

**RESOLVED:** Shareholders request that the Board of Directors adopt a policy requiring Lowe's Companies Inc. ("Lowe's") to disclose on its website its Consolidated EEO-1 Report, which is a comprehensive breakdown of its workforce by race, ethnicity and gender that Lowe's is required to submit annually to the U.S Equal Employment Opportunity Commission (EEOC). Lowe's shall annually disclose its EEO-1 Report no later than 60 days after its submission.

### **Supporting Statement**

High-profile killings of Black men and women in 2020 highlighted the grave consequences of systemic racism in our society, sparked nationwide protests for racial justice, and prompted many companies to publicize their commitments to racial equity and diversity.

In a May 31st statement, CEO Marvin Ellison announced: "We are a company with zero tolerance for racism, discrimination, hate, insensitive behavior or violence of any kind... We need to remember that the best action we can take is to unite in solidarity and show that the legacy of racism and inequality has no place in our company, our hearts or in this world."

We believe that demonstrable commitments to hire, equitably compensate, retain, and promote Black employees, other employees of color and women can contribute not only to a more just society, but to improved company performance. A May 2020 McKinsey study found that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer company diversity laggards, and that there is an even higher likelihood of outperformance among companies with more ethnically diverse executive teams ("Diversity Wins," at <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>).

The EEO-1 Report breaks down a company's U.S. workforce by race, ethnicity and gender according to 10 employment categories, including senior management, defined to incorporate individuals within two reporting levels of the CEO. Disclosure of this Report will provide investors with critical information, including:

- Standardized, quantitative, and reliable data that is comparable across companies and industries, enabling investors to assess the representation of Black employees and other employees of color and women at various levels of the corporation;
- Specific data on senior management diversity; and
- Particularized data that allows investors to assess the representation of specific racial and ethnic groups by gender, such as Black female employees, in a job category – and to make meaningful, year-over-year comparisons.

Lowe's 2019 Corporate Responsibility Report provides disclosure for *only* one company-specific job category, *broken down into two categories* - "women" and "People of Color." These figures are not comparable, nor decision-useful to investors.

Disclosing its EEO-1 Report is a cost-effective means for Lowe's to demonstrate its diversity performance - it already collects the data for submission.

Finally, the proposal neither prevents nor discourages Lowe's from disclosing any other data or information that management believes reflect its organizational structure or demonstrates its diversity.

A majority of S&P 100 companies disclose or have committed to disclose their EEO-1 Report beginning in 2021.

We ask shareholders to vote FOR this proposal: