

2020



# Responsibility Report

A Year of Progress







Hi, My Name Is  
**MYKEL**

Hi, My Name Is  
**COOPER**

**KIDS**  
WORKSHOPS



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This *Responsibility Report* covers The Home Depot's year of progress in 2019.

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# OVERVIEW

The image shows a warehouse interior with a pallet of goods and a metal cage in the foreground, overlaid with an orange tint. The text "OVERVIEW" is centered in white, bold, uppercase letters, with a horizontal white line above it.



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## RESOURCES

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### **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; our business plans, strategies, initiatives and objectives and their expected execution and impact; 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.

## CEO LETTER

# OUR CORE VALUES IN ACTION

The Home Depot's commitment to environmental, social and governance progress reflects our core values and makes our company stronger.

The Home Depot's corporate responsibility strategy is values-based and centered on three key pillars: *focusing on people, operating sustainably and strengthening our communities*. We believe that our commitment to continuing progress on environmental, social and governance issues has made our company stronger, deepened our relationships with our associates and customers, made a lasting positive impact on the environment and created long-term shareholder value.

As we focus on people, more than 33% of our hires were female and more than 50% were ethnically diverse at the close of 2019. Yet we know we have more to do, and we have a renewed urgency in light of events of 2020. The continued senseless killings of defenseless Black men and women in our country demonstrate that we are far from fulfilling the promise of equality for all. Our company opposes discrimination, period, and we are committed to taking action to help end it. To that end, we have established an executive-led task force to further expand on our past work and recent actions to strengthen African American communities, combat all forms of discrimination and deepen our diversity.

In 2019, we made important strides in operating more sustainably, and we continue to look to the future by setting significant goals to reduce our environmental impact. For example, we have pledged to reduce our carbon dioxide emissions by 50% by 2035. In 2019, we reached an important milestone on this front by reducing our CO<sub>2</sub> emissions by 10%. Our U.S. stores now use 35% less electricity than they did in 2010.

We also set a new goal to procure or produce 335 megawatts of renewable or alternative energy by 2025. Additionally, we committed to eliminating expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from our private-brand products by 2023. We're grateful to our suppliers for their close partnership on this important goal. Our Chief Sustainability Officer and Vice President of Environmental Ron Jarvis provides additional insights on our sustainability efforts in an FAQ in this report.

To support our communities, The Home Depot Foundation continues to make a difference by improving the homes and lives of U.S. veterans, assisting communities affected by natural disasters

"I want to thank our associates for their contributions to our progress through 2019 and for shining more than ever during recent challenging times. Once again, they are putting our values into action."

– Craig Menear, Chairman, CEO and President



and training skilled tradespeople to fill the labor gap. In 2019, the Foundation furthered its promise to invest \$500 million in veteran causes by 2025, and our associates volunteered 315,000 hours on Team Depot projects in their communities.

Finally, throughout the COVID-19 crisis, we have been committed to the safety and well-being of our associates and customers, while remaining open to provide essential products and services to our communities. To that end, as of this writing, we have provided more than \$1 billion in expanded benefits to support our associates and contributed more than \$50 million to support our communities, including by donating personal protective equipment (PPE) to

first responders and health care workers. More than 95% of our stores have donated essential supplies in their communities.

I want to thank our associates for their contributions to our progress through 2019 and for shining more than ever during recent challenging times. Once again, they are putting our values into action.



**Craig Menear**  
*Chairman, Chief Executive Officer  
and President*



# ENGAGING STAKEHOLDERS & SETTING PRIORITIES

Our connections with stakeholders allow The Home Depot to gain greater understanding of our impact and effect change for the better.

As a retailer, we have many levels of responsibility for the impact of our business practices. We try to see those responsibilities not only through our lens, but also through others' points of view. Customers ask us questions when they walk into our stores or shop with us online. Citizens contact us with concerns. We meet with shareholders and nongovernmental organizations (NGOs). We take part in industry efforts to raise awareness about the social and environmental responsibilities we all share.

These interactions may be informal or formal, as detailed in our Materiality Assessment Framework on the following pages. Together with our regular materiality assessment, they help us gauge the impact of our business, set priorities, measure our progress and design ways to improve.

This understanding of our impact and collaboration with our stakeholders enables us to set objectives that improve the sustainability of our operations and maximize our influence in developing sustainable products for our customers.

Our Sustainability Council, composed of representatives from different areas of the business, oversees our approach to sustainability. The Council focuses on seven key areas, as shown on these pages.

The Council meets twice a year, and its chairman presents our sustainability strategy and activities to the Board of Directors annually. Our priorities and plans are communicated to leaders and associates in appropriate groups throughout the company.

## AREAS OF FOCUS



Chemical  
Concerns



Climate  
Change



Energy  
Reduction





### 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.”



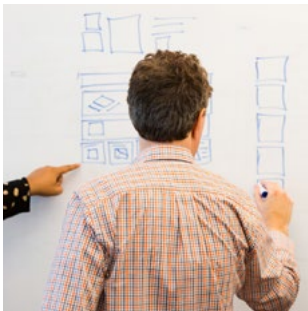
### Communities

“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.”



### 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.”



### 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.”



Human Welfare



Natural Resources



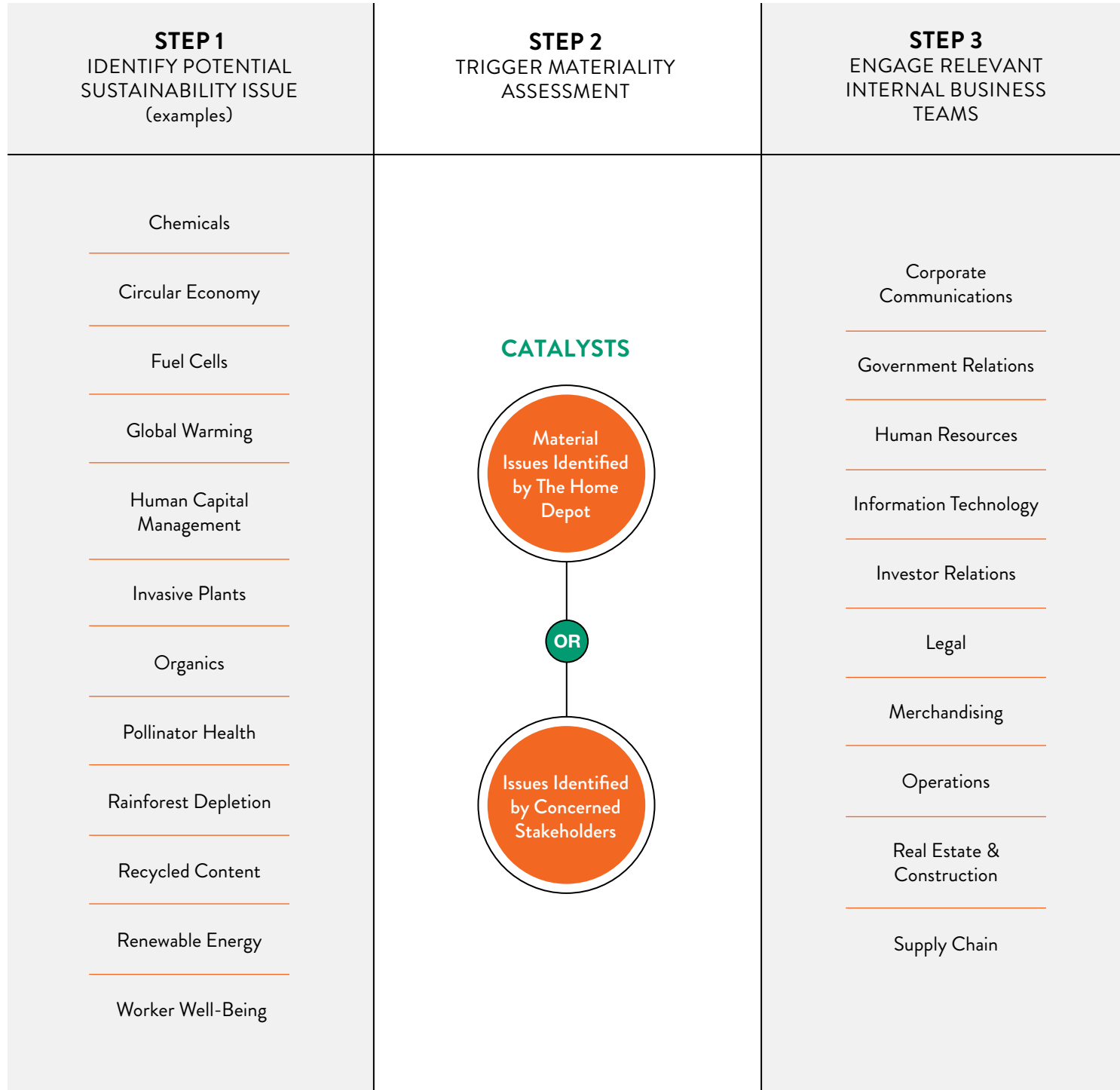
Responsible Sourcing



Waste & Recycling

# MATERIALITY ASSESSMENT FRAMEWORK

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

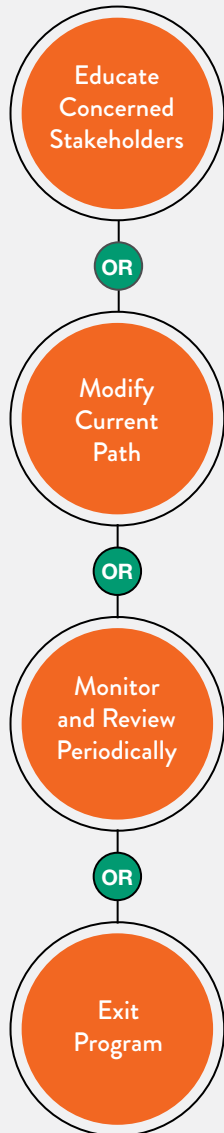




**STEP 4**  
GATHER  
INFORMATION AND  
RECOMMENDATIONS



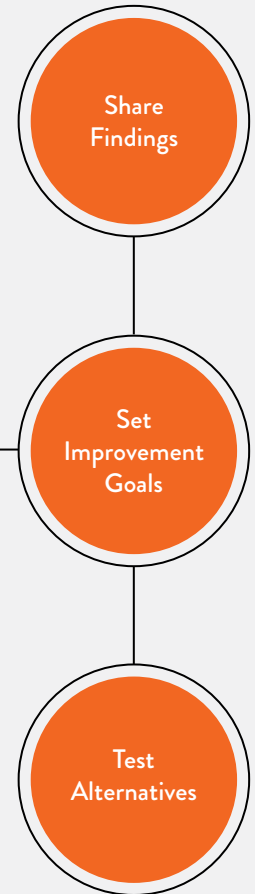
**STEP 5**  
DEVELOP SOLUTION



**STEP 6**  
ESTABLISH ONGOING  
PLAN



**STEP 7**  
CONTINUE PROGRESS



# MATERIALITY TOUCHPOINTS







This chart outlines the material sustainability issues that emerge from our business and the key stakeholders focused on these issues.

Materiality Touchpoints		Key Impacted Stakeholders							
	IMPACTS	Associates	Customers	Suppliers	Government	Nongovernmental Organizations	Academics & Educators	Investors	Local Community
<b>Focus on People</b>									
Associate Development	Training, education, promotion, support	●	●		●			●	●
Associate Well-Being	Safety, health, wages, hours	●	●	●	●			●	●
Diversity & Inclusion	Workforce/community demographic alignment, acceptance and respect of diverse cultures, supplier diversity	●	●	●	●	●		●	●
Governance	Ethics, culture, data privacy and security, risk management	●	●	●	●	●		●	●
Third-Party Worker Well-Being	Safety, health, wages, hours			●	●	●		●	
<b>Operate Sustainably   Operations</b>									
Energy Use	Carbon emissions					●		●	●
Hazardous Materials	Waste, disposal	●		●	●			●	●
Waste	Recycle, landfill, incineration	●	●					●	●
Water Use	Responsible consumption	●						●	●
<b>Operate Sustainably   Products</b>									
Eco Products	Eco Options, WaterSense, Energy Star, Chemical Strategy, Wood Purchasing Policy	●	●	●	●	●	●	●	●
End of Life	Waste, recycle	●	●	●	●	●	●	●	●
Manufacturing Process	Natural resources, chemicals, carbon emissions, packaging	●	●	●	●	●	●	●	
Transportation	Carbon emissions			●	●	●		●	
<b>Strengthen Our Communities</b>									
Community Support	Veterans and military families, trades training, disaster response, local engagement	●	●	●	●	●	●	●	●



# GOALS

The Home Depot sets goals to drive sustainability-related progress that benefits our customers, communities, associates and company.

Home Depot Pillars	Global Impact	Goal	Change Agent	Progress	Goal Date
Focus on People	People	Create enhanced career opportunities for 50,000 front-line associates over a five-year period (beginning July 2018)	The Home Depot	On track	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	The Home Depot	On track	2023
Operate Sustainably	Carbon Emissions	Science-based target to reduce emissions 40% by 2030, 50% by 2035	Home Depot Operations and Energy Utilities	On track	2030, 2035
		Procure/produce 335 megawatts of renewable or alternative energy	Renewable and Alternative Energy Producers	On track	2025
		Procure/produce 135 megawatts of renewable or alternative energy	Renewable and Alternative Energy Producers	Ahead of plan	2020
		20% reduction in store kilowatt-hour energy use, compared to 2010 levels	Home Depot Operations	Ahead of plan	2020
		Help reduce customers' greenhouse gas emissions by 20 million metric tons	Merchants and Suppliers	Ahead of plan	2020
	Chemical Reduction	Reduce suspect chemicals in cleaning products	Cleaning Manufacturers	Ahead of plan	2022
		Reduce suspect chemicals in paint	Paint Manufacturers	Ahead of plan	2020
		Reduce suspect chemicals in carpet	Carpet Manufacturers	Completed	2018 
		Reduce suspect chemicals in insulation	Insulation Manufacturers	Completed	2018 
		Reduce formaldehyde levels in laminate/engineered flooring	Floor Manufacturers	Completed	2017 
		Remove ortho-phthalates from vinyl flooring	Floor Manufacturers	Completed	2016 
	Planet	Exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from private-brand packaging	Private-Brand Suppliers	On track	2023
		Eliminate neonicotinoids from live goods	Plant Growers	Completed	2019 
		Achieve supplier compliance with tropical deforestation standards	Wood Suppliers	Completed and continuously monitored	2018 
Strengthen Our Communities	Community	Invest \$50 million in The Home Depot Foundation funds to train 20,000 tradespeople, particularly veterans	THD Foundation and Partners	On track	2028
		Invest \$500 million in THD Foundation funds to veterans' causes, with a focus on housing	THD Foundation and Partners	On track	2025
		Help customers save \$2.8 billion on utility bills through energy-efficient products	Merchants and Suppliers	Ahead of plan	2020
		Help reduce consumers' water use by 250 billion gallons	Merchants and Suppliers	On track	2020

# ESG TRANSPARENCY

This chart highlights The Home Depot's key environmental, social and governance (ESG) metrics. Data from 2017 and 2018 reflects the calendar year. Data for 2019 reflects the fiscal year, which will be our practice going forward. For [diversity and inclusion data](#), see pages 30-31.

	2017	2018	2019 <sup>S</sup>	
<b>Focus on People</b>	<b>Associates</b>			
	Success Sharing paid to associates	\$256 million	\$227 million	\$201 million
	Homer Fund assistance paid to fellow associates	\$18 million*	\$13 million**	\$16 million
	Percentage of associates contributing to The Homer Fund	93%	95%	95%
	Lost time incident rate per 200,000 hours	1.15	1.05	1.15
	Recordable incident rate per 200,000 hours	4.14	4.14	4.62
<b>Operate Sustainably</b>	<b>Carbon Emissions</b>			
	CDP Climate Change score	A	A	***
	Estimated reduction of customers' GHG emissions through the purchase and proper use of Energy Star products (MT CO <sub>2</sub> e)	6.2 million	7 million	6.9 million
	Direct (Scope 1) GHG emissions (MT of CO <sub>2</sub> e)	434,000	515,000	553,000
	Indirect (Scope 2) GHG emissions (MT CO <sub>2</sub> e)	1,684,000	1,645,000	1,393,000
	Reduction of GHG emissions since 2009 (MT CO <sub>2</sub> e; Scope 1&2)	-1 million	- 965,000	-1.8 million
	Reduction of GHG emissions since 2009	-32%	-31%	-38%
	Number of stores with fuel cell energy source	176	202	204
	Fuel cell energy capacity for U.S. operations (MWac)	35.1	40.3	40.9
	Solar energy capacity companywide, rooftop and off-site (MWac)	27.6	42	44.6
	Wind energy capacity companywide (MWac)	62	62	62
	Diesel used (MWh)	124,249	107,552	106,922
	Electricity purchased (MWh)	3,983,471	3,897,257	3,479,171
	Electricity generated (MWh)	273,582	295,443	308,556
	Natural gas used (MWh)	1,842,458	2,236,023	2,371,696
	Propane used (MWh)	231,886	204,485	247,669
	Energy consumption within the organization (MWh)	6,478,488	6,844,899	6,634,705
	GHG emissions intensity Scope 1+2 (MT of CO <sub>2</sub> e per billion U.S. dollars spent)	20,989	20,002	17,671
	<b>Operating Sustainably</b>			
	Reduction of kWh used by U.S. stores, year over year	-3.20%	-3.40%	-11.79%
Rechargeable battery recycling by all stores (pounds)	1,100,000	1,043,300	1,170,200	
CFL bulb recycling (pounds)	980,000	800,500	804,300	
Lead-acid battery recycling (battery cores)	200,000	218,000	235,200	

	2017	2018	2019 <sup>§</sup>	
Operate Sustainably	Cardboard recycling (tons)	230,000	248,400	250,600
	Nonhazardous waste generated (MT)	758,877	796,228	851,330
	Waste sent to landfill (MT)	531,866	551,661	575,344
	Waste recycling (MT)	227,011	244,568	275,986
	Waste incineration (pounds)	2,057,127	2,109,756	2,331,110
	Fuel blending (pounds)	5,382,790	5,274,318	5,207,933
	<b>Responsible Sourcing</b>			
	Combined factory audits and follow-up visits by THD	2,704	3,011	3,044
	Product tests conducted by third parties	18,858	25,856	42,758
	Transit tests conducted by third parties	19,332	27,695	20,640
	Pre-shipment product inspection visits	19,328	20,196	21,482
Expanded polystyrene (EPS) foam elimination (CF)	341,000	517,600	19,100	
Polyvinyl chloride (PVC) film elimination (SF)	587,900	1,628,900	5,729,000	
<b>Products</b>				
Number of restricted substance categories in <a href="#">Chemical Strategy</a>	6	7	8	
Energy Star products offered in stores and online	15,267	22,000	24,677	
Energy-saving product sales	\$5.78 billion	\$5.79 billion	\$6.03 billion	
WaterSense products offered in stores and online	7,845	9,000	9,460	
Water-saving product sales	\$1.31 billion	\$1.35 billion	\$1.36 billion	
Residential solar installations	17,145	18,291	3,283	
Strengthen Our Communities	<b>Community</b>			
	Number of small or diverse suppliers	3,108	3,400	3,600+
	Estimated annual customer savings from purchase and proper use of Energy Star products	\$1 billion	\$1.2 billion	\$1.2 billion
	Estimated annual customer savings from purchase and proper use of WaterSense products	\$643 million	\$655 million	\$650 million
	The Home Depot Foundation grants	\$62.6 million	\$74.9 million	\$82.6 million
	Veterans' homes and facilities improved	6,237	5,830	5,527
	Team Depot volunteer hours	158,400	240,000	315,000
	U.S. political contributions by The Home Depot PAC	\$1,778,061	\$1,995,566	\$2,282,468
U.S. corporate political contributions	\$281,900	\$200,000	\$150,000	

All monetary amounts are U.S. dollars.

<sup>§</sup> 2019 data is fiscal year (Feb. 4, 2019-Feb. 2, 2020); 2017 and 2018 data sets reflect calendar years.

\* Abnormal natural disaster activity led to a considerable increase in giving for 2017 (\$5 million+ dedicated to natural disaster assistance alone).

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

\*\*\* Not available at time of publication.

CF = cubic feet

CO<sub>2</sub> = carbon dioxide

CO<sub>2</sub>e = CO<sub>2</sub> + 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 2019.

	<p>Assesses action on climate change; score was based on 2018 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>The Home Depot's 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; the industry average is 2.3</p>
	<p>Grades retailers' progress in selling products with safer chemicals</p>		<p>Our score has steadily improved, from B- in 2018 and C+ in 2017</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 2019 to build a better workplace, business and world.



**Investor's Business Daily**  
No. 11 — Best ESG  
Companies



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



**Gartner**  
No. 19 — Top Supply  
Chains



**Omni50**  
No. 31 — Top 50  
Organizations for  
Multicultural Business  
Opportunities



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



**Forbes**

- World's Best Employers
- America's Best Employers
- World's Most Valuable Brands, No. 32



**Human Rights  
Campaign**  
Corporate Equality Index



**Military Times**  
Best for Vets Employer  
No. 111



**Comparably**

- Best CEO, Craig Menear, No. 15
- Best Company Outlook, No. 21
- Best Companies for Women



**Atlanta Business  
Chronicle**  
Most Admired CEOs



**Canada's Best Diversity  
Employers**  
11th Consecutive Year



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

# FAQ: CONTINUING THE MOMENTUM

Our investments to reduce The Home Depot's environmental impact yielded results in 2019, and that progress continues.

*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 does The Home Depot measure its impact on the climate, and what progress did the company make in 2019?

