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# **About This Report**

The Home Depot publishes our annual ESG Report to share our ESG activities with our stakeholders in a timely, transparent manner. We include details on our approach, our policies and practices, our metrics, targets and goals, and our stakeholder engagement.

#### **Reporting Period and Scope**

Unless otherwise noted, we report on activities that were taken during our 2022 fiscal year, which started on January 31, 2022 and ended on January 29, 2023.

Unless otherwise noted, this report focuses on The Home Depot's in-store and online operations within the U.S., which represented more than 90 percent of sales in our 2022 fiscal year. This report also includes data from our Canada and Mexico operations. HD Supply Holdings Inc. data is included where noted throughout this report. This report also contains information on The Home Depot Foundation, The Homer Fund® and Team Depot volunteers.

#### **Reporting Standards**

The Home Depot has reported with reference to the Global Reporting Initiative (GRI) standards for our 2022 fiscal year. This report also contains disclosures that align with Sustainability Accounting Standards Board (SASB) Multiline and Specialty Retailers & Distributors and Building Products & Furnishing industry standards, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the United Nations Sustainable Development Goals (SDGs).



future results, including our ability to meet our goals; our business plans, strategies, initiatives and objectives and their expected execution and impact; management of relationships with our associates, potential associates, suppliers and service providers; cost and availability of labor; costs of fuel and other energy sources; international trade disputes, natural disasters, climate change, public health issues, cybersecurity events, military conflicts or acts of war, and other business interruptions that could disrupt operation of our facilities, our ability to operate or access communications, financial or banking systems, or supply or delivery of, or demand for, the Company's products or services; the impact of regulatory changes; the impact of acquired companies on our organization; and our assumptions, expectations and projections 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 also in subsequent 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. You are advised, however, to review any further disclosures we make on related subjects in our filings with the Securities and Exchange Commission and in our other public statements.

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





### **CEO LETTER**

# **GROWING WITH PURPOSE**

We're committed to investing in our people, running a responsible business and taking action where we have the greatest impact.

When the first Home Depot opened its doors 44 years ago, our founders not only disrupted retail, but also gave us a blueprint on how to run the company and make decisions. We talk about it as ESG today, but we've lived these principles since the beginning through our culture and values. While our business has changed since 1979, our values remain the same.

We know that when we invest in running a responsible, sustainable company, we make our business stronger, more agile, and more resilient. That encourages good business practices and enables us to consistently deliver industry-leading results.

In alignment with our values, we organize our approach to ESG in three key pillars – Focus on Our People, Operate Sustainably, and Strengthen Our Communities.

As a company of doers, we're focused on making progress. We're pleased to announce several new goals and the progress we've made on behalf of our associates, our communities, and our world.

#### **Focus on Our People**

To provide the best customer experience in home improvement, we're focused on creating the best associate experience in retail. To that end, we've invested billions of dollars in wage and benefit enhancements over the past several years, including approximately \$1 billion in annualized wage investment we announced at the beginning of this fiscal year.

And while we will continue to invest in competitive wages and benefits, we also focus on the tools, training, and development opportunities that make working at The Home Depot rewarding. By 2028, we will provide 10 million hours of training to frontline associates and 2.5 million hours of leadership training. And over the next five years, we'll create 75,000 career advancement opportunities for our frontline associates.

#### **Operate Sustainably**

As the world's largest home improvement retailer, we recognize our unique position to leverage our scale to enact positive change throughout our business operations and supplier relationships. We're proud to announce our new emission reduction targets, which were developed in accordance with the rigorous science-backed standards of the Science Based Targets initiative (SBTi) and have been submitted to the SBTi for approval. Submitting our targets to SBTi, a globally recognized organization, provides accountability and helps demonstrate our commitment to reducing our emissions in

line with the latest climate science. We aim to reduce our Scope 1 and 2 emissions by 42% by the end of 2030 and reduce Scope 3 "Use of Sold Products" emissions by 25% by the end of 2030, both from a 2020 base year.

"We talk about it as ESG today, but we've lived these principles since the beginning through our culture and values."

- Ted Decker, Chair, President & CEO



The Home Depot's most significant environmental impact comes from the products we sell, and our biggest opportunity to create change is providing customers with product selections that reduce their carbon impact. We recently announced that by the end of 2028, 85% of U.S. and Canadian sales of push mowers and handheld outdoor lawn equipment will be powered by rechargeable battery technology. This transition from gas to battery power will reduce over 2 million metric tons of greenhouse gases annually from residential lawn equipment exhaust. We also pledge to help customers save \$600 million in energy costs and reduce water usage by 100 billion gallons over the next three years (by year-end 2026). That is equivalent to the water used in 62.5 million showers.

#### **Strengthen Our Communities**

We strengthen our communities by giving back, both financially and through our associates' time and efforts.

We've seen the dramatic effects of natural disasters on our communities. We're dedicated to helping people rebuild and recover quickly from these devastating events. In 2022, The Home Depot Foundation committed more than \$7 million to disaster response and relief.

The Home Depot Foundation and Team Depot also continued to support our communities. In 2022, the Foundation surpassed its commitment to train 20,000 skilled tradespeople, six years ahead of schedule. Following this accomplishment, the Foundation invested an additional \$3.7 million to address the skilled trades gap.

Supporting veteran communities remains core to The Home Depot Foundation's efforts. By the end of 2022, the Foundation had invested over \$450 million in veteran causes, with Team Depot donating more than 1.4 million hours of sweat equity to veteran service projects since 2011.

More details on our goals are available on page 10.

I want to thank our associates and supplier partners for the progress we've made and continue to make as a company. Thank you for the many ways you help us do our part and live our values. "We know that when we invest in running a responsible, sustainable company, we make our business stronger, more agile, and more resilient."

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TED DECKER
Chair, President & CEO





# **OVERVIEW**

We have three key pillars of focus for our Environmental, Social and Governance (ESG) strategy: Focus on Our People, Operate Sustainably, and Strengthen Our Communities. We believe our efforts in these areas give us a competitive advantage and create long-term value for our associates, customers, communities and other stakeholders.

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# **ABOUT HOME DEPOT**

We're proud to be the world's largest home improvement retailer. In more than 2,300 stores across North America, we aspire to excel in service – to our customers, associates, communities and shareholders. That's what leadership means to us.

# 2022: Our Business



**2,007** stores in the U.S.



Over **470,000** orange-blooded associates

182 stores in Canada



More than **2,000,000** products sold online

133 stores in Mexico



Typical store has ~104,000 sq ft of indoor retail space

# 2022: Our Performance

Grew sales 4.1% to over

\$157 billion

Opened 6

new stores

Diluted earnings per share were \$16.69, an increase of

**7.5**%

compared to fiscal 2021

Total company comparable store sales increased

3.1%

and U.S. comp sales increased 2.9%

# **Our Home Depot Family**







Company Store





Reporting Frameworks

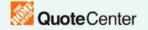














# **Our Eight Core Values**



#### Respect for all People

- Maintain a nondiscrimination and zero tolerance harassment policy
- Foster mutual respect
- Welcome all associates as team members

#### **Doing the Right Thing**

- Make responsible decisions
- Take action at the right time
- Understand our impacts

#### **Building Strong Relationships**

- Build trust and lasting relationships
- Care for our people and connections
- Foster courage, talent and integrity

#### Giving Back

- Help our communities thrive
- Support important causes
- Share our time, energy and resources

#### **Excellent Customer Service**

- Offer products and services
- Provide low-cost product selection
- Share knowledge with customers
- Maximize product benefits

#### **Creating Shareholder Value**

- Pursue long-term value and growth
- Deliver investment returns to our investors
- Engage with our shareholders

#### **Entrepreneurial Spirit**

- Serve customers with innovation
- Continuously improve our business
- Spread best practices throughout the company

#### Taking Care of our People

- Listen and respond to our associates' needs
- Create opportunity from within
- Provide helpful benefits and training
- Build a supportive team culture

# **The Home Depot Foundation**

A 501(c)(3) public charity that provides funding and partners with other nonprofits around three focus areas: U.S. veterans, trades training and disaster relief.

Read more about The Home Depot Foundation here.

# **The Homer Fund**

A 501(c)(3) charity exclusively for our associates and their families, with the majority of contributions coming from fellow associates.

Read more about The Homer Fund here.

## **Team Depot**

Our associate volunteer force improves the homes and lives of veterans and helps communities affected by natural disasters.

Read more about Team Depot here.







# **OUR ESG VALUE CHAIN**

The Home Depot's ESG strategy builds on the culture and values that we were founded on more than 40 years ago. Our ESG strategy is embedded in the operations of our business and we believe our Core Values and ESG priorities make our business stronger, more agile, and more resilient, which has led to value creation for our business, shareholders and other stakeholders.

We focus on our three key pillars of ESG to help us prioritize the areas in our value chain where we can have the greatest impact.

- Focus on our People
- Operate Sustainably
- Strengthen our Communities

We are also committed to governance best practices to ensure responsible business practices around topics such as human rights, political involvement, and data security & privacy.

#### **Upstream**



#### RAW MATERIALS

Sustainable Forestry



# PRODUCT MANUFACTURING

- Supplier Diversity Program
- Strategic Supplier
   Sustainability Goals
- Responsible Chemistry



#### SUSTAINABILITY

- Circularity and Sustainable Packaging
- Energy- and Water-Saving Products

#### **Our Operations**



# SOURCING AND DISTRIBUTION

- Efficient Distribution Centers and Warehouses
- Optimized Transportation
- Responsible Sourcing



#### **ASSOCIATES**

- Diversity, Equity and Inclusion (DEI) and Pay Equity
- Competitive Wages and Benefits
- Learning and Development
- Associate Engagement
- Team Depot
- The Homer Fund



# STORE OPERATIONS

- Carbon Emissions Reduction
- Energy and Water Efficiency
- Associate Safety
- Hazardous Materials Disposal



# STORE SUPPORT CENTERS

- Corporate Governance
- Data Security and Privacy
- Government Relations
- Corporate Taxes
- Business Code of Conduct and Ethics

#### **Downstream**



#### **CUSTOMERS**

- Eco Actions Program/ Products
- Tool and Equipment Bental



#### **END OF LIFE**

- Recycling
- Responsible Waste Management



#### COMMUNITIES

- The Home Depot Foundation
- Team Depot



Our Business



# 2022 RATINGS & RECOGNITION

Focus on Our People

Leading third-party sustainability rating organizations monitor and report on our progress. Below are some key ratings for our Company in 2022.

Operate Sustainably



Assesses action on climate change; score was based on 2021 data, the latest available



Identifies The Home Depot as addressing our environmental impacts and ensuring good environmental management



Analyzes corporate environmental, social and governance (ESG) progress



ESG risks are low compared to the industry



Measures ESG risk and performance of publicly traded companies



On a scale of 0-5; we rank better than the industry average of 2.4





Measures resilience to long-term, financially relevant ESG risks



Second-highest rating; positions us as an industry leader in key FSG areas

Here are some of the organizations that recognized our efforts in 2022 to build a better workplace, business and world.



#### **ENERGY STAR**

 Retail Partner of the Year



#### **National Retail Federation**

■ No. 4 — Top Retailers

# **Gartner**

#### Gartner

■ No. 40 — Top Supply Chains

# **FORTUNE**

#### **Fortune**

- World's Most Admired Companies
- No. 1 in Specialty Retail
- No. 20 Overall



#### **EPA** (Environmental **Protection Agency**)

- SmartWay High Performer
- WaterSense Partner of the Year Award
- Safer Choice Partner of the Year Award



#### **Forbes**

- No. 52 World's Best Employers
- No. 100 Best Employers for Veterans



#### **Human Rights** Campaign (USA)

 Corporate Equality Index (CEI) Score: 90



#### Military Friendly

- Company
- Spouse Employer
- Supplier Diversity Program



#### **Human Rights** Campaign (MX)

 Corporate Equality Index (CEI) Score: 100



#### **EPA's Green Power** Partnership National Top 100

- No. 8 Retail
- No. 64 Overall



#### Canada's Best **Diversity Employers**

■ 13th Consecutive Year



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





# **OUR ESG GOALS AND PROGRESS**

The Home Depot sets goals to drive ESG progress, benefiting our associates, customers, suppliers and communities, as well as our Company. Having achieved a number of our goals, we are announcing new goals and continue to progress against existing goals to further our ESG progress.

Operate Sustainably

# **Active Goals**

Focus on People	
GLOBAL IMPACT: LEADERSHIP AND DEVELOPMENT (PAGES 38-39)	Goal Date <sup>1</sup>
Invest 10 million hours of training to frontline associates and 2.5 million hours of leadership training to leaders supporting their career growth and skill development by 2028	2028
Create 75,000 career advancement opportunities for front-line associates over a five-year period	2028

Operate Sustainably	
GLOBAL IMPACT: CLIMATE AND ENERGY REDUCTION CARBON EMISSIONS REDUCTION (PAGES 50-55)	Goal Date
Commit to science-based targets to reduce Scope 1 and 2 emissions 42% by 2030, from a 2020 base year <sup>2</sup>	2030
NEW Commit to science-based targets to reduce Scope 3 "Use of Sold Products" emissions 25% by 2030, from the 2020 base year	2030
NEW 90% of forklifts in our major U.S. distribution centers will be hydrogen-powered by 2029 <sup>3</sup>	2029
NEW 85% of U.S. & Canadian sales in push mowers and handheld outdoor lawn equipment (combined) in store and online (combined) will be in rechargeable battery technology by 2028	2028
Produce/procure 100% renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by 2030	2030
GLOBAL IMPACT: OUR PRODUCTS AND THE PLANET RESPONSIBLE CHEMISTRY (PAGES 67-69) CARBON EMISSIONS REDUCTION (PAGES 50-55) WATER CONSERVATION (PAGES 65-66) CIRCULARITY (PAGES 58-64)	
NEW Motivate top-tier strategic suppliers to have a business-relevant publicly stated sustainability goal by 20254	2025
NEW Help customers save \$600 million in energy costs by 2026, with a start year of 2023	2026
NEW Help customers reduce water use by 100 billion gallons by 2026, with a start year of 2023	2026
NEW All private brand patio and home decor products will exclude added PFAS chemicals by 2025 <sup>5</sup>	2025
All private brand fiber packaging for new SKUs will be compostable, recyclable, or recycled content <sup>6</sup>	By start of 2027
NEW Reduce or convert to more sustainable materials 200 million pounds of plastic used in products by 2028, with a start year of 2020	2028
Exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from private-brand packaging <sup>6</sup>	2023

Strengthen Our Communities	
GLOBAL IMPACT: SUPPLIER DIVERSITY (PAGES 83-84) AND VETERANS (PAGES 85-86)	Goal Date
Achieve \$5 billion in annual total combined spend across our Tier 1 and Tier 2 diverse suppliers	2025
The Home Depot Foundation plans to contribute \$500 million to veteran causes with a focus on housing	2025
The Home Depot Foundation plans to invest \$50 million to train skilled tradespeople, including veterans	2028





# **Achieved Goals**

Focus on People GLOBAL IMPACT: LEADERSHIP AND DEVELOPMENT (PAGES 37, 38-39)	Goal Date
Expanded associate resource groups to include more associates and increase engagement and participation	2021
Invested more than 1 million hours per year over five years in training and development to help our front-line associates grow their careers	2022
Created career advancement opportunities for 50,000 front-line associates over a five-year period	2023

Operate Sustainably	
GLOBAL IMPACT: OUR PRODUCTS AND THE	F

GLOBAL IMPACT: OUR PRODUCTS AND THE PLANET RESPONSIBLE CHEMISTRY (PAGES 67-69)	WATER CONSERVATION (PAGES 65-66)	
CARBON EMISSIONS REDUCTION (PAGES 50-55)	CIRCULARITY (PAGES 58-64)	Goal Date
Removed ortho-phthalates from vinyl flooring		2016
Reduced formaldehyde levels in laminate/engineered flooring		2017
Implemented additional requirements regarding tropical defores	tation standards	2018
Eliminated certain chemicals in carpet		2018
Eliminated certain chemicals in insulation		2018
Eliminated neonicotinoids from live goods, except where legally	required	2019
20% reduction in U.S. store kilowatt-hour electricity use, compa	red to 2010 levels	2020
Helped reduce customers' greenhouse gas emissions by 20 mill	ion metric tons (since 2017)	2020
Helped customers save \$2.8 billion on utility bills through energy	v-efficient products (since 2017)	2020
Helped reduce consumers' water use by 250 billion gallons (since	ee 2017)	2020
Eliminated certain chemicals in paint		2020
Eliminated certain intentionally added chemicals from residentia	household cleaning products	2022
Procured/produced 335 megawatts of renewable or alternative e	energy capacity <sup>7</sup>	2025

Strengthen Our Communities GLOBAL IMPACT: SUPPLIER DIVERSITY (PAGES 83-84) AND VETERANS (PAGES 85-86)	Goal Date
Launched a Tier II supplier diversity program that measures and encourages our Tier I suppliers' spending with diverse suppliers	2022
The Home Depot Foundation trained 20,000 skilled tradespeople, including veterans	2028

<sup>&</sup>lt;sup>1</sup> Unless otherwise specified, "Goal Date" refers to the end of the fiscal year noted.

Our new Scope 1 and 2 emission reduction goal submitted for SBTi approval supersedes our previous Scope 1 and 2 emission reduction targets announced in 2018.

<sup>&</sup>lt;sup>3</sup> This goal excludes bulk distribution centers (BDCs).

<sup>&</sup>lt;sup>4</sup> Applies to top strategic suppliers by U.S. and Canada core direct spend.

<sup>&</sup>lt;sup>5</sup> Applies to private brand patio and home decor products sold in U.S. and Canada stores.

<sup>&</sup>lt;sup>6</sup> Applies to private brand products sold in U.S. and Canada stores and online.

The language of this goal is being clarified from our previous goal announced in 2020 to indicate the intent of producing or procuring 335 MW of energy capacity. Achievement of this goal was validated in 2023.





# How Our Goals Align with the U.N. Sustainable Development Goals

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



# Good Health and Well-Being

- We offer a range of healthy-life benefits at no cost to associates. (Page 40)
- We prioritize our associates' and customers' health and safety through training, preventative programs, equipment enhancements and communication. (Page 33)
- We implemented new tools to improve safety in 2022 and recognized 266 stores that did not have an OSHA recordable incident for 365 days on a rolling 12-month basis. (Page 33)
- The Home Depot's Eco Actions program identifies environmentally preferred products. (Page 70)



#### Gender Equality

- Our Women's Link associate resource group promotes professional development for female associates across our organization. (Page 37)
- We partner with the Women's Business Enterprise National Council to promote gender diversity among our suppliers. (Page 83)
- In 2022, associates who identified as female earned approximately 102% compared to what male associates earned on an adjusted basis. (Page 28)
- We offer six weeks paid parental leave to our eligible associates who are having a baby, adopting, or fostering a child. This benefit is available to both mothers and fathers. Birth mothers are eligible for an additional six-week paid maternity benefit. (Page 41)
- We provide a specialized delivery service for breast milk to our associates who are breastfeeding and must travel for work. (Page 41)



# Clean Water and Sanitation

- In U.S. stores, we offer products such as bathroom vanity faucets and toilets that bear the U.S. EPA's WaterSense label. (Page 66)
- We estimate that our customers saved over 33 billion gallons of water in 2022 by properly using our water-saving products. (Page 66)
- We set a new goal to help customers reduce water use by 100 billion gallons by 2026, with a start year of 2023. (Page 10)
- We have smart irrigation systems at over 500 U.S. stores. On average, there is an approximately 29% reduction in water used, compared to traditional systems. (Page 65)



#### Affordable and Clean Energy

- We recently joined RE100 and U.S. EPA's Green Power Partnership. (Page 52)
- At the end of fiscal year 2022, we were operating rooftop solar farms atop 86 U.S. stores and six distribution centers. We also leverage fuel cell-generated power at 217 stores and supply chain facilities (Page 52)
- Through our expanded wind and solar farm partnerships, we expect to purchase enough electricity to power the equivalent of more than 900 Home Depot stores. (Page 52)
- In 2022, we partnered with Sunrun and Sunnova to offer solar panels and battery storage solutions to our customers. (Page 71)
- Our partnership with the U.S. EPA's ENERGY STAR program in 2022 enabled customers to purchase products capable of reducing their electricity use by 3.8 billion kilowatt hours, saving \$554 million on energy costs. (Page 55)
- We set a new goal to help customers reduce energy costs by \$600 million by 2026, with a start year of 2023. (Page 10)



Decent Work and Economic Growth

- We employ over 470,000 associates internationally, and our supply chain has an economic impact on millions of workers globally. (Page 6)
- We recently invested approximately \$1 billion on an annualized basis in our frontline, hourly associates (Page 36)
- More than 90% of our U.S. store leaders started as hourly associates. (Page 39)
- We have pledged to invest 10 million hours of training and create 75,000 career opportunities for our frontline associates. (Page 10)
- We conducted over 3,100 factory audits and follow-up visits in 2022, focusing on worker health, safety and well-being in our suppliers' operations. (Page 95)





Operate Sustainably

Strenathen Our Communities

Our Business

Reporting Frameworks



#### Industry, Innovation and Infrastructure

- Investments by The Home Depot Foundation have introduced more than 132,000 people to skilled trades and trained over 39,000 participants since
- We expanded our PathtoPro.com platform in 2022 to serve jobseekers by posting job announcements and connecting tradespeople with Pro customers. (Page 89)
- Expanding on the \$50 million investment in 2018, The Home Depot Foundation committed an additional \$3.7 million towards trades training opportunities to youth, high school students, underserved communities and separating U.S. military service members. (Page 87)
- We have repeatedly been recognized by the EPA's SmartWay program. for improving freight efficiency and contributing to cleaner air throughout our supply chain. (Page 54)



#### Reduced Inequalities

- We disclose our gender and racial/ethnic minority pay equity for our U.S. workforce - 102% and 99%, respectively, on an adjusted basis for 2022 and we commit to publishing a racial equity assessment report in 2023. (Page 28)
- Our Tier II supplier diversity program, launched in 2021, supports our goal to achieve \$5 billion in annual spend with diverse suppliers by 2025. (Page 83)
- Our Retool Your School grant program has invested over \$5 million in grants to HBCUs since 2009, and we recently committed to increase our annual commitment to HBCUs to \$4 million. (Page 82)
- We partner with organizations that provide our diverse suppliers with certification and education, as well as capital and networking opportunities, (Page 83)
- Our Corporate Governance and Code of Conduct policies detail our commitment to workplace diversity, equity and inclusion. (Page 97)



#### Sustainable Cities and Communities

- By the end of fiscal year 2022, The Home Depot Foundation had invested over \$450 million in veteran causes, with over \$100 million dedicated to veteran homelessness since 2011. (Page 85)
- The Foundation committed more than \$7 million in 2022 to disaster response. (Page 90)
- The Homer Fund granted \$2.2 million through 4,500+ grants to support our associates affected by natural disasters in 2022. (Page 45)
- In 2022, we sold approximately \$10.4 billion and approximately \$2.0 billion in energy- and water-saving products, respectively, to our customers. (Page 110)



#### Responsible Consumption and Production

- We support circularity through recycling, repairing and reusing materials to reduce waste. (Page 58)
- Our Eco Actions program identifies environmentally preferred products. (Page 70)
- We challenge our suppliers to offer products with the lowest-possible
- environmental impact and to pursue third-party certifications. (Page 70)
- We pledge to motivate our top-tier suppliers to have a business-relevant publicly stated sustainability goal by 2025. (Page 10)
- We have eliminated certain added chemicals from our paint, cleaning, live goods, and carpet and other flooring products. (Page 67)
- We have several new goals related to sustainable packaging and eliminating chemicals of concern. (Page 10)



#### **Climate Action**

- We pledge to produce or procure renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by 2030. (Page 51)
- We achieved our goal to produce or procure 335 megawatts of renewable or alternative energy capacity. (Page 51)
- We have set updated targets to reduce our Scope 1 and Scope 2 emissions by 42% by 2030 and added a new target to reduce our Scope 3 "Use of Products Sold" emissions by 25% by 2030, over 2020 levels. (Page 51)
- Across our U.S. stores, we have cut electricity use over 52% since 2010. (Page 52)
- We pledge that 85% of U.S. & Canadian sales in push mowers and handheld outdoor lawn equipment will be in rechargeable battery technology by 2028. (Page 51)
- We commit to 90% of forklifts in our major U.S. distribution centers being hydrogen-powered by 2029. (Page 53)



#### Life on Land

- Our Wood Purchasing Policy, first adopted in 1999, helps ensure our suppliers and manufacturers support sustainable forestry. (Page 56)
- We commit to participating in the CDP Forests Survey and publishing a sustainable forestry report in 2023. (Page 56)
- We have pledged to exclude EPS and PVC film from our private-brand packaging by the end of fiscal year 2023. (Page 58)
- In 2022, we eliminated over 7.3 million cubic feet of EPS and over 81 million square feet of PVC from our supply chain. (Page 58)
- We diverted over 320,000 metric tons, or 30%, of our nonhazardous waste from landfills in 2022. (Page 64)





# **2022 ESG HIGHLIGHTS**

Our Core Values guide how we focus on our people, operate sustainably, and strengthen our communities and provide a benchmark for measuring progress. These highlights reflect progress made in 2022.

# The Home Depot

## **Focus On Our People**



More than **90%** of our U.S. store leaders started as hourly associates

Achieved our goal to invest >1 million hours per year over five years in training and development to help our front-line associates grow their careers



Approximately **36%** of our U.S. new hires were women and **58%** were ethnically/racially diverse

Named to Forbes' 2022 List of **Best American** Companies for Veterans

## **Operate Sustainably**

We reduced our Scope 1 and 2 carbon emissions by approximately 92,000 metric tons, equivalent to taking more than

20,000 cars

off the road for a year

We decreased electricity consumption

>52%

in our U.S. stores since 2010



We set science-based targets to **reduce our emissions** across Scopes 1, 2 & 3 (category 11) by the end of 2030

We redesigned

# 350+ private-brand packages

to reduce size and materials. This helped us eliminate **>81M square feet** of PVC

film - enough to cover Central Park twice

We set a goal that 85% of

our U.S. & Canadian sales in push mowers and handheld outdoor lawn equipment will be battery powered by the end of 2028

# **Strengthen Our Communities**



The Home Depot Foundation **granted \$82 million** in total during 2022

As of the end of 2022, The Home Depot Foundation had contributed more than **\$450 million** towards veteran causes since 2011

Since 2009, our **Retool Your School** grant program has helped fund over **180+ projects** benefiting **70%** of **HBCUs** 

In 2022, we drove **~\$3.4 billion** of spend with diverse suppliers

Since 2011, Team Depot has volunteered **1.4+ million** service hours to veteran causes

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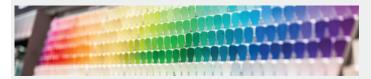




# Canada

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

## **Focus On Our People**



#### ① DID YOU KNOW

In 2022, The Home Depot Canada Foundation's Orange Door Project invested CA\$3.1 million to youth charitable organizations supporting their renovation, prevention, and employment & life skill programs targeting youth homelessness.

We are committed to providing an environment that's inclusive to all people. We combine our individual talents, skills and experiences to enrich the lives of our associates, customers and communities. The Home Depot was again ranked one of Canada's best diversity employers in 2022 — for the 13th consecutive year.

~34,500

#### associates

wore the orange apron in Canada in 2022

4

associate resource groups represent and support our ethnically diverse, disabled, LGBTQ2+ and women associates in Canada ~728,000

hours of associate training in 2022

~1,982,000

courses taken by associates in 2022

#### **Home Depot Canada ARGs**

Our associate resource groups (ARGs) are led by associates and sponsored by executive leaders. In 2022, we hosted several ARG events virtually to celebrate diversity, raise cultural awareness and foster professional development. We also hosted 21 DEI roundtable conversations, each sponsored by an ARG and the DEI team.

- Orange Mosaic has a mission to act as a resource for The Home Depot and our associates by encouraging intercultural understanding through celebration, education, and providing culturally specific insight to drive individual and business growth.
- Orange Women's Network's mission is to promote professional growth for women at Home Depot through networking, development activities and community outreach.
- Orange Pride has a mission to celebrate lesbian, gay, bisexual and transgender (LGBTQ2+) associates and allies by creating an inclusive environment built on the foundation of acceptance, community and understanding.
- Orange Ability's mission is to foster an inclusive environment at The Home Depot where
  people of all different abilities are able to achieve success and reach their full potential.

















# Canada

# **Operate Sustainably**

Here are a few ways we improved sustainability in 2022:

We recycled over

14,000 metric tons of cardboard & plastic from our stores and distribution centers.

We collected 410,000+ pounds of household electronics, power tools, cellphones and other rechargeable batteries for responsible recycling via our customer takeback program.

We completed LED exterior retrofits at

#### 36 stores

helping to reduce our stores' energy consumption.

# **Sustainable Shredding**

The Home Depot Canada provided over 167,000 pounds of shredded paper for recycling in 2022. Here's how that helped the planet:



Avoided nearly 1 million pounds of CO2 emissions



Kept nearly 6,700 pounds of solid waste out of landfills



Preserved over 2,000 trees



Saved over 158.900 gallons of water



Conserved nearly 247,600 kilowatt hours of electricity

Source: Iron Mountain® using calculations by Paper Calculator



Over the last 10 years, our stores in Canada have decreased electricity use by 45.8%. See how this contributes to our total company goals to operate more sustainably.

# **Strengthen Our Communities**

The Home Depot Canada Foundation is committed to preventing and ending youth homelessness in Canada. Through community partnerships, we aim to break down the systemic barriers that youth face, and help them achieve healthy pathways out of homelessness. By 2030, The Home Depot Canada Foundation plans to invest CA\$125 million in creating new paths for youth at risk of or experiencing homelessness. We are proud of the progress we achieved in 2022:

Invested CA\$10M+ towards our overall pledge to invest CA\$125 million by 2030 to help prevent and end youth homelessness.

Supported >200 organizations

and granted approximately CA\$10 million.

#### Invested CA\$3 million

in our regional partnerships, supporting innovative programming to prevent and end youth homelessness.

## Invested

## CA\$2 million

#### in TradeWorx

partners, an investment in organizations across Canada to empower youth with the skills and certifications in the trades, helping them secure resources and attain permanent housing.



The Home Depot Canada Foundation's strategic partnerships help support its mission of preventing and ending youth homelessness in Canada:

- 360°kids Support Services (Markham, ON)
- A Way Home Canada (Toronto, ON)
- Canadian Alliance to End Homelessness (Calgary, AB)
- Choices for Youth (St. John's, NFLD)
- Covenant House Vancouver (Vancouver, BC)
- Dans la rue (Montreal, QC)
- Friends of Ruby (Toronto, ON)
- Eva's Initiatives (Toronto, ON)
- Mission Bon Accueil (Montreal, QC)
- Ndinawemaaganag Endaawaad Inc. (Winnipeg, MB)
- Phoenix Youth Programs (Halifax, NS)

- Raising the Roof (Toronto, ON)
- Resource Assistance for Youth (Winnipeg, MB)
- Trellis (Calgary, AB)
- Youth Empowerment and Support
- Services (Edmonton, AB)
- Youth Services Bureau (Ottawa, ON)
- Youth Without Shelter (Etobicoke, ON)





During 2022 The Home Depot Mexico celebrated 21 years of operating, with 133 stores across all 32 states.

# **Focus On Our People**

In 2022, we employed approximately 17,900 associates who proudly wear the orange apron.

~1.2 million

**hours** of career training courses were completed by associates.

100+

scholarships were awarded to children of associates.

400+

associates received Orange Fund grants.

# **Operate Sustainably**

In 2022, we joined the rest of the organization in finding new ways to drive sustainability across the organization.

Eco Options catalog offered

1,800+ products

803,000+

wooden pallets reused

Recycled more than

1 million

pounds of plastic

# **Strengthen Our Communities**

Our Company donated ~53 million pesos

(US \$2.9 million) in merchandise to nonprofit organizations.

Our customers donated 31 million+ pesos

(US \$1.7 million) during our Round Up fundraising drives for charitable causes.

Our associates completed over 400 Team Depot projects focused on schools, public areas, community centers, and assistance to people in need.

## **2022 Recognitions**



We are honored to be recognized by the following organizations for our leadership in corporate social responsibility:

NOM 025 – Certificación de la Norma Mexicana en Igualdad Laboral y no Discriminación

We renewed the certification that aims to set indicators for workplaces that demonstrate the adoption and compliance of labor equality and non-discrimination practices. Its main objective is for companies to integrate, implement and execute within their management and human resources processes.



**Empresa Socialmente Responsible** 

EMPRESA Socialmente responsible Socialmente responsible Eliving our values has allowed us to be recognized for our corporate social responsibility efforts for the 16th time in a row, including best practices in all our programs and focusing on maintaining sustainable relationships with our stakeholders to continue providing the best service.



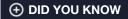
#### Distintivo Éntrale 2022

During 2022 Home Depot was recognized with the certification Éntrale 2022 for the company's constant commitment to inclusion for our associates and for working and strengthening the implementation of projects that benefit the hiring and retention of associates with disabilities.



#### Distintivo de Equidad 2023

The Home Depot Mexico received the highest possible score in the HRC EQUITY MX index, which recognizes companies as one of the Best Places to Work for the LGBTQ+ community - reflecting our commitment to inclusivity.



In 2022, approximately 34% of our new hires in Mexico were women.

\* Home Depot Mexico data based on calendar year





# **OUR APPROACH TO ESG**

We believe the significant ESG matters for our Company are embedded in how we run our business, align closely with our corporate culture and strategy, and support value creation for our business and shareholders. From our Board of Directors to our senior management team to our over 470,000 associates, we strive to create a responsible and sustainable company.

# **Our ESG Journey**

Founded in

Atlanta, GA

1978

Our culture and values guide every decision we make and are key to our success. In alignment with these values, we have been an ESG-focused Company since we were founded. We have developed and formalized our approach to ESG and have enhanced our transparency and reporting.



