

2021



# ESG Report

DOING OUR PART





Hi, I'm  
*Jordan*



I put customers **FIRST**



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This report covers The Home Depot's year of environmental, social and governance (ESG) progress in 2020.

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\* To be added following filing with the U.S. Equal Employment Opportunity Commission

Note: Unless otherwise indicated, this report does not include data for HD Supply Holdings Inc., which was acquired on Dec. 24, 2020.

# OVERVIEW

## RESOURCES

- > Resources & Reports
- > Corporate Responsibility

THE HOME

“For The Home Depot, the events of 2020 highlighted, perhaps more than ever, the critical importance of our culture.”

– Craig Menear, Chairman and CEO

**Forward-Looking Statements:** All statements in this report that are not historical constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements may relate to, among other things, our goals, commitments and programs and projections of future results; the impact on our business, operations and financial results of the COVID-19 pandemic and the related recovery; our business plans, strategies, initiatives and objectives and their expected execution and impact; management of relationships with our associates, suppliers and service providers; and our assumptions and expectations regarding any of the foregoing. Forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. They are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control, dependent on the actions of third parties, or currently unknown to us – as well as potentially inaccurate assumptions that could cause actual results to differ materially. These risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section and elsewhere in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q and also in future reports we file with the Securities and Exchange Commission. We encourage you to review these filings. Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law.

**Note on Materiality:** Materiality, as used in this report, and our materiality assessment process, is different than the definition used in the context of filings with the Securities and Exchange Commission. Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

## CEO LETTER

# DOING OUR PART MAKES OUR COMPANY STRONGER

**We organize our approach to corporate responsibility around three key pillars: focusing on our people, operating sustainably and strengthening our communities.**

When our founders opened the first Home Depot store, they did so with a well-defined culture. More than 40 years later, our eight core values and our commitment to put customers and associates first are still the lens through which we view every decision. So, running a responsible and sustainable company is foundational to our business. Doing our part creates value for all of our stakeholders.

We all know 2020 was filled with challenges as the world navigated a pandemic, people protested across the globe and we felt the effects of record-setting wildfires in the West and the most active Atlantic hurricane season ever. For The Home Depot, the events of 2020 highlighted, perhaps more than ever, the critical importance of our culture. This report captures how we responded with fortitude to a year like no other — and made progress along the way.

We navigated this unprecedented environment by aligning our decisions and actions to two of our most important values: doing the right thing and taking care of our people. We adjusted our business to promote safe shopping and working environments. We supported our communities by contributing over \$50 million in funds and supplies to support community needs during COVID-19.

In fiscal 2020, we invested approximately \$2 billion in enhanced pay and benefits to help alleviate some of the challenges associates faced because of the pandemic. We've now transitioned to permanent compensation enhancements for our front-line, hourly associates. The outstanding performance of our people in 2020 also

resulted in record Success Sharing awards for non-management associates, adding up to approximately \$616 million.

We continued to focus on our people by furthering workplace diversity and inclusion. Respect for all people has always been one of our core values, and 20 years ago we formalized diversity and inclusion as a corporate initiative. In 2020, we enhanced our efforts with a focus on equity and renamed our program Diversity, Equity & Inclusion (DEI). We also elevated the chief diversity officer role to drive strategic focus and alignment across our business. In 2020, over 35% of our hires were women, and nearly 53% were ethnically and racially diverse. We're proud of that progress, but we know there is more work to do. We are intentional in striving for improvement.

We also made progress in 2020 by operating more sustainably, including by reducing electricity consumption in our U.S. stores more than 14% year over year. We've cut U.S. store electricity use a remarkable 44% since 2010. This far exceeds the goal we set a few years ago to reduce store kilowatt-hour electricity use 20% by 2020. That's a big reason we are on track to meet our science-based target, set in 2020, to decrease our emissions to achieve 40% reduction by 2030 and 50% reduction by 2035. In addition, we've committed to having 100% renewable electricity for all Home Depot facilities worldwide by 2030.

Since our founding, supporting our communities has been central to our business — not only in moments of crisis, but through initiatives that build strength over the long term. For example, in 2020,

we increased our spending with diverse suppliers, further investing in businesses that provide The Home Depot with innovative products and create jobs in the communities we serve. We value the fresh ideas and entrepreneurial spirit our diverse suppliers bring to our partnerships.

We also value our nonprofit partners that enable The Home Depot Foundation to improve the homes and lives of U.S. veterans, train skilled tradespeople to fill the labor gap and support communities affected by natural disasters. The Foundation is on track to contribute half of a billion dollars to veteran causes by 2025. In 2020, we reached a milestone of \$350 million toward that goal.

We know that when we invest in running a responsible, sustainable company, we make our business stronger, more flexible and more resilient. I am incredibly proud of all we accomplished in 2020 and want to thank our associates for the many ways they enable us to do our part and live our values every day.



**Craig Menear**  
Chairman and Chief Executive Officer

“Running a responsible and sustainable company is foundational to our business. Doing our part creates value for all of our stakeholders.”

– Craig Menear, Chairman and CEO



# ENGAGING STAKEHOLDERS & SETTING PRIORITIES

We value seeing ESG impact and opportunities through our operational lens and also through the lenses of our stakeholders.

One of the best ways of understanding our environmental, social and governance (ESG) impact is by listening to and talking with our broad spectrum of stakeholders. We seek out this dialogue with stakeholders and welcome ESG-related feedback that comes to us in multiple ways.

Customers ask us questions every day as they shop with us in stores and online. Individuals and organizations from around the globe reach out to us with questions or concerns about our operations or products. We meet with shareholders and nongovernmental organization (NGOs) interested in our business practices. We take part in industry efforts to raise awareness about the ESG responsibilities we all share.

Our ongoing interactions may be formal or informal, as detailed in our Materiality Assessment Framework on [Page 8](#). These interactions help validate our own materiality assessment; they also help us gauge the impact of our business, refine ESG priorities, measure our progress and design ways to improve.

By better understanding our impact and collaborating with stakeholders, we position our company to set objectives that allow us to contribute to building a better business, workplace and world.

Our Sustainability Council, composed of representatives from different areas of the business, oversees our approach to sustainability. Members of the Council share stakeholder feedback from their functional areas. The Council focuses on several key areas, as shown below.

The Council meets twice a year, and its chair presents our sustainability strategy and activities to the Board of Directors annually. Our ESG priorities and plans are communicated internally and externally via various channels, including in this annual report.

## AREAS OF FOCUS



People



Communities



Climate Change



Energy Reduction



Waste & Recycling



Chemical Concerns



Natural Resources



Responsible Sourcing



Corporate Governance



# OUR STAKEHOLDERS

---

Stakeholders share their perspectives on our ESG practices. Their input helps shape our strategy.

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## Associates

“I am proud to be a contributing team member of a values-based organization.”



## Customers

“Be a global-impact conscious company, and provide products that help me reduce my home’s environmental impact.”



## Academia

“Give us insight into customer trends and habits to aid our research.”



## Suppliers

“Give us an outlet to market innovative, sustainable products and a way to gather timely customer feedback.”



## Communities

“Support me and my neighbors by making a positive difference in our community.”



## NGOs

“Work with us to elevate our causes to action and progress.”



## Investors

“Tell us your material risks and how you handle oversight of them.”

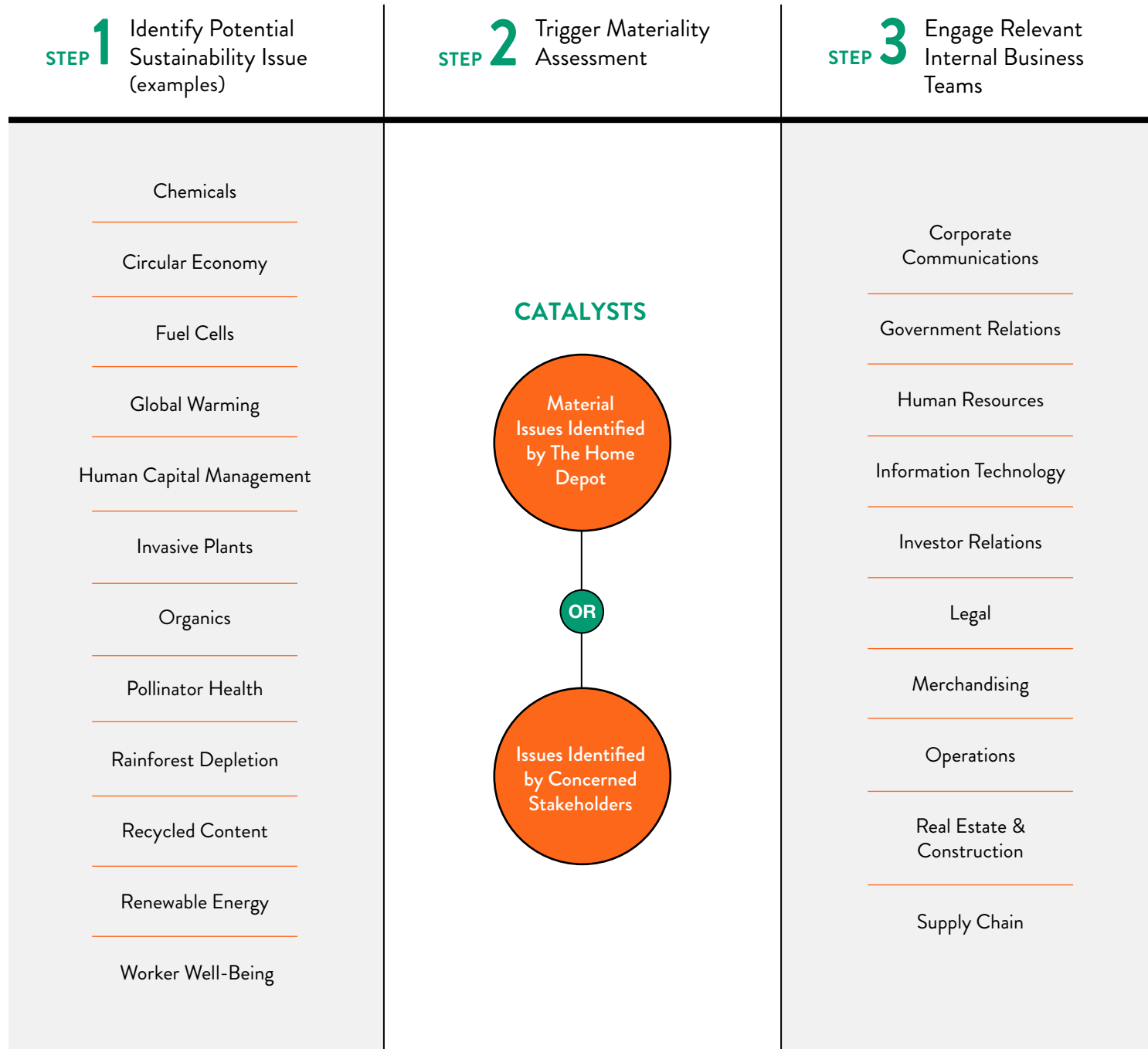


## Government

“Create partnerships with local, state and federal officials that help bridge industry innovation to public policy advancement.”

# MATERIALITY ASSESSMENT FRAMEWORK

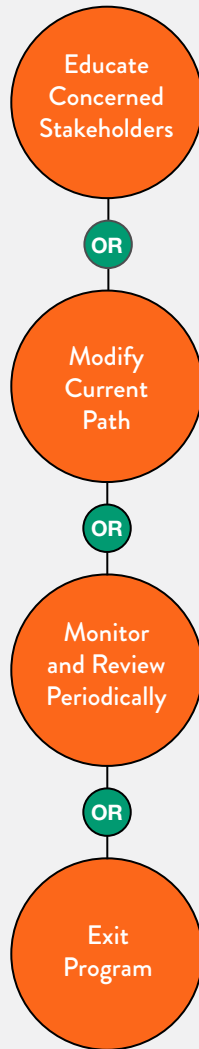
This chart outlines the process The Home Depot uses to assess, prioritize and address material sustainability issues.



**STEP 4** Gather Information and Recommendations



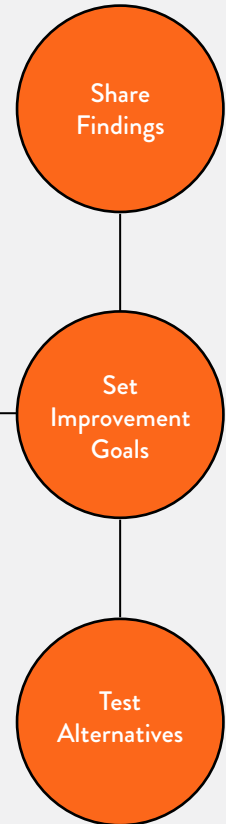
**STEP 5** Develop Solution



**STEP 6** Establish Ongoing Plan



**STEP 7** Continue Progress



# MATERIALITY TOUCHPOINTS

Materiality Touchpoints		Key Impacted Stakeholders							
	IMPACTS	Associates	Customers	Suppliers	Government	Nongovernmental Organizations	Academics & Educators	Investors	Local Community
<b>Focus on Our People</b>									
Associate Development	Training, education, promotion, support	●	●		●			●	●
Associate Well-Being	Safety, health, wages, hours	●	●	●	●			●	●
Diversity, Equity & Inclusion	Associate engagement, workforce diversity, talent acquisition, associate resource groups	●	●	●	●	●	●	●	●
Governance	Ethics, culture, data privacy and security, risk management	●	●	●	●	●		●	●
Third-Party Worker Well-Being	Safety, health, wages, hours, unforced labor			●	●	●		●	
<b>Operate Sustainably   Operations</b>									
Energy Use	Carbon emissions					●		●	●
Hazardous Materials	Waste, disposal	●		●	●			●	●
Waste	Recycling, landfill, incineration	●	●					●	●
Water Use	Responsible consumption	●						●	●
<b>Operate Sustainably   Products</b>									
Eco Products	Eco Options, Eco Actions, WaterSense, Energy Star, Chemical Strategy, Wood Purchasing Policy	●	●	●	●	●	●	●	●
End of Life	Circularity, waste, recycling	●	●	●	●	●	●	●	●
Manufacturing Process	Natural resources, chemicals, carbon emissions, packaging	●	●	●	●	●	●	●	
Transportation	Carbon emissions			●	●	●		●	
<b>Strengthen Our Communities</b>									
Supplier Diversity	Innovation, mentoring, business growth, networking	●	●	●	●	●	●	●	●
Community Support	Diverse, equitable and inclusive communities, trades training, veterans and military families, disaster response	●	●	●	●	●	●	●	●

ATTENTION ⚠

CUSTOMERS

PLEASE REMAIN SEPARATED  
WHILE SHOPPING IN OUR STORES.

PLEASE WEAR YOUR MASK  
AND AVOID CONTACT WITH OTHERS.

EXIT

PLEASE  
USE  
HAND  
HYGIENE  
STATION

PLEASE  
USE  
HAND  
HYGIENE  
STATION



# GOALS

The Home Depot sets goals to drive ESG progress, benefiting our associates, customers, suppliers and communities, as well as our company.

## PROGRESS KEY

Just getting started

Making progress

Achieved our goal

FOCUS ON OUR PEOPLE

## GLOBAL IMPACT: PEOPLE

Expand associate resource groups to include more associates and increase engagement and participation **PROGRESS** Goal Date: 2021

Create career advancement opportunities for 50,000 front-line associates over a five-year period **PROGRESS** Goal Date: 2023

Invest more than 1 million hours per year over five years in training and development to help our front-line associates grow their careers **PROGRESS** Goal Date: 2023

## GLOBAL IMPACT: CLIMATE

Committed to setting Science Based Targets initiative (SBTi) Scope 1, 2 and 3 goals by 2023 to reduce emissions in line with Paris Agreement goals **PROGRESS** Goal Date: 2023

100% renewable electricity for all Home Depot facilities worldwide by 2030 **PROGRESS** Goal Date: 2030

Science-based target to reduce emissions 40% by 2030, 50% by 2035 **PROGRESS** Goal Date: 2030, 2035

Procure/produce 335 megawatts of renewable or alternative energy **PROGRESS** Goal Date: 2025

Procure/produce 135 megawatts of renewable or alternative energy **PROGRESS** Goal Date: 2020

20% reduction in U.S. store kilowatt-hour electricity use, compared to 2010 levels **PROGRESS** Goal Date: 2020

Help reduce customers' greenhouse gas emissions by 20 million metric tons **PROGRESS** Goal Date: 2020

HOME DEPOT PILLARS

OPERATE SUSTAINABLY: OPERATIONS

## GLOBAL IMPACT: RESPONSIBLE CHEMISTRY

Eliminate certain chemicals from cleaning products	PROGRESS	Goal Date: 2022
Eliminate certain chemicals in paint	PROGRESS	Goal Date: 2020
Eliminate neonicotinoids from live goods	PROGRESS	Goal Date: 2019
Eliminate certain chemicals in carpet	PROGRESS	Goal Date: 2018
Eliminate certain chemicals in insulation	PROGRESS	Goal Date: 2018
Reduce formaldehyde levels in laminate/engineered flooring	PROGRESS	Goal Date: 2017
Remove ortho-phthalates from vinyl flooring	PROGRESS	Goal Date: 2016

## GLOBAL IMPACT: PLANET

Exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from private-brand packaging	PROGRESS	Goal Date: 2023
Help customers save \$2.8 billion on utility bills through energy-efficient products	PROGRESS	Goal Date: 2020
Help reduce consumers' water use by 250 billion gallons	PROGRESS	Goal Date: 2020
Implement additional requirements regarding tropical deforestation standards	PROGRESS	Goal Date: 2018 (ongoing monitoring)

## GLOBAL IMPACT: COMMUNITIES

Launch a Tier II supplier diversity program that measures and encourages our Tier I suppliers' spending with diverse suppliers	PROGRESS	Goal Date: 2022
The Home Depot Foundation will contribute \$500 million to veteran causes with a focus on housing	PROGRESS	Goal Date: 2025
The Home Depot Foundation will invest \$50 million to train 20,000 skilled tradespeople, including veterans	PROGRESS	Goal Date: 2028

# ESG TRANSPARENCY

This chart highlights The Home Depot's key ESG metrics. The COVID-19 pandemic had an impact on many 2020 results. For example, customer demand and supply chain volume rose substantially. In addition, we saw a decline in some materials collected from customers through our in-store recycling programs. We also temporarily halted Team Depot community volunteer projects and associate fundraising for The Homer Fund. Data from 2018 reflects the calendar year. Data for 2019 and 2020 reflects the fiscal year, except as otherwise noted. For detailed diversity, equity and inclusion data, see [pages 28-31](#).

	2018*	FY 2019	FY 2020	
<b>Associates</b>				
Focus on Our People	Underrepresented minority groups among new hires in the U.S.	51.7%	52.3%	52.8%
	Women among new hires in the U.S.	33.5%	33.4%	35.5%
	Success Sharing paid to associates	\$227 million	\$201 million	\$616 million
	Homer Fund assistance paid to fellow associates	\$13 million**	\$16 million	\$16.2 million
	Percentage of associates contributing to The Homer Fund	95%	95%	***
	Lost time incident rate per 200,000 hours <sup>§</sup>	0.87	1.21	1.07
	Recordable incident rate per 200,000 hours <sup>§</sup>	4.48	4.89	4.03
<b>Carbon Emissions</b>				
Operate Sustainably	CDP Climate Change score	A	A-	§§
	Estimated reduction of customers' GHG emissions through the purchase and proper use of energy-saving products (MT CO <sub>2</sub> e) (includes Energy Star, 5.2 million MT in 2020)	7 million	6.9 million	7.6 million
	Direct (Scope 1) GHG emissions (MT of CO <sub>2</sub> e)*	516,000	554,000	607,000
	Indirect (Scope 2) GHG emissions (MT CO <sub>2</sub> e)*	1,649,000	1,394,000	1,214,000
	Reduction of GHG emissions since 2009 (MT CO <sub>2</sub> e; Scope 1&2)* <sup>§</sup>	- 959,000	-1.2 million	-1.3 million
	Reduction of GHG emissions since 2009* <sup>§</sup>	-31%	-38%	-42%
	Number of stores with fuel cell energy source	202	203	203
	Fuel cell energy capacity for U.S. operations (MWac)	40.3	40.9	40.9
	Solar energy capacity companywide, rooftop and off-site (MWac)	42.0	44.6	62.9
	Wind energy capacity companywide (MWac)	62	62	62
	Diesel used (MWh)* <sup>§</sup>	115,150	106,922	199,176
	Electricity purchased (MWh)*	3,897,083	3,479,171	3,103,115
	Electricity generated (MWh)*	295,443	308,566	302,200
	Natural gas used (MWh)*	2,236,023	2,371,696	2,457,439
	Propane used (MWh)*	204,485	247,669	272,844
	Energy consumption within the organization (MWh)* <sup>§</sup>	6,849,960	6,634,705	6,445,071
GHG emissions intensity Scope 1+2 (MT of CO <sub>2</sub> e per billion U.S. dollars of revenue)* <sup>§</sup>	20,013	17,675	13,784	
<b>Operating Sustainably</b>				
Reduction of kWh used by U.S. stores, year over year	-3.40%	-11.79%	-14.11%	
Rechargeable battery recycling by all stores (pounds)	1,043,300	1,170,200	1,240,400	
CFL bulb recycling (pounds)	800,500	804,300	562,700	



	2018*	FY 2019	FY 2020	
Operate Sustainably	Lead-acid battery recycling (battery cores)	218,000	235,200	184,600
	Cardboard recycling (tons)	248,400	250,600	261,500
	Nonhazardous waste generated (MT)	796,228	851,330	919,574
	Waste sent to landfill (MT)	551,661	575,344	627,196
	Waste recycling (MT)	244,568	275,986	292,378
	Waste incineration (pounds)	2,109,756	2,331,110	3,015,366
	Fuel blending (pounds)	5,274,318	5,207,933	5,497,055
<b>Responsible Sourcing</b>				
Operate Sustainably	Combined factory audits and follow-up visits by THD	3,011	3,044	3,012
	Product tests conducted by third parties	25,856	42,758	34,774
	Transit tests conducted by third parties	27,695	20,640	22,603
	Pre-shipment product inspection visits	20,196	21,482	26,243
	Expanded polystyrene (EPS) foam elimination (CF)	517,600	19,100	873,200
	Polyvinyl chloride (PVC) film elimination (SF)	1,628,900	5,729,000	961,100
<b>Products</b>				
Operate Sustainably	Number of restricted substance categories in Chemical Strategy	7	8	8
	Energy-saving products offered in stores and online (includes Energy Star, 8,554 in 2020)	22,000	24,677	23,668
	Energy-saving product sales (includes Energy Star, \$5.19 billion in 2020)	\$5.79 billion	\$6.03 billion	\$8.76 billion
	Estimated annual customer savings from purchase and proper use of energy-saving products (includes Energy Star, \$1 billion in 2020)	\$1.2 billion	\$1.2 billion	\$1.4 billion
	Water-saving products offered in store and online (includes WaterSense, 4,759 in 2020)	9,000	9,460	9,994
	Water-saving product sales (includes WaterSense, \$1.56 billion in 2020)	\$1.35 billion	\$1.36 billion	\$1.65 billion
	Estimated annual customer savings from purchase and proper use of water-saving products (includes WaterSense, \$726 million in 2020)	\$655 million	\$650 million	\$746 million
	Residential solar installations	18,291	3,283	4,518
<b>Community</b>				
Strengthen Our Communities	Home Depot spend with diverse suppliers	\$2.1 billion	\$2.1 billion	\$3.2 billion
	The Home Depot Foundation grants	\$74.9 million	\$82.6 million	\$52.9 million
	Veterans' homes and facilities improved	5,830	5,527	1,831
	Team Depot volunteer hours	240,000	315,000	***
	U.S. political contributions by The Home Depot PAC	\$1,995,566	\$2,282,468	\$1,885,107
	U.S. corporate political contributions	\$200,000	\$150,000	\$420,000

All monetary amounts are U.S. dollars.

\* Reflects calendar year data.

\*\* Grant modifications within the Matching Grant program resulted in a decrease in Matching Grant awards, causing an overall decrease in giving in 2018.

\*\*\* Annual activities halted in 2020 because of the pandemic; did not track.

§ Previously reported data was updated to conform to current year presentation.

§§ Not available at time of publication.

CF = cubic feet

CO2 = carbon dioxide

CO2e = CO2 + other greenhouse gas emissions

GHG = greenhouse gas

kWh = kilowatt hours

MT = metric tons

MW = megawatts











MWac = megawatts of alternating current

MWh = megawatt hours

SF = square feet

# RATINGS

Leading third-party sustainability rating organizations monitor and report on our progress. Below are some key ratings for our company in 2020.

	<p>Assesses action on climate change; score was based on 2019 data, the latest available</p>	 <p>Positions The Home Depot as an industry leader</p>
	<p>Analyzes corporate environmental, social and governance (ESG) progress</p>	 <p>Our ESG risks are low compared to the industry</p>
	<p>Measures ESG risk and performance of publicly traded companies</p>	 <p>On a scale of 0-5; we rank better than the industry average of 2.3</p>
	<p>Grades retailers' progress in selling products with safer chemicals</p>	 <p>Our score has improved from an initial C+ in 2017; current score is from March 2021, no scores were given in 2020</p>
	<p>Measures resilience to long-term, financially relevant ESG risks</p>	 <p>Second-highest rating; positions us as an industry leader in key ESG areas</p>



# RECOGNITION

Here are some of the organizations that recognized our efforts in 2020 to build a better workplace, business and world.



**Investor's Business Daily**  
No. 22 — Best ESG Companies



**National Retail Federation**  
No. 6 — Top Retailers



**Gartner**  
No. 46 — Top Supply Chains



**Omnikal**  
No. 31 — Top 50 Organizations for Multicultural Business Opportunities



**Fortune**  
No. 21 — Most Admired Companies



**Forbes**

- No. 32 — World's Best Employers
- No. 34 — World's Most Valuable Brands
- No. 81 — Best Employers for Veterans



**Human Rights Campaign**  
Corporate Equality Index



**Military Friendly**

- Employer
- Spouse Employer
- Supplier Diversity Program



**Comparably**

- Best Company Work-Life Balance
- Best Company Happiness



**Atlanta Business Chronicle**  
HR Excellence for Leading Transformational Change & Culture



**Canada's Best Diversity Employers**  
12th Consecutive Year



**Corporate Social Responsibility Award for Labor Equality & Nondiscrimination — Mexico**

# FAQ: GROWING SUSTAINABLY

When we make progress in reducing The Home Depot's environmental impact, we strengthen our business and the communities we serve.

*Chief Sustainability Officer Ron Jarvis has spent two decades driving sustainability improvements at The Home Depot. Some of the frequently asked questions he responds to offer insights into our progress.*

**Q. How are you reducing carbon emissions related to company operations?**

**A.** We have made strides in decreasing emissions across our business. Our U.S. stores cut electricity consumption more than 14% year over year in 2020 through our diligent efforts to find electricity savings storewide. LED lighting upgrades were a big part of that success. Go to [Page 56](#) to find out how we're saving electricity in our stores.

In 2020, we moved more products than ever as customers turned to us for appliances, air-conditioning systems, cleaning products and other essentials. As we managed a 20% increase in

product volume, we forged ahead with our previously planned operational improvements. The energy-saving, emissions-reducing efficiencies we've gained in recent years helped decrease our carbon intensity. In 2020, we achieved a 22% reduction in the amount of carbon dioxide emitted for each dollar of revenue we earned, compared to 2019. Learn more on [Page 54](#).

**Q. What are you doing about the environmental impact of products sold at The Home Depot?**

**A.** We understand that our biggest impact on the environment comes from the products we sell. We continue to work with our suppliers to make products more sustainable through improvements in materials sourcing, chemistry, packaging, manufacturing and distribution. We track the product-related emissions embedded in manufacturing, distribution and our



“We understand that our biggest impact on the environment comes from the products we sell. We continue to work with our suppliers to make products more sustainable.”

**Ron Jarvis**  
Chief Sustainability Officer



customers' use of products, using industry-recognized methodology and technology tools that get more precise every year. We also help our customers select products and projects that can improve the sustainability of their households through our third party-certified Eco Options labels and our Eco Actions website for green-minded DIYers. Discover more on [Page 70](#).

**Q. The Home Depot achieved several of its stated environmental goals in 2020. Walk us through that progress.**

**A.** As outlined in our Goals section ([see Page 12](#)), our company in 2020:

- Exceeded our goal to reduce U.S. store kilowatt-hour electricity use 20%, compared to 2010 levels. We actually cut electricity consumption in our U.S. stores 44% between 2010 and 2020.
- Completed our goal to procure or produce 135 megawatts of renewable or alternative energy. We've now set even more ambitious goals, including adding 200 megawatts in a pledge to buy or generate 335 megawatts of renewable or alternative energy by 2025.
- Achieved our goals to help customers save \$2.8 billion on utility

bills and reduce their greenhouse emissions by 20 million metric tons through the purchase and proper use of the energy-saving products we sell.

- Achieved our goal to help customers reduce their water consumption by 250 billion gallons through the purchase and proper use of the water-saving products we sell.
- Hit our target to exclude certain chemicals from the paints we sell. For more details on our responsible chemistry progress, go to [Page 78](#).

**Q. What sustainability trend excites you the most for its near-term potential?**

**A.** Waste reduction through circularity. Through years of manufacturing, we now have an abundance of resources that can be repurposed, recycled and reused to produce new products. With the support of our suppliers, The Home Depot is continually searching for ways to use these existing resources to drive efficiency and reduce waste. Our partnership with Trex is a great example. We send our plastic waste to Trex — including more than 8,000 tons of plastic shrink wrap every year. Trex transforms it into decking that doesn't rely on wood. Learn more on [Page 75](#).

# 2020 HIGHLIGHTS

Our core values guide how we focus on our people, operate sustainably and strengthen our communities and provide a benchmark for measuring progress. These highlights reflect progress made in 2020.

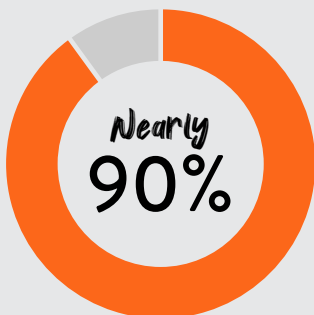
## FOCUS ON OUR PEOPLE



We invested approximately **\$2 billion** in enhanced pay and benefits to ease front-line associates' COVID-19 challenges



Our Homer Fund has awarded nearly **\$215 million** in grants, assisting over **157,000** associates since 1999



**Nearly 90%** of our store leaders started as hourly associates



More than



**35%** of our hires were women

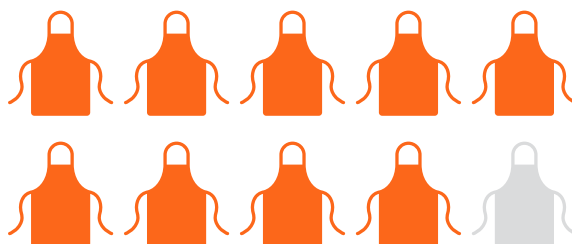


and nearly **53%** were ethnically/ racially diverse



**Nearly 9 out of 10 associates**

favored workplace safety measures we put in place to help reduce exposure to the COVID-19 virus



## OPERATE SUSTAINABLY



We reduced our Scope 1 and 2 carbon emissions by over **127,000 metric tons**, equivalent to taking more than

**27,600 cars**  
off the road for a year



We decreased electricity consumption

**↓ 44%**  
in our U.S. stores from 2010 to 2020



**71**  
*U.S. Stores*

operated solar farms on their rooftops – up from 47 in 2019

We redesigned

**49** private-brand packages

to reduce waste. We also eliminated enough expanded polystyrene foam to fill



**441**  
school buses

and enough plastic polymer film to cover

**16 football fields**



We've pledged to have

**100%**  
*renewable electricity*  
for all Home Depot facilities worldwide by 2030



Our customers dropped off over

**1.2 million pounds**

of rechargeable batteries with us for recycling – up **32%** since 2014

## STRENGTHEN OUR COMMUNITIES



The Home Depot Foundation reached a milestone of giving **\$350 million**

toward our pledge to donate \$500 million to veteran causes by 2025



We contributed more than

**\$50 million**

in funds and supplies to support community needs during COVID-19



We're **creating more opportunities for diverse businesses**

by asking our suppliers to spend more with them



Since 2018, we've helped introduce

**15,000+ people**  
to skilled trades and helped certify **5,000+ participants**  
in trades training programs



Our company **donated nearly 3.4 million**

N95 masks to help protect front-line health care workers

# FOCUS ON OUR PEOPLE

## RESOURCES

- > Diversity, Equity & Inclusion
- > Home Depot Core Values
- > Military Transition Portal
- > Associate Resource Groups
- > Home Depot Benefits4U
- > The Homer Fund



# GOALS

We focus on our people by striving for an environment centered on The Home Depot's core value of respect for all people, where diversity, equity and inclusion are celebrated and associates have opportunities to grow. We believe our approximately 500,000 associates are our greatest asset, and they differentiate us in the marketplace.