**A.** We track our carbon dioxide emissions from distribution, store energy use and more, using metrics that are industry standards:

- Scope 1: Direct emissions from combustible sources and refrigerants
- Scope 2: Indirect emissions from purchasing electricity
- Scope 3: Emissions from upstream transportation and distribution of freight

We reduced Scope 1 and Scope 2 emissions 10% and Scope 3 emissions 1% in 2019, compared to the year before. We remain committed to future progress. The Home Depot has pledged to reduce CO2 emissions 2.1% per year, with the ultimate goal of achieving a 50% reduction by 2035.

## Q. What's driving improvement?

**A.** We're reducing our carbon footprint in many ways, but changes in the way we [distribute goods](#) and [use energy](#) are yielding some of our biggest results. For example, by packing trailers in ways that maximized available space, we were able to avoid sending about 10,500 truckloads of products on the road — saving 15 million driven miles in 2019. Our U.S. stores reduced electricity consumption by 383 million kilowatt hours, a decrease of 12% year over year. We are ahead of our 2020 goal to achieve a 20% reduction in store kilowatt-hour energy use, compared to 2010 consumption.

## Q. What is behind the company's push to reduce single-use plastics? What are the results so far?

**A.** As scientists continue to study the impact plastic has on our environment, particularly our oceans, we better understand why it's important to [reduce single-use plastics](#). We're approaching that reduction in a few ways. We are partnering with suppliers to improve products and packaging. Those efforts eliminated 1.44 million pounds of plastic and





replaced another 7.73 million pounds of virgin plastic with recycled plastic in 2019. We're working to eliminate waste through a variety of [Circular Economy](#) initiatives, such as collecting used plant containers from customers for reuse by our suppliers. In our private-brands packaging, we're swapping plastics and other materials for biodegradable options like molded pulp and paper.

**Q. Describe the progress The Home Depot is making to lower the environmental impact of products.**

**A.** We understand that our biggest impact on the environment comes from the products we sell. So, we constantly look for ways to improve. In 2019, we eliminated perfluoroalkyl and polyfluoroalkyl substances (PFAs) from carpets and rugs sold in the U.S. and Canada. It's part of the commitment outlined in our [Chemical Strategy](#), which guides our efforts to work with suppliers to reduce the indoor air quality impact of chemicals used in the products we sell. Since we outlined the strategy in 2017, The Home Depot has eliminated a number of suspect chemicals in carpet, flooring and insulation, and we are ahead of our stated goals to make our paints and cleaning products greener.

**Q. How does the Eco Options product classification work?**

**A.** Our [Eco Options](#)® program is our effort to better define and clarify manufacturers' green-product claims. For a product to receive Eco Options classification, the supplier must document attributes that demonstrate the product has less of an impact on the environment than comparable products in the same category. We have a unique opportunity to educate the thousands of customers who shop with The Home Depot every day. Just knowing the potential impact of certain products or how we use them can help all of us make better choices about how we use energy, water and chemicals in our homes.

“The Home Depot has pledged to reduce CO2 emissions 2.1% per year, with the ultimate goal of achieving a 50% reduction by 2035.”

— Ron Jarvis,  
Chief Sustainability Officer





In 2019, The Home Depot eliminated

**100%**

of perfluoroalkyl and polyfluoroalkyl substances (PFAs)  
from carpets and rugs sold in the U.S. and Canada.







# HIGHLIGHTS

Now, more than ever, our core values are guiding how we focus on people, operate sustainably and strengthen our communities. These three pillars help us measure progress.

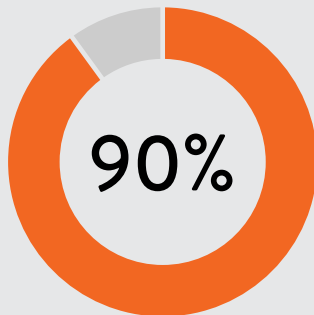
## FOCUS ON PEOPLE



We added more than **\$1 billion** in expanded benefits in 2020 to ease associates' COVID-19 challenges



Our Homer Fund has awarded more than **\$200 million** in grants, assisting over **150,000** associates since 1999



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



In 2019, more than



**33%**  
of our hires were female



and over **50%**  
were ethnically diverse



We buy goods and services from \_\_\_\_\_

**3,600+** SMALL OR DIVERSE SUPPLIERS, AVERAGING

**\$6 billion spent**

with these companies every year



## OPERATE SUSTAINABLY

In 2019, our companywide **carbon dioxide emissions** fell

**10%** YEAR OVER YEAR

Energy use in U.S. stores dropped

**↓12%** in 2019

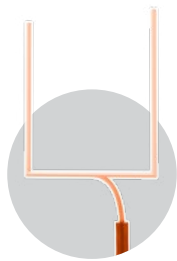
Our **supply chain** efficiencies in 2019 helped avoid

**15 million** transport miles

We redesigned

**58** private-brand packages

in 2019 to reduce waste and cost. We also eliminated enough expanded polystyrene foam to fill



**8** school buses

and enough plastic polymer film to cover

**99** football fields

We piloted recycled-paper packing pallets in 2019, saving

**1,800** trees



Our suppliers' 2019 packaging makeovers replaced

**7.7 MILLION**

pounds of virgin plastic with recycled

## STRENGTHEN OUR COMMUNITIES

The Home Depot Foundation is living up to the pledge to invest

**\$500 million**

in veteran causes by 2025

Our associates volunteered

**315,000**

HOURS in 2019

to serve our communities



More than **95%** of our stores have donated essential COVID-19 supplies locally



By mid-2020, we had contributed more than

**\$50 MILLION**

to assist communities combating COVID-19

# COVID-19: OUR RESPONSE

As the situation around the COVID-19 coronavirus continues, our paramount concern is for our associates, communities and customers.

## + DID YOU KNOW

More than 95% of our stores have donated essential COVID-19 supplies in their local communities.

### Taking Care of Our Associates

By mid- July 2020, we had added over \$1 billion in expanded benefits to help alleviate some of the challenges our associates may be facing as a result of COVID-19.

- 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 who are 65 years of age or 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.

As detailed on [livetheorangelife.com/covid19](https://www.livetheorangelife.com/covid19), we also provided:

- Paid time off for any associate who has contracted COVID-19, until released by a doctor
- Up to 14 days paid time off for any associate required to be quarantined by a public health authority or the CDC
- Additional bonuses to hourly associates in stores and distribution centers
- Double pay for overtime hours worked by hourly associates
- Extended dependent care benefits and waived related co-pays
- Unlimited emotional and mental health counseling visits for associates,

including a resource toolkit to help with stress and anxiety

- Access to telemedicine clinicians 24/7 to discuss symptoms and treatment options, as well as care kits for associates diagnosed with COVID-19

### Supporting Our Communities

We have contributed more than \$50 million and taken other steps to support the communities we serve.

As the coronavirus pandemic emerged, we:

- Eliminated major promotional events to avoid driving high levels of traffic to stores
- Voluntarily froze pricing nationwide across product categories in high demand due to COVID-19
- Executed a “stop-sale” on all N95 masks in stores and on homedepot.com and redirected all shipments to be donated to hospitals, health care providers and first responders

We also:

- Donated millions of dollars in personal protective equipment (PPE) and other products to hospitals, health care providers and first responders
- Prioritized order fulfillment for hospitals, health care providers and first responders
- Marshaled the resources of our merchandising and supply chain teams to globally source quality products and expedite the availability of needed items





“I want to thank our associates for their contributions to our progress through 2019 and for shining more than ever during recent challenging times. Once again, they are putting our values into action.”

— CEO Craig Menear

Read more on Page 4



# COVID-19: THE RESPONSE IN OUR STORES

The Home Depot is an essential retailer to communities we serve. We've been committed to keeping stores open during the COVID-19 coronavirus crisis to serve our communities, as we do during natural disasters.



**1** We limited the number of customers who could shop in our stores at one time.

**2** We reduced store hours to allow for restocking and additional sanitizing.

**3** Our temporarily adjusted 180-day return policy, increased from 90 days, reduces store visits.

**4** We initiated free curbside order pickup at most stores and increased delivery options for [homedepot.com](https://www.homedepot.com) orders.



**5** Shields at registers, customer service desks, paint counters and other key customer service locations help protect associates and customers.

**6** We limited in-home services and installations to essential maintenance and repairs.

**7** Social distancing reminders are broadcast as in-store announcements, and signs are posted on floors and in aisles throughout the store.

**8** Notices remind associates to wash hands, sanitize surfaces and use hand sanitizer frequently.

**9** We provided associates with non-medical masks and gloves. In mid-June 2020, we began requiring all associates to wear masks or face coverings in all Home Depot locations where masks weren't already required.

**10** Associates received thermometers for at-home temperature checks before work.

**11** We rolled out a required health and safety course for all associates. It covers COVID-19 disease facts, prevention and workplace guidelines.





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# FOCUS ON PEOPLE

More saving. More

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## RESOURCES

- > [Diversity & Inclusion](#)
- > [Home Depot Core Values](#)
- > [Military Transition Portal](#)
- > [Associate Resource Groups](#)
- > [Home Depot Benefits4U](#)
- > [The Homer Fund](#)
- > [Privacy & Security Statement](#)

# DIVERSITY & INCLUSION

Our multidimensional approach to diversity and inclusion enables us to drive business results. We value and benefit from the dynamics of different backgrounds, experiences and perspectives.

A diverse and inclusive workplace brings different perspectives and new ideas to our company, and that yields ingenuity and success. We are committed to our core values, and we foster a diverse and inclusive environment where our associates, customers and suppliers are valued and respected. Our multidimensional approach encompasses:

## PEOPLE

We strive to create a sense of belonging among our associates – an important aspect of inclusion. We work to build a workplace, retail space and company that reflect the customers and communities we serve.

## PROCESSES

By integrating diversity and inclusion into every aspect of our business, we create a foundation for processes that make it simpler for good ideas and good talent to emerge.

## SUPPLIERS

A supplier network that includes small, local or diverse businesses helps to ensure we are offering products and services that reflect our customers' needs. It also fosters innovation and reinforces our commitment to the communities we serve by creating economic growth.

## EXTERNAL RELATIONSHIPS

Our relationships with nonprofit partners, government officials, nongovernmental organizations, community groups, universities, shareholders and other stakeholders ensure that we get a diversity of talent and viewpoints. These collaborations position us to help problem-solve in our communities.

## Hiring

Our inclusive practices make The Home Depot a great place to work and shop. We are intentional in our efforts to advance diversity and inclusion practices and procedures throughout the company. We also lead by example through diversity on our Board of Directors and executive team. Here are some of the ways we foster an inclusive workplace:

- The Home Depot [career website](#) offers candidates a firsthand look at the company's commitment to diversity and inclusion.
- We post openings on diversity-focused job boards to increase diversity among applicants.
- Our strategy to target diverse applicants through career fairs and conferences helped us reach over 38,000 potential candidates in 2019.
- We use social media, traditional advertising in multicultural markets and other outreach to target prospective associates.
- We connect with veterans and their spouses through our [military transition portal](#). Go to [Page 32](#) to learn more about how we're expanding our support for veterans, members of the military and their families.



## DID YOU KNOW

In 2019, over 33% of our hires were female, and over 50% were ethnically diverse.



## DID YOU KNOW

Our commitment to diversity and inclusion emerged as the highest-ranking category across stores, supply chain and merchandising execution teams in our Voice of the Associate survey in 2019. Learn more about VOA on [Page 38](#).

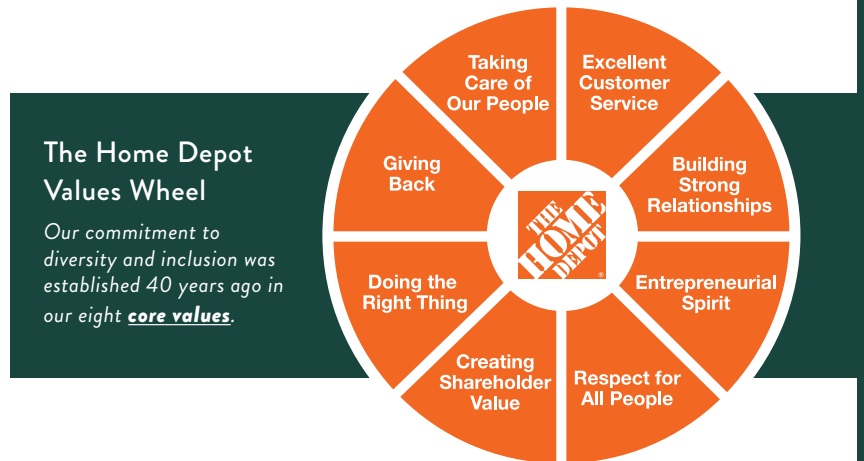
## Retention & Promotion

All associates have the opportunity to benefit from our robust development opportunities and benefits, but we structure some programs specifically to support workforce diversity. Here are a few examples:

- Respect training is part of all associates' learning and development curriculum.
- All of our new leaders receive unconscious bias training as part of their leadership curriculum. In 2020, we are rolling out the training to all associates.
- Hiring managers receive effective-hiring training that includes tools to remove bias from the interview process.
- All salaried leadership positions require diverse slates of candidates.
- Our chief diversity officer provides strategic leadership in developing a workplace where all associates are valued, respected and supported in doing their best work.
- Our talent-planning process is designed to help identify and address diversity gaps.
- Our Leaders Inclusion Network (Lead-IN) focuses on front-line associates and

empowers them to lead inclusively by engaging and championing diverse talent. We held over 100 Lead-IN events in 2019.

- Tuition reimbursement includes learning other languages.
- Comprehensive reproductive health benefits are part of our medical coverage.
- Medical coverage includes transgender benefits.
- Communications distributed monthly to stores and distribution centers raise cultural awareness, honor heritage celebrations and promote inclusion.



## PRIORITIES FOR PROGRESS

These priorities guide our company's efforts to enhance diversity and inclusion:

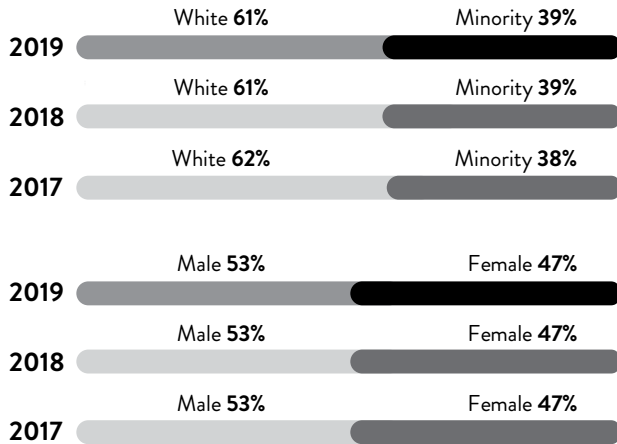
- 1.** Improve the gender balance of our workforce to better represent our customers.
- 2.** Improve the diversity of our leadership and promotion pipelines to better represent our associates.
- 3.** Strengthen our culture of inclusion through development and engagement.
- 4.** Reinforce our commitment to the community and suppliers through strategic partnerships.



## BUILDING A DIVERSE WORKFORCE

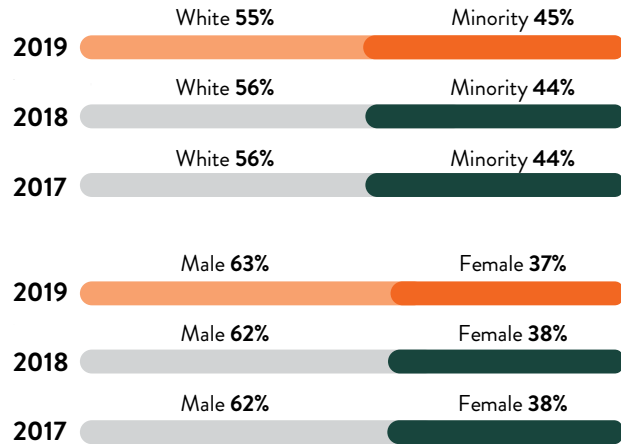
Our diverse workforce of over 400,000 associates strengthens our competitive advantage and reflects the customers we serve. A comparison against U.S. Department of Labor data shows that our workforce is more ethnically diverse than the nation's working population. These charts reflect the demographics of The Home Depot's U.S. workforce from 2017 through 2019. Data from 2017 and 2018 reflects the calendar year. Data for 2019 reflects the fiscal year, which will be our practice going forward.

### U.S. WORKING POPULATION



Source: Latest available data from the U.S. Bureau of Labor Statistics; 2019 data is estimated

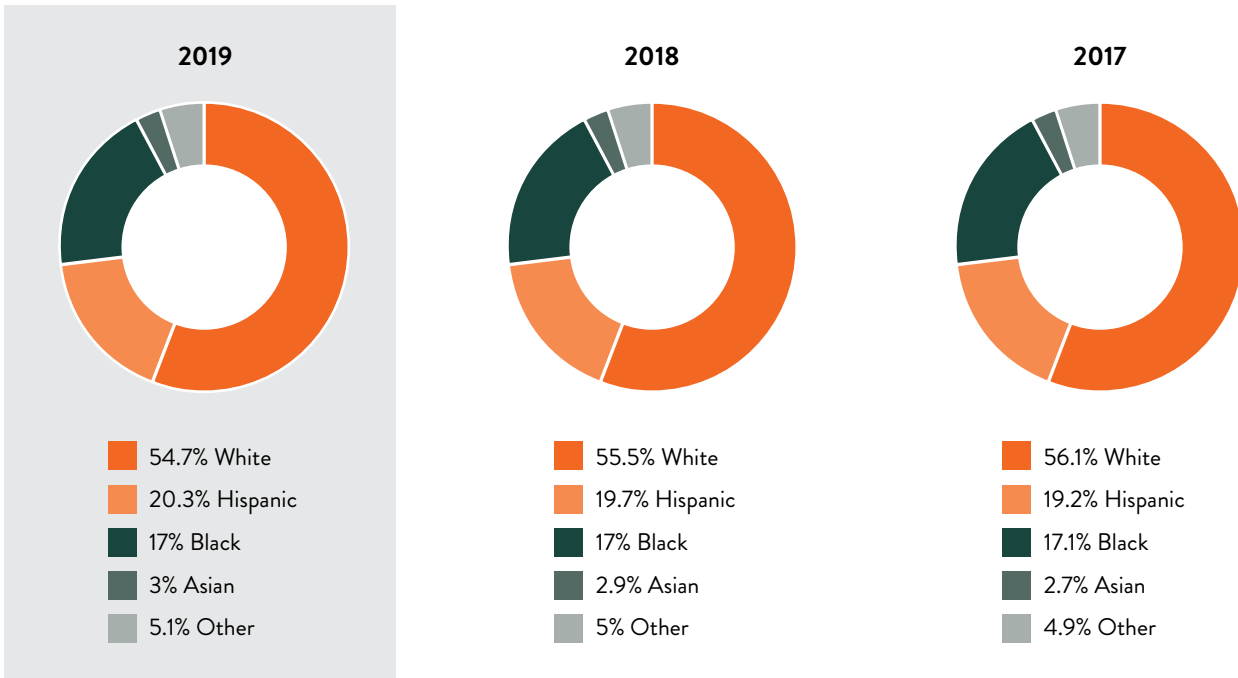
### THD U.S. WORKFORCE



Total Number of Associates:

2019: 372,366 | 2018: 361,485 | 2017: 369,853

### THD U.S. WORKFORCE BY ETHNICITY

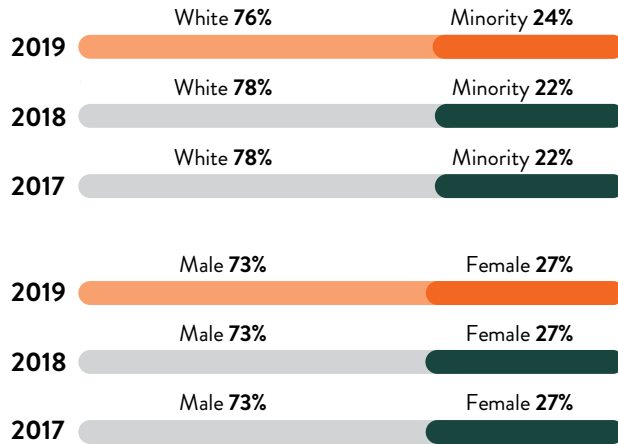


Note: Certain percentages may not sum to totals due to rounding.

**+**  
**DID YOU KNOW**

Across the company, our associates speak more than 30 languages.

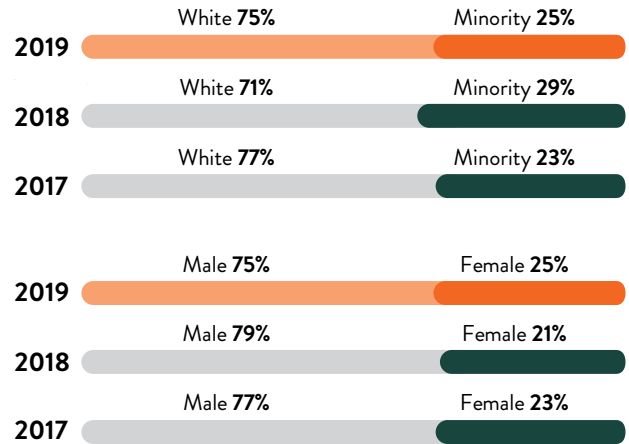
**U.S. OFFICERS**



Total Number of Officers:

2019: 119 | 2018: 115 | 2017: 113

**BOARD OF DIRECTORS**

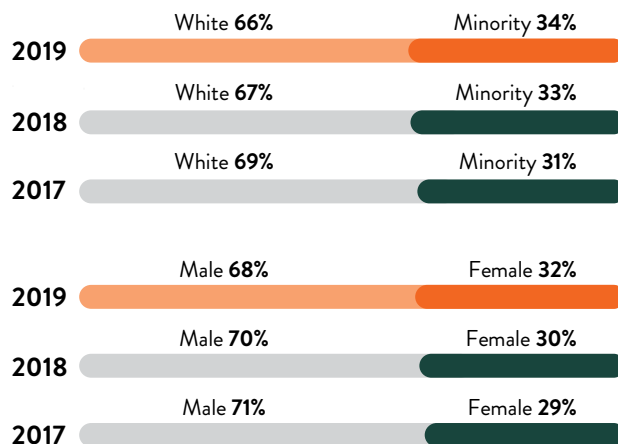


Total Number of Board Members:

2019: 12 | 2018: 14 | 2017: 13

**U.S. MANAGERS AND ABOVE\***

(EXCLUDES OFFICER LEVEL)



Total Number of Managers & Above:

2019: 17,729 | 2018: 17,045 | 2017: 16,566

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



# EXPANDING SUPPORT FOR THOSE WHO SERVE

*Our new Military Relations department is fine-tuning our focus on supporting veterans, active members of the military and their families.*

**S**ince The Home Depot opened our first stores in 1979, we've built a special connection with those who've served in the U.S. armed forces.

Our [Team Depot](#) volunteer associates work on projects that make a difference for veterans in their communities. [The Home Depot Foundation](#) funds programs that improve the lives of veterans through access to better housing, support services and career opportunities; the Foundation has pledged to invest \$500 million in veteran causes by 2025. Veterans organizations and the USO are among nonprofits for which our company matches associate donations dollar for dollar, up to \$3,000 per associate. Our company employs over 35,000 veterans and further supports military families by recruiting and recognizing the service of military spouses. Look for the U.S. veteran and military spouse badges on their orange aprons.

In 2019, we launched a Military Relations department to become an even better workplace and resource for veterans, active-duty service members and their families. We believe The Home Depot is uniquely positioned to have a positive impact through internal support and external advocacy. Through our network of over 2,000 stores and facilities, we also help fulfill military spouses' need to have stable careers amid frequent moves.

We're doing this because it's the right thing to do, but it's also good for our business. Veterans and their families share the core values that are the foundation of our Home Depot culture.

They bring resiliency, resourcefulness, team-mindedness, dedication and other critical characteristics and skills to our workforce.

Our Military Relations program is expanding our efforts, including:

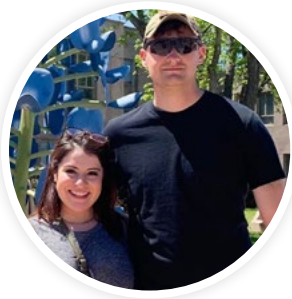
- Supporting our military spouse associates with transfers between our stores and distribution centers when the military moves their families
- Assisting transitioning service members through on-the-job training and internship opportunities, formalized mentorship and targeted hiring
- Providing innovative benefits programs, on top of job protection, leaves of absence and supplemental pay for active-duty associates
- Offering new tools for military families when their loved ones are deployed or away for training, including access to counselors and financial advisers, and referrals to childcare providers
- Fostering camaraderie and care through our Military Appreciation Group (an [Associate Resource Group](#)) and virtual networking groups for veterans and military spouses
- Funding training for exiting service members to build careers in the trades as carpenters, plumbers, electricians and more
- Honoring associates' service with apron badge programs for U.S. veterans and military spouses



## DID YOU KNOW

U.S. veterans say finding meaningful work is their No. 1 challenge, according to research by the University of Southern California. The Home Depot's new Military Relations department aims to help.





“Each store has welcomed me with open arms, and there has never once been a question of whether or not I will get a job when I move.”

— Associate Stephanie Rasmussen, pictured with her husband, Greg

Stephanie Rasmussen is among the associates benefiting from our focus on the military. Since starting as an associate in 2016, she’s built a portable career with our nationwide company as her husband, a noncommissioned officer in the Army, has been deployed and reassigned. Rasmussen is now working in her fifth Home Depot store, near Fort Jackson in South Carolina, as a cashier on the Pro desk.

“I enjoy getting to know the contractors, making connections and helping them get what they need,” she said. Each new position has enabled her to gain new

skills that help at work and home.

“I’ve learned how to fix a faucet, how to lay tile, how to work with power tools,” Rasmussen said. “I can do a lot of this stuff better than my husband now.”

Rasmussen said her Home Depot transfers have been seamless. “Each store has welcomed me with open arms, and there has never once been a question of whether or not I will get a job when I move,” she said. “Knowing that I have a job no matter where I move is life-changing.”

*From Left to Right: We honor associates’ service with apron badges that identify U.S. veterans and military spouses. | The Home Depot Foundation’s trades training program helps exiting military members prepare for careers as plumbers, carpenters, electricians and more. Trainees pay no fees for the program, created in partnership with the Home Builders Institute.*





# LEARNING & DEVELOPMENT

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

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. 2020 marks the 10th anniversary of Home Depot University. HDU is critical to the development of values-based leaders who take care of our associates and our customers.

We develop our associates and leaders using a blend of the following approaches:

- **Online resources:** Our library of online, on-demand resources includes videos, courses, book summaries, reference materials and performance support tools.
- **Executive development:** Advanced business and leadership training empowers experienced leaders to develop strategic business approaches and prepare for higher-level roles.
- **Mobile learning:** On-demand content inside the work stream guides associates in assisting customers. Hands-on activities improve learning retention.
- **E-learning:** Media-rich, self-directed learning offers focused, interactive activities and actionable feedback.
- **Instructor-led experiences:** Immersive training at our Atlanta Store Support Center and field locations focuses on business acumen, technical skills and leadership skills for new leaders in critical positions.

## + DID YOU KNOW

In 2019, over 10,000 candidates applied for about 200 internships in our Store Support Center. Nearly half of the interns were store associates.

## CHECK IT OUT

Hear how Ann-Marie Campbell, executive vice president of U.S. stores, worked her way up from cashier to corporate leadership.





90%

of store leaders started as hourly associates



# DESIGNING A CAREER



The next time you walk into a Home Depot store, think about Sarmistha Boal, our director of new concept development. She and her team likely influenced the design of the entrance facade, the checkout pods and almost everything in between.

After coming to the United States from India in 1988 to pursue a master's degree from the Savannah College of Art and Design, Boal took a job in the flooring department of a Home Depot store in Atlanta. Soon her responsibilities expanded from sales to envisioning Expo Design Centers, a chain of décor concept stores we operated from the late 1990s to the late 2000s.

Boal kept moving up in store design, despite pressures of what she describes as a very male-dominated industry at the time. She earned respect by being passionate about her work. "That transcends everything," Boal said. She also was buoyed by The Home Depot's close-knit and entrepreneurial culture, and how our company valued the global perspective she brought to her work. She was assigned to positions of increasing responsibility in the U.S. and in posts in Mexico, Canada and China.

Today, she and the Atlanta-based team she leads dream up sustainable, high-performing and cost-effective designs that balance merchandising demands with associate safety. They often make their ideas come to life using products sold in our stores.

The team finds inspiration everywhere, in the sleek designs of high-end car dealerships, the modularity of port-a-potties and more. But their biggest influence is Boal's firsthand knowledge of what it takes to serve customers in our aisles. As she said: "I got to work with people who lived and breathed the products. That experience was incredible."





“The Home Depot  
invested in me and gave  
me the chance to do what  
I love to do. This company  
made me. That means  
everything to me.”

– Sarmistha Bool, Director of New  
Concept Development



# 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 to our success.

## Voice of the Associate Survey

Engaged associates care about their work and the performance of The Home Depot. They work with enthusiasm and understand that their efforts make a difference. We create an engaging workplace by continuously listening to and acting on associate feedback.

All associates have the opportunity to take our Voice of the Associate survey once a year. The survey helps us determine how emotionally connected our associates are to our customers, the company, their jobs, and fellow associates and leaders. We're using the feedback we received from over 350,000 associates in 2019 to help improve the associate experience.

Through the years, our company has maintained a positive sentiment with

results consistently indicating that, on average, four out of five associates are emotionally committed and fully engaged.

## The Warehouse

In 2019, we marked 10 years of the Warehouse, our associate engagement platform. More than 300,000 U.S. and Canadian associates have joined the Warehouse over the past decade, making it one of the largest enterprise social media communities in North America.

With over 1,000 groups, the digital hub links associates with common interests — everything from remodeling and volunteerism to food and movies. It fuels associates' connections to co-workers and company leaders, as well as their creativity and orange-blooded entrepreneurial spirit.



## DID YOU KNOW

In our Voice of the Associate survey, female and minority associates rate our company at 80% or better for our commitment to diversity and inclusion.

Our Associate Resource Groups promote inclusion and support our diverse associate population:



African-American Associates



Hispanic Associates



Differently Abled Associates



### Success Sharing & Merit Increases

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 five years.

The outstanding performance of our associates in fiscal 2019 enabled 100% of stores to qualify for Success Sharing in both the first and second half of the year. This resulted in bonus payments to our non-management associates of more than \$200 million.

In addition, in 2019, we established a merit-based salary increase of between 2.5% and 3%, and we continued our practice of making matching contributions under the FutureBuilder 401(k) Plan. We also provided recognition and team-building awards to reward top-performing associates.

### Associate Resource Groups

Our [Associate Resource Groups](#) (ARGs) are led by associates and championed by executive sponsors and advisers to drive associate engagement and promote inclusion at our Store Support Center through:

- Professional development
- Cultural awareness
- Community outreach

Our first ARG was launched more than 13 years ago. Today, our seven groups each connect to a single aspect of diversity while supporting our broadly inclusive company culture.

Our ARGs support the company's business objectives and policies, particularly those related to developing our associates, creating diversity awareness and engaging diverse community partners. In addition, associates in all of our locations are empowered to hold diversity events.

### BY THE NUMBERS

**60+**

**events**

sponsored by Associate Resource Groups in 2019

**10,000+**

**participants**

went to those ARG events

**More than**

**60%**

of Store Support Center associates belong to an ARG



Military and Military Family Associates



Asian-American Associates



LGBTQ Associates



Female Associates

# 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 [Benefits4U](#) program 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 2019, we expanded benefits available to associates battling cancer. Find out more and meet an associate who inspired our enhanced resources on [Page 44](#).

## 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 the Momentum onUp Financial Confidence Program. Momentum onUp consists of a suite of online webinars, activities, tools and resources leading participants through an eight-step program. Momentum onUp is designed to help associates increase knowledge and relieve financial stress by building financial confidence.

**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.

## CHECK IT OUT

Our [livetheorangelife.com/benefits4u](https://www.livetheorangelife.com/benefits4u) interactive infographic guides associates to support for all stages of life.





## Associate Assistance

**CARE/Solutions for Life:** Our free and confidential associate assistance program helps associates manage personal and work-life challenges. Licensed counselors and medical professionals are available by phone 24/7/365 to help associates 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. 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.

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

**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.

**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 is on business travel or relocating
- 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.



## DID YOU KNOW

More than 4,500 associates enrolled in our pet insurance program in 2019.

## 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.

**College savings plans:** Associates can review college savings information; use a tool to define their criteria; compare selected 529 college savings plans in their states; and start the application process.

**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.



### DID YOU KNOW

More than 80,000 associates and spouses took advantage of annual health screenings in 2019.

## Healthy Life

**Health Challenge:** Our annual competition encourages associates to take action to improve their health, feel better and have fun. Associates set personal goals and compete to win prizes.

**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 on-site or at a Quest Diagnostic Patient Service Center.

**Tobacco cessation:** Personalized, one-on-one strategies and support are available to help associates 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 for a discounted fee to Teladoc® virtual doctor for minor illnesses and behavioral health 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.



In 2019, associates used Perks at Work discounts totaling  
**\$16.3 million**



# COMBATING CANCER TOGETHER

*Our in-store leaders and Store Support Center Benefits team work together to support associates battling cancer.*



The breast cancer diagnosis was the first shock. Then, a month later, the clinic where Dee Thompson was about to start radiation treatment said her health insurance had been canceled.

“I just melted down,” recalled Thompson, who has worked for The Home Depot for more than 20 years.

Exactly what caused the insurance disruption is unclear. Thompson was about to transfer from Store 977 in Parsippany, New Jersey, to Store 1122 in Murrells Inlet, South Carolina, when doctors told her she had cancer. Perhaps a data-input error related to the transfer was to blame.

What is certain: Murrells Inlet Store Manager Mike Callan, Assistant Store Manager Linda Keefer and Associate Support Department Supervisor Faith Murphy all stepped up to help. And Lesley Leiserson, senior director of Benefits & Health Management at the Store Support Center, made the problem go away.

“Lesley told me, ‘Don’t worry about it. We’ll take care of it.’ It was seamless. It really was,” Thompson said.

## Benefits make life a little easier

That experience and the bonds it built inspired the newest benefit for associates battling cancer. The OrangeLife Care Kit, which launched in 2019, is packed with gifts to bring a little comfort to those in treatment. More than 300 associates have received the kits. It’s among several benefits that support associates with cancer.

“Benefits like extended backup care, access to a health care support team, legal advice and partnerships with world-renowned oncologists offering free second opinions help support associates on their cancer journey,” Leiserson said.

For more than a year, Thompson has been cancer-free. Now she’s a cancer-fighting advocate, encouraging friends, family members and fellow associates to pay attention to their bodies, get preventive exams and follow their guts if something is not right.

She is proud to be the inspiration behind The Home Depot’s OrangeLife Care Kit. “You always hope that from something so traumatic, something positive will come out of it,” she said. “And it has.”

## OUR BENEFITS SUPPORT THE SPECIAL NEEDS OF ASSOCIATES WITH CANCER

### Cancer Support Program

City of Hope® enables associates to call oncology nurses for support with their diagnoses and treatment plans.

### OrangeLife Care Kit

This specially curated kit is designed to comfort associates battling cancer.

### Health Care Support Team

Grand Rounds assists with care management, including guidance for handling insurance and billing issues.

### Emotional Support

Psychologists are available via Teledoc to help associates dealing with diagnoses and treatment.

“You always hope that from something so traumatic, something positive will come out of it, and it has.”

– Associate Dee Thompson



#### **Back-Up Care**

Bright Horizon’s discounted in-home care is extended for up to 45 days specifically for associates with cancer.

#### **Managing Change**

CARE/Solutions for Life provides extra face-to-face counseling sessions for associates with cancer, as well as free legal and financial phone consultations to help manage challenges and change.

#### **Time Off**

A medical leave of absence gives associates time to focus on care.

#### **The Homer Fund**

Associates may qualify for financial assistance for hardships related to illness.

#### **Pay Replacement**

Disability coverage from The Hartford can replace a portion of pay if illness disrupts work.

#### **Lump-Sum Payment**

Allstate’s Critical Illness Protection Plan may pay a lump-sum amount to associates enrolled before diagnosis.

#### **Legal Help**

MetLife Legal Services can help associates create powers of attorney, health care proxy documents, wills and more.

#### **Life Insurance**

Securian Financial will help covered associates update beneficiary and other key information. Some plans have accelerated payouts.

# THE HOMER FUND

More than 95% of associates donate to The Homer Fund, created exclusively to help co-workers in need.

When our associates face unforeseen hardships, **The Homer Fund®** is there to help. Our charity provides emergency financial assistance to our people when they need it most. The Homer Fund helped more than 8,200 associates in 2019 through grants that collectively totaled over \$16 million.

A Board of Directors governs The Homer Fund, and associates oversee its daily operations. Operating costs are funded through donations from the company's Matching Gifts program; 100% of all associate donations go toward grants. The Fund receives more than 1,000 requests a month to help associates manage the financial pressures of an unexpected emergency or life-changing event.

When natural disasters strike, The Homer Fund supports affected associates. We're there for them as they go above and beyond for customers living through the aftermath of hurricanes, wildfires and earthquakes. In 2019, The Homer Fund gave more than \$840,000 to assist associates affected by natural disasters.



## SCHOLARSHIPS FOR ASSOCIATES' CHILDREN

*The Homer Fund's Orange Scholars program offers scholarships to qualified children of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration.*

**2006**  
year Orange Scholars program launched

**\$30 million**  
awarded in scholarships through 2019

**13,000**  
dependents of hourly associates have been named Orange Scholars

### CHECK IT OUT

Discover Shelly's story of how The Homer Fund helped her pay bills while she underwent cancer treatment.





# POWERED BY ASSOCIATES FOR ASSOCIATES

*The Homer Fund makes a difference in the lives of our people every day.*

**A**fter Jo began caring for her 11-year-old nephew, she discovered that he was behind on vaccinations required for school and needed lots of dental work. But because Jo was not Juelz's legal guardian, her Home Depot health insurance didn't cover his care.

Jo, who works in the Store Support Center in Atlanta, brainstormed with her manager about what to do and discovered expanded assistance first made available in 2019 under The Homer Fund's Direct Grant program.

"When we pulled up the Homer Fund website to look at what would be the best option, we realized that an increase in family members actually now qualifies for a Direct Grant," Jo said. The Homer Fund helped pay for Juelz's missing vaccines, as well as dental work — including a root canal — needed to address decay from seven untreated cavities.

The Homer Fund is powered by associates to help associates. Every dollar donated goes to co-workers in need. The Fund receives more than 1,000 requests for assistance each month to help orange-blooded families like Jo's.

"I see the progress, and I see that Juelz is changing," Jo said. "We're family, and I believe family is everything. And I think we needed him just as much as he needed us."

Jo said it's reassuring to know The Homer Fund is there for all associates. "You just never know when you will need it or what it will mean to somebody."



## ASSOCIATES IN NEED CAN BENEFIT FROM ONE OR BOTH OF THE FOLLOWING HOMER FUND PROGRAMS:

**Direct Grants** help associates through tragic events such as the death of a parent or child, natural disaster, illness or injury, a spouse's layoff or company closure and more, up to \$10,000.

**Matching Grants** are a unique way the Fund recognizes the generosity of associates toward one another. When associates pass the hat 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.



*In 2019, the Direct Grant program expanded to assist with even more life events, such as paying for an increase in family size because of the unforeseen guardianship of a family member, funeral expenses following the death of a parent and more.*

Since 1999, The Homer Fund has awarded more than

**\$200 million**

in grants, helping over

**150,000**

associates and their families





# 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 create a safe working and shopping environment by anticipating and identifying risks through cross-functional partnerships that include our associates, customers, vendors and suppliers. We seek innovations that prevent injuries and align with our core value of caring for our people.

And the friendly competition we foster between stores — for example, through membership in Club 365, exclusively for stores that have been injury-free for a year — encourages safety compliance by appealing to our orange-blooded associates' competitiveness.

## Reducing Risk

Striving for a zero-injury workplace requires removing risk from our stores and distribution centers. In 2019, we launched a methodical approach to identifying and abating risk as new operational and merchandising processes are developed. As a result, we're designing out hazards, adding needed controls and increasing our ability to alert associates about risks — all before new processes make it to our aisles.

## Simplifying Support Materials

We're reducing complexity in our safety information and messaging, moving from mostly text-based documents to images, pictures and infographics that help associates quickly understand which workplace behaviors best guard them against injuries.

## Increasing Associate Awareness

Our communications platform delivers real-time safety information to associates and connects them to company leaders who reinforce and personalize our commitment to safety. We use multiple types of media to accommodate associates' preferences and learning



## 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.

## BY THE NUMBERS

**276**  
stores

joined our Club 365 in 2019, meaning they operated all year without a significant safety incident

**3.3**  
million

InFocus safety training sessions were taken by associates in 2019

**96%**  
of associates

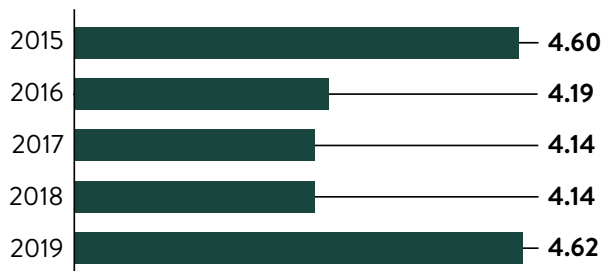
in front-line jobs participated in InFocus training last year



### RECORDABLE INCIDENT RATE

(per 200,000 hours)

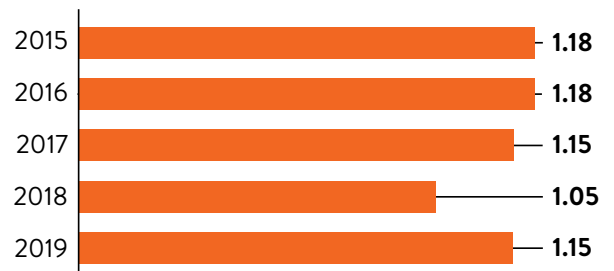
*Work-related injury that typically warrants medical care beyond store-provided first aid*



### LOST TIME INCIDENT RATE

(per 200,000 hours)

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



*Note: 2019 reflects the fiscal year, which will be our practice going forward. Prior year data sets reflect calendar years.*

# 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.

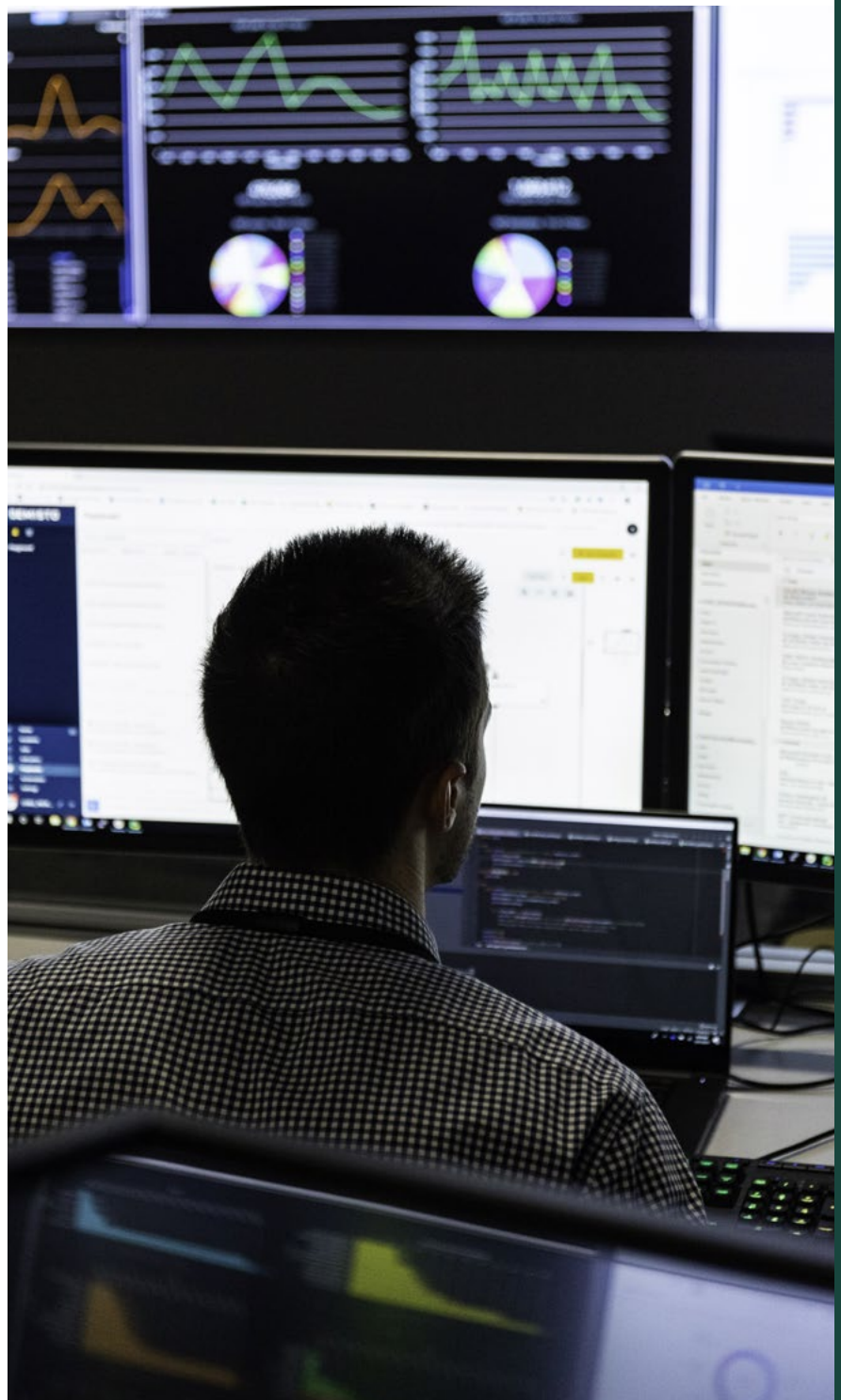
## Data Security & Privacy Awareness

- Data security and privacy training and awareness are provided to all associates, 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.



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**OPERATE  
SUSTAINABLY**



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## RESOURCES

- > Greenhouse Gas Protocol
- > Responsible Sourcing
- > Wood Purchasing Policy
- > Forest Stewardship Council
- > U.N. Food and Agriculture Organization
- > Eco Options
- > Chemical Strategy
- > Energy Star
- > WaterSense
- > USDA National Organic Program
- > Safer Choice
- > GreenGuard
- > Leaping Bunny
- > The Home Depot Canada
- > The Home Depot Mexico



## PROTECTING THE CLIMATE

# CARBON FOOTPRINT

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**We reduce our impact by continually improving the efficiency of our operations and expanding investments in renewable and alternative energy.**

The Home Depot uses the GHG Protocol Corporate Accounting and Reporting Standard, which has been adopted by over 90% of Fortune 500 companies 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.

We've set a science-based target goal linked to our annual CDP reporting. We committed to reducing carbon dioxide emissions 2.1% per year to achieve a 40% reduction by 2030 and a 50% reduction by 2035. Our stores are helping us drive change. In 2019, we reduced U.S. store energy use by 383 million kilowatt hours — contributing to our 35% drop in U.S. store energy consumption since 2010.

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## 2019 RESULTS

### Scope 1:

Direct emissions from combustible sources and refrigerants totaled approximately 553,000 metric tons.

### Scope 2:

Indirect emissions from purchasing electricity totaled approximately 1,393,000 metric tons.

### Scope 3:

Emissions from upstream transportation and distribution of freight totaled approximately 2,665,000 metric tons.

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### **DID YOU KNOW**

We reduced Scope 1 and Scope 2 emissions 10% and Scope 3 emissions 1% in 2019, compared to the year before.



## PROTECTING THE CLIMATE

# ENERGY USE

Improving the efficiency of our operations is good for our business and the planet. The Home Depot's investments make alternative energy solutions more viable.

### Prioritizing Conservation

The simplest way to reduce emissions from energy use is to use less energy, and in 2019, we made significant progress. We reduced U.S. store electricity consumption by 383 million kilowatt hours, compared to reduction of 98 million kilowatt hours in 2018. Our energy use decreased even as we added three new U.S. stores to our footprint.

In 2019, electricity consumption by our U.S. stores was 35% less than in 2010. That put us ahead of our stated 2020 goal to achieve a 20% reduction in store kilowatt-hour energy use, compared to 2010 consumption. In 2019 alone, U.S. store energy consumption dropped 12% year over year.

Our substantial energy-saving progress in 2019 was led by the continued installation of LED lighting across our

U.S. stores. Several years ago, we began updating our lighting from 6-lamp to 4-lamp fixtures, which significantly reduced our energy consumption. We learned from those improvements, and then we began converting our stores to LED lighting fixtures that are even more efficient. So far, about 60% of our U.S. stores have undergone LED upgrades.

We also installed energy-efficient heating, air-conditioning and ventilation systems in 102 U.S. stores in 2019. Over the last eight years, we've updated HVAC units in 576 stores.

We continue to benefit from earlier initiatives to install upgraded building automation systems in all U.S. and Canadian stores and add variable frequency drives (VFDs). In 847 stores, VFDs conserve energy by ensuring equipment uses only the electricity needed to meet immediate HVAC demands.





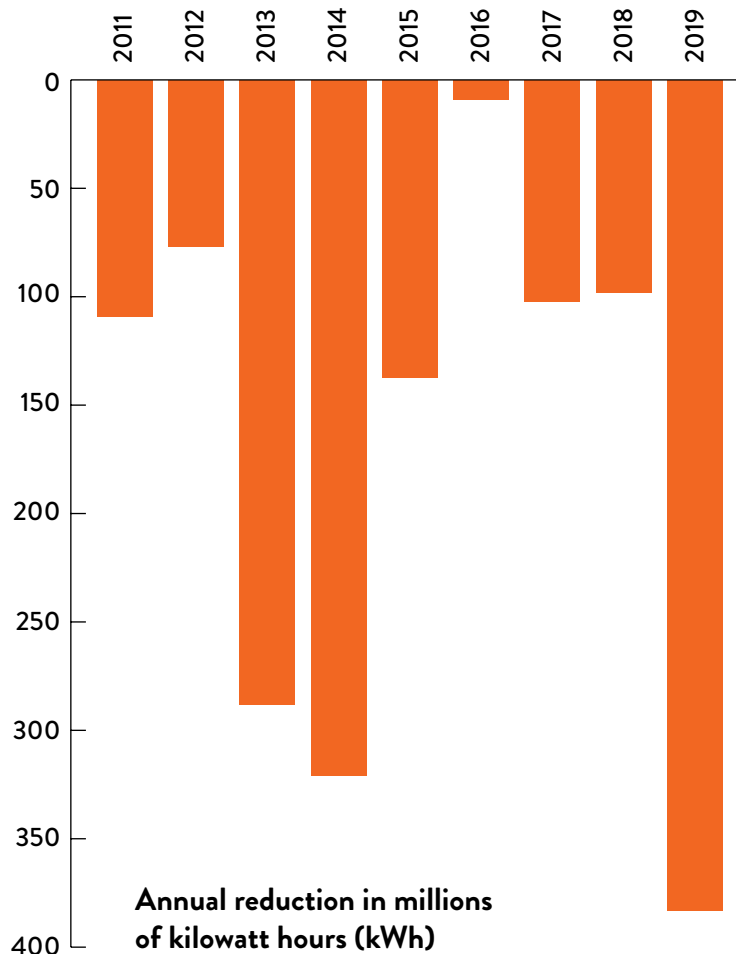
## Making Every kWh Count

Our multifaceted strategy to find energy savings in every corner of our U.S. stores has put The Home Depot ahead of our stated 2020 goal to achieve a 20% reduction in store kilowatt-hour energy use, compared to 2010 consumption.

### Balancing Energy Supply and Demand

More than 750 stores participate in demand mitigation to help balance power supply and demand. It works like this: During peak demand events, utilities or grid operators call on users like The Home Depot to reduce demand. By lowering our consumption during these events, we help reduce the chance of regional power outages, while also optimizing the price we pay for electricity.

In addition, we use on-site batteries to store electricity during off-peak times for use when demand rises. At the end of 2019, batteries were in place in 52 stores: 23 in California, 13 in Massachusetts, 13 in New York and three in Connecticut. We're installing more in 2020.



### BY THE NUMBERS

**35%**  
less

energy used by U.S. stores in 2019, compared to 2010

**260**  
stores

were operating on-site alternative or renewable energy projects by the end of 2019

**750+**  
stores

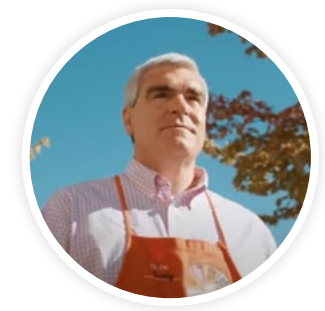
participate in energy demand mitigation programs

### Leveraging Alternative and Renewable Energy

We support and tap into sustainable energy that’s produced off-site and on-site. Not only does it expand our energy options and reduce our carbon footprint, but when The Home Depot buys or produces energy from renewable sources, we strengthen the business case for such alternatives.

- **Off-site wind:** In early 2017, we became a customer of the Los Mirasoles Wind Farm northeast of McAllen, Texas. The energy purchased from the farm is enough to power 105 stores. We also purchase power from the Zopilopan Wind Farm in central Mexico.

- **Off-site solar:** We contract with solar energy providers in Delaware, Massachusetts and Minnesota. Our support boosts the viability of solar power in these areas.
- **Fuel cells:** At stores where rooftop infrastructure won’t support solar panels, we’re looking at other alternative energy options, including fuel cells. These mini power plants cut polluting emissions significantly — in some cases by 50% — compared to using traditional power sources. By the end of 2019, fuel cells were operating outside 204 stores. The fuel cells produce more than 90% of each store’s electricity needs. More fuel cell installations are in development in 2020.

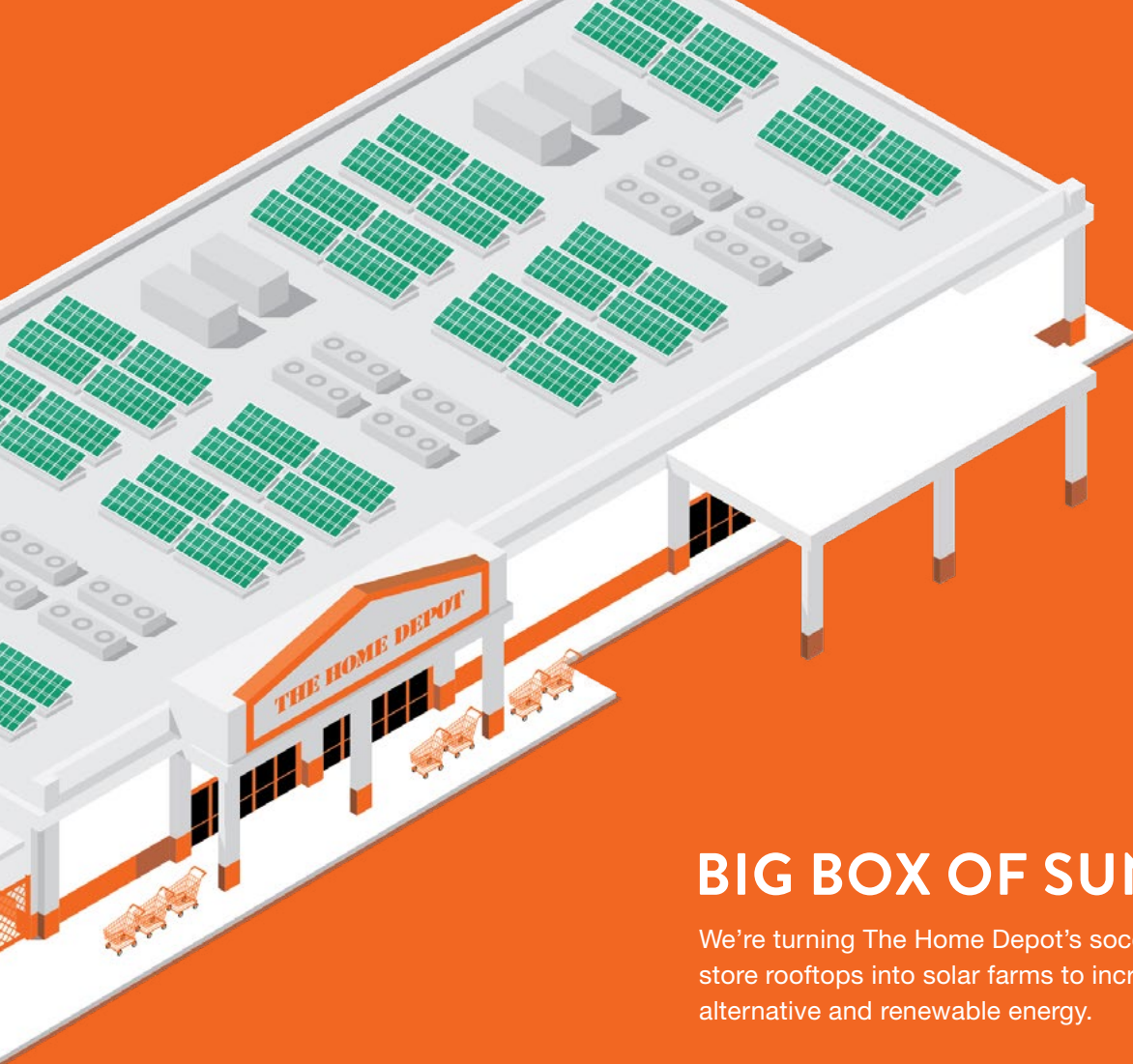


#### CHECK IT OUT

Listen to a podcast in which Craig D’Arcy, director of Energy Management for The Home Depot, describes the business and environmental benefits of renewable energy.



**+**  
**DID YOU KNOW**  
The Home Depot has committed to reducing carbon emissions 50% by 2035.



## BIG BOX OF SUNSHINE

We're turning The Home Depot's soccer-field-size store rooftops into solar farms to increase our use of alternative and renewable energy.

**104,000 ft<sup>2</sup>** of space sits atop the average Home Depot store

**35%** of a store's demand for electrical grid power is reduced by rooftop solar

**45** stores have rooftop solar projects in development

**47** stores have rooftop solar panels

We're ahead of our pledge to leverage **135 megawatts** of alternative or renewable energy by the end of 2020. We've set a new goal of **335 megawatts** by 2025.



In 2019, The Home Depot piloted smart irrigation systems that

**SAVE OVER 40%  
OF THE WATER**

used by traditional systems. We conserved an average of

**470,000 GALLONS**

per pilot site in a single year. We're expanding the technology in 2020.



## SOURCING RESPONSIBLY

# ETHICAL SOURCING

**We support suppliers that take action toward lasting social and environmental compliance.**

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.

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** review our responsible sourcing program annually



**Enterprise Risk Council** of senior company leaders provides oversight and guidance, as needed







## BY THE NUMBERS

**1,354**  
factory audits

and 1,690 follow-up visits were conducted under our responsible sourcing policy in 2019

**237**  
factories

were audited for compliance at peak production

**87**  
subcontractors

were audited in 2019

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



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



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



**THD's Responsible Sourcing Team** of associates make sure factories adhere to our standards

## 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.

### 2019 Progress

As detailed in The Home Depot’s [Conflict Minerals Report](#) for 2019, 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 continued to refine our review processes for suppliers and exclude any that merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party, as permitted by U.S. Securities and Exchange Commission guidance. As a result, in-scope Tier 1 suppliers decreased to 71 in 2019 from 153 in 2018.

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.

Forty-four percent of our Tier 1 suppliers indicated that one or more conflict minerals were necessary to the functionality or production of covered products. Of the smelters or refiners reported by these suppliers, only 45 out of a total of 289 sourced conflict minerals from covered countries. All but one 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.

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

We track our wood purchases in all departments, from lumber to tool handles, to help protect forests and ensure future availability of timber.

As the world's largest home improvement retailer and an industry leader on sustainability issues, we have the ability to effect change by doing the right thing. To help protect endangered forests and to ensure that there will be timber for future generations, The Home Depot first issued our [Wood Purchasing Policy](#) in 1999. Since then we have successfully led our suppliers toward understanding and practicing sustainable forestry throughout the world.

Today, we have broadened our focus to understand the impact of our wood purchases in all regions and to embrace the social and economic issues that must be considered in recognizing endangered regions of forests.

## Building on the Journey

Our research has taught us much about the world's forest coverage by country. This helps guide our supply chain decisions.

The vast majority of our wood product purchases originate from North American forests. These are some of the most sustainable forests in the world. The United States now grows more trees for wood than at any time in the last 60 years, according to data from the U.S. Department of Agriculture.

Forest coverage in North America grew over

**247,000**

**acres** from 2010 to 2015, according to the most recent data from the U.N. Food & Agriculture Organization.





## 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 endangered forest regions around the world.
- 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 any 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.



# GREENBUILD COMES TO ATLANTA

*Priorities that emerged from the world's largest sustainable-building conference are already shaping how we do business.*



The 2019 Greenbuild International Conference and Expo took place in November in our hometown of Atlanta, and The Home Depot was the title sponsor.

The annual gathering, launched in 2002, is now the largest event in the world solely focused on sustainable building. Last year's conference was packed with educational sessions and thought-provoking speeches from green-building boosters, community organizers and even former U.S. President Barack Obama. Here are three themes that emerged from the four-day event, and how they're already integrated into our business.

## Collaboration

Partnerships are pivotal to advancing green initiatives across our industry. At The Home Depot that takes many forms. We work with suppliers on initiatives as varied as [reducing plastics in products](#), offering [wood products from sustainable sources](#) and [improving distribution efficiencies](#) to conserve fuel.

## Greener Products

Consumers' standards are higher than ever when it comes to understanding where their products are coming from, what's in them and how they are produced. That's the motivation for our [Eco Options program](#), which helps customers identify products validated as having reduced impact on the environment. It's also what's behind our [Chemical Strategy](#), which guides our efforts to work with suppliers to reduce the indoor air quality impact of chemicals used in the products we sell.

## Reducing, Reusing and Recycling

An alternative economic model, circular economy, got a lot of buzz at Greenbuild. The approach aims to limit — and ultimately eliminate — waste generated from products and packaging. We've added [Circular Economy](#) to our Eco Options pillars to fine-tune our focus on eco-friendly products. In addition, we're [innovating our packaging](#) and [recycling more from our operations](#) every year to reduce waste.

### Want to know more?

Take an interactive video tour of Greenbuild 2019.

## CHECK IT OUT

Hear from Home Depot Chief Sustainability Officer Ron Jarvis about how we're reducing the environmental impact of our operations and the products we sell.







*Clockwise from top: Our booth at Greenbuild offered test drives of eco-friendly products like EGO® blowers powered by lithium batteries. | Wellness was a big topic at the conference, where attendees heard about consumers' demand for transparency in product ingredients. | THD experts explained our sustainability strategies to attendees.*

# SOURCING RESPONSIBLY SUPPLY CHAIN

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

Our One Supply Chain strategy drives efficiency and sustainability. It's supported by Project Sync, our multiyear, omnichannel initiative that identifies better ways to move our products. Our progress is driven by entrepreneurial ideas and innovation.

For example, we're employing predictive analytics to better forecast the future using data from sales, consumer trends, weather patterns, supply chain disruptors (like COVID-19) and more. We're shifting management of some product distribution from our suppliers to our own supply chain associates, gaining greater end-to-end visibility, control over transportation modes and efficiencies that reduce miles and emissions.

## + 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.



### Plug-In Rigs

Electric 18-wheelers are rolling into our supply chain on the West Coast, where one of our core transportation providers is piloting Freightliner eCascadias. The e-trucks have a 250-mile range and can be recharged to 80% capacity in 90 minutes.

### Discover some of the ways we improved our supply chain in 2019:



More than 300 hydrogen fuel cells provided emissions-free fuel for forklifts at our facilities in Troy Township, Ohio, and Savannah, Georgia, **reducing energy use by nearly 4 million kilowatt hours** every year.



Predictive analytics enabled us to **shave 13% off the time it takes to move goods** from distribution centers to stores, decreasing emissions from trucks.





### Optimizing Every Load

Products on pallets are easier to load and unload but don't use all available trailer space. By partnering with suppliers to forgo pallets, we can stack products to the top of the trailer, resulting in **as much as a 40% reduction in truck space** needed to transport some goods.

At our inbound freight consolidation facilities, we're using technology tools to optimize product storage and flow, reducing inventory, increasing our speed to market and **ensuring more trucks depart fully loaded.**

### Maximizing Every Mile

Our technical fleet optimization team does a week-ahead, technology-assisted assessment of scheduled pickups and deliveries, then prescribes each driver's path to **reduce miles traveled, fuel consumed and trucks on the road.**

To ensure our fuller trucks are burning fuel efficiently, we use an artificial intelligence tool to set the engine utilization grind for **optimal truck performance based on load weight.**

We developed a way to use our order tracking technology to identify "orphan" products. Those goods **hitch a ride on a truck** already going to the right destination.

**CHECK IT OUT:** See how our new flatbed distribution center (FDC), for handling large items like bulk lumber and sheetrock, is driving supply chain efficiencies and making it easier for our Pro customers to get the supplies they need with fewer deliveries.



Applying advanced analytics to inventory calculations **decreased product storage time by 1.2 days**, even as customer demand grew. That reduced our facilities' energy consumption and emissions.



By optimizing how we loaded products into trailers, we maximized loads — **avoiding emissions from about 10,500 trucks traveling 15 million miles.**



We sold available space on our trucks and bought space from other companies, ensuring fewer underloaded trailers hit the road. That space sharing **saved about 1.8 million driven miles.**



## REDUCING ENVIRONMENTAL IMPACT

# GREENER PRODUCTS

Our products strategy reflects the understanding that our greatest environmental impact comes from the products we sell.

The Home Depot partners with our suppliers to address global environmental concerns related to our products, including carbon emissions, water scarcity, air quality, waste and more.

### Eco Options

Our [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.

### Chemical Strategy

Our [Chemical Strategy](#), first published in 2017 and detailed in this report, is an important part of our commitment to offer greener products. It guides our efforts to work with suppliers to reduce the indoor air quality impact of chemicals used in the products we sell. Its publication was a milestone made possible by what we had learned over a decade of focusing on sustainability.



### DID YOU KNOW

We estimate that Eco Options product sales in 2019 helped reduce greenhouse gas emissions by nearly 7 million metric tons.



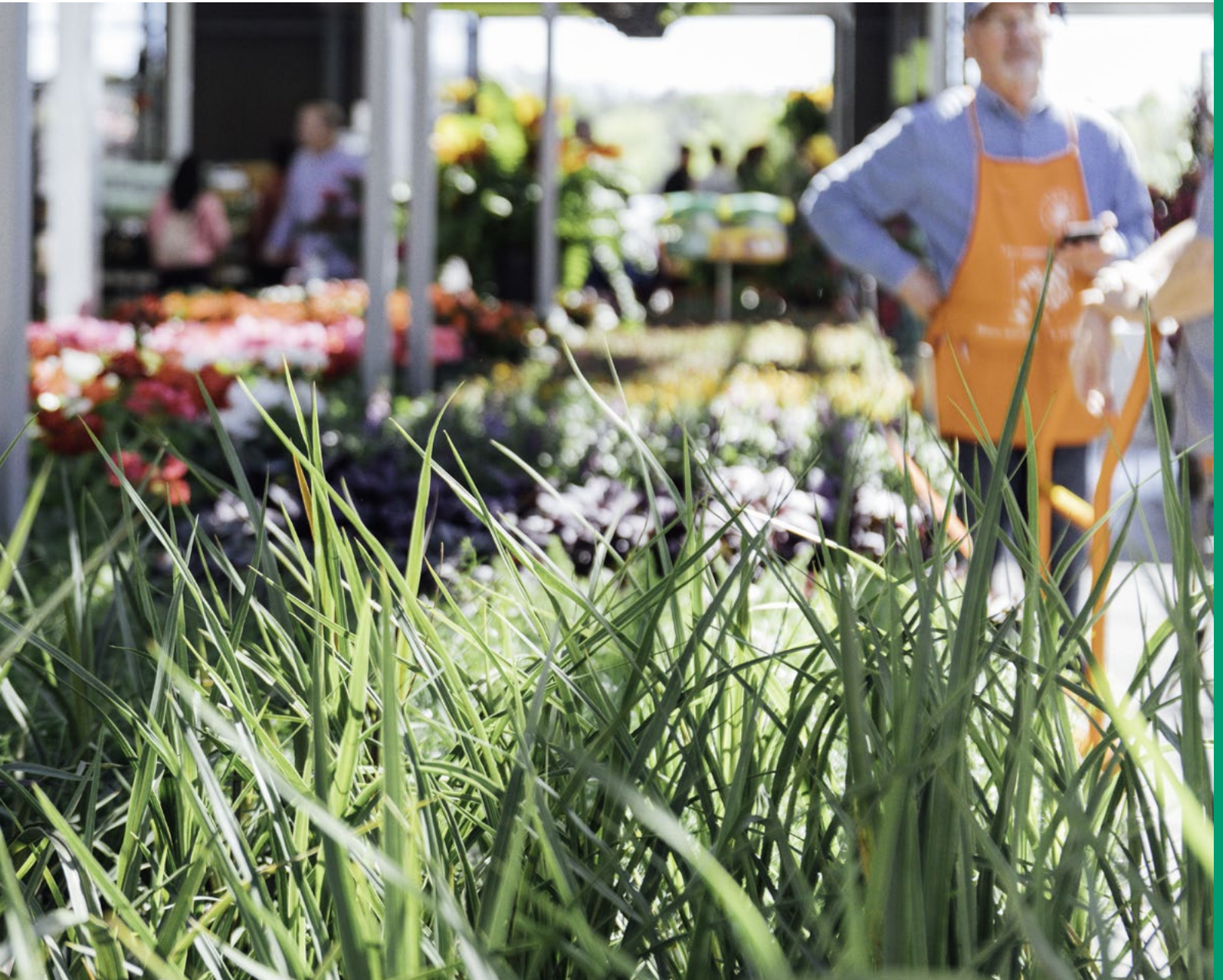
Products that qualify for our Eco Options program meet stringent criteria based on their impact in one or more of six key areas.



**Energy Efficiency**  
Save money and power



**Water Conservation**  
Help protect and preserve water



### Healthy Home

Reduce toxins and sources of contamination to create a healthier environment



### Clean Air

Protect the air we breathe



### Sustainable Forestry

Monitor wood products to ensure sustainability



### Circular Economy

Reduce waste through recycling and reuse





We are ahead of our goal to procure or produce

**135 MEGAWATTS**

of **renewable or alternative energy** by the end of 2020.

Our new goal is to leverage

**335 MEGAWATTS**

by 2025.





## REDUCING ENVIRONMENTAL IMPACT

# CIRCULAR ECONOMY

We're working to change the way industry and our customers think about materials.

We introduced Circular Economy as The Home Depot's sixth Eco Options pillar in 2019. It reflects our aim to prevent products and packaging from becoming trash. The foundation comes from nature: Nothing is wasted, and everything is regenerative.

We encourage supplier innovation in product and packaging design, material selection and manufacturing. We also strive to offer products that have a positive environmental impact. We carry more than a 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

### + DID YOU KNOW

At more than 1,000 Home Depot stores, our customers can rent tools, rather than own them. That reduces manufacturing-related energy consumption, packaging waste and carbon emissions from shipping.

## Circular Economy in Action

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.

60%

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

Our Plant Pot Recycling Program accepts containers with these resin codes



No. 2 High Density Polyethylene



No. 5 Polypropylene



No. 6 Polystyrene



East Jordan Plastics recycles over 15 million pounds of plastic from THD and other retailers every year. That's nearly enough to fill 1,000 semitrucks.

**SUPPORTING  
THE CIRCULAR  
ECONOMY  
IN 2019**


  
**Material Processing,  
Recycling**

We saved 1,800 trees by using post-consumer paper, rather than wood, to make shipping pallets.

Through our partnership with Call2Recycle, we've recycled 11 million pounds of rechargeable batteries since 2001 — including 1 million pounds in 2019 alone.

We sold over 6,000 tons of used plastic film from packaging to our supplier Trex to remanufacture into decking sold in our stores.

  
**Design**

  
**Production  
Remanufacturing**

  
**Collection**

All of our U.S. stores collected plastic plant containers, even ones that originated with competing retailers, and sent them to growers for reuse.

  
**Consumption, Use,  
Reuse, Repair**

We repaired more than 500,000 items for our stores and customers, reducing emissions, as well as energy and materials use.

  
**Distribution**

We sold enough overstock, returned or damaged products to noncompeting secondary markets to reduce landfill waste by over 65,000 tons.



## REDUCING ENVIRONMENTAL IMPACT

# CHEMICAL STRATEGY

Our Chemical Strategy, first published in 2017, is informed by what we've learned over more than a decade of focusing on sustainability.

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.**

"In 2019, we phased out perfluoroalkyl and polyfluoroalkyl substances from the carpets and rugs we sell. Excluding PFAs is an example of our shared commitment to building a better future for our customers and the planet."

– Ron Jarvis, The Home Depot Chief Sustainability Officer

## 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 of concern 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) in products shipped from manufacturers after Dec. 31, 2019

### 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.



## 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 of concern 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 of concern:

- 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 of concern are excluded or are scheduled to be 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. stores are zero or low VOC. The majority of interior and exterior latex water-based wall paints in our Canada stores are zero or low VOC, and our full assortment will be zero or low VOC by December 2020.

**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

### 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
- 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. 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.

We partner with our 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 2019, we offered over 24,000 Energy Star products in stores and online, and we sold over 240 million units of these products. This furthered our stated goal to help our customers save \$2.8 billion in energy costs by 2020 through the purchase and proper use of Energy Star products.

We estimate that this also helped our customers cut energy consumption 10 billion kilowatt hours in 2019, saving over \$1.2 billion on energy costs and lowering carbon emissions by nearly 7 million metric tons. That's equivalent to removing almost 2 million cars from the road.

### + DID YOU KNOW

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



## HELPING CUSTOMERS CONSERVE



Energy Star-labeled clothes dryers use 20% less energy. 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 only 13 gallons of water per load when they're Energy Star-certified. Conventional machines use 23 gallons per load.

## REDUCING ENVIRONMENTAL IMPACT

# WATER-SAVING PRODUCTS

We understand the responsibility The Home Depot has in protecting water resources through the products we sell.

We help conserve our planet's vital water resources by partnering with the Environmental Protection Agency's [WaterSense](#)® program and encouraging protection of water resources in communities. Products bearing the WaterSense label have been independently certified to perform well; help save water, energy and money; and demonstrate innovation in manufacturing.

Over 9,000 WaterSense products are offered in our stores and online. In our U.S. stores, 100% of bathroom vanity faucets and toilets bear the label, and our store-

merchandised showerheads are more efficient than the WaterSense standard of 2 gallons per minute.

We estimate customers saved over 52 billion gallons of water in 2019 from the purchase and proper use of WaterSense-labeled products. That added up to a projected \$650 million in savings on their annual water utility bills.

Since 2011, The Home Depot has been named EPA WaterSense Partner of the Year seven times, receiving Sustained Excellence awards in three of those years.

### + DID YOU KNOW

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



Dishwashers that bear the Energy Star label are 12% more energy efficient and 30% more water efficient than conventional models.



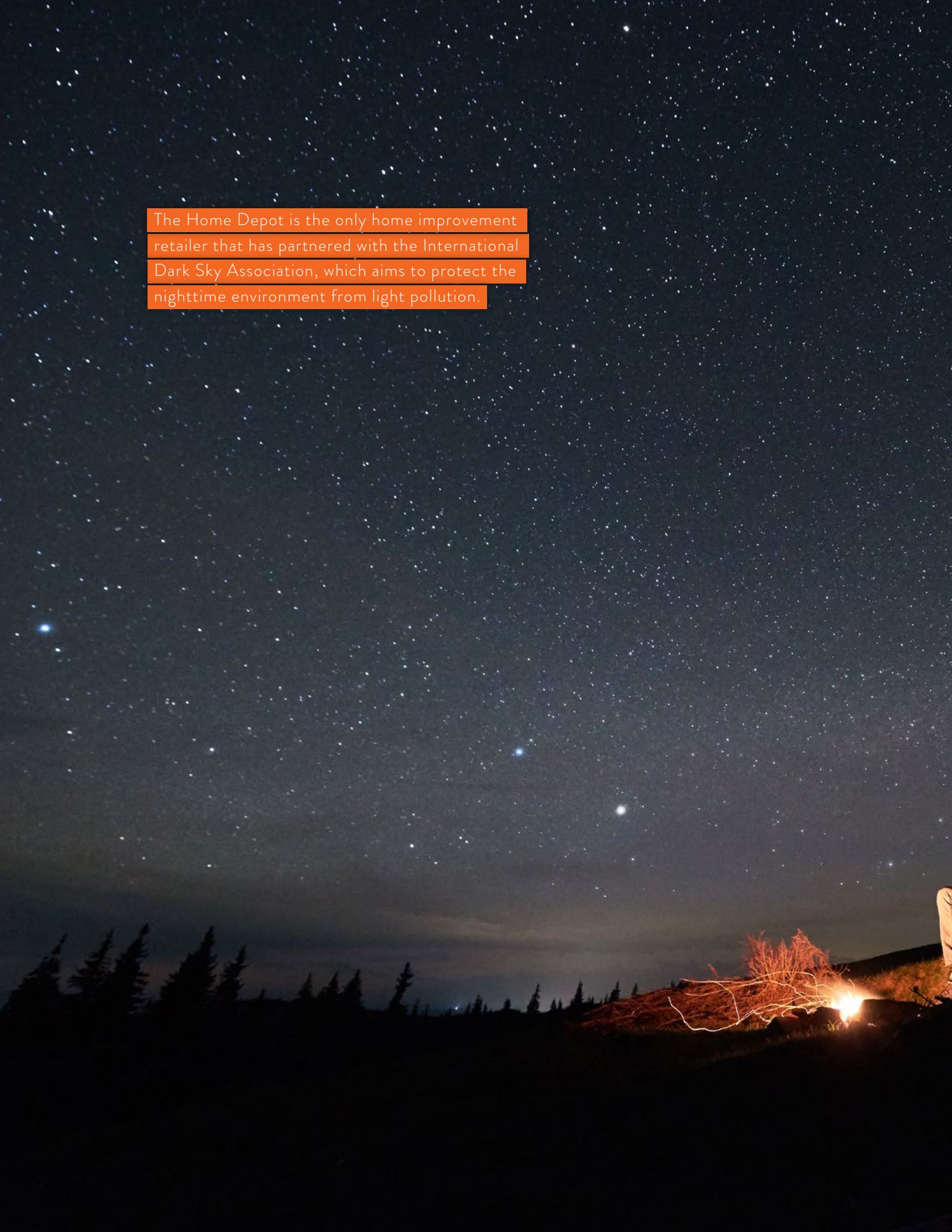
Installing WaterSense-labeled faucets and showerheads saves the average family nearly 3,500 gallons of water and 410 kilowatt hours of electricity annually.



Replacing old toilets with WaterSense models saves the average family 13,000 gallons of water a year.

Source: EPA



A night sky filled with stars, with a silhouette of a forest and a campfire in the foreground. The text is overlaid on the upper left portion of the image.

The Home Depot is the only home improvement retailer that has partnered with the International Dark Sky Association, which aims to protect the nighttime environment from light pollution.





## REDUCING ENVIRONMENTAL IMPACT

# GARDENING

Our partnerships with over 250 local growers enable us to reduce emissions, support small businesses and provide healthy, environmentally beneficial plants.

Outdoor spaces such as yards, balconies and patios are ecosystems that have an impact on their surroundings. That's why 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. We're excited about meeting customers' growing demand for organic and environmentally beneficial plants.

### Native & Healthy 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.

### Growing Local

Each region in which we operate has a unique ecosystem with its own weather patterns, soils and growing challenges. We are proud to partner with more than 250 local growers who carefully balance

the impact of their production with local environmental issues. These partnerships reduce transportation costs and carbon dioxide emissions, and they enable us to offer affordable selections of plants and trees — while supporting the local economies of communities we serve.

### Organic Edibles

We're making it easier for our customers to grow organic. We now offer more than 50 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.







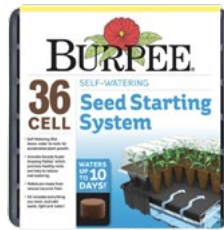
# GROWING GREEN

Our organic product assortment carries some of the industry's most recognized and respected brands.



## ALASKA®

Fish has been used as a natural source of plant nutrients for centuries. Alaska Fish Fertilizer provides a rich source of organic matter that breaks down and releases nutrients into the soil to enhance the strength and vigor of your plants.



## BURPEE®

Burpee Eco-Friendly Organic Concentrated Seed Starting Mix is an excellent soil alternative that is made from coconut coir, a renewable resource created by recycling husks from harvested coconuts. This product is 100% biodegradable and is listed by the Organic Materials Review Institute (OMRI) for organic use.



## AVENGER®

These organic herbicides, fertilizers and pesticides are non-toxic and can be used in areas near people, pets and wildlife. Avenger weed killer is an EPA-approved, eco-friendly way to kill post-emergent weeds, grasses and broadleaves.



## ESPOMA®

Organic plant food for indoor and outdoor plants is Espoma's specialty. Products feature long-lasting biotone and natural ingredients. The company has been making organic and natural lawn and garden products since 1929.



## DR. EARTH®

Sustainably made using human and feed-grade ingredients, Dr. Earth's 100% organic and natural fertilizers contain no genetically modified organisms (GMOs), are people and pet safe and are listed as approved for use by California Certified Organic Farmers.



## JOBE'S®

The company's blend of Biozome organic plant nutrients and beneficial microbial species are uniquely combined to enhance soil conditions and stimulate plant growth. Jobe's fertilizers feed roots all season long.



## PERFORMANCE ORGANICS™

The Performance Organics line delivers Miracle Gro results you expect using ingredients you want. Products are OMRI listed for organic gardening.



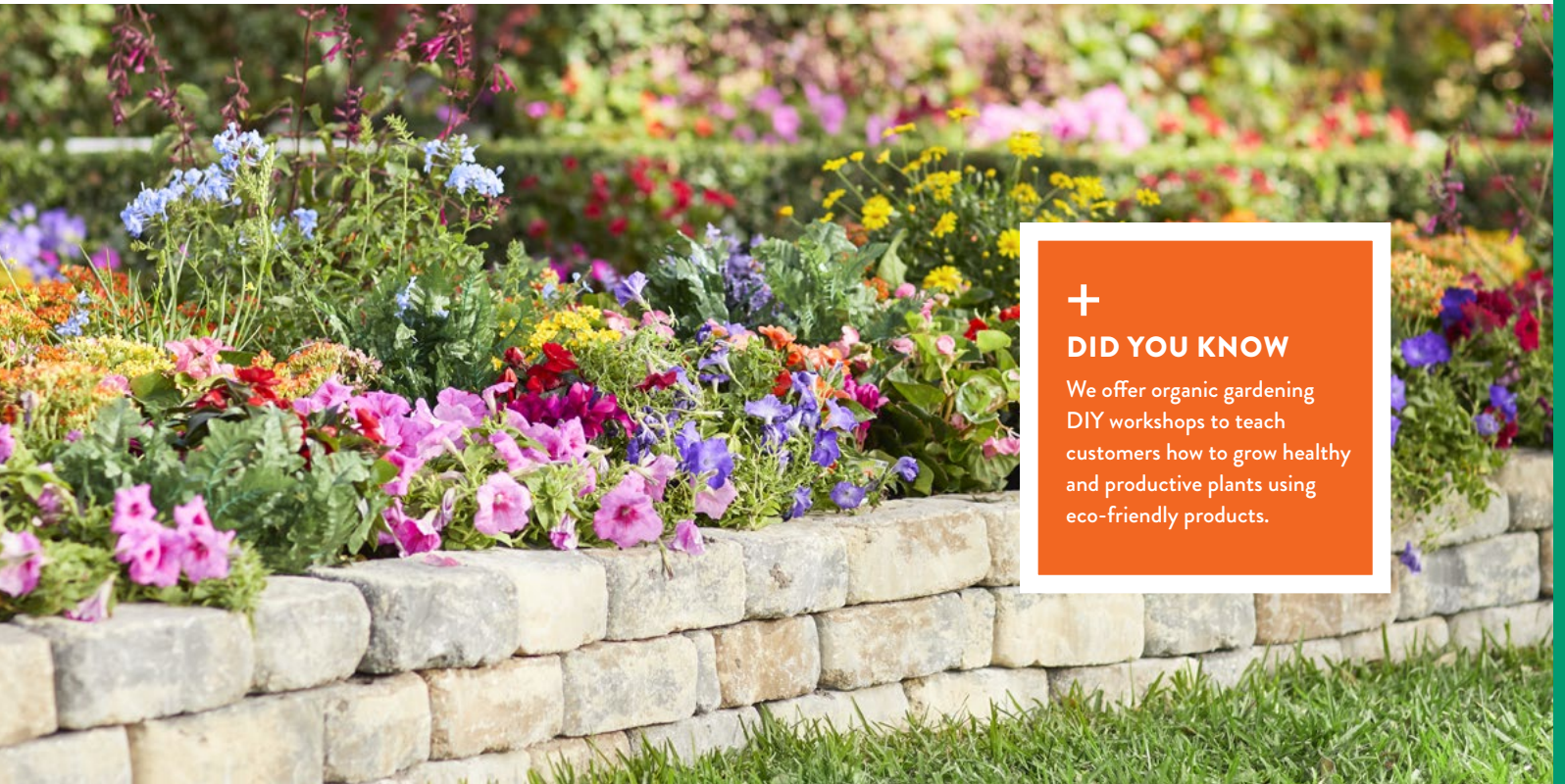
## KELLOGG®

A family-owned manufacturer of organic soils and fertilizers, Kellogg has been focused on sustainability since 1925. The company invests in rigorous organic growing practices and ensures every product is certified organic.



## BONIDE®

Made with natural ingredients, Bonide's BurnOut Formula II is safe for use around people and pets, doesn't translocate and, when used as directed, will only affect plants sprayed with the solution. It's a great option for safe, effective, non-selective weed control.



### DID YOU KNOW

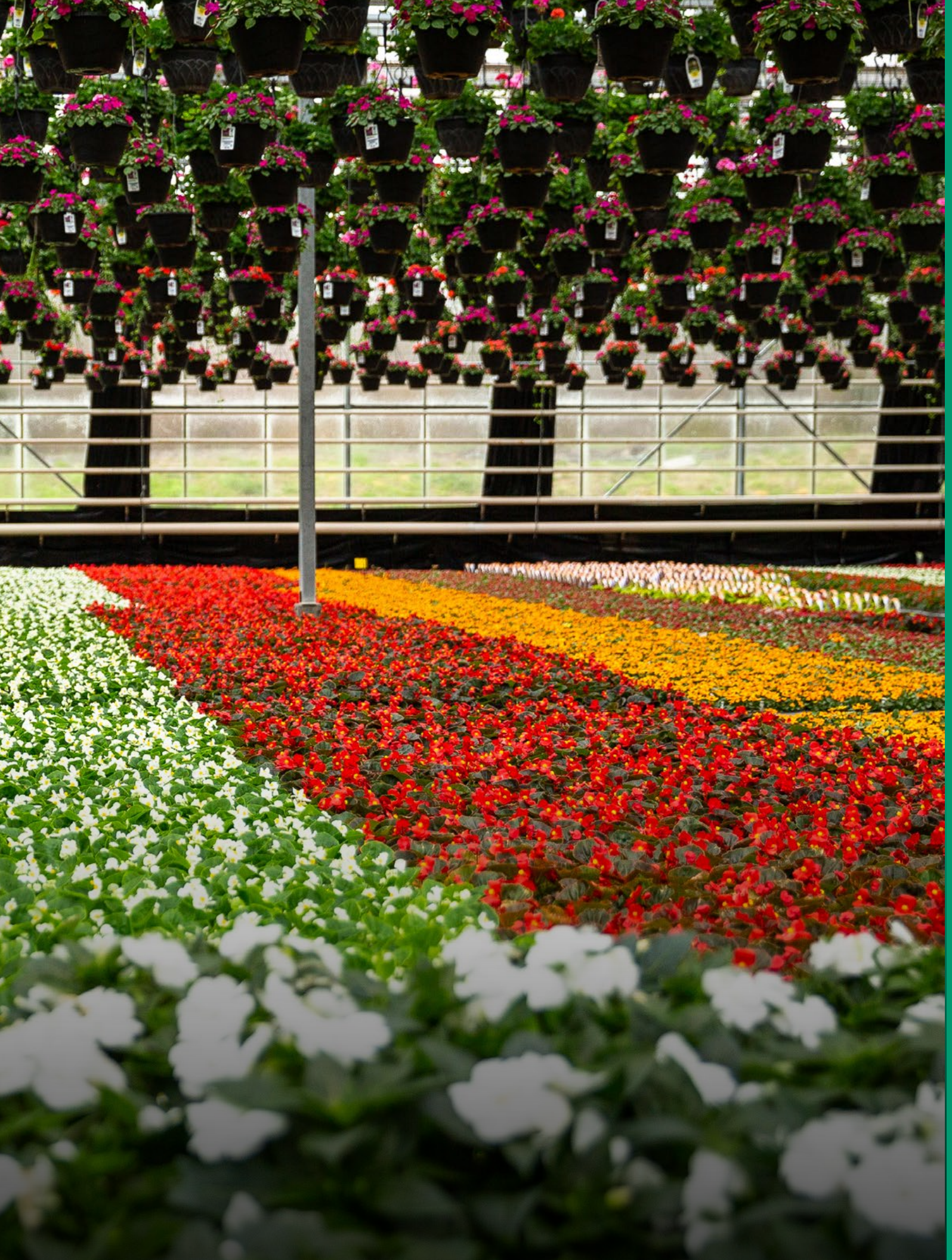
We offer organic gardening DIY workshops to teach customers how to grow healthy and productive plants using eco-friendly products.





Maryland-based Bell Nursery in 2014 became one of our first suppliers to grow plants without neonicotinoids, or neonics, which can harm pollinators. Today, all live-goods suppliers are partnering with us to protect pollinators.







# 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 for every household cleaning task. We recognize third-party certifications that validate claims including non-toxic, biodegradable, no harmful chemicals, plant-based and not tested on animals. These certifications are vital in helping consumers choose products that meet their environmental standards for protecting their families and pets.



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





**HDX**

18 = 82

Ultra Plus  
Regular  
Size Rolls

**ULTRA SOFT**

Compare to  
**Charmin®**  
Ultra Soft Bath Tissue..

TOTAL AREA 635.7 sq ft (59.0 m<sup>2</sup>)  
240 TWO-PLY SHEETS 3.9 in X 4 in (9.9 cm X 10.1 cm)

GLACIER BAY

1002 503 091

8 10  
Performance Rating

6 SPRAY SETTINGS

60 IN METAL HOSE

AIR INJECTION TECHNOLOGY FOR A BETTER SHOWER EXPERIENCE

LIMITED LIFETIME WARRANTY

Perfect for Daily Use

**simple green**

**Stone Cleaner & Polish**

32 fl oz • 946 mL

REFILL YOUR BOTTLE 3X

**method.**  
FOAMING HAND WASH REFILL

RECHARGE DE SAVON-MOUSSE POUR LES MAINS

sea minerals | minéraux de mer  
with vitamin E + aloe naturally derived triclosan-free  
avec vitamine E + aloès dérivé de sources naturelles sans triclosan

828 mL (28 FL OZ)

**CLR** BATH & KITCHEN  
FOAMING ACTION

FRESH SCENT

Safe for everyday use  
Cleans & shines multiple surfaces, including porcelain, glass and stainless steel.

26 FL OZ (770 mL)

**method.**  
sea minerals  
minerals derived from natural sources  
minerals derived from natural sources  
sea minerals hand wash  
savon moussant à base de produits naturels  
300 mL (10 FL OZ)



Our suppliers are changing the way people think about cleaning and its impact on the environment. We're proud to partner with these industry-leading companies.



### Family-owned supplier focuses on sustainable products

Jelmar, known for brands like the eco-friendly CLR® line, has transformed under the direction of three generations of the Gutterman family. Today, the Skokie, Illinois-based company is a certified woman-owned business led by Chief Executive Officer Alison Gutterman. Her grandfather, father and uncle started the company in 1949. Today, it's among THD's more than 3,600 small or diverse suppliers.

CLR products are formulated to be safe for consumers and the environment. The company has earned the U.S. Environmental Protection Agency's Safer Choice Partner Award multiple times.

Gutterman said The Home Depot is a strong partner for Jelmar because the companies share a "commitment to

environmental sustainability and concern for products that impact consumers' daily lives."

We also share a focus on giving back to communities. Jelmar employees have participated in [Team Depot](#) projects, including building gardens and recreational spaces for the Orlando Union Rescue Mission in Central Florida.

Jelmar donates cleaning supplies for disaster relief, such as after Hurricane Harvey created historic flooding in Houston in 2017. And it supports the Greater Chicago Food Depository, which distributes food and household goods through a network of 700 food pantries, soup kitchens and shelters.



"The Home Depot has always been interested in showcasing environmental stewardship by suppliers like us."

– Alison Gutterman, CEO of Jelmar, maker of CLR Brands



**ECOS**® ensures every ingredient is the safest in its class. That's why the company has earned EPA's Safer Choice Partner of the Year three times. Its plant-powered detergents, soaps and cleaning products are backed by over 50 years of green-science innovations. ECOS' environmental commitment extends to 100% renewable-energy facilities and zero-waste manufacturing.



**Method**® products are made with non-toxic, naturally derived formulas and never tested on animals. Bottles are made with recycled plastic. The company's permanent lines of laundry, personal and home-care products are **Cradle to Cradle** certified. In 2013, Method reincorporated as a benefit corporation and formally integrated its mandate for sustainability into the company's mission.



**Mrs. Meyer's Clean Day**® home and personal care products are made with plant-derived ingredients and essential oils. The products are not tested on animals, earning them **Leaping Bunny** certification. They're formulated without artificial colors, ammonia, chlorine bleach and parabens, and they're packaged in bottles made of at least 30% post-consumer recycled content.



**Rejuvenate**® products are **GREENGUARD** certified, which means they're recognized as having low chemical emissions and improving the quality of the air in which they're used. For example, the company's non-toxic floor cleaner is free of harsh fumes and smells.



**Scotch-Brite by 3M**™ offers the Greener Clean Non-Scratch Scrub Sponge made with 100% plant-based fibers, half from the agave plant. It outlasts 30 rolls of paper towels and is packaged in 100% recycled material.



**Simple Green**® original and lemon-scent concentrated all-purpose cleaners use a non-toxic and biodegradable formula and carry the EPA Safer Choice label. Outdoor Odor Eliminator uses naturally occurring bacteria and enzymes to get rid of odors without harsh chemicals. Many Simple Green product formulas are safer for people, pets and the environment.



## REDUCING ENVIRONMENTAL IMPACT

# RESIDENTIAL SOLAR

Our solar partners have installed systems that generated more than 300,000 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. Solar energy is also one of the cleanest and most sustainable renewable resources. By partnering with Sunrun and Vivint Solar, The Home Depot makes it easier for our customers to generate clean energy at home.

Last year, our solar program completed installations at over 3,200 homes, giving our customers the capacity to produce more than 29,000 kilowatts of solar energy. Our customers' solar power had the capacity to reduce carbon dioxide emissions by 20.5 metric tons, equivalent to avoiding the consumption of 11 tons of coal.

The solar energy systems from both of our suppliers are 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.

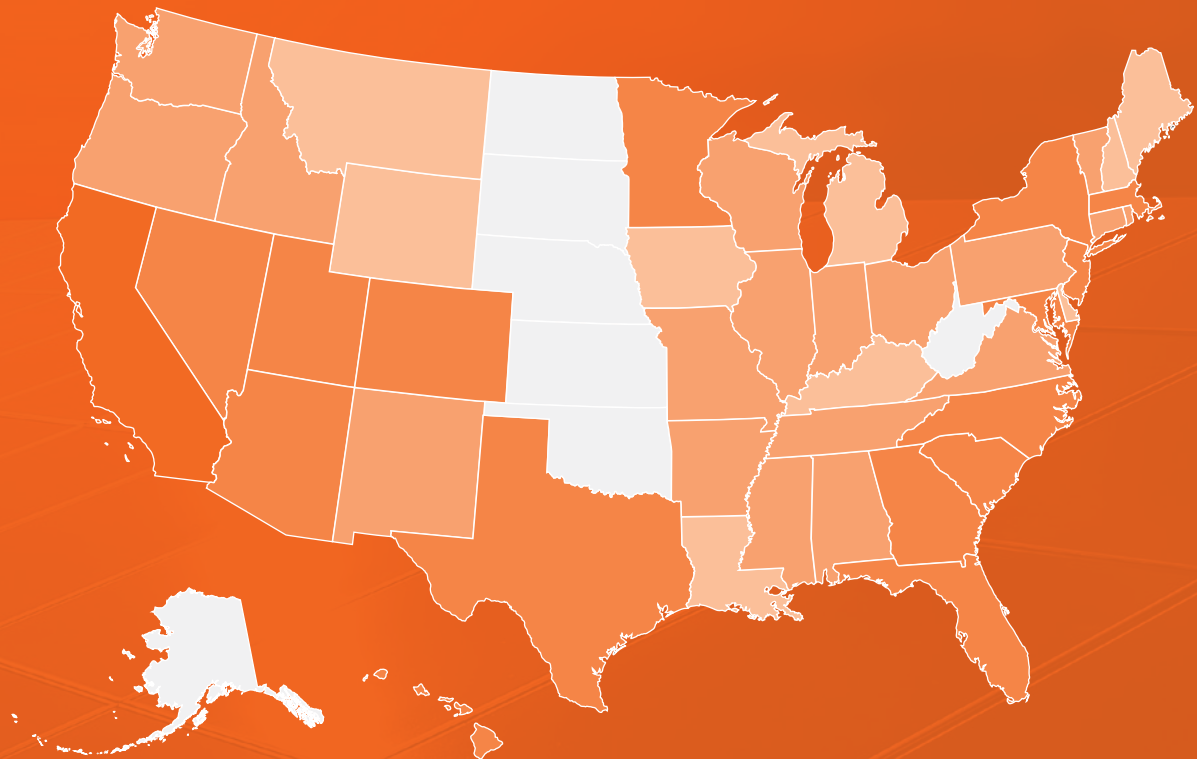


**+**  
**DID YOU KNOW**  
We're empowering customers' energy independence with home battery solutions that store solar-produced energy for reliable power, even during storms and outages.

# THE STATE OF SOLAR

SUN-FUELED POWER IS NOW AVAILABLE  
ACROSS THE UNITED STATES

While California has traditionally dominated the U.S. solar market, other markets are continuing to expand rapidly. In 2019, states outside of California made up their largest share of the market in the last decade, led by rapid growth in Florida and Texas. As the price of residential solar energy systems continues to fall, homeowners nationwide are tapping into renewable energy from the sun.



U.S. Solar Installations by State



Source: SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight 2019 Year in Review

## REDUCING ENVIRONMENTAL IMPACT

# WASTE MANAGEMENT & RECYCLING

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

## Hazardous Materials Disposal & Handling

We seek sustainable methods of disposal, and, in 2019, our company recycled or reused for energy 33% 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

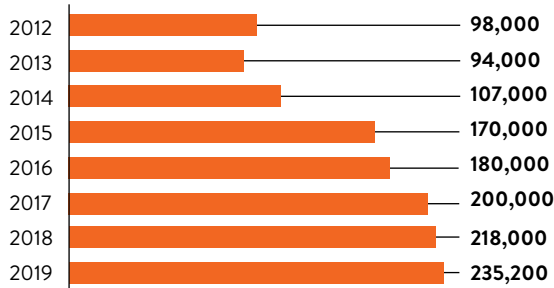


## RECYCLING TO REDUCE WASTE

### LEAD-ACID BATTERIES

We recycle lead-acid batteries used in THD operations and dropped off by customers. Figures represent the number of battery cores.

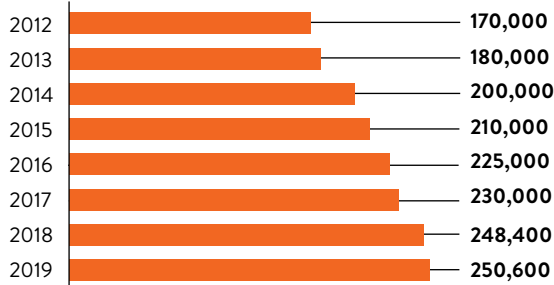
**140% increase since 2012**



### CARDBOARD

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

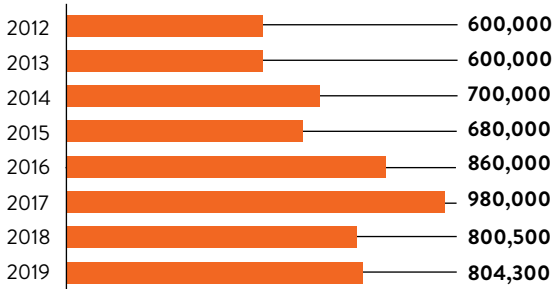
**47% increase since 2012**



### COMPACT FLUORESCENT LIGHT BULBS

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

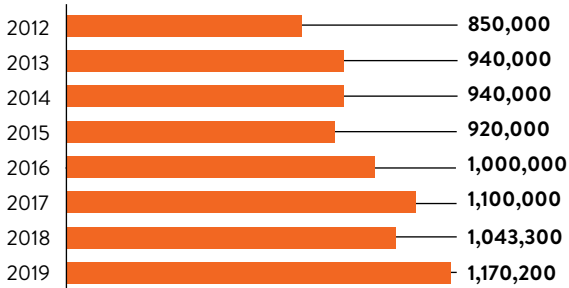
**34% increase since 2012**



### RECHARGEABLE BATTERIES

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

**38% increase since 2012**



## SUSTAINABLE SHREDDING

The Home Depot provided nearly 5 million pounds of shredded paper for recycling in 2019. Here's how that helped the planet:



Avoided **3.6 million pounds** of CO<sub>2</sub> emissions



Kept **12,500 cubic yards** of paper out of landfills



Preserved **42,000 trees**



Conserved **5.6 million kilowatt hours** of electricity



Saved **68 million gallons** of water

Source: Iron Mountain® using calculations by Quantis®

# REDUCING ENVIRONMENTAL IMPACT

# SUSTAINABLE PACKAGING

Our packaging innovations decrease waste, boost shipping efficiency and reduce product damage. That's good for the environment 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.

### Using Less EPS

In 2019, our packaging team continued a multi-year effort to find substitutes for expanded polystyrene (EPS) foam. EPS foam is good at protecting products, but it contains beads of chemicals and oil that are often difficult to recycle and can take more than 500 years to biodegrade.

We're replacing EPS with recyclable materials like molded pulp and paper in some private-label packaging. The effort has been so successful that we have less EPS to eliminate every year. In 2018, we eliminated more than 517,000 cubic feet — enough to keep six Olympic-size swimming pools of EPS foam out of landfills. In 2019, we removed over 19,000 cubic feet of EPS from our packaging — enough to fill eight school buses.

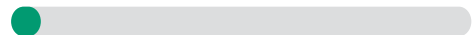
### Reducing Polyvinyl Chloride

Polyvinyl chloride (PVC) film is widely used in packaging. The thin, rigid synthetic plastic polymer is molded around products to protect them from damage. But PVC film is difficult to recycle and takes a long time to biodegrade. So, we're working hard to use less of it.

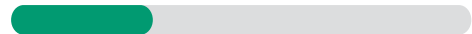
### PROGRESS ON PVC

We've consistently decreased polyvinyl chloride film in our private-brand packaging. Square-foot reduction by year:

2017: 588,000 ft<sup>2</sup>



2018: 1.6 million ft<sup>2</sup>



2019: 5.7 million ft<sup>2</sup>



Last year, we eliminated enough PVC film to cover **99 football fields.**

## BY THE NUMBERS

**58**  
packages  
were redesigned in 2019 to reduce size and materials

**1.2 million**  
pounds  
of damaged-product waste was abated because of our packaging innovations

**2,200+**  
cargo containers  
didn't set sail last year because we reduced package sizes

# 4 REASONS WE'RE PILOTING PAPER PALLETS

*Solid wood pallets have long been the norm for shipping The Home Depot's private-brand products. But it takes a whole tree to make just eight wooden pallets. So, in 2019 we tried an innovative change: using paper pallets made from recycled corrugated fibers. Here's why we're expanding our use of paper pallets in 2020:*

**7 to 9 pounds**  
lighter than wooden pallets



**25% to 50%**  
cheaper to make

**Post-consumer paper material** is the basis for the pallets, rather than virgin wood

**1,800 trees** kept growing because of our 2019 pilot program

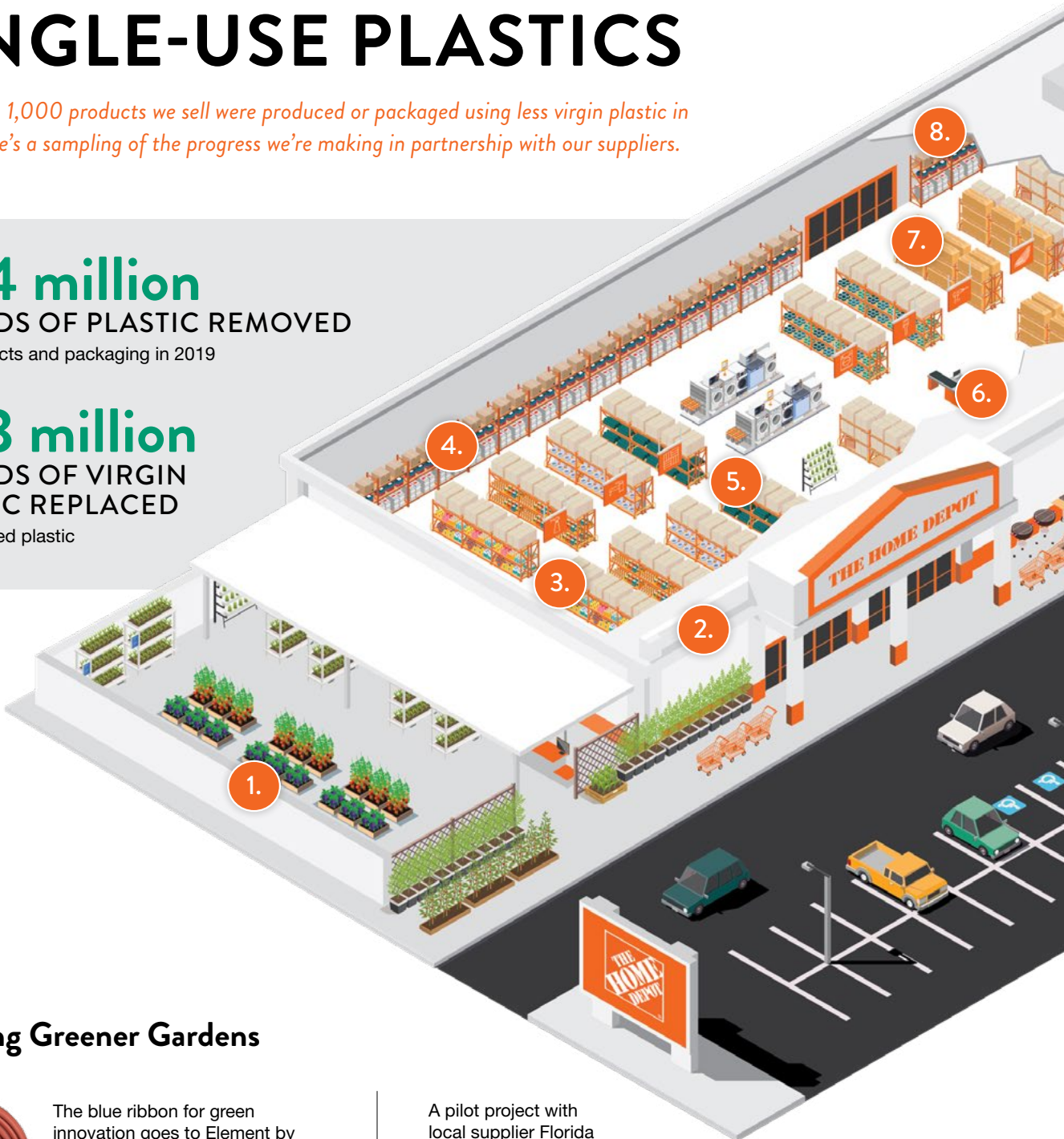


# PARING DOWN SINGLE-USE PLASTICS

More than 1,000 products we sell were produced or packaged using less virgin plastic in 2019. Here's a sampling of the progress we're making in partnership with our suppliers.