1999

Eco Options to
Highlight More
Sustainable Products
2007 2010

Created

**Publicly** Published First Sustainability Report

2016

The Home Depot

\$250 Million to

Veteran Causes

by 2020

Foundation Pledged

Set First Product Chemical Strategy 2017 Published First Racial, Ethnic and Gender Diversity Report for U.S. Workforce

#### Rebranded Eco

Options website to Eco Actions to Include Supplier Sustainability and Customer Education

**Began** Providing Our EEO-1 Data Publicly

Launched Tier II
Supplier Diversity
Program
2021 2022

Submitted Scope 1, 2 & 3 (category 11) Emissions Reduction Targets SBTi 2023





Adopted First Wood Purchasing Policy

**Established** The Homer Fund

Participated in Our First CDP Climate Change Survey

First Disclosed Energy Use and GHG Emissions Reduction Targets

2012



#### The Foundation

2018

Pledged an Additional \$250 Million to Veteran Causes by 2025, Bringing its Total Investment to Half a Billion Dollars

#### The Foundation

Pledged \$50 Million to Train 20,000 Skilled Tradespeople by 2028

Set Targets for Scope 1 and 2 Carbon Emissions Reductions of 42% by 2030 and 50% by 2035

#### **Disclosed**

ESG Activities as Informed by SASB and TCFD Frameworks



**Committed** to Participate in CDP Forests Survey and Perform Sustainable Forestry Assessment Report

**Committed** to Perform Racial Equity Assessment

Disclosed Our Gender and Racial/ Ethnic Pay Equity for U.S. Workforce

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# **Oversight of ESG**

To facilitate the coordination of our FSG efforts across our business, we have two management-level crossfunctional committees. In addition, our Board provides oversight of our ESG strategy, activities and reporting, principally through our Nominating and Corporate Governance (NCG) Committee, with support from our Leadership Development and Compensation (LDC) and Audit Committees.

## The Board of Directors:

- Receives an annual report on our corporate social responsibility and sustainability strategy and activities, including a discussion of our ESG efforts, communications and reporting
- Periodic review of ESG oversight structure
- Receives quarterly reports from Committee chairs on ESG matters discussed at the Committee level, as well as quarterly updates on safety

As part of its periodic review of the management and oversight structure of ESG matters, in 2022, the Board updated the oversight of our ESG activities, shifting oversight of our responsible sourcing program and related supply chain risks from the Audit Committee to the NCG Committee. Going forward, our Board will continue to assess its oversight structure and make adjustments as appropriate. See Corporate Governance to learn more about our broader governance structure and practices.

#### **Board Committees**

#### **NCG COMMITTEE**

- Has primary responsibility for oversight of ESG matters generally and their alignment with business priorities
- Reviews and makes recommendations to the Board, as appropriate, regarding our ESG practices and operational initiatives
- Oversees responsible sourcing program and related supply chain risks
- Oversees corporate political activity
- Receives reports on ESG shareholder engagement, investor feedback and general ESG-related developments

#### LDC COMMITTEE

- Oversees human capital management matters:
  - compensation and benefits
  - associate engagement, development and training
  - DEI (including pay equity)
- Receives quarterly updates on DEI initiatives

#### **AUDIT COMMITTEE**

- Oversees customer and associate safety
- Oversees risks related to data protection and cybersecurity
- Oversees the financial and controls aspects of ESG

# **Management Committees**

#### **ESG GOVERNANCE COMMITTEE**

- Provides management-level oversight and coordination of ESG efforts
- Chaired by a member of our senior leadership team and composed of representatives across several business functions including Communications, Corporate Governance, DEI, Finance, Government Relations, Human Resources, Internal Audit, Investor Relations, Legal, Sustainability and Tax
- Meets quarterly, with working group members meeting more frequently as needed
- Identifies key ESG-related issues and ensures our ESG strategies support the business and long-term value creation

#### SUSTAINABILITY COUNCIL

- Chaired by Chief Sustainability Officer and composed of representatives from different areas of business, such as Merchandising, Operations, Supply Chain, Energy Management and Packaging
- Meets twice a year informed by those discussions, the Chair of the Sustainability Council provides updates to the Board on a periodic basis as requested
- Communicates stakeholder feedback internally
- Discusses the progress of Company sustainability initiatives and future opportunities



# **ESG Priority Assessment**

We understand our unique responsibility to create positive economic, environmental and social impacts as the largest home improvement retailer in the world. We identify and address ESG issues and opportunities through our operational lens and stakeholder engagement. Our approach to advancing our ESG priorities is informed by our stakeholders' feedback, which we actively pursue through various engagement channels. We believe the feedback we receive from stakeholders provides us different perspectives on our business and helps us to be more agile in an ever-changing business environment.

# Stakeholder Engagement

We have identified key groups of internal and external stakeholders with whom we engage to ensure our ESG programs benefit the people and communities we serve. These groups include our Associates, Customers, Academia, Suppliers, Communities, Investors, NGOs and Governments. Our ongoing stakeholder interactions may be formal or informal, as detailed in our ESG Priority Assessment Framework on page 22.

The purpose of our stakeholder interaction is to help inform and validate our own priority assessment. By requesting feedback and engaging in dialogue with our stakeholders, we are better able to gauge the impact of our business, refine our ESG priorities, measure our progress and design ways to drive improvements. By better understanding our impact and collaborating with stakeholders, we position our Company to set objectives that allow us to contribute to building a better business, workplace and world.





Our stakeholders can easily access relevant ESG disclosures and information about our Company's oversight and management of ESG matters on our Investor Relations page: ESG Investors. Our annual ESG report incorporates the input and efforts of our ESG Governance Committee, shareholder feedback and recommendations from other stakeholders.

STAKEHOLDERS	HOW WE ENGAGE	STAKEHOLDER PERSPECTIVES
Academia	We access independent research studies on our industry to incorporate the latest insights into our business. We partner with universities to develop programs that support our priorities and help educate the next generation of business leaders.	"Collaborate with us on customer trends and habits to aid our research."
Associates $\Omega$	We survey our over 470,000 associates to measure their job satisfaction and emotional response to their work. We encourage our associates to raise concerns with their immediate managers. If needed, they also have the option of anonymously reporting concerns to our AwareLine or HR Service Center Hotlines.	"Empower us to be contributing team members of a values-based organization."
Communities	Individuals and organizations from around the globe reach out to us with questions or concerns about our operations or products. We also support the communities where we operate through The Home Depot Foundation and Team Depot through their disaster response efforts, trades training initiatives and veteran community support.	"Support me and my neighbors by making a positive difference in our community."
Customers	We receive constant feedback from our customers through the more than a billion and a half transactions across our stores and digital channels annually. We use customer satisfaction surveys to understand the issues affecting our customers. Our Help and Customer Service Center routinely manage our customers' needs.	"Be a global-impact conscious company, and provide products that help me reduce my home's environmental impact."
Governments	We participate in the political process in a bipartisan, transparent way and encourage our associates to do so, as well. We work to optimize the impact of the government on our business through advocacy, relationship building, and political activity, support for relevant trade associations, and by operating a bipartisan employee-funded political action committee.	"Create partnerships with local, state and federal officials that help bridge industry innovation to public policy advancement."
Investors	We engage with shareholders on a year-round basis involving senior management, subject matter experts, our investor relations team and our corporate governance team. As we have for several years, in 2022, we engaged with over 40% of our institutional shareholders to discuss ESG topics.	"Tell us your primary risks and how you handle oversight of them."
NGOs	We meet with nongovernmental organizations (NGOs) interested in our business practices. We also take part in industry efforts to raise awareness about the ESG responsibilities we all share.	"Work with us to elevate our causes to action and progress."
Suppliers	We collaborate with our vendors and suppliers in an effort to lessen the environmental impact of the products we sell. We also focus on increasing our spend with diverse suppliers to help build inclusive and sustainable business opportunities for them and to meet the needs of our broad customer base.	"Give us an outlet to market innovative, sustainable products and a way to gather timely customer feedback."



The Home Depot prioritizes, assesses and responds to our ESG priorities through an iterative process, outlined below.









# **ESG Priority Touchpoints**

#### **KEY IMPACTED STAKEHOLDERS:**









Operate Sustainably







ESG PRIORITY TOUCHPOINTS	IMPACTS	KEY IMPACTED STAKEHOLDERS							
Focus on Our People									
Associate Development	Training, education, promotion, support	253			(\$)				
Associate Well-Being	Safety, health, wages, hours	572			(\$)				(F)
Diversity, Equity & Inclusion	Associate engagement, workforce diversity, talent acquisition, associate resource groups	552			( <del>(</del> )			Ŷ.	(%)
Governance	Ethics, culture, data privacy and security, risk management	552		ANII)	(\$)  }				
Operate Sustainably   Operation	ns								
Energy Use	Carbon emissions, products			ANII)	(\$) []				
Hazardous Materials	Waste, disposal	252			(\$)				(F)
Waste	Recycling, landfill, incineration	252			(\$)				
Water Use	Responsible consumption	553			(\$)				(F)
Operate Sustainably   Products									
Eco Actions	Water Conservation, Energy Efficiency, Responsible Chemistry, Sustainable Forestry	552		ANII)	(\$) []	ii ii		<del>S</del>	<b>F</b>
End of Life	Circularity, waste, recycling	223		ANII)	(\$)				(F)
Transportation	Carbon emissions			A SILLING	(\$)				





















ESG PRIORITY TOUCHPOINTS	IMPACTS	KEY IMPACTED STAKEHOLDER							
Strengthen Our Communities									
Supplier Diversity	Innovation, mentoring, business growth, networking	इ <sup>र्</sup> र			\$			<del>Q</del>	(4)
Community Support	Diverse, equitable and inclusive communities, trades training, veterans and military families, disaster response	573		ANII)	\$	i		<b>Ģ</b>	<b>E</b>
Responsible Business									
Data Security & Privacy	Privacy rights, data protection, cybersecurity, transparency	252		ANII)	\$			<del>Q</del>	<b>E</b>
Government Relations	Laws, regulations, lobbying, trade groups	252		ANI	(\$)				
Responsible Sourcing	Third-party worker safety, health, wages, hours, unforced labor			ANII)	(\$) []>				



# FOCUS ON OUR PEOPLE

We focus on our people by striving for an environment centered on The Home Depot's Core Value of respect for all people, where diversity, equity and inclusion are celebrated and associates have opportunities to grow. We believe our over 470,000 associates are our greatest asset, and they differentiate us in the marketplace.

Diversity, Equity & Inclusion 27
Associate Safety 33
Associate Engagement 35
Learning & Development 38
Benefits 40
The Homer Fund 45





# **FOCUS ON OUR PEOPLE**

The Home Depot is a people-centered business where our customers benefit from positive interactions with our associates. Led by our Core Value of Taking Care of Our People, we aim to create a welcoming and safe work culture where our associates can openly contribute their ideas and build long-term careers. Our associates are vital to building a strong internal culture centered on delivering the excellent customer experience that differentiates us.

The three key pillars guiding our approach to achieving a strong customer experience are people, purpose and culture.

## PEOPLE

We provide an environment where people are inspired to come to work every day to serve our customers. Whether it's an associate on the floor of one of our stores or an associate who helps make sure online transactions run smoothly, each person is critical to creating a customer experience that attracts people to shop with us.



#### **PURPOSE**

Our purpose is a relentless focus on our customers, so we can grow our business. As a business, the only way we can continue to create new opportunities for our associates is to grow the Company.



#### **CULTURE**

We work to create an environment where people can be their best selves and know they have opportunities to grow. This type of culture allows associates to develop their careers and create a great life for themselves and their families.

We develop our people strategy with the awareness that our associates are a trusted resource, necessary for our customers to access our full suite of products and services. This is why we commit to investing in our associates' wages and benefits, while providing tools, training and development opportunities that make their work simpler and more fulfilling. Throughout our programs we prioritize the well-being of our associates through our Diversity, Equity and Inclusion (DEI) programs, our associate safety practices and our engagement activities.

Our investments in our people are also made through a business lens - they are designed to increase job satisfaction and tenure, which in turn raises customer satisfaction and lowers our operating expenses.

"We know that our associates are a key differentiator, and they are essential in helping us sustain the customer experience we strive for. In order to provide the best customer experience in home improvement, we must focus on cultivating the best associate experience in retail."

#### ANN-MARIE CAMPBELL.

EVP, U.S. Stores & International Operations

After starting with The Home Depot 38 years ago as an hourly cashier in South Florida, Ann-Marie still comes to work with a focus and drive to inspire the next generation of Home



Depot associates in her role as Executive Vice President of U.S. Stores and International Operations. While her story is exceptional, many of our associates have grown with our Company and built lasting careers by starting in frontline positions.





# **DIVERSITY, EQUITY & INCLUSION**

We strive to ensure the composition of our associates and suppliers includes and equitably represents our customers and the communities we serve.

Our Diversity, Equity & Inclusion (DEI) program seeks continual improvement through strategic action, review of practices and reporting of our initiatives. These actions support our business objectives by promoting associate satisfaction and retention, community partnerships, and innovation across our value chain. Guided by our Core Value of Respect for All People, we also seek to foster equitable pay and promotion opportunities within our Company.

# **DEI Values**

We are committed to promoting DEI within our organization and among the communities we are proud to serve. We know that Doing the Right Thing each and every day for our associates, customers, suppliers, service providers and the communities we serve is critical to our ongoing success. We believe this commitment has been a competitive advantage and key to our long-term success, which is why we continue to build a culture of understanding, acceptance and appreciation.

We believe that all people should be treated with dignity and respect. Our Core Values and focus on DEI shape the expectations outlined in our Business Code of Conduct. We define diversity, equity and inclusion as:

- Diversity: Composition of people, such as their similarities and differences (e.g., gender, race/ ethnicity, sexual orientation)
- Equity: Norms, practices and policies in place that ensure just and fair opportunities and outcomes, allowing individuals to reach their full potential
- Inclusion: How we embrace and enable our associates to feel safe, respected, engaged, motivated and valued for who they are and their contributions

# **Key Areas of Focus**

As the largest home improvement retailer in the world, we leverage our conviction, capabilities and tools to make a difference for all our stakeholders. We know this work is an ongoing journey in an ever-changing environment, which is why we continue to prioritize listening and learning from our associates and community partners, provide equal opportunities for all associates and business partners, and hold ourselves accountable to look for new ways to make progress.

We focus on three key areas to create meaningful change through thoughtful actions that align with all eight of our Core Values.

#### ASSOCIATE ENGAGEMENT

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

#### **COMMUNITY PARTNERSHIPS**

- Work with organizations that strive to close the wealth gap
- Partner with organizations that advance education for all

#### SUPPLIER DIVERSITY

- Increase our penetration and spend with diverse suppliers
- Develop diverse suppliers by providing mentorship and shared resources



# **DEI Highlights**

Our dedicated DEI team supports departments across our organization to promote our DEI strategy. Over the years they have found ways to engage more of our associates around important DEI topics. Additionally, they have developed new programs to expand our impact among our communities:

- Increased associate engagement by expanding our associate resource groups (ARGs) beyond our Store Support Center (corporate facility). We leverage our associate engagement platform, Viva Engage (formerly Yammer), to provide ARG access to all our U.S. and Canadian associates and reach more associates with C.A.R.E. talks, a series of diversity discussions that Champion Awareness, Respect and Equity for all associates.
- Launched a Tier II supplier diversity program to help us measure and encourage our Tier I suppliers to spend more with diverse businesses.
- Expanded the scope of diverse supplier spend goal to include both Tier I and Tier II suppliers.
- Expanded our existing Retool Your School program to further strengthen our commitment to historically black colleges and universities (HBCUs). This expansion includes more programming and a broader reach.

In addition, we are working to enlarge our network of external partner organizations to enhance the career development of our female, minority, LGBTQ+ and veteran associates.

Learn more about how we work with our community partners across the nation and how spending with diverse suppliers benefits our Company and our communities on pages 79-84.

# **Our People: Pay Equity**

The Home Depot's commitment to Doing the Right Thing and Taking Care of Our People extends to our pay practices. To ensure that we are paying our associates fairly, our long-standing practice has been to conduct an annual analysis of our pay and compensation practices for our U.S. associates, who comprise approximately 89% of our workforce, in consultation with expert third-party firms following industry-leading standards.

Our review of our U.S. associates' total W-2 compensation for calendar year 2022 includes base pay, cash bonuses and stock, and adjusts for relevant factors such as tenure, position, location and hours worked. Our findings showed that associates who identified as female earned approximately 102% of what male associates earned, and associates who identified as members of a racial or ethnic minority earned approximately 99% of what non-minority associates earned.

Not adjusting for those factors, our analysis showed that the median annualized W-2 pay for U.S. associates who identified as female was 99% of the median for men, and the median pay for racial/ethnic minority associates in the U.S. was 96% of the median for non-minority associates. The Leadership Development and Compensation Committee of the Board of Directors, which is tasked with providing oversight of our human capital management strategy and our diversity and inclusion efforts, receives regular updates on these findings. We will continue to strive to ensure equal pay across our organization.

#### Home Depot's U.S. pay equity results

	WOMEN RELATIVE TO MEN	RACIAL/ETHNIC MINORITY ASSOCIATES RELATIVE TO NON-MINORITY ASSOCIATES
Unadjusted Pay Equity	99%	96%
Adjusted Pay Equity	102%	99%

We do not tolerate discrimination or harassment against any existing or potential associate regardless of race, color, sex (gender), sexual orientation, gender identity or expression, age, religion, national origin, disability, protected veteran or other uniformed service status or any other characteristic.

CHECK IT OUT



Wilbert Slowman reflects on his journey from part-time cashier to store manager and how his Navajo Heritage and strong family ties continue to inspire him.





# WHAT DOES DIVERSITY, EQUITY AND INCLUSION LOOK LIKE AT THE HOME DEPOT?

More than 40 years ago, The Home Depot was built on eight Core Values, including Doing the Right Thing, Respect for All People and Taking Care of Our People. These Core Values, combined with a focus on DEI, extend to all our associates, customers, suppliers and the communities where we operate. This focus has helped us build the best team in retail, which continues to give us a competitive advantage and has been key to our long-term success.

And while I hold the role of Chief Diversity Officer within the Company, our mission to build a culture of understanding, acceptance and appreciation cannot be done by any one person or a single team. Real change only happens if we have the commitment of every associate. This is why we have worked over the years to broaden our DEI, outreach both inside and outside the four walls of our business.

Most recently, our efforts have included a focus on expanding our associate resource groups (ARGs) from only our Store Support Center (SSC) associates or corporate associates, to all associates across our stores and supply chain facilities through various associate engagement platforms. We also committed to increase the amount we spend with diverse suppliers and quadrupled our commitment to historically black colleges and universities (HBCUs) through an expanded range of community projects and career resources for students through our Retool Your School program, which includes an externship component.

# WHY DOES THE HOME DEPOT FOCUS ON DIVERSITY, EQUITY AND INCLUSION?

We know that diversity across our associates can bring a range of perspectives, experiences and skills to the Company, which can help foster creativity, innovation and better decision-making, ultimately leading to a better associate experience and better outcomes for our customers and the business.

In addition, based on my experiences with the Company, I know firsthand the importance of mentorship and ensuring everyone has access to the same opportunities. Creating a supportive environment for all associates, no matter their race, gender, age, ethnicity or any other unique identifier, can lead to increased employee engagement, satisfaction and long-term career opportunities, just as I've experienced.

We are also committed to cultivating a supplier base that creates long-lasting growth and mutual business success, while reflecting the diversity of our customers and communities. We believe having a diverse supplier base strengthens our business and communities.

# HOW DID THE HOME DEPOT CONTINUE TO PROGRESS ITS DEI MISSION IN 2022?

It's an honor to work with so many great associates who embody our vision to build a more diverse, equitable and inclusive organization. Through their hard work, we continued to prioritize our commitment to create an environment where every associate feels included and valued. Some of the highlights from 2022 that I'm most proud of include:

- Expansion of ARGs across the enterprise
- Launching the DEI icon on our "hdPhones" to drive associate engagement and create awareness of our DEI and associate resource group Viva Engage (our associate engagement platform formerly known as Yammer) communities for our store associates
- Refreshing our DEI learning curriculum, including updates to our required annual training plans as well as content to drive DEI awareness and support ongoing learning and development
- Increased associate engagement by +300% in our DEI Viva Engage community ranking our DEI community in the top 20 of over 1,100 U.S. Viva Engage communities
- Induction into the Billion Dollar Roundtable for Supplier Diversity following the full establishment of our Tier II Program

#### MISSION STATEMENT

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

#### **VISION STATEMENT**

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

#### SPOTLIGHT □

#### **DOING THE RIGHT THING**

Derek Bottoms, a 20+ year associate of The Home Depot and current Chief Diversity Officer and Vice President of Associate Relations, describes how the Company supports its associates, communities and suppliers by advancing DEI initiatives.

"Our mission to build a culture of understanding, acceptance and appreciation cannot be done by any one person or a single team. Real change only happens if we have the commitment of every associate."

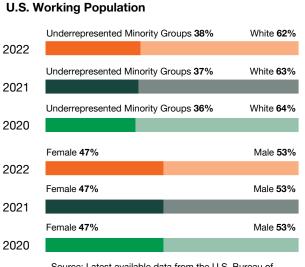


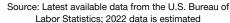
DEREK BOTTOMS
Chief Diversity Officer and Vice
President of Associate Relations

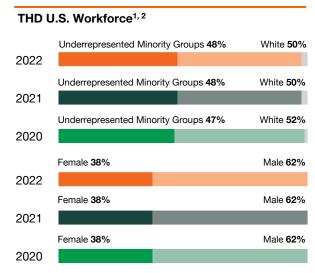


# Building a Diverse Workforce

Our diverse workforce strengthens our competitive advantages and reflects the customers and communities we serve. A comparison against U.S. Department of Labor data shows that our U.S. workforce is more ethnically diverse than the nation's working population. In 2022, we also expanded the number and percentage of women and minorities at the manager level and above. These charts reflect the demographics of The Home Depot's U.S. workforce from 2020 through 2022. Certain percentages may not sum to 100% due to rounding or some associates choosing not to self-identify by race/ethnicity or gender.

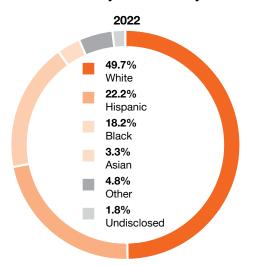


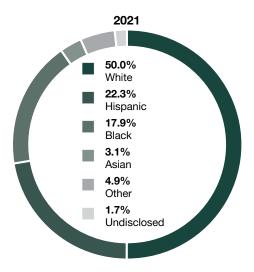


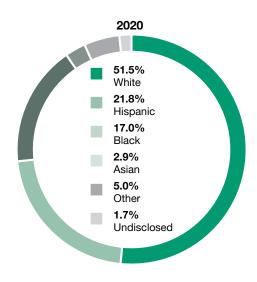


Total Number of U.S. Associates: **2022:** 418,900 | **2021:** 437,000 | **2020:** 441,000

THD U.S. Workforce by Race/Ethnicity<sup>1</sup>



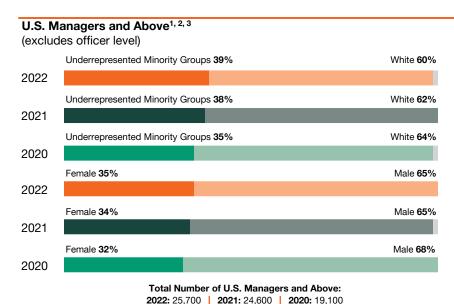




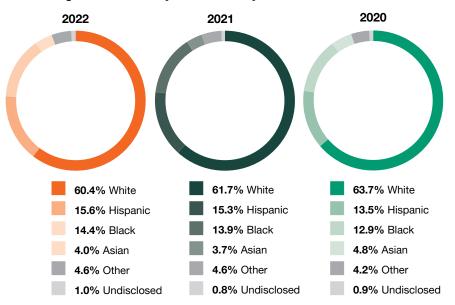
1) Includes data for HD Supply Holdings Inc.

2) Gray bars indicate percentage undisclosed



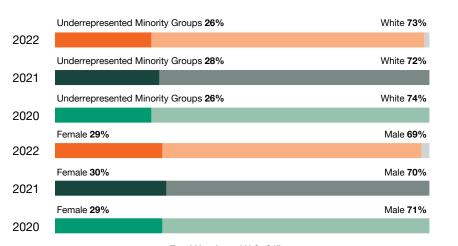






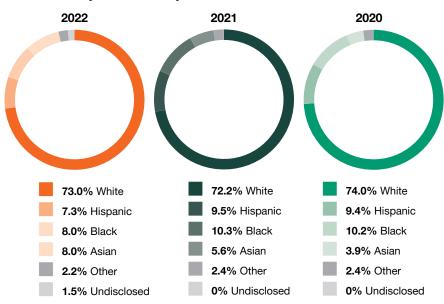
1) Includes manager-level positions and above at stores, distribution centers and other field locations, as well as at our Store Support Center; excludes officers.





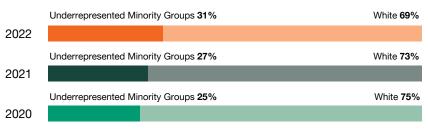
# Total Number of U.S. Officers: 2022: 137 | 2021: 126 | 2020: 127

#### U.S. Officers by Race/Ethnicity<sup>2</sup>



- 2) Includes data for HD Supply Holdings Inc.
- 3) Gray bars indicate percentage undisclosed



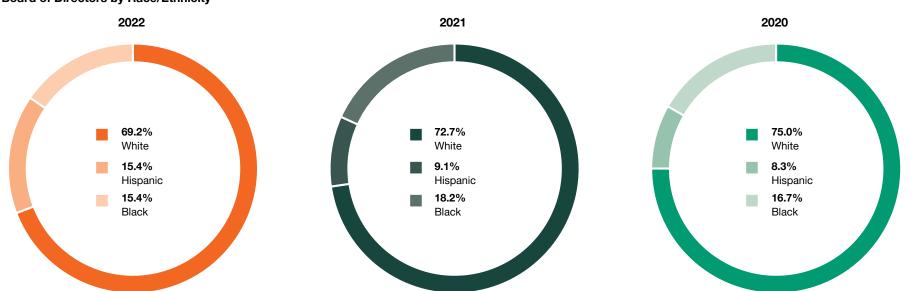




#### **Total Number of Directors:**

**2022:** 13 | **2021:** 11 | **2020:** 12

#### **Board of Directors by Race/Ethnicity**



<sup>\*</sup> For additional information on our board composition, visit the Corporate Governance section of our website.



# **ASSOCIATE SAFETY**

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

The Home Depot is committed to providing a safe environment for our associates who work in our stores and across our global supply chain network, while also creating a safe shopping experience for our customers who visit our stores. We accomplish this by creating a strong culture of safety from day one, which includes the expectation that our associates follow all Occupational Safety and Health Administration (OSHA) standards and Company safety procedures.

Key to driving our culture of safety is our commitment to our Company's Core Values, specifically Taking Care of Our People. Our strong safety culture starts from the top with engaged leaders, who then empower associates to create an environment that promotes and encourages an atmosphere where all associates prioritize the safety of everyone.

Our commitment to safety goes to the highest level of our organization: our Board of Directors. At each quarterly Board meeting, our directors receive an update on our safety initiatives and metrics. Beyond Taking Care of Our People, we are also mindful of the financial, operational and reputational impacts from safety incidents. Active Board oversight helps ensure we remain accountable and transparent.





# **Awareness**

Focusing on the store associate experience is a key factor behind the success of our safety communications platform. In 2022, our platform received over 3.5 million completed guizzes focused on quarterly campaigns that delivered timely and relevant content to our associates to help keep them safe every day. The required training, InFocus content and leadership engagement provided to associates focuses on our most common or more serious safety incidents such as overexertion, slips, trips and falls, among others. Our robust platform continues to be one of the most used channels of communication. reaching our associates monthly.

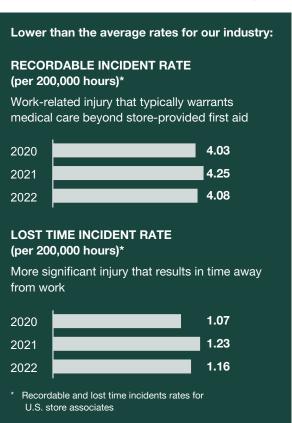
This year, we enhanced our InFocus All-Star program to align All-Star safety milestones with our Company-wide Homer Awards given to associates for their exceptional customer service and living our Core Values. Our supervisors grant bronze, silver, gold and platinum awards as part of our enhanced All-Star program, which recognizes associates that achieve safety excellence in the workplace. This program provides additional benefits such as monetary rewards, leaderboard tracking and surveys to provide insights on safety conditions in their locations. Our goal with this program is to increase safety awareness by focusing on continuous improvement and ingraining safety into everyday conversations to help foster open discussions. We welcomed over 90,000 new All-Stars this year to further drive our Safety Takes EveryONE awareness campaign that we launched in 2021.

In 2022, as a result of our awareness campaign, we proudly recognized 266 stores that achieved Club 365 status, which demonstrates a store's outstanding milestone of reaching 365 days on a rolling 12-month basis without an OSHA recordable incident. These stores received a store celebration, apron patches and an award plague in recognition of this meaningful achievement.

# **Engagement**

Engagement is a fundamental piece of our safety strategy. We know our highest-risk associates are our new hires, so we begin every new hire orientation with safety.

In 2022, our goal was to keep associates engaged not only through traditional learning but also through a multitude of additional methods. Our Safety Takes EveryONE experience encourages associates to engage with key areas of the store, reinforcing safety topics along the way and engaging in friendly competition with other stores across the country.



Associates are encouraged to look out for each other, prioritize safety first and speak up if unsafe acts are occurring - "See Something, Say Something" is a principle embedded in our culture, and demonstrated by leaders who lead by example.

# **Technologies**

Our Store Support Center and field teams work sideby-side to achieve engineering solutions that lower risks and enhance equipment safety for our associates.

This year, we implemented several new tools that improve safety for our associates, including:

- Portable loading docks to better assist with large and heavy product loading for customers
- Powered pallet jacks to move heavy pallets without the physical stress required to operate a manual pallet jack
- Safety lights for sit-down forklifts that better identify our Zone of Safety when lift equipment is in use.
- Interlocking seatbelts that must now be engaged for the forklift to operate

Whether with awareness, tools or technologies, our focus is on continuous improvement to lower injury rates and keep our associates and customers safe every day.

#### ⊕ DID YOU KNOW

The Home Depot's incident rates were lower than the averages for our industry, according to the latest annual data from the U.S. Bureau of Labor Statistics.



# **ASSOCIATE ENGAGEMENT**

Associate engagement, the emotional connection associates have to our Company and our goals, is vital to The Home Depot's culture and success.

# Voice of the **Associate Survey**

Our highly engaged associates care about their work and the performance of The Home Depot. We are passionate about maintaining an engaging and inclusive workplace, and we do so by proactively engaging with our associates, while also listening and responding to their feedback.

In 2022, we again conducted our Voice of the Associate (VOA) survey which includes all our associates and provides an in-depth look at our associate's engagement and satisfaction with their job, their leaders, and The Home Depot.

At The Home Depot, we don't conduct surveys just to listen, but also to take action. Our survey provides the opportunity for leaders to review their teams' feedback and respond to associate concerns. Many leaders discuss findings directly or use VOA committees - typically comprised of a diverse group of associates from a location or team - to gain a deeper understanding of survey feedback and ensure action plans are effective.

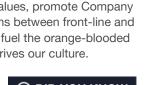
We also collect additional associate insights at different life cycle stages through onboarding and exit surveys. This feedback helps us to continuously improve as an enterprise.

We believe that associate engagement is vital to our culture and to our success. While we are proud to have many emotionally engaged associates, this is an ongoing process, and we are committed to continually identifying associate concerns and opportunities to make The Home Depot a great place to work.

# **Engagement Platform**

In 2022, our voluntary associate engagement platform - Viva Engage - helped associates to build community with one another at a local level and at large.

Whether through on-site desktops or on-the-go mobile devices, more than 450,000 associates across the U.S. and Canada have access to Viva Engage. As our associates continue to drive engagement, now with more than 800 active communities in the network, the digital hub links associates across North America. It serves as a central hub to recognize associates for living our values, promote Company news, cultivate connections between front-line and corporate associates and fuel the orange-blooded spirit that's part of what drives our culture.



① DID YOU KNOW

In 2022, Home Depot's Viva Engage network held three of the top 10 most thriving communities out of approximately 3,200 around the world, according to SWOOP Analytics.



## **Compensation Enhancements and Success Sharing**

The most important investment we can make is in our people. This is why we announced that we would be investing an additional approximately \$1 billion in annualized compensation for frontline, hourly associates starting in the first quarter of 2023. This investment, which now means our starting rate is at least \$15 an hour, will position us favorably in the market, allowing us not only to attract the most qualified talent, but also to retain the exceptional associate base that is already in place.

Our philosophy of Taking Care of Our People and motivating them to deliver a superior customer experience also shapes our profit-sharing program for our non-management associates. Success Sharing provides semi-annual cash awards for performance against our sales goals.

The program has granted awards totaling nearly \$2.0 billion to associates over the last four years. The performance of our associates in 2022 enabled 100% of stores to qualify for Success Sharing in both the first and second half of the year. This resulted in Success Sharing bonus payments to our non-management associates of approximately \$409 million for fiscal 2022. In addition, we increased our merit budgets for our associates in 2022 to between 3.0% and 4.0%, and we continued our practice of making matching contributions under the FutureBuilder 401(k) Plan.

## **Technology Tools**

We also know that competitive wages and benefits are just one piece of the associate experience. This is why we've also invested over the years in providing our associates with more helpful tools, training and development opportunities as we strive to create the best associate experience in retail.

We invest in our associates' development and we continually aim to make the associate experience simpler and more effective. Initiatives like OrderUp, which simplified our order management process from dozens to one simpler and more intuitive system, or the recent rollout of our new hdPhone, which increases accessibility to real-time support, are just a couple of the investments aimed at improving the associate experience.





## **Associate Resource Groups**

Our associate resource groups (ARGs) promote our culture of inclusion and support diversity and help drive associate engagement.

Our associate resource groups are led by associates and sponsored by executive leaders. They drive associate engagement and promote inclusion across our Company through fostering professional development, raising cultural awareness, celebrating diversity, and offering community outreach opportunities. They are a powerful resource for our associates to connect on important issues and serve as a valuable link to support our DEI initiatives.

We have seven U.S. ARGs, each of which supports the Company's business objectives and policies, particularly those related to developing our associates, creating diversity awareness and engaging diverse community partners.