By the end of 2021, **expand associate resource groups**

to include more associates and increase engagement and participation



Create enhanced career opportunities for

**50,000**

**front-line associates** over a five-year period ending in 2023



Invest more than

**1 million**

**hours** per year through 2023 in **training and development** to help our **front-line associates** grow their careers

# DIVERSITY, EQUITY & INCLUSION

We strive to create an environment centered on our core value of respect for all people, where diversity, equity and inclusion fuel associate engagement and career growth.

In 2020, we pledged to intensify our efforts as a company to make a meaningful, sustainable difference in accordance with our value of respect for all people. While we've long had a formal diversity and inclusion program to help diversify our workforce and support change in our communities, we expanded the scope in 2020 and renamed it to fit an enhanced mission: Diversity, Equity & Inclusion (DEI).

Adding equity to our focus reflects our desire to promote fairness, remove bias and ensure all of our associates have access to the resources they need to succeed at work.

During this time, we elevated the role of Derek Bottoms, vice president of associate relations, to also serve as our chief diversity officer to bolster leadership of these efforts. (Meet Derek on the opposite page.) We additionally laid the foundation to further grow our team and develop a roadmap for progress. At The Home Depot, we define diversity, equity and inclusion as:

**Diversity:** Composition of people, such as their similarities and differences (e.g., gender, race/ethnicity, sexual orientation).

**Equity:** Norms, practices and policies in place that ensure just and fair opportunities and outcomes, allowing individuals to reach their full potential.

**Inclusion:** How we embrace and enable our associates to feel safe, respected, engaged, motivated and valued for who they are and their contributions to the organization.

In 2020, we established three key areas of focus to create change and make a bigger impact.

## ASSOCIATES

- Increasing diverse representation throughout our organization
- Creating an environment where every associate feels included and valued for who they are
- Promoting equal opportunity in recruitment, hiring, training, development and advancement

## COMMUNITY

- Striving to close the wealth gap
- Advancing education for all

## SUPPLIERS

- Increasing our penetration and spend with diverse suppliers
- Developing diverse suppliers by providing mentorship and shared resources

Learn more about how our spending with diverse suppliers benefits our company and our communities on [Page 100](#).

In 2021, we are taking thoughtful actions in each of these three focus areas and related strategic priorities to create meaningful change.

## + DID YOU KNOW

The Home Depot [career website](#) offers candidates a look at our commitment to DEI. In addition, we connect with veterans and their spouses through our [military transition portal](#).

In 2020, over  
**35%** of our hires were women,  
and nearly **53%** were ethnically diverse.



## Supporting Diversity is Doing the Right Thing

*Derek Bottoms, chief diversity officer and vice president of associate relations, gives his take on our expanded focus on DEI.*

**Q: Is The Home Depot thinking differently about diversity now?**

**A:** We are a values-based organization, and our values have always guided our business decisions and the way we treat each other. For The Home Depot, diversity has always been important. The highlight on social injustice and the resulting events following the death of George Floyd created a fierce urgency, and that reinforced our focus on supporting diversity, equity and inclusion among our associates, communities and suppliers.

**Q: How is that urgency turning into action?**

**A:** Our expanded focus on diversity, equity and inclusion has laid the groundwork for three key areas centered on our associates, community partnerships and supplier diversity. As we grow our team, I am confident in the direction that our convictions, capabilities and tools will take us to enable our people and our company to make a lasting difference.

**Q: What are some ways that we are making a positive impact on our associates, communities and suppliers?**

**A:** For our associates, our team is working cross-functionally on initiatives including development and training; associate resource group (ARG) and diversity business council programming; discussions with subject matter experts on driving inclusivity; and recruiting and talent planning strategies designed to eliminate bias.

Through our partnerships with community organizations focusing on arts, housing, education and entrepreneurship, we are striving to play our part in helping close the wealth gap and advancing education for all. And we are expanding our supplier diversity program, which we believe ultimately drives innovation, economic opportunities and shareholder value.

**Q: What are some of the projects you're most excited about?**

**A:** We're expanding our associate resource groups and diversity business councils to include and engage more associates, growing the programs from our Store Support Center to our stores and supply chain facilities. (Learn more about ARGs on [Page 35](#).)

We're also laying the foundation for a Tier II supplier diversity program to create more economic opportunities for diverse businesses, including our existing supplier partners. Here's how that can make a difference. Our Tier I suppliers are those we spend with directly. Those dollars that begin with The Home Depot go on to fuel our suppliers' spending with other companies. Encouraging our suppliers to spend with diverse businesses, and tracking that spending, is the essence of the Tier II supplier diversity program we're developing. Through this program, we'll work to better ensure that a portion of the money we spend on products and services, even with suppliers that are not identified as diverse, makes its way to diverse businesses.

Hear more from Derek in his [Give Me an H](#) podcast interview.

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### Vision Statement

The Home Depot is building a more diverse, equitable and inclusive organization, within our enterprise and the communities we are proud to serve. Grounded in our core values, we have the conviction, capabilities and tools to make a difference for our associates, community and suppliers.

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### Mission Statement

The Home Depot ignites the doer in all of us to build a culture of understanding, acceptance and appreciation.

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### The Home Depot Values Wheel

*Our commitment to diversity and inclusion was established over 40 years ago in our **core values**.*

# CREATING A SECOND-HOME WORKPLACE

*District manager's front-line experience informs her approach to leadership. Creating an inclusive, caring environment is job No. 1.*

**S**henell Leighton spent six years as a Home Depot hourly associate before she took her first salaried job. Although she's been in leadership roles for 15 years, currently as district manager of several New York metro stores, that time on the front lines stays with her.

"Every time I'm in a store, I see myself as a cashier ringing up the register at the Valley Stream store where I started," says Shenell, whose District 332 in Queens includes about 1,700 associates. "My experience shapes how I lead. I am aware of the obstacles, as well as the opportunities.

"I was always self-aware that my actions and contributions were paving the way for other women and people of color," Shenell says. She welcomes the company's enhanced focus on diversity, equity and inclusion and believes our recent conversations about race, gender and equity are powerful and can be transformative.

"We are talking openly about our experiences. We are talking about what's difficult — and not just in one-on-one conversations with mentors we trust, but in larger settings in our workplace. That open conversation is the thing that can make positive change happen," she says. "That's huge."

Also essential: Putting equity front and center. "Becoming a salaried manager at The Home Depot changed my life. My first management incentive payment helped me erase my debt. It's important that we give our people access to resources that enable them to succeed at work and build

generational wealth. We also must offer associates the financial literacy tools they need to learn about growing their money. That may not have been part of their foundation growing up. It's something I had to learn." (Go to [Page 40](#) to learn more about financial literacy tools available to associates.)

The pandemic has put a spotlight on the challenges associates face in their daily lives, Shenell says, and also highlighted their fortitude. "I think about what our people have personally been through in their lives at home with their loved ones since March 2020 — death, sickness, job losses in the family, struggles with home-schooling — that all happens before they walk into work. And, still, through resilience and determination, they make it to the

store, and they treat it like a second home."

Shenell believes a critical part of her job as a leader is to make sure that "second home" is a place where all associates are welcomed and included. She wants all our people, especially associates from underrepresented minority groups and women, to have the resources they need to ascend and create brighter futures for their families, as she has. "If we are intentional in our purposes, as a company and as individuals, we can chart our own path."

"It's important that we give our people access to resources that enable them to succeed at work and build generational wealth."

**Shenell Leighton**

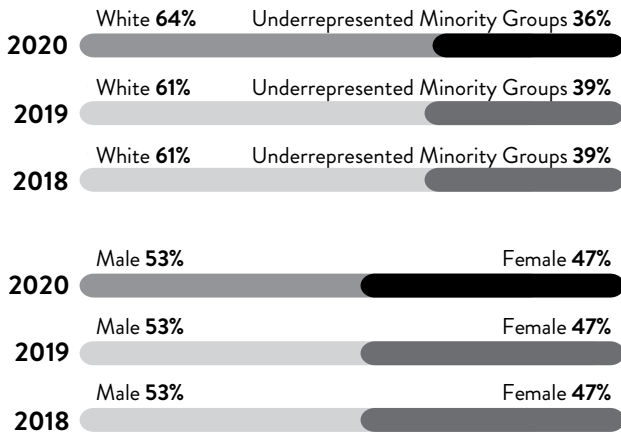
District Manager, Queens,  
New York



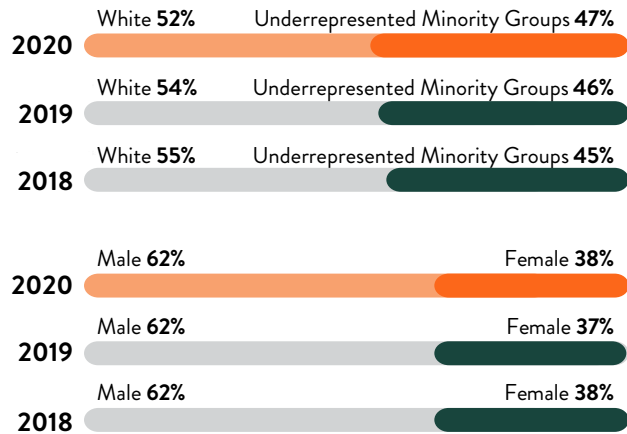
## BUILDING A DIVERSE WORKFORCE

Our diverse workforce of approximately 500,000 associates strengthens our competitive advantages and reflects the customers and communities we serve. A comparison against U.S. Department of Labor data shows that our workforce is more ethnically diverse than the nation's working population. These charts reflect the demographics of The Home Depot's U.S. workforce from 2018 through 2020. Data sets from 2018 reflect the calendar year. Newer data reflects the fiscal year. Certain percentages may not sum to totals due to rounding or some associates choosing not to self-identify by race/ethnicity or gender. Prior year data has been updated based on new reporting systems and to conform to current year presentation.

### U.S. WORKING POPULATION



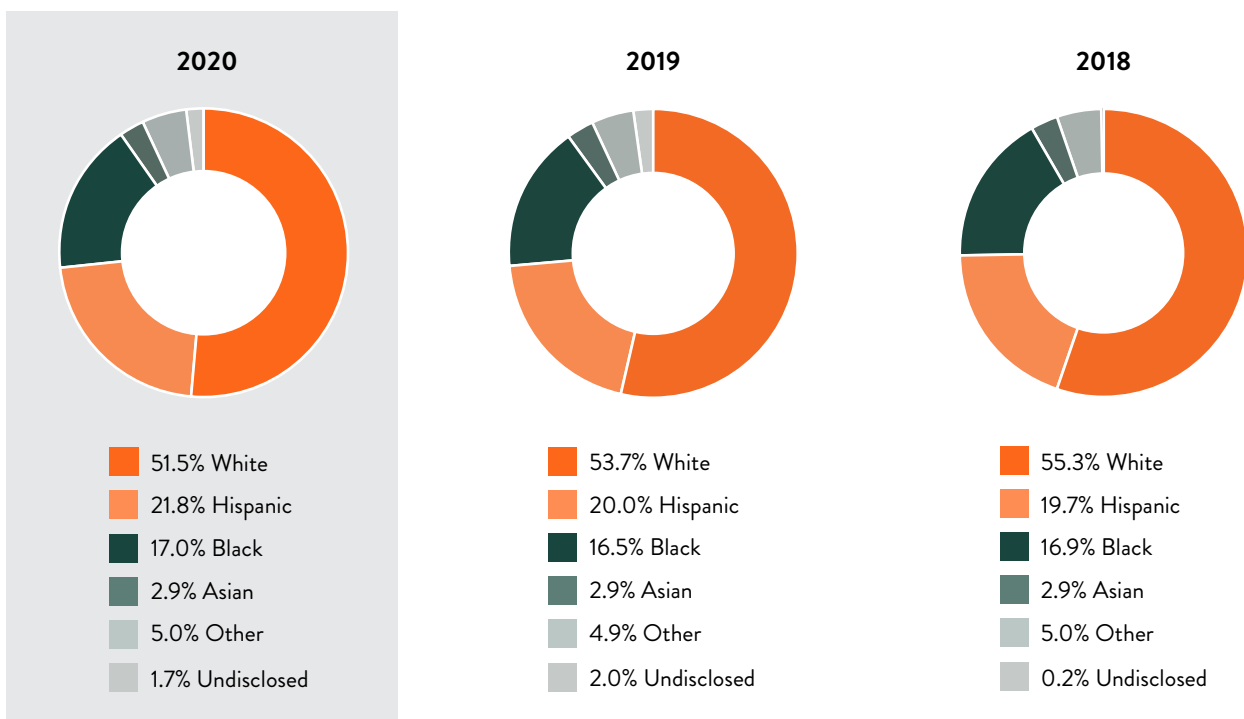
### THD U.S. WORKFORCE



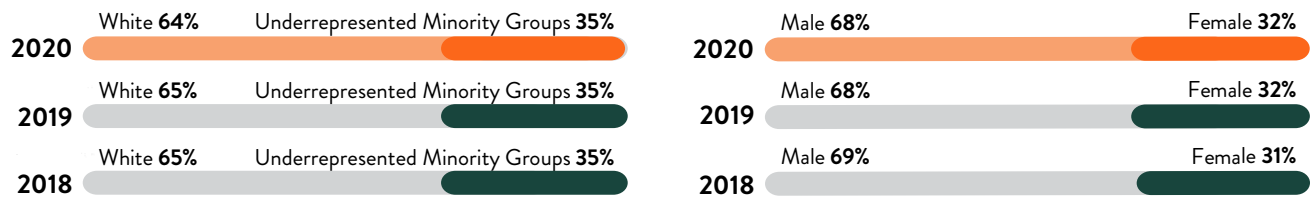
Source: Latest available data from the U.S. Bureau of Labor Statistics; 2020 data is estimated

Total Number of Associates:  
 2020: 440,591 | 2019: 369,646 | 2018: 365,547

### THD U.S. WORKFORCE BY RACE/ETHNICITY

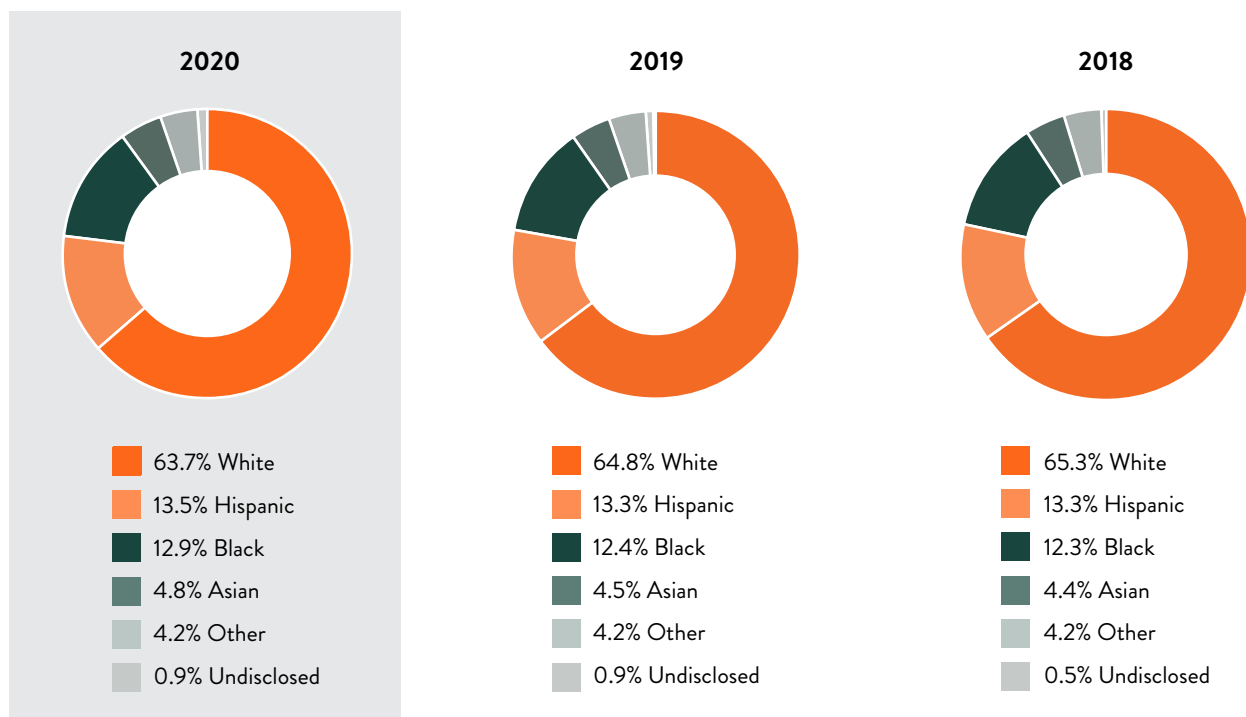


### U.S. MANAGERS AND ABOVE\* (EXCLUDES OFFICER LEVEL)



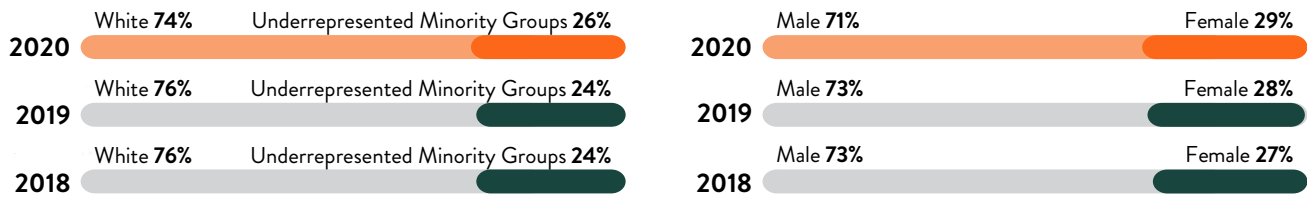
Total Number of Managers and Above:  
**2020:** 19,111 | **2019:** 18,106 | **2018:** 19,051

### U.S. MANAGERS AND ABOVE\* BY RACE/ETHNICITY



\* Includes manager-level positions and above at stores, distribution centers and other field locations, as well as at our Store Support Center; excludes officers.

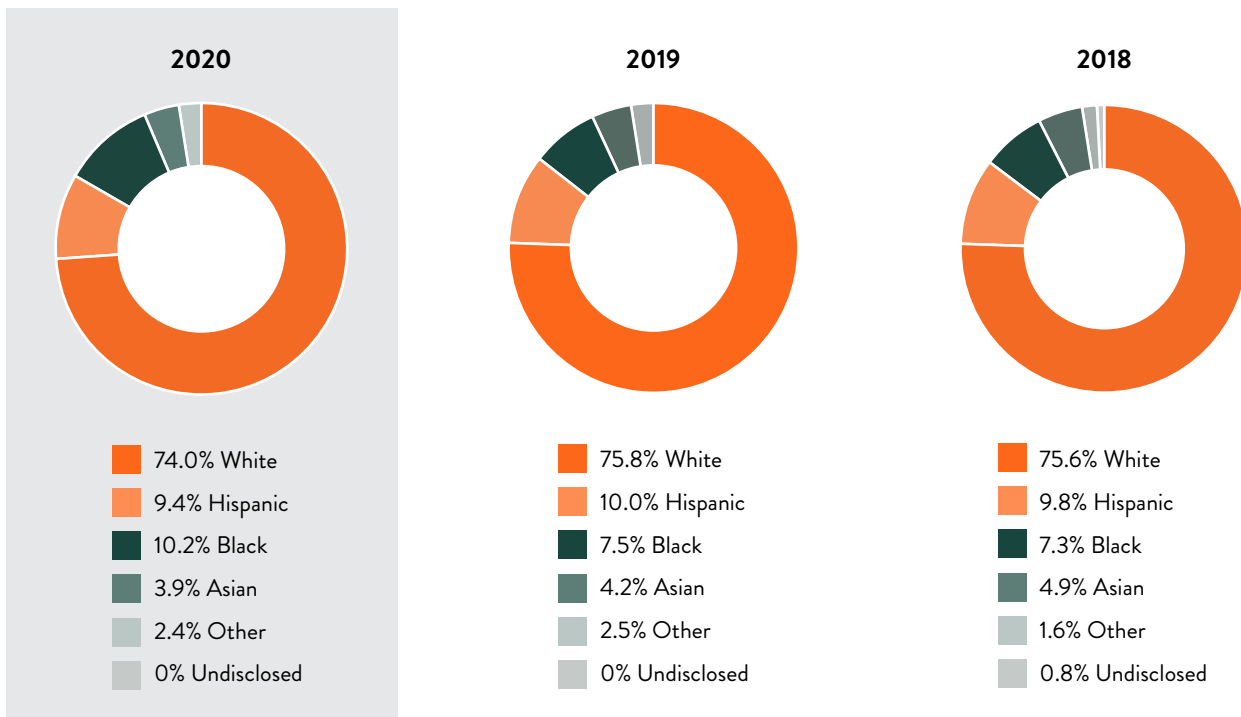
## U.S. OFFICERS



Total Number of Officers:

2020: 127 | 2019: 120 | 2018: 123

## U.S. OFFICERS BY RACE/ETHNICITY



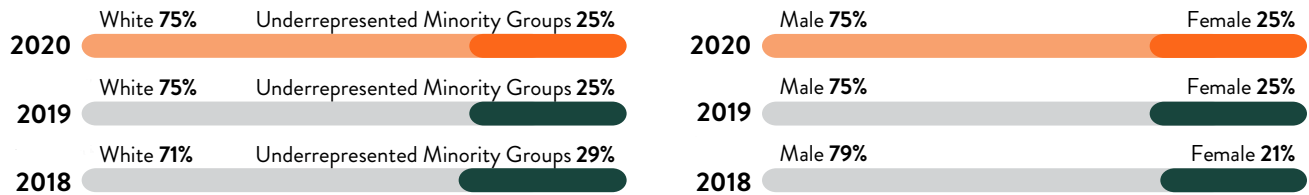


**+ DID YOU KNOW**

We offer 27 language badges for associates. The most recent was created in partnership with the Navajo Nation.

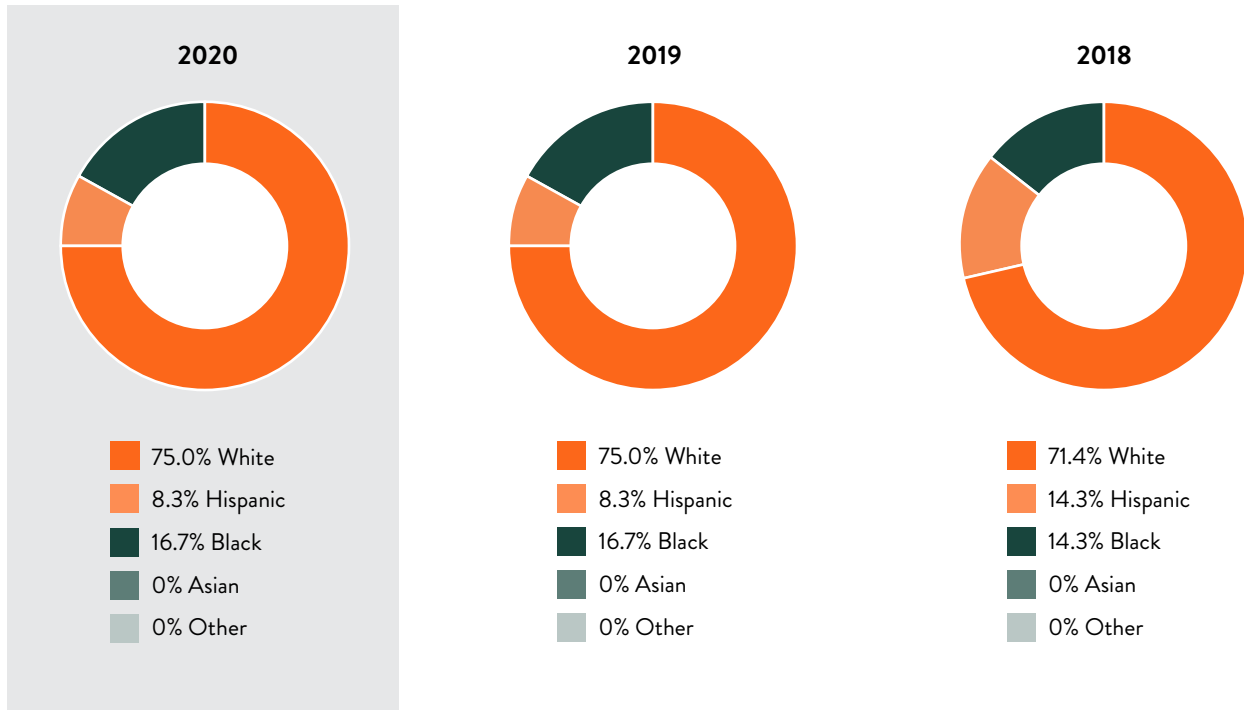


**BOARD OF DIRECTORS**



Total Number of Board Members:  
**2020: 12** | **2019: 12** | **2018: 14**

**BOARD OF DIRECTORS BY RACE/ETHNICITY**



# PRACTICING DIVERSITY EVERY DAY

*Associate Christine Botnick got her start as a part-timer selling paint. Now she leads hundreds of supply chain associates. Her career demonstrates that embracing diversity, equity and inclusion fuels success, and she is committed to representing LGBTQ, women and minority associates climbing The Home Depot ladder.*



Christine Botnick already had a full-time retail job when she started working at Store 249 in Oakland Park, Florida. But she needed more money for rent, groceries and college tuition.

She was 19, on her own and living paycheck to paycheck, just as her parents had always done. But Christine wanted to do better. That's why she was pursuing a degree in psychology, on her way to becoming the first person in her family to graduate from college. And that's why, when her Home Depot manager suggested she stretch beyond her part-time role in the paint department, she listened. Christine increased her hours, quit that other retail job, and 18 months later became a paint department supervisor.

"I just really felt, for the first time in my life, that other people were interested in seeing me succeed," Christine recalls. "They saw past my age and offered me an opportunity and the means to build an income and a better life for myself. They saw that I had potential, even when I didn't."

That was 2003. By the end of 2006, Christine was a 22-year-old assistant store manager. In 2011, she became a district services manager in South Florida. Three years later, she was promoted to store manager and ultimately led three Florida stores, in Sunrise, Punta Gorda and Miami Gardens. (Along the way, she earned that college degree.)

Then, in 2020, as our company was facing a huge surge in online orders, another Home Depot leader suggested that Christine take another stretch assignment — this time in supply chain. Today, she leads more than 700 associates as the

general manager of our Tracy, California, rapid deployment center.

Christine's career climb brought her what she wanted: economic security, upward mobility and a job she loves. But it also delivered something she hadn't expected and now treasures. It turned her into a trailblazer.

"Every time I got a promotion, it sparked a great deal of conversation with other female associates. They asked me how I did it. Then they started applying for higher-level jobs, too, and getting them," Christine says. "That's when I realized that success is contagious."

Embracing her distinction as a trailblazer, Christine became diversity and inclusion captain in every store she worked. She found her own role models, too, among them, Laura Mathe, who started as an assistant general manager in our Ontario, California, rapid deployment center and rose through the ranks to her current role as senior director of operations leading our Western RDCs. Laura is one of 11 SDOs companywide. Another role model for Christine is Hector Padilla, who began as an hourly store associate in Hialeah, Florida, in 1994, and now is executive vice president leading our Outside Sales & Service business.

"What I can do every single day is set the tone and the intentional, deliberate focus so that leaders who work under me understand that diversity, equity and inclusion is important to the company and to me."

**Christine Botnick**

General Manager, Tracy RDC





At our 636,000-square-foot Tracy, California, rapid deployment center, Christine Botnick (center) leads with a DEI focus.

When Christine became a store manager, she transformed routine workforce diversity reports into a call to action and focused on hiring and promoting associates to better reflect the communities that the stores served.

“Once I got to a leadership position, I asked myself, ‘What can I do with my podium?’ The answer,” she says, “was to make sure the day-to-day actions under my direction aligned with The Home Depot’s core values.”

Christine describes herself as an atypical corporate leader. She’s under 40, gay and covered in tattoos. She grew up in a tough, impoverished environment. That’s why, she says, her success is bigger than she is. It gives others hope. “I have a responsibility to represent,” she says.

“I look at the data and think, ‘Where can we do more?’ Our stores and supply chain facilities should look like the demographics of the communities where they operate,” Christine says. “We’ve got to get women deeper into the stores and higher up into management.” (See The Home Depot’s workplace diversity data on [Page 28](#).)

Business has to come first, which in Christine’s case means keeping associates safe as they work on the supply chain front lines during a pandemic, and keeping products flowing to the more than 100 stores across four states served by the Tracy RDC. Nonetheless, she finds a way to make diversity, equity and inclusion a daily priority.

“What I can do every single day is set the tone and the intentional, deliberate focus so that leaders who work under me understand that diversity, equity and inclusion is important to the company and to me,” Christine says. “Then it becomes important to them, too, and influences how they manage and advance our people.”

She remembers what it’s like to be on the bottom rung of the ladder — as a 19-year-old store associate worried about making ends meet and unsure about the future. “That part-time associate selling paint is always in my head. I want to make sure the people who are on our front lines today get the same opportunities that I did. That’s how I pay it forward.”

## How to Practice DEI with Intention

*Christine Botnick’s guidance for leaders aiming to foster diversity, equity and inclusion: Make it an everyday mindset.*

- Recognize the value of a diverse workforce, which brings fresh ideas, sparks innovation, aligns The Home Depot with our customers and communities and helps us avoid groupthink.
- Build a broad, diverse network inside The Home Depot, at all levels, and also in your community.
- Talk to and listen to people you don’t necessarily agree with; that’s where real conversation and understanding begins.
- Keep an open mind, and be willing to amend your point of view.

# ASSOCIATE ENGAGEMENT

Associate engagement is the emotional commitment associates have to our company and our goals. It is vital to The Home Depot's culture and success.

## Voice of the Associate Survey

Highly engaged associates care about their work and the performance of The Home Depot. Our passion is to create an engaging and inclusive workplace; we do so by proactively listening and responding to associate feedback.

In 2020, to alleviate one of the pressures on associates as they took care of customers and one another, we suspended our annual companywide Voice of the Associate survey. Instead, we invited associates working in U.S. stores and distribution centers to complete an optional online pulse survey to ensure there was still an opportunity to provide feedback. We used internal communication channels and QR code posters to raise awareness about the survey.

The survey specifically asked about associates' workplace experiences during the pandemic, and the feedback we received was extremely encouraging. Associates felt supported by their supervisors and by the company's flexible scheduling to help them balance work and personal lives during the pandemic. An overwhelming majority also said they were proud to work for The Home Depot.

## + DID YOU KNOW

Almost nine out of 10 associates favored workplace safety measures we put in place to help reduce exposure to COVID-19, according to our 2020 pulse survey. Learn more about Associate Safety on [Page 48](#).

## Engagement Platform

In 2020, we began transitioning to a new associate engagement platform, launching Yammer at the end of our fiscal year. The shift creates new opportunities for us to reach associates via on-site desktops or on-the-go mobile devices. More than 450,000 associates across the U.S. and Canada have access to Yammer.

With over 900 communities in the network, the digital hub links associates to local co-workers and colleagues across North America who share common interests — everything from remodeling and volunteerism to food and movies. Associates can keep up with company news, connect to corporate leaders, cultivate their creativity and fuel their orange-blooded entrepreneurial spirit.

## Success Sharing and Compensation Enhancements

Our philosophy of taking care of our people and motivating them to deliver a superior customer experience shapes our profit-sharing program for hourly associates. Success Sharing provides semi-annual cash awards for performance against our business plan, including sales and productivity goals. The program has granted awards totaling more than \$1 billion to associates over the last three years.

The outstanding performance of our associates in fiscal 2020 enabled 100% of stores to qualify for Success Sharing in both the first and second half of the year. This resulted in record award payments to our non-management associates of approximately \$616 million.

In 2020, we invested approximately \$2 billion in enhanced associate pay and benefits for front-line, hourly associates in response to COVID-19. In the third quarter of 2020, we began transitioning to permanent compensation enhancements that could add up to approximately \$1 billion on an annualized basis. We also continued merit-based salary increases and matching contributions under our FutureBuilder 401(k) Plan.