**1.44 million**  
POUNDS OF PLASTIC REMOVED  
from products and packaging in 2019

**7.73 million**  
POUNDS OF VIRGIN PLASTIC REPLACED  
with recycled plastic



## 1

### Growing Greener Gardens



The blue ribbon for green innovation goes to Element by Swan® for replacing 19.5 pounds of virgin plastic with recyclable materials in every new 100-foot industrial-grade hose.

**7.6 million pounds of virgin plastic replaced with recycled**

A pilot project with local supplier Florida Friendly Plants to replace plastic plant tags with paper adhesive labels is a model for future sustainability success.



**7,900 pounds of plastic removed**



**2**  
**Arctic Glacier® Packaged Ice, 10 lbs.**

Reduced thickness of plastic film packaging by 10-15%

**538,200 pounds removed**

**3**

**Glad® Fresh Clean Garbage Bags, 13 gal.**

Removed 6.5% of the plastic used to create each bag

**171,800 pounds removed**



**4**

**Scotch-Brite® Non-Scratch Scour Pads, 6-Pack**

Converted pads to 100% recycled plastic fibers

**21,100 pounds of virgin plastic replaced with recycled**

**6**



**3M® Cool Flow Respirator Mask**

Increased to 70% the amount of recycled plastic used in clamshell packaging

**4,100 pounds of virgin plastic replaced with recycled**

**5**

**Future Foam® Nike Grind® Carpet Pad, 8 lbs.**

Removed plastic from packaging

**51,000 pounds removed**



**7**



**Bessey® 4-Piece Clamp Set**

Swapped plastic clamshell packaging for cardboard

**95,700 pounds removed**

**+ DID YOU KNOW**

In 2019, 3M eliminated 7,300 pounds of plastic and converted 136,000 pounds of virgin plastic to recycled in products sold all over our stores.

**8**



**Genie® 3-Button Garage Door Remote Opener**

Swapped plastic blister packaging for cardboard

**20,250 pounds removed**

# CANADA

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

## Focus on People

We take pride in caring for our people and having a diverse workforce that reflects our communities. In 2019, The Home Depot was ranked one of Canada’s best diversity employers for the 11th consecutive year.

### 30,000+

associates wear the orange apron in Canada

### 4

#### Associate Resource Groups

represent and support our ethnically diverse, differently abled, LGBTQ and female associates in Canada

### 74%

Increase in Homer Fund grant activity in Canada in 2019, following expanded assistance to associates

## Operate Sustainably

For six consecutive years, we have earned the ENERGY STAR® Canada Retailer of the Year award for making energy-efficiency products available to customers in our Canadian stores and for our sales of these eco-friendly offerings. Here are three ways we improved sustainability in 2019:

### 1

We reduced emissions by opting to send freight by train, rather than truck, when possible. Our Canadian supply chain facilities are built near railway hubs to support shipping products by rail.

### 2

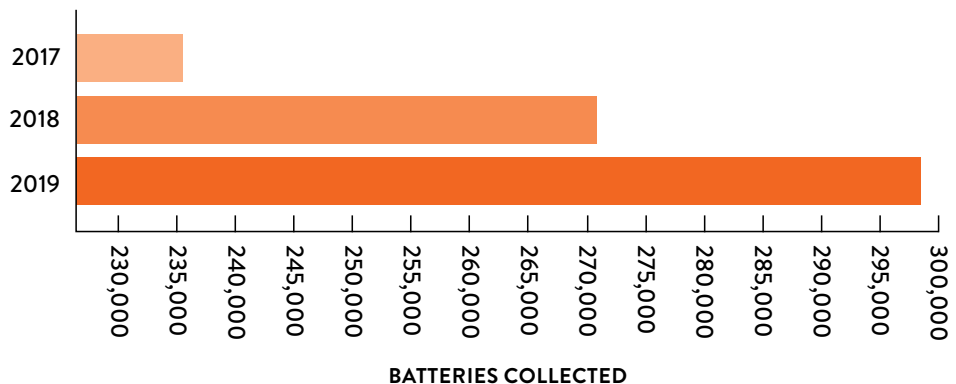
To avoid waste going to landfills and to assist people in need, we donated slightly damaged or unsold products to Habitat for Humanity.

### 3

By the end of last year, we had completed LED retrofits in 133 Canadian stores, significantly decreasing energy consumption.

## Expanding Recycling, Not Landfills

Our customer collection program diverts batteries from household electronics, power tools and cellphones from landfills. Collections are up 25% since 2017.



Source: Call2Recycle





## Strengthen Our Communities

Since 2014, The Home Depot Canada Foundation has invested more than CA\$31 million to initiatives designed to prevent and end youth homelessness. And by 2022, that investment will increase to CA\$50 million. We work with the following national and regional partners:

- 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)



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## RECOGNITION

# MEXICO

The Home Depot began operating in Mexico in 2001. Today, 125 stores across all 32 states employ over 16,000 associates.

## Focus on People

Our Orange Fund provides financial assistance to Mexican associates in need, and Orange Scholarships help associates pay for high school or college education for their children. The programs are similar to assistance available to U.S. associates through The Homer Fund.

**2.8 million**  
pesos

*in Orange Fund grants were awarded to associates in 2019, equivalent to about US\$150,000*

**120**  
associates

*received help from the Orange Fund*

**110**  
scholarships

*were awarded to children of associates*

## Operate Sustainably

We are committed to preserving the environment and conserving resources for future generations. We constantly work to lower the impact of our operations, and we evaluate more than 100 vendors according to environmental and social criteria.

*In 2019, our Mexican operations achieved a*

**27%**  
reduction in CO2

*Renewable energy sources supplied*

**45%**  
of store power

*Our Hipoteca Verde eco-friendly designation applies to*

**350+**  
products

## RECOGNITION

In 2019, living our values enabled us to be recognized as a corporate social responsibility leader by several organizations:



Responsible business practices (13 consecutive years)

## Strengthen Our Communities

We are proud of our community involvement across Mexico, which helps people in need and improves schools, green areas and community centers in the towns and cities where we live and work.

# 830

### Team Depot projects

provided our associates with opportunities to give back

# 97 million

### pesos

worth of merchandise and paint were donated to nongovernmental organizations — contributions valued at about US\$4.8 million

# 1,184

### units

of blood donated by associates benefited over 3,500 people



Labor equality and nondiscrimination



Inclusive business practices



Family-supportive workplace



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# STRENGTHEN OUR COMMUNITIES



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## RESOURCES

- > [Supplier Diversity](#)
- > [Diversity Partnerships](#)
- > [Retool Your School](#)
- > [The Home Depot Foundation](#)
- > [Team Depot](#)
- > [Disaster Response](#)

# SUPPORTING DIVERSITY

Our partnerships with diverse suppliers and organizations that promote inclusion reinforce our commitment to the communities we serve.

## Supplier Diversity

We provide meaningful business opportunities for minority-, veteran-, LGBTQ-, differently abled- and female-owned certified businesses, as well as small businesses. These suppliers enable us to offer innovative products and services, meet the needs of our diverse customer base and support economic growth in the communities we serve.

We spend an average of \$6 billion annually with small or diverse suppliers. In 2019, our small or diverse supplier count grew 6% compared to the year before.

## Business Organization Partnerships

We maintain memberships, participate in trade shows and provide sponsorship support to a number of local, state and national business organizations, including groups that specifically target diverse businesses, such as:

- Georgia Minority Supplier Development Council
- Minority Business Development Agency
- National Center for Indian Enterprise Development
- National Gay and Lesbian Chamber of Commerce
- National Minority Supplier Development Council
- U.S. Hispanic Chamber of Commerce
- U.S. Pan-Asian American Chamber of Commerce
- Women's Business Enterprise National Council

## Community Partnerships

Our local and national community partners represent the diversity of our associates and customers. Organizations that help us further our commitment to promote inclusion, develop talent and engage with diverse communities include:

- 100 Black Men of Atlanta
- Alvin Ailey American Dance Theater
- American Corporate Partners
- At-Promise Youth and Community Center
- Atlanta Music Project
- Atlanta Women's Foundation
- Catalyst
- CEO Action for Diversity & Inclusion
- CHRIS 180
- Executive Leadership Council
- Georgia Diversity Council
- Hispanic Association for Career Advancement
- Hispanic Association on Corporate Responsibility
- Hosea Feed the Hungry & Homeless
- HouseProud
- Human Rights Campaign
- Latin American Association
- Martin Luther King Jr. Center for Nonviolent Social Change
- Morehouse School of Medicine
- National Action Network
- National Association for the Advancement of Colored People
- National Association of Asian American Professionals
- National Association of Chinese-Americans
- National Center for Civil and Human Rights
- National Council of Negro Women
- National Urban League
- Network of Executive Women
- Quest Community Development
- Rainbow PUSH Coalition
- True Colors Theatre Company
- Trumpet Awards Foundation
- Urban League of Greater Atlanta
- United Negro College Fund
- Westside Future Fund



## DID YOU KNOW

The Home Depot has pledged \$1 million to the Lawyers Committee for Civil Rights Under Law to support its work to secure civil rights and equal justice for all.



3,600+

small or diverse businesses were among our suppliers in 2019. That was an increase of more than 200 suppliers year over year.

### Retool Your School Grant Program

In 2019, The Home Depot's [Retool Your School](#)® campus improvement grant program celebrated 10 years of investment in updating, upgrading and uplifting campuses of historically Black colleges and universities (HBCUs).

Accredited HBCUs in the United States may apply to compete for Retool Your School grants to create sustainable renovations and additions to their campuses. HBCU supporters can vote for their favorite schools via Twitter and Instagram using the school's designated hashtag or by going to [retoolyourschool.com](http://retoolyourschool.com).

#### CHECK IT OUT

HBCU alums, including several Home Depot associates, send love letters to their schools and describe the value of THD's support for these special campuses and communities.



“The Home Depot believes in diversity. They’re not just talking about it. They’re reinvesting actual dollars back into the schools.”

– Katrina Holloway, Home Depot Associate, Procurement, and Spelman College Alumna



## 2019 RETOOL YOUR SCHOOL WINNERS

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

4,000+ students



1,200 or fewer students



Campaign of the Year

Awarded for galvanizing supporters with an innovative and effective campaign





**CHECK IT OUT:** Alabama State University in Montgomery is a modern campus with a proud past and a bright future. The school, founded in 1867, prepares students for the global workforce. In 2017, the HBCU won a \$50,000 Retool Your School grant that helped transform the student health center.



**BY THE NUMBERS**

**\$500,000**  
awarded

in grants in 2019, Retool Your School's 10th anniversary

**10 schools**  
received

\$50,000 each in 2019, the highest annual award since the program began

**\$2.6 million**  
distributed

to HBCUs through Retool Your School grants since 2009



# PRIDE GARDEN PRODUCTS



This diverse supplier's innovative gardening products help our customers cultivate beautiful indoor and outdoor plants while conserving water. Since 1999, Pride Garden has created containers and supplies that showcase innovation and deliver value.

The Ridley Park, Pennsylvania, company's AquaSav™ coco liners preserve moisture, reduce chemical runoff and foster healthy root development. Its water-saving containers meet our customers' demand for beauty and eco-friendly functionality.

"The Home Depot has given me and my company an opportunity to be part of the American dream," said Ravi Rajagopalan, founder and CEO of Pride Garden Products. "Home Depot's diversity program, inclusiveness and respect for individuals has made a profound impact on the trajectory of our small business."





< Ravi Rajagopalan, founder and CEO,  
Pride Garden Products

# 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

Since 2011, [The Home Depot Foundation](#)<sup>®</sup> has invested more than \$335 million to support U.S. veterans. During that time, we've provided financial support to improve 47,000 veteran homes and facilities — 5,500 in 2019 alone. The projects have helped veterans in 4,500 U.S. cities.

These investments tie into the Foundation's stated commitment to give half a billion dollars to veterans' causes by 2025.

## Trades Training Program

The Home Depot Foundation has pledged \$50 million to train 20,000 tradespeople by 2028 to help address the skilled trades labor shortage and provide a path to high-quality jobs. To help veterans, transitioning military members and their spouses train for the trades, the Foundation partnered with the Home Builders Institute (HBI) on a trades training program taught at military bases. Participants pay no fees. Over the last two years, close to 800 graduates have left the program with skills needed to launch careers as plumbers, electricians, carpenters and more.

In its hometown of Atlanta, the Foundation also has partnered with the nonprofit Construction Education Foundation of Georgia (CEFGA) in a separate trades training program, Construction Ready Plus. This program helps residents of the city's Westside community expand their skills in construction.

In 2019, the Foundation pledged \$1.9 million over three years to CEFGA's K12 Pipeline program. It trains students for

careers in the trades. The training aligns with science, technology, engineering, arts and math (STEAM) initiatives that are a cornerstone of today's educational priorities. It's an educational model that could expand to other states. See the story on the next page to learn more.

## Assistance After Natural Disasters

In 2019, the Foundation gave \$3.5 million to help communities recover from natural disasters — assisting people displaced by tornadoes and flooding, recovering from wildfires and rebuilding after hurricanes.

We work with nonprofit partners, including All Hands and Hearts, the American Red Cross, Convoy of Hope, Operation Blessing, Team Rubicon and ToolBank Disaster Services, to assist affected areas. In addition to financial support, Team Depot associate volunteers work alongside these organizations to help communities in need.

## CHECK IT OUT

Find out more about The Home Depot Foundation's pledge to invest \$500 million in veteran causes by 2025.



# TEACHING THE TRADES

*Investing in a trades training program in Georgia schools helps the construction industry find workers and empowers young people to build careers debt-free.*

**T**he construction industry needs skilled workers. Young people need multiple ways to build good careers. The Home Depot Foundation is helping make a match.

The Foundation is investing \$1.9 million in Construction Education Foundation of Georgia's K12 Pipeline, which trains students to become tradespeople.

## Training 20,000 by 2028

The funding, which stretches over three years, is part of the Foundation's \$50 million commitment to train 20,000 tradespeople for the construction industry's labor pipeline by 2028. It bolsters the Foundation's commitment to communities, as well.

"We're thrilled to take this next step in our trades training program," said Heather Prill, senior manager of strategic partnerships for the Foundation. "This program will prepare students to be career ready and support their economic advancement."

The Marcus Foundation and the Arthur M. Blank Family Foundation also have pledged three-year commitments of \$1.9 million each. This is the first partnership among the three organizations, which will give a combined \$5.7 million to support the K12 Pipeline program.

## Model for Other States

CEFGA will use the foundations' funds to increase the number of industry-certified high school construction programs in Georgia from 40 to more than 80. Elementary and middle school construction programs will grow from nine to at least 20 across the state. The program will provide training and industry credentials to more than 17,500 students in Georgia and place at least 3,500 of them into work-based learning and full-time employment opportunities in construction.

The program partners with the Georgia Department of Education and employers across the state. It's being evaluated as a model for training students for the trades in other parts of the country.

## Constructing Careers

Meet Michael, a K12 Pipeline student at Roswell High School in Georgia and winner of a statewide trade-skills competition.



*"I like the challenge it places on my brain — trying to figure out what needs to be accomplished to achieve a common goal with the team."*



The K12 Pipeline program helps students build debt-free careers.

# TEAM DEPOT

Together with The Home Depot Foundation, Team Depot associate volunteers improve the homes and lives of veterans and aid communities affected by natural disasters.

**Team Depot**® is a powerful force of orange-blooded associate volunteers led by more than 2,200 community captain leaders, spanning all associate levels.

Since 2011, associate volunteers and funds from The Home Depot Foundation have helped improve 47,000 veteran homes and facilities in 4,500 U.S. cities.

Our associate volunteers also work alongside relief and recovery organizations to help communities clean up and recover from natural disasters.



## + DID YOU KNOW

Team Depot made an impact right from the start, receiving the U.S. President's Volunteer Service Award in 1995, just two years after we launched our volunteer program for associates.

## BY THE NUMBERS

**54,000**

**associates**

volunteered for Team Depot projects in 2019

**315,000**

**hours**

were donated to helping the communities we serve

**125,000**

**of those hours**

were donated during our 2019 Operation Surprise seven-week campaign for veterans

## CHECK IT OUT

Team Depot volunteers serve those in need, build communities and give back. See what our doers can do.







## OPERATION SURPRISE

*In 2019, for the second year in a row, Team Depot volunteers exceeded their goal to give 100,000 hours to improve veterans' lives during our Operation Surprise. The annual event happens every fall in the seven weeks leading up to Veterans Day. Some of our volunteer associates wear military green T-shirts as a special tribute to those who've served in the armed forces.*

*Last year's Operation Surprise began with more than 100 associates repairing and updating Baltimore Station's residential and outpatient treatment facilities, which help veterans regain self-sufficiency. The Maryland nonprofit, named for a shuttered South Baltimore fire station it moved into in the 1990s, served nearly 300 residents in 2019. It achieved a successful program completion discharge rate of 93%.*





# DISASTER RESPONSE

Our corporate disaster response planning, Home Depot Foundation giving and Team Depot associate volunteers help communities recover from natural disasters.

When natural disasters hit the communities we serve, Home Depot stores are among the last to close. And we're among the first to reopen as soon as it's safe for our associates to return to work. That's how we ensure our customers have what they need before and after disaster strikes.

Our merchandising, supply chain and operations teams work together to get products and equipment to areas of impact. We connect with the U.S. Federal Emergency Management Agency, the federal Centers for Disease Control and Prevention, state agencies, first responders, relief organizations and others to ensure we receive and provide credible information.

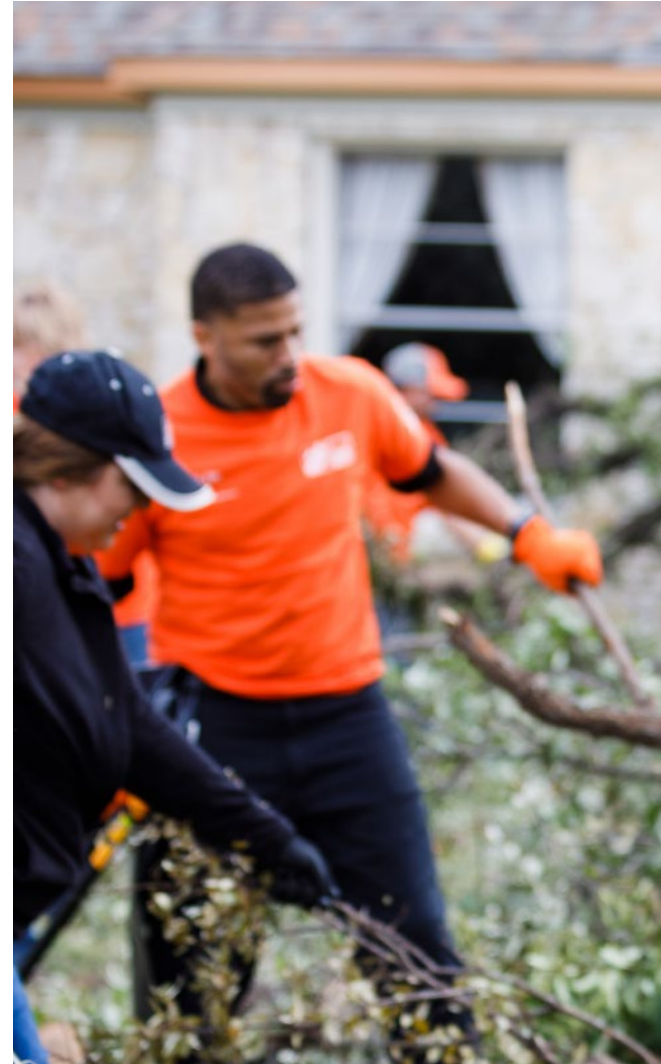
At our Disaster Response Command Center in Atlanta, merchandising, operations and supply chain teams work to get truckloads of products and supplies to stores in areas affected by natural disasters, particularly hurricanes. We take pride in setting the example for [disaster preparation and recovery](#).

Through funds from [The Home Depot Foundation](#) and hands-on assistance from our crew of Team Depot associate volunteers, we help communities repair and rebuild. In 2019, The Home Depot Foundation gave \$3.5 million to assist communities affected by natural disasters.

## + DID YOU KNOW

THD's disaster response capabilities date back to 1992, when Hurricane Andrew devastated South Florida. That's when we fully grasped how integral our stores were to community recovery.

[The Homer Fund](#) provides financial assistance for associates affected by tornadoes, wildfires, hurricanes and floods that ravage their communities. In 2019, the Fund provided \$840,000 in grants to associates affected by natural disasters.



