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May 30, 2013

Mr. Paul Dickinson
Chief Executive
Carbon Disclosure Project
40 Bowling Green Lane
London, EC1R 0NE
United Kingdom

Re: Response to Investor CDP 2013 Information Request

Dear Mr. Dickinson:

Big Lots, Inc. (together with its subsidiaries referred to collectively herein as "we," "us," and "our") is the largest broadline closeout retailer in North America. We currently operate over 1,500 stores in 48 contiguous United States. We also acquired retail operations in Canada in July 2011, and currently operate over 70 stores in seven Canadian provinces. Our responses do not include our Canadian operations. More information about us is available on our website located at www.biglots.com.

Closeout merchandise generally results from production overruns, packaging changes, discontinued goods or liquidations. In addition to closeout merchandise, we stock many goods on a consistent basis. This merchandise may not always be the same brand or may be off-brand, because we attempt to provide our customers with merchandise at a price that represents a great value.

In addition to our continuous improvement in managing our impact on our environment and our other philanthropic efforts, we were honored to receive the 2012 Environmental Corporate Caring Award for large business. This award was given by Columbus Business First in recognition of our commitment to the Furniture Bank of Central Ohio. Beyond our donations of furniture, talent and money to this tremendous charity (including spearheading the $1.125 million raised to date in 2013), the furniture bank diverts thousands of pounds of material from landfills and provides families with the furniture they need to full their homes. It is estimated that all of the furniture collected by the Furniture Bank in a single year would cover one acre of land at 25 feet in height, as they redistribute more than 60,000 pieces of furniture each year.

As you requested, we are providing responses to questions posed by the Investor CDP 2013 Information Request. Our responses to the request are provided based on the information we have available – which we do not believe encompasses all sources of our GHG emissions and does not allow us to respond to each question posed by the request. We have indicated "no response," "not applicable," "unknown" or omitted questions when we have no response. We make no representations or warranties as to the accuracy or completeness of the information we have provided in response to the request, and we do not undertake any obligation to update our response to or omission of any question.

Please note that only this letter, in its entirety, shall be considered our official response to the Investor CDP 2013 Information Request. Any alteration, abstraction or abbreviation of our complete response shall not be considered our official response and the same is not endorsed by us and may not represent our views.

Any forward-looking statements we make in response to the request involve risks and uncertainties and are subject to the safe harbor provisions as stated in our filings with the U.S. Securities and Exchange Commission. Actual results may differ materially from those described in our forward-looking statements.

Management

1. Governance

Group and Individual Responsibility:

1.1. Where is the highest level of direct responsibility for climate change within your company?

Our Public Policy and Environmental Affairs Committee ("PPEAC") was formed in 2008 for the purpose of taking a leadership role in shaping our policies and practices as they relate to current and emerging public policy, environmental and social issues that may impact us. The PPEAC is a management committee that reports to the Nominating / Corporate Governance Committee of our Board of Directors.

1.1a If individual / sub-set of the Board or other committee appointed by the Board, senior manager / officer, or other manager / officer is identified, please identify the position of the individual or name of the committee with this responsibility.

See our response to question 1.1 above.

Individual Performance

1.2. Do you provide incentives for the management of climate change issues, including attainment of targets?

No.

1.2a If yes, please complete the table:

Not applicable.

Who is entitled to benefit from these incentives	The type of incentives	Incentivized performance indicator

2. Strategy

Risk Management Approach

2.1. Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities.

A process that forms part of the Company's overall approach to governance/compliance.

2.1a If "integrated into multi-disciplinary company-wide risk management processes" or "a specific climate change risk management process" please provide further details.

The PPEAC oversees management of risks associated with public policy, environmental and social matters that may affect our operations, performance or public image. Individual departments within our company may identify risk and opportunities from climate change and, if significant risks or opportunities exist which may affect our business, raise such matters to the PPEAC and/or management for further analysis.

Business Strategy

2.2 Is climate change integrated into your business strategy?

Yes.

2.2a If yes, please describe the process and outcomes.

The PPEAC oversees management of risks associated with public policy, environmental and social matters that may affect our operations, performance or public image. Individual departments within our company may identify risk and opportunities from climate change and, if significant risks or opportunities exist which may affect our business, raise such matters to the PPEAC and/or management for further analysis. Among the responsibilities of the PPEAC are the duties to: (a) identify and review current and emerging environmental issues relating to emissions, greenhouse gases, climate change, energy consumption and conservation programs; (b) review and assess our policies, practices, performance and compliance with respect to those environmental issues, as well as the impact such issues had on us; (c) discuss our strategies for addressing the future impact of those environmental issues on our operations and performance; (d) report its activities, findings and recommendations to our Board of Directors; and (e) report to management such matters within the PPEAC's purview that it believes have, or are reasonably likely to have, a material effect on our operations or financial statements or would otherwise be required to be publicly disclosed by us under applicable laws, rules or regulations.