## Associate Resource Groups

Our [associate resource groups](#) (ARGs) are led by associates and sponsored by executive leaders. They drive associate engagement and promote inclusion at our Store Support Center through:

- Professional development
- Cultural awareness
- Community outreach

We have seven ARGs, each of which support the company’s business objectives and policies, particularly those related to developing our associates, creating diversity awareness and engaging diverse community partners.

ARG engagement expanded significantly in 2020, as many Store Support Center associates worked remotely because of the COVID-19 pandemic. We hosted more than 70 ARG events virtually to celebrate diversity, raise cultural awareness and foster professional development.

## Caring Conversations

We launched Caring Conversations in 2020 in response to the unrest in our communities. These panel discussions featured honest and candid stories about race and ethnicity from senior leadership at the company, as well as lectures from subject-matter experts on civil rights, law, voting and more. Associate teams also held smaller discussions on these topics within their groups.

We hosted six Caring Conversations in 2020, attracting approximately 25,000 associates. These diversity discussions have been expanded to new formats in 2021.



### DID YOU KNOW

The Home Depot recently ranked 105th on *Forbes’* list of Best Employers for Diversity in 2021.

Our Associate Resource Groups promote inclusion and support diversity



African American Associates



Hispanic and Latino Associates



Associates with Disabilities



Military-Affiliated Associates



Asian and Pacific Islander Associates



LGBTQ Associates



Women Associates

# LEARNING & DEVELOPMENT

Our learning and development programs expand skills and capabilities so associates can master their current roles and prepare for future ones.

## + DID YOU KNOW

Associates achieved 19 million training course completions in 2020.

The Home Depot strives to build a learning-rich workplace where associates and leaders are prepared to succeed, motivated to serve our customers well and given opportunities to grow. Our Home Depot University, now in its 11th year, is critical to the development of values-based leaders who take care of our associates and our customers.

In 2020, we responded to the unique challenges of the pandemic by focusing on content, delivery and technology.

**Content:** Providing training that supports associates and customers navigating new challenges

- Health and safety protocols
- De-escalation training to help associates stay safe when frustrations are high
- New company processes and procedures (i.e., curbside pickup)
- Leading Through Uncertainty training

**Delivery:** Flexing our approach to connect with associates and customers, while adhering to safety protocols

- Instructor-led training shifted from in-person to virtual, enabling more than 6,000 associate offerings with over 96,000 completions.
- Virtual coaching helped onboard associates in new supply chain locations.
- New-hire videos replaced in-person training, increasing speed, flexibility and consistency across operations.
- Pivoting to online DIY training met customers' evolving needs — more than 300 virtual workshops netted over 79,000 completions.

**Technology:** Expanding the use of existing learning platforms and adding new ones

- We provided more mobile learning opportunities for associates adapting to evolving procedures, protocols and customer needs.
- We embedded how-to training inside operational systems for easily accessible, needs-based performance support.



Nearly  
**90%**

of our store leaders started as hourly associates



### Chris Owens ↷

Logistics Planner and Associate Since 1981, pictured with wife, Beth

## Aligning Work and Health Yields 40-Year Career

Associate Chris Owens' Home Depot career began in 1981, after he showed up repeatedly at an Atlanta store seeking work. As Chris describes it, he wore the manager down and landed a job in lumber. He rose up the ranks, working in the aisles and driving delivery and distribution trucks, until, in May 1992, he fell 60 feet while trimming trees at his home. Chris broke his neck and was paralyzed from the collar bone down. Life had to change.

After months in the hospital, where visits from fellow associates — including the company's founders — buoyed his spirits and resolve, Chris went to work in a distribution center managing office operations and dispatch. He ultimately was promoted to the Store Support Center team in a leadership role. But a person in a wheelchair needs to keep moving, and the job involved long hours and too much sitting. Chris developed a life-threatening skin wound. His doctor told him he had to work less to preserve his health. Life had to change again.

Chris changed course and brought his institutional knowledge, skills and relationships to a logistics planning team. He gained backup, camaraderie and the ability to prioritize his well-being.

While he refuses to be defined by limitations, Chris believes it's his responsibility to represent other associates with disabilities and the benefits of adapting careers to support inclusion. "I am living proof that you can do anything within The Home Depot that you want to," he says. "There's something out there for you."



### DID YOU KNOW

In 2020, nearly 45% of our summer internship team was ethnically/racially diverse, and nearly a third of our interns were women.



### Michael Villegas ↷

Associate Summer Intern and Newly Promoted Public Relations Specialist

## Associate Intern Boosts Awareness of Trades Training

The Home Depot's summer 2020 internships quickly transitioned from in-office opportunities to fully remote professional development experiences. More than 200 interns completed the program — about half from our stores, distribution centers and contact centers.

Michael Villegas, a merchandising execution team (MET) associate at Store 6960 in Fontana, California, nabbed an internship and worked on a project with meaningful impact for the company.

"I created a public relations strategy to raise awareness among consumers and Pros about our efforts to help fill the labor gap through trades training," Michael says. His project plugged into a key Home Depot priority: fostering career opportunities in our communities and supporting our industry by helping to increase the number of skilled carpenters, plumbers, electricians and more in the workforce. (Learn more on [Page 105](#).)

Michael, who for two years fit college classes around his MET schedule, graduated in December 2020. He is now is a PR specialist at the Store Support Center. "The company had my back and gave me an opportunity to excel," he says.

# OPPORTUNITY AMID ADVERSITY



As is true for everyone, everywhere, life changed dramatically in 2020 for associate Ijumaa Shelton. The difference for Ijumaa, though, was that life largely got better.

Ijumaa, who works at our direct fulfillment center in Troy, Ohio, paid off his credit card debt, helped a friend find work, treated himself to a new computer and gave a little financial support to family members. He began to see himself as a potential leader and to think of his two years on our supply chain front lines as the start of a career.

Amid all the chaos, sorrow and anxiety created by COVID-19, the pandemic also created opportunity. The Home Depot stayed open to serve our communities as an essential retailer, just as we've always done during natural disasters. Customers suddenly spending much more time at home turned to us for air conditioners, appliances, cleaning supplies, lumber, light bulbs and much more.

As a result, the supply chain growth that our company had expected to see over several years happened in just a few months. The Troy DFC asked existing associates to work more if they could. Ijumaa went from three 12-hour shifts a week to clocking in for six — and received double pay for overtime hours. (Learn more about pandemic-related associate pay and benefits on [Page 42](#).) He expanded from inventory control to inbound and outbound operations.

“It was just an insane amount of volume, and I realized that this was an opportunity that might never present itself again,” Ijumaa says. “I had to take advantage of it.”

He used his first few paychecks to pay off every one of his credit cards. “That was such a huge weight off my shoulders,” he recalls. Then he bought himself the parts for a video-gaming computer and bought his sister a baby crib.

He persuaded a friend who had lost his job because of COVID to come work at the Troy DFC. Ijumaa’s pitch: The pay is good, and The Home Depot is a place where you can grow a career. That’s something Ijumaa understands better than ever. He’s jumping at opportunities his bosses offer him to take on higher-level responsibilities. “Because of what happened in 2020, I’ve done almost every role at my level at the Troy DFC,” he says. “I think I can do more.”







“It was just an insane amount of volume, and I realized that this was an opportunity that might never present itself again. I had to take advantage of it.”

– Ijuma Shelton, Supply Chain Associate

# BENEFITS

Our people make The Home Depot successful, and it's our responsibility and privilege to take care of them.

Associates are at different life stages, and our [LiveTheOrangeLife.com](https://www.livetheorangelife.com) benefits hub guides them to the right resources. With one click, associates can find support for wherever they are on life's journey. For example, the money module is the place to go for help with personal finance education or retirement planning. The elders module provides guidance on everything from finding caregivers for aging parents to negotiating the complexities of Medicare.

In 2020, we assembled a COVID-19 response team to help ease many of the challenges our associates faced because of the pandemic.

As detailed on [livetheorangelife.com/covid19](https://www.livetheorangelife.com/covid19), we enhanced pay, increased flexibility in work schedules and provided COVID-related resources, including access to extended dependent care benefits, unlimited emotional and mental health counseling and 24/7 access to telemedicine clinicians. We sent care kits to associates diagnosed with COVID-19. The kits were packed with small comforts, like fleece blankets, as well as personal medical supplies. Read the story of an associate who says the pulse oximeter included in his COVID Care Kit helped save his father's life, [Page 45](#).

## Financial Programs & Tools

**FutureBuilder 401(k):** Associates can save for the future while taking advantage of tax savings. Eligible associates who contribute to the plan get up to 3.5% of eligible compensation in matching contributions from the company.

**Employee Stock Purchase Plan (ESPP):** Twice-a-year plans provide a 15% discount on Home Depot stock. Associates who enroll may set aside up to 20% of eligible pay (up to \$21,250 annually) to purchase stock.

**Personal finance education:** All associates have access to a suite of online webinars, activities, tools and resources designed to help them increase financial knowledge and build the confidence that can help relieve money-related stress.

**Alight Financial Advisors®:** Associates have access to independent advisory services to help them gauge whether they're on track for retirement.

**Insurance:** To prepare for the unexpected, associates have access to policies for medical care, disability, life, home, auto and pet health insurance.

**Identity theft protection:** Associates are automatically enrolled in free AllClear ID® identity repair services, and they can sign up for additional proactive identity monitoring at a reduced rate.

**Perks at Work:** Associates have access to special discounts on a wide variety of everyday goods and services — from nursery items to mobile phone service, gym memberships, computers, vacations and more.



# FOCUSING ON THOSE WHO SERVE

*Military service members and military spouses are resilient, resourceful and team-minded. Supporting them is the right thing to do for our communities and our company.*

**S**erving military members, veterans and their families has been fundamental at The Home Depot from the start. Our Military Relations department, launched in 2019 and expanded in 2020, fine-tunes that focus to make our company an even better resource for those who serve, especially our many military-affiliated associates.

Raukshaun Pickens' experience demonstrates how we support military associates when they're deployed. While much of the world hunkered down, he reported for duty on multiple fronts.

In March 2020, the supply chain associate and combat medic in the Army National Guard deployed to an overwhelmed hospital in rural Georgia to treat COVID-19 patients. Then he was called to the streets of Atlanta to keep the peace during protests demanding social change. After that, Raukshaun helped run COVID testing — and, on July 4, tested positive for the virus himself.

After completing his missions, Raukshaun returned to our direct fulfillment center in Locust Grove, Georgia, in November. Back on the job as production planning manager, he navigated record levels of customer demand with the characteristic calm that has earned respect from his co-workers. He attributes his on-the-job tranquility to 13 years in the military, including a tour in Afghanistan. "Work stress seems very manageable once you've been through combat," he says.

Every time he has been called to duty during his six years with our company, The Home Depot's support of his service and his career never faltered, Raukshaun says. "My direct managers, HR, payroll — everyone has been super supportive. My manager has checked in on my wife

and kids," he says. "My leaders are open to having conversations with me about making sure my military service won't derail my career plans.

"It's a night-and-day difference between the support I get at The Home Depot and the stories I hear from some of my fellow guard members," says Raukshaun, who has recruited some of those fellow soldiers to our company. "I can't think of a company that is better than ours at dealing with employees' military deployments."

## Made-to-Fit Benefits

*The Home Depot offers specialized benefits for veterans, military service members and military spouses who are Home Depot associates:*

- Military leave of absence
- Military family international leave of absence
- Differential pay when activated or deployed
- Military Spouse Relocation program
- Fellowships for transitioning service members
- Support resources, such as counselors, financial advisers and childcare assistance directories

## Raukshaun Pickens

Production Planning Manager and Member of the Army National Guard



### CHECK IT OUT

The Home Depot supports associates who are spouses of military members with transfers between our stores and distribution centers when the military relocates their families. Hear from Amber Bailey, a 7-year associate and Navy spouse, about what that means to her family.



## Taking Care of Our People During COVID-19

Our company spent approximately \$2 billion on enhanced pay and benefits in fiscal year 2020 to ease associates' challenges during the pandemic.

We added 80 hours of paid time off for all full-time hourly associates and 40 hours of paid time off for part-time hourly associates to be used at their discretion and paid out if not used. For associates 65 years and older or determined to be at higher risk according to guidelines of the federal Centers for Disease Control and Prevention, we provided an additional 160 hours of paid time off for full-time associates and 80 hours of paid time off for part-time associates.

### For some or all of 2020, The Home Depot also provided:



*Paid time off for any associate who contracted COVID-19, until released by a doctor*



*Extended dependent care benefits and waived related co-pays*



*Up to 14 days of paid time off for any associate required by a public health authority or the CDC to quarantine*



*Unlimited emotional and mental health counseling visits for associates, including a resource toolkit to help with stress and anxiety*



*Additional bonuses to hourly associates in stores and distribution centers*



*Access to telemedicine clinicians 24/7 to discuss symptoms and treatment*



*Double pay for overtime hours worked by hourly associates*



*Care kits for associates diagnosed with COVID-19*

## Associate Assistance

**CARE/Solutions for Life:** Our free and confidential assistance program helps associates manage personal and work-life challenges. Licensed counselors and medical professionals are available by phone 24/7/365 to our people and their household members, including spouses, domestic partners, other relatives and roommates.

Program team members assist with specific interventions that meet the everyday needs of our workforce — from childcare to eldercare, marital concerns, bereavement, emotional stress, legal or financial concerns and more. In addition, CARE/Solutions for Life is available to assist our management teams dealing with disaster relief and responding to traumatic events in the workplace or community.

## Family Support

**Paid parental leave:** Associates with at least one year of service who are having a baby, adopting or fostering a child can take six weeks of paid parental leave. This benefit is available to both mothers and fathers. Birth mothers are eligible for an additional six-week paid maternity benefit.

**Years Ahead™:** Associates have access to resources to plan for their elders, including referrals to memory and hospice care facilities and independent and assisted-living communities.

**Adoption assistance:** The Home Depot reimburses certain adoption-related expenses to assist eligible associates.

**Rethink:** Best-practice resources and training help associates support their children with developmental disabilities or challenges with learning and behavior. The comprehensive program provides access to easy-to-follow videos, custom learning plans, a training center and one-on-one sessions with licensed experts.

**Milk Stork®:** Associates who are breastfeeding and must travel for work can use this specialized delivery service to send breast milk home to their babies.



Customer Service  
Sales Representative  
Name: [Name]  
ID: [ID]



I put customers **FIRST**



More saving. More doing.

**Back-Up Care:** We've partnered with Bright Horizons® to offer eligible associates back-up care when:

- Regular caregiver/stay-at-home spouse is unavailable
- Associate is between childcare or adult/eldercare
- Child's regular childcare center/school is closed
- Associate is transitioning back to work after returning from leave
- Child or adult/elder relative is ill or needs assistance
- Associate or spouse is recovering from surgery

**Sittercity®:** An extensive database of background-checked babysitters, nannies, elder companions, pet sitters and housekeepers is available to associates.

**MetLife Legal Services®:** This legal-assistance voluntary benefit provides consultation and document review for issues from adoption to wills, powers of attorney, divorce, nursing home agreements and more.

## Educational Assistance

**EdAssist®:** Associates have access to academic and college financial advisers to assist them in reducing the time, cost and stress of pursuing their educational goals. This program also includes access to tuition discounts at more than 200 educational institutions nationwide.

**Orange Scholars:** This extension of The Homer Fund offers scholarships to qualified children of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration. Learn more on [Page 46](#).

**College Coach®:** Counselors and online resources guide associates and their families through the college-admissions process and help them create financial strategies for educational costs.

## Healthy Life

**Aptiv®:** Offering thousands of workouts, this trainer-led fitness app works for all fitness levels. On-demand virtual classes offered at no cost to associates help boost mental and physical health through yoga, meditation, sleep support, running, strength training and more.

**Take Care Of You:** To assist with the unique challenges brought on by COVID-19, this new, free-to-associates wellness hub provides resources to help associates keep it all in balance and focus on their mental and physical health and well-being.

**Flu prevention:** Free flu shots are available for associates to protect them and our customers during cold and flu season.

**Health screening:** Associates have access to biometric screenings with their personal physicians or at a Quest Diagnostic Patient Service Center.

**Tobacco cessation:** Personalized, one-on-one strategies and support are available at no cost to associates to help them mentally and physically prepare to quit.

**Sleepio®:** Personalized program is available to help associates discover their sleep scores and reach their sleep goals, so they can be at their best at home, work and in the community.

**24/7 care:** Associates and family members they care for — including elderly parents — have access to Teladoc® virtual doctors for minor illnesses and behavioral health support from home anytime, including after hours, on weekends and during holidays.

**Health care support team:** Grand Rounds® helps associates navigate health care for themselves and their family members. Associates also may receive a medical second opinion through Grand Rounds. The program is free to associates.

**Daylight:** This personalized app offers therapeutic ways to address worry and anxiety. The app, which is free to associates, provides help anywhere, anytime using proven behavioral techniques.

**Access Hope:** The Cancer Support Program through AccessHope connects associates and their family members to leading experts from City of Hope, a renowned, comprehensive cancer center, to support them through their cancer journey. It's provided at no cost to associates.

## + DID YOU KNOW

More than 90% of associates found value in the expanded benefits that The Home Depot offered in response to the pandemic, according to feedback from associates in our pulse survey in fall 2020.



# COVID CARE KIT ENABLED LIFE-SAVING HEALTH CHECK

*Crucial tool for measuring oxygen alerted associate's family that their father needed emergency care.*

**S**alvador Vaca Jr. was feeling pretty rotten when his COVID Care Kit arrived. Sal, a store associate in Aurora, Colorado, was quarantining at home after contracting the coronavirus. His brother left the package from The Home Depot outside Sal's bedroom door. Down the hall, Sal's 64-year-old father, Salvador Vaca Sr., also was sick with the virus.

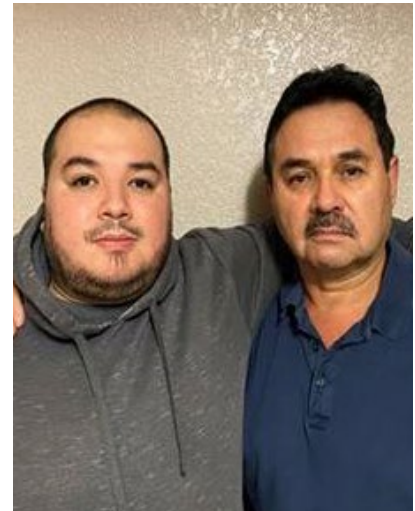
In the Home Depot-branded bag were creature comforts and some health-check devices, including a pulse oximeter that measures how efficiently blood is carrying oxygen through the body. During the pandemic, it has been a crucial tool for understanding in real time how the virus is weakening the respiratory system.

Sal texted a photo of the kit's contents to his sister, who works in health care. She texted back: "I need Dad to check his oxygen." Sal put the pulse oximeter outside his bedroom door. His brother

took it to Sal's father, who used it to measure his blood-oxygen level, which was at 75% and dropping — well below the healthy mark of 95% and above.

Sal's father went to the hospital and stayed there for eight days. Hospital staff told the family that their father survived because of their quick response to his deteriorating condition.

In Sal's view, that package from The Home Depot deserves some credit, too. "The care kit helped us save our dad's life," he says. "It came at the perfect time — when we needed it the most. For this I will always be grateful."



"The care kit helped us save our dad's life. It came at the perfect time — when we needed it the most. For this I will always be grateful."

— Salvador Vaca Jr., Store Associate, pictured above with his father

## COVID-19 CARE KIT

We sent associates recovering from COVID-19 a few tools to support and comfort them during their recovery.



# THE HOMER FUND

A majority of Homer Fund contributions come from associates. Every dollar our people donate helps a co-worker in need.

**The Homer Fund** provides financial assistance to associates facing unexpected hardships, helps their children pay for college and supports our people with financial information to help them prepare for emergencies.

## Grant Programs

- **Direct Grants** help associates facing emergencies and tragic events, such as the death of a parent or child, natural disaster, illness or injury, a spouse's layoff and more, up to \$10,000.
- **Matching Grants** are a unique way the Fund recognizes the generosity of associates toward one another. When associates collect donations for a co-worker in need, their money is matched by The Homer Fund — \$2 for every \$1 associates collect, up to \$5,000 or the associate's actual need. Matching Grants may be used for expenses that are ineligible for Direct Grants. They also may be used to complement Direct Grants, providing additional support to associates in need.

Since 1999,  
*Homer Fund grants totaling nearly*  
**\$215 million**  
 have assisted over **157,000 associates** facing unexpected hardships.

AMPING UP  
 SUPPORT  
 IN A TOUGH  
 YEAR

## Scholarships for Associates' Children

The Homer Fund's Orange Scholars program offers scholarships to qualified children or dependents of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration. Since the Orange Scholars launch in 2006, the program has awarded scholarships to more than 13,000 recipients, totaling \$32 million.

## Financial Preparation

Associates have access to a range of Homer Fund-backed resources to support their financial well-being and decision making. In 2020, on-demand webinars offered guidance on COVID-related emergency savings, changes to student loans and FAQs on what to do if a family member loses their job. The Fund also provided fraud-awareness resources to associates to help them avoid falling victim to scams that proliferated amid pandemic-fueled uncertainty.



## + DID YOU KNOW

The Homer Fund awards scholarships to 1,000 dependents of hourly associates every year, fueling dreams and expanding our Orange Scholars community.

2020 ushered in unprecedented hardships for our people, and The Homer Fund responded



**\$16.2 million**  
was awarded through  
Homer Fund grants



**12 consecutive  
months**  
of grant distributions related  
to natural disasters helped  
associates cope with a variety  
of challenges



**7,100+  
associates**  
received financial assistance  
linked to the pandemic,  
hurricanes, wildfires  
and more



That included **625 grants**  
totaling **\$2.3 million**  
related to COVID-19  
hardships, and **1,345 grants**  
totaling **\$1.1 million** for  
disaster recovery

### Grant eases strain on home-schooling associate

When in-person classes abruptly stopped at her son's school last spring, Miracle Palmer, a store associate in San Antonio, Texas, thought the disruption would last a couple of weeks. But those weeks turned into months.

Miracle needed to stay home to make sure Joel, who's autistic, got the care and engagement he needed during the day. "I had to help him with virtual learning. But the real concern was the well-being of my son," she says. "I was not able to return to work, and, financially, that put a strain on us."

Overwhelmed, she contacted The Homer Fund and got connected with a representative. "I kind of just broke down to her and just told her all the concerns that I was trying to hold together," Miracle recalls. The response, a grant to pay essential bills as she home-schooled her son, "blew away" her expectations.

"With The Homer Fund money, we paid for our electric bill. We paid a water bill. It assisted us with food. The Homer Fund just alleviated all of that. I could put my head down and rest. I could actually just relax," Miracle says. "I'm so grateful."



 **Miracle Palmer**  
Store Associate and Homer Fund  
Grant Recipient

# ASSOCIATE SAFETY

Our people are our most important asset. By focusing on workplace safety training and risk reduction, we help keep our associates and customers injury-free.

The Home Depot strives to provide a safe working and shopping environment for our associates and customers. An important way we do this is by raising awareness of risks among both front-line associates and leaders. When our people are trained to recognize and correct hazards, our workplace is primed for continual improvement.

In 2020, we pivoted from InFocus sessions on traditional workplace safety issues to engaging and educating associates about how to keep themselves and our customers safe during the pandemic.

## Simplifying Safety

Our communications platform delivers real-time information and uses multiple types of media to accommodate associates' preferences and learning styles. We simplify messaging to highlight the most frequent and severe hazards.

In 2020, we introduced quarterly campaigns with facts and statistics to illustrate the prevalence of safety concerns, offer risk-reduction strategies and provide hands-on exercises for injury prevention. Our store and supply chain leaders set the tone, and our experience shows our associates will rally around their leaders' safety messages. To leverage this, in 2020 we facilitated direct safety talks from regional leaders to associates in their organizations. This messaging personalized our companywide efforts to increase workplace safety.

## Preventing Injuries

We partnered with ergonomists on a program to prevent lifting injuries, which are among the most frequent types of injuries in our industry. The result was Lift It Close To Home, instruction that uses a lift-and-place target to show associates how to minimize strain on their shoulders and backs.

## Reducing Risk

Our Store Support Center and field teams work to engineer out risks and make our environments safer for associates and customers. Recent improvements included resurfacing and restriping customer parking lots and using lightweight, stackable plastic pallets to unload freight. These kinds of simple solutions can have a big impact on our progress in creating a safer place to work and shop.

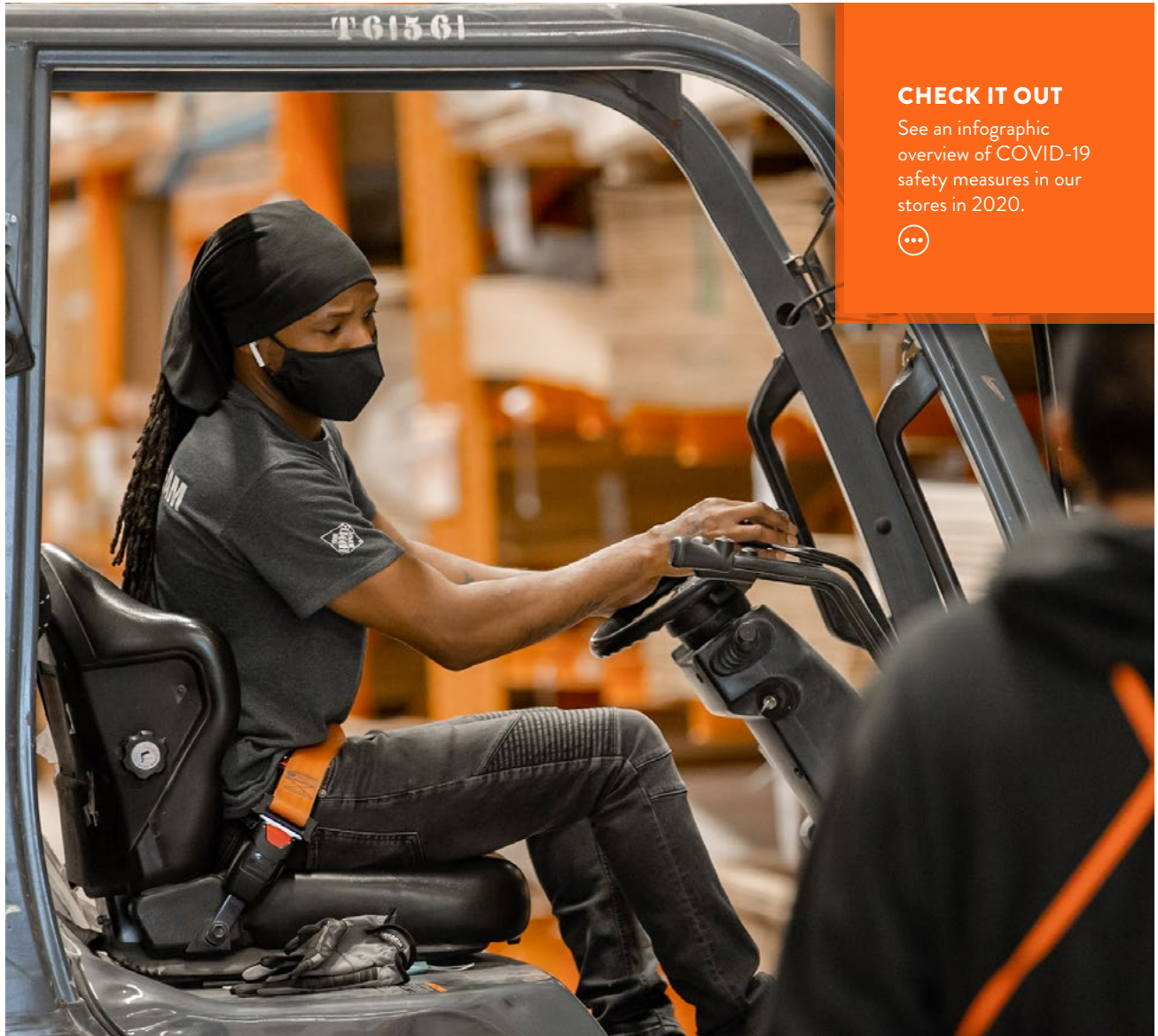
In 2020, 84 Home Depot stores joined our Club 365, meaning they operated all year without a significant safety incident.



## DID YOU KNOW

The Home Depot's injury rates are consistently lower than industry averages for our retail class, according to data from the U.S. Bureau of Labor Statistics.





**CHECK IT OUT**

See an infographic overview of COVID-19 safety measures in our stores in 2020.



**RECORDABLE INCIDENT RATE**

(per 200,000 hours)

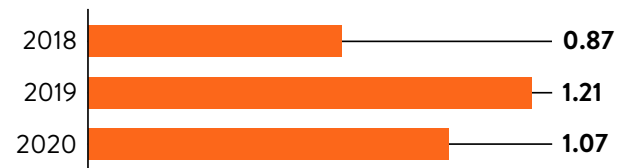
*Work-related injury that typically warrants medical care beyond store-provided first aid*



**LOST TIME INCIDENT RATE**

(per 200,000 hours)

*More significant injury that results in time away from work*



*Previously reported data was updated to reflect enhancements to our internal reporting process and to account for maturity of claims. 2019 and 2020 data sets reflect the fiscal year; 2018 data reflects the calendar year.*

# PROTECTION BY DESIGN

*In a perfect example of 'The Home Depot sprint,' we brought together the right people and the right partners to create long-lasting, good-looking shields to help protect front-line associates.*

**T**he mission was to reduce our front-line associates' exposure to COVID-19, and do it ASAP. In nine days, our store design team — first meeting virtually, then drafting blueprints in an associate's basement-turned-workshop, and finally building models after hours in a couple of Georgia stores — created a plexiglass shield that is now protecting thousands of our people every day.

For associate Chad Thompson, a member of our in-store environment team, the assignment was both professional and personal. He was determined to find a sustainable, functional way to better safeguard associates against the virus. One of the associates he wanted to protect was his daughter, Atley Thompson, who works on the customer service desk at Store 1777 in Kennesaw, Georgia.

"It was mid-March 2020, and at that point, nobody really knew for sure what the coronavirus was and how it spread. But if there was even a small chance that a plexiglass shield could block those germs, we needed to find a way to do it," Chad recalls. The question was how to design shields that would work in our stores. The shields would need to withstand run-ins with carts piled with heavy goods like lumber. They had to improve safety, not interfere with it. They needed to allow accessibility and maneuverability for associates and customers using wheelchairs and other adaptive devices.

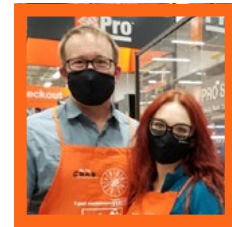
The shields also had to look like they belonged in both our new and legacy stores — not like slapdash plastic sheeting. And the shields had to be easy to assemble, using tools available in every store, so associates could install them with speed, preferably in a single shift.

The team began what Chad — a seven-year associate — calls "The Home Depot sprint." That means we throw resources

at a problem and move fast. Chad and colleagues Mark McGlon, Cary Outlaw, Robery Windisch and Sarmistha Boal, who leads their team, compressed our months-long process for developing store fixtures down to three weeks. And most of the work happened in just a few days:

- March 24, 2020: Store design associates sketched shield designs.
- March 25: A broad team of associates from store environment, store operations, merchandising, MET, technology, safety, procurement, logistics and project management met with five suppliers invited to create prototypes.
- March 26-30: Suppliers created sample shields with regular input from our Home Depot team, which was collecting feedback from associates testing shield prototypes at Store 1777, a new store footprint, and Store 106, a legacy-layout store that's also in Kennesaw.
- March 31: Our team selected the final design.
- April 1: Manufacturing began.

New England Wire Products, based in Massachusetts, was chosen as the supplier because the company is a longtime Home Depot partner and had



"Nobody really knew for sure what the coronavirus was and how it spread. But if there was even a small chance that a plexiglass shield could block those germs, we needed to find a way to do it."

— Chad Thompson, pictured above with his daughter Atley Thompson



metal fabrication capabilities, plexiglass sheets in stock and — importantly — no major COVID outbreaks in its facilities.

While New England Wire manufactured the shield kits, Chad and his colleagues created step-by-step instructions and an accompanying video for associates who would do the assembly in stores. The instructions were straightforward, and the tips were simple. Don't use power tools; use a crescent wrench and ratchet from the shelves. Expect to have a few pieces of leftover hardware. Have two associates available for some phases of assembly.

Within three weeks, the kits were on their way from the factory to our stores. On April 25, they arrived at Store 4719 in North Spokane, Washington. They got there late on a Saturday, just before closing time. MET members Caitlin Keon, Nate Brock and Brie Donahue were ready. They worked all night to construct 36 shields at cash registers, specialty desks and customer service desks.

Associates at the North Spokane store had a heightened awareness of COVID risks. Their state had been hit early and hard by a nursing home outbreak in February 2020 that killed dozens of people. Associates standing face-to-face with customers welcomed the shields.

“Our front-line associates were super thankful that we got the shields installed so quickly — before the store opened the next morning,” Caitlin says. “Assembly is in our MET wheelhouse. We pride ourselves on being able to pivot and be flexible to meet the needs of the store.”

Head cashier Willie Morrow was glad to see the shields go in at Store 4719. He was managing through the anxiety front end associates were feeling. The shields were a morale boost because of their functionality — and their form. They looked “sleek and professional,” Willie says. “Associates on the front end were

getting extra protection, and that was important.”

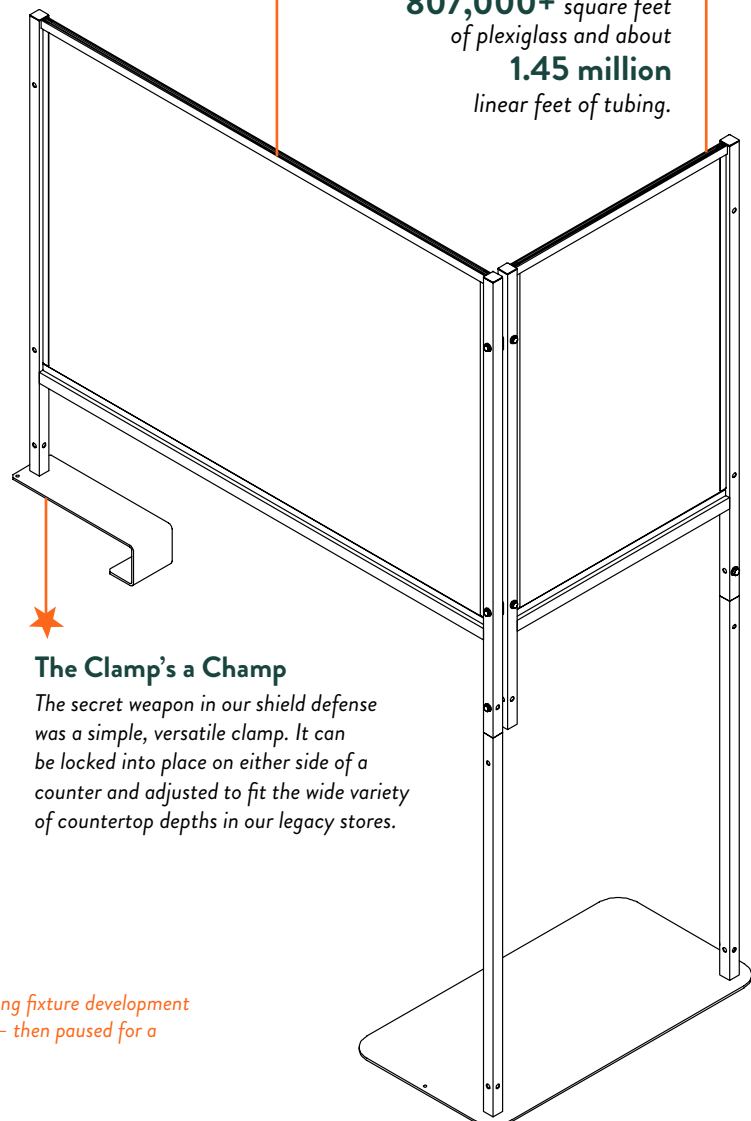
At Store 1777 in Kennesaw, Atley is grateful to stand behind the plexiglass protection her dad helped create. “The shields are still helping keep us safe and reminding us to be respectful of everyone’s space.” Atley says. “And, obviously, for me, there is a special level of pride.”

“The shields are still helping keep us safe and reminding us to be respectful of everyone’s space. And, obviously, for me, there is a special level of pride.”

— Atley Thompson

At our peak in April 2020,  
**3,300+** shield kits  
were shipped to stores daily,  
and **95 stores** per day  
were installing shields.

More than  
**75,000 shields**  
were constructed from  
**807,000+** square feet  
of plexiglass and about  
**1.45 million**  
linear feet of tubing.



### The Clamp's a Champ

The secret weapon in our shield defense was a simple, versatile clamp. It can be locked into place on either side of a counter and adjusted to fit the wide variety of countertop depths in our legacy stores.



Our COVID-19 plexiglass shield team compressed a months-long fixture development process to three weeks in March 2020 to get shields to stores — then paused for a celebratory photo at Store 106 in Kennesaw, Georgia.

# OPERATE SUSTAINABLY

## RESOURCES

- > Greenhouse Gas Protocol
- > Responsible Sourcing
- > Wood Purchasing Policy
- > Forest Stewardship Council
- > U.N. Food and Agriculture Organization
- > Eco Options / Eco Actions
- > Chemical Strategy
- > Energy Star
- > WaterSense
- > USDA National Organic Program
- > Safer Choice
- > GreenGuard
- > Leaping Bunny
- > Science Based Targets

# GOALS

We strive to reduce our carbon footprint by improving the efficiency of our store and supply chain operations, and by investing in alternative energy solutions. We partner with suppliers focused on social and environmental responsibility, and we help our customers reduce their environmental impact by offering products and packaging created with sustainability in mind.

Committed to setting

## Science Based Targets initiative (SBTi)

Scope 1, 2 and 3 goals by 2023 to reduce emissions in line with Paris Agreement goals

## 100% renewable electricity

for all Home Depot facilities worldwide by 2030

Science-based target to reduce emissions

**40%** by 2030,  
**50%** by 2035

Procure/produce

**335 megawatts** of renewable or alternative energy by 2025

Eliminate

**EPS foam & PVC film** from our private-brand packaging by 2023

## PROTECTING THE CLIMATE

# CARBON FOOTPRINT

By driving efficiencies and investing in green energy, we reduced our absolute Scope 1 and 2 carbon emissions by over 127,000 metric tons in 2020.

The Home Depot uses the GHG Protocol Corporate Accounting and Reporting Standard, which has been adopted by numerous companies worldwide to calculate metric tons of greenhouse gas emissions and efforts to reduce them. We continually review and refine our emissions measurements to reflect changes to our business and improvements in data collection and reporting.

We participate in the CDP® reporting process. CDP, formerly the Carbon Disclosure Project, is an independent, international, nonprofit organization that provides a global system for companies and cities to measure, disclose, manage and share environmental information.

We received a score of A- from CDP for our latest report, reflecting our leadership and high level of action on climate change mitigation, adaptation and transparency.

Under our science-based target goal linked to our annual CDP reporting, we have committed to reducing our Scope 1 and Scope 2 carbon dioxide emissions 2.1% per year to achieve a 40% reduction by 2030 and a 50% reduction by 2035.

Our annual GHG emissions and carbon intensities correspond to the calendar-year results we disclose in response to the annual CDP Climate Change questionnaire. The 2020 results include data for HD Supply Holdings Inc., which we acquired on Dec. 24, 2020.

## 2020 RESULTS

### Scope 1:

Direct emissions from combustible sources and refrigerants totaled approximately 607,000 metric tons.

### Scope 2:

Indirect emissions from purchasing electricity totaled approximately 1,214,000 metric tons.

### Scope 3:

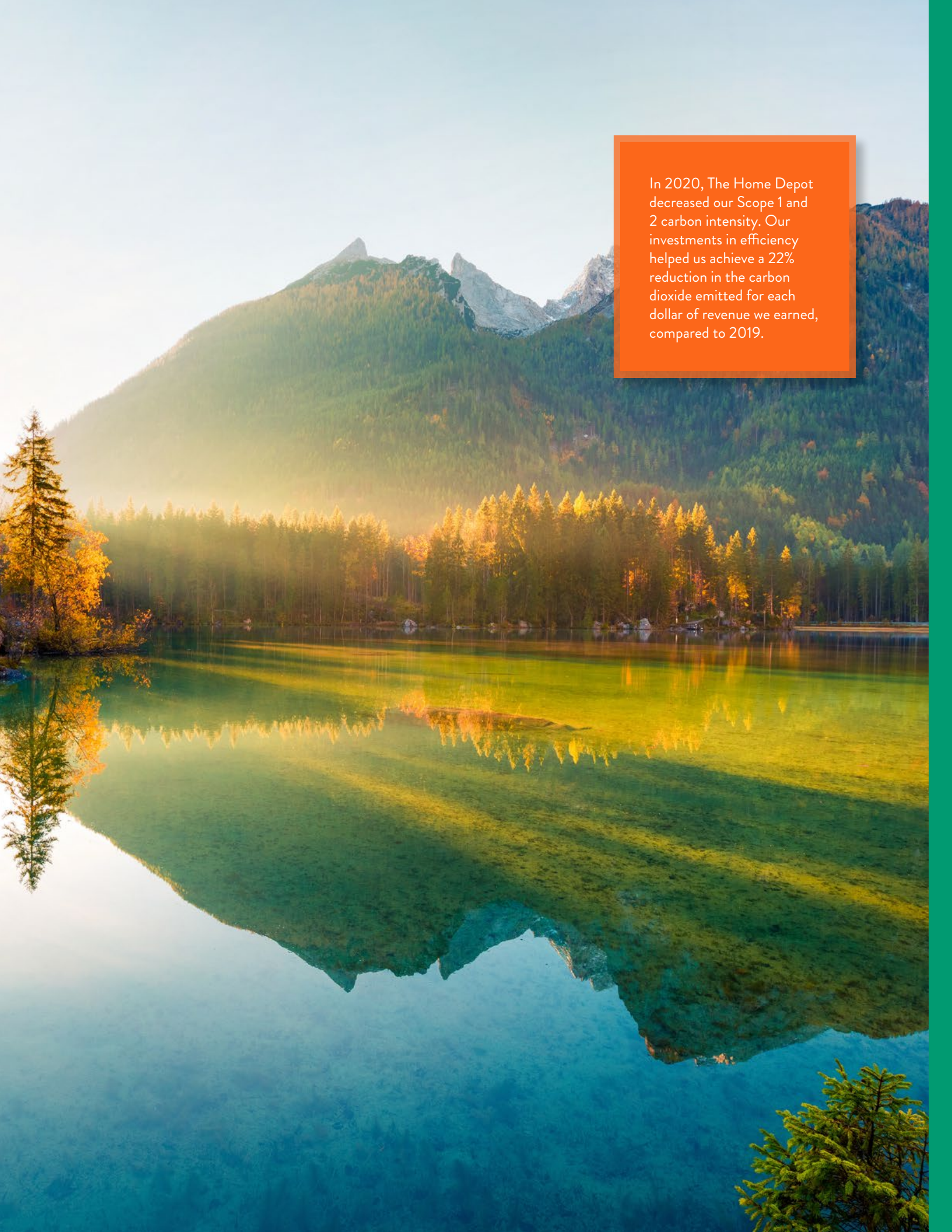
Emissions from upstream transportation and distribution of freight totaled approximately 2,916,000 metric tons.



### DID YOU KNOW

We've committed to setting Science Based Targets initiative (SBTi) Scope 1, 2 and 3 goals by 2023 to reduce emissions in line with Paris Agreement goals.



A scenic landscape photograph featuring a mountain range in the background with several peaks, some covered in snow. The middle ground is dominated by a dense forest of trees, many of which have turned yellow and orange, suggesting an autumn setting. In the foreground, a calm lake reflects the entire scene, creating a mirror image of the mountains and forest. The sky is a clear, pale blue. An orange rectangular box is overlaid on the right side of the image, containing white text.

In 2020, The Home Depot decreased our Scope 1 and 2 carbon intensity. Our investments in efficiency helped us achieve a 22% reduction in the carbon dioxide emitted for each dollar of revenue we earned, compared to 2019.

## PROTECTING THE CLIMATE

## STORE OPERATIONS

Using resources wisely is a smart business strategy that also makes our store operations more sustainable.

The Home Depot's aim to use resources efficiently is driven by business demands. But we are proud that the effort we put into reducing our consumption of electricity and water also is good for the planet.

Across our U.S. stores, we've cut electricity use 44% since 2010. We far surpassed our goal, set a few years ago, to reduce store kilowatt-hour electricity use 20% by 2020. This progress emerged from a diligent, business-centered focus to identify unnecessary electricity consumption and curb it. We did that by installing LED lighting, efficiency-driving building automation systems, updated air-conditioning and heating systems and more.

In 2020, our U.S. stores reduced electricity use by more than 14% year over year. We boosted our alternative and renewable energy capacity by more than 13%, compared to 2019. We also signed onto new off-site solar projects that will significantly increase our solar capacity by 2023.

In addition, we increased our focus on saving water, implementing smart irrigation systems capable of reducing our irrigation-related consumption by approximately 30% at almost 450 U.S. stores. The following pages describe some of the ways we are making progress.



During install



After

The Home Depot invested \$56 million in LED lighting upgrades in 2020, continuation of an effort that began in 2018. One result: Brighter stores.

## LED Transformation Shrinks Electricity Use

At the end of 2020, 1,589 of our U.S. stores had been upgraded to overhead LED lighting; LEDs were installed at 427 stores in 2020 alone.

Upgraded stores see electricity consumption drop by about 30%, on average, compared to using conventional lighting. Plus, the stores benefit from brighter aisles and better control over their technology-enhanced lights. For example, stores can selectively dim some areas of the store and leave others fully lit after hours, when associates are restocking but customers are not shopping.

LEDs have been a big investment for our company, adding up to a \$178 million total capital expenditure from 2018 to 2020. But they've also been a big driver of the remarkable electricity savings we achieved in 2019 and 2020 (see chart). And the progress continues. We're on track to install LEDs in all of our U.S. stores by the end of fiscal 2021.



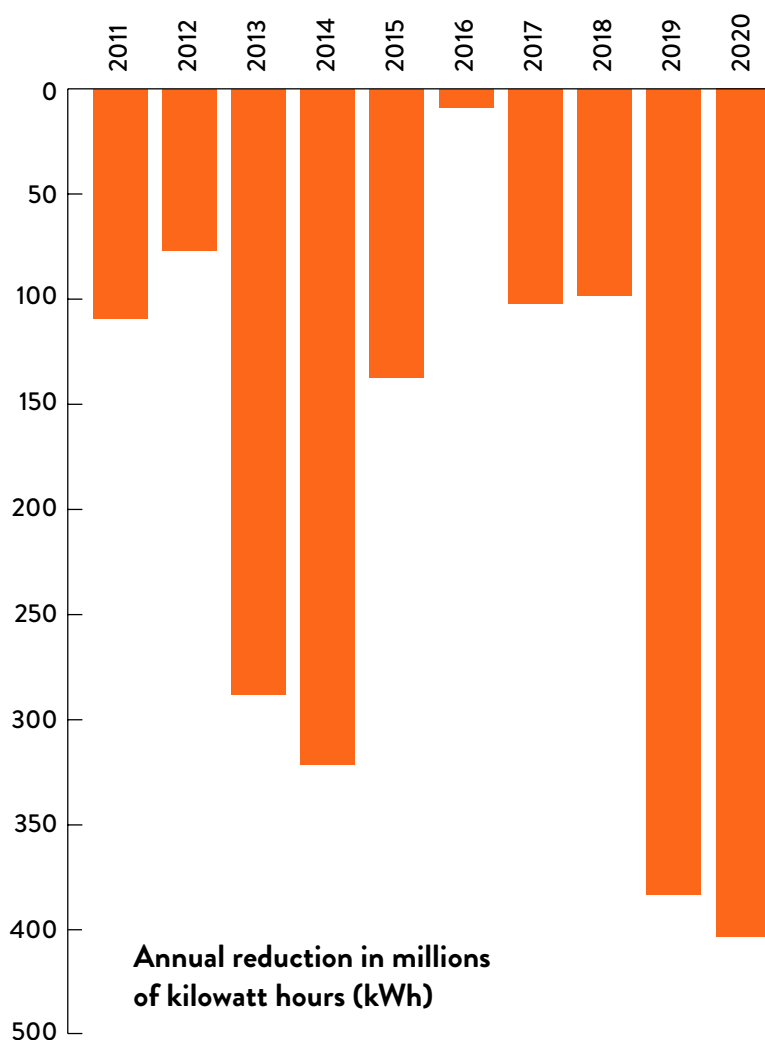
### WHAT'S SO GREAT ABOUT LEDS?

*The benefits are similar in customers' homes and our stores:*

- Reduced electricity and lighting maintenance costs
- Lower electricity use that contributes to a smaller carbon footprint
- Brighter pathways that increase safety and improve aesthetics

## Making Every kWh Count

The Home Depot reduced U.S. store electricity consumption 44% over 10 years through a multifaceted effort to find energy savings in every corner of the store.



## Solar Energy Fuels Our Future

We've pledged to have 100% renewable electricity for all Home Depot facilities worldwide by 2030. It's an expansion of our previous commitment to buy or produce 335 megawatts of renewable or alternative energy by 2025. Harnessing power from the sun will be crucial to our success; we anticipate about three-quarters of our alternative and renewable energy capacity will come from solar by the end of 2023.

We've announced plans to purchase solar power from three facilities, providing a collective 225 megawatts of renewable energy capacity, enough to power 450 stores.

- **75 megawatts** of solar energy generated by Enel Green Power in Haskell County, Texas, will come online in 2021.
- **100 megawatts** from a National Grid solar facility in Denton County, Texas, is scheduled to arrive in 2022.
- **50 megawatts** from what will be one of the largest solar facilities in the U.S. — Invenery's complex of solar arrays stretching across three northeast Texas counties — will be available in 2023.

Furthermore, at the end of 2020, solar farms were operating atop 71 U.S. stores — up from 47 stores in 2019. We have another 46 rooftop solar projects in development in 2021.

Finally, our contracts with solar energy providers in Delaware, Massachusetts and Minnesota support the addition of new solar power to the grid in these areas.

## Smart Irrigation Saves Water and Money

We conducted a pilot program across 59 stores in 2019 and 2020 that showed us the potential impact of applying our detailed focus on conserving electricity to conserving water. The pilot stores saw their irrigation-related water use shrink by approximately 30%. So, in the fall of 2020, we installed smart irrigation water systems in another 384 U.S. stores.

The technology is sophisticated; each system is guided by information from in-ground sensors, real-time weather data and other sources. But the concept is simple. The system only sprays water on a store's landscaped areas when plants need it. Smart irrigation works according to conditions, not the clock.

We plan to roll out more of these water-saving systems in 2021, aiming to have them at 500 stores by the end of the year.



## WAYS WE'RE DRIVING EFFICIENCIES IN OUR STORES



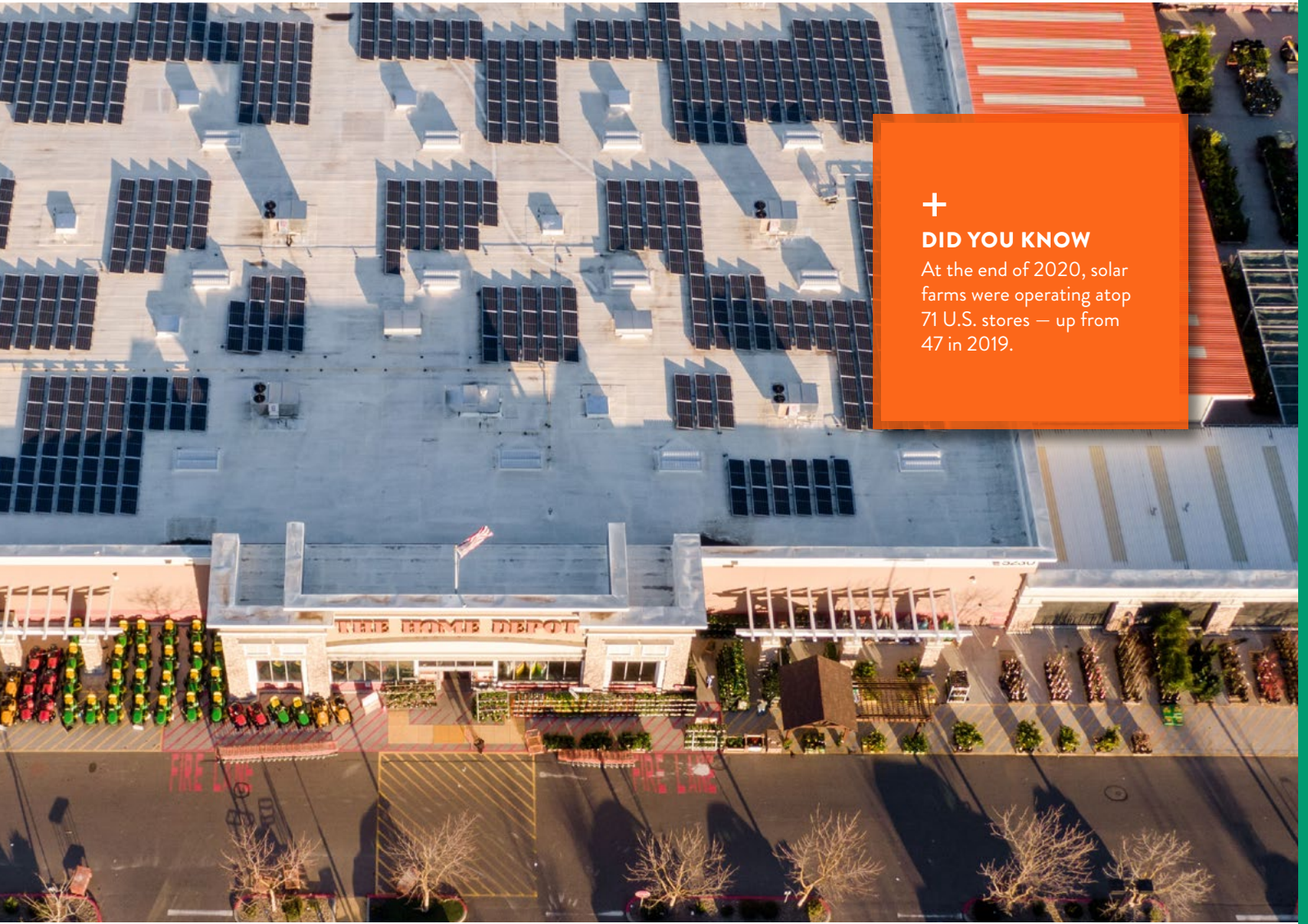
At 203 stores, **fuel cells produce over 90% of the store's electricity needs** and reduce emissions.



The energy capacity we purchase from the Los Mirasoles Wind Farm in McAllen, Texas, is enough **wind power to run 120 Home Depot stores.**



**Building automation systems in all U.S. and Canadian stores** monitor conditions, such as indoor temperature and exterior light levels, reducing electricity consumption and maintenance costs.



### DID YOU KNOW

At the end of 2020, solar farms were operating atop 71 U.S. stores — up from 47 in 2019.



We installed **836** energy-efficient heating, air-conditioning and ventilation systems in more than 70 U.S. stores in 2020.



Over **900 U.S. stores** participate in demand mitigation to optimize our electricity costs during peak demand and help local utilities better manage grid capacity.



At 53 U.S. stores, **on-site batteries** store power during off-peak times for use when demand spikes.

# BECOME A CAREER EXPLORER



Associate Jordan Wallace's Home Depot career path has covered a lot of ground. He started with our company nine years ago on the supply chain team. Then he moved to digital marketing. Now he's a senior analyst in building services and deeply involved with our store evolution. His career path may surprise you, but it was a carefully crafted plan — one that shows how our investments in sustainability can help our associates and the environment, while advancing our business strategy.

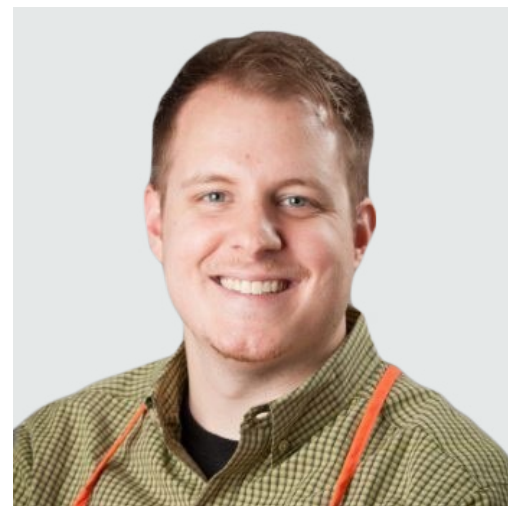
A few years ago, Jordan was on the homedepot.com team when our CEO Craig Menear announced our company would be investing billions of dollars in stores. "I knew that would create opportunities," Jordan says. So he started looking for operations jobs that interested him and aligned with his skill set.

Building services needed someone to project-manage large initiatives. Jordan saw a fit. Today, he coordinates with lighting vendors, contractors, store leaders, local government officials and many others to

get LEDs installed in our store ceilings. He draws on his understanding of logistics and technology, as well as his ability to pay close attention to even the smallest details.

When our LED project was at its peak in 2019, Jordan was coordinating installations for 30 stores a week. The overhaul was a big driver of our more than 14% drop in U.S. store electricity use in 2020. By the end of fiscal year 2021, all U.S. stores are expected to have interior lighting upgraded to LEDs.

Jordan believes any associate can chart a career as varied, interesting and rewarding as his. "If you have the willpower, you can make your own path," he says. "The Home Depot has so many great opportunities. You shouldn't limit yourself to just one."





“If you have the willpower, you can make your own path. The Home Depot has so many great opportunities. You shouldn’t limit yourself to just one.”

– Jordan Wallace, Senior Analyst,  
Store Support Center

## PROTECTING THE CLIMATE

# SUPPLY CHAIN

By making our supply chain more efficient, we reduce business costs and the impact that our product distribution has on the environment.

We've made significant progress on our One Supply Chain plan, announced in 2017, to invest \$1.2 billion to fund about 150 new supply chain facilities nationwide.

By the end of 2020, we had added over 30 distribution centers, increasing speed to final destinations and reducing miles traveled for goods processed through these facilities.

We kept moving forward on our One Supply Chain investments, even as we distributed more products than ever before. The Home Depot moved 1.2 billion cubic feet of products through our supply chain in 2020, a company record. Volume rose more than 20%, year over year.

Even as supply chain volume increased, the efficiencies we gained in our operations and our investments in green energy helped us reduce our carbon intensity. Learn more on [Page 54](#).

### 3 ECO-FRIENDLY SUPPLY CHAIN INNOVATIONS

#### 1

Zero-emission hydrogen fuel cells power forklifts.

#### 2

Automated trailer check-ins reduce paperwork and the time that trucks idle.

#### 3

Wider conveyors move large products faster, increasing overall efficiency.



**DID YOU KNOW:** We participate in the U.S. Environmental Protection Agency's SmartWay® program to collect and report greenhouse gas emissions data from corporate supply chains. The Home Depot is a six-time recipient of the SmartWay Excellence Award.

## WAYS WE'RE DRIVING SUPPLY CHAIN IMPROVEMENTS



In 2020, we installed hydrogen fuel cells at nine U.S. supply chain facilities, giving us **12 locations with emissions-free fuel for forklifts**. We estimate these fuel cells helped us reduce electricity consumption by about 16 million kilowatt hours in 2020.



We sell available space on our trucks and buy space from other companies, ensuring fewer underloaded trailers hit the road. That **space sharing saves about 2 million driven miles a year**.



By partnering with suppliers to forgo pallets, we can stack products to the top of trailers, resulting in as much as a **40% reduction in truck space** needed to transport some goods.





We do a technology-assisted assessment of scheduled pickups and deliveries, then recommend optimized routes to **reduce miles traveled, fuel consumed and trucks on the road.**



Optimization technology guides how we pack trucks or ocean-bound containers. We **maximize the product load, reducing the number of trucks and containers** — and overall emissions.



On the West Coast, one of our key transportation providers uses **electric 18-wheelers**, which have a 250-mile range and can be recharged to 80% capacity in 90 minutes.

## SOURCING RESPONSIBLY

## ETHICAL SOURCING

**We support suppliers that take action toward maintaining our collective commitment to human rights and safety in our supply chain.**

We owe it to our customers, associates and communities to further the collective commitment to human rights, safety and environmentally sound practices through ethical sourcing. We engage our suppliers in this commitment by purchasing products made in factories that adhere to our responsible sourcing standards. We report on our progress in an annual [Responsible Sourcing Report](#).

Our [Responsible Sourcing Standards](#) mandate that suppliers and factories abide by all applicable international and local laws, rules and regulations in the manufacturing and distribution of merchandise or services provided to us. We conduct audits around the world to ensure compliance with our responsible sourcing standards.

Suppliers must keep on-site documentation that demonstrates compliance with our responsible sourcing standards. They also must allow Home Depot associates and/or representatives full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits. We expect our suppliers to promptly correct any noncompliance, starting with timely preparation and presentation of a corrective and preventative action plan. We also re-audit supplier facilities, with the frequency depending on their performance in prior audits.

If suppliers fail to improve, we may terminate our business relationships with them. Equally important, we support factories that take action to create lasting social and environmental compliance programs. We encourage suppliers and factory workers to communicate concerns via processes outlined in our corporate [Code of Conduct](#).

**Our responsible sourcing audits are designed to assess compliance in these areas:**

- Laws and regulations
- Child labor
- Forced labor
- Harassment and abuse
- Compensation
- Hours of work
- Non-discrimination
- Freedom of association and collective bargaining
- Health and safety
- Environment
- Subcontracting
- Communication
- Business ethics
- Monitoring and compliance

### Responsible Sourcing Starts at the Top

#### Board of Directors and/or Audit Committee of the Board

provides general oversight; receives annual progress report on and reviews results of the annual internal audit of the responsible sourcing program



**Executive Leadership Team** sets the tone for our ethical standards and provides oversight and guidance, as needed



**Management** responsible for owning and managing risks and implementing actions to ensure responsible sourcing objectives





## BY THE NUMBERS

**1,437**  
factory audits

and 1,575 follow-up visits were conducted in 34 countries under our responsible sourcing policy in 2020

**239**  
factories

were audited for compliance at peak production

**81**  
subcontractors

were audited in 2020

**Home Depot Global Sourcing Offices**  
work with our supply chain to ensure compliance with our standards



**THD's Responsible Sourcing Team**  
dedicated associates focused on ensuring factories adhere to our standards



**Third-Party Auditors**  
conduct our responsible sourcing compliance audits



**Internal Audit**  
associates conduct annual audits to ensure our responsible sourcing program is effective and operating as expected

## SOURCING RESPONSIBLY

# CONFLICT MINERALS

We work with our suppliers to ensure they implement responsible sourcing and encourage their smelters to obtain “conflict-free” designations.

Our company expects all suppliers that manufacture our products to provide appropriate information and conduct due diligence to enable our compliance with conflict minerals laws. We also expect these manufacturers to obtain products and materials from suppliers that are not involved in funding conflict in the Democratic Republic of the Congo (DRC) and adjoining covered countries. We partner with our private brands and proprietary product suppliers whose products contain tin, tungsten, tantalum or gold (referred to as 3TG) to identify the source of any of these minerals in the supply chain.

## 2020 Progress

As detailed in The Home Depot’s [Conflict Minerals Report](#) for the year ended Dec. 31, 2020, our efforts focused on collecting and disseminating information about the sourcing practices of our suppliers. We cataloged that information in a database using the conflict minerals reporting template developed by the [Responsible Minerals Initiative](#)® (formerly the Conflict-Free Sourcing Initiative, or CFSI). We report this data for the calendar year, rather than our fiscal year, in line with U.S. Securities and Exchange Commission rules.

Our in-scope Tier 1 suppliers increased to 91 in 2020 from 71 in 2019. In 2020, as part of our annual assessment of products in scope, we continued to exclude any supplier of products where the supplier merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party, as permitted by SEC guidance.

Through our due-diligence process, which aligns with guidance from the [Organisation for Economic Co-Operation and Development](#), we received 100% participation from our in-scope private brands and proprietary-product Tier 1 suppliers.

Thirty-two percent of our in-scope Tier 1 suppliers indicated that one or more conflict minerals were necessary to the functionality or production of covered products, down from 44% in 2019. Of the smelters or refiners reported by these suppliers, only 49 out of a total of 304 uniquely identified smelters or refiners sourced conflict minerals from covered countries. All of these smelters or refiners were certified as DRC conflict-free by the Responsible Minerals Initiative, the London Bullion Market Association and/or the Responsible Jewellery Council. However, a small number of suppliers below the Tier 1 level were unable to complete chain-of-custody surveys back to the level of the smelter or refiner.