Every disaster highlights the strength and value of our fine-tuned response. We know how to prepare and react, which is why our associates are quick to rally when disaster strikes — as more than 200 Team Depot volunteers did after a tornado hit Dallas in October 2019.



In 2019, we delivered enough disaster relief supplies to fill over

**4,700**  
truckloads

# PARTNERS IN SERVICE



The Home Depot's partnership with disaster relief nonprofit Team Rubicon aligns with our commitment to communities and veterans. Team Rubicon's mission is to leverage veterans' military skills to keep doing good work after tours of duty end.

The organization was founded in 2010 by two U.S. Marines who rallied veterans, first responders and medical professionals to go to Haiti to aid the island's recovery from a devastating earthquake. Team Rubicon volunteers — 70% of whom are veterans — donate their time, experience and leadership to help communities recover from disasters.

Our Team Depot associate volunteers work alongside Team Rubicon crews, and The Home Depot Foundation contributes \$1 million a year to the organization's efforts.







Veterans' skills and experiences make them excellent responders in a crisis.

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# OUR BUSINESS

A smiling man in a workshop holding a long rod. The background is a blurred industrial setting with various equipment and structures. The entire image has a warm orange tint. A white horizontal line is positioned above the text.



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## RESOURCES

- > [Code of Conduct](#)
- > [Associate AwareLine](#)
- > [Supplier AlertLine](#)
- > [Corporate Governance](#)
- > [Board of Directors](#)
- > [2020 Proxy Statement](#)
- > [2019 Annual Report](#)
- > [Political Activity and Government Relations Policy](#)
- > [Annual Corporate Political Contributions Report](#)
- > [Annual Trade Association Report](#)
- > [Federal Election Commission](#)
- > [U.N. Sustainable Development Goals](#)



# 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](https://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](https://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



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

We believe having a combined chairman, CEO and president; 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:

- Annual election of directors
- 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
- Independent directors meet without management
- Mandatory retirement age for directors
- Annual Board strategy session and review of the company's strategic plan
- Director overboarding policy
- No shareholder rights plan, also referred to as a "poison pill"
- Store-walk policy for directors
- Board education and orientation program
- Management succession policy set forth in Corporate Governance Guidelines
- Annual Board and committee self-evaluations, including individual director interviews with the independent Lead Director



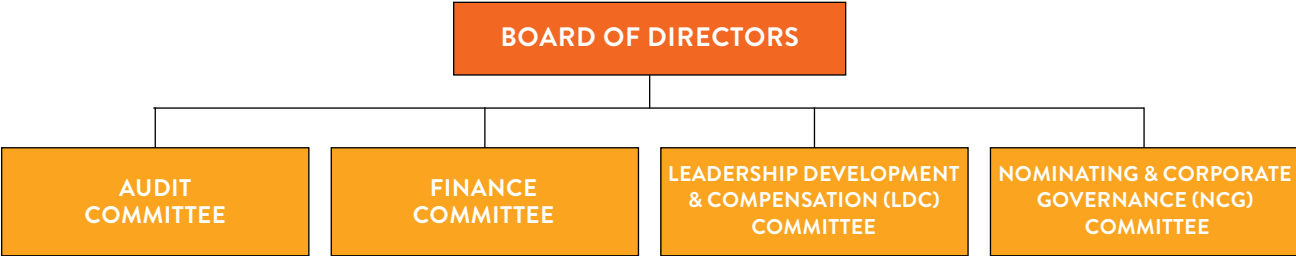
## LEARN MORE

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 used to identify and manage risk considers 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. 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>• Political spending and payments to trade associations</li> <li>• Environmental and social initiatives</li> <li>• Related-party transactions</li> </ul>

# GOVERNMENT RELATIONS

The Home Depot recognizes that laws at the federal, state and local level impact our business.

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. The [Nominating and Corporate Governance Committee](#) of our Board of Directors provides additional oversight, conducting an annual review of the company's political contributions and payments to trade associations that engage in lobbying activities.

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.

**\$3.7 million** contributed to candidates and their leadership PACs in the 2017-2018 election cycle

**14,000+** individual contributors in that election cycle

3

### QUALITY ASSURANCE

The PAC evaluates candidates based on:

- Service on key committees important to The Home Depot
- Favorable voting record or position on issues important to THD
- Endorsements by business, retail and values-aligned organizations
- Location of a THD facility in the candidate's district.

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.



# 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](#). We aim to continuously improve our products, our business and our operations to benefit our customers, associates, suppliers and communities by building a better workplace, business and world.

## 10 SDGs ALIGN WITH THE HOME DEPOT'S SPHERE OF INFLUENCE



### Good Health and Well-Being

- The Home Depot's [Eco Options](#) program identifies environmentally preferred products for our customers.
- Our annual health challenge engages associates in activities to improve their overall health.



### Gender Equality

- Our Women's Link associate resource group promotes inclusion and professional development for female associates working at our Store Support Center.
- Our Lead-IN program includes content specifically designed to support leaders' efforts to champion female talent in the field.
- We proudly partner with the [Women's Business Enterprise National Council](#) to promote gender equality among our suppliers.
- Our [Corporate Governance](#) and [Code of Conduct](#) policies detail our commitment to workplace equality.



### Clean Water and Sanitation

- In U.S. stores, 100% of bathroom vanity faucets and toilets bear the EPA's [WaterSense](#) label. Our store-merchandised showerheads are more efficient than the WaterSense standard.
- We estimate that our customers saved over 52 billion gallons of water in 2019 by properly using our water-saving products.
- Smart irrigation systems we piloted in several U.S. stores in 2019 saved 40% of the water used by traditional systems.

## SUSTAINABLE DEVELOPMENT GOALS





### Affordable and Clean Energy

- We purchase enough wind-generated energy to power 105 stores, and we operate alternative energy projects — such as rooftop solar panels and fuel cells — at about 250 stores.
- Our partnership with the EPA’s [Energy Star](#) program enabled customers to purchase products capable of reducing their energy use by 10 billion kilowatt hours in 2019.



### Decent Work and Economic Growth

- We employ over 400,000 associates internationally, and our supply chain has a total economic impact on millions of workers globally.
- We conducted 1,354 factory audits and 1,690 follow-up visits in 2019, focusing on worker health, safety and well-being in our suppliers’ operations.



### Industry, Innovation and Infrastructure

- We partner with organizations such as the [Coalition for Responsible Transportation Priorities](#).
- We have repeatedly earned the U.S. Environmental Protection Agency’s [SmartWay](#) Sustained Excellence Award for improving freight efficiency and contributing to cleaner air throughout our supply chain.
- The [Home Depot Foundation](#) has pledged \$50 million to help train 20,000 tradespeople by 2028 to ease the skilled-labor shortage.



### Sustainable Cities and Communities

- In 2019, we sold approximately \$7.4 billion in sustainable products to our customers.
- Our [emergency response team](#) offers direct help after natural disasters. In 2019, we delivered more than 4,700 truckloads of disaster-relief supplies to affected areas.
- The [Home Depot Foundation](#) has committed \$500 million to support veteran-related causes by 2025.



### Responsible Consumption and Production

- We’ve committed to procure or produce 335 megawatts of renewable or alternative energy by 2025; we’re ahead of our goal to produce or procure 135 megawatts by the end of 2020.
- We challenge our suppliers to offer products with lowest-possible environmental impact and pursue third-party certification to verify efficacy.
- Our [Chemical Strategy](#) challenges suppliers to eliminate suspect chemicals from the products we sell.



### Climate Action

- 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.
- We have a current score of “A” from the [Carbon Disclosure Project](#), which assesses action on climate change.
- In 2019, our U.S. store energy consumption was 35% less than in 2010, putting us ahead of our energy-use reduction goals.



### Life on Land

- In 2019, we removed enough expanded polystyrene (EPS) foam from our private-brand packaging to fill eight school buses. We eliminated enough polyvinyl chloride (PVC) film to cover 99 football fields.
- We’ve pledged to exclude EPS and PVC film from our private-brand packaging by 2023.
- Our [Wood Purchasing Policy](#) helps ensure our suppliers and manufacturers support sustainable forestry.
- We do not accept wood products from Papua New Guinea, the Solomon Islands, the South American Amazon Basin and the African Congo Basin, unless the [Forest Stewardship Council](#) has certified the products.







North Carolina-based Sexton Farms supplies us with Christmas wreaths and trees — mostly aromatic Fraser firs. The fourth-generation family-owned farm, established in 1960, plants three trees for every tree that's cut down.





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# REPORTING FRAMEWORK







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## RESOURCES

- > 2020 Proxy Statement
- > Form 10-K – 2019 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
- > 2020 Responsible Sourcing Report



# 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>				
ORGANIZATIONAL PROFILE	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. 1-8
		102-3	Location of headquarters	Atlanta, Georgia, USA
		102-4	Location of operations	Form 10-K pgs. 1-8, 17-18, 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. 1-8, 17-18, Corporate Website – About Us
		102-7	Scale of the organization	Form 10-K pgs. 1-8
		102-8	Information on employees and other workers	Form 10-K pgs. 2-3
		102-9	Supply chain	<i>Supply Chain</i> , Form 10-K pgs. 1-8, Responsible Sourcing Report
		102-10	Significant changes to the organization and its supply chain	<i>Supply Chain</i> , Form 10-K pgs. 1-8
		102-11	Precautionary Principle or approach	<i>Corporate Governance</i> , Proxy Statement pgs. 3-6
		102-12	External initiatives	<i>2019 Ratings and Recognition</i> , <i>U.N. Sustainable Development Goals</i> , Corporate Website – Responsibility, Responsible Sourcing Report
		102-13	Membership of associations	<i>Protecting the Climate</i> , <i>Supply Chain</i> , <i>Chemical Strategy</i> , <i>Water-Saving Products</i> , <i>Canada</i> , <i>Mexico</i> , <i>Supporting Diversity</i> , Responsible Sourcing Report
STRATEGY	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 &amp; Goals</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
ETHICS & INTEGRITY	GRI 102: General Disclosures	102-16	Values, principles, standards and norms of behavior	<i>Diversity &amp; Inclusion, Code of Conduct, Corporate Governance, Business Code of Conduct and Ethics, Corporate Governance Guidelines, Proxy Statement pg. 6, Responsible Sourcing Report</i>
		102-17	Mechanisms for advice and concerns about ethics	<i>Sourcing Responsibly, Code of Conduct, Business Code of Conduct and Ethics, Responsible Sourcing Report</i>
GOVERNANCE	GRI 102: General Disclosures	102-18	Governance structure	<i>Corporate Governance, Proxy Statement pgs. 1-20, Corporate Website – Investor Relations &gt; Corporate Governance, NCGC Charter, Corporate Governance Guidelines</i>
		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, Proxy Statement pgs. 2-5, NCGC Charter, Corporate Governance Guidelines</i>
		102-22	Composition of the highest governance body and its committees	<i>Corporate Governance, Proxy Statement pgs. 1-20, Corporate Website – Investor Relations &gt; Corporate Governance</i>
		102-23	Chair of the highest governance body	<i>Corporate Governance, Proxy Statement pgs. 1-20</i>
		102-24	Nominating and selecting the highest governance body	<i>Corporate Governance, Proxy Statement pgs. 1-20, Policy on Consideration and Evaluation of Board Candidates, Corporate Governance Guidelines</i>
		102-25	Conflicts of Interest	<i>Proxy Statement pgs. 6-10, Business Code of Conduct and Ethics, Corporate Governance Guidelines</i>
		102-26	Role of highest governance body in setting purpose, values and strategy	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance, Proxy Statement Letter to Shareholders and pgs. 1-7, NCGC Charter, Corporate Governance Guidelines</i>
		102-27	Collective knowledge of highest governance body	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance, Proxy Statement pgs. 1-14</i>
		102-28	Evaluating the highest governance body's performance	<i>Corporate Governance, Proxy Statement Letter to Shareholders and pgs. 1-14, NCGC Charter</i>
		102-29	Identifying and managing economic, environmental and social impacts	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Corporate Governance, Proxy Statement pgs. 1-14, Corporate Website – Investor Relations &gt; Corporate Governance, Corporate Governance Guidelines</i>
		102-30	Effectiveness of risk management process	<i>Corporate Governance, Proxy Statement pgs. 3-5, Corporate Website – Investor Relations &gt; Corporate Governance, Corporate Governance Guidelines</i>
		102-31	Review of economic, environmental and social topics and their impacts, risks and opportunities	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints &amp; Goals, Corporate Governance, Proxy Statement pgs. 1-14, Corporate Website – Investor Relations &gt; Corporate Governance, Corporate Governance Guidelines</i>
		102-32	Highest governance body's role in sustainability reporting	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance, Proxy Statement pgs. 1-14, Corporate Website – Investor Relations &gt; Corporate Governance, NCGC Charter</i>

GRI STANDARD		DESCRIPTION	ANSWER/LOCATION CROSS REFERENCE	
	102-33	Communicating critical concerns	<i>Engaging Stakeholders &amp; Setting Priorities, Code of Conduct, Corporate Governance, Proxy Statement</i> pgs. 1-14, Business Code of Conduct and Ethics, Corporate Governance Guidelines	
	102-35	Remuneration policies	Proxy Statement pgs. 35-69, Corporate Governance Guidelines, LDCC Charter	
	102-36	Process for determining remuneration	Proxy Statement pgs. 35-69, Corporate Governance Guidelines, LDCC Charter	
	102-37	Stakeholders' involvement in remuneration	Proxy Statement pgs. 24, 38, 41	
	102-38	Annual total compensation ratio	Proxy Statement pg. 64	
STAKEHOLDER ENGAGEMENT	GRI 102: General Disclosures	102-40	List of stakeholder groups	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints &amp; Goals</i>
		102-41	Collective bargaining agreements	Form 10-K pgs. 1-3
		102-42	Identifying and selecting stakeholders	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints &amp; Goals</i>
		102-43	Approach to stakeholder engagement	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Proxy Statement Letter to Shareholders</i> and pg. 7
		102-44	Key topics and concerns raised	<i>Engaging Stakeholders &amp; Setting Priorities, Materiality Touchpoints &amp; Goals, Proxy Statement Letter to Shareholders</i> and pg. 7
REPORTING PRACTICES	GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Form 10-K
		102-46	Defining report content and topic boundaries	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints &amp; Goals</i>
		102-47	List of material topics	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints &amp; Goals</i>
		102-48	Restatements of information	N/A
		102-49	Changes in reporting	Data from 2017 and 2018 reflects the calendar year. Data for 2019 reflects the fiscal year, which will be our practice going forward.
		102-50	Reporting period	February 4, 2019 to February 2, 2020 (Fiscal Year 2019)
		102-51	Date of most recent report	2019 Responsibility Report July 2019
		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 GRI Standards.
		102-55	GRI content index	This document
	102-56	External assurance	N/A	



GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
<b>ECONOMIC</b>				
	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	2019 CDP Report
		201-3	Defined benefit plan obligations and other retirement plans	<i>Benefits</i> , Form 10-K pg. 60, Form 11-K, Proxy Statement pgs. 46, 60
	GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>Energy Use, Strengthen Our Communities, U.N. Sustainable Development Goals</i>
		203-2	Significant indirect economic impacts	<i>ESG Transparency, Energy-Saving Products, Water-Saving Products, Strengthen Our Communities, U.N. Sustainable Development Goals</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>
	<b>ENVIRONMENTAL</b>			
<b>MATERIALS</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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, Sustainable Packaging</i>
<b>ENERGY</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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	2019 CDP Report, <i>Energy Use</i> , Corporate Website – Responsibility
		302-2	Energy consumption outside of the organization	<i>Carbon Footprint</i>
		302-3	Energy intensity	2019 CDP Report, <i>ESG Transparency</i> , Corporate Website – Responsibility
		302-4	Reduction of energy consumption	2019 CDP Report, <i>ESG Transparency, FAQ: Continuing the Momentum, Energy Use, Supply Chain, Canada, Mexico, U.N. Sustainable Development Goals</i> , Corporate Website – Responsibility
		302-5	Reductions in energy requirements of products and services	2019 CDP Report, <i>ESG Transparency, FAQ: Continuing the Momentum, Energy Use, Energy-Saving Products, Residential Solar</i> , Form 10-K pgs. 6-7, Corporate Website – Responsibility

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
WATER AND EFFLUENTS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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, U.N. Sustainable Development Goals</i>
BIODIVERSITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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>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 &amp; Goals</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>2019 CDP Report, ESG Transparency, FAQ: Continuing the Momentum, Protecting the Climate, Corporate Website – Responsibility</i>
		305-2	Energy indirect (Scope 2) GHG emissions	<i>2019 CDP Report, ESG Transparency, FAQ: Continuing the Momentum, Protecting the Climate, Corporate Website – Responsibility</i>
		305-4	GHG emissions intensity	<i>2019 CDP Report, ESG Transparency, Corporate Website – Responsibility</i>
		305-5	Reduction of GHG emissions	<i>2019 CDP Report, ESG Transparency, FAQ: Continuing the Momentum, Protecting the Climate, Mexico, Corporate Website – Responsibility</i>
	EFFLUENTS AND WASTE	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary
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, 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 &amp; Goals</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, 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 &amp; Goals</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 &amp; Goals, 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, Associate Safety</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 &amp; Goals</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 employee per year	<i>Learning &amp; Development</i>
		404-2	Programs for upgrading employee skills and transition assistance programs	<i>Diversity &amp; Inclusion, Expanding Support for those Who Serve, Learning &amp; Development, Associate Engagement, 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 &amp; Goals</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 &amp; Inclusion</i>
	GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>Diversity &amp; Inclusion, Proxy Statement pgs. 12-20,</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 &amp; Goals</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</i>
LOCAL COMMUNITIES	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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>Canada, Mexico, Strengthen our Communities</i>
SUPPLIER SOCIAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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 &amp; Goals</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</i>
CUSTOMER HEALTH & SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints &amp; Goals</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, Chemical Strategy, 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 2020 Responsibility 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 2019 – 23.9M GJ</li> <li>Purchased approximately 620,000 GJ of renewable energy</li> </ul>	2020 Responsibility Report – Energy Use, pgs. 58-63
<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 Responsibility Report and in our 2020 Proxy Statement	2020 Responsibility Report – Data Security & Privacy, pgs. 52-53; 2020 Proxy Statement, pgs. 4-5
(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 2019	
<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: 27% Female</li> <li>Racial/Ethnic Minority 24%</li> </ul> <p>U.S. Managers and Above (excluding Officers):</p> <ul style="list-style-type: none"> <li>Gender: 32% Female</li> <li>Racial/Ethnic Minority 34%</li> </ul> <p>U.S. Workforce:</p> <ul style="list-style-type: none"> <li>Gender: 37% Female</li> <li>Racial/Ethnic Minority 45%</li> </ul>	2020 Responsibility Report – Diversity & Inclusion, pgs. 28-31

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	~\$18 billion in fiscal 2019	2020 Responsibility Report - Reducing Environmental Impact, pgs. 74-97
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 Chemical Strategy section of our Responsibility Report	2020 Responsibility Report – Chemical Strategy, pgs. 80-83; Gardening, pgs. 88-93; and Cleaning, pgs. 94-97
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 Responsibility Report	2020 Responsibility Report – Sustainable Packaging, pgs. 102-105

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>• 2,291 Retail Locations</li> <li>• &gt;200 Distribution Locations</li> </ul>	2019 Annual Report on SEC Form 10-K pgs. 17-18
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>• 22.1M m<sup>2</sup> of Retail Space</li> <li>• 5.6M m<sup>2</sup> of Warehouse and Distribution Centers</li> </ul>	2019 Annual Report on SEC Form 10-K pgs. 17-18



# 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 Chemical Strategy section of our Responsibility Report	2020 Responsibility Report – Chemical Strategy, pgs. 80-83; Gardening, pgs. 88-93; and Cleaning, pgs. 94-97
<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 Circular Economy, Sustainable Packaging and Waste Management & Recycling sections of our Responsibility Report	2020 Responsibility Report – Circular Economy pgs. 78-79; Waste Management & Recycling, pgs. 100-101; and Sustainable Packaging, pgs. 102-105
(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	~125,000t	2020 Responsibility Report - Sustainable Packaging, pgs. 102-105
<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).	2020 Responsibility 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 2020 Responsibility Report.

	RECOMMENDED DISCLOSURE TOPICS	2020 RESPONSIBILITY 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; 2020 Proxy Statement pgs. 3-5
		Corporate Governance	130-131	
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2020 Proxy Statement pgs. 3-5
		Materiality Assessment Framework	8-9	
Goals		11		
Corporate Governance	130-131			
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Materiality Touchpoints	10	CDP Report; 2020 Proxy Statement pgs. 3-5
		Protecting the Climate	56-61	
	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	
		Protecting the Climate	56-61	
	Corporate Governance	130-131		
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Goals	11	CDP Report
Protecting the Climate		56-61		
Reducing Environmental Impact		74-109		

	RECOMMENDED DISCLOSURE TOPICS	2020 RESPONSIBILITY 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; 2020 Proxy Statement pgs. 3-5
		Materiality Assessment Framework	8-9	
		Corporate Governance	130-131	
	Describe the organization's processes for managing climate-related risks.	Engaging Stakeholders and Setting Priorities	6	CDP Report; 2020 Proxy Statement pgs. 3-5
		Materiality Assessment Framework	8-9	
		Protecting the Climate	56-61	
		Corporate Governance	130-131	
	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; 2020 Proxy Statement pgs. 3-5
		Materiality Assessment Framework	8-9	
Corporate Governance		130-131		
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	11	
		ESG Transparency	12-13	
		Protecting the Climate	56-61	
		United Nations Sustainable Development Goals	134-135	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG Transparency	12-13	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	11	CDP Report
		Protecting the Climate	56-61	
United Nations Sustainable Development Goals		134-135		



