the past two years, through cross-checking information we receive during worker voice interviews with the audit results and following up on discrepancies, as well as doing on-site audit checks on high-risk findings.

Worker voice.

Our supply chain workers are critical stakeholders who provide insights on factory performance and inform our efforts and resources to deliver the greatest impact.

To empower workers to voice their opinions and concerns in the workplace and beyond, we launched our Worker Voice program in FY22, which enables supply chain workers to answer customized survey questions through their personal mobile devices. Workers are surveyed anonymously and remotely in their native language.

In FY23 we updated our approach and implemented a survey into our third-party audit validation process to reach a wider set of workers. As a result, we reached more than 1,000 workers in China, Vietnam and Korea. The survey collected feedback on worker satisfaction, working conditions, working hours, wages and benefits, and evaluated their knowledge of available tools. The survey results have informed how we develop our programs to have a greater impact on some of the most systemic issues at the supplier and factory level and on individual workers.

Responsible sourcing.

Foreign migrant workers.

While migrant workers are a small percentage of the workers in our private-label supply chain, we seek to do our part to mitigate the risks they face.

We recognize that foreign migrant workers (those who travel temporarily from their home country for employment in another) face unique risks in pursuit of employment.

Responsible employment and recruitment, including its associated fees and cost, is critical to the protection of foreign migrant workers and their rights. To that end, we are committed to working with our suppliers to ensure no foreign migrant worker pays recruitment fees for their job and that all workers retain control of their travel documents and have full freedom of movement. We align with RBA on its parameters around prohibited fees and leverage its advanced due diligence guidelines, tools and examples of best practices to stay informed of macro and emerging risks to continuously enhance our approach.

Our due diligence efforts can be summarized as follows:

Risk identification: When evaluating a new supplier located in a key labor migration receiving country, an additional pre-screening assessment is conducted to investigate whether any foreign migrant workers were hired, and if so — if they paid prohibited recruitment fees, have full access to their government issued documents, have no restrictions on freedom of movement and have safe and adequate living conditions.

Risk response and reimbursement: If a prohibited recruitment fee is identified, the supplier is required to conduct the fee investigation and provide a full list of all fee items that workers paid from their country of origin along the way to the country of factory location. A reimbursement plan with paid date and impacted workers is required. We work closely with suppliers to reimburse all applicable fees to workers based on the agreed timeframe. Once the issue is closed, a third-party follow-up audit is scheduled to validate the fee reimbursement.

Prevention: We continue to look for ways to provide our suppliers with tools to prevent forced labor in the supply chain, and we have expanded our efforts to known labor recruitment agencies used by our suppliers. In FY23 we worked with three labor recruitment agencies used by our suppliers to complete responsible recruitment trainings provided by the RBA through its Responsible Recruitment Due Diligence Toolkit. The trainings equipped these agencies with tools to prevent and mitigate risks of forced labor, including recruitment fees.

For newly hired foreign migrant workers, suppliers are required to follow our policy to ensure all related recruitment fees should be supplier-paid with no costs incurred by the workers.

Since FY18, we have worked with suppliers to ensure they have reimbursed all RBA-prohibited recruitment fees, totaling more than $500,000 to 735 workers.

Responsible sourcing.

Responsible sourcing beyond private-label: Over the past few years, we have been expanding elements of our responsible sourcing program into our Goods Not for Resale (GNFR) sourcing assessments and with select branded vendors. Our third-party risk management program performs due diligence on GNFR third parties across a wide range of risk areas. We centralize this process to allow for a holistic view and management of the risks inherent with our third parties.

As part of this program, we assess the management systems of new and existing high-risk third parties against Best Buy's Supplier Code of Conduct. When issues are identified via the assessment process, the program helps manage the risk by issuing CAPs and providing training and resources to bring third parties in line with our expectations. In FY24, our assessment will expand to cover third-party environmental management systems.

Additionally, we have developed a holistic risk assessment to leverage for branded vendors in high-risk areas or categories. As we continue to adapt to the evolving geopolitical landscape, we have created a framework that can dive into key risk areas nimbly and efficiently, allowing our category teams to bring a more complete view to their business decisions.

Chemicals.

Chemicals, while necessary as part of many manufacturing processes, directly impact the health of the people who make our products. To this end, we have adopted a Manufacturing Restricted Substance List (MRSL) to build a supply chain without hazardous substances.

We continue to engage and work closely with industry initiatives, NGOs and multi-stakeholder workgroups on methodology exploration. For example, through our participation in RBA's Chemical Management Workgroup, we have access to some of the tools and guidance being developed by the Clean Electronics Production Network (CEPN). We have adopted the CEPN's Process Chemical Data Collection (PCDC) template and have surveyed all our suppliers using this tool. We shared results from key suppliers with RBA so that they, along with the CEPN, can begin to assess the landscape of processing chemicals across the electronics industry. This transparency directly contributed to the development of a prioritized list of chemicals targeted for substitutions for the electronics industry.

Our suppliers also play a key role in chemical management. We work closely with our suppliers on MRSL chemical identification, management, and minimization of risk. We leveraged the updated PCDC and Qualitative Exposure Assessment Tool (QEA Tool) into our chemical management program. This year, 99% of our supplier base completed the PCDC assessment. All in-scope suppliers are educated on the QEA Tool, and through that training, expectations related to chemical management programs are set.

Based on the PCDC assessment across our supplier base, we identified suppliers using chemicals on the MRSL, provided them with advanced training, and required these suppliers to remove or to adhere to MRSL restrictions and exposure levels. We have established a regular reporting mechanism to require our suppliers to report their latest status on MRSL management and removal plan annually. We will continue to work closely with our suppliers to control the risk of hazardous substances by removal, replacement, or other actions in the coming years.

We have identified 41 factories using chemicals on the MRSL over the past two fiscal years. Of those, 15 factories have removed the restricted chemicals from the manufacturing process. We continue working closely with the remaining factories to reduce, replace or take other appropriate risk mitigation actions.

Responsible sourcing.

Energy consumption and Greenhouse Gas (GHG).

To enhance our circular economy efforts and help to scale GHG capabilities across our global supply chain, we require our suppliers to report their Scopes 1 and 2 carbon emissions, establish a carbon reduction goal, and look for carbon reduction opportunities through energy efficiency or renewable energy sourcing.

In 2022 we enhanced our carbon reduction supplier program based on our learnings from Best Buy's supplier engagement efforts in 2021, as well as adopted guiding principles from the RBA into our Supplier Code of Conduct.

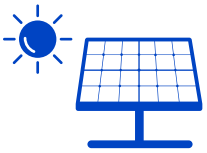
To enable our suppliers to report on their carbon emissions, we offered trainings to our suppliers through RBA to build awareness and knowledge on climate change and carbon accounting. We also developed and implemented a carbon inventory calculator that is based on methodology from IPCC and the GHG Protocol. With this tool, our suppliers were then able to calculate their own Scope 1 and Scope 2 emissions to develop their own carbon inventory. With baseline data from last year, we will continue monitoring our suppliers' carbon emissions, working toward setting carbon reduction goals with more suppliers in 2023.

GHG inventory

153 (90%) in-scope private-label suppliers reported Scope 1 and Scope 2 carbon emissions data for 2021

Supplier goals

86 (51%) in-scope private-label suppliers established a carbon reduction goal



Renewable energy

39 (23%) in-scope private-label supplier factories were identified as using energy from renewable sources

Conflict minerals.

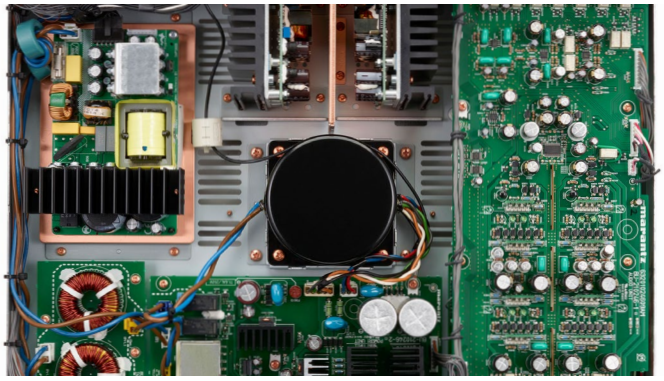
The Democratic Republic of the Congo (DRC) and its neighboring countries have reserves of tin, tantalum, tungsten and gold (known as 3TG), all of which are commonly used in the manufacturing of many consumer products. Occasionally, these minerals are illegally sourced and traded by armed groups who are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

At Best Buy, we are committed to working toward a conflict-free supply chain for our private-label products. We align our conflict minerals program with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, an internationally recognized framework.

Despite advances in supply chain transparency and traceability capabilities, it remains a challenge to identify, with absolute certainty, the smelters, refiners and recyclers in our private-label supply chain. Training our direct suppliers and auditing their performance are key steps to addressing this. In FY23, 100% of our suppliers received training specific to conflict minerals, and since 2017, we have audited the due diligence efforts of 65 of our suppliers who use 3TG.

Our practices.

We partner with brands and retailers across multiple industries to identify relevant smelters and refiners, and encourage their participation in the Responsible Mining Initiative's (RMI) Responsible Minerals Assurance Process (RMAP), or an equivalent program, including the London Bullion Market Association's (LBMA) Good Delivery program and the Responsible Jewelry Council's (RJC) Chain of Custody program.



Our performance.

In FY23, 100% of our in-scope suppliers completed a Conflict Minerals Reporting Template, detailing the smelters and refiners used as well as their audit status. To date, 84% of the processing facilities reported by these suppliers have been found conformant to the RMI, LBMA or RJC standard via an independent, third-party audit or have committed to go through an audit.

We have evolved our minerals due diligence program to enable us to focus on those suppliers where we have the most influence. Therefore, we only include those private-label suppliers where we have a sufficient level of influence over their manufacturing.

More details can be found in our Conflict Minerals Policy and Conflict Minerals Report at corporate.bestbuy.com/sustainability.

Suppliers who received conflict minerals training materials	100%
Products containing necessary 3TG that have had their supply chains surveyed	100%
Relevant suppliers who returned a Conflict Minerals Reporting Template	100%
Relevant suppliers who have a Conflict Minerals Policy	96%

Social impact.

Best Buy and the Best Buy Foundation™ are committed to helping prepare teens from disinvested communities for the tech-reliant careers of the future through training, tools and mentorship.

We are proud of our social impact initiatives, and we know we can do more when we collaborate. Our work is enhanced through a network of dedicated employees, community organizations, Best Buy business partners, philanthropic supporters and customers.

Progress toward our goals.

- At the end of FY23, the Best Buy Foundation supported a network of **52 Best Buy Teen Tech Centers™**, on track to meet a **goal of 100 locations by 2025**.
- Since 2020, Best Buy and the Best Buy Foundation have allocated **more than $13 million** to expand college preparation and career opportunities for students from disinvested communities, increasing scholarship funding. We are on track to meet our commitment to spend $44 million by 2025.
- In FY23, the Best Buy Foundation expanded opportunities for teens in the Twin Cities through **$2.8 million** in grants to Best Buy Teen Tech Centers and continued hometown giving to support young people in accessing technology and preparing for tomorrow's tech-reliant careers.

Best Buy Teen Tech Centers™.

The Best Buy Foundation™.

The Best Buy Foundation is a 501(c)(3) organization founded to support opportunities for teens in disinvested communities and to promote thriving communities in the areas where Best Buy employees work and live.

Originally established in 1994 as the Best Buy Children's Foundation, the Best Buy Foundation has grown to support nonprofit organizations across the country that align with the company's focus on supporting teens from disinvested communities in building brighter futures through technology. The Foundation also supports nonprofits in the Minneapolis-St. Paul metro area that contribute to the vibrancy of the metro area where Best Buy and the Best Buy Foundation are headquartered.

In FY23, Best Buy Foundation programming reached more than **50,000 young people**.

Best Buy Teen Tech Centers.

The Best Buy Teen Tech Center program is the Best Buy Foundation's signature initiative.

Best Buy Teen Tech Centers are safe, after-school learning environments located in disinvested communities, equipped with cutting-edge technology where teens can develop critical skills through hands-on activities that explore their interests in tech-reliant careers such as coding, robotics, filmmaking, music production, graphic design and more. Each location works to bridge the digital divide by giving youth access to tech education, mentors to build confidence and a foundation of skills for school and career success.

The learning model.

Best Buy Teen Tech Centers utilize a learning model developed by Boston-based nonprofit The Clubhouse Network in collaboration with experts from the Massachussets Institute of Technology (MIT) Media Lab. The learning model guides all aspects of the program — from the programming to the design of the physical space. The model focuses on four key tenets:

- Projects: Encouraging young makers and doers to ideate, create, and iterate.
- Passions: Providing opportunity for teens to work on projects that fuel their passions.
- Peers: Fostering creativity through collaborative, peer-to-peer learning.
- Play: Supporting risk-taking and celebrating failure as part of the process.

The approach is grounded in the fields of education, developmental and school psychology, cognitive science and youth development. It builds on research around the role of motivation in the learning process and the value of social interactions. It also leverages new technologies to support a variety of learning experiences and aims to engage young people through the combination of technology and the arts.

Best Buy Teen Tech Centers.

Indicators of success.

Between May and December of 2022, the Best Buy Foundation partnered with an external evaluator to survey a subset more than of 500 teens from across the country, asking them about their experiences at Teen Tech Centers. Results from this survey highlighted similar results to pre-pandemic numbers:

Best Buy Teen Tech Centers are appealing.

- 81% of teens visit their local Best Buy Teen Tech Center at least once a week.

Best Buy Teen Tech Centers provide a safe space.

- 93% of teens believe their Best Buy Teen Tech Center engagement helped foster a sense of connection with their community.

Best Buy Teen Tech Centers are helping build brighter futures.

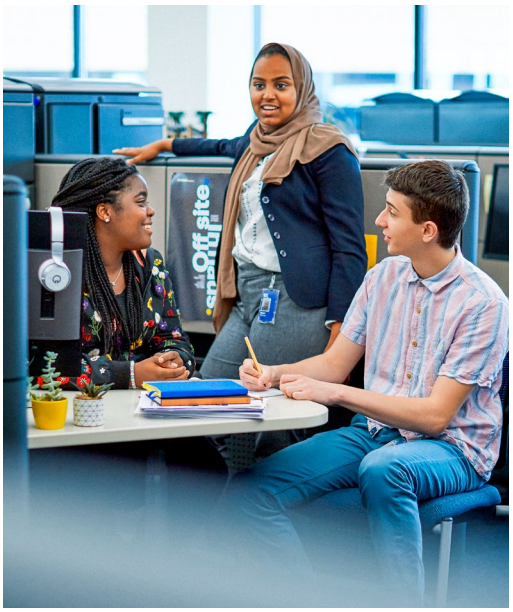
- 96% of teens reported that their Best Buy Teen Tech Center involvement made them more confident that they will be successful in their future career.

50th Best Buy Teen Tech Center.

In August 2022, Best Buy and the Best Buy Foundation celebrated the opening of the 50th Best Buy Teen Tech Center, a major milestone toward our goal of supporting 100 locations by 2025. Damien Harmon, senior executive vice president, channel and customer experiences and enterprise services at Best Buy, and his wife, Katy, sponsored the center, which is located in Damien's hometown of Gary, Indiana.

Read more about the 50th Best Buy Teen Tech Center.

Best Buy Teen Tech Centers.



Career Pathways and workforce readiness programming.

Best Buy Teen Tech Centers offer youth the opportunity to explore technology and learn about careers they never knew existed. Through career panels, local company tours and engagement with professional mentors, teens gain a deeper understanding of the many "behind the scenes" jobs in their local communities and beyond.

Many Best Buy Teen Tech Centers offer a formal Career Pathways program that helps build a bridge to the post-high school world. Small cohorts of teens gather regularly to learn technical skills such as coding, film production, digital marketing and app development. Teens engage with mentors who have subject matter expertise and professional experience, to develop workforce readiness skills — including interviewing and resume writing, communicating with peers and supervisors, and learning how to dress professionally.

For many teens, visits to Teen Tech Centers can turn into something greater. Career Pathways supports teens though paid internship opportunities at Best Buy or elsewhere.

The Best Buy Foundation provides Teen Tech Centers with an annual grant to staff and run the program, along with funding to a slate of national partner organizations to lead technical and career skills training.

Relationships with program staff are essential to Pathways success.

The Career Pathways program relies on dedicated full-time staff facilitators who play a multi-faceted role, including developing organizational relationships; customizing and providing curricula; and supporting youth growth, needs and engagement. Facilitators play a big role in creating a welcoming environment and in helping youth develop skills and explore their passions.

Career Pathways National Partners.

Each year, Best Buy Teen Tech Centers that offer Career Pathways programs are matched with national partner organizations to deliver industry-relevant skills workshops and training to youth participants. Programming may be short format (typically six weeks) or long format (typically three months), allowing sites the flexibility to tailor the program for their local needs. In the 2022-23 school year, some of the Career Pathways national partner programs focused on helping teens offer digital mentorship to senior citizens, explore STEM careers through gaming, learn the latest in computer coding and take on their own entrepreneurial ventures.

Best Buy Teen Tech Centers.

Los Angeles Community Impact Hub.

In Los Angeles County, the Best Buy Foundation is partnering with a network of philanthropic, private, public, and community organizations to collectively address underrepresentation and technology inequities in the region, particularly in the creative economy and entertainment industry.

The Community Impact Hub launched in 2021, in collaboration with founding partners The Annenberg Foundation and the Greater LA Education Foundation. The Hub leverages the programmatic benefits of Best Buy Teen Tech Centers at scale, with 12 centers in Los Angeles County planned by 2025. At the end of FY23, three Best Buy Teen Tech Centers were open and serving youth in Los Angeles County, with nine additional sites under development.

Los Angeles-based Teen Tech Centers partner with other Hub organizations to create localized career development programs, internships and scholarships. Organizations like the Entertainment Industry Foundation and Banijay Americas provide educational opportunities like seminars and job-shadowing with top producers, directors, editors and writers.

Best Buy Teen Tech Centers.

At Best Buy, our employees, customers, vendors and philanthropic partners support the Best Buy Foundation's vision to build brighter futures for teens — in a variety of ways.

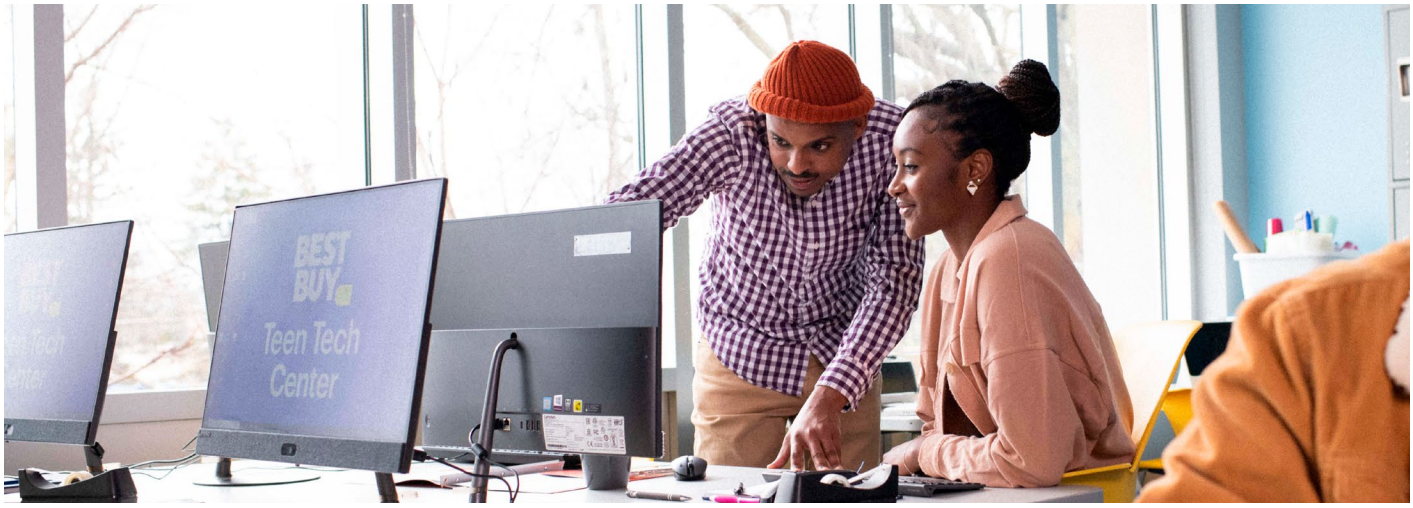
Mentor Moments marketing campaign.

Launched in May 2022, a new nationwide Best Buy ad campaign featured teens from Best Buy Teen Tech Center locations and the mentors helping them pursue their dreams.

The "Mentor Moments" campaign highlighted three pairs of teens who participate in Best Buy Teen Tech Center programs around the U.S. and their relationships with their Best Buy Teen Tech Center staff coordinators. The campaign ran on national TV, as well as within Best Buy social media channels.

In March of 2023, the campaign received Gold and Bronze awards in two Corporate Social Responsibility-related categories at the Minnesota Ad Fed Awards. In May of that same year, the campaign received the Golden Halo Award in the category of Best Social Impact Video from Engage for Good. The Halo Awards are the highest honors for corporate social impact initiatives engaging customers or employees.

Power of partnerships.



Best Buy customer fundraising.

Between May 1 and Oct. 1 of FY23, Best Buy customers contributed more than **$7.5 million** to the Best Buy Foundation in support of programs like Best Buy Teen Tech Centers. Customers had the ability to add a donation to their purchases both in stores and online.

"It is inspiring to see our customers show up in a big way year after year to support this important cause. Best Buy Teen Tech Centers are providing access, inspiration, and opportunity for young people in the communities that need it most. Contributions like these will help support our work and ensure that even more teens across the country have the resources to pursue their dreams."

— Andrea Wood, vice president of social impact

Power of partnerships.

Give-back events.

Best Buy facilitated two give-back events with select vendors in FY23, in which a portion of the sales of select items was donated to the Best Buy Foundation in support of programs like Best Buy Teen Tech Centers.

In the spring of FY23, six Best Buy vendor partners participated in a give-back event where a portion of sales of select products was donated. During the back-to-school season, a second, exclusive give-back event was also held.

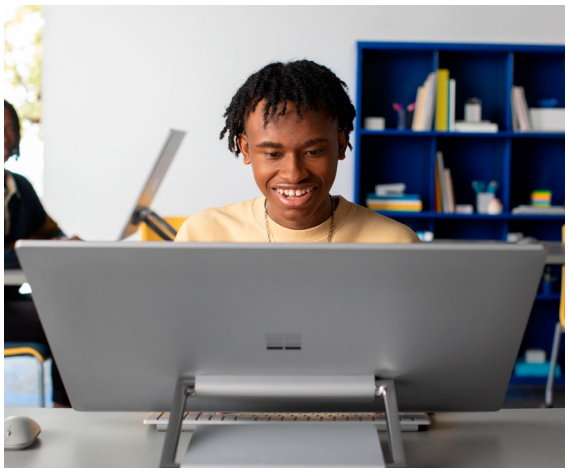
Best Buy Teen Tech Center co-investment partners.

The Teen Tech Center model relies on a co-investment structure in which the Best Buy Foundation and a presenting sponsor each donate funding to bring a Teen Tech Center to a new location. Teen Tech Center presenting sponsors include both brands that have a business relationship with Best Buy and locally-focused philanthropic organizations, all of whom share in the Foundation's mission to address tech equity in historically disinvested communities through strategic and sustainable partnership. Sponsoring a Teen Tech Center demonstrates a long-term commitment to positive change in the community, provides opportunities for employee volunteerism, and offers a unique employment pathway between Teen Tech Centers and local employers.

Technology and programming partners.

Each Teen Tech Center is outfitted with a package of state-of-the art technology that is regularly updated and refreshed with help from Best Buy business partners. The professional-grade tech, much of which is donated by Best Buy's vendor partners, lets teens make, create and innovate while also learning key tech skills that can be used in school, careers and beyond.

In addition to providing financial or technology investments, many organizations provide short- or long-term learning opportunities for Teen Tech Center youth. This allows them to apply their skills and gain real-world connections into organizations where they may be interested in future employment.



Teen Tech Center locations.

At the end of FY23, the Best Buy Foundation supported 52 Best Buy Teen Tech Centers, on a path to support 100 locations by 2025.

Alabama:
The Best Buy Teen Tech Center at Wallace Community College – 3000 Earl Goodwin Pkwy., Selma, AL 36703

Arizona:
The Best Buy Teen Tech Center at the Boys & Girls Clubs of the Valley - Jerry Colangelo Branch – 1755 N 34th Ave., Phoenix, AZ 85009

California:
The Best Buy Teen Tech Center powered by Meta at the PF Bresee Foundation – 184 S Bimini Place, Los Angeles, CA 90004

The Best Buy Teen Tech Center powered by Sony at the Boys & Girls Club of San Marcos – 1 Positive Place, San Marcos, CA 92069

The Best Buy Teen Tech Center powered by Google.org at Movimientos de Arte y Cultura Latino Americana – 510 S 1st St., San Jose, CA 95113

The Best Buy Teen Tech Center powered by JBL at Legacy LA – 1350 San Pablo St., Los Angeles, CA 90033

The Best Buy Teen Tech Center powered by Logitech at the Boys & Girls Clubs of San Leandro - Marina Unit – 401 Marina Blvd., San Leandro, CA

The Best Buy Teen Tech Center powered by Meta at the Boys & Girls Clubs of the Peninsula - Moldaw-Zaffaroni – 2031 Pulgas Ave., East Palo Alto, CA 94303

The Best Buy Teen Tech Center powered by the Annenberg Foundation at Vermont Slauson Economic Development Center – 1130 W Slauson Ave., Los Angeles, CA 90004

Colorado:
The Best Buy Teen Tech Center at Gold Crown Enrichment – 150 S Harlan St., Lakewood, CO 80226

Connecticut:
The Best Buy Teen Tech Center at the YMCA of Greater Hartford - Wilson-Gray Club – 444 Albany Ave., Hartford, CT 06120