We continue to work closely with our suppliers to ensure they implement responsible sourcing; obtain current, accurate and complete information about the supply chain; and encourage their smelters to obtain a “conflict-free” designation from an independent third-party auditor.

# 100%

of our in-scope private brands and  
proprietary-product Tier 1 suppliers  
participated over the last three years  
in our efforts to collect conflict  
minerals information.

## SOURCING RESPONSIBLY

## SUSTAINABLE FORESTRY

Our goal is to create transparency in how global forest resources are used in our products.

The Home Depot's focus on selling products made from sustainable sources of wood dates to 1994, when certified-sustainable wood shelving first arrived in our aisles. We recognize the environmental impact our company can have on the world's woodlands by working with suppliers that adhere to set standards of forest management and tree species selection. To help protect endangered forests and support efforts to preserve timber for future generations, we established a [Wood Purchasing Policy](#) in 1999 and continue to update it.

We are proud of our ability to create positive change by encouraging sustainable forestry practices. We strive to better understand the social and economic effects that wood purchases have around the world, especially in regions with endangered forests.

### Data-Driven Sourcing

Understanding the world's forest coverage by country helps guide our supply chain decisions. The vast majority of our wood product purchases originate from North American forests, some of the most sustainable forests in the world.

Seventeen percent of the world's forests are in Canada and the United States, according to research by the United Nations Food & Agriculture Organization. The U.N.'s 2020 [State of the World's Forests](#) report shows that more than half of the world's forest coverage is in five countries: Russia (20%), Brazil (12%), Canada (9%), the U.S. (8%) and China (5%).

### The Home Depot's Wood Purchasing Policy outlines our commitment to:

- Give preference to the purchase of wood and wood products originating from certified, well-managed forests wherever feasible.
- Eliminate the purchase of wood and wood products from forest regions identified as endangered.
- Practice and promote the efficient and responsible use of wood and wood products.
- Promote and support the development and use of alternative environmental products.
- Not accept wood products from the Amazon or Congo Basin areas, Papua New Guinea or the Solomon Islands, unless they're Forest Stewardship Council (FSC)-certified.
- Demand that our vendors and their suppliers of wood and wood products maintain compliance with laws and regulations pertaining to their operations and the products they manufacture.

### + DID YOU KNOW

Forests provide more than 86 million green jobs and support the livelihoods of even more people, according to U.N. data.

### CHECK IT OUT

Learn more about The Home Depot's three decades of work to protect endangered forests while ensuring timber for future generations.





## CHECK IT OUT

Discover how our supplier, Mendocino Redwood Company, practices sustainable forestry with a focus on fire management.



## REDUCING ENVIRONMENTAL IMPACT

# GREENER PRODUCTS

Our greatest environmental impact comes from the products we sell, and our biggest opportunity to create change is helping customers live more sustainably.

## Eco Options

The Home Depot's [Eco Options](#) program helps our customers identify products that have less of an impact on the environment and encourages our suppliers to provide more sustainable offerings.

We launched Eco Options in 2007 in partnership with SCS Global Services, a leading, independent, third-party certification body that validates environmental claims.

For a product to receive Eco Options classification, the supplier must document attributes that prove it has less of an impact on the environment than comparable products in the same category. Until all industries create and abide by a reporting formula that measures product attributes according to a common sustainability standard, we will continue to use our Eco Options program to help customers sort through green product claims.

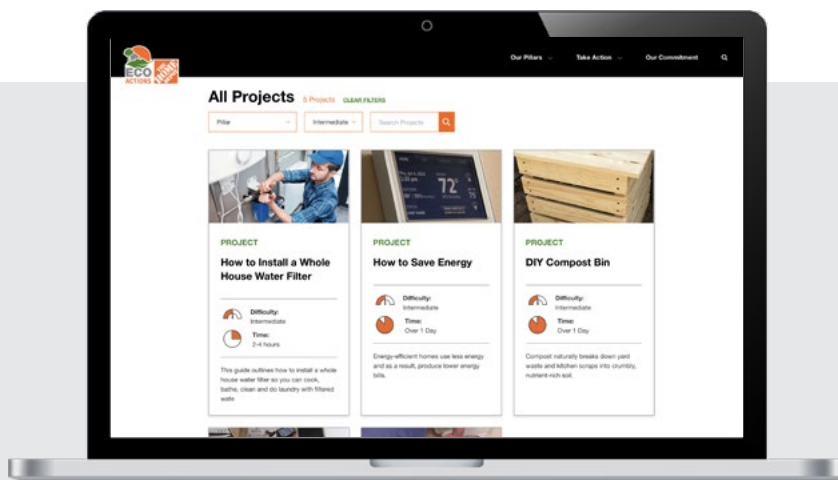
## Eco Actions

Our new [Eco Actions](#) program provides our customers with resources they need to take individual action on environmental issues. Projects cover everything from how to compost to tips for saving water and what to consider if you'd like to switch to solar energy.

It's another way we're promoting change for the better by helping our customers create greener homes.

## Focus on Forestry and Responsible Chemistry

In addition to our Eco Options and Eco Actions programs, we focus our sustainable product efforts in two key areas relevant to our business: forestry and indoor air quality. In 1999, we established a [Wood Purchasing Policy](#) (see [Page 68](#)) to help avoid wood products coming from forestland with a high conservation value. And in 2017, we published our [Chemical Strategy](#) (see [Page 78](#)) to encourage the exclusion of certain chemicals from paint, flooring, insulation, household cleaning and paint removers.



## CHECK IT OUT

Our new Eco Actions website offers insights and ideas on how people can do their part in their homes and gardens to create meaningful change.







Our Eco Options and Eco Actions programs help customers build a better world one product and project at a time. We focus on five pillars:



### Carbon Emissions

CO2 is the biggest contributor to climate change



### Circularity

All products and packaging could be regenerated



### Responsible Chemistry

We all want to live in a healthy environment



### Sustainable Forestry

The world's forests are the lungs of the earth



### Water Conservation

Water is a vital resource to all life on our planet



# GOING GREEN AT HOME

Our Eco Options label makes it simpler for customers to identify products that can help reduce their households' impact on the climate, the planet and natural resources. Discover a few products in the program below, and learn more about our Eco Options product standards on [Page 70](#).

1



## Organic Pest Control

Bonide® Neem Oil is an all-purpose insecticide, miticide and fungicide that is approved for organic gardening and kills all stages of insects.

- Responsible Chemistry

2



## Composite Decking

Trex® Enhance Naturals is made from 95% recycled plastic and wood and offers a 25-year guarantee not to warp or fade.

- Circularity

## 3 Organic Gardening



The Performance Organics™ line from Miracle-Gro is Organic Materials Review Institute (OMRI) listed for organic gardening.

- Responsible Chemistry

## 4 Smart Irrigation System



Save up to 50% on water use with technology that taps weather and other data. Certified by the U.S. Environmental Protection Agency's WaterSense program and Smart Water Application Technologies®.

- Water Conservation

## 5 Garage Door Seal

Fill gaps to insulate and weatherize your garage, saving energy and money.

- Carbon Emissions



6

## Dark Sky-Approved Light Fixtures

Reduce light pollution by directing light where it's needed, not toward the sky. Learn more about The Home Depot's [partnership](#) with the International Dark Sky Association.



7

### Roof Coating

Designed to reflect the sun's heat, roof coating can lower temperatures and reduce household cooling demand. Look for certification from the EPA's Energy Star program.

- Carbon Emissions



8

### Solar Panels

Turn your rooftop into a green energy power plant with residential solar panels. Go to [Page 88](#) to learn more.

- Carbon Emissions



9

### Spray Foam

Cut down on energy waste by sealing gaps and cracks with spray foam.

- Carbon Emissions



### CHECK IT OUT

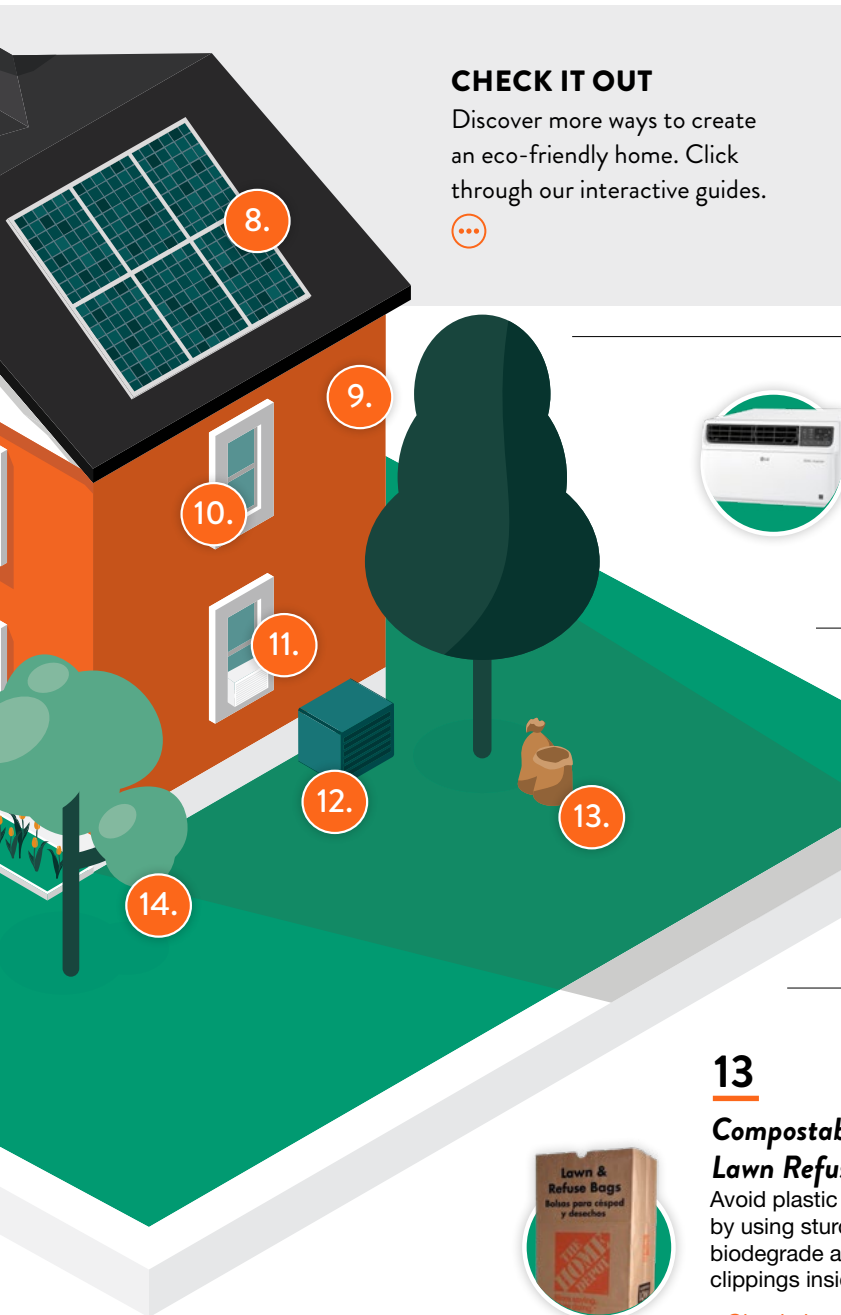
Discover more ways to create an eco-friendly home. Click through our interactive guides.



### 10 Energy-Saving Windows

Installing Energy Star-certified windows, doors and skylights can shrink electricity bills and emissions. Learn more about our energy-saving products on [Page 82](#).

- Carbon Emissions



### 11 Energy-Saving Air Conditioning

A new Energy Star-certified room air conditioner uses an average of 10% less energy per year, compared to conventional models, according to the EPA.

- Carbon Emissions



12

### Composters

Turn food scraps into soil-enriching nutrients for more productive gardening and less household waste.

- Circularity



13

### Compostable Paper Lawn Refuse Bags

Avoid plastic in your compost by using sturdy paper bags that biodegrade along with the lawn clippings inside them.

- Circularity



14

### Shade Tree

Plant on south and west sides of house to reduce AC energy use by 50% in the summer.

- Carbon Emissions



## REDUCING ENVIRONMENTAL IMPACT

# CIRCULARITY

We support the circular economy by reusing, repairing, refurbishing and recycling and encouraging our suppliers to do the same.

Our focus on circularity reflects our aim to prevent products and packaging from becoming trash. The foundation comes from nature: Nothing is wasted, and everything is regenerative.

We strive to offer products with a positive environmental impact, and we encourage suppliers to innovate in how they produce and package products for reuse and longevity. We carry more than 2 million products, and many have the potential to move our economy toward circularity.

We also look for opportunities within Home Depot operations to reduce, repair, reuse and recycle. The goal is to extend our planet's natural resources and protect land and water from the impact of material disposal.

Along with our suppliers and vendors, we are developing our thinking and capabilities in an effort to:

- Design with the environment in mind
- Eliminate excess materials
- Eliminate materials that are not readily reusable or recyclable
- Minimize mixed materials to make disassembly and recycling simpler
- Use materials that are biodegradable or readily recyclable
- Use recycled content when possible without compromising product efficacy
- Enable the indefinite reuse of materials
- Encourage manufacturers and consumers to minimize their environmental impact

### CHECK IT OUT

Find out how The Home Depot manages packaging and returned products to keep them out of landfills.



Our supplier **Pratt Industries** produces all Home Depot moving boxes. The boxes are made from 100% recycled material, including some cardboard and other packaging from Home Depot operations – supporting our commitment to the circular economy.

### BY THE NUMBERS

**360** truckloads of post-consumer fiber feed Pratt's operations daily

**No. 1** privately held producer of all-recycled containerboard

**5th-largest** packaging company in the U.S.

**10,000+** employees

**100** facilities in 27 states

**30 years** in operation

### 3 WAYS THE HOME DEPOT SUPPORTS CIRCULARITY

1

**RECYCLE** by separating and collecting raw materials from our own waste streams, and working with our suppliers to turn them into new products.

2

**REPAIR** items in our stores and for our customers to extend the life of products and avoid the energy emissions from manufacturing replacements.

3

**REUSE** materials so less waste goes into landfills.

### PROGRESS IN 2020

RECYCLE	16.9 million pounds of plastic
	261,500 tons of cardboard; see more on <a href="#">Page 91</a>
	89,000 pounds of expanded polystyrene (EPS) foam; see more on <a href="#">Page 76</a>
	82,000 tons of metal
	1.2 million pounds of rechargeable batteries; see more on <a href="#">Page 91</a>
	2 million pounds of obsolete technology assets
REPAIR	169,000 customer tools repaired by The Home Depot
	12,500 customer tool repairs referred to third-party service providers
	55,600 repairs of our Tool Rental equipment
	57,000 repairs of store-owned tools
	59,900 repairs of store equipment
REUSE	120,800 tons of salvaged returns
	448,300 pounds of donated returns
	8.6 million tool rental transactions

### FROM PLASTIC WASTE TO BACKYARD OASIS

In partnership with our supplier Trex, The Home Depot transforms more than 8,000 tons of plastic shrink wrap a year into decking that doesn't rely on wood. Here's how it works:



Home Depot stores send plastic waste to our return logistics centers (RLCs)



Trex transforms it into wood-alternative decking and other outdoor materials



RLCs send plastic waste to Trex

Trex products are sold at Home Depot stores

# SQUEEZING NEW LIFE OUT OF WASTE



Associate Lindsey Tornello is curious. One day she saw a garbage truck leave a Home Depot facility with a full but lightweight load. What is it? she wondered. Lindsey, who manages our sustainability and recycling initiatives, followed the truck and watched it dump a pile of expanded polystyrene (EPS) foam into a landfill. She thought: There must be a better way.

She pitched the idea of using a compressing machine to shape leftover EPS packaging into blocks that could be repurposed for insulation and other products. Our company said yes, and a pilot program was born.

Here's how it works. EPS foam is removed from packaging. The compressing machine squeezes it into blocks. The blocks are sold to companies that use it for insulation and other products and purposes. It's a great example of our company's commitment to circularity (see [Page 74](#)), as well as our orange-blooded ingenuity.

"I appreciate the support I receive to think strategically and creatively. Having that support makes all the difference in my ability to make lasting, impactful change," Lindsey says.

The pilot program sparked by curiosity kept about 89,000 pounds of EPS out of landfills in 2020. Now we're expanding it with plans to add more than 100 EPS compressors across our operations.



*Discover more about how we're reducing EPS in our private-label packaging on [Page 92](#).*





“I appreciate the support I receive to think strategically and creatively. Having that support makes all the difference in my ability to make lasting, impactful change.”

– Lindsey Tornello, Manager of Sustainability and Recycling Initiatives

## REDUCING ENVIRONMENTAL IMPACT

**RESPONSIBLE CHEMISTRY**

**We're addressing chemicals of concerns in our products and providing transparency into our approach in our regularly updated Chemical Strategy.**

At The Home Depot we understand we are responsible for the environmental impact of our organization. In partnership with stakeholders throughout the supply chain, we are committed to offering products that are safer for the environment and our customers.

With our encouragement, our suppliers have been investing in developing environmentally innovative products. The Home Depot supports the work of the [Green Chemistry & Commerce Council](#) (GC3) through annual membership and participation in the Retail Leadership Council of the GC3, and we participated in developing the GC3's [Joint Statement on Using Green Chemistry and Safer Alternatives to Advance Sustainable Products](#).

We and our suppliers also partner with respected third-party certification organizations and environmental nonprofits that guide the home improvement industry toward safer chemical ingredient use. In addition to the restricted substance categories listed on the following pages, we are working with our suppliers to reduce neonicotinoids and methylene chloride in products. The Home Depot is committed to continuing the drive toward minimizing the environmental impact of the products we sell.

**OUR COMMITMENT**

- The Home Depot is committed to increasing our assortment of products that maintain third-party certifications of their chemical ingredients, and that meet high environmental standards.
- We encourage suppliers' efforts to improve chemicals in categories with the greatest potential impact on indoor air quality.
- We conduct periodic assessments of key categories to track progress on environmental innovations in green chemistry.

**The Home Depot evaluates our [Chemical Strategy](#) annually to ensure our approach and goals are appropriate and meet the needs of our stakeholders.**





## FLOORING

### Carpet

Home Depot carpet suppliers have been at the forefront of the industry-wide removal of chemicals of concern and the exploration of safer alternatives in carpet. All indoor wall-to-wall carpet sold through The Home Depot's U.S. and Canada stores have a third-party verification of transparency through DECLARE® Label or Environmental Product Declarations (EPDs), or certification of material health through Cradle to Cradle™ Products Innovation Institute or CRI Green Label Plus®. The following chemicals are excluded from indoor wall-to-wall carpet sold in our U.S. and Canada stores:

- Perfluorooctanoic acid (PFOA) or perfluorooctane sulfonate (PFOS)
- Triclosan
- Organotins
- Ortho-phthalates
- Vinyl chloride
- Nonylphenol ethoxylates (NPEs)
- Coal fly ash
- Formaldehyde
- Added heavy metals
- Perfluoroalkyl and polyfluoroalkyl substances (PFAs)

### Vinyl

Home Depot vinyl flooring suppliers are setting the pace for change in this category with efforts to continually improve the chemical profile of their products. As of January 2016, no ortho-phthalates are permitted as added plasticizers in vinyl flooring sold at Home Depot stores in the U.S. and Canada.

### Laminate Flooring

Laminate flooring at The Home Depot is verified by either GREENGUARD® Gold or FloorScore® certification to contain 0.0073 ppm or less of formaldehyde, which is a stricter standard than the CARB 2 standard of 0.05 ppm.



### DID YOU KNOW

The Home Depot has eliminated perfluoroalkyl and polyfluoroalkyl substances (PFAs) from carpets and rugs sold in the U.S. and Canada.



### CHECK IT OUT

Want to make your home more sustainable? Change what's right under your feet with eco-flooring.



## RESIDENTIAL HOUSEHOLD CLEANING CHEMICALS

The Home Depot continues to work with suppliers to improve products that impact indoor air quality. As a result, we are asking our suppliers to exclude the following chemicals from the manufacturing of all residential household cleaning chemical products sold in Home Depot stores by the end of 2022:

- Propyl-paraben
- Butyl-paraben
- Diethyl phthalates
- Dibutyl phthalates
- Formaldehyde
- Nonylphenol ethoxylates (NPEs)
- Triclosan
- Toluene
- Trichloroethylene (TCE)

In addition, our Eco Options program identifies environmentally preferred products, including cleaners that have obtained certifications from independent third-party testers such as EPA's Safer Choice and Cradle to Cradle.

## INSULATION

Our fiberglass insulation suppliers have persistently challenged themselves to remove chemicals of concern from their products over the last decade. As a result, 100% of our fiberglass insulation products in the U.S. and Canada are GREENGUARD Gold certified and do not contain the following chemicals:

- Brominated flame retardants
- Halogenated flame retardants
- Antimony trioxide
- Formaldehyde
- Added heavy metals

## PAINTING PRODUCTS

### Paints

As a result of our paint suppliers' efforts over the last 10 years to evolve their paints and offer products that help maintain healthier air quality, the paints we sell have significantly improved. The following chemicals are excluded from our interior and exterior latex water-based wall paints in our U.S. and Canada stores:

- Triclosan
- Isocyanates
- Formaldehyde
- Lead/heavy metals
- Alkylphenol ethoxylates and Nonylphenol ethoxylates (APEOs and NPEs)

**Certifications:** In our U.S. stores, all Behr® interior paints, Glidden® Premium, Glidden Diamond™ and PPG® Timeless® interior paints are GREENGUARD Gold certified. All BehrPro® interior paints and Behr Primers are MPI X-Green certified.

**Paint-tinting Colorants:** In 2012, we transitioned our paint-tinting colorants in our U.S. and Canada stores from solvent-based formulation to a water-based, low-VOC and ethylene-glycol-free formulation.

**Volatile Organic Compounds:** All of our interior and exterior latex water-based wall paints in our U.S. and Canada stores are zero or low VOC.

**Our current U.S. and Canada zero- and low-VOC paints are outlined here:**

### VOC VALUE <5g/L = zero VOC

BEHR Premium Plus Interior  
BEHRPro i300 Interior  
Glidden Premium Interior  
Glidden Diamond Interior  
CIL Premium Interior (Canada)

### VOC VALUE <50g/L = low VOC

BEHR Premium Plus Exterior  
BEHR Premium Plus Ultra Interior  
BEHR Premium Plus Ultra Exterior  
BEHR MARQUEE Interior  
BEHR MARQUEE Exterior  
BEHRPro i100 Interior  
BEHR Premium Plus Ceiling Paint  
BEHR Premium Plus Ultra Ceiling Paint  
BEHR MARQUEE Ceiling Paint  
Glidden Premium Exterior  
Glidden Essentials Interior  
Glidden Ceiling Paint  
Glidden Professional Speedwall  
Glidden Professional Ultra-Hide 220  
Glidden Professional Ultra-Hide 440  
Glidden Speed-Cote Exterior  
Glidden Vinyl Renew Exterior  
PPG Timeless Interior  
PPG Timeless Exterior

*Note: Colorants added to base paints may increase VOC level, depending on color choice.*



**+  
DID YOU KNOW**

All interior and exterior latex water-based wall paints in our U.S. and Canada stores have low or no volatile organic compounds (VOCs).

## REDUCING ENVIRONMENTAL IMPACT

# ENERGY-SAVING PRODUCTS

Customers who use our energy-saving products reduce their power bills and their impact on the planet.

The Home Depot encourages suppliers to make the products we sell more energy efficient, and our partnership with the U.S. Environmental Protection Agency's [Energy Star](#)® program supports those efforts, too.

In 2020, we exceeded our stated multiyear goal to help our customers save \$2.8 billion on utility bills through the purchase and proper use of energy-efficient products. Energy Star-labeled products were key to that progress. In 2020, we offered over 23,000 energy-saving products in stores and online, including more than 8,000 Energy Star products. We sold more than 159 million units of Energy Star products.

We estimate our customers' purchases of Energy Star products in 2020 helped reduce annual electricity use by 7.5 billion kilowatt hours, saving over \$1 billion on energy costs and lowering carbon emissions by over 5 million metric tons. That's equivalent to removing over 1.1 million cars from the road.



## DID YOU KNOW

The Home Depot is an 11-time Energy Star award winner.



## GOING GREEN, SAVING GREEN

Products certified by Energy Star and WaterSense can help households cut costs and reduce their impact on the planet.



Energy Star-labeled clothes dryers use 20% less electricity. If all clothes dryers sold annually in the U.S. were certified, Americans could collectively save \$1.5 billion.



Clothes washers use about 25% less energy and 33% less water when they're Energy Star-certified.

## REDUCING ENVIRONMENTAL IMPACT

# WATER-SAVING PRODUCTS

The Home Depot helps protect water resources nationwide by selling products designed to conserve.

We work with suppliers to encourage the production of water-conserving products, which we, in turn, offer to our customers. Our greatest opportunity to effect environmental change for the better is by selling eco-friendly products that help drive efficient use of resources in communities across the United States.

In 2020, we exceeded our stated multiyear goal to help customers save 250 billion gallons of water through the purchase and proper use of our water-efficient products. In stores and online, we offered nearly 10,000 water-saving products, including more than 4,000 products bearing the EPA's

WaterSense® label, and we sold over 20 million units of those WaterSense products.

We estimate our customers' purchases of WaterSense products in 2020 helped reduce annual water consumption by over 60 billion gallons, which would collectively mean savings of more than \$726 million on water bills.

Every drop of water counts, and we do our part to help ensure it's used economically. For example, all showerheads sold in our U.S. stores have a maximum flow of 1.8 gallons per minute, which exceeds the WaterSense standard.

### + DID YOU KNOW

Our company has been a WaterSense Partner of the Year seven times since 2011, receiving Sustained Excellence awards in three of those years.



All toilets sold in Home Depot stores in the U.S. bear the WaterSense label.



A standard-sized Energy Star-certified dishwasher costs about \$35 per year to run and saves 3,870 gallons of water, on average, over its lifetime.



The average family in the U.S. could save 2,700 gallons of water per year by installing WaterSense-labeled showerheads.



Toilets account for nearly 30% of an average home's water use. Replacing old toilets with WaterSense models can save nearly 13,000 gallons a year.

Source: EPA

## REDUCING ENVIRONMENTAL IMPACT

# GARDENING

Our partnerships with local growers enable us to offer healthy, environmentally beneficial plants, reduce emissions and support businesses in the communities we serve.

The Home Depot partners with our growers and suppliers in advance of each growing season to offer healthy trees, blooms and edible plants that support local environments and pollinators. Our gardening product offerings are informed by our understanding that backyards, balconies and patios are well-being retreats for our customers and mini-ecosystems that have an impact on their surroundings.

### Growing Organic

We offer more than 25 varieties of organic, non-GMO vegetable and herb plants grown according to [methods approved](#) by the U.S. Department of Agriculture (USDA) National Organic Program. Only products that have been certified as meeting the USDA's organic production and handling standards may carry the USDA Organic seal.

### Native Plants

Native plants contribute to the health of ecosystems and pollinators. Our growers work closely with U.S. states' departments of agriculture to identify invasive plants that may threaten local native plants.

### Supporting Local Growers

We are proud to partner with more than 140 plant growers who balance the impact of their production with local environmental issues and growing conditions in their regions.

## Eco Options Supplier Spotlight

### 5 THINGS TO KNOW ABOUT *ScottsMiracle-Gro*



**1**

The company was founded in 1868 by a hardware store owner in Ohio; today its Scotts®, Miracle-Gro® and Ortho® brands are among the most recognized in the industry.

**2**

Turf Builder® products are phosphorus-free, helping reduce water pollution from runoff.

**3**

Ortho® outdoor garden maintenance products are produced without neonicotinoids, which can harm pollinators.

**4**

ScottsMiracle-Gro incorporates about 5 billion pounds of recycled green waste into its products every year.

**5**

The company's GroMoreGood initiative aims to help connect 10 million young people to gardens and green spaces by 2023.

+ Learn more about The Home Depot's Eco Options program on [Page 70](#).

## SIMPLE STEPS TO ORGANIC GARDENING

### STEP 1

#### **Build a foundation**

Organic soils and low-impact supplements support healthy ecosystems



Performance Organics delivers Miracle-Gro results you expect using ingredients you want.

### STEP 2

#### **Choose eco-friendly plants**

Organic plants help promote ecological balance and biodiversity



Bonnie Plants Organics are USDA-certified organic and give you a head start on your harvest.

### STEP 3

#### **Nurture with nature**

Natural fertilizers use organic ingredients to promote growth



Alaska Fish Fertilizer's rich organic matter nourishes the soil to enhance the strength and vigor of your plants.

### STEP 4

#### **Select sustainable maintenance**

Organic insecticides and weed-retardants keep garden spaces green



Bonide Tomato & Vegetable 3-in-1 spray defends against pests and fungal diseases, indoors and outdoors.

### CHECK IT OUT

Our Eco Actions tips and get-started video guide novice gardeners through creating their first organic garden.



## REDUCING ENVIRONMENTAL IMPACT

# CLEANING

In partnership with stakeholders throughout our supply chain, we are committed to offering products that are safer for our customers to use in their homes.

A home should be a healthy environment. That's why The Home Depot offers environmentally preferred cleaners that carry third-party certifications validating their eco-friendly claims. Cleaning products that are non-toxic, biodegradable, free from harmful chemicals, plant-based and not tested on animals allow our customers to achieve clean and green homes.



Identifies products that use safer chemical ingredients without sacrificing performance



Identifies products that meet emissions standards for helping reduce indoor air pollution and risk of chemical exposure



Leaping Bunny label certifies no animal testing in manufacturing



Certifies manufacturer's commitment to improving what products are made of and how they're made



Assures a USDA-verified amount of renewable biological ingredients



Suite of eco-labels certify environmental stewardship, social responsibility and quality

### + DID YOU KNOW

The Home Depot has set a goal to eliminate certain chemicals from the cleaning products we sell by 2022. See more on [Page 78](#).





### ECO-FRIENDLY SWEEPER

Libman uses recycled plastic for broom fibers and recycled steel to create mop and broom handles. Learn more about how our suppliers are reducing single-use plastics on [Page 94](#).

## GREENER CLEANING

Cleaning products have an important impact on the environment inside homes and beyond. We are committed to partnering with suppliers that allow us to increase our customers' eco-friendly cleaning options.



**CLR**® products are formulated to be safe for consumers and the environment. The company has earned the U.S. EPA's Safer Choice Partner award multiple times.



**Method**® products are made with non-toxic, naturally derived formulas that are never tested on animals. They're certified by Cradle to Cradle and packaged in recycled plastic bottles.



**Ecos**® ensures every ingredient is the safest in its class, earning EPA's Safer Choice Partner of the Year multiple times. The company also practices zero-waste manufacturing.

## Eco Options Supplier Spotlight

### 5 THINGS TO KNOW ABOUT



**1**

The company's founder formulated Biokleen's first plant-based cleaner in a makeshift lab in his garage.

**2**

Based in Vancouver, Washington, the company celebrated its 30th anniversary in 2019.

**3**

Biokleen products are packaged in No. 1 (polyethylene terephthalate) and No. 2 (high-density polyethylene) plastics because they're commonly accepted by curbside recycling programs.

**4**

The company's ultra-concentrated cleaning products save water in the manufacturing process and allow them to be packaged in smaller bottles.

**5**

All products are manufactured using cold water to reduce energy use.

+ Learn more about The Home Depot's Eco Options program on [Page 70](#).

## REDUCING ENVIRONMENTAL IMPACT

# RESIDENTIAL SOLAR

Our solar partners have installed systems that generated more than 330,000 kilowatts of clean energy for our customers since 2016.

Solar energy is the most abundant energy resource on earth, and, after solar panel installation, it has zero environmental impact. That makes it one of the cleanest and most sustainable sources of power. By partnering with Sunrun, The Home Depot makes it easier for our customers to generate clean energy at home.

The solar energy system from our supplier is able to send excess power from customers' homes back to the electric grid. That enables the whole community to benefit from clean power from the sun. Some utilities even offer solar credits to customers, essentially buying the extra solar power their homes produce.

In 2020, our solar program completed installations at over 4,500 homes, giving our customers the capacity to produce nearly 34,000 kilowatts of solar energy.