2.2b If no, please explain why not.

Not applicable.

Engagement with Policy Makers (CDP 2012 Q2.3, amended)

2.2 Do you engage in activities that could directly or indirectly influence policy on climate change through any of the following? (please shade the box next to all that apply)

☐ Direct engagement ☐ Trade associations

☐ Funding research organizations ☐ Other ☐ No

2.3a If "Direct engagement" is shaded, on what issues have you been engaging directly?

Focus of legislation	Corporate position	Details of engagement	Proposed solution

2.3b If "Trade associations" is shaded, are you on the Board of any trade associations or provide funding beyond your membership?

2.3c If yes, please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?

2.3d If "Funding research organizations" is shaded, do you publically disclose a list of all the research organizations that you fund?

2.3e Do you fund any organizations to produce public work on climate change?

2.3f If yes, please describe the work and how it aligns with your own strategy on climate change.

2.3g If "other" is shaded, please provide details of the other engagement activities that you undertake.

2.3h If "Direct engagement", "Trade associations", "Funding research organizations", or "Other" is shaded, what processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

2.3i If "No" is shaded, please explain why you do not engage with policy makers.

3. Targets and Initiatives

Targets

3.1. Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

While we continue to analyze our GHG emissions, we remain committed to using energy in an efficient manner and helping to reduce GHG emissions. We expect to continue advancing this objective by continuing the efforts described herein, as well as exploring additional opportunities to reduce GHG emissions and energy costs. In terms of developing formal, public targets, our position is that we do not make public projections but prefer to maintain a philosophy of continuous improvement. The proof of success in this strategy is that even without formal, public targets – we are reducing our GHG emissions. If we do develop formal targets, we expect that those targets will be internally communicated only.

3.1a If you have an absolute target, please provide details of your absolute target.

Not applicable.

3.1b If it is an intensity target, please provide details of your intensity target.

Not applicable.

3.1c Please also indicate what change in absolute emissions this intensity target reflects.

Not applicable.

Directions of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment

3.1d For both types of target, also please provide details on your progress against this target made in the reporting year.

Not applicable.

% complete (time)	% complete (emissions)	Comment

3.1e If you do not have a target, please explain: (i) why not; and (ii) forecast how your emissions will change over the next five years.

See our response to question 3.1 above.

Emissions Reduction Initiatives

3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Generally, no, but we specialize in acquiring and selling closeout merchandise that generally results from production overruns, packaging changes, discontinued goods and factory reconditioning. In a sense, we function to find useful outlets for merchandise that manufacturers may otherwise choose to deposit in the world's landfills.

3.2a If yes, please provide details.

See our response to question 3.2 above.

3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases).

Yes.

If yes, complete questions 3.3a, 3.3b and 3.3c:

3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings.

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

3.3b For those initiatives implemented in the reporting year, please provide details in the table below:

Our environmental strategy has been to focus on reducing our indirect GHG emissions through waste reduction and recycling, reducing our energy consumption through energy efficiency projects and through reducing the consumption of fossil fuels by improving our transportation methods. We have launched several initiatives in recent years to mitigate the impact of our operations on the environment, including:

Activity type	Description of activity
Closeout Retailing	We specialize in acquiring and selling closeout merchandise that generally results from production overruns, packaging changes, discontinued goods, factory reconditioning and returns. In a sense, we function to find useful outlets for merchandise that manufacturers may otherwise choose to deposit in the world's landfills.
Furniture Bank of Central Ohio	In April 2012, we were honored to receive the Environmental Corporate Caring Award for large business. This award was given by Columbus Business First in recognition of our commitment to the Furniture Bank of Central Ohio. Beyond our donations of furniture, talent and money to this tremendous charity (including spearheading the $1.125 million raised to date in 2013), the furniture bank diverts thousands of pounds of material from landfills and provides families with the furniture they need to full their homes. It is estimated that all of the furniture collected by the Furniture Bank in a single year would cover one acre of land at 25 feet in height, as they redistribute more than 60,000 pieces of furniture each year.
Lighting Retrofits and Group Relamps – Stores	Since 1999, we have undertaken a store lighting retrofit program in approximately 97% of our U.S. stores. The program consists of removing T12 lighting with magnetic ballast (approximately 160 watts per fixture) and installing T8 lighting with electronic ballast (approximately 111 watts per fixture). On average, a store contains 375 lighting fixtures. As a result of this program, we reduced energy usage by 6,078,814 kWh in 2007, by an additional 5,107,944 kWh in 2008, and by an additional 4,320,289 kWh in 2009. Included in the 2009 kWh energy reduction are group relamps, where stores that have reached a 4