Florida:
The Best Buy Teen Tech Center at HANDY Inc. – 501 NE 8th St., Fort Lauderdale, FL 33304

The Best Buy Teen Tech Center powered by Premium Retail at the Boys & Girls Clubs of Central Florida - JRL Eatonville – 400-B Ruffel St., Eatonville, FL 32751

Georgia:
The Best Buy Teen Tech Center at the Atlanta-Fulton County Library - Central Library – One Margaret Mitchell Square, Atlanta, GA 30303

Indiana:
The Best Buy Teen Tech Center powered by Klipsch at the Martin Luther King Community Center – 40 W 40th St., Indianapolis, IN 46208

The Best Buy Teen Tech Center powered by the Damien & Katy Harmon Foundation at the Boys & Girls Clubs of Greater Northwest Indiana – 2700 W 19th Ave., Gary, IN 46404

Kentucky:
The Best Buy Teen Tech Center powered by GE Appliances at the YMCA of Greater Louisville – 1700 W Broadway, Louisville, KY 40203

Louisiana:
The Best Buy Teen Tech Center at the New Orleans Public Library Main Branch – 219 Loyola Ave., New Orleans, LA 70112

Massachusetts:
The Best Buy Teen Tech Center powered by iRobot at The Flagship Clubhouse – 2107 Washington St., Boston, MA 02119

Michigan:
The Best Buy Teen Tech Center at the Detroit Hispanic Development Corporation – 1211 Trumbull Ave., Detroit, MI 48216

Minnesota:
The Best Buy Teen Tech Center at the Hennepin County Library - Minneapolis Central Branch — 300 Nicollet Mall, Minneapolis, MN 55401

The Best Buy Teen Tech Center at Brian Coyle Center — 420 15th Ave. S, Minneapolis, MN 55454

The Best Buy Teen Tech Center at Hope Community — 611 E Franklin Ave., Minneapolis, MN 55404

The Best Buy Teen Tech Center at Keystone Community Center — 1150 Selby Ave., St. Paul, MN 55104

The Best Buy Teen Tech Center powered by the Richard M. Schulze Family Foundation at the St. Paul Downtown YMCA — 21 4th St. E, St. Paul, MN 55101

The Best Buy Teen Tech Center at CLUES — 797 7th St. E, St. Paul, MN 55106

The Best Buy Teen Tech Center powered by Koch Trucking at Summit Academy OIC — 935 Olson Memorial Hwy., Minneapolis, MN 55405

The Best Buy Teen Tech Center powered by the Joly Family Foundation at The Capri — 2027 W Broadway Ave., Minneapolis, MN 55411

The Best Buy Teen Tech Center powered by EY and the Lenzmeier Family Foundation at the Boys & Girls Club of the Twin Cities - Jerry Gamble Club – 2410 Irving Ave. N, Minneapolis, MN 55411

The Best Buy Teen Tech Center powered by Premium Retail at the Boys & Girls Club of the Twin Cities - Richfield Middle School – 7461 Oliver Ave. S, Richfield, MN 55423

Missouri:
The Best Buy Teen Tech Center powered by Premium Retail at the Boys & Girls Clubs of Greater St. Louis - Herbert Hoover Club – 2901 N Grand Ave., St. Louis, MO 63110

The Best Buy Teen Tech Center powered by the T-Mobile Foundation at the YMCA of Greater Kansas City - N Kansas City – 1999 Iron St. N, Kansas City, MO 64116

Nevada:
The Best Buy Teen Tech Center at the Clark County Library – 1401 E Flamingo Rd., Las Vegas, NV 89119

New York:
The Best Buy Teen Tech Center powered by the Joly Family Foundation at the Brooklyn Public Library - Kings Highway Branch – 2115 Ocean Ave., Brooklyn, NY 11229

The Best Buy Teen Tech Center at Grand St. Settlement - Essex Crossing – 1 68 Broome St., New York, NY 10002

North Carolina:
The Best Buy Teen Tech Center powered by Atrium Health at the YMCA of Greater Charlotte - McCrorey YMCA – 3801 Beatties Ford Rd., Charlotte, NC 28126

Ohio:
The Best Buy Teen Tech Center powered by Regency Technologies at the Cleveland Public Library - Rockport Branch – 4421 W 140th St., Cleveland, OH 44135

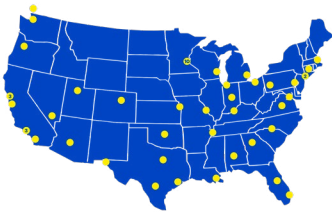
Oklahoma:
The Best Buy Teen Tech Center powered by Jasco at the Boys & Girls Club of Oklahoma County - Northeast Club – 3806 N Prospect, Oklahoma City, OK 73111

Oregon:
The Best Buy Teen Tech Center at the Oregon Museum of Science & Industry – 1945 SE Water Ave., Portland, OR 97214

Pennsylvania:
The Best Buy Teen Tech Center at Phase 4 Learning Center – 5850 Centre Ave., Pittsburgh, PA 15206

The Best Buy Teen Tech Center at the Greater Philadelphia YMCA - Columbia North YMCA – 1400 North Broad St., Philadelphia, PA 19121

Tennessee:
The Best Buy Teen Tech Center at Knowledge Quest – 900 College Park Dr., Memphis, TN 38126



Texas:
The Best Buy Teen Tech Center powered by Samsung Electronics America, Inc. at the Juanita J Craft Recreation Center – 4500 Spring Ave., Dallas TX, 75210

The Best Buy Teen Tech Center at Family Services Association - The Neighborhood Place – 3014 Rivas St., San Antonio, TX 78228

The Best Buy Teen Tech Center at the Boys & Girls Club of Greater Houston - Morefield Club – 5950 Selinsky Rd., Houston, TX 77048

The Best Buy Teen Tech Center powered by the Eva Longoria Foundation at Project Vida – 3607 Rivera Ave., El Paso, TX 79905

Utah:
The Best Buy Teen Tech Center powered by Progressive Leasing at Promise South Salt Lake - Columbus Center – 2531 S 400 E, South Salt Lake City, UT 84115

Virginia:
The Best Buy Teen Tech Center powered by Meta at C4K – 945 2nd St. SE, Charlottesville, VA 22902

Washington:
The Best Buy Teen Tech Center powered by Meta at the Boys & Girls Clubs of Bellevue – 15228 Lake Hills Blvd., Bellevue, WA 98007

Washington, D.C.:
The Best Buy Teen Tech Center at the Boys & Girls Club of Greater Washington - FBR Club @ THEARC – 1901 Mississippi Ave. SE, Washington, D.C. 20020

Wisconsin:
The Best Buy Teen Tech Center at the Boys & Girls Clubs of Greater Milwaukee - Mary Ryan – 3000 N Sherman Blvd., Milwaukee, WI 53210

Vancouver, Canada:
The Best Buy Teen Tech Center at the Boys & Girls Clubs of South Coast BC - Hillside Club – 2875 St. George St., Vancouver, BC V5T 3R8

Grantmaking.

As a private, nonoperating 501(c)(3) organization, the Best Buy Foundation conducts its work through a grant portfolio that supports nonprofit organizations across the country that align with the company's focus on supporting teens from disinvested communities in building brighter futures through technology. Foundation grants also support nonprofits in the areas where Best Buy employees live and work and contribute to the vibrancy of the Minneapolis-St. Paul metro area.

In FY23, the Best Buy Foundation awarded more than **$13 million** in grants to communities around the country.

Best Buy Teen Tech Center-related grantmaking.

Best Buy Teen Tech Centers.

Teen Tech Center grants are awarded to local nonprofit partners that host Teen Tech Center locations. Grants are awarded in areas that include construction and outfitting new locations, remodeling existing locations, staffing Teen Tech Center coordinators and Career Pathways mentors, and training and technology needs.

In FY23, the Best Buy Foundation awarded grants to current and future Best Buy Teen Tech Center locations and the program's implementation partner The Clubhouse Network. Total Best Buy Teen Tech Center-related giving surpassed **$6.5 million** in FY23. A full list of the current Best Buy Teen Tech Center locations and their host nonprofit organizations can be found on Page 79.

National Partner Career Pathways Grants.

National Partner grants are awarded to national nonprofit organizations that provide the curriculum and resources for the Career Pathways program.

In FY23, the Best Buy Foundation awarded more than **$2 million** via grants to 11 national partners.

Grantmaking.

Twin Cities Fund.

Twin Cities Fund grants are awarded to organizations that serve the seven-county Minneapolis-St. Paul metro area. Grants are awarded in the areas of Arts & Culture, Career Pathways, Teens & Technology and Capital Grants. Most Twin Cities Fund grants are directed by a subcommittee of the Best Buy Foundation composed of leaders from across Best Buy, except for Capital Grants, which are directed by the Best Buy Foundation Board of Directors. The Fund considers proposals from nonprofit organizations, emphasizing those that engage Best Buy employees in volunteer efforts.