Nationwide and across all solar suppliers, residential solar deployment in 2020 fell below the 18% annual growth reported in 2019 because residential installations were significantly slowed by the pandemic in the first half of 2020. But by the end of the year, installations of residential and commercial solar systems were expanding rapidly. Solar accounted for 43% of all new electricity-generating capacity in the U.S. in 2020, according to the Solar Energy Industries Association (SEIA).

## SUNRUN

+

### DID YOU KNOW

In its 12 years of operation, our solar partner Sunrun has brought the power of the sun to more than 233,000 U.S. households.

+

### DID YOU KNOW

We're empowering customers' energy independence with home battery solutions that store solar-produced energy for reliable power, even during storms and outages.

Across all U.S. providers and markets,  
*residential solar installations*

↑ 11%

**in 2020**, compared to the year before, according to  
the SEIA/Wood Mackenzie *U.S. Solar Market Insight:  
2020 Year in Review.*

+

Go to [Page 58](#) to discover how The Home Depot is harnessing  
the sun's energy to power our business operations.

## REDUCING ENVIRONMENTAL IMPACT

# WASTE MANAGEMENT & RECYCLING

We're committed to properly managing waste. We partner with vendors to keep improving how we and our customers reduce, reuse and recycle.

## Hazardous Materials Disposal & Handling

We seek sustainable methods of disposal, and, in 2020, our company recycled or reused for energy 32% of the hazardous waste generated from our operations and customer returns. We properly disposed of the remaining waste.

## Associate Training & Resources

All associates receive training on recognizing hazardous materials. Associates responsible for managing storage and cleanup of hazardous materials complete additional in-depth environmental compliance training.

Information about and guidance for the cleanup, classification, labeling and storage of hazardous waste is available to associates through company-issued handheld devices and our associate intranet site.

## Preventative Actions

We take specific steps to avoid spills and contamination across the store with particular focus on these areas:

**Garden center**—Proper handling of fertilizer and pesticides bags, including checking for and properly repairing damaged bags

## Receiving and central storage—

Appropriate procedures for handling, accumulating, storing, labeling and inventorying hazardous waste and separating potentially incompatible materials

**Inspections of key areas**—Routine inspections of garden areas, parking lots and store entrances identify potential problems; scheduled sweeps of fertilizer aisles and parking lots help protect against hazardous materials entering the environment

## Responsive Actions

If a spill does occur, we have the following resources in place to properly address it:

**Spill kits and containers**—Located throughout each store for prompt and effective cleanup and disposal of hazardous materials such as paint, solvents, aerosols, oil, fuel, pesticides and fertilizers

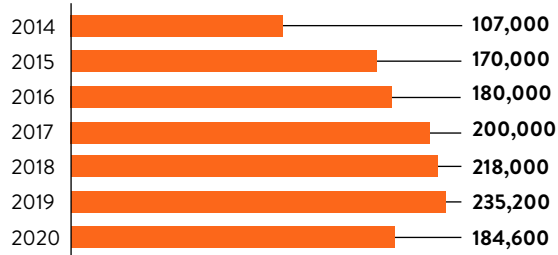
**Emergency response**—A third-party consultant provides an emergency response team available 24/7 to assist with hazardous materials cleanup and, if necessary, provide remediation services

## RECYCLING TO REDUCE WASTE

### LEAD-ACID BATTERIES

We recycle lead-acid batteries used in THD operations and dropped off by customers. Pandemic-related drops in vehicle use and battery sales reduced 2020 collections. Figures show number of battery cores.

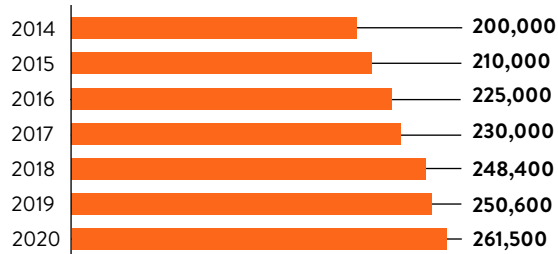
**73% increase since 2014**



### CARDBOARD

The amount of cardboard we recycle from our operations continues to rise. Amounts are in tons.

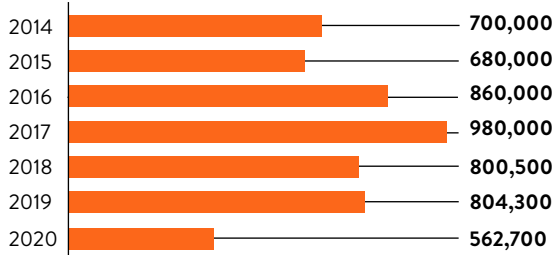
**31% increase since 2014**



### COMPACT FLUORESCENT LIGHT BULBS

We recycle CFLs dropped off by customers. Customers' switch to LED lights has reduced CFL recycling volume. Amounts are in pounds.

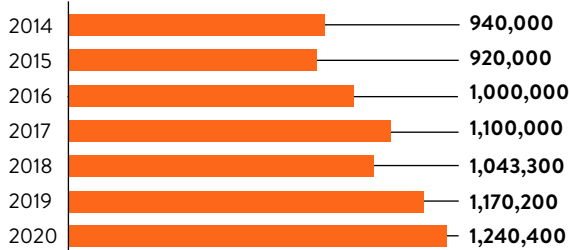
**20% decrease since 2014**



### RECHARGEABLE BATTERIES

We recycle rechargeable batteries dropped off by customers. Amounts are in pounds.

**32% increase since 2014**



## SUSTAINABLE SHREDDING

The Home Depot provided over 3.4 million pounds of shredded paper for recycling in 2020. Here's how that helped the planet:



Avoided **2.5 million pounds** of CO2 emissions



Kept **8,600 cubic yards** of paper out of landfills



Preserved **29,000** trees



Conserved **3.9 million kilowatt hours** of electricity



Saved over **47 million gallons** of water

Source: Iron Mountain® using calculations by Quantis®

## REDUCING ENVIRONMENTAL IMPACT

# SUSTAINABLE PACKAGING

Our packaging innovations reduce waste, increase shipping efficiency and decrease product damage. That's good for the planet and our business.

The Home Depot's packaging team works with our private-label product suppliers to apply science to creating better packages. Our goals are to reduce package footprints and use more sustainable materials to secure and protect the private-label products we sell. From 2017 through 2020, our packaging innovations allowed us to:

- Redesign **366 packages** to reduce size and materials
- Avoid sending **over 3,800 cargo containers** on the high seas

PVC film is a thin, rigid synthetic plastic polymer that's molded around products to secure and protect them. But, like EPS, it is tough to recycle and takes a long time to break down naturally, and we're working hard to use less of it.

In 2020, we committed to eliminating EPS and PVC from our private-label packages, prompting us to dig even deeper for results.

### CHECK IT OUT

Switching from wooden to recycled paper pallets in some parts of our supply chain saves money and trees. See an infographic explainer.



### Using Less EPS & PVC

In 2020, our packaging team continued to find substitutes for expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film in our private-label products. EPS foam is good at protecting products from damage, but it contains beads of chemicals and oil that are often difficult to recycle and can take more than a century to biodegrade. So, we're scouting out even small amounts and replacing EPS with easier-to-recycle materials like molded pulp and paper.

### + DID YOU KNOW

The Home Depot has pledged to exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from our private-label packaging by the end of 2023.

## BY THE NUMBERS

**49**  
packages

were redesigned in 2020 to reduce size and materials

**873,200**  
cubic feet

of EPS foam was removed from our private-label packaging in 2020 — enough to fill 441 school buses

**961,100**  
square feet

of PVC film was eliminated in 2020, too, enough to cover 16 football fields

# RETHINKING WHAT'S INSIDE THE BOX

*In 2020, our ongoing effort to find more sustainable substitutes for expanded polystyrene (EPS) foam led our packaging innovation team to the ceiling fan aisle. Fan blades and electronic parts for years have been packed in EPS. But the foam takes up a lot of space, and it takes a long time to biodegrade. So, we made a big change to smaller, greener packages for our private-label fans. Here's how we did it.*



**Molded paper pulp** protects as well as EPS but uses less space and biodegrades faster

**126 fan models** were repackaged with molded paper



Smaller packages **decrease demand for space** on cargo ships and trucks, helping reduce emissions

On average, using molded pulp instead of EPS can **shrink package size 15%**

# PARING DOWN SINGLE-USE PLASTICS

Our multiyear partnership with suppliers continues to reduce virgin plastic in the products we sell. In 2020, more than 200 products were redesigned to shrink single-use plastics — following on remarkable [progress made in 2019](#). Here's a sampling of success.

**100 million+**  
POUNDS OF VIRGIN PLASTIC REPLACED  
with recycled plastic in 2020



## 1 American Plastics®

The blue ribbon for plastic reduction goes to American Plastics® for their “4R” initiative: Rethink, Reduce, Reuse, Recycle, which in 2020 helped the company **replace 100 million pounds of virgin plastic with recycled plastic** in products like storage totes.



## 2 QEP®

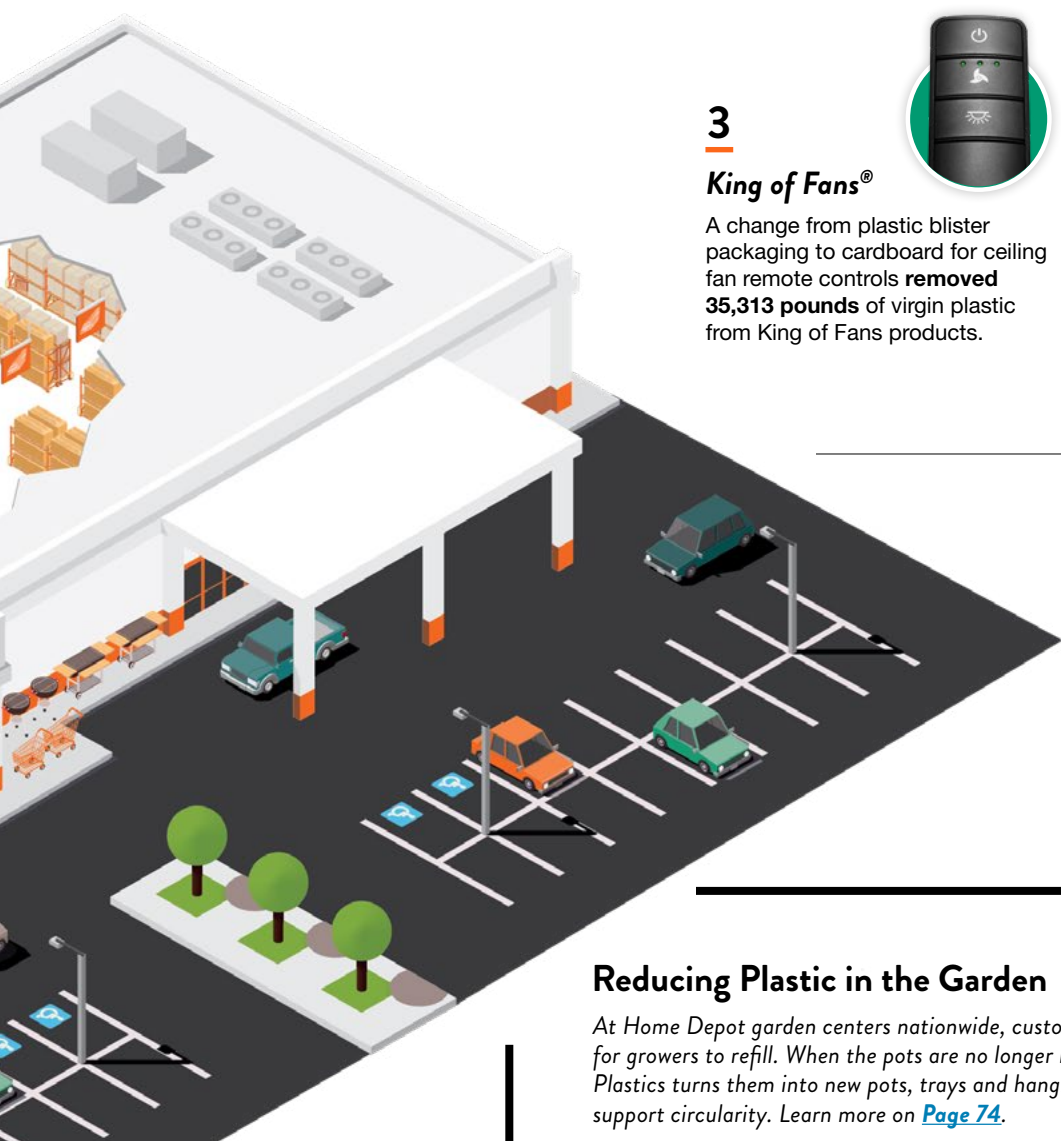
By taking away virgin plastic in packaging for its tile and carpet tools, QEP **removed 78,200 pounds of plastic** from its manufacturing stream. In addition, the company added 5% reground plastic in tile spacers, **converting 26,700 pounds of virgin plastic to recycled**.

## + DID YOU KNOW

Using less plastic in shower door hardware enabled Liberty Hardware® to remove 4,827 pounds of plastic from its products in 2020.







**3**

**King of Fans®**

A change from plastic blister packaging to cardboard for ceiling fan remote controls **removed 35,313 pounds** of virgin plastic from King of Fans products.



**4** 3M™

By converting packaging to recycled plastic for respirator masks, Command™ Hanging Solutions and Scotch® Mounting Strip, the company **avoided using 20,450 pounds** of virgin plastic.



**+ DID YOU KNOW**

3M's Scotch painter's tape is made using water-based materials or renewable natural rubber and paper from responsibly managed forests. Plus, the tape is produced in factories that use renewable energy.

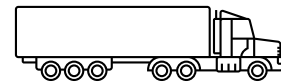
**Reducing Plastic in the Garden**

At Home Depot garden centers nationwide, customers can bring back their empty pots for growers to refill. When the pots are no longer reusable, our partner East Jordan Plastics turns them into new pots, trays and hanging baskets. It's one of many ways we support circularity. Learn more on [Page 74](#).

60%



Recycled plastic containers can recover upwards of **60%** of the energy tied to initial product processing.



Every year, East Jordan Plastics recycles more than 16 million pounds of used plastic containers, equivalent to roughly 1,000 semi-truck loads of containers.



**+ DID YOU KNOW**

Behr is making paints greener inside and out by reducing certain chemicals and by converting paint cans to 100% recycled plastic. Learn more about Responsible Chemistry on [Page 78](#).

**Our Plant Pot Recycling Program accepts containers with these resin codes:**



HDPE

No. 2

High Density Polyethylene



PP

No. 5

Polypropylene



PS

No. 6

Polystyrene

# STRENGTHEN OUR COMMUNITIES

## RESOURCES

- > Supplier Diversity
- > Diversity Partnerships
- > Retool Your School
- > The Home Depot Foundation
- > Team Depot
- > Disaster Response
- > U.N. Sustainable Development Goals

# GOALS

Our core values shape our commitment to making the communities we serve stronger and more resilient. By supporting diversity in our communities and among our suppliers, we encourage respect for all people and spark entrepreneurship and innovation. The Home Depot Foundation invests in improving veteran housing, supporting communities affected by natural disasters and training skilled tradespeople to fill the labor gap. Team Depot, our associate volunteer force, provides hands-on project support to further the Foundation's mission and impact.



## Launch a Tier II supplier diversity program

that measures and encourages our Tier I suppliers' spending with diverse suppliers



By 2028, **The Home Depot Foundation will invest**

# \$50 million

to train **20,000 skilled tradespeople**, including veterans



By 2025, **the Foundation will contribute**

# \$500 million

to **veteran causes** with a focus on housing

# COMMUNITY PARTNERSHIPS

Our partnerships with organizations that promote diversity, equity and inclusion reinforce our support to the communities we serve.

Our local and national partners represent the diversity of our associates, suppliers and communities. Since 2017, we have committed more than \$35 million to organizations working to improve social equity. Organizations that help us further our commitment to communities include:

## Diversity Alliances

- 100 Black Men of America
- 100 Black Men of Atlanta
- American Corporate Partners
- ATL Action for Racial Equity
- Business Coalition for the Equality Act
- CEO Action for Diversity and Inclusion
- Congressional Black Caucus Foundation
- Congressional Hispanic Leadership Institute
- Executive Leadership Council
- Georgia Minority Supplier Development Council
- Hispanic Alliance for Career Advancement

- Hispanic Association on Corporate Responsibility
- Human Rights Campaign
- Minority Business Development Agency
- NAACP
- National Action Network
- National Association of Asian American Professionals
- National Association of Chinese-Americans
- National Center for American Indian Enterprise Development
- National Council of Negro Women
- National Hispanic Corporate Council
- National LGBT Chamber of Commerce
- National Minority Supplier Development Council
- National Urban League and local affiliates
- Network of Executive Women
- Rainbow PUSH Coalition
- Second Chance Business Coalition
- Trumpet Awards Foundation
- U.S. Hispanic Chamber of Commerce
- U.S. Pan-Asian American Chamber of Commerce

## PARTNERS IN ACTION



### 100 Black Men of America

A strategic partnership with 100 Black Men of America aims to increase skilled trades training and meaningful career opportunities for Black youth. The Home Depot Foundation and our trades training nonprofit partner, Home Builders Institute, are working with 100 Black Men of America to launch pilot programs in underserved communities in Atlanta, Philadelphia and San Francisco to provide skill-building workshops, work experience, internship opportunities and industry-recognized pre-apprenticeship certificate training (PACT) certifications. The programs will be facilitated through 100 Black Men of America's existing after-school programs. Learn more about trades training on [Page 105](#).

## Community Support

- Atlanta Police Foundation At-Promise Center
- Beloved Benefit
- CHRIS 180
- Empty Stocking Fund
- Families First
- Hosea Helps
- National Center for Civil and Human Rights
- The King Center
- United Way of Greater Atlanta

## Arts

- Alvin Ailey American Dance Theater
- Atlanta Music Project
- True Colors Theatre Company

## Housing

- Atlanta Habitat for Humanity
- Atlanta Neighborhood Development Partnership (ANDP)
- Community Solutions
- Grove Park Foundation
- HouseProud
- Mary Hall Freedom House
- Meals on Wheels Atlanta Home Repair
- Quest Community Development Organization
- Veterans Empowerment Organization
- Westside Future Fund

## Education, Entrepreneurship & Trades

- Atlanta University Center Consortium
- Construction Education Foundation of Georgia
- Morehouse School of Medicine
- Home Builders Institute
- Russell Innovation Center for Entrepreneurs
- United Negro College Fund

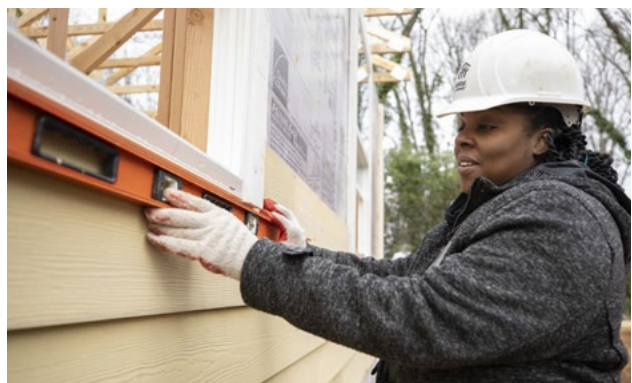
## Talent Acquisition

- AfroTech
- AnitaB.org (Grace Hopper Celebration)
- Black Data Processing Associates (BDPA)
- Dice Diversity-Focused Virtual Career Fairs
- Fairygodboss
- HBCU Battle of the Brains
- HBCU Career Development Marketplace
- International Slumber Party
- Latinas in Tech
- Military Friendly Employer & Spouse Employer
- National Black MBA Association
- StartOut (HackOut)
- Women in CyberSecurity
- Women Who Code



### CHECK IT OUT

Meet Fahim Siddiqui, a Home Depot IT leader and member of The Carter Center board of councilors, who was recognized as one of the 100 Most Influential Georgia Muslims by the Islamic Speakers Bureau. “It is with great pride that I represent Home Depot’s culture and values, especially respect for all people. One of the many benefits of giving back is the opportunity to expand one’s perspective and gain appreciation for other cultures.”



### Habitat for Humanity

Since 1989, The Home Depot has partnered with Habitat for Humanity to revitalize neighborhoods across America through affordable homeownership that helps build generational wealth. “Historic barriers to homeownership are the foundation for the inequity and segregation we see in many communities,” says Lisa Y. Gordon, president and CEO of Atlanta Habitat. “More than 90% of our homebuyers are African American – 80% of whom are women and the head of their household. The more we bring attention to the issue, the closer we get to a more just society.”

# SUPPLIER DIVERSITY

Doing business with a diverse group of suppliers provides us with unique ideas, different perspectives and innovative products that meet the needs of our customers.

At the Home Depot, we envision a culture that brings people together to solve problems and create meaningful solutions. We believe our diverse supplier program increases shareholder value, drives innovation and creates positive economic impact in the communities we serve. In 2020, we increased our year-over-year spending with diverse suppliers to \$3.2 billion.

Diverse businesses are identified as U.S. based, for-profit and 51% or more owned, controlled and operated by U.S. citizens or people with U.S. permanent resident alien status that fall under one of the following categories:

- Woman
- Ethnic minority
- Veteran
- LGBTQ
- Individual with a disability

We are developing a Tier II supplier diversity program that aims to drive more spending from our direct Tier I suppliers to diverse

businesses. We're working to better ensure that a portion of the money we spend on products and services, even with suppliers that are not identified as diverse, makes its way to diverse enterprises.

The Home Depot provides supplier development and mentoring to assist with business growth, and we partner with organizations that provide certification, education and opportunities for capital and networking.



U.S. Pan Asian American Chamber of Commerce



## + DID YOU KNOW

In 2020, we presented our inaugural Supplier Diversity Innovation Award to [Tricam Industries](#) for its innovative Gorilla ladders.

## PARTNERS IN GROWTH



**PURE BEAUTY FARMS** — based in Miami with growing locations in Florida, Georgia and Texas — is the starting point for annuals, perennials and succulents for gardens across the Southeast. The minority- and veteran-owned company was founded by brothers Henry and Victor Yanes, whose family fled Cuba in the 1960s. Their business has expanded alongside ours for more than two decades.



**ALUF PLASTICS** makes all kinds of can liners. The certified woman-owned business, led by owner and President Susan Rosenberg, has been recognized by *Inc.* magazine as one of the fastest-growing private companies in the U.S. Founded in 1974, the Orangeburg, New York, company has been our supplier for over 25 years and has produced our HDX private-label trash bags since 2012.

## SUPPLIER DIVERSITY VISION STATEMENT

*The Home Depot is building inclusive and sustainable business opportunities for women, minority, veteran, disability and LGBTQ owned companies. We are committed to cultivating a supplier base that creates long-lasting growth and mutual business success, while reflecting the diversity of our customers and strengthening our communities.*



“At all times, The Home Depot has been supportive. They’ve always been fair, but firm. They pushed us. The merchants challenged us on our pricing and product quality. I think we’re a better company because of it.”

– Andre Woolery, MagnoGrip



**HARBOR ENTERPRISES’** Survive-a-Storm pods, cubes and underground shelters can help our customers make it through tornados. The Native American-owned business is based in Thomasville, Georgia, and led by company President Lucas Stewart. Nearly half its employees live in areas certified as historically underutilized business zones. The company says hiring from these HUBZones boosts workplace diversity and morale, while lowering employee turnover.



**MAGNOGRIP** was begun by Andre Woolery in 2005 while he was a university student. The company’s magnet-enhanced tool belts, work gloves and more are an innovative solution to a common problem: keeping equipment at hand when your hands are full. The minority-owned company, based in Miami, has been our supplier since 2009; we were the first big-box retailer to stock its products. We recently began selling the company’s new Bootstrap bags and totes.

# RETOOL YOUR SCHOOL

Since 2009, our campus improvement grant program has helped fund more than 100 projects benefiting 87% of the nation's HBCUs.

In 2020, The Home Depot's [Retool Your School](#)<sup>®</sup> campus improvement grant program marked its 11th year of commitment to historically Black colleges and universities (HBCUs) and the pivotal role they play in our higher education system.

Every year, HBCU students, alumni and advocates vote for their schools to become Retool Your School recipients. Voting is organized around three school clusters, based on student population, and schools with the most votes per cluster are awarded campus improvement grants. In 2020, 54 HBCUs competed for the chance to retool their school.

Since the program's launch, more than 36 million votes have been cast in support of HBCUs vying for Retool Your School grants.

## BY THE NUMBERS

**\$500,000**  
awarded  
in grants in 2020

**10 schools**  
received  
\$50,000 each

**100+**  
campus  
improvement projects  
funded since 2009



### DID YOU KNOW

The Home Depot increased its total Retool Your School funding in 2021 to \$1 million, backing 30 projects with grants of \$20,000 to \$75,000 per school.

### CHECK IT OUT

Fisk University, Meharry Medical College and Tennessee State University are distinct HBCUs with distinct legacies and vibes. But these Nashville-based schools all have common ground and shared a goal to upgrade their campuses with Retool Your School grants won in 2019.





## 2020 RETOOL YOUR SCHOOL WINNERS

Each school won a \$50,000 campus-improvement grant

### Cluster 1: 4,000+ students



### Cluster 2: 1,201-3,999 students

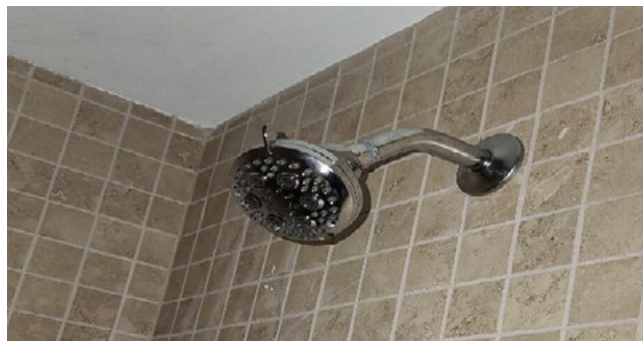
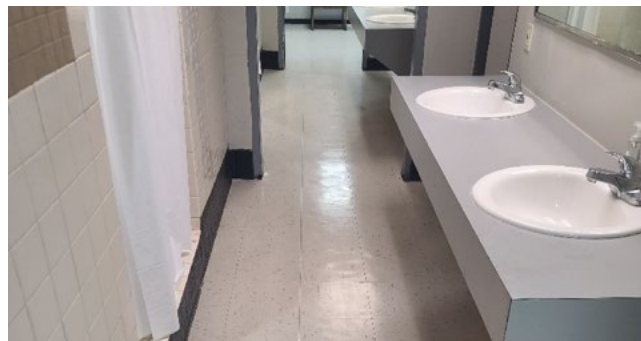
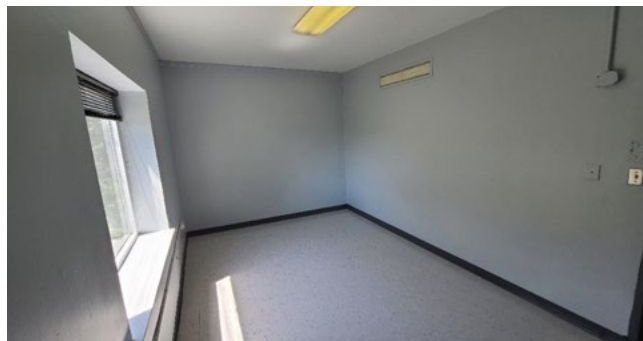


### Cluster 3: 1,200 or fewer students



### Campaign of the Year

Awarded for galvanizing supporters with an innovative and effective campaign



### TOUGALOO COLLEGE GETS RETOOLED

The HBCU in Jackson, Mississippi, received a \$50,000 Retool Your School campus improvement grant in July 2020. By the end of the year, the school had used the funds to update its oldest residence hall — dating back half a century — with new flooring, paint, LED lights, bathroom fixtures and emergency exit signs to create a more comfortable, safer living space for students.

# THE HOME DEPOT FOUNDATION

**The Foundation works to improve the homes and lives of U.S. veterans, train skilled tradespeople to fill the labor gap and support communities affected by natural disasters.**

## Support for Veterans

Giving back to veterans is personal at The Home Depot. Many of our associates are affiliated with the U.S. military, either as active-duty members, military spouses or veterans, and we've worked to build programs to support those associates (see [Page 41](#)).

[The Home Depot Foundation](#) has committed \$500 million to veteran causes by 2025. At the end of 2020, over \$350 million of that pledge had been invested. The Foundation, in collaboration with Team Depot and nonprofit partners, has helped to improve more than 48,000 veteran homes and facilities since 2011.

From Veterans Day through the holiday season, The Home Depot Foundation puts good into action through our Operation Surprise campaign. In 2020, Operation Surprise:

- Celebrated the service of veterans, first responders, health care workers and teachers
- Provided additional cash grants to nonprofits serving our communities to help them meet increased demand during the pandemic
- Addressed unique housing challenges many veterans faced in 2020 by providing a month of mortgage or rental payment for 500 veterans

Throughout 2020, the Foundation's traditional support for improving the lives and homes of veterans stayed constant, and we celebrated progress. For example, we marked the completion of a multiyear project with nonprofit partner [Tunnel to Towers Foundation](#) that allowed disabled veteran Brandon Adam to regain independence at home.

## Disaster Response

In 2020, The Home Depot Foundation committed more than \$4 million to assist communities affected by fires, tornadoes and hurricanes. The Foundation also applied our disaster response experience and funding to assisting nonprofit partners with COVID-19 relief, including assistance for food insecurity and COVID-19 testing.

The Foundation is committed to supporting our communities with immediate relief after natural disasters and long-term rebuilding that aids recovery. Learn more about how we give back through Team Depot. See [Page 106](#).

## + DID YOU KNOW

In 2020, The Homer Fund granted more than \$1 million to support associates affected by natural disasters. Learn more on [Page 46](#).



## CHECK IT OUT

After an explosion took Brandon Adam's legs during a 2007 mission in Iraq, the Army veteran needed a house suited for his needs. Discover how Brandon and his family are benefiting from a new, mortgage-free smart home built for independence.





In 2020, the Foundation donated over \$320,000 to Hurricane Laura response, including partnering with Team Depot and World Central Kitchen to feed more than 1,000 people in Lake Charles, Louisiana, where a Home Depot parking lot became a meal distribution center.

Several K-12 schools offering Foundation-backed trades training courses adapted classrooms for safer instruction amid the pandemic.



## Trades Training

To help address the skilled labor gap, the Foundation is committed to helping train 20,000 tradespeople to fill the industry pipeline by 2028, supporting this mission with a \$50 million pledge. The Foundation's trades-focused partnerships have introduced more than 15,000 people to the skilled trades and helped certify more than 5,000 participants through trades training programs since 2018.

**Military Program:** In 2018, the Foundation began its trades training program in partnership with Home Builders Institute (HBI) on one U.S. military base. By the end of 2020, the training was available on 10 bases — U.S. Army, Navy and Marine Corps. (Learn about The Home Depot's support for military affiliated associates on [Page 41](#).)

**Youth Program:** In 2019, the Foundation funded HBI and Construction Education Foundation of Georgia (CEFGA) trades training programs in K-12 schools. The schools receive support from local Home Depot stores, which provide tools and supplies. In 2020, HBI and CEFGA launched online courses and refined the curriculum to enable remote learning.

**Path to Pro:** In 2020, the Foundation and The Home Depot launched the Path to Pro program to encompass all skilled trades training initiatives, including the Foundation's military, high school and academy programs.



PathtoPro.com launched in July 2021 and serves as a hub for training, licensing requirements, open jobs in the trades and connecting tradespeople with Pro customers.

**Academy Model:** In partnership with Colorado Home Building Academy, the Foundation is funding tuition-free education in Denver. This pilot program, launched in 2020, aims to serve about 1,000 students a year; we expect it to expand to other cities in 2021.

**Scholarships:** The Foundation is funding a \$250,000 Path to Pro scholarship program for high school seniors and graduates entering or enrolled in building construction programs. The scholarships will be awarded by the Foundation's nonprofit partner [SkillPointe Foundation](#).

## CHECK IT OUT

The Home Depot's [corporate response to disasters](#) is rooted in what we've learned since 1992, when Hurricane Andrew devastated South Florida. We're proud of our associates whose hurricane know-how helps communities prepare for and recover from storms. Meet a few of these orange-aproned experts.



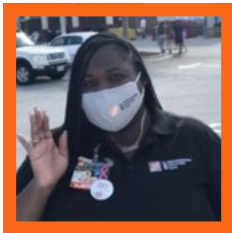
# TEAM DEPOT

Together with The Home Depot Foundation, Team Depot improves the homes and lives of veterans and helps communities affected by natural disasters.

Our powerful associate volunteer force pivoted in 2020 to safely support communities in need during the pandemic. With our regular [Team Depot](#) projects on hiatus, associates organized socially distanced disaster kit assembly lines, curbside donation queues and other COVID-aware ways to keep giving back. We assisted communities with some of the tough challenges of 2020, for example by assembling meal kits for hunger relief and donating products to essential workers.

Many of the communities we serve felt the impact of COVID-19 and natural disasters. In April 2020, a series of tornadoes swept the Southeast. Associates organized 6-foot-apart assembly lines and filled Homer buckets with much-needed supplies, including water, work gloves, sanitization products, flashlights and more.

The same assembly system that worked for spring tornadoes allowed us to do our part during an extreme Atlantic hurricane season that brought 30 named storms, the most on record. In July, Hurricane Hanna made landfall in Corpus Christi, Texas, generating strong winds and heavy rainfall that caused damage, flooding and power outages in communities across the Rio Grande Valley. Associate volunteers formed socially distanced assembly lines and filled 400 buckets to help people in need in the community.



## CHECK IT OUT

Get to know Miami-based MET associate Sirena Wynn, who has been volunteering with Team Depot since she was hired seven years ago. “It’s not just that she gives back, it’s how she gives back,” explains her store manager. “Sirena brings energy and enthusiasm to each project.”



After Category 4 Hurricane Laura made landfall in southwest Louisiana in September, associates came together — while keeping their distance — to assemble more than 1,000 disaster relief kits and help turn a Home Depot parking lot into a pop-up meal distribution center. (Learn more on [Page 108.](#))

While the pandemic limited certain elements of volunteerism, our associates’ commitment to serving communities was unwavering. In establishing new strategies for safe volunteerism, Team Depot facilitated more than 3,200 grants to help our communities in 2020: a 100% increase year over year.

Some of these grants were distributed during The Home Depot’s annual Operation Surprise service campaign. In November and December, nearly 2,500 Foundation-funded grants totaling more than \$3 million were delivered by Team Depot to nonprofits nationwide. We also thanked veterans, first responders, health care workers, teachers and nonprofit organizations for their service with surprise gifts delivered at a distance.

More than

**2,000** associates

at all levels of the company led **Team Depot** activities as **community captains** in 2020. Meet a captain on [Page 108.](#)



# PUTTING GOOD INTO ACTION



Louisiana native Tracy Jefferson knows a thing or two about hurricanes. And what it takes to recover from them.

“I’m born and raised in New Orleans. I know the area,” she says. So, Tracy — a Team Depot district community captain and manager of our Harahan, Louisiana, store — was quick to rally our associate volunteer force to help communities pummeled by Hurricane Laura.

After the Category 4 storm made landfall in September 2020, Tracy and other associates traveled 200 miles across south Louisiana to Lake Charles, where thousands of people were left without power — or easy access to food.

Our volunteers got to work in the parking lot of a Lake Charles Home Depot store that had converted its parking lot to a pop-up meal distribution center. In partnership with World Central Kitchen, and backed by funds from The Home Depot Foundation, our orange-blooded associates helped serve more than 1,000 meals to people whose homes and lives had been upended by the hurricane.

That was only one of the ways Tracy and her fellow associates gave back in 2020. They also helped local community centers with COVID-19 response, assembled disaster relief kits, organized merchandise donations for people in need and more.

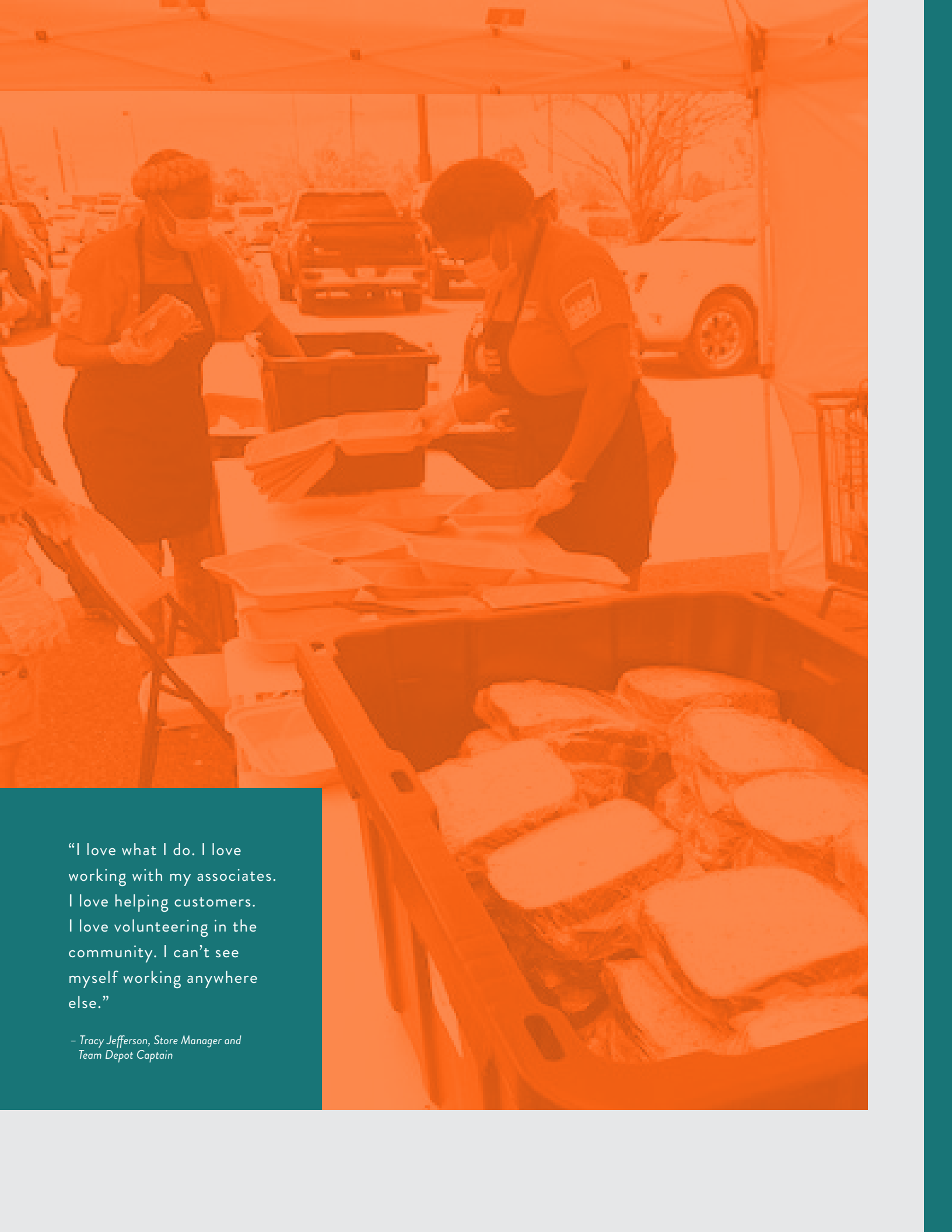
“Really what inspires me to do all the work that I do is my kids,” Tracy says. “I want them to see that I make time for all needs — not just my own, not just theirs. For me, this opportunity is about way more than me. It’s about the people who help me get this done.

“I love what I do. I love working with my associates. I love helping customers. I love volunteering in the community. I can’t see myself working anywhere else but The Home Depot,” she says. “We put good into action.”



Find out more about how our Team Depot associate volunteers do their part to serve our communities on [Page 106](#).





“I love what I do. I love working with my associates. I love helping customers. I love volunteering in the community. I can’t see myself working anywhere else.”

– Tracy Jefferson, Store Manager and Team Depot Captain

# MASK MISSION

*As hospitals and first responders struggled to get crucial supplies, a small, cross-functional Home Depot team orchestrated the donation of personal protective equipment to health care workers battling COVID-19.*

**I**n March 2020, The Home Depot accepted a mission to get in-demand N95 masks to front-line health care workers across the United States. We ultimately donated 3.4 million masks to more than 250 hospitals and health care facilities, drawing on our associates' ingenuity, expertise, strong relationships and orange-blooded sheer will to make something that seems impossible actually happen.

Here's how it began. In mid-March 2020, as the COVID-19 coronavirus began sweeping the globe and overwhelming hospitals, our company started prioritizing mask sales to health care facilities. Then, a few days later, we ceased selling N95 masks and started donating them to help protect front-line nurses, doctors and first responders from the virus.

That decision was important, bold and complex. It was up to Jim Core, general manager of Pro Institutional, to bring together a Home Depot team that could overcome the challenges. When Jim — who is based in Charlotte, North Carolina — got the assignment, he knew whom to call first.

He phoned Monica Green-Jackson in Tulsa, Oklahoma. Monica, who manages Pro Institutional sales support, is an organizational wonder and a wizard with a spreadsheet. She's also been with The Home Depot for over 30 years, and Jim was certain her company knowledge and rapport with co-workers would be invaluable as the team streamlined logistics around mask procurement and distribution.

## Community resource during COVID

Next, Jim reached out to Sarah McDonald, who helps manage relationships with elected officials in Washington, D.C., and in state and local governments across the U.S. Sarah and others on our government



relations team (see [Page 126](#)) were working with The Home Depot Foundation to field PPE requests from officials, businesspeople and community leaders around the country. They already had identified opportunities to donate more than a million masks to hospitals and first responders. "Local officials saw us as a community resource during COVID, just like we are during natural disasters," Sarah says.

Sarah suggested Heather Tenney bring her supply chain channel management expertise to the team. Heather recruited George Schultz, a global sourcing team product development merchant who has strong relationships with overseas suppliers that make N95 masks. Both Heather and George are based in Atlanta.

The quintet, supported by dozens of associates across the company, did a lot of improvisation and some reinvention.



*On April 2, 2020, the head of nursing at Whittier Hospital Medical Center in Whittier, California, reached out to The Home Depot for help with PPE. Eleven days later, 10,000 donated N95 masks arrived.*



## DID YOU KNOW

*In 2020, we contributed over \$50 million in funds and supplies to support community needs during COVID-19.*



“HAVING SUFFICIENT PPE IS CRITICAL TO KEEPING OREGON’S FRONT-LINE WORKERS SAFE AND HEALTHY. THANK YOU, HOME DEPOT.”

— Oregon Gov. Kate Brown

Requests for masks were coming in from everywhere. Stores were hearing from local hospitals. Veterans hospitals and health care-related nonprofits were asking the Foundation for help. Sarah and her government relations co-workers’ phones were ringing nonstop. At one point, Jim was receiving an email every five minutes from someone asking for masks.

### Leveraging relationships and scale

Monica recorded all of the requests, and the team used prioritization software customized by our IT team to rank orders by urgency. COVID hot spots got the most attention. The mask donation team leveraged strong relationships with suppliers and the power and scale of The Home Depot to keep masks flowing to health care workers. By the time our company resumed limited sales

of masks to health care facilities and select Pro customers in May 2020, we had donated millions of N95 masks nationwide.

“It was a lot of work, but it didn’t seem like work,” Jim recalls. “Protecting our health care workers and first responders was paramount. In some small way we were helping save lives.”

What Jim, Monica, Sarah, Heather and George were able to do together has fundamentally changed Jim’s outlook on work. “I know we can execute with greater speed and transparency. I better understand the power of cross-functional collaboration to get things done,” he says. “It’s inspiring.”



Our company  
*donated nearly*  
**3.4 million**  
N95 masks to help  
front-line health care  
workers nationwide

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The [U.N. Sustainable Development Goals \(SDGs\)](#) call for action to end extreme poverty, fight inequality and injustice and protect our planet. The plan, outlined in 2015, focuses on 17 areas in which nations, governments, businesses and citizens can work to achieve measurable results by 2030. The Home Depot shares many of the same goals, which are articulated in our [core values](#). Eleven SDGs align with our sphere of influence.



## Good Health and Well-Being

- Our company spent approximately \$2 billion on enhanced pay and benefits in fiscal year 2020 to ease associates' challenges during the pandemic. [\(Page 42\)](#)
- We offer a range of healthy-life benefits at no cost to associates. [\(Page 40\)](#)
- The Home Depot's Eco Options/Eco Actions program identifies environmentally preferred products. [\(Page 70\)](#)



## Gender Equality

- We strive for a fair workplace that removes bias and provides women and associates from underrepresented minority groups access to resources they need to succeed at work. [\(Page 24\)](#)
- Our Women's Link associate resource group promotes professional development for women associates at our Store Support Center. [\(Page 35\)](#)
- We partner with the Women's Business Enterprise National Council to promote gender diversity among our suppliers. [\(Page 100\)](#)
- We offer paid parental to our eligible associates who are mothers and fathers, and associates who are birth mothers are eligible for an additional six-week paid maternity benefit. [\(Page 42\)](#)



## Clean Water and Sanitation

- In U.S. stores, all bathroom vanity faucets and toilets for sale bear the U.S. EPA's WaterSense label. Our store-merchandised showerheads are more efficient than the WaterSense standard. [\(Page 83\)](#)
- We estimate that our customers saved over 60 billion gallons of water in 2020 by properly using our water-saving products. [\(Page 83\)](#)
- Smart irrigation systems in 443 U.S. stores in 2020 saved approximately 30% of the water used per site, compared to traditional systems. [\(Page 58\)](#)



## Affordable and Clean Energy

- We've pledged to have 100% renewable electricity for all Home Depot facilities worldwide by 2030. [\(Page 58\)](#)
- At the end of fiscal year 2020, we were operating rooftop solar farms atop 71 U.S. stores and leveraging fuel cell-generated power at 203 U.S. stores. [\(Page 58\)](#)
- We purchase enough wind-generated energy from a wind farm in Texas to power 120 U.S. stores. [\(Page 58\)](#)
- Our partnership with the EPA's Energy Star program in 2020 enabled customers to purchase products capable of reducing their electricity use by 7.5 billion kilowatt hours, saving over \$1 billion on energy costs. [\(Page 82\)](#)

## SUSTAINABLE DEVELOPMENT GOALS





## Decent Work and Economic Growth

- We employ approximately 500,000 associates internationally, and our supply chain has an economic impact on millions of workers globally. ([Page 22](#))
- Nearly 90% of our store leaders started as hourly associates. ([Page 36](#))
- We conducted 1,437 factory audits and 1,575 follow-up visits in fiscal year 2020, focusing on worker health, safety and well-being in our suppliers' operations. ([Page 64](#))



## Industry, Innovation and Infrastructure

- Investments by The Home Depot Foundation have introduced more than 15,000 people to skilled trades and certified over 5,000 trade workers since 2018. ([Page 104](#))
- Our company is rated and recognized by third-party organizations for our innovations in sustainability and supply chain efficiency. ([Page 16](#))
- We have repeatedly earned the EPA's SmartWay Sustained Excellence Award for improving freight efficiency and contributing to cleaner air throughout our supply chain. ([Page 62](#))



## Reduced Inequalities

- Adding "equity" to our Diversity, Equity & Inclusion program in 2020 reflected our desire to promote fairness, remove bias and ensure all of our associates have access to the resources they need to succeed at work. ([Page 24](#))
- Since 2017, we have committed over \$35 million to community organizations working to improve social equity. ([Page 98](#))
- We partner with organizations that provide our diverse suppliers with certification and education, as well as capital and networking opportunities. ([Page 100](#))
- Our Corporate Governance and Code of Conduct policies detail our commitment to workplace diversity, equity and inclusion. ([Page 122](#))



## Sustainable Cities and Communities

- By the end of fiscal year 2020, The Home Depot Foundation had invested over \$350 million in veteran causes. ([Page 104](#))
- The Foundation committed more than \$4 million in 2020 to disaster response. ([Page 104](#))
- The Homer Fund granted more than \$1 million to support associates affected by natural disasters in 2020. ([Page 104](#))
- In 2020, we sold about \$10.41 billion in energy- and water-saving products to our customers. ([Page 82](#))



## Responsible Consumption and Production

- In 2020, we achieved our goal to produce or procure 135 megawatts of renewable or alternative energy, and we set a new goal of 335 megawatts by 2025. ([Page 58](#))
- We challenge our suppliers to offer products with lowest-possible environmental impact and to pursue third-party certifications. ([Page 86](#))
- Our Chemical Strategy challenges suppliers to eliminate certain chemicals from the products we sell. ([Page 78](#))



## Climate Action

- Across our U.S. stores, we cut electricity use 44% from 2010 to 2020. ([Page 56](#))
- We've set a science-based target to reduce our emissions 2.1% per year to achieve a 40% reduction by 2030 and a 50% reduction by 2035. ([Page 54](#))
- We've committed to setting Science Based Targets initiative (SBTi) Scope 1, 2 and 3 goals by 2023 to reduce emissions in line with Paris Agreement goals. ([Page 54](#))
- We have a current score of A- from the Carbon Disclosure Project. ([Page 54](#))



## Life on Land

- We support circularity through recycling, repairing and reusing materials to reduce waste. ([Page 74](#))
- We've pledged to exclude EPS and PVC film from our private-brand packaging by 2023. ([Page 92](#))
- Our Wood Purchasing Policy helps ensure our suppliers and manufacturers support sustainable forestry. ([Page 68](#))





# INTERNATIONAL RETAIL OPERATIONS

## RESOURCES

- > [The Home Depot Canada](#)
- > [The Home Depot Canada Foundation](#)
- > [The Home Depot Mexico](#)

THE  
HOME

“This past year showed us how much we can overcome when we work together and lead with our values. When we create not only the best place to work, but the best place to be, we see that impact extend to our communities as well.”

– Michael Rowe, President, The Home Depot Canada

“I am incredibly proud of our associates for the many ways they lived our values by serving our customers and communities during an unprecedented time. Our team has demonstrated ongoing flexibility to effectively operate in this dynamic environment.”

– José A. Rodríguez, President, The Home Depot Mexico

# CANADA

The Home Depot began operating in Canada in 1994. Today we operate 182 stores across 10 Canadian provinces.

## Focus on Our People

We are committed to providing an environment that's inclusive to all people. We combine our individual talents, skills and experiences to enrich the lives of our associates, customers and communities.

In 2020, we acted on associate feedback to develop training and engagement resources that help support people of color and indigenous people in our workforce and communities.

The Home Depot was ranked one of Canada's best diversity employers in 2020 — for the 12th consecutive year.

## 34,000+

associates

wore the orange apron in Canada in 2020

## 25,000+

associates

participated in unconscious bias training in 2020

## 4

associate resource groups

represent and support our ethnically diverse, disabled, LGBTQ and women associates in Canada

## Operate Sustainably

For seven years in a row, we have earned the ENERGY STAR® Canada Retailer of the Year award for making energy-efficient products available to customers in our Canadian stores and for our sales of these eco-friendly offerings. Here are four ways we improved sustainability in 2020:

### 1

We collected 219,500 pounds of household electronics, power tool, cellphone and other rechargeable batteries for responsible recycling via our customer take-back program, despite disruptions in collections caused by the pandemic.

### 2

To avoid waste going to landfills and to assist people in need, we donated over CA\$9 million in slightly damaged or unsold products to Habitat for Humanity.

### 3

By the end of 2020, we had completed LED retrofits in 163 Canadian stores, significantly decreasing electricity consumption. Our stores in Canada have decreased electricity use 43% since 2010.

### 4

We recycled over 13,700 metric tons of cardboard from our stores and distribution centers.

## + DID YOU KNOW

The Home Depot Canada is committed to the sustainable product and operations goals that drive progress in our U.S. operations. Learn more about our goals on [Page 12](#).

## RECOGNITION

7th Consecutive Year

## Strengthen Our Communities

The Home Depot Canada Foundation has committed CA\$36.5 million of our pledge to invest CA\$50 million by 2022 to prevent and end youth homelessness in Canada. Here are some results of this commitment in 2020:

- Provided CA\$2.9 million to 14 partner organizations across Canada for life skills training, job-readiness initiatives, intervention and counseling programs and shelter renovations
- Committed CA\$2.7 million to COVID-19 relief, allowing 77% of partner organizations to fill emergency funding gaps and 58% to pivot to needs of homeless youth

These organizations are among our national and regional partners in Canada:

- 360°kids Support Services (Markham, ON)
- A Way Home Canada (Toronto, ON)
- Boys and Girls Clubs of Calgary (Calgary, AB)
- Canadian Alliance to End Homelessness (Calgary, AB)
- Canadian Observatory on Homelessness (Toronto, ON)
- Choices for Youth (St. John's, NFLD)
- Covenant House Vancouver (Vancouver, BC)
- Dans la rue (Montreal, QC)
- Egale (Toronto, ON)
- Eva's Initiatives (Toronto, ON)
- Mission Bon Accueil (Montreal, QC)
- Phoenix Youth Programs (Halifax, NS)
- Raising the Roof (Toronto, ON)
- Resource Assistance for Youth (Winnipeg, MB)
- Youth Empowerment and Support Services (Edmonton, AB)
- Youth Services Bureau (Ottawa, ON)
- Youth Without Shelter (Etobicoke, ON)



### DID YOU KNOW

Our 2020 customer-focused Orange Door campaign raised CA\$1.2 million in support of 125 partner organizations.

# MEXICO

The Home Depot began operating in Mexico in 2001. Today, 127 stores across all 32 states employ over 18,000 associates.

## Focus on Our People

We believe The Home Depot's entrepreneurial spirit is enriched by the diversity, talent and ideas of our associates, and we strive to create a healthy and stable work environment for all.

**28 million**

**pesos** (US\$1.4 million)

was spent on personal protective equipment and other measures to help protect associates from COVID-19

**770,000+**

**hours**

of career training courses were completed by associates

**1,290**

**associates**

received Orange Fund grants, more than a tenfold increase from 2019

**84**

**scholarships**

were awarded to children of associates

## Operate Sustainably

We found innovative ways to add sustainable practices to our processes in 2020.

**1**

We opened our first Mexican store with LEED V4 certification, which evaluates a building's impact on the local community, human health and the planet.

**2**

We stopped providing plastic bags in 80% of our Mexican stores.

**3**

We created a Sustainability Strategy and renewed our Materiality Assessment for Mexican operations.



Taking care of people in our workplace and our communities was a top priority for The Home Depot's Mexican operations in 2020.



## Strengthen Our Communities

Teamwork by our company, associates, suppliers, customers and nonprofit partners helped get resources to people in need across Mexico in 2020.

*Our company donated*

**43 million+**

**pesos** (US\$2.2 million)  
in merchandise to nonprofit organizations

*Our suppliers donated*

**3.6 million**

**pesos** (US\$181,000)  
to nonprofits helping people suffering from the challenges of COVID; 21 suppliers participated

*Our customers donated*

**10 million+**

**pesos** (US\$503,000)  
during our Round Up fundraising drives for charitable causes; nearly half of the funds went toward COVID tests and ventilators



## RECOGNITION

In 2020, living our values enabled us to be recognized as a corporate social responsibility leader by several organizations



Responsible business practices, 14th consecutive year



Labor equality and nondiscrimination



Inclusive business practices



Family-supportive workplace



Alianza por la inclusión laboral de personas con discapacidad

Workplace supportive of disabled employees




LGBT-supportive workplace

# OUR BUSINESS

## RESOURCES

- > Code of Conduct
- > Associate AwareLine
- > Supplier AlertLine
- > Corporate Governance
- > Board of Directors
- > 2021 Proxy Statement
- > 2020 Annual Report
- > Political Activity and Government Relations Policy
- > Annual Corporate Political Contributions Report
- > Annual Trade Association Report
- > Federal Election Commission



“We altered marketing plans, social media, product flow, product selection and space allocation to protect our people and our communities.”

– Ted Decker, President and Chief Operating Officer

# CODE OF CONDUCT

Doing the right thing is embedded in our culture. That applies to how we serve customers, give back to communities, support our people and conduct our business.

Our [Business Code of Conduct and Ethics](#) provides straightforward information about The Home Depot's operating principles and offers tools to help associates make decisions that align with our ethical and legal obligations. The code applies to associates worldwide, and the company expects them to comply with the code and with all applicable laws and regulations in countries in which we do business. In particular, the code outlines The Home Depot's ethical and legal standards in these areas:

- Safety
- Labor and employment
- Conflicts of interest
- Antitrust and fair competition
- Confidentiality, privacy and information protection
- Protecting the company's assets and intellectual property
- Insider trading
- Financial integrity and reporting
- Records retention
- Environmental responsibility
- Foreign Corrupt Practices Act (FCPA) and anti-bribery compliance
- Political activity

We empower associates to speak up when our ethical standards are not being met. We encourage them to voice concerns, express doubts, discuss problems and ask questions. In addition to sharing concerns with any member of their management team or a human resources partner, associates can report ethical or legal concerns to our Associate AwareLine, a 24/7 hotline. Reports can be made via [thdawareline.com](http://thdawareline.com) or through a live operator available in local languages. Associates may remain anonymous when reporting concerns. Reports are handled using a case management system. We have a longstanding policy that prohibits retaliation for making a report.

## Associate AwareLine

1-800-286-4909

We also provide ways for suppliers, vendors, service providers and their workers to report concerns when they think our Home Depot values or compliance with the law may be compromised. Workers in countries from which we source goods may submit anonymous reports via [thdsupplieralertline.com](http://thdsupplieralertline.com). In addition, our Supplier AlertLine is answered by a live operator 24/7 in these countries:

## Supplier AlertLine

**U.S. and Canada:** 1-800-435-3152

**Mexico:** 001-888-765-8153

**China:** 86-400-880-1045

**India:** (Access Code) 000-117

(Dial) 800-435-3152

**Vietnam:** (Access Code) 1-201-0288 or

1-228-0288 (Dial) 800-435-3152



## CHECK IT OUT

Hear Home Depot General Counsel Teresa Roseborough describe the legal team's role in bringing together different parts of the business to find solutions.





Our Business Code of Conduct and Ethics helps ensure our everyday decisions align with our ethical and legal obligations.

# CORPORATE GOVERNANCE

We understand our responsibility to behave ethically, to understand the impact we have on people and communities, and to fairly consider the interests of a broad base of stakeholders.

The Home Depot has a long-standing commitment to strong corporate governance, which promotes the long-term interests of shareholders, strengthens Board and management accountability, and helps build public trust in the company.

Our Board of Directors has adopted policies and processes that foster effective Board oversight of critical matters such as strategy, risk management, financial and other controls, compliance, culture and management succession planning.

At least once a year, our Board discusses our sustainability strategy and activities, including this report.

## Leadership Structure

Our Chair and CEO is chosen directly by the Board, and the Board affirms the election of our CEO as Chair of the Board annually. Our Lead Director is annually elected by the independent members of the Board. We believe having a combined chairman and CEO; an independent Lead Director; and Board committees composed entirely of independent directors currently provides the best Board leadership structure for The Home Depot.

This structure, together with other robust corporate governance practices, provides strong independent oversight of management while ensuring clear strategic alignment throughout the company.

## Our corporate governance policies reflect best practices:

### Shareholder Protections

- Annual election of directors with majority voting standard in uncontested director elections
- Shareholder ability to call special meetings and act by written consent
- A market standard shareholder right of proxy access
- Independent Lead Director
- Approximately 92% of directors and all Board committee members are independent
- Director mandatory retirement age (age 72)
- No shareholder rights plan, also referred to as a “poison pill”

### Board Engagement and Oversight

- Annual Board strategy session and review of the company’s strategic plan
- Director overboarding policy
- Store-walk policy for directors (temporarily suspended during the COVID-19 pandemic)
- Board education and orientation program
- Annual Board and committee self-evaluations, including individual director interviews
- Management succession policy set forth in Corporate Governance Guidelines
- Independent directors meet without management

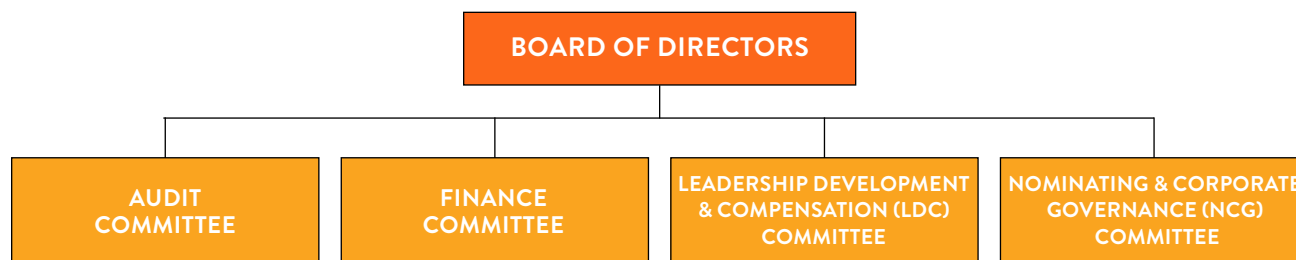


## LEARN MORE

Our [proxy statement](#) offers more details about corporate governance and risk management. Go to our [Corporate Governance Overview](#) for additional information on our corporate governance practices.

## Board Committees

Our Board of Directors has established four standing committees, each comprised solely of independent directors and governed by a written charter that sets forth its purpose, composition, powers, duties and responsibilities.



## Board Oversight of Risk

The company has a robust framework designed to identify and ensure proper management of risk, including risk relating to our ability to operate responsibly and sustainably. The framework that we use to identify and manage risk considers a number of enterprise-level issues, including competitive environment, brand and reputation, regulatory and compliance, and security. The framework also considers external and internal factors that could distract from or derail strategic objectives. The Board oversees risk through this framework, with oversight accomplished by identifying key risks and mapping them to the appropriate Board committee or to the full Board.

Our Board reviews these key risks and the related framework annually, and the full Board or appropriate Board committees discuss selected risks in more detail throughout the year, including the COVID-19 pandemic, its related risks and its impact on our enterprise risk framework. The table below identifies key risk areas overseen by the Board and its committees.

FULL BOARD			
<ul style="list-style-type: none"> <li>• Has primary responsibility for risk oversight, including approval of strategic objectives and defining risk appetite</li> <li>• Delegates oversight of management of certain risks to Board committees</li> <li>• Receives regular reports from the committees regarding risk-related matters</li> </ul>			
AUDIT	FINANCE	LDC COMMITTEE	NCG COMMITTEE
<ul style="list-style-type: none"> <li>• Overall risk assessment and management</li> <li>• Financial exposures, statements, controls, systems and reporting</li> <li>• Regulatory and compliance, including FCPA/anti-bribery and our whistleblower program</li> <li>• Data protection and cybersecurity</li> <li>• Internal audit and related investigatory matters</li> <li>• Quality, safety and responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Long-range strategic planning</li> <li>• Long-range financial outlook and finance-related risks</li> <li>• Capital structure, including investments and shareholder return principles</li> <li>• Annual capital plan and key capital investments</li> <li>• Merger and acquisition strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Senior executive compensation</li> <li>• Senior executive succession planning</li> <li>• Overall risk related to the company's compensation policies and practices</li> <li>• Human capital management</li> <li>• Non-employee director compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Director succession planning and board composition</li> <li>• Policies on political activity, including spending and payments to trade associations</li> <li>• Related-party transactions</li> <li>• Corporate social responsibility and environmental efforts</li> </ul>

# GOVERNMENT RELATIONS

The Home Depot recognizes that laws at the federal, state and local level impact our business.



## DID YOU KNOW

For 20 years, our internal [OrangeVoice.com](https://www.home.com/orangevoice) website has helped associates engage in democracy. In 2020, about 15,500 associates used the resource to learn about candidates, find polling places and register to vote.

We actively participate, and encourage our associates to participate, in the political process. Our [Political Activity and Government Relations Policy](#) provides the framework for our political activity. We engage in three key ways:

- Our Government Relations department protects and expands our company's ability to take care of our associates, customers and shareholders through effective regulatory and legislative action. Our Government Relations team works to optimize the government's impact on the business through effective lobbying, relationship building and political engagement.
- We have a political action committee (PAC) that connects our salaried associates to the political process and pools their personal contributions to financially support pro-business candidates who understand issues of importance to The Home Depot and our associates. As a long-standing practice, we do not contribute to presidential campaigns or endorse presidential candidates.
- The Home Depot supports trade associations that advocate on behalf of the business community and retail sector and reports annually the aggregate dues paid to those associations that engage in lobbying activities.

In deciding where we want to focus our advocacy, these are some of our top priorities:

- Driving sales by ensuring online-only marketplaces follow the same rules on accountability and transparency as interconnected retailers
- Supporting our One Supply Chain initiative by advocating for funding for roads, ports and bridges and for laws that allow safer, heavier trucks to reduce loads and our environmental footprint
- Protecting margins by working to get laws passed that target sophisticated, organized retail crime rings to reduce theft and support free trade
- Taking care of our people by making sure we have a say in laws that could affect associate flexibility and career growth





## Oversight of Our Political Activity

Our Government Relations department, led by a vice president who reports to our general counsel, manages our political activity. The team carefully analyzes our engagement activities, trade association partnerships and political contributions, keeping in mind our key priorities and our core values. All of The Home Depot's political contributions are made to promote the interests of the company and without regard for the private political preferences of executives or directors. The Government Relations team is responsible for ensuring all PAC and corporate political contributions are made in accordance with the law and company policies. The team participates in regular trainings and performs routine reviews to monitor compliance.

The [Nominating and Corporate Governance Committee](#) of our Board of Directors provides additional oversight, conducting an annual review of our Political Activity and Government Relations Policy, the company's political contributions and payments to trade associations that engage in lobbying activities.

The Nominating & Corporate Governance Committee must approve in advance any public advertisement directly or indirectly paid for by the Company that expressly advocates the election or defeat of a candidate in which Home Depot is identified specifically as an advocate of such election or defeat. To date, the company has not made any expenditure for such electioneering communications, and has no present plans to make any such expenditures.

The Home Depot PAC's finances, governance and communications are governed by a PAC Board. The PAC Board is chaired by the vice president of Government Relations and is made up of representatives from each functional area of the business and each field division to ensure a wide range of experiences and perspectives.

We provide transparency in our actions by publishing annual reports of the company's [political contributions](#) and the aggregate [dues paid to trade associations](#) that engage in lobbying activities. We list trade associations to which our company makes yearly payments of \$5,000 or more, and our PAC contributions are publicly available on the [Federal Election Commission](#) website.

## PATH OF THE PAC DOLLAR

Our political action committee connects salaried associates to the political process and pools their personal contributions to financially support pro-business candidates who understand issues of importance to The Home Depot and our associates.

- 1 PREPARE**  
Eligible members choose to join The Home Depot PAC.
- 2 PACKAGE**  
All participating associate contributions are pooled.  
**\$4,174,240** contributed to candidates and their leadership PACs in the 2019-2020 election cycle  
**14,000+** individual contributors in that election cycle
- 3 QUALITY ASSURANCE**  
Our Core Values drive all strategic decisions inside our company, and we build relationships with elected officials who help enable our ability to implement those strategies to the benefit of our associates, customers, shareholders and communities. Here are the primary, business-focused criteria the PAC considers when deciding which candidates to support:
  - Service on key committees important to The Home Depot
  - Favorable position on one or more legislative issues that align with The Home Depot's business objectives
  - Service in a current or potential leadership position
  - Location of a Home Depot facility in the candidate's district
  - Industry support from business and retail organizations
- 4 DISTRIBUTE**  
PAC funds are distributed to candidates and their leadership PACs.
- 5 CONNECT**  
We work to build relationships with lawmakers who are well positioned to legislate on issues important to THD and our associates.
- 6 ASSESS**  
Legislators make informed decisions on issues affecting our company.

# CORPORATE TAXES

**We do the right thing for our associates, shareholders and communities by ensuring we pay our fair share of taxes and manage them transparently.**

Taxes are a significant component of The Home Depot's economic contribution to the countries, states and local communities in which we operate. Our commitment to our core values informs how we approach taxes. Responsible management of The Home Depot's taxes includes:

## Accountability & Governance

Tax governance is overseen by the Audit Committee of the Board of Directors. At least once a year, company leaders report to the Audit Committee regarding our approach to managing taxes. Learn more about our Corporate Governance structure on [Page 124](#).

## Risk Management

We identify and manage risks associated with taxes, including:

- Legislative uncertainty
- Reputational risk, including that a tax position taken by the company may not be consistent with our guiding principles or may expose the company to negative publicity
- Scarcity of talented tax professionals to recruit and hire as associates

## Compliance

We comply with tax laws in the jurisdictions in which we operate, including reporting and paying our taxes in a timely manner by:

- Employing appropriate resources and controls to ensure that our tax reporting is accurate and complete
- Supporting audits of our tax reporting and control environment by our internal control team and independent, third-party auditors, as required for publicly traded companies

- Seeking reasonable interpretations of laws where there may be ambiguity
- Engaging proactively and transparently with tax authorities, when appropriate, to seek clarity, guidance or agreement on tax positions

## Alignment with Our Business

Our corporate entity structure reflects the alignment with our commercial activities to ensure that we pay our fair share of tax commensurate with our business' geographical footprint and operations within a jurisdiction. Additionally, we seek and claim tax incentives that:

- Align with our business
- Are consistent with the statutory or regulatory framework
- Drive economic development and job creation in the communities in which we operate

## Stakeholder Engagement

We actively engage with federal, state and local governments; tax authorities; trade associations; and other business groups to advocate for policies that align with our approach to tax management, including the ways we:

- Support tax policies that drive a vibrant, competitive and growing economy
- Staff our stores based upon revenue generated within the stores; thus, a strong economy that includes balanced taxation policy drives revenue that supports employment

# THE HOME DEPOT'S 2020 TAX PAYMENTS

Federal Income Tax	State Income Tax	Other Income & Business Taxes*	Property Taxes	Sales Taxes**	Payroll Taxes***
\$3.25 billion	\$879 million	\$1.20 billion	\$557 million	\$8.30 billion	\$3.95 billion

TOTAL: \$18.14 billion

## BY THE NUMBERS

The Home Depot paid approximately

**1%** of the total

net corporate income taxes collected  
by the U.S. government in 2020

We paid approximately

**2.5%** of the total

net corporate income taxes collected  
by California in 2020

Our company files

**7,500+**

sales tax returns  
every year

We own, lease and pay property taxes on

**3,000+** buildings

worldwide, including stores, distribution  
centers and offices

\* Taxes paid by The Home Depot in Canada, Mexico, China, Puerto Rico, Guam and the U.S. Virgin Islands; franchise taxes paid to U.S. states; and duties paid to the U.S., Canada and Mexico on imported products

\*\* Includes all sales taxes and use taxes

\*\*\* Unemployment taxes; Federal Insurance Contributions Act (FICA) contributions; and federal and state income taxes withheld on behalf of THD associates

# DATA SECURITY & PRIVACY

We value and respect the privacy of our customers, associates, service providers and business partners. Our approach to data security enables us to drive a collectively secure culture.

The Home Depot [Privacy and Security Statement](#) provides information about how we collect, use and share information we collect from our customers and visitors.

We discuss the ways we use the information we collect, and how customers can find out more about the personal information we collect about them, on the [Exercise My Privacy Rights](#) page of our corporate website.

We leverage the National Institute of Standards and Technology (NIST) Cybersecurity Framework as the foundation of our cybersecurity program. As cybersecurity attackers become increasingly more sophisticated, our program prioritizes threat mitigation, while focusing on maintaining the integrity and resiliency of our systems. We invest in our ability to identify, protect and detect security risks within our environment.

In the event that we identify a security issue, we have defined procedures to respond and recover as quickly as possible. Overseeing our efforts on a day-to-day basis is our Information Technology Security team, led by an officer-level chief information security officer. Our approach enables us to drive a collectively secure culture.

## Governance, Risk & Compliance

- The Home Depot has a Data Security and Privacy Governance Committee, composed of a cross-functional group of senior leadership, that oversees the security and privacy of customer, associate and business data.
- Information security and privacy policies are in place and periodically reviewed. Our policies are informed by recent regulatory changes.
- Targeted audits and penetration tests are conducted throughout the year by internal and external entities.
- We are compliant with the Payment Card Industry Data Security Standard.
- We engage an industry-leading third party to independently evaluate our information security maturity on an annual basis.

## Data Protection

- The Home Depot has established data classification and retention policies focused on limiting the risk of unauthorized exposure of customer, associate and business data.
- Data protection strategies are in place and focused on data devaluation and data access monitoring.
- Sensitive data attributes are classified into domains with defined security expectations for data-at-rest and data-in-transit.

## Vendor Security

- The Home Depot's vendor risk management program works to classify service provider or business partner risk based on several factors, including, but not limited to, data type accessed and/or retained.
- Service provider or business partner security risk assessments are conducted for targeted relationships.
- Where applicable, service providers and business partners are contractually obligated to protect restricted data provided by or received from The Home Depot.

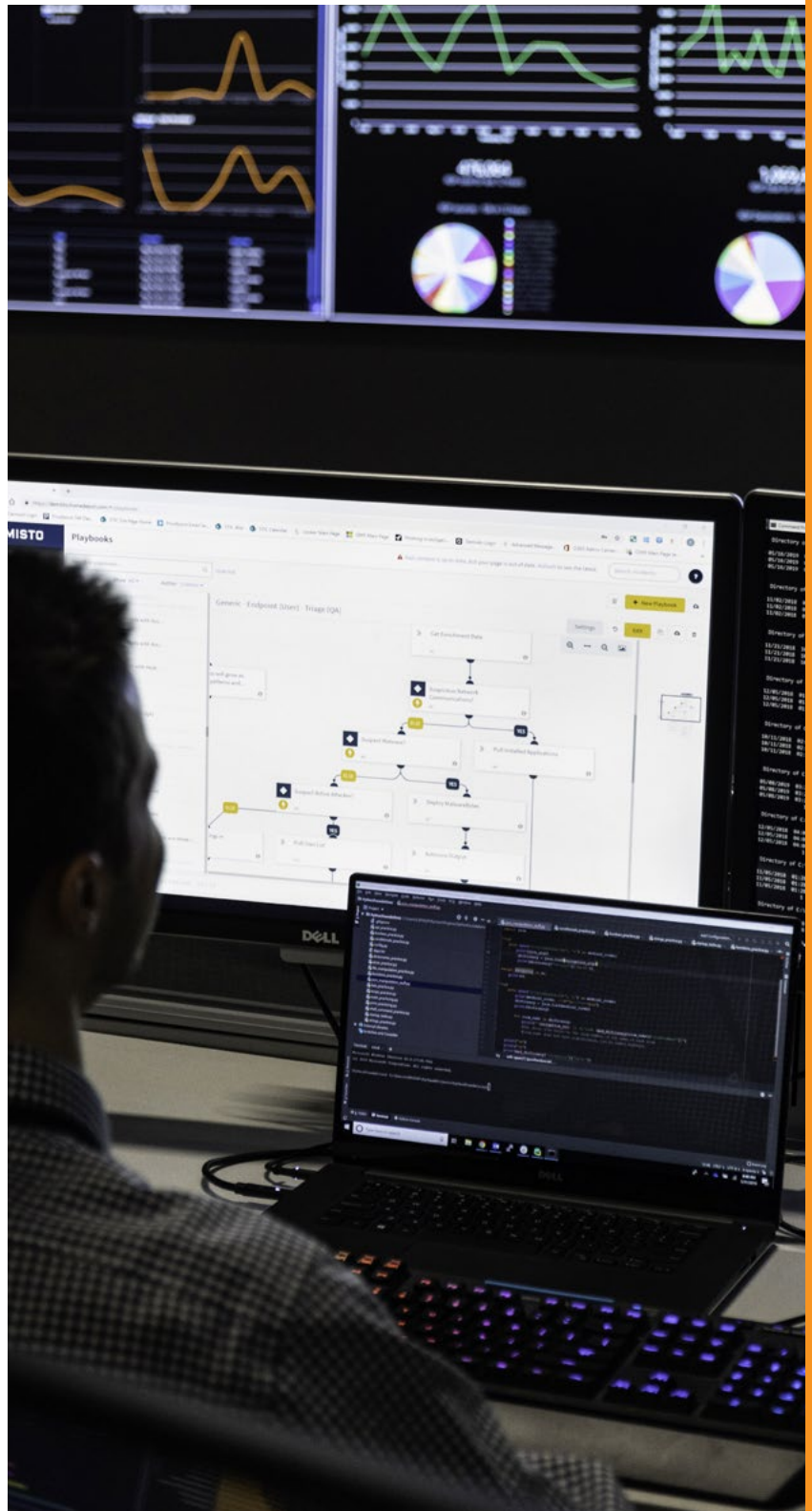
## Data Security & Privacy Awareness

- Data security and privacy training and awareness are provided to all associates on an annual basis, and additional customized, role-based training is provided to targeted internal audiences.



### DID YOU KNOW

Our Privacy and Security Statement extends to personal information we receive from business partners and other third parties.



# REPORTING FRAMEWORK

## RESOURCES

- > 2021 Proxy Statement
- > Form 10-K – 2020 Annual Report on SEC Form 10-K
- > Global Reporting Initiative (GRI)
- > Sustainability Accounting Standards Board (SASB)
- > Task Force on Climate-Related Financial Disclosures (TCFD)
- > Carbon Disclosure Project
- > Corporate Website
- > Nominating & Corporate Governance Committee (NCGC) Charter
- > Leadership Development & Compensation Committee (LDCC) Charter
- > Corporate Governance Guidelines
- > Business Code of Conduct & Ethics
- > Board Candidate Policy
- > Political Activity Policy
- > Responsible Sourcing Report



“We know that when we invest in running a responsible, sustainable company, we make our business stronger, more flexible and more resilient.”

*– Craig Menear, Chairman and CEO*

# GRI STANDARDS

The Global Reporting Initiative (GRI) is an international independent standards organization that helps business, governments and other organizations understand and communicate their impacts on various issues. We have applied the [GRI Sustainability Reporting Standards](#) as an identification and cross-reference tool to make meaningful data accessible to our stakeholders. The following charts provide a cross-reference location guide to our reports.

GRI STANDARD	DESCRIPTION	ANSWER/LOCATION CROSS REFERENCE
<b>GENERAL DISCLOSURES</b>		
<b>ORGANIZATIONAL PROFILE</b>	GRI 102: General Disclosures	102-1 Name of the organization The Home Depot, Inc.
		102-2 Activities, brands, products and services Form 10-K pgs. 1-10
		102-3 Location of headquarters Atlanta, Georgia, USA
		102-4 Location of operations Form 10-K pgs. 1-10, 22-23, Corporate Website – About Us
		102-5 Ownership & legal form The Home Depot is a publicly traded company, incorporated in Delaware, USA, and listed on the NYSE under the ticker symbol “HD,” Form 10-K pg. 1
		102-6 Markets served Form 10-K pgs. 1-10, 22-23, Corporate Website – About Us
		102-7 Scale of the organization Form 10-K pgs. 1-10, 22-23
		102-8 Information on employees and other workers <i>Diversity, Equity &amp; Inclusion</i> , EEO-1 Report, Form 10-K pgs. 5-8
		102-9 Supply chain <i>Supply Chain</i> , Form 10-K pgs. 1-10, Responsible Sourcing Report
		102-10 Significant changes to the organization and its supply chain <i>Supply Chain</i> , Form 10-K pgs. 1-10
		102-11 Precautionary Principle or approach <i>Corporate Governance</i> , Proxy Statement pgs. 3-6
		102-12 External initiatives <i>2020 Ratings and Recognition</i> , <i>Carbon Footprint</i> , <i>Supply Chain</i> , <i>U.N. Sustainable Development Goals</i> , Corporate Website – Responsibility, Responsible Sourcing Report
		102-13 Membership of associations <i>Carbon Footprint</i> , <i>Supply Chain</i> , <i>Responsible Chemistry</i> , <i>Water-Saving Products</i> , <i>Strengthen Our Communities</i> , <i>International Retail Operations</i> , Responsible Sourcing Report
<b>STRATEGY</b>	GRI 102: General Disclosures	102-14 Statement from senior decision-maker <i>CEO Letter</i>
		102-15 Key impacts, risks and opportunities <i>Materiality Touchpoints</i> , <i>Home Depot Goals</i>
<b>ETHICS &amp; INTEGRITY</b>	GRI 102: General Disclosures	102-16 Values, principles, standards and norms of behavior <i>Diversity, Equity &amp; Inclusion</i> , <i>Code of Conduct</i> , <i>Corporate Governance</i> , Business Code of Conduct and Ethics, Corporate Governance Guidelines, Proxy Statement pg. 3-4, Responsible Sourcing Report
		102-17 Mechanisms for advice and concerns about ethics <i>Sourcing Responsibly</i> , <i>Code of Conduct</i> , Business Code of Conduct and Ethics, Responsible Sourcing Report



GRI STANDARD	DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
GOVERNANCE	GRI 102: General Disclosures	102-18 Governance structure	<i>Corporate Governance</i> , Proxy Statement pgs. 1-21, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter, Corporate Governance Guidelines
	102-19	Delegating authority	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i>
	102-20	Executive-level responsibility for economic, environmental and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i> , Proxy Statement pgs. 2-7, NCGC Charter, Corporate Governance Guidelines
	102-21	Consulting stakeholders on economic, environmental, and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints</i> , Proxy Statement pgs. 7-8
	102-22	Composition of the highest governance body and its committees	<i>Corporate Governance</i> , Proxy Statement pgs. 1-21, Corporate Website – Investor Relations > Corporate Governance
	102-23	Chair of the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-21
	102-24	Nominating and selecting the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-21, Policy on Consideration and Evaluation of Board Candidates, Corporate Governance Guidelines
	102-25	Conflicts of Interest	Proxy Statement pgs. 9-11, Business Code of Conduct and Ethics, Corporate Governance Guidelines
	102-26	Role of highest governance body in setting purpose, values and strategy	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i> , Proxy Statement Letter to Shareholders and pgs. 1-8, NCGC Charter, Corporate Governance Guidelines
	102-27	Collective knowledge of highest governance body	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 1-21
	102-28	Evaluating the highest governance body's performance	<i>Corporate Governance</i> , Proxy Statement Letter to Shareholders and pgs. 1-15, NCGC Charter
	102-29	Identifying and managing economic, environmental and social impacts	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints, Corporate Governance</i> , Proxy Statement pgs. 1-15, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
	102-30	Effectiveness of risk management process	<i>Corporate Governance</i> , Proxy Statement pgs. 2-7, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
	102-31	Review of economic, environmental and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints, Home Depot Goals, Corporate Governance</i> , Proxy Statement pgs. 1-9, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
	102-32	Highest governance body's role in sustainability reporting	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 6-8, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter
102-33	Communicating critical concerns	<i>Engaging Stakeholders &amp; Setting Priorities, Code of Conduct, Corporate Governance</i> , Proxy Statement pgs. 1-15, Business Code of Conduct and Ethics, Corporate Governance Guidelines	
102-35	Remuneration policies	Proxy Statement pgs. 32-64, Corporate Governance Guidelines, LDCC Charter	

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
STAKEHOLDER ENGAGEMENT		102-36	Process for determining remuneration	Proxy Statement pgs. 32-64, Corporate Governance Guidelines, LDCC Charter
		102-37	Stakeholders' involvement in remuneration	Proxy Statement pgs. 25, 36, 39
		102-38	Annual total compensation ratio	Proxy Statement pg. 60-61
	GRI 102: General Disclosures	102-40	List of stakeholder groups	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints</i>
		102-41	Collective bargaining agreements	Form 10-K pgs. 5-8
		102-42	Identifying and selecting stakeholders	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints</i>
		102-43	Approach to stakeholder engagement	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Proxy Statement Letter to Shareholders and pg. 7-8</i>
		102-44	Key topics and concerns raised	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints, Proxy Statement Letter to Shareholders and pg. 7-8</i>
	REPORTING PRACTICES	GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements
102-46			Defining report content and topic Boundaries	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints</i>
102-47			List of material topics	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints, Home Depot Goals</i>
102-48			Restatements of information	<i>Associate Safety</i> ; We also revised certain of our annual GHG emissions, energy use and intensity results to correspond to changes in calculations for the 2020 CDP Report related to increases in our scope and to our acquisitions, and to correct a typographical error in our 2020 Responsibility Report.
102-49			Changes in reporting	Data from 2018 reflects the calendar year. Unless otherwise indicated, data for 2019 and 2020 reflects the fiscal year. We also expanded our Scope 3 boundaries to include more of our supply chain.
102-50			Reporting period	Unless otherwise indicated, February 3, 2020 to January 31, 2021 (Fiscal Year 2020)
102-51			Date of most recent report	2020 Responsibility Report July 2020
102-52			Reporting cycle	Annual
102-53			Contact point for questions regarding the report	Ron Jarvis, Chief Sustainability Officer ron_jarvis@homedepot.com
102-54			Claims of reporting in accordance with the GRI Standards	This report references the 2016, 2018 and 2019 GRI Standards.
102-55			GRI content index	This document
102-56			External assurance	N/A
<b>ECONOMIC</b>				
	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	<i>CEO Letter, Corporate Taxes</i>
		201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Report
		201-3	Defined benefit plan obligations and other retirement plans	<i>Benefits, Form 10-K pg. 67, Form 11-K, Proxy Statement pgs. 45,56</i>
	GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>Store Operations, Strengthen Our Communities</i>
		203-2	Significant indirect economic impacts	<i>ESG Transparency, Energy-Saving Products, Water-Saving Products, Strengthen Our Communities</i>
	GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	<i>Ethical Sourcing, Code of Conduct, Business Code of Conduct and Ethics</i>
	GRI 207: Tax	207-1	Approach to tax	<i>Corporate Taxes</i>
		207-2	Tax governance, control and risk management	<i>Corporate Taxes</i>
		207-3	Stakeholder engagement and management of concerns related to tax	<i>Corporate Taxes</i>
		207-4	Country-by-country reporting	<i>Corporate Taxes</i>
<b>ENVIRONMENTAL</b>				
<b>MATERIALS</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 301: Materials	301-1	Materials used by weight or volume	<i>ESG Transparency, Circularity, Sustainable Packaging, Paring Down Single-Use Plastics</i>
<b>ENERGY</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 302: Energy	302-1	Energy consumption within the organization	2020 CDP Report, <i>ESG Transparency, Protecting the Climate, Corporate Website – Responsibility</i>
		302-2	Energy consumption outside of the organization	<i>Carbon Footprint, Supply Chain</i>
		302-3	Energy intensity	2020 CDP Report, <i>ESG Transparency, Corporate Website – Responsibility</i>
		302-4	Reduction of energy consumption	2020 CDP Report, <i>CEO Letter, ESG Transparency, FAQ: Growing Sustainably, Store Operations, Supply Chain, UN Sustainable Development Goals, International Retail Operations, Corporate Website – Responsibility</i>
		302-5	Reductions in energy requirements of products and services	2020 CDP Report, <i>ESG Transparency, FAQ: Growing Sustainably, Store Operations, Energy-Saving Products, Residential Solar, Form 10-K pgs. 8-9, Corporate Website – Responsibility</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE	
WATER USE AND EFFLUENTS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>	
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>	
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>	
	GRI 303: Water Use and Effluents	303-1	Interactions with water as a shared resource	<i>Water-Saving Products, UN Sustainable Development Goals</i>	
BIODIVERSITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>	
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>	
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>	
	GRI 304: Biodiversity	304-2	Significant Impacts of activities, products, and services on Biodiversity	<i>Greener Products, Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>	
		304-3	Habitats Protected or Restored	<i>Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>	
EMISSIONS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>	
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>	
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>	
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	<i>2020 CDP Report, ESG Transparency, Protecting the Climate, Corporate Website – Responsibility</i>	
		305-2	Energy indirect (Scope 2) GHG emissions	<i>2020 CDP Report, Protecting the Climate, Corporate Website – Responsibility</i>	
		305-3	Other indirect (Scope 3) GHG emissions	<i>2020 CDP Report, Protecting the Climate, Corporate Website – Responsibility</i>	
		305-4	GHG emissions intensity	<i>2020 CDP Report, ESG Transparency, FAQ: Growing Sustainably, Protecting the Climate, Corporate Website – Responsibility</i>	
		305-5	Reduction of GHG emissions	<i>2020 CDP Report, ESG Transparency, FAQ: Growing Sustainably, Protecting the Climate, Corporate Website – Responsibility</i>	
	EFFLUENTS AND WASTE	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
			103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
103-3			Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>	
GRI 306: Effluents and Waste		306-2	Waste by type and disposal method	<i>ESG Transparency, FAQ: Growing Sustainably, Circularity, Waste Management &amp; Recycling, Corporate Website – Responsibility</i>	

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
SUPPLIER ENVIRONMENTAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>Sourcing Responsibly, Responsible Sourcing Report, Corporate Website – Responsibility</i>
<b>SOCIAL</b>				
OCCUPATIONAL HEALTH AND SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 403: Occupational Health and Safety	403-2	Hazard identification, risk assessment and incident investigation	<i>Materiality Assessment Framework, Materiality Touchpoints, Associate Safety</i>
		403-5	Worker training on occupational health and safety	<i>Learning &amp; Development, Associate Safety</i>
		403-6	Promotion of worker health	<i>Benefits, COVID Care Kit Enabled Life-Saving Health Check, Associate Safety, Protection by Design</i>
		403-9	Work-related injuries	<i>Associate Safety</i>
TRAINING & EDUCATION	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, Learning &amp; Development</i>
	GRI 404: Training and Education	404-1	Average hours of training per year per employee	<i>Learning &amp; Development</i>
		404-2	Programs for upgrading employee skills and transition assistance programs	<i>Diversity, Equity &amp; Inclusion, Learning &amp; Development, Associate Engagement, Benefits, Focusing on Those Who Serve, The Home Depot Foundation</i>
DIVERSITY & EQUAL OPPORTUNITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, Diversity, Equity &amp; Inclusion</i>
	GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>Diversity, Equity &amp; Inclusion, Proxy Statement pg. 13-21</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
FORCED OR COMPULSORY LABOR	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
LOCAL COMMUNITIES	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<i>Strengthen Our Communities, International Retail Operations</i>
SUPPLIER SOCIAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
		414-2	Negative social impacts in the supply chain and actions taken	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
PUBLIC POLICY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 415: Public Policy	415-1	Political contributions	<i>ESG Transparency, Corporate Governance, Government Relations, Political Activity and Government Relations Policy, Annual Report of Corporate Political Contributions, Annual Report on Trade Association Memberships</i>
CUSTOMER HEALTH & SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>ESG Transparency, Greener Products, Responsible Chemistry, Energy-Saving Products, Water-Saving Products, Gardening, Cleaning</i>

# SASB DISCLOSURE MATRIX

The [Sustainability Accounting Standards Board \(SASB\)](#) is an independent, standards-setting organization whose mission is to develop comparable sustainability metrics for public corporations to disclose material, decision-useful information to investors. We have considered the industry standards (as defined by SASB’s Sustainable Industry Classification System) for Multiline and Specialty Retailers & Distributors and Building Products & Furnishings, and we have provided below the relevant data and/or the location of the applicable information in our 2021 ESG Report.

## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Energy Management in Retail &amp; Distribution</b>					
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	<ul style="list-style-type: none"> <li>Total energy consumed in fiscal 2020 – 23.2M GJ</li> <li>Purchased approximately 561,000 GJ of renewable energy</li> </ul>	2021 ESG Report – Store Operations, pgs. 56-59
<b>Data Security</b>					
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	Details can be found in the Data Security & Privacy section of our ESG Report and in our 2021 Proxy Statement	2021 ESG Report – Data Security & Privacy, pgs. 130-131; 2021 Proxy Statement, pgs. 5-6
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No material breaches in fiscal 2020	
<b>Workforce Diversity &amp; Inclusion</b>					
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	<p>U.S. Officers:</p> <ul style="list-style-type: none"> <li>Gender: 29% Female</li> <li>Underrepresented Minority Groups 26%</li> </ul> <p>U.S. Managers and Above (excluding Officers):</p> <ul style="list-style-type: none"> <li>Gender: 32% Female</li> <li>Underrepresented Minority Groups 35%</li> </ul> <p>U.S. Workforce:</p> <ul style="list-style-type: none"> <li>Gender: 38% Female</li> <li>Underrepresented Minority Groups 47%</li> </ul>	2021 ESG Report – Diversity, Equity & Inclusion, Page 24-33

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Product Sourcing, Packaging &amp; Marketing</b>					
Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting Currency	CG-MR-410a.1	~\$20 billion in 2020	2021 ESG Report – Reducing Environmental Impact, pgs. 70-95
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	Details can be found in the Responsible Chemistry section of our ESG Report	2021 ESG Report – Responsible Chemistry, pgs. 78-81; Gardening pgs. 84-85; and Cleaning, pgs. 86-87
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	Details can be found in the Sustainable Packaging section of our ESG Report	2021 ESG Report – Sustainable Packaging, pgs. 92-95

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	<ul style="list-style-type: none"> <li>• 2,296 retail locations</li> <li>• &gt;300 distribution centers and warehouses</li> </ul>	2020 Annual Report on SEC Form 10-K pgs. 22-23
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m <sup>2</sup> )	CG-MR-000.B	<ul style="list-style-type: none"> <li>• 22.2 million sq. meters of retail space</li> <li>• 7.1 million sq. meters of warehouse and distribution centers</li> </ul>	2020 Annual Report on SEC Form 10-K pgs. 22



# BUILDING PRODUCTS & FURNISHINGS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Management of Chemicals in Products</b>					
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-BF-250a.1	Details can be found in the Responsible Chemistry section of our ESG Report	2021 ESG Report – Responsible Chemistry, pgs. 78-81; Gardening pgs. 84-85; and Cleaning, pgs. 86-87
<b>Product Lifecycle Environmental Impacts</b>					
Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	CG-BF-410a.1	Details can be found in the Circularity, Sustainable Packaging and Waste Management & Recycling sections of our ESG Report	2021 ESG Report – Circularity, pgs. 74-75; Waste Management & Recycling, pgs. 90-91; and Sustainable Packaging, pgs. 92-93
(1) Weight of end-of-life material recovered, (2) percentage of recovered materials that are recycled	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-410a.2	~425,000t	2021 ESG Report – Circularity, pgs. 74-75; Waste Management & Recycling, pgs. 90-91
<b>Wood Supply Chain Management</b>					
(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by Standard	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-430a.1	We estimate a significant majority of our wood product purchases are certified by third parties such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Programme for the Endorsement of Forest Certification (PEFC) or American Tree Farm System (ATFS).	2021 ESG Report – Sustainable Forestry, pgs. 68-69; Wood Purchasing Policy

# TCFD FRAMEWORK

The [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) develops voluntary, consistent climate-related financial risk disclosures for companies to provide information to stakeholders. We have considered the TCFD framework as a tool to make meaningful data accessible to our stakeholders and have provided below the location of the relevant information in our 2021 ESG Report.

	RECOMMENDED DISCLOSURE TOPICS	2021 ESG REPORT		ADDITIONAL SOURCES
		Section	Page #	
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2021 Proxy Statement pgs. 2-7
		Corporate Governance	124-125	
	Describe management's role in assessing and managing climate-related risks and opportunities.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2021 Proxy Statement pgs. 2-7
		Materiality Assessment Framework	8-9	
Goals		12-13		
	Corporate Governance	124-125		
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Materiality Touchpoints	10	CDP Report; 2021 Proxy Statement pgs. 2-7
		Protecting the Climate	54-63	
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	CEO Letter	4-5	CDP Report
		Materiality Touchpoints	10	
		FAQ: Growing Sustainably	18-19	
		Protecting the Climate	54-63	
		Corporate Governance	124-125	
	Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy and financial planning.	Goals	12-13	CDP Report
		Protecting the Climate	54-63	
Reducing Environmental Impact		70-95		

	RECOMMENDED DISCLOSURE TOPICS	2021 ESG REPORT		ADDITIONAL SOURCES
		Section	Page #	
RISK MANAGEMENT	Describe the organization's process for identifying and assessing climate-related risks.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2021 Proxy Statement pgs. 2-7
		Materiality Assessment Framework	8-9	
		Corporate Governance	124-125	
	Describe the organization's processes for managing climate-related risks.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2021 Proxy Statement pgs. 2-7
		Materiality Assessment Framework	8-9	
		Protecting the Climate	54-63	
		Corporate Governance	124-125	
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2021 Proxy Statement pgs. 2-7
		Materiality Assessment Framework	8-9	
Corporate Governance		124-125		
METRICS & TARGETS	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	Materiality Assessment Framework	8-9	CDP Report
		Goals	12-13	
		ESG Transparency	14-15	
		Protecting the Climate	54-63	
		United Nations Sustainable Development Goals	112-113	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG Transparency	14-15	CDP Report
		Protecting the Climate	56-61	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Goals	12-13	CDP Report
		Protecting the Climate	54-63	
United Nations Sustainable Development Goals		112-113		

# EEO-1 REPORT

EEO-1 report data to be added following filing with the U.S. Equal Employment Opportunity Commission. Updated report will be posted at [corporate.homedepot.com/responsibility](https://corporate.homedepot.com/responsibility) and [ir.homedepot.com/esg-investors](https://ir.homedepot.com/esg-investors).