	year lamp life expectancy are group relamped. This process reduces the lamp wattage from 32 per lamp to 30, provides for lamp warranty coverage and allows for proper recycling of the old lamps complete with certification. In 2010, we reduced energy consumption by 8,037,783 kWh by group relamping 155 stores (annual energy reduction of 2,102,711 kWh) and retrofitting lighting at 50 additional stores (annual energy reduction of 5,935,072 kWh). In 2011, we reduced energy consumption by 9,150,637 kWh by group relamping 117 stores (annual energy reduction of 1,553,744 kWh) and retrofitting lighting at 64 additional stores (annual energy reduction of 7,596,893 kWh). While in 2012, we reduced energy consumption by 7,632,091 kWh by group relamping 133 stores (annual energy reduction of 1,815,720 kWh) and retrofitting lighting at 49 additional stores (annual energy reduction of 5,816,371 kWh). According to the U.S. Environmental Protection Agency calculation last updated on February 11, 2008 (which uses an eGRID non-baseload national average emissions rate to calculate kilowatt-hours of electricity to carbon dioxide equivalent), the resulting reduction in carbon dioxide produced equates to 4,725 metric tons of carbon dioxide for 2007, 3,267 metric tons of carbon dioxide for 2008, 2,763 metric tons of carbon dioxide for 2009, 5,542 metric tons of carbon dioxide for 2010, 6,310 metric tons of carbon dioxide for 2011, and 5,385 metric tons of carbon dioxide for 2012. As an example, the 2007 reduction translates to the annual greenhouse gas emissions from 865 passenger vehicles or the electricity use of 625 homes for one year, the 2008 reduction translates to the annual greenhouse gas emissions from 686 passenger vehicles or the electricity use of 479 homes for one year, the 2009 reduction translates to the annual greenhouse gas emissions from 580 passenger vehicles or the electricity use of 405 homes for one year, the 2010 reduction translates to the annual greenhouse gas emissions from 1,079 passenger vehicles or the electricity use of 782 homes for one year, the 2011 reduction translates to the annual greenhouse gas emissions from 1,237 passenger vehicles or the electricity use of 787 homes for one year, and the 2012 reduction translates to the annual greenhouse gas emissions from 1,122 passenger vehicles or the electricity use of 806 homes for one year. Additionally, motion sensors are installed during the retrofit process in order to reduce lighting usage in areas that are less frequently used (e.g., restrooms, break rooms, etc.). As a significant number of lights fail, third party maintenance companies are engaged to replace lights and recycle all old lights so as to avoid disposal into general trash receptacles.
Lighting Retrofits and Group Relamps – Distribution Centers	Since 2006, we have undertaken a lighting retrofit program in five of our six distribution center facilities. The program consists of removing 1000W HID metal halide lighting with magnetic ballast and installing T8 lighting with electronic ballast, motion sensors and ambient light sensors. On average, a distribution center contains 2,600 lighting fixtures with an average of 248 watts per fixture. As a result of this program, we reduced energy usage by 24,493,193 kWh. Beginning in 2010, we have added occupancy sensors in offices and restrooms at four distribution centers, in which we have reduced energy usage by 494,028 kWh per year. In 2012, we retrofitted the parking lot lights and exterior building fixtures with T5 fluorescent fixtures at four distribution centers. We are on track

	to save 2,493,783 kWh this year through this retrofit. Combined, these programs above equate to a reduction in carbon dioxide of 17,767 tons per year. It also translates into 5,042 acres of trees planted each year, a reduction of airborne pollutants (including C02, SO2, NOX) by 17,857 tons per year, and a reduction in 2,268,584 gallons of gas per year.
Energy Management Systems / HVAC – Stores	Much of our current carbon footprint is tied to the energy (electricity and natural gas) consumed in our stores. To effectively manage this consumption, we are taking steps to more actively integrate, monitor and control the energy-efficient technologies that exist in our stores. Beginning in 2006, we began testing EMS technologies in certain of our stores. The EMS controls and monitors lighting use and HVAC systems by automating the times during which lights are on/off and the temperature in the store. Web-based monitoring allows our home office to reduce HVAC maintenance and determine if controls are unnecessarily overridden by store management. Approximately 1,209 stores currently have EMS (an increase of approximately 789 stores during 2010), with the largest concentration of EMS stores in California where a program exists to compensate users who reduce energy consumption. On average, an EMS store recognized a 16% reduction in energy consumption in each of 2007, 2008, 2009 and 2010. 2011 achieved approximately an 18% reduction. The tracked results of sites with EMS through 2012 have achieved equal reductions in energy consumption, even though our net consumption has increased, due to adding a net 44 locations to our footprint. Additionally, EMS systems will be installed in each new store opened for the foreseeable future. Where cost justified, we have installed economical, high efficiency HVAC equipment and we emphasize proper, thorough and comprehensive maintenance of HVAC equipment, which has provided further consumption benefits and emission reductions. In fiscal 2011, as a complement to our EMS equipment and strategy, we installed demand controlled ventilation (DCV), in 1,290 stores. As anticipated, this initiative reduced our energy usage an additional 5%. We also deployed psychometric technology in 418 sites with EMS. Psychometrics increased our savings by an additional 3% by monitoring the humidity levels and reducing the need to operate HVAC systems.
Energy Management Systems / HVAC – Distribution Centers	A significant portion of our carbon footprint is also tied to the energy (electricity and natural gas) consumed in our distribution centers (DCs). To effectively manage this consumption, we are taking steps to more actively integrate, monitor and control the energy-efficient technologies that exist in our DCs. We installed an EMS when our Oklahoma distribution center was built in 2003. The EMS controls and monitors HVAC systems by automating the temperature in the warehouse based on a heating and a cooling setback temperature setting. In 2012, we completed the installation of energy management systems in our Ohio and Pennsylvania distribution centers. Also in 2012, we completed the installation of new energy efficient heaters at our Ohio DC. We are tracking at 396,297 therms saved per year for the programs listed above.
Paper Advertising Reduction /	During 2009, we reduced the number of printed advertisements we contracted to have printed and distributed by approximately three million pieces per advertisement. This significant reduction decreased the amount of paper, ink

Buzz Club	and energy and GHG emissions associated with the production and distribution of our advertisements. We are also rapidly expanding our customer rewards membership programs through which we are able to communicate with our customers via e-mail. These programs have grown from just over 1.0 million members in 2006 to approximately 15 million members at the end of 2012. During this same timeframe, we have reduced the number of pieces per advertisement significantly (less than 21 million pieces per advertisement in 2012 versus 2006 approximately 36 million pieces per advertisement in 2006). We hope to continue to reduce the number of printed advertisements that we need to effectively promote our business by using e-mail and other technology and leveraging our growing customer rewards membership base.
SmartWay Transportation Partnership	Though we do not own or operate the trucks that haul our goods, we are actively encouraging our carriers to participate in the SmartWay Transportation Partnership, a collaborative effort between the freight industry and the U.S. Environmental Protection Agency to increase energy efficiency while significantly reducing greenhouse gases and air pollution. We look to retain carriers that have proven track records with improving fuel efficiency and their carbon footprint, and we have modified our carrier scorecard to award added points, and therefore show preference to, carriers who are (or will become) partners in the SmartWay program. Thus, we will be encouraging any shipping partners who are not participating in SmartWay to do so in order to assure continued preference as a shipping service provider. Additionally, we became a SmartWay Transportation Partnership shipper in 2008.
Collaborative Routing	During 2011 and 2012, we participated in a program with our third party logistics provider, where they match multiple shippers' freight to create continuous moves. Once a match was identified, the shippers work collaboratively to fill each other's empty backhaul lanes, thus reducing the carbon footprint and filling empty miles.
Loading Efficiently	During 2010, 2011, and 2012, we decreased empty miles and number trips by opening cross dock facilities across the U.S. This initiative has the effect of reducing fuel consumption and emissions. In addition, we are actively managing our backhaul opportunities to minimize empty miles on return trips back from store deliveries. We have also worked to maximize the space we use inside each trailer, thereby reducing the miles needed to ship our goods.
Carrier Idling	For several years, we have allowed third party carriers' drivers to take rest breaks inside of our stores while goods are being unloaded. This allows the drivers to turn off their trucks to avoid unnecessary idling. Considering the average unloading process spans three hours and we may have approximately 96,000 total store deliveries per year, which equates to a significant reduction in fuel consumption, costs and emissions over idling trucks.
Pallet Recycling	Our distribution centers handle over 1.5 million wood pallets per year with approximately 15% recycled and 10% in a pallet lease program. Additionally, we engage a third party recycling company to collects pallets from stores being serviced by one-way carriers for their reuse or recycling. Because these stores are not regularly serviced by a roundtrip or backhaul carrier, this changes the practice of such stores to placing pallets in the garbage or giving the pallets away. Stores serviced by roundtrip carriers will continue to send pallets back to

	our distribution centers for their reuse or recycling.
Cardboard and Shrink-wrap Recycling	Our stores and distribution centers participate in cardboard recycling programs, and our distribution centers also participate in shrink-wrap recycling programs.
Disaster Recovery	We have a disaster recovery program for corporate services and for stores exposed to severe weather conditions. The program includes communication procedures for human safety and building protection measures, including but not limited to hurricane panels, to be put in place based when we receive adequate advance warning.
Active Participation	On the supply side, we have participated in position letters and intervened in regulatory filings and rate cases. This action is in an effort to provide an equal, balanced result between utility provider and affected retail customers, with the hopes of reducing the requested rate increase to a more reasonable amount. We also procure energy in direct access and deregulated markets. Although there is presently no specified amount of energy purchased in the renewable category, we do benefit from activity in certain markets where alternate suppliers are providing supply to retail customers. In such instances, there is generally approximately 2% designated as renewable in the supply portfolio. Not only do our present procurement activities lower our energy expenses, they also contribute towards driving technology for more reliable sources of energy through competitive markets. EMS technologies used on the demand side have also allowed us to participate in demand response program with utilities that have furthered our supply side cost cutting initiatives.

The columns entitled "Estimated annual CO2e savings," "Annual monetary savings (unit currency – as specified in Q3.3a)," "Investment required (unit currency – as specified in Q3.3a)" and "Payback period" have been deleted as we have no response.

3.3c What methods do you use to drive investment in emissions reduction activities?

See our response to question 3.3b above.

Method	Comment

3.3d If you do not have any emissions reduction initiatives, please explain why not.

Not applicable.

4. Communications

4.1. Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publications(s).

We believe our response to the CDP information requests provides adequate information on these topics, thus we do not generally make additional disclosures. Of course, we will make such disclosures as may be required of us under applicable laws, rules or regulations. While we continue to analyze our GHG emissions, we remain committed to using energy in an efficient manner and helping to reduce GHG emissions. We expect to continue advancing this objective by continuing the efforts described in response to question 3.3b above, as well as exploring additional opportunities to reduce GHG emissions and energy costs. In terms of developing formal, public targets, our position is that we do not make public projections but prefer to maintain a philosophy of continuous improvement. The proof of success in this strategy is that even without formal targets – we are reducing our GHG emissions. If we do develop targets, we expect that those targets will be internally communicated only.

Publication	Page/Section reference	Attach the document

Risks & Opportunities

5. Climate Change Risk

5.1. Have you identified any climate change risks (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure?

Please identify the relevant categories by shading all that apply

- ☐ Risks driven by changes in regulations
- ☐ Risks driven by changes in physical climate parameters
- ☐ Risks driven by changes in other climate-related developments

We are not currently subject to GHG regulations or emissions caps in the U.S. As a corporation that is primarily an indirect emitter of GHG emissions, it is unlikely that we will be materially affected directly by climate change legislation that is proposed or pending at this time; however, we cannot predict the likelihood or impact of future regulations. Our strategy is to focus on energy efficiency as a means to reduce GHG emissions.

The potential business implications of climate change regulations include increased costs for fossil-based electricity and fuels. We may incur increased product and operational costs as a result of legislation that targets utility companies. If electric utility cap and trade legislation is passed, utility companies may be forced to pass along to their customers the increased costs required in order for them to comply with the requirements of these bills.

Also, regulations governing disclosure of the carbon footprint of operations and goods will require an investment in human resource time as well as product tracking databases.

The regulations that emerge to address potential climate change may also impact our supply chain and customers. For example, passage of fuel-related legislation could potentially increase transportation costs for us as our distribution and transportation providers may incur increased expenses in order to comply with such legislation. Consequently, we may incur increased costs to acquire and sell the goods offered in our stores.

As raw material costs increase, so too would our cost of goods sold, which reduces margin and/or forces us to increase prices, which creates increased price sensitivity. As customers pay more for their energy needs, they would likely reduce expenditures in other areas, particularly non-core expenditures, and this may hurt us and many other corporations. We have not attempted to quantify the financial implications of climate change risks or existing or upcoming regulations.

Climate change presents us with some physical risks and challenges that may result from extreme weather events. Extreme weather events could increase the risk of damage to real and personal property, business interruption, and increased energy and insurance costs. For example, an increase in average temperatures would likely result in increased costs to control the temperatures in our retail stores, home office and distribution centers.

Increases in the frequency and intensity of severe weather events (particularly hurricanes, tornadoes and flooding events) could potentially result in business interruption, the destruction of buildings and the loss of merchandise. Hurricanes will likely pose the greatest risk to our retail stores in coastal states, but it is possible that storms of greater severity and flooding may also affect other operations across the country.

Additionally, severe weather events could affect our supply chain. Hurricanes in areas of heavy oil production can disrupt oil supplies, reduce production and cause oil prices to increase dramatically. This is a cost that would most likely be passed to us by our distribution and transportation providers. Damage to infrastructure such as interstates and bridges could also potentially disrupt delivery of goods to impacted regions.

Another aspect of potential climate change which poses possible physical risks to us is the rise of global sea level caused by the melting polar icecaps. Rising sea level could result in the increased flooding of retail stores in coastal areas as the result of storm surges which will reach farther inland than they did previously. If sea level rise and associated flooding related to climate change becomes a reality, the proximity of many of our stores to coastal areas may affect our ability to operate efficiently and result in operational costs.

As a responsible corporate citizen, we recognize that climate change may have a future impact on our environment and economy. Presently, however, it is not anticipated that climate change (or the possibility of climate change) will cause a significant shift in consumer attitudes such that a material risk will be created for us. We believe it is more

likely that any shift in consumer attitudes will be around environmental concerns such as recycling, energy conservation, packaging reduction, natural/organic goods and increased online shopping due to increases in fuel costs. We are constantly evaluating these potential risks and the opportunities that may be incorporated in our business strategies.

As discussed above, an actual change in climate could adversely impact us by: (a) producing higher energy costs at our facilities (energy represents a substantial percentage of the operating cost at our stores, distribution centers and home office) and for our logistics (rising fuel costs, which may be partly triggered by climate change, will challenge us to contain costs passed on to us by our distribution and transportation providers); (b) increasing our operational expenses (to track and manage climate change issues); and (c) requiring incremental capital investment (for GHG reporting and reduction-related projects). Our objective is to be aware of the implications of our energy decisions and to be a responsible energy consumer in running our business.

Our environmental strategy has been to focus on reducing our indirect GHG emissions through waste reduction and recycling, reducing our energy consumption through energy efficiency projects and through reducing the consumption of fossil fuels by improving our transportation methods. We have launched several initiatives in recent years to mitigate the impact of our operations on the environment, including those discussed in our response to question 3.3b above.

We assess the effects of potential climate change risks on a case-by-case basis. We generally do not publicly disclose our assessments or the potential impact such risks may have on our financial condition or operating results, unless required to do so by applicable laws or regulations.

Projects we undertake to mitigate potential climate change risks are weighted based various factors, including return on investment. Generally, we conduct pilot programs to measure the impact of the project, with adjustments being made as deemed necessary. Upon completion of the pilot, we will consider a more comprehensive rollout, making changes to the project scope or discontinuing the project. We also track the actual cost of projects and expense item against budgeted amounts to ensure we appropriately account for such liabilities. Through that process, lessons learned are evaluated and prioritized for future opportunities.

6. Climate Change Opportunities:

6.1. Have you identified any climate change opportunities (current or future) that have the potential to generate a substantial change in your business operations, revenue or expenditure?

Please identify the relevant categories by shading all that apply

☐ Opportunities driven by changes in regulations

☐ Opportunities driven by changes in physical climate parameters

☐ Opportunities driven by changes in other climate-related developments

As a retailer, we do not expect to realize significant increases in business opportunities as a result of regulatory requirements related to climate change issues. We have chosen to focus on reducing our carbon footprint by reducing and preventing waste, reducing our energy consumption, and improving the efficiency of our distribution and transportation processes. By incorporating these strategies into our operations, we hope to reduce our impact on the environment while growing and improving our financial outlook.

We do not expect to realize significant increases in business opportunities as a result of potential physical changes resulting from climate change. However, stores in areas impacted by hurricanes may experience an increase in sales of certain goods before and after hurricanes, including flashlights, water, hygiene products and batteries. Additionally, if we began to experience longer growing seasons, we may have an opportunity to sell more lawn and garden goods. Of course, such a change may also result in a corresponding decline in sales of goods generally purchased during periods of cold weather (e.g., snow shovels, winter clothing, etc.).

The potential financial effects of opportunities are assessed in much the same way we assess potential climate change risks – on a case-by-case basis. Also, see our response to question 5 above.

Emissions

7. Emissions Methodology:

Base Year

7.1. Please provide your base year and base year emissions (Scopes 1 and 2)

Use the table in the ORS to provide the following details for Scopes 1 and 2:

- Base year
- Scope1 base year emissions (metric tonnes CO2e)
- Scope 2 base year emissions (metric tonnes CO2e)

Methodology

7.2 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Calculations of GHG emissions are based on formulas provided by the Indirect CO_2 Emissions from Purchased Electricity, Version 3.0, March 2008 (as developed by World Resources Institute).

If you have selected "other":

7.2a Please provide further details.

See our response to question 7.2 above.

7.3 Please give the source for the global warming potentials you have used.

Gas	Reference

7.4 Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data.

No response.

Fuel/Material/Energy	Emission Factor	Unit	Reference

8. Emissions Data

Boundary

8.1. Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory (CDP 2012 Q8.1 amended)

Select from

- Financial control
- Operational control
- Equity share
- Other

Subject to our response to question 8.2, we are reporting for all companies over which financial control is exercised – per consolidated audited financial statements.

Scope 1 and 2 Emissions Data

8.2 Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

We are primarily an indirect emitter of GHG emissions. We have not established a formal enterprise-wide program to track and account for GHG emissions. Accordingly, our responses to this questionnaire are provided based on the information we have available – which we do not believe encompasses all sources of our GHG emissions. Our responses do not include our Canadian operations. We make no representations or warranties as to the accuracy or completeness of the information we have provided in response to this questionnaire.

8.3 Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

We estimate the indirect CO_2 emissions as a result of our electricity usage at our U.S. facilities (excluding less than 34 stores for which we pay to landlords a fee for utility usage) in 2012 to have been 408,699 metric tons.

8.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes, see our response to question 8.2 above.

8.4a If yes, please complete the table (CDP 2012 Q8.4a, amended)

Source	Scope	Explain why the source is excluded

Data Accuracy

8.5 Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations.

We do not believe the information we have gathered encompasses all sources of our GHG emissions. The effect of this uncertainty is unknown to us.

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data

External Verification or Assurance

8.6 Please indicate the verification/assurance status that applies to your Scope 1 emissions

Not applicable.

If Scope 1 emissions have been subject to third party verification or assurance (complete or underway), answer questions 8.6a and 8.6b:

8.6a Please indicated the proportion of your Scope 1 emissions that are verified/assured.

Not applicable.

8.6b Please provide further details of the verification/assurance undertaken, and attach the relevant statements.

Not applicable.

Type of verification or assurance	Relevant standard	Attach the document

8.6c If "No third party verification or assurance – regulatory CEMS required" please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS) (New for CDP 2013)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

8.7 Please indicate the verification/assurance status that applies to your Scope 2 emissions

Not applicable.

If Scope 2 emissions have been subject to third party verification or assurance (complete or underway) answer question 8.7a and 8.7b.

8.7a Please indicate the proportion of your Scope 2 emissions that are verified/assured

Not applicable.

8.7b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Not applicable.

Type of verification or assurance	Relevant standard	Attach the document

Carbon Dioxide Emissions from Biologically Sequestered Carbon

8.8 Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization? (CDP 2012 Q8.8, amended)

Not applicable.

8.8a If yes, please provide the emissions in metric tonnes CO2.

Not applicable.

9. Scope 1 Emissions Breakdown

9.1 Do you have Scope 1 emissions sources in more than one country (CDP 2012 Q9.1, amended)

No.

9.1a If yes, please complete the table below.

Not applicable.

Country/Region	Scope 1 metric tonnes CO2e

9.2 Please indicate which other Scope 1 emissions breakdowns you are able to provide (please shade all that apply).

Not applicable.

☐ By business division (9.2a) ☐ By facility (9.2b) (CDP 2012 Q9.2b, amended)

☐ By GHG type (9.2c) ☐ By activity (9.2d)

☐ By legal structure (9.2e) (new for CDP 2013)

Where a breakdown option has been shaded, a table appears to allow you to enter the relevant emissions data

10. Scope 2 Emissions Breakdown

10.1 Do you have Scope 2 emissions sources in more than one country? (CDP 2012 Q10.1 amended)

Our responses do not include our Canadian operations. All Scope 2 GHG emissions disclosed herein are within the U.S.

10.1a If yes, please complete the table below (CDP 2012 Q10.1a, amended)

Not applicable.

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)

10.2 Please indicate which other Scope 2 emissions breakdowns you are able to provide (please shade all that apply).

Not applicable.