- **$470,000 in Arts & Culture grants**: The Foundation awarded 33 Arts & Culture grants to provide general operating support to organizations with proven outreach programs serving broad audiences.
- **$725,000 in Career Pathways grants:** The Foundation awarded 23 Career Pathways grants to support programs that provide tech and workforce readiness skills that may help teens obtain a degree or credential, achieve self-supporting wages, or facilitate opportunities for further education and career advancement.
- **$525,000 in Teens & Technology grants:** The Foundation awarded 22 Teens & Technology grants to support programs that encourage teens to learn, experiment with the latest technologies, develop skills and experiences to help them succeed in their careers and contribute to their communities. Programs provide staff, curriculum and materials for out-of-school programming that utilizes cutting-edge technology.
- **$1.6 million in Capital Grants:** The Foundation awarded 11 larger Capital Grants to provide organizations focused on Teens & Tech and Arts & Culture programming with capacity building, technology and brick-and-mortar support.

Seattle Fund.

$100,000 in eight grants through the Seattle Fund.

In FY23, the Foundation awarded eight grants to Seattle-based nonprofits in the community surrounding Best Buy's Seattle Tech Office in support of programs in the areas of Career Pathways and Teens & Technology. The Seattle Fund is directed by a subcommittee of the Best Buy Foundation composed of local Best Buy leaders from across the Seattle metropolitan area.

Best Buy Co., Inc. social impact.

Best Buy Co., Inc. social impact giving programs prioritize support for organizations that align with the Foundation's charitable giving focus areas, including providing teens access to technology and career-development programs, and contributing to the vibrancy of the Minneapolis-St. Paul metro area. Unlike Best Buy Foundation programs, Best Buy Co., Inc. social impact programs may be related to strategic company programs or may support the Best Buy employee experience.

Best Buy scholarships.

Scholarships provide financial support to enable teens (especially those who have attended Best Buy Teen Tech Center locations and other strategic partners specializing in college and career readiness programs) to attend post-secondary institutions and obtain a degree.

As a part of our commitment to expand college prep and career opportunities, we are adding scholarships for Historically Black College and University (HBCU) students and increasing scholarship funding for Teen Tech Center youth via a growing scholarship portfolio. Since 2020, **we have allocated more than $13 million to expand college preparation and career opportunities for students from disinvested communities**, including increasing scholarship funding. We are on track to meet our goal to spend $44 million by 2025.

United Negro College Fund (UNCF): Through a partnership with UNCF, students who receive Best Buy scholarships can attend a variety of post-secondary institutions, including traditional four-year universities and technical and community colleges. UNCF provides scholarship assistance, wrap-around student support services, and professional development opportunities for scholars.

In FY23, UNCF, Best Buy and the Best Buy Foundation partnered to deepen the connections between youth attending Best Buy Teen Tech Center locations and HBCUs by developing webinars for interested teens.

Best Buy Co., Inc. social impact.

Carlson School of Management: An endowed fund at the University of Minnesota's Carlson School of Management in Minneapolis supports young people interested in pursuing business-related careers with the education and on-the-job experiences needed to achieve their goals.

Carlson proactively provides case management services to scholars to help them address barriers that may be impacting their studies, and connects students with industry professionals and mentorship opportunities. Scholars are prioritized for paid internships at Best Buy's corporate headquarters.

College of Saint Benedict: The Barry Family/Best Buy Scholars program launched this year in partnership with the family of Best Buy CEO Corie Barry and the College of Saint Benedict (St. Ben's) in St. Joseph, Minnesota. The program's aim is to attract and support students from Best Buy Teen Tech Center locations to attend the college.

Corie Barry is a 1997 graduate of St. Ben's and a trustee on the Common Boards of the College of Saint Benedict and Saint John's University. The Barry Family/Best Buy Scholars program expands the impact of the Barry family's financial and personal investments in the college

The new scholars program awarded scholarships to its first cohort in the spring of 2023 for use in the school year starting in the fall of 2023, and it provides four-year renewable scholarships of up to $20,000 per year to four students annually. Priority is given to students who are a current or past participant of a Teen Tech Center as well as to teens participating in a Best Buy Foundation strategic partner organization.

Engagement with Historically Black Colleges and Universities.

In addition to our HBCU scholarship program, we also partner with HBCUs to help close digital literacy and tech access gaps, to support the career development of HBCU students, and to strengthen Best Buy's talent network.

Esports Innovation Lab: In FY23, we provided a donation to Southern University in Baton Rouge, LA, an HBCU, to purchase gaming equipment, computers and other audio-visual technology to outfit their new Esports Innovation Lab. This innovation space serves the undergraduate campus, law school and local K-12 community. The Lab will host esports (electronic sports) competitions and will serve as a digital classroom with year-round tech programming. Through this collaboration, we are helping address tech equity and advancing career opportunities in the esports and gaming industry.

The Higher Learning Leadership Consortium: In June FY23, we co-founded The Higher Learning Leadership Consortium, along with HP, Diageo and T-Mobile. The Consortium brings together more than 30 leaders from the HBCU community, along with private and public sector peers with the goal to accelerate the careers of HBCU graduates through a focus on career guidance, facility and technology infrastructure upgrades, and new financial models for sustainable growth.

Employee community engagement.

Geek Squad Academy.

The Geek Squad Academy (GSA) program facilitates short, high-impact camps for middle school-aged students. The program sparks excitement and interest in tech through a series of high energy, interactive classes on topics such as robotics, music production and coding. Classes are led by local Best Buy employees.

The program started in 2007 when several Geek Squad Agents piloted programs in the Midwest to teach high school students how to build their own computers. During the pilot, a woman Agent looked at the local technical education market and realized none of the programs was designed for young women. She decided to change this, and in the summer of 2007, a weekend "PC build" in Chicago was replaced with a week-long technology camp for girls — and the first GSA was born. In the years since, the program has expanded across markets and extended to include both young women and young men. More than 100 cities and military bases across the U.S. and Canada have participated in GSA events.

In FY23, the GSA program hosted 32 camps and events, allowing more than 1,000 youth between the ages of 9 and 18 to become "Junior Geek Squad Agents" though hands-on experiences with some of the newest and coolest technology, including brand new curriculum focused on learning through video game design. Camps are offered in two different lengths to allow for a wider variety of nonprofit organizations across the country to host the program: full-scale camps host 100-200 students over two days, and mini-camps host 20-60 students over a single day. This year's season was supported by more than 300 Best Buy employees. This was the first full in-person GSA season since the COVID-19 pandemic.

Employee community engagement.

Blue Gives Back.

Blue Gives Back is Best Buy's community and employee engagement program, focused on helping Best Buy employees deepen relationships in their community by supporting programming that increases access to technology, as well as tech training for teens from disinvested communities. The program consists of three major components:

Community programming: Best Buy partners with mission-aligned and nationally recognized curriculum partners to provide programming that can be implemented in nonprofit host organizations across the country. In FY23, a pilot of this program matched nonprofit organizations with one of four national curriculum partners for a multiweek tech programming opportunity. Through these programs, our partners focused on teaching teens how to be digital mentors for senior citizens, as well as learn digital marketing and coding skills.

Volunteer toolkit: To prepare employees to volunteer on behalf of Best Buy, whether in a dedicated Blue Gives Back community program or at a different employee event, Best Buy developed a training that provides a foundational understanding on topics that empower employees to become better partners in their communities. Launched in FY23, the toolkit encompasses web-based courses and a resource library that covers subjects like cultural collaboration, managing and planning volunteer events, safety and well-being, and navigating Best Buy's community resources.

Volunteer and donation match: In FY23, we launched a volunteer match program that financially supports nonprofit organizations where Best Buy employees volunteer. For every 10 hours a Best Buy employee volunteers at a qualifying nonprofit, Best Buy donates $100 to that organization, with a maximum donation of $1,000 per employee. Best Buy employees can also volunteer in teams for an added incentive: volunteer events with 10+ employees are eligible for an additional $500 grant.

Additionally, Best Buy offers a 40% match on reported employee donations to qualifying nonprofit organizations.

In FY23, employees logged $2 million in donations which, when coupled with the company match, resulted in $2.7 million in donations to more than 2,000 nonprofits.

FY23 volunteer and donation match

$2.7 million in employee donations and company match	**24,000** employee volunteer hours logged
2,000 nonprofits supported	**392** employee volunteer events

Employee community engagement.

HOPE Fund.

In partnership with The Richard M. Schulze Family Foundation, the HOPE Fund — which stands for Helping Our People in Emergencies — helped more than 600 Best Buy employees experiencing financial hardship in FY23 by distributing more than **$1.2 million** in aid. The HOPE Fund supports employees in hardship situations and provides them with the opportunity to receive up to $2,500 in financial assistance.

St. Jude campaign.

Best Buy has supported St. Jude Children's Research Hospital® through the annual *Thanks and Giving*® Campaign since 2013. During the 2022-2023 holiday season, customers donated more than **$15 million**, making it our seventh consecutive year as the top corporate fundraising partner. To date, Best Buy has facilitated more than $160 million in donations for St. Jude, and Best Buy employees have also participated in St. Jude walk/run events in support of the organization.

Governance.

Corporate Governance.

The Board of Directors of Best Buy is committed to good corporate governance practices and a sound governance structure that enables the success of our strategy and business objectives, is rooted in a robust ongoing dialogue with our shareholders, and is inspired by best practices. Our policies and practices include the following:

Board structure

- Lead Independent Director (at times when our Chair is not independent)
- Annual Director elections
- Robust annual Board evaluation process
- Majority vote for Directors
- All independent committees
- No Director-related party transactions
- Director overboarding policy
- Director retirement policy

Shareholder rights

- No cumulative voting rights
- No poison pill
- Proxy access by-laws
- No exclusive forum/ venue or fee-shifting provisions
- No supermajority voting requirements in our Articles of Incorporation

Compensation

- Pay-for-performance compensation programs
- Annual Say-on-Pay vote
- Anti-hedging and Anti-pledging policies
- Clawback policy for both cash and equity awards
- Stock ownership guidelines for Directors

Director Tenure

0-3 years

4-6 years

7+ years

Independence

11 of 12 directors are independent, including the Board chair

The Board seeks a wide range of experience, skill sets and diverse perspectives to support our long-term strategic goals. More can be found in our FY23 Proxy Statement and Corporate Governance Principles at investors.bestbuy.com.

Data current as of June 14, 2023.

Corporate Governance.

Executive Compensation — Short-Term Incentive program.

The Best Buy Board of Directors believes the best way to create long-term shareholder value is for our company to be mindful of our impact on all our stakeholders — employees, customers, shareholders, vendors, and communities where we live and work.

In FY23, we modified our executive compensation to incorporate environmental and social performance alongside our company's financial and operating performance. One part of our CEO and her direct reports' Short-term Incentive (STI) program was a discretionary component based on progress toward our most material ESG metrics, including Environmental, ID&E and Social Impact.

Based on the importance that our stakeholders place on this work, the decision was made to extend these STI metrics to all employees at vice president level and above (approximately 100 leaders) in the U.S. in FY24.

"We strongly believe that one of the best ways to ensure the ongoing success of our company is to invest in our people, communities and planet at all levels of our organization. The decision to update our executive Short-term Incentive program to include metrics around ESG initiatives underscores this commitment to creating shareholder value. Additionally, every committee of the Board plays a role in integrating Best Buy's efforts around corporate citizenship into our business decisions."

— Todd Hartman, general counsel and chief risk officer

ESG Governance.

Our ESG governance starts at the highest level of our company. Given the depth and breadth of risks relating to these matters, we share oversight and responsibility for such risks across the entire Board and all of its committees, leveraging the expertise of each member.

- The Nominating, Corporate Governance and Public Policy Committee oversees Best Buy's governance, ESG strategy and reputational risks by way of quarterly discussions with management on our environmental goals and progress, social responsibility programs, and public policy positions and advocacy.
- The Audit Committee plays a significant role in the oversight of relevant risks related to compliance, including ethics and environmental and safety audits.
- The Compensation Committee oversees Best Buy's human capital management and ID&E related risks through a rigorous regular review of our strategies and programs. The committee continues to evaluate how to appropriately incorporate ESG metrics into its Executive Compensation program, included on Page 89.
- The Finance & Investment Policy Committee focuses on the risks of our ESG-related financial investments, such as our solar energy investments.

Ethics.

For more than 50 years, Best Buy has been a purposeful, values-driven, human organization. We are dedicated to serving our employees, customers, shareholders, vendors, and communities where we live and work, in an ethical manner. At Best Buy, we strive to do well by doing good.

An ethical culture.

Our culture is at the heart of everything we do, and we are committed to cultivating a more inclusive workplace and a speak up culture. We know we're better together.

Our partners.

We expect our suppliers, vendors and other third-party business partners to uphold the same high standards of business conduct as we do. These high standards are outlined in our Supplier Code of Conduct online at partners.bestbuy.com.

Ethics.

Our Code of Ethics encourages employees to do business with integrity and speak up when they see conduct that is inconsistent with our values and responsibilities. And it provides the resources to do so, including our independent, third-party operated Open & Honest Ethics Line, available 24/7, through which reports can be made anonymously.

Every year, our employees participate in a training about our Code of Ethics, which contains real-life examples of situations employees encounter to help guide their decision making. In FY23, employees received guidance about the type of details that are helpful to include when making a report, noting the range of corrective actions that may be taken when a report is substantiated. In addition, employees across the enterprise participated in anti-harassment training, further strengthening our ethical culture.

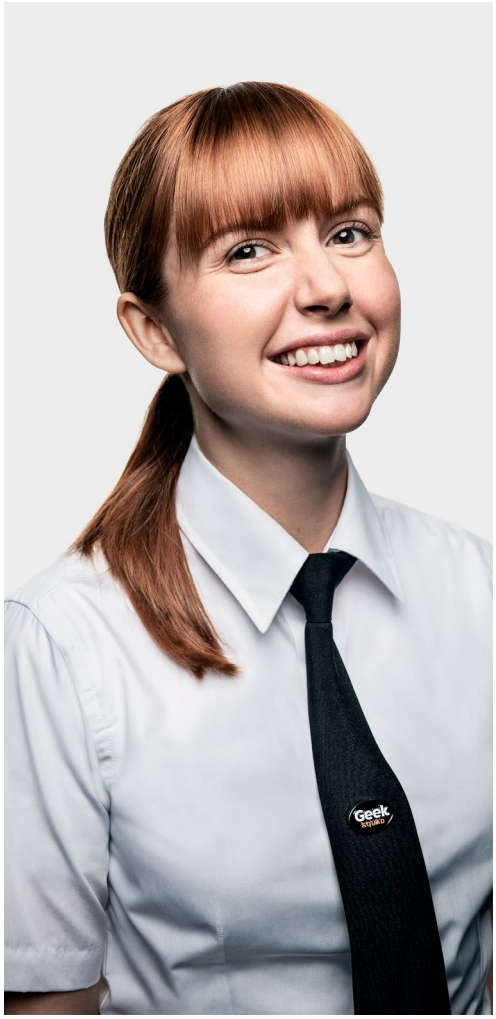
In FY23, we launched a new platform providing our employees with a more comprehensive conflict of interest disclosure process. Newly-hired employees are also greeted with a course on our Conflict of Interest policy, as well as a variety of other training modules aimed at fostering our ethical culture.

To help raise awareness and increase transparency, we are sharing the following FY23 information with employees and stakeholders:

Number of conduct-related reports raised by employees.....16,282

Percentage of reports categorized as allegations 69%

Percentage of reports categorized as inquiries.....31%



2023 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE

We are proud to be recognized by *Ethisphere* as one of the **World's Most Ethical Companies®** for the ninth time. We are one of only three retailers this year that received the honor, which considers issues such as culture, environmental and social practices, ethics and compliance activities, and diversity initiatives.

Health and safety.

Best Buy values the health and safety of employees and customers. Our goal is to reduce the potential for injuries to employees and customers, and minimize potential damage to property. We regularly review our safety and health programs and make adjustments. Only through the full engagement of all employees are we able to achieve this goal.

We take care of our employees, so they take care of our customers and our company. It starts with giving them the tools they need to avoid harm while doing their jobs. We train employees on how to take ownership of their safety at work through our "Own Your Safety" campaign, which includes how to properly use equipment, how to de-escalate tense situations and how to protect themselves in case of an active shooter event.

We also work to go above and beyond as an employer, by sending employees text messages when a natural disaster strikes to verify they are safe, shutting down stores threatened by civil unrest or severe weather, or offering financial help through the HOPE Fund, which is described on Page 86.

In FY23, we implemented and improved a variety of programs to support a safe working and shopping environment. We continue developing new safety protocols for powered industrial trucks, such as speed governance and guidelines for how fast vehicles travel based on employees' tenure, training and experience, as well as adding mirrors and blue lights as pedestrian warning systems. In our supply chain, we implemented a Safety Captain role in each of our locations. This role oversees the safety inspections and addresses employees' safety concerns on a local level. We also revamped our third-party safety assessment to include more inspection points.

Data privacy and security.

Securing customer information and honoring our privacy promises are core employee obligations at Best Buy, as highlighted in our Code of Ethics. Our customers entrust us with their information, and we seek to honor that trust through our cybersecurity and privacy practices.

Cybersecurity.

We recognize the importance of ensuring the ongoing safety and security of our data, systems and technology. To effectively address information security risk, we have established a dedicated information security team to assess, monitor and maintain our assets, while also responding to cyber-related incidents.

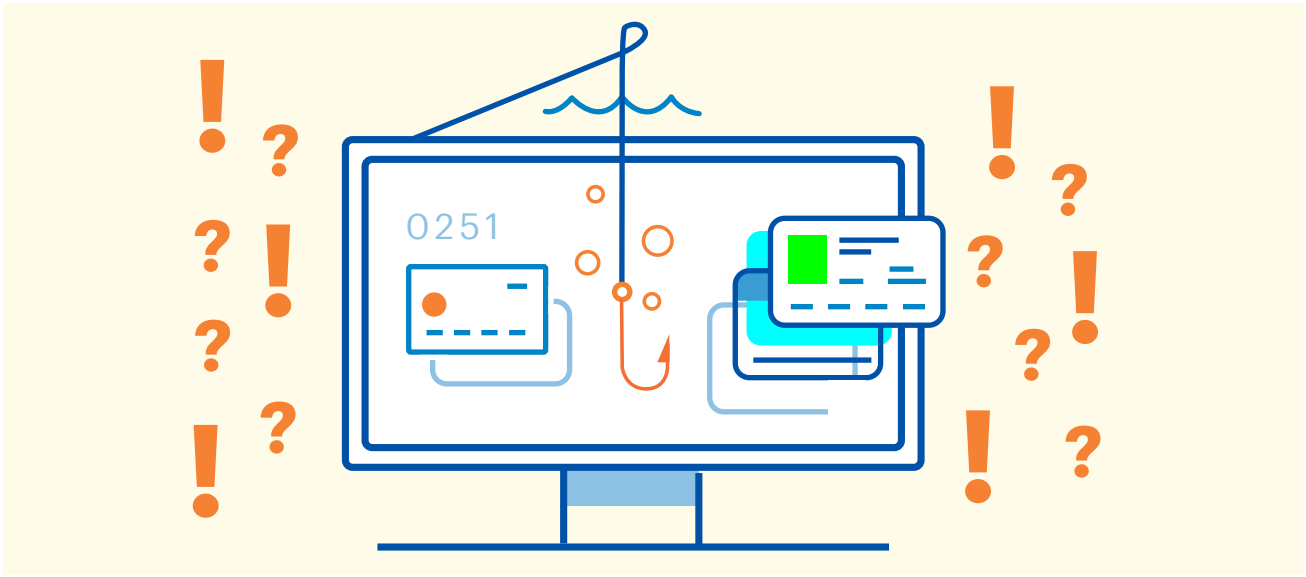
Our information security program, led by our Chief Information Security Officer (CISO), is designed around the industry-standard National Institute of Standards and Technology's Cyber Security Framework (NIST-CSF). We engage with outside expertise periodically to assist in the ongoing development of this program and are audited annually for compliance with Payment Card Industry Data Security Standards (PCI-DSS). The CISO updates our Board of Directors' Audit Committee no less frequently than quarterly on our program and cybersecurity matters.

We have a dedicated cyber threat intelligence team to ensure that we stay abreast of new and evolving cyber threats. Our teams are constantly evaluating our cyber risk and performing technical assessments against our systems to ensure our resilience. Our teams also monitor for newly released vulnerabilities, working quickly to understand applicability to our systems and performing mitigation where necessary.

We operate a suite of technical information security capabilities designed to protect our organization from and detect attempted attacks. Our cyber security operations and response teams are continuously monitoring for and responding to threats to keep our systems secure. We have a detailed and exercised response plan prepared to guide our response to major information security events.

We did not experience any material cyber incidents affecting Best Buy in FY23.

Data privacy and security.



Data privacy.

Best Buy's purpose is to enrich lives through technology, and we only collect, use or share personally identifiable information for that purpose. We also take steps to ensure that consumers can actively engage with us concerning their privacy. For example, the California Consumer Privacy Act (CCPA) grants California consumers a set of personal information options, including asking for access to the information a business has collected about the consumer or to delete certain information. Best Buy has extended the availability of these personal information options to all U.S. customers.

Consumers can learn more about our privacy practices on our dedicated Privacy pages on BestBuy.com.

Employee training.

Every year, all employees participate in Best Buy's security awareness program, Valuable Information Protection (VIP). VIP uses a variety of approaches to educate employees on information security and data privacy to foster a security-minded culture. VIP leverages traditional online training, incentivized engagement activities and targeted role-specific training based on responsibilities and risk level. We update VIP content continually to reflect current security and privacy challenges.

Our Phishing and Social Engineering Program is a critical component of our VIP efforts. Our strategy for preparing employees to serve as the critical line of defense against cybercriminals includes high-frequency simulation exercises, leadership accountability achieved through the regular sharing of simulation results and metrics, and immersive learning and engagement opportunities such as phishing simulation competitions and cybersecurity virtual escape rooms.

Product safety.

We expect the products we sell to work the way they're supposed to and be safe for our customers to use. We take pride in our company and the products we offer, and we take action on any potential safety hazards not just to ensure compliance, but because it's the right thing to do.

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

- General product safety compliance with various voluntary and mandatory standards.
- Hazardous substances through our Chemicals Management Program based on the IECQC 080000 standards.
- Energy efficiency programs.
- Radio-frequency interference compliances (FCC rules for radio noise and communications).

We assess our product categories for safety improvements on an ongoing basis. Product recall information can be found by searching "product recalls" at BestBuy.com or by calling 1-800-566-7498.

Because nothing is more important than our employees' and customers' safety, as we shared in last year's report, in April 2022 Best Buy voluntarily recalled certain models of Insignia air fryers in cooperation with the U.S. Consumer Product Safety Commission (CPSC) and Health Canada. The reason for the recall is that certain models can overheat, posing potential fire and burn hazards. Additional information can be found at BestBuy.com or the CPSC website.

Political activity.

Best Buy engages in the political process by developing and advocating public policy positions that directly impact our employees, customers, shareholders, vendors, and communities where we live and work. In line with our commitment to transparency, Best Buy discloses our efforts, priorities and any use of corporate funds for political purposes.

2022 public policy issues.

COVID-19: We supported policies recognizing Best Buy as an essential retailer of products and services to work, learn, entertain and cook at home. We also supported COVID relief legislation to promote the economic well-being, health and safety of businesses, employees and customers.

Cybersecurity, Data Privacy & Internet of Things: We supported policies to strengthen the nation's cyber infrastructure and committed to safeguarding customer data and ensuring a relationship with customers that better understands and serves their needs and interests.

Emerging Technologies & Innovation: We supported policies that allow for the expansion of telehealth and the emergence of new, innovative technologies and products that improve consumers' lives.

Environmental Sustainability: We promoted the responsible recycling of electronic waste, and promoted policies that encourage energy efficient design, innovation and use.

Fair Competition: We supported review and modernization of antitrust laws to ensure applicability to large technology platforms, and supported efforts to curb organized retail crime and counterfeits, including increasing transparency of online marketplace sellers. Continued to advocate for increased competition in the payments ecosystem and expanded interchange reforms to credit cards to reduce "swipe fee" expenses.

Political activity.

Health: We supported coverage and payment policies that allow the home to be a site of care for health systems and providers.

Social Justice: We supported policies that advance comprehensive immigration reform, racial equity, education and apprenticeships, and sustainability. We are committed to the belief that every American deserves a voice in democracy and supported bipartisan legislation that promotes and ensures voting is accessible to all.

Supply Chain & Infrastructure: We supported investments to the nation's multimodal infrastructure and the free flow of commerce while promoting a safe and secure supply chain.

Tax: We supported retaining a fair and competitive corporate tax code and protecting against drastic corporate tax increases that disproportionately impact the retail industry.

Trade: We supported trade policies that address trade barriers disproportionally challenging to businesses. Responses to those unfair trade barriers should seek to minimize impacts to American consumers so as not to increase costs of tech products.

Workforce Issues: We supported policies that provide employers the flexibility to complement the modern workforce and attract and retain talent by offering competitive wages, benefits and flexible scheduling.

Political contributions.

Best Buy did not make any corporate political contributions directly to candidates in 2022. All contributions of more than $5,000 to political organizations are reviewed and approved by the Best Buy Contributions Steering Committee. These political organizations received equal funding totaling $100,000:

- Democratic Governors Association
- Republican Governors Association

Best Buy did not make any contributions that could be considered independent expenditures or that supported electioneering communications or ballot measures in 2022.

Best Buy maintains an employee-funded political action committee ("Best Buy Employee Political Forum"), and its activity can be viewed at FEC.gov for additional information.

Please see the Best Buy Political Activity & Government Affairs Policy and the Best Buy 2022 Political Activity Report for additional information on Best Buy's political activity and membership associations.

Membership associations.