In 2022, our ARGs continued to further support the career development of associates who voluntarily lead these groups. We also remained focused on growing membership across our ARGs since expanding Company-wide access to all associates, including in stores and distribution centers. We hosted approximately 40 virtual ARG events in 2022 to celebrate diversity, raise cultural awareness and foster professional development. Going forward, we will continue to expand the outreach efforts of our ARGs.





Military-Affiliated Associates African American Associates



Hispanic and Latino Associates



Associates with Disabilities



#### C.A.R.E. TALKS

We launched Caring Conversations in 2020 in response to the unrest in our communities. The virtual events for all associates included panel discussions where senior Company leaders shared candid stories about race and ethnicity, and experts from outside our Company educated associates about civil rights, laws, voting and more. Caring Conversations have evolved into C.A.R.E. Talks, a series of diversity discussions that Champion Awareness, Respect and Equity for all associates. These discussions include external speaker series, panel discussions and small group listening sessions, and we occasionally partnered with our ARGs on elevating keynote speakers in this format.

#### IN 2022, C.A.R.E. TALKS INCLUDED A VARIETY OF SPEAKERS:

- Dr. Jennifer Ho, director for the Center for Humanities & the Arts and professor in the department of ethnic studies at the University of Colorado Boulder and author of "Consumption and Identity in Asian American Coming-of-Age Novels" and "Racial Ambiguity in Asian American Culture," spoke about Asian American history, society and her experiences.
- Colonel Greg Gadson, a 25-year career Army officer, New York Giants Honorary Captain, and "Battleship" Actor spoke about refusing to be defined by his combat injuries, shared the lessons he learned and applied them to his life, career and family.
- Jay Brown, Senior Vice President of Programs, Research & Training, and Shawnie Hawkins, Deputy Director of the Workplace Equality Program, spoke about the current state of affairs for the LGBTQ+ community and intersectional ally-ship in the workplace.



LGBTQ+ Associates



Asian and Pacific Islander Associates



Women Associates



## **LEARNING & DEVELOPMENT**

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

Our associates are essential in helping us sustain the customer experience we strive to offer. To provide the best customer experience, we must invest in cultivating the best associate experience.

In fiscal 2022, we announced several changes to better support our associates' learning and development, which in turn, increases their engagement.

We started the year with a new store leadership structure where we created new management positions in our stores focused on the customer experience, increasing the number of managers on the floor at any given time. This new structure frees up time for other store leaders to devote to associate training and development. The result is an improved customer and associate experience, with new career paths for our associates.

We also strive to build a learning-rich workplace where associates and leaders can prepare to succeed, feel motivated to serve our customers well and access opportunities to grow. Our effective leadership and career development solutions enhance our orange-blooded culture, so associates are competent, confident and engaged. We work to ensure every associate who wants to grow their career with The Home Depot has the information, tools and support they need.

In 2022, we continued to respond to the unique, ever-changing and challenging landscape by serving up relevant content and leveraging multiple learning platforms.

- 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.
- Virtual Instructor-led Experiences: Engaging virtual training allows two-way communication, group activities and skills practice, which provides consistent and timely development to multiple audiences totaling 136,000 completions across the Company in the U.S.
- Mobile Learning: On-demand content and activities inside the work stream improve learning retention and guide associates in assisting customers.

#### **HELPING OUR ASSOCIATES GROW**

Mentorship is one way that we help associates grow. In 2022, our mentoring program included over 500 mentors serving over 2,000 mentees. Home Depot University (HDU), now in its 13th year, is also critical to the growth of our associates, developing values-based leaders who take care of each other, our customers and communities.





- Online Resources: Our library of online, ondemand resources includes videos, courses, book summaries, reference materials and performance support tools for associates to continue their development journey.
- Technology: We leverage existing learning platforms and add new ones to reach more associates.
  - We provided more mobile learning opportunities for associates adapting to evolving procedures, protocols and customer needs.
  - We embedded how-to training inside operational systems for easily accessible, needs-based performance support.

We support associate training at all levels of the career journey.

- New-in-Role: A blend of instructor-led training, e-learning, on-the-job activities, leader involvement and new associate coaches supports a successful assimilation.
- Ongoing Development: Continuous development of technical and leadership skills is delivered in multiple ways and made up of both universal and role-specific content. This development ensures associates at every level continue to evolve their skills to meet the demands of a rapidly changing and increasingly complex environment.

Advanced Development: Programs prepare select associates to lead effectively at the next level. These programs prepare experienced leaders for the challenges they'll face as they move to higherlevel roles.

In addition, we continue to strengthen our connection to our customers by expanding training opportunities for them.

- Customer Training: Homeowner 101 and Do-It-Yourself live virtual workshops help meet customers' evolving home maintenance and improvement needs. Approximately 39,000 customers attended workshops in 2022.
- Trades Training: Our Path to Pro training program is designed to provide knowledgeable and qualified candidates to our loyal Pro customers in need of skilled labor. Approximately 800 customers interested in a career in the trades completed the Path to Pro training program to help solve the skilled labor shortage and support our Pro customers.

#### ① DID YOU KNOW

Associates achieved over 34 million course completions in 2022.



CHECK IT OUT

Hear how a 20-year associate was able to overcome obstacles with support from her team.



More than

90%

of our U.S. store leaders started as hourly associates



## **BENEFITS**

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

We believe supporting the well-being of our associates is an instrumental part of one of our Core Values, Taking Care of Our People. We also believe that our associates are our greatest asset, and we strive to provide them with the benefits that they need to take care of themselves and their families. Our benefits are designed to help our associates care for their families' and their own mental and physical well-being, manage challenges at home and at work, and tap into resources to improve their health and happiness.

Our benefits hub, livetheorangelife.com, guides our associates to the right resources, 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 wellness module provides guidance on everything from ways to improve their health to discounts on food.



## Financial Programs & Tools

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

#### **Employee Stock Purchase Plan (ESPP):**

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

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

**Alight Financial Advisors**<sup>®</sup>: 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.

**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.

### **Associate Assistance**

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

Program team members assist with specific interventions to 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 also available to assist our management teams with responding to traumatic events in the workplace or community.

**Take Care of You:** Our hub of apps and resources to help associates seek balance in their day-to-day life, maintain a positive outlook and find ways to keep the mind and body healthy.





## **Family Support**

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

Years Ahead™: Associates have access to resources to plan care 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.

**RethinkCare:** Resources and training help associates support their children with developmental disabilities or challenges with learning and behavior in line with best practices. The comprehensive program provides access to easy-to-follow videos, custom learning plans, a training center and one-on-one sessions with licensed experts.

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

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

- Lack of an available regular caregiver/stay-athome spouse
- Childcare or adult/eldercare gaps in coverage
- School or regular childcare center closures

- Transitions back to work following a leave of absence
- Assistance for a child or adult/elder relative facing illness or other urgent issues
- Recovery from surgery for associates or their spouses

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

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

#### **Educational Assistance**

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

**Orange Scholars:** The Homer Fund offers scholarships to qualified dependents of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is given the highest consideration - learn more on page 45.

**College Coach®:** Offers counselors and online resources to assist associates with college bound children through the admissions process and help create financial strategies for educational costs.



## **Healthy Life**

Take Care Of You: This free-to-associates wellness hub provides resources to help associates keep it all in balance and focus on their mental and physical health and well-being.

Flu prevention: Free flu shots are available to associates to protect both their and our customers' health during cold and flu season.

Health screening: Associates have access to biometric screenings through annual onsite screening events at many Home Depot locations around the country, with their personal physicians or at a Quest Diagnostic Patient Service Center.

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

24/7 Care: Associates and family members they care for - including elderly parents - have access to Teladoc® virtual doctors for minor illnesses support from home anytime, including after hours, on weekends and during holidays. Teladoc also provides behavioral health services, allowing associates and their family members to schedule a virtual visit with a therapist or psychiatrist.

Health care support team: Included Health® helps associates navigate health care for themselves and their family members. Associates have 24/7 access to a Health Care Support Team, where they can find innetwork doctors, get help tackling a complicated bill, or receive a medical second opinion. The program is free to associates.

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

### **Time Off**

Paid sick leave: Salaried, salaried nonexempt. full-time hourly and part-time hourly associates are all eligible for paid time off for health or personal situations that require time away from work. The amount of paid sick leave varies based on the associate's position (e.g., salaried vs. hourly) and geographic location.

Paid vacation: Salaried, salaried nonexempt, full-time hourly and part-time hourly associates are all eligible for paid vacation time off. The amount of paid vacation is based on length of service with The Home Depot.





CHECK IT OUT

LivetheOrangeLife.com provides a central location for associates to take advantage of all the benefits available to them - from mental health resources to tuition reimbursement.



#### SPOTLIGHT □□

#### **FOCUSING ON THOSE WHO SERVE**

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

"Home Depot is a great place to work for veterans because of our values, inverted pyramid and our culture. Home Depot's eight Core Values are very similar to the values we experience as veterans."

- Debbie McKinley, Vice President of Human Resources – U.S. Stores and International Operations

Home Depot is committed to honoring those who actively serve and veterans of the United States military. Our focus on the military community and their families includes the tens of thousands of veterans and military spouses in our workforce. Through our recently expanded Military Relations Team, we have created new ways to make The Home Depot an employer of choice for military members, veterans and their families.

Debbie McKinley, Vice President of Human Resources – U.S. Stores and International Operations, embodies the values that make the Home Depot an employer of choice for veterans transitioning out of active duty. Her desire to serve and the leadership skills she developed during her career in the military have helped her excel across numerous roles of increasing responsibility at the Home Depot.

As the daughter of a U.S. Navy veteran, Debbie grew up in western Virginia and attended the United States Naval Academy after graduating high school. She was commissioned a 2nd Lieutenant in the United States Marine Corps in May of 1994.

Debbie then served on active duty with Marine Corps aviation squadrons, working with supply and maintenance teams to repair aircraft. She was later deployed to the Mediterranean, Northern Africa and the Middle East as part of Marine detachments aboard U.S. Navy Ships, and she served as the MALS-26 Aviation Supply Officer in Charge and an Aide de Camp for a Marine Major General.

She later transitioned to the Reserves, serving in several roles including a senior leadership instructor and an Airshow Command Center Officer-In-Charge, and attending the Marine Corps Command and Staff College in Quantico, Virginia. While serving in the Reserves, Debbie also continued to grow her career at The Home Depot, holding positions of increasing responsibility and achieving the role of Director of Talent Management before retiring from the Reserves in 2014.

Debbie began her career at the Home Depot as an operator in the stores 20 years ago. During her career at The Home Depot, she has been an assistant store manager, store manager, district manager, a Regional Learning Manager,the Director of Talent Management, the Senior Director of HR (SDHR) for the Western Division and SDHR for U.S. Operations.

She currently serves as the Vice President of HR for U.S. Stores and International Operations. Debbie prides herself on understanding the business and creating strong teams that can support The Home Depot's frontline associates and leaders.

In addition, Debbie continues to find ways to give back to the military community. Most recently, she served on the Board of Directors for the Veterans Empowerment Organization in Atlanta, a non-profit that helps homeless veterans in Atlanta in need of stable housing, from 2017 to 2021.



**DEBBIE MCKINLEY**Vice President of Human Resources – U.S. Stores and International Operations



### **Made-to-Fit Benefits**

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

- Military leave of absence for reservists, National Guard and active-duty associates, including differential pay when activated or deployed
- Fellowships for transitioning service members
- Military family international leave of absence for up to five years
- Military Spouse Transfer program, guaranteeing a job offer at one of our approximately 2,000 store and supply chain locations when moving on orders
- Remote eligible jobs that can be relocated with military moves
- Support resources, such as counselors, financial advisers, healthcare advice and childcare assistance

#### Military Fellowship Program:

In 2022, the Military Relations Team expanded its fellowship program, which connects transitioning service members with mentors, provides skills training, facilitates networking across different disciplines of the business and encourages potential employment, by launching the Supply Chain Management Program. Building on the success of its existing corporate fellowship program with the Department of Defense, this new addition created career opportunities in Home Depot distribution centers across the entire U.S. In its inaugural year, 29 service members participated across 13 states. They are among the more than 150 military fellows who have taken part in our program.

2022 also saw the pilot of the Store Management Military Fellowship Program. Going forward, this initiative will build pathways for transitioning veterans who leverage their extensive leadership and management experience into successful careers as members of our store leadership teams.

#### (+) DID YOU KNOW

The Home Depot's recently enhanced military discount benefit provides 10% off eligible purchases (up to \$400). Now, it's available both in-store and online, and we extend it to all active U.S. military members and veterans, plus their spouses and Gold Star spouses every day, affirming the Company's commitment to serving the U.S. military community nationwide. More information is available at www.homedepot.com/military.

To learn more about our broader commitment to U.S. veterans see Veteran Support.

## CHECK IT OUT



The Home Depot supports military spouse associates to help address the unique challenges of life in the military. Learn how Melissa was able to build a 31-year career, progressing from phone operator to store manager, while her family moved around the country in support of her husband's military career.





## THE HOMER FUND

The majority of Homer Fund contributions come from associates. Every dollar donated by an associate helps a co-worker in need.

The Homer Fund provides financial assistance to associates facing unexpected hardships, offers scholarships to associates' children based on financial need and academic performance, and supports our people with financial information to help them prepare for emergencies.

## **Grant Programs**

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

## Scholarships for Associates' Children

The Homer Fund's Orange Scholars Scholarship program offers scholarships to qualified children or dependents of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration. Since the Orange Scholars launch in 2006, the program has awarded scholarships to more than 16,000 recipients, totaling \$38 million.

## **Financial Preparation**

In addition to our grant and scholarship programs, we provide associates with access to a range of Homer Fund-backed resources to support their financial well-being and decision-making, including how to save for emergencies and protect themselves against fraud.

Since 1999, **The Homer Fund** has awarded more than **176,000 grants** totaling more than

## \$250 million

to assist associates and their families facing unexpected hardships

## **Highlights**

In 2022, The Homer Fund continued to support our people in times of need:

- Nearly \$21.2 million was awarded through Homer Fund grants
- 12 consecutive months of grant distributions related to natural disasters helped associates cope with a variety of challenges
- 12,000+ grants awarded linked to the illness, hurricanes, wildfires and more
- Associate financial assistance included 4,500+ grants totaling \$2.2 million for natural disaster recovery







# OPERATE SUSTAINABLY

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

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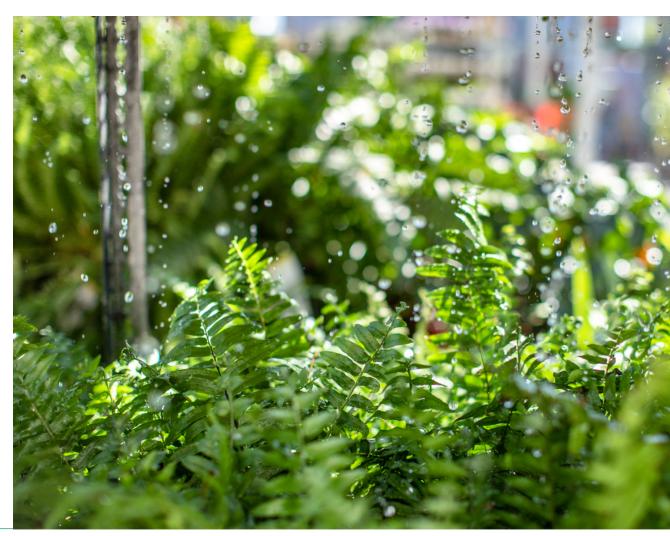
## **OPERATE SUSTAINABLY**

Our Core Value of Doing the Right Thing extends to reducing the impact that our operations and products have on the environment. Although the climate challenges that exist today are global, we recognize the responsibility and opportunity our business has to conserve resources and lower emissions.

We know that focusing on the areas where we can have the greatest impact is the most meaningful way for us to create long-lasting, sustainable improvements. This is why we focus our sustainability strategy around five environmental pillars: Carbon Emissions, Sustainable Forestry, Circularity, Water Conservation and Responsible Chemistry.

The investments that we make across our five environmental pillars focus on strengthening our business, being responsive to the concerns of our stakeholders and improving the lives of our customers and those who live in the communities where we operate. We offer products that give customers choices to lower their environmental impact without compromising on quality. By promoting customer awareness through our Eco Actions program, we encourage our customers to support sustainability through their own purchases and practices.

As we describe in greater detail in the following sections, we have made significant progress to reduce our environmental impact but acknowledge that there is still more that needs to be done. We have set several new environmental goals across our products and operations to continue making progress on our sustainability journey.





## **Q&A: Continuing Our Sustainability Journey**

Ron Jarvis, a nearly 30-year associate of The Home Depot and current Chief Sustainability Officer, discusses The Home Depot's efforts around addressing the environmental issues most relevant to our business, our associates and our customers.

## WHAT PROGRESS DID THE HOME DEPOT MAKE IN 2022?

In 2022, like many businesses across the globe, we continued to navigate a number of challenges, including ongoing supply chain disruption and continued inflationary pressures.

Despite these challenges, our business has continued to make progress against our existing sustainability strategy, while also setting new, more ambitious objectives. Our ability to continue driving meaningful environmental change in the face of new and ongoing challenges is due to our longstanding commitment to sustainability and our philosophy of embedding sustainability into our overall business.

The challenges we face continue to reinforce our belief that our sustainability efforts are critical to ensuring the resilience of our business.

While recognizing sustainability is a journey, I'm also proud of a number of environmental milestones that we achieved across our business in 2022:

- Reduced our absolute combined Scope 1 and 2 carbon emissions by approximately 92,000 MT, a 5.6% decrease from the prior year
- Achieved our goals to eliminate certain intentionally added chemicals from our residential cleaning products
- Helped our customers save over 33 billion gallons of water and 3.8 billion kilowatt hours of electricity through their purchase and use of WaterSense and ENERGY STAR® products, respectively
- Diverted over 320,000 MT, or approximately 30%, of our nonhazardous waste away from landfills

## WHY DOES THE HOME DEPOT INCORPORATE SUSTAINABILITY INTO ITS BUSINESS?

We view sustainability as core to our business and who we are, not something we do separately. One of our eight Core Values is Doing the Right Thing, which extends to doing the right thing for our environment.

The synergies between our commitment to reducing our Company's environmental impact and our business strategy can be seen through the growth of battery-powered technology across our outdoor power equipment category. We have been a leader in cordless technology offerings over the years and have helped introduce our customers to the value proposition that these products bring, including being safer and easier to use with less environmental impact, while retaining the power and run time of traditional gas equipment.

Our commitment to reducing our environmental impact and making the necessary investments to meet our customers' needs is why we are providing larger offerings of battery-powered outdoor equipment, which will help eliminate gas spills, direct carbon emissions and noise. Our short-term goal is to have 85% of our U.S. and Canadian in-store and online sales in push mowers and handheld outdoor lawn equipment be powered by rechargeable battery technology by the end of 2028.

In partnership with our best-in-class suppliers, this new commitment will help us continue to introduce innovative products to the marketplace that not only help our customers complete their projects but make neighborhoods cleaner and quieter.







Running a business where sustainability is part of the overall strategy has also allowed us to find new ways to increase efficiency in our operations. Over the years we've made investments like transitioning our U.S. stores to LED interior lighting, which has contributed to a significant reduction in the electricity usage of our stores, while also cutting down our utility costs.

We are now aiming to convert 90% of our forklifts to hydrogen power in our major U.S. distribution centers by the end of 2029. In addition to emitting zero CO2 or toxic gases, hydrogen-powered forklifts provide other benefits, including faster refueling time compared to propane or lead-acid battery powered alternatives. Plus, hydrogen-powered forklift refueling stations take up less space within our distribution centers. The time and space we are able to save by making this transition will, in turn, increase the efficiency of our buildings.

## WHAT DOES THE HOME DEPOT SEE AS ITS BIGGEST OPPORTUNITY TO REDUCE ITS ENVIRONMENTAL FOOTPRINT?

We understand our biggest opportunity to create a positive impact on the environment comes from the products that we sell. Beyond the significant steps we are taking to reduce the impact of our operations, we also are heavily focused on working with our suppliers to develop more sustainable products and packaging.

Across our product assortment, there are multiple environmental touchpoints coming from many industries. We have organized these touchpoints into our five environmental pillars: carbon emissions, sustainable forestry, circularity, water conservation and responsible chemistry.

We have evolved our sustainable product programs over the years to encourage more innovation and education in this space. Launched in 2007 as Eco Options and rebranded in 2021 as Eco Actions, The Home Depot offers a program to give our environmentally innovative suppliers a platform to articulate and illustrate the positive environmental changes they are making in their manufacturing process, distribution or product use. It also provides an educational platform for our customers to learn how they can reduce their own environmental footprint.

As The Home Depot continues its ESG journey, we remain guided by our Company's Core Values and commitment to operate sustainably.

#### **RON JARVIS**

Chief Sustainability Officer



⊕ DID YOU KNOW

The U.S. Environmental Protection Agency (EPA) estimates that gas-powered lawn mowers use 800 million gallons of gasoline — and spill an additional 17 million gallons of gasoline annually, equivalent to the fuel consumed by >33,000 passenger vehicles driven for one year.

2023 THE HOME DEPOT ESG REPORT

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## **CARBON EMISSIONS REDUCTION**

By conserving energy resources, we reduce business costs and our Company's impact on the environment.

The Home Depot prioritizes carbon emissions reduction as one of its main environmental pillars, recognizing our role in decreasing the global risks associated with climate change. In line with the Paris Agreement, we support the worldwide commitment to limit the increase in global average temperature to well below 2 degrees Celsius above pre-industrial levels using greenhouse gas emissions reduction targets.

We have a strong record of reducing our carbon emissions and energy costs by improving our energy efficiency. We have invested in alternative electricity sources to lead to lower emissions and in retrofits to our lighting, HVAC systems and white roofing to make our 2,300+ store locations more energy efficient. We have also adopted strategies to minimize our supply chain and transportation emissions through distribution optimization. Now, we aim to increase these efforts with emissions reduction goals aligned with science-based targets. And for more than a decade, we have helped our customers save energy through the products we sell.

### **2022 Reported Emissions**

By driving efficiencies and investing in renewable energy, we reduced our absolute combined Scope 1 and 2 carbon emissions by approximately 92,000 metric tons in 2022.

The Home Depot uses the GHG Protocol Corporate Accounting and Reporting Standard, which is considered the most widely adopted standard for calculating metric tons of greenhouse gas emissions. We continually review and refine our emissions

measurements to reflect changes to our business and improvements in data collection and reporting. We have been tracking and reporting our emissions data for nearly a decade, and we continue to learn and adapt to changing industry standards. We also partner with third-party experts in this space to help ensure we are in-line with industry standards.

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.

Our latest score of B from CDP shows our continued commitment to climate change mitigation, risk reduction, adaptation and transparency. We are proud of the steps we've taken to help mitigate our impact on the climate over the years but acknowledge there's still more opportunity in front of us. We remain committed to continuously finding ways to reduce our impact on the environment through our operations and products we sell.

In 2022, we decreased our Scope 1 and 2 carbon intensity. Our investments in efficiency helped us achieve a 9% reduction in the carbon emitted for each dollar of revenue we earned, compared to 2021.

We work with our suppliers to offer our customers products that have less of an impact on the environment. Scope 3 emissions include sources not within an organization's direct control and are divided into several categories. As the world's largest retailer of home improvement products, it's no surprise that the largest percentage of our total indirect emissions

comes from the use of products that we sell (category 11). For that reason, we have chosen to focus our emissions reduction target for Scope 3 on this category, "Use of Products Sold," addressing carbon emissions where we have the biggest opportunity for impact.

	2022 Results
Scope 1	Direct emissions from combustible sources and refrigerants totaled approximately 597,500 metric tons.
Scope 2	Indirect emissions from purchased electricity totaled approximately 959,800 metric tons.
Scope 3	We estimate that emissions from our relevant supply chain categories were approximately 3,696,500 metric tons.



## **Emissions Reduction Goals**

We measure our Scope 1, 2 and 3 emissions and identify strategic opportunities to minimize costs and achieve carbon emissions reduction throughout our facility operations, supply chain and product footprint.

The Home Depot has established goals to aid our long-term planning towards reducing emissions in ways that align with scientifically accepted emissions reduction pathways for preventing the worst impacts of climate change.

We recently updated our emissions goals, which we submitted to the Science Based Targets initiative (SBTi) in 2023 for approval:

- The Home Depot commits to reduce absolute Scope 1 and 2 GHG emissions 42% by fiscal year end 2030 from a fiscal 2020 base year.
- The Home Depot commits to reduce absolute Scope 3 GHG emissions from the use of sold products 25% by fiscal year end 2030 from our fiscal 2020 base year.

SBTi supports best practices in target setting based on carbon emissions reduction pathways recommended by the world's leading climate scientists. SBTi brings together multiple authorities on climate change as a collaboration between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature.

**Scope 1 and 2 emissions:** We source renewable energy from both onsite rooftop solar systems located atop our stores and offsite purchased renewable energy. As we work towards reducing our operational footprint, we also plan to invest in low-carbon emissions opportunities through initiatives such as:

- Produce/procure 100% renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by the end of 2030, including an interim goal of producing/procuring 335 megawatts of renewable or alternative energy capacity by 2025, which we accomplished years early.
- 90% of forklifts in our major U.S. distribution centers will be hydrogen-powered by the end of fiscal year 2029.

Scope 3 "Use of Sold Products" emissions: We expect the electrical grid to become less carbonintensive in the future with more renewable energy resources coming online. As we work with our suppliers to improve the energy efficiency of their products, as well as prioritizing sales of high-efficiency, electrified products, we will enable our current mix and future assortments of electrical plug-in and carbon-emitting products to have lower emissions outputs. We have created two key targets for making these improvements:

- Help customers save \$600 million in energy costs by 2026, with a start year of 2023, through proper use of energy-saving products we sell.
- 85% of U.S. and Canadian sales in push mowers and handheld outdoor lawn equipment (combined) in-store and online (combined) will be in rechargeable battery technology by year-end 2028.





## Renewable and Efficient Energy

To execute against our carbon reduction strategy, we focus on several initiatives including: sourcing clean/renewable electricity, promoting a cleaner grid and increasing the efficiency of our stores and supply chain network.

### **Renewable Energy**

Key to reducing our carbon footprint is our investment in alternative energy solutions. Given the dynamics of the renewable energy market, we have built a diversified energy portfolio, which includes off-site wind and solar electricity procurement, rooftop solar projects, fuel cells and on-site batteries to power stores during peak demand spikes.

The Home Depot joined RE100, a global initiative of business leaders who pledge to produce or procure 100% renewable electricity. In our pledge, we committed to produce or procure enough electricity to meet the electricity needs of all The Home Depot facilities with renewable energy by the end of 2030. This builds upon our recently achieved goal to produce or procure 335 megawatts (MW) of renewable or alternative energy capacity by 2025.

In 2022, three additional projects came online: Noble Solar, Samson III Solar and a wind farm project in Nebraska. We expect to purchase about 535 million kWhs of renewable energy from these three projects on an annual basis. Once fully operational, and in combination with our previous projects, we expect a total of six renewable energy projects to provide enough electricity to power the equivalent of over 900 Home Depot stores.

We are also proud to have recently joined the U.S. Environmental Protection Agency's (EPA) Green Power Partnership (GPP), an EPA-led program that aims to advance the American market for renewable electricity, while also helping to protect the

environment. Our annual power usage from wind and solar resources placed us 8th among the top 30 retailers in this program as of January 2023.

The Home Depot continues to leverage the space atop our stores. As of the end of 2022, we expanded our rooftop solar installations to 86 stores and six distribution centers. We continue to increase our emphasis on rooftop solar by:

- Increasing the amount of roof space allocated to solar panels at our stores
- Exploring possibilities for adding solar panels atop more distribution facilities

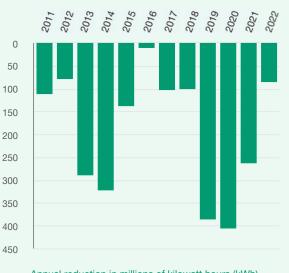
## Energy Efficiency in Our Stores

For more than a decade, we have been making investments to increase the efficiency of our stores. Despite the expansion of our store footprint, our investments, which include LED interior lighting, high efficiency HVAC systems and operating procedures among others, have helped us mitigate the electricity demands needed to run our operations. These and other investments helped us reduce our U.S. store electricity use by approximately 3.8% year-over-year, and 52% since 2010.

We continue to pilot new efficiency projects like exterior LED retrofits across 36 of our Canadian stores, while also operating electricity-generating fuel cells in more than 200 stores.

## **Making Every kWh Count**

The Home Depot reduced U.S. store electricity consumption 52% since 2010 through a multifaceted effort to find energy savings in every corner of the store. See our annual year-over-year progress below:



Annual reduction in millions of kilowatt hours (kWh)



### **Energy Efficiency in Our Supply Chain**

In addition to our stores, we are also making investments to create efficiencies within our distribution centers and other buildings, including automating and mechanizing many of our facilities and leveraging hydrogen-powered forklift technology. The transition to hydrogen-powered forklifts has helped us reduce electricity consumption over the years, which is why we have committed to have 90% of forklifts be hydrogen-powered in our major U.S. distribution facilities by the end of fiscal 2029. Hydrogen-powered forklifts provide a number of benefits over traditional propane-powered or battery-powered forklifts, including zero direct GHG emissions and the ability to rapidly refuel.

In 2022, we installed hydrogen fuel cells at 15 supply chain facilities, giving us a total of 30 locations with emissions-free fuel for forklifts. We estimate these fuel cells helped us reduce electricity consumption by about 38.5 million kilowatt hours in 2022.



## **Progress On Power**



On average, fuel cells produce 90% of electricity needs at 217 facilities, helping reduce emissions.



At 55 U.S. stores, on-site batteries store power during off-peak times for use when demand spikes.



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

#### ⊕ DID YOU KNOW

Our U.S. stores with LEDs consume about 30% less electricity than similar stores with conventional lighting.



## **Optimized Supply Chain**

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

We continue to invest in expanding our supply chain network, with the goal of achieving the fastest, most efficient and most reliable delivery capabilities in home improvement. Our continued focus on building these best-in-class competitive advantages in our supply chain enables us to drive down costs and meet our customers' needs, while also reducing our transportation-related emissions.

The unique capabilities of our supply chain enable us to meet the changing needs of both our Professional and DIY customers. Our range of distribution center platforms allow us to keep our stores stocked, deliver a flatbed truck of building material to a job site, and ship packages to our customers' doorsteps. The efficiencies that these platforms create helped us reduce miles driven and our supply chain emissions year-over-year.

The investments that we have made in our supply chain, in combination with the investments in renewable energy and driving efficiency in our stores, have helped us reduce our carbon intensity (page 50).

#### DRIVING SUPPLY CHAIN EFFICIENCIES

- Grew our network of warehouses and distribution centers to **over 400** increasing speed and efficiency.
- Moved more than 6 billion cubic feet of product through our supply chain.
- Reduced supply chain miles driven compared to the prior year.

## Ways We're Driving Supply Chain Improvements



By partnering with suppliers to forgo pallets, we can stack products to the top of trailers, resulting in a reduction in the number of truckloads needed to transport some goods.



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



We sell available space on our trucks and buy space from other companies, ensuring fewer underloaded trailers hit the road. That space sharing saves about 1.4 million driven miles a year.



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

#### **①** 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. Although the EPA delayed its 2023 SmartWay Excellence Awards until 2024, it still named The Home Depot to the SmartWay High Performer's list for shippers. This distinction is received by approximately 5% of SmartWay shippers for their significant environmental, energy and cost-saving benefits, achieved by improving the efficiency of their transportation and logistics operations.

"The investments we are making in our supply chain are focused on creating a more efficient network. Continued efforts to optimize routes, maximize product on a truck, and warehouse automation help us deliver on our goal of creating the fastest and most efficient supply chain in home improvement. The efficiencies that we are creating within our supply chain provide a better customer experience and help us reduce our transportation-related emissions."



SARAH GALICA
Vice President of Transportation
15+ years with The Home Depot



## **Energy-Saving Products**

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

The Home Depot encourages suppliers to make the products we sell more energy-efficient, and our partnership with the U.S. Environmental Protection Agency's ENERGY STAR® program supports those efforts, too. Our collaboration with suppliers to improve the sustainability of their products has long been in place, and we have a new goal to help customers save \$600 million in energy costs by 2026, with a start year of 2023.

In 2022,<sup>1</sup> we helped our U.S. customers save \$1.2 billion on utility bills through the purchase of energy-efficient products. ENERGY STAR-labeled products were part of this progress. In 2022, we offered approximately 26,000 energy-saving products in stores and online, including approximately 15,000 ENERGY STAR products. We sold more than 177 million units of ENERGY STAR products.

We estimate our customers' purchases and proper use of ENERGY STAR products in 2022 helped reduce annual electricity use by 3.8 billion kilowatt hours, saving \$554 million on energy costs and lowering carbon emissions by 2.6 million metric tons.



#### GOING GREEN, SAVING GREEN<sup>2</sup>



If all clothes dryers sold in the U.S. were ENERGY STAR certified, Americans could collectively save more than \$1.5 billion each year in utility costs and prevent greenhouse gas emissions equivalent to those from more than 2 million vehicles.



ENERGY STAR certified heat pump water heaters can save a household of four approximately \$550 per year on electric bills compared to a standard electric water heater.

<sup>1 2022</sup> Energy- and-water saving product figures include HD Supply, prior year figures were specific to Home Depot U.S.

<sup>&</sup>lt;sup>2</sup> Energystar.gov



## **SUSTAINABLE FORESTRY**

#### We aim to ensure the transparent, responsible use of global forest resources in our products.

We understand that responsible forest management preserves and protects the benefits forests provide, especially in endangered forested regions. Our sustainable forestry efforts focus on ensuring that wood supplies are managed responsibly and wisely today so that timber and healthy forests remain available for future generations. To support these efforts, we aim to eliminate the purchase of wood and wood products from endangered regions such as the Amazon or Congo Basin areas, Papua New Guinea or the Solomon Islands, unless FSC-certified. We take pride in promoting sustainable forestry practices among our suppliers and supporting our customers' access to sustainably sourced wood products.

#### Key forest benefits:

- Over 1.6 billion people rely on forests for their livelihoods.<sup>1</sup>
- Roughly 31% of the world's land surface is covered by forests.<sup>2</sup>
- Forests are home to an estimated 80% of terrestrial biodiversity.<sup>1</sup>
- Tropical forests make up 30% of the world's forests, but contain 50% of the world's carbon stored in trees.<sup>3</sup>

## **Wood Purchasing Policy**

The Home Depot has prioritized responsible wood sourcing since 1994, when we first offered certified-sustainable wood shelving to our customers. We recognize the importance of protecting the world's woodlands for their many ecosystem services: biodiversity, carbon sequestration, filtering our fresh water and providing a renewable source of building

material. This is why we work with suppliers that share our commitment to forest management and sustainable forestry. In 1999, we first adopted our Wood Purchasing Policy to help protect endangered forests and support efforts to preserve timber resources for future generations. We regularly review and update our policy, working with our suppliers to raise their awareness of sustainable forestry practices and encouraging their implementation of those practices.

We have used our influence to improve the protection of forests at the highest risk. We sell less than 2% of the roundwood cut worldwide, but we believe our activities have improved the industry's forestry practices. Our sources of wood products are from North America (approximately 80%), South America (approximately 10%), Asia (approximately 5%) and from Africa, Eurasia, Europe and Oceania (approximately 5%).

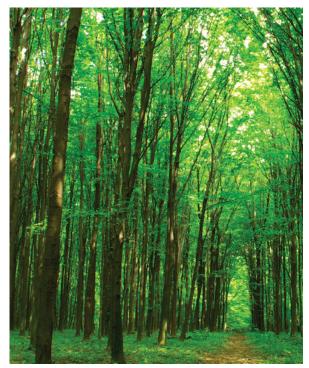
## **Our Forestry Impact**

Understanding our forestry impact is important to ensuring we maintain sustainable forestry practices. Periodically, we partner with our suppliers to assess our impact on the world's forests, and we are doing so again this year. In July 2023, we provided even greater transparency to our stakeholders by submitting a response to the CDP Forests Survey. Further, this year we are continuing to conduct a sustainable forestry assessment of The Home Depot's efforts to ensure its commitment to sustainable forestry. That assessment is informed by:

 A review of our wood sourcing policies, programs, and due diligence practices;

- Engagement with internal and external stakeholders; and
- Industry benchmarking regarding efforts to mitigate deforestation.

We anticipate issuing a public report on this assessment in the second half of fiscal 2023.



- https://www.iucn.org/resources/issues-brief/forests-and-climatechange
- https://www.fao.org/forests/en
- https://research.wri.org/gfr/biodiversity-ecological-servicesindicators/forest-carbon-stocks



## **Responsible Sourcing**

Our supply chain decisions are heavily influenced by regional forestry issues around the world, so we proactively assess forest coverage in the regions where our suppliers are located. The U.N.'s 2020 State of the World's Forests report reveals that more than half the world's forest coverage spans parts of five countries: the United States (8%), Canada (9%), Brazil (12%), China (5%) and Russia (20%).

The majority of our wood comes from North America, and we work with some of the most experienced and sophisticated forestry companies in the region, who participate in sustainable forestry certifications and membership organizations such as:

- Forest Stewardship Council (FSC)®
- Sustainable Forest Initiative (SFI)
- Programme for the Endorsement of Forest Certification (PEFC)
- American Tree Farm

Certification helps forestry companies ensure that their trees are sustainably managed, which in turn ensures that our sustainable sourcing expectations are met.

The Home Depot suppliers like Mendocino Redwood Company (MRC®) and Humboldt Redwood Company (HRC™) are sustainability leaders, implementing forest restoration projects and responsible private forest management practices with forest lands certified by the FSC for superior management practices.

### **Engaging Across Jurisdictions**

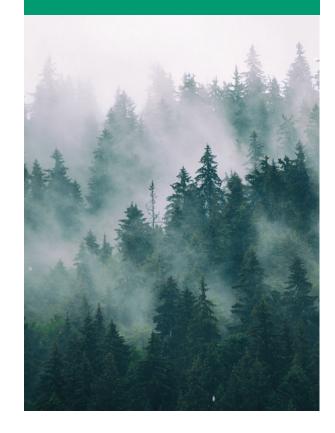
Our wood sourcing supply chain spans many jurisdictions with varying levels of forest protection regulations. We believe our work with suppliers to meet commitments listed in our Wood Purchasing Policy has helped promote the expansion of forested areas in North America and the sustainable management of forests. In our effort to share best practices with suppliers and engage our stakeholders, we have enhanced our commitments over time and successfully made positive impacts to minimize risks to the world's forests through our policies.

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

- Give preference to the purchase of wood and wood products that are certified and/or originate from well-managed forests
- Eliminate the purchase of wood and wood products from forest regions identified as endangered.
- Practice and promote the efficient and responsible use of wood and wood products
- Promote and support the development and use of alternative environmental products
- Not to accept wood products from the Amazon or Congo Basin areas, Papua New Guinea or the Solomon Islands, unless such products are FSC-certified
- Require 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

## CHECK IT OUT







## **CIRCULARITY**

The Home Depot strives to help the home improvement and building industry change the way it thinks about materials. In the past, products were designed for a single use, after which they would go into the waste stream. Today, we encourage our suppliers to innovate to extend the life of products by supporting continued use and higher resource efficiency through reuse, recycling and even composting biodegradable materials.

Since we introduced Circularity as one of our sustainability pillars in 2019, our focus has been to prevent products and packaging from becoming waste throughout the product lifecycle.

We strive to offer products with a positive environmental impact, and we encourage suppliers to innovate in how they produce and package products for reuse and longevity.

These efforts are behind the motivation of our new goal to reduce or convert 200 million pounds of virgin plastic used in products to recycled or alternative material by the end of 2028.

We also look for opportunities within our own operations to reduce, reuse and recycle. The objective 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 to:

- Design with the environment in mind
- Eliminate excess material
- Eliminate materials that are not readily reusable or recyclable

- Minimize mixed materials to enable simpler disassembly and recycling
- Prioritize materials that are biodegradable or readily recyclable
- Utilize recycled content, when possible, without compromising product efficacy
- Maximize the reuse of material
- Promote minimization of environmental impact in manufacturing and consumer use





## **Product Circularity**

In a circular economy, nothing is wasted. Materials that would be typically thrown away can be reimagined or reinvented into something useful. Everyday items like plastic pots can enjoy a second life as hanging baskets, while plastic wrap can be transformed into deck boards, and EPS foam can be revived as insulation. The benefits of product circularity touch on every part of a product's lifespan. Recycled materials in product design lower the amount of natural resources used in manufacturing. Durable, reusable products lower the amount of waste sent to landfills. In addition, product circularity appeals to customers who want to do their part to help the planet.

Between our market delivery operations and reverse logistic centers, we now recycle not only metal, hard plastics and shrink wrap, but we are now recycling styrofoam packaging and the CFCs from reclaimed appliances.

## **Enacting our Values:**



**Doing the Right Thing** reducing waste



**Entrepreneurial Spirit** selling useful products for customers



Creating Shareholder Value creating new revenue streams

Discover our recycling suite: We're generating value from these hard-to-recycle materials











PLASTICS

SHRINK WRAP STYROFOAM PACKAGING

CFCs\* FROM RECLAIMED APPLIANCES

What is expanded polystyrene (EPS)? An effective packaging material with a drawback: it takes more than a century to biodegrade.





## **Sustainable Packaging**

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

The Home Depot's packaging team works with our private-label product suppliers to apply science to creating better packaging. Our goal is to reduce package footprints and use more sustainable materials to secure and protect the private-label products we sell. From 2017 through 2022, our packaging innovations allowed us to redesign more than 1,000 packages to reduce size and materials.

#### Using Less EPS & PVC

In 2022, our packaging team continued to find substitutes for expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film in our private-label products. EPS foam is good at protecting products from damage, but it contains beads of chemicals and oil that are often difficult to recycle and can take



more than a century to biodegrade. We continue to look across our private-label products to find even the smallest amounts of EPS and replace it with easier-to-recycle materials like molded pulp and paper.

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

In 2020, we committed to eliminating EPS foam and PVC film from our private-label packages by 2023, prompting us to dig even deeper for results.

As we approach the final year of our existing packaging reduction goal, our packaging team undertook several large projects across our private-brands catalog to drive incredible results against our goal to eliminate EPS foam and PVC from our private-brands packaging. The results of their work in 2022 demonstrates our commitment to reduce the impact our products have on the environment.

As we close in on the completion of this goal, we are excited to extend our commitment to circularity with the announcement of our new packaging goal:

 All of our private-brand fiber packaging for new SKUs in our U.S. and Canada stores will be compostable, recyclable or recycled content beginning in fiscal 2027

This new goal helps support our environmental pillar of Circularity, which is aimed at protecting our planet's natural resources by protecting land and water from the impact of material disposal.

#### **2022 BY THE NUMBERS**

## >7.3 million cubic feet

of EPS foam was removed from our privatelabel packaging — equal to >4,700 Boeing 737s

## >81 million square feet

of PVC film was eliminated — enough to cover Central Park twice

## ~940 thousand

#### pounds

of damaged product avoided landfills due to private-branded packaging projects aimed at creating packaging to better protect products

## >40 million

#### packaging units

were rightsized from projects covering 350+ private-brand SKUs.



#### SPOTLIGHT □□

#### **TOOL CHEST**

In our ongoing efforts to find more sustainable packaging options for our private-brand products, our engineering teams were able to redesign the packaging for our private-brand tool chests - solving unique challenges around this category because tool chests are large, heavy and sensitive to denting and scratching. This packaging redesign helped remove EPS foam from the packaging and reduce the amount of damaged product.

The new design improved the protection of the product and decreased damage to save **669,000 pounds** of damaged product from going into landfills.



Redesigned packaging for 40+ SKUs and **280,000+ units** to remove EPS.

New packaging eliminated over **1.2 million** cubic feet of EPS from our supply chain.



Focus on Our People



Strengthen Our Communities



## Recycle, Repair, Reuse

At The Home Depot, we practice Circularity in our own store and distribution operations. We look for ways to divert the materials we use from the waste stream when we recycle supplies, repair equipment or reuse tools through our rental program.

#### **Ways The Home Depot Supports Circularity**

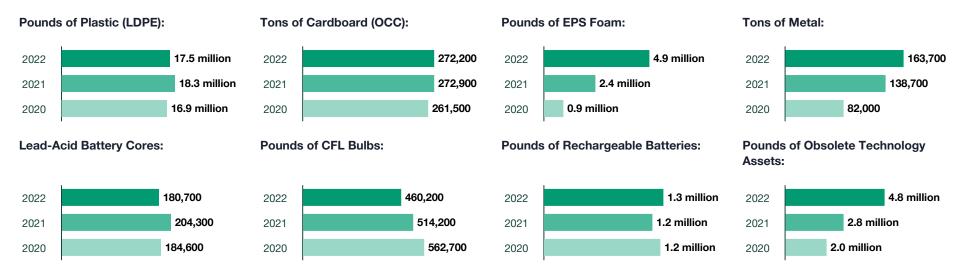
**RECYCLE** by separating and collecting raw materials from our own waste streams and working with our suppliers to turn them into new products.

REUSE materials so less waste goes into landfills.

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

#### **Progress in 2022**

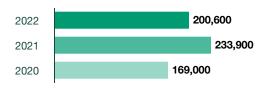
#### **Recycle:**





### Repair:

#### **Tools Repaired by The Home Depot**



#### Tool Repairs Referred to Third-party Service Providers



#### **Large Equipment Repairs for Tool Rental**



#### **Repairs of Store Equipment**

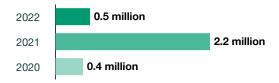


#### Reuse:

#### **Tons of Returns Salvaged**



#### **Pounds of Returns Donated**



#### **Tool Rental Transactions**



## **Sustainable Shredding**

In the U.S., we provided approximately 5.3 million pounds of shredded paper for recycling in 2022. Here's how that helped the planet:



Avoided ~27.5 million pounds of CO<sub>2</sub> emissions



Kept over **16,000 trash bags** of solid waste out of landfills



Preserved over 63,500 trees



Conserved **7.8 million kilowatt hours** of electricity



Saved over **5.0 million** gallons of water

Source: Iron Mountain® using calculations by Paper Calculator™



## **Responsible Waste Management**

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

#### **HAZARDOUS MATERIALS DISPOSAL & HANDLING**

We seek sustainable methods of disposal, and in 2022, our Company sent 30% of the hazardous waste from operations and customer returns to be recycled or used for energy recovery off-site. We properly disposed of the remaining waste.

#### **ASSOCIATE TRAINING & RESOURCES**

Associates receive annual 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 our hdPhones 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 to identify potential problems; scheduled sweeps of fertilizer aisles and parking lots help protect against hazardous materials being washed into 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.





## **WATER CONSERVATION**

Our freshwater resources are an essential ingredient of life that we must protect from water scarcity and drought. This is why The Home Depot commits to conserving water as one of our five environmental pillars. We work to reduce water consumption in our store operations and help guide our customers to water-conserving products with product selection and labeling.

## **Store Operations**

As water scarcity continues to impact many of our communities, we remain committed to taking steps to reduce our water consumption and helping our customers to do the same.

While our business relies on healthy watersheds in the regions where we operate, we know the greatest impact we can have is through the products we sell, like washing machines, toilets, dishwashers and faucets, which help reduce our customers' water usage.

We aim to make this resource more abundant and readily available to the communities we serve.

### Water Use Drops with Smart Irrigation

A pilot program launched in 2019 showed us the potential of using smart irrigation systems to save water at our stores. Since rolling out the pilot in 2019, we have grown this program to over 500 U.S. stores. On average, there is a 29% reduction in water used to irrigate landscaping, compared to stores with traditional timer-based irrigation systems.

Here's how it works: In-ground sensors, real-time weather data and other data sources guide when sprinklers come on and how long they operate. This approach helps water a store's landscaped areas according to plants' needs, rather than the clock.

#### **Water Accumulation Tanks**

In select stores, we use water catchment systems to store water in tanks used for irrigation in our garden centers. By recycling water rather than tapping it from the ground, we can reduce our strain on local water resources.

#### **Water Resilient Landscaping**

For our zoned planting areas, we incorporate local species that do not require excess watering or maintenance, as they are adapted to the local ecosystem.

#### **Dual-Flush Toilets**

We have equipped store restrooms with dual-flush toilets that offer a low-water flush option. These models can reduce the water used per flush by half when the option with a lighter water flow is selected. Customers and associates can help conserve water resources by choosing the higher flow option only when necessary.





## **Water-Saving Products**

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

In alignment with the U.N. Sustainable Development Goal to ensure availability and sustainable management of water and sanitation for all, we work with suppliers to encourage the production of water-conserving products, which we, in turn, offer to our customers. We believe our greatest opportunity to effect environmental change for the better is by selling products that help drive efficient use of resources in the communities we serve.

We leverage our position as the largest home improvement retailer in the world to push for change through the products we decide to carry. An example of this is our strategic decision several years ago to only carry WaterSense toilets in our stores. Together with our suppliers, we work to make it easier for our customers to reduce their water consumption.

In 2022, we continued to help our customers conserve water in their homes and businesses. Across our stores and online, we offered approximately 7,500 water-saving products, including nearly 6,200 products bearing the U.S. EPA's WaterSense label, and we sold more than 22 million units of those WaterSense products.

We estimate our customers' purchases of WaterSense products in 2022 helped reduce annual water consumption by over 33 billion gallons, which would collectively mean savings of more than \$686 million on water bills.

The EPA estimates that household leaks can add up to nearly 1 trillion gallons of water lost every year. Fixing these leaks conserves water and can also reduce utility bills by about 10%. We provide project guides on our Eco Actions website to help educate customers on fixing or replacing leaky faucets.

#### ① DID YOU KNOW

In 2022, our Company was recognized for the 6th time as a WaterSense Partner of the Year since 2011, receiving the Sustained Excellence awards in three of those years.

## Going Green, Saving Green



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



Replacing old, inefficient bathroom faucets and aerators with WaterSense labeled models can save the average family nearly 11,000 gallons of water over the faucets' lifetime.



By replacing old, inefficient toilets with WaterSense labeled models, the average family could save more than \$140 per year in water costs.

Source: EPA.GOV



### CHECK IT OUT

Learn how The Home Depot partners with the Georgia Aquarium, one of the largest aquariums in the world, to promote awareness around the benefits of WaterSense products.







## **RESPONSIBLE CHEMISTRY**

We address chemicals of concern in our products and provide transparency into our approach in our regularly updated Chemical Strategy.

We acknowledge the responsibility we have for the environmental impact of our organization and that our biggest impact is the products we sell. 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. We support 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 many of our suppliers partner with respected third-party certification and environmental organizations that guide the home improvement industry toward safer chemical ingredient use. The Home Depot is committed to continuing the drive toward minimizing the environmental impact of the products we sell.

We evaluate our Chemical Strategy annually to ensure our approach, goals and disclosure are appropriate and meet the needs of our stakeholders. In line with our commitment, we have set a new goal to not allow added PFAS (Perfluoroalkyl and Polyfluoroalkyl Substance) chemicals in our private-brand patio and home decor products sold in our U.S. and Canada stores by year-end 2025.

### **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.
- The Home Depot works with many suppliers in an effort to improve the chemistry of products in categories with the greatest potential impact on indoor air quality.
- We encourage our suppliers to continually review key categories to track progress on environmental innovations in alternative chemistry.