☐ By business division (10.2a) ☐ By facility (10.2b)

☐ By activity (10.2c) ☐ By legal structure (10.2d) (new for CDP 2013)

Where a breakdown option has been shaded, a table appears to allow you to enter the relevant emissions data

11. Energy (CDP 2012 Q12, no change)

11.1 What percentage of your total operational spend in the reporting year was on energy?

11.2 Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year.

Energy Type	MWh
Fuel	
Electricity	691,815
Heat	149,232
Steam	-
Cooling	-

11.3 Please complete the table by breaking down the total "Fuel" figure entered above by fuel type.

Fuels	MWh

11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor (new for CDP 2013)

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments

12. Emissions Performance (CDP 2012 Q13, no change)

Emissions History

12.1 How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Periods prior to 2007 were not tracked. In comparing 2010 to 2009, emissions did not vary significantly. The comparison between 2011 and 2010 was considerable, with a decline of 10.2%. In comparing 2012 to 2011, there was no absolute decline due to the fact that we added sites to our overall footprint. We have not scored individual sites to measure an

emission rating year-over-year by location. We have continued to deploy the same energy efficient technology to maintain / reduced overall energy consumption on per square foot basis.

If emissions have increased, decreased or remained the same overall:

12.1a Please complete the table.

Reason	Emissions value (percentage)	Direction of change	Comment
Emission reduction activities	10.9	Increase	Increase driven by the addition of 44 new locations
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

Emissions Intensity

12.2 Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	mtCO2e	Unit total revenue			

12.3 Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	mtCO2e	FTE employee			

12.4 Please provide an additional intensity (normalized) metric that is appropriate to your business operations.

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	mtCO2e				

13. Emissions Trading (CDP 2012 Q14, no change)

13.1 Do you participate in any emissions trading schemes?

No.

13.1a If yes, please complete the following table for each of the emissions trading schemes in which you participate.

Not applicable.

Scheme Name	Period for which data is supplied	Allowances allocated	Allowance purchased	Verified emissions in metric tonnes CO2e	Details of ownership

And if "Yes" or "No, but we anticipate doing so within the next 2 years":

13.1b What is your strategy for complying with the schemes in which you participate or anticipate participating?

Not applicable.

13.2 Has your company originated any project-based carbon credits or purchased any within the reporting period?

No.

13.2a If yes, please complete the following table.

Not applicable.

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose, e.g. compliance

14. Scope 3 Emissions (CDP 2012 Q15)

14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining an exclusions (CDP 2012 Q15.1, amended)

We do not track Scope 3 emissions.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO_2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services					
Capital goods					
Fuel-and-energy activities (not included in Scope 1 or 2)					
Upstream transportation and distribution					
Waste generated in operations					
Business travel					
Employee commuting					
Upstream leased assets					
Investments					
Downstream transportation and distribution					
Processing of sold products					
Use of sold products					
End of life treatment of sold products					

Downstream leased assets					
Franchises					
Other (upstream)					
Other (downstream)					

14.2 Please indicate the verification/assurance status that applies to your Scope 3 emissions.

We do not track Scope 3 emissions.

If Scope 3 emissions have been subject to third party verification or assurance (complete or underway), answer questions 14.2a and 14.2b:

14.2a Please indicate the proportion of your Scope 3 emissions that are verified/assured.

Not applicable.

14.2b Please provide further details of the verification/assurance undertaken, and attached the relevant statements.

Not applicable.

Type of verification or assurance	Relevant standard	Attach the document

14.3 Are you able to compare your Scope 3 emissions for the reporting year for those for the previous year for any sources?

We do not track Scope 3 emissions.

If yes: 14.3a Please complete the table.

We do not track Scope 3 emissions.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment

14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (please shade all that apply) (New for CDP 2013)

☐ Yes, our suppliers ☐ Yes, our customers

☐ Yes, other partners in the value chain ☐ No, we do not engage

14.4a If "Yes, our suppliers", "Yes, our customers" or "Yes, other partners in the value chain", please give details of methods of engagement, your strategy for prioritizing engagements and measures of success.

14.4b If "Yes, our suppliers", also please give a sense of scale of this engagement, give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent.

Number of suppliers	% of total spend	Comment

14.4c If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

14.4d If "No, we do not engage", please explain why not and any plans you have to develop an engagement strategy in the future.

* * * * *

Thank you for your interest in Big Lots and allowing us to contribute to the Carbon Disclosure Project. We appreciate the opportunity share with you the important steps we have taken to mitigate the impact of our operations on the environment, while seeking to grow and improve our financial outlook.

Sincerely,

Big Lots, Inc.