- Alliance to Save Energy
- Attorney General Alliance
- Business for Social Responsibility
- Business Roundtable
- Ceres
- Clean Energy Buyers Association
- Consumer Technology Association
- Environmental Initiative – Minnesota Sustainable Growth Coalition
- Ethisphere
- Green Chemistry and Commerce Council
- Hispanic Association on Corporate Responsibility
- Human Rights Campaign
- International Consumer Product Health and Safety Organization
- Minnesota Business Coalition for Racial Equality
- Minnesota Business Partnership
- National Center for Electronics Recycling
- National Governors Association
- National Minority Supplier Development Council
- National Retail Federation
- Public Affairs Council
- Responsible Business Alliance
- Responsible Labor Initiative
- Responsible Minerals Initiative
- Retail Council Canada
- Retail Industry Leaders Association
- State Government Affairs Council
- State Legislative Leaders Foundation
- Sustainable Packaging Coalition
- U.S. China Business Council
- Women's Business Enterprise National Council
- World Business Council on Sustainable Development - Race to Zero: Retail Breakthrough Campaign

Appendix.

Environmental data.

Carbon data	CY21	CY22
Scope 1 emissions - direct emissions	257,049 $MTCO_2e$	236,269 $MTCO_2e$
Scope 2 emissions – indirect emissions (market-based)	131,875 $MTCO_2e$	114,658 $MTCO_2e$
Scope 2 emissions – indirect emissions (location-based)	257,641 $MTCO_2e$	265,649 $MTCO_2e$
Scope 3 emissions - other indirect emissions: Business travel: commercial air	12,152 $MTCO_2e$	15,577 $MTCO_2e$
Scope 3 emissions - other indirect emissions: Employee commute to/from Corporate Campus	668 $MTCO_2e$	2,395 $MTCO_2e$
Scope 3 emissions - other indirect emissions: Use of sold products*	24,143,208 $MTCO_2e$	21,444,872 $MTCO_2e$
Scope 3 emissions - other indirect emissions: Waste generated in operations	25,870 $MTCO_2e$	21,177 $MTCO_2e$
Total Scope 3 emissions - other indirect emissions *(business travel, employee commute, use of sold products, waste generated in operations)*	24,181,848 $MTCO_2e$	21,484,021 $MTCO_2e$
Energy consumption within the organization	Fuel consumption: 3,465,161,017,412,860 joules Energy consumption: 754,846 MWh Total Scope 1 and 2: 1,717,405 MWh	Fuel consumption: 3,544,963,200,000,000 joules Energy consumption: 752,294 MWh Total Scope 1 and 2: 1,737,006 MWh
Energy intensity (Scope 1 + Scope 2)**	0.0416 MWh/Sq Ft	0.424 MWh/Sq Ft
Reduction of energy consumption (Scope 1 + Scope 2)**	21,465 $MTCO_2e$ or 1.2% increase YOY	19,601 $MTCO_2e$ or 1.1% increase YOY
GHG emissions intensity (Scope 1 + Scope 2)**	0.012 $MTCO_2e$	0.012 $MTCO_2e$
Reduction of GHG emissions (Scope 1 + Scope 2)**	-14,036 $MTCO_2e$ or 2.7% decrease YOY	-12,772 $MTCO_2e$ or 2.5% decrease YOY
Reduction of GHG emissions (Scope 1 + Scope 2 market-based)	12,165 $MTCO_2e$ or 3% decrease YOY	-37,997 $MTCO_2e$ or 9.8% decrease YOY

* Emissions are calculated for the lifetime of the product when the product was purchased.

** Number does not include RECs.

Materials recycled	FY22 (lbs.)	FY23 (lbs.)
Paper	3,114,640	2,775,940
Cardboard	82,530,780	73,613,200
Plastic	2,667,537	2,710,582
Expanded polystyrene	5,484,640	5,170,991
Metal	199,991	174,720
Pallets	45,156,000	39,298,480
Totes	284,700	475,980
Single stream	6,492,000	5,212,445
Organics/compost	287,240	259,055
Large-equipment batteries	460,954	958,240
Other	212,640	63,620
Total recycling	**146,891,122**	**130,713,253**

SASB index.

The Sustainability Accounting Standards Board (SASB) provides a global disclosure framework to help business and investors develop a shared understanding of enterprise value and inform a wide range of decisions. We have provided relevant data noted below according to SASB's industry standard for Multiline and Specialty Retailers & Distributors.

Table 1. Sustainability disclosure topics and accounting metrics

		Location of disclosure
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Reported on pg. 101
Data Security	Description of approach to identifying and addressing data security risks	Reported on pgs. 94-95
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Reported on pg. 94
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Reported on pg. 47
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Reported on pgs. 31
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Reported on pg. 58
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Partially reported on pg. 20
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Reported on pgs. 28, 68
	Discussion of strategies to reduce the environmental impact of packaging	Reported on pg. 24

Table 2. Activity metrics

Number of: (1) retail locations	Form 10-K, pg. 5
Total area of: (1) retail space and (2) distribution centers	Form 10-K, pg. 20

TCFD index.

The Task Force on Climate-Related Financial Disclosure (TCFD) has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities though their existing reporting processes. We look to expand our TCFD disclosures, further aligning with the TCFD recommended topics.

Topic		Location of disclosure
Governance	Board's oversight of climate-related risks and opportunities.	CDP Climate 2021 C1.1, C1.1a, C1.1b CDP Water 2021 W6.2, W6.2a, W6.2b
	Management's role in assessing and managing climate-related risks and opportunities.	CDP Climate 2021 C1.2 and C1.2a CDP Water 2021 W6.3
Strategy	Climate-related risks and opportunities identified over the short, medium and long term.	CDP Climate 2021 C2.1, C2.1a, C2.2, C2.3, C2.3a, C2.4, C2.4a CDP Water 2021 W7.1, W7.3
	Impact of climate-related risks and opportunities on business, strategy and financial planning.	CDP Climate 2021 C2.1b, C2.3, C2.3a, C2.4a, C3.1, C3.3, C3.4 CDP Water 2021 W2 W4.1, W4.1a, W4.2b W4.2c, W7.1
	Resilience strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Climate 2021 C3.2a, C3.1 CDP Water 2021 W7.3, W7.3a
Risk Management	Processes for identifying and assessing climate-related risks.	CDP Climate 2021 C2.2 CDP Water 2021 W3.3a, W3.3b
	Processes for managing climate-related risks.	CDP Climate 2021 C2.2 CDP Water 2021 W3.3b, W6.1, W6.1a
	Processes for identifying, assessing and managing climate-related risks are integrated into overall risk management.	CDP Climate 2021 C3.3 C2.2 CDP Water 2021 W3.3b, W7.1
Metrics and Targets	Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process.	CDP Climate 2021 C2.2, C2.2a CDP Water 2021 W4.1, W4.3, W4.3a
	Scope 1, Scope 2 and Scope 3 GHG, and the related risks.	CDP Climate 2021 C2.2a, C4.1, 4.1a, C4.3, C6.3, C6.5, C6.10, C7.1a, C7.3a, C7.5
	Targets used to manage climate-related risks and opportunities and performance against targets.	CDP Climate 2021 C4.1, C4.1a, C4.2, C4.2b, C4.2c CDP Water 2021 W8.1, W8.1a, W8.1b

Sustainable Development Goals.

The United Nations Sustainable Development Goals have been widely accepted as collective aspirational goals. While Best Buy is not a current member of the United Nations Global Compact, we embrace the objectives and many of our programs support the goals shown below.

GRI index.

Indicator	Description	Page(s)
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2-3	Reporting period, frequency and contact point	5
2-5	External operations	8
2-6	Activities, value chain and other business relationships	5
2-7	Employees	8, 30-32
2-9	Governance structure and composition	88
2-10	Nomination and selection of the highest governance body	Proxy
2-11	Chair of the highest governance body	Proxy
2-12	Role of the highest governance body in overseeing the management of impacts	90, Proxy
2-13	Delegation of responsibility for managing impacts	10-K
2-14	Role of the highest governance body in sustainability reporting	90
2-16	Communication of critical concerns	10-K
2-17	Collective knowledge of the highest governance body	Proxy
2-18	Evaluation of the performance of the highest governance body	Proxy
2-19	Remuneration policies	38
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2-24	Embedding policy commitments	10-K
2-26	Mechanisms for seeking advice and raising concerns	32, 92
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2-29	Approach to stakeholder engagement	9
201-2	Financial implications and other risks and opportunities due to climate change	10-K
205-2	Communication and training about anti-corruption policies and procedures	91-92
301-2	Recycled input materials used	23-24
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GRI index.

Indicator	Description	Page(s)
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305-1	Direct (Scope 1) GHG emissions	101
305-2	Energy indirect (Scope 2) GHG emissions	101
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305-5	Reduction of GHG emissions	101
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401-1	New employee hires and employee turnover	31
404-1	Average hour of training per year per employee	36
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