## **Flooring**

#### Carpet

The Home Depot's carpet suppliers have been at the forefront of the industry-wide removal of chemicals of concern and the exploration of safer alternatives. All indoor wall-to-wall carpet sold in store or online through The Home Depot U.S. and Canada has 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 in our U.S. and Canada stores:

- Triclosan
- Organotins
- Ortho-phthalates
- Vinyl chloride
- Nonylphenol ethoxylates (NPEs)
- Coal flv ash
- Formaldehyde
- Added heavy metals
- Perfluoroalkyl and polyfluoroalkyl substances (PFAS)

#### Vinyl

The 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 in The Home Depot stores in the U.S. and Canada.

#### **Laminate Flooring**

Laminate flooring in The Home Depot stores is verified by either GREENGUARD Gold or FloorScore® certification to contain 0.0073 ppm or less of formaldehyde, which is stricter than the California Resources Board (CARB) Phase 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. In 2022, we completed our goal to eliminate the following added chemicals of concern from residential cleaning products sold in-store and online:

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

In addition, our Eco Actions 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.

#### ① DID YOU KNOW

We recently set a new goal to exclude added PFAS chemicals in our private-brand patio and home decor products by the end of 2025.

### **Insulation**

Our fiberglass insulation suppliers have persistently challenged themselves to remove certain 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

## Gardening

Organic gardening has grown from niche to mainstream, and The Home Depot has expanded its organic gardening products to offer multiple brands of soils, fertilizers, and weed and pest control products to meet our customers' desire to avoid using synthetic pesticides and fertilizers. In 2016, we launched local, organic vegetables and herbs. We expanded the program in 2017 to half our U.S. stores and have committed to continue to expand our organics assortment.

We also committed at the end of 2018 to no longer treat plants in our garden centers with neonicotinoids, except where mandated by state law.





Focus on Our People



## **Painting Products**

#### **Paints**

Our paint suppliers have taken efforts over the last ten years to evolve their paints and offer products that help maintain air quality. The following chemicals of concern are excluded from our interior and exterior latex water-based wall paints in our U.S. and Canada stores:

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

**Certifications:** In our U.S. stores, many of our most popular brands carry interior paints that are GREENGUARD® Gold certified, including:

- Behr® Interior Dynasty, Marquee, Ultra and Premium Plus
   Behr® PRO Specialty Products, including Pre-Catalyzed Epoxy.
- Behr® Cabinet Door & Trim (Alkyd)
- Behr® PRO i100 and i300
- Behr® Copper Force
- Behr® PRO Specialty Products, including Pre-Catalyzed Epoxy, Direct-to-Metal, Masonry/Stucco and Dryfall
- Glidden® Premium™, Diamond™ and
   Essential™

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

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

#### **Paint Removers**

Removing paints and varnishes safely and efficiently is an important step in many home improvement painting and staining projects. Methylene chloride has historically been the most effective product option in this category.

The Home Depot is committed to working with suppliers and the EPA to identify alternatives with comparable efficacy.

The Home Depot phased out methylene chloride and N-methyl- 2-pyrrolidone (NMP) from paint removal products at the end of 2018.

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

VOC VALUE <5g/L = zero VOC

BEHRPro i300 Interior

BEHR Premium Plus Ceiling Paint

**BEHR Premium Plus Exterior** 

**BEHR Premium Plus Interior** 

Glidden Diamond Interior

Glidden Premium Interior

PPG Speedhide Pro EV Zero

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

BEHR MARQUEE Ceiling Paint

**BEHR MARQUEE Exterior** 

**BEHR MARQUEE Interior** 

**BEHR Dynasty** 

BEHR Premium Plus Ultra Ceiling paint

BEHR Premium Plus Ultra Exterior

BEHR Premium Plus Ultra Interior

BEHRPro i100 Interior

Glidden Ceiling Paint

Glidden Essentials Exterior

Glidden Essentials Interior

Glidden Premium Exterior

PPG Breakthrough PPG Multi-Pro

PPG Speedhide

Glidden Speed Pro (CANADA)

Glidden Ultra Hide (CANADA)

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



## PROMOTING CUSTOMER ECO ACTIONS

We believe our greatest environmental impact comes from the products we sell, and our biggest opportunity to create change is by helping introduce customers to more sustainable products.

We help our customers learn about our products so they can select and use products in ways that are safer, more efficient and have less impact on the environment. Our customers have an important role to play in contributing a positive impact across all of the environmental sustainability pillars we prioritize: carbon emissions reduction, sustainable forestry, circularity, water conservation and responsible chemistry.











#### **Eco Actions**

We look for opportunities to help educate our customers on ways they can reduce their environmental impact through the projects they take on. Building on the progress we made with our Eco Options program, which we launched in 2007 and focused on helping customers identify products that have less of an environmental impact, we rebranded this program in 2021 under our new Eco Actions program. Our Eco Actions program now provides our customers with the resources they need to take individual action on environmental issues.

Our Eco Actions website provides customers with new content, insights and ideas from innovative partners to inspire sustainable action. On the website, we have a page for each of our environmental pillars to educate customers about the issues we prioritize. Our Eco Action's growing library of sustainable DIY content includes:

- Installing resource-efficient equipment and appliances
- Winterization techniques for homes to save energy
- Organic and water-saving lawn care strategies
- Recycling resources for common household items

## CHECK IT OUT



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

"Eco Actions are the everyday activities that we can all take to lessen our impact on the environment and make more sustainable decisions for our households and our communities."



**CANDACE RODRIGUEZ** Senior Director of Sustainability



## **Smart Home Upgrades**

As our customers build, operate and renovate homes, their product choices can significantly reduce residential carbon emissions. We help our customers make energy-saving home upgrades that can bring savings on energy costs while making a positive environmental impact.

We have a goal focused on helping customers save on energy costs through a variety of product-related activities.

#### **ENERGY STAR Products**

Thanks to our partnership with U.S. Environmental Protection Agency's ENERGY STAR® program, we sell ENERGY STAR-labeled products. These labels identify products that are more energy-efficient than standard products of their class. This way, customers can quickly compare the energy efficiency of different home lighting, appliances and equipment.

#### **Home Winterization**

The U.S. EPA estimates air sealing and insulation improvements can save homeowners approximately 11% on their home heating and cooling costs. We have added information on winterization strategies to our Eco Actions website to help our customers learn ways to prevent air leaks throughout their homes in attics, garage doors, windows, air ducts and other parts of the home typically built with low insulation.

### **Smart Home Strategies**

Customers can learn how to choose and install smart thermostats, tankless water heaters, solar-powered garden lighting and other techniques to minimize excess energy use. We recommend these technologies and clearly identify the benefits or energy savings potential on our Eco Actions website. For instance, tankless water heaters are up to 30% more energy-efficient than traditional natural gas water heaters.

### **Battery-Operated Equipment**

As more of the national energy grid converts to renewable energy sources, our customers can reduce their carbon emissions footprint at home by choosing electric-powered equipment. We give advice on our Eco Actions website about how to care for and maintain battery-powered handheld tools charged by lithium-ion batteries. We also share the additional benefits of these tools, such as their cordless, low-volume design.

To expand our range of available rechargeable battery technology, we recently set a goal to have more than 85% of U.S. and Canada's in-store and online sales of outdoor power equipment run on rechargeable battery technology by the end of 2028.

#### **Solar-Power Installation**

In 2022, a record 700,000 homeowners installed solar panels in the U.S., according to the Solar Energy Industry Association. We aim to support the continued growth of the residential solar market by making home solar panels more accessible to our customers, which enables them to produce their own renewable energy for use throughout the home.

In 2022, The Home Depot partnered with Sunrun and Sunnova to offer solar panel and home battery storage sales and installation services from our stores. A total of 7,000 U.S. customers purchased solar systems at The Home Depot in 2022.

The solar energy systems from our suppliers can send excess power from customers' homes back to the electric grid. That enables an entire community to benefit from solar power.

#### (+) DID YOU KNOW

Fully electric power equipment such as mowers, blowers and string trimmers are cleaner, quieter and easier to use compared to traditional gas-powered equipment.







#### BATTERY-POWERED MOWER

Battery-powered push mowers avoid harmful emissions and help prevent ~17 million gallons of gas being spilled annually.





# WATERSENSE FAUCET

WaterSense faucets can help customers save approximately 700 gallons per year.





#### **INSULATION**

The U.S. EPA estimates that homeowners can save ~11% on total energy costs by sealing and insulating their homes.





# ENERGY STAR WASHER

Over the lifetime of the product, clothes washers that have earned the ENERGY STAR certification can save ~\$550.





# From Forestry to Gardening

As we discuss on page 56, sustainable forestry is an important component to our continued supply of wood products and building supplies. Our commitment to biodiversity also extends to many of the gardening products that we offer.

We promote our vision of sustainable landscapes at a smaller scale by encouraging our customers to adopt responsible gardening products and methods. Our partnerships with local growers enable us to offer healthy, environmentally beneficial plants and support businesses in the communities we serve.

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

## CHECK IT OUT





## **Growing Organic**

We offer more than 30+ varieties of organic, non-GMO vegetable and herb plants grown according to methods approved by the U.S. Department of Agriculture (USDA) National Organic Program. Only products that have been certified as meeting the USDA's organic production and handling standards may carry the USDA Organic seal.

## **Native Plants**

Our growers work closely with U.S. states' departments of agriculture to identify invasive plants that may threaten local native plants.

## **Supporting Local Growers**

We are proud to partner with more than 135 plant growers who balance the impact of their production with local environmental issues and growing conditions in their regions.

#### ① DID YOU KNOW

Bell Nursery Won The Home Depot's 2022 Environmental Partner of the Year Award.

Bell Nursery utilized 100% wind power at three facilities to avoid 2,200 metric tons of CO2 annually, recycled 5.7 million pounds of cardboard and plastic through store and on-site programs, implemented biological controls in their growing space and used drip irrigation in their perennials farms, earning them the Environmental Partner of the Year award.

# SIMPLE STEPS TO ORGANIC GARDENING



#### **BUILD A FOUNDATION**

Organic soils and low-impact supplements support healthy ecosystems. Kellogg Garden Organics All Natural Garden Soil for Flowers and Vegetables revitalizes your native soil, organically.

#### STEP 2

#### **CHOOSE ECO-FRIENDLY PLANTS**

Organic plants help promote ecological balance and biodiversity. Bonnie Plants Organics are USDA-certified organic and give you a head start on your harvest.

#### STEP 3

#### NURTURE WITH NATURE

Natural fertilizers use organic ingredients to promote growth. True Organic Bone Meal with nitrogen and phosphorus helps produce larger organic fruits and vegetables.

#### STEP 4

#### **SELECT SUSTAINABLE MAINTENANCE**

Insecticides and weed retardants for organic gardening keep garden spaces green. Garden Safe Houseplant/Garden contains botanical insecticides that defend against pests, indoors and outdoors.



# Rental, Recycling and Compost

Circularity is important not only to The Home Depot operations and supply chain, but also in our products and services for customers. That's why we support a number of eco-friendly opportunities that help customers implement circular economy principles in their daily lives. Learn more about Circularity here.

## **Tool Rental**

The Home Depot has been renting tools to customers since 1995. In 2022, we had more than 8 million tool rental transactions. Our tool rental program, popular for both our DIY and Professional customers, supports a circular economy by extending the life of tools through sharing, repair and routine maintenance.

## **Recycling and Compost**

At the front of The Home Depot stores, we provide drop-off recycling bins with specialized services, depending on the region and our various partnerships. A few examples are our rechargeable battery recycling partnership with the nonprofit recycling program Call2Recycle, plastic garden pot recycling with East Jordan Plastics and compact fluorescent light (CFL) bulb recycling with US Ecology and Clean Earth. Although our nationwide assortment is largely LED bulbs, we still recycle CFLs through our drop-off recycling program, which recycled over 230 tons (460,200 pounds) of CFL bulbs in 2022 alone.

In addition to offering recycling stations to customers, we also sell a wide range of products made from recycled materials as well as materials that customers can recycle. We sell insulation made from recycled EPS, decking from recycled shrink wrap and fully recyclable paint.

# Composting

The Home Depot supports composting by selling the necessary bins and supplies as well as providing learning resources on our Eco Actions website, so customers can practice composting in their own homes, lawns and gardens.

In addition to promoting customer compost, we also sell nutrient-rich compost in more than 20 Pacific Northwest stores, which is produced from composted organic materials collected at our stores. We accomplish this closed-loop production thanks to our partnership with the composting company Cedar Grove.

# CHECK IT OUT

Trex® Decking is made of 95% recycled material, some of which is sourced directly from The Home Depot's supply chain. Trex partners with The Home Depot to transform our shrink wrap made of LDPE plastic from our distribution centers. In 2022, we recycled approximately 87,500 tons (17.5 million pounds) of LDPE plastics and a majority was used to make Trex decking.

# Water-Saving Systems

Customers of The Home Depot have significant opportunities to minimize their water use at home through a number of DIY projects we encourage on our Eco Actions website.

### **WaterSense**

Customers can quickly identify water-saving faucets, shower heads and appliances that carry the WaterSense label. These products have a lower-flow design, to tap the right amount of water needed for various applications. We also support related water-saving Eco Actions by educating customers how to fix leaky faucets on our Eco Actions website. Learn more about our water conservation efforts here.

## **Gardening Irrigation**

Customers can see water-saving systems in action at our Home Depot stores, where we install drip irrigation and catchment systems to conserve water. On our Eco Actions website, we educate our DIY customers how to design and build water-saving systems for their own gardening and lawn care at home.





# **Safe Home Environments**

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.

Our Responsible Chemistry environmental pillar is an important part of promoting the safety of all of our home furnishings and products. In 2017, we published our Chemical Strategy (see page 67) to encourage the exclusion of certain chemicals from paint, flooring, insulation, household cleaning and paint removers.

## **Cleaning Product Labels**

The Home Depot offers environmentally preferred cleaners that carry third-party certifications validating their eco-friendly claims. Cleaning products that are non-toxic, biodegradable, free from harmful chemicals, plant-based and not tested on animals allow our customers to achieve clean and more sustainable homes.



Identifies products that use safer chemical ingredients without sacrificing performance



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



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



Assures a USDA-verified amount of renewable biological ingredients



Cruelty Free

Leaping Bunny label certifies no animal testing in manufacturing



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

# **Indoor Air Quality**

People in the U.S. spend 90% of their time indoors on average. The U.S. EPA estimates that some air pollutants are found in concentrations two-to-five times higher indoors than outdoors. We sell high-performance air filters and ENERGY STAR rated air purifiers to help customers improve their health and comfort at home and remove dangerous mold and particulate matter from the air they breathe.





#### **ECO-FRIENDLY CLEANING PRODUCTS SPOTLIGHT**

Our cleaning products help families cut down on messes and dirt in their homes with a lower environmental impact. This way, their routine cleaning habits are safer and produce less waste.



#### **Harris All Purpose Cleaner**

is formulated with natural ingredients so customers can avoid contacting harsh chemicals in their home environment.



# FamilyGuard Disinfectant Cleaner

is a high-performing cleaner specifically formulated to be safe for children and pets which cleans dirt, oil and grime from hard, non-porous surfaces found in hightraffic areas of the home.



#### **Nellie's Swedish Dishcloths**

is made of natural fibers, but its incredible durability and biodegradable, reusable design means it can replace up to 15 rolls of paper towels.



"We are committed to being responsive to our customers' needs, and more and more of them are looking for environmentally conscious products. We work with our supplier partners to drive innovation across our cleaning aisle, from natural products that are still tough on bacteria and dirt, to biodegradable cleaning solutions."

-Kristen Little, Senior Product Merchant for Cleaning



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# STRENGTHEN OUR COMMUNITIES

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

Community Partnerships
Supplier Diversity
Veteran Support
Trades Training: Our Path to
Pro Programs
Disaster Relief & Response

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85 87

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# STRENGTHEN OUR COMMUNITIES

The Home Depot cares deeply about the communities in which we operate. We focus our involvement and support within our communities on our Core Values of Giving Back and Respect for All People. We aim to strengthen our communities by pursuing programs targeted around four main priorities that support our broader purpose:



**Diversity** 



Veterans' Needs



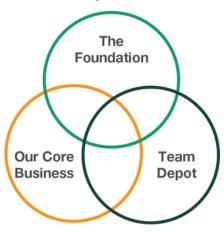
Natural Disaster Response



Skilled Trades Training -"Path to Pro"

- Diversity: We commit to promoting diversity through community partnerships and our supplier diversity program and goals.
- Veterans' Needs: We support veterans who have served our country with a focus on ending veteran
  homelessness and improving veteran housing through critical home repairs.
- Natural Disaster Response: Disaster-prone areas struggle with significant losses within their communities
  that require support to rebuild and repair damage. Our programs provide disaster preparedness, short-term
  response and long-term recovery through volunteering, financial support and distributing critical supplies.
- Skilled Trades Training "Path to Pro": We commit to training and providing career advancement for the next
  wave of skilled tradespeople.

Our community involvement programs are led by three separate Home Depot participants, each fulfilling a unique role for community service:



- Our Core Business: The Home Depot engages its Tier I and Tier II suppliers to promote diversity, and pursues initiatives around its Path to Pro skilled trades training programs.
- The Foundation: The Home Depot Foundation, a mission-driven charitable organization, provides support for veteran housing, natural disaster relief and its Path to Pro program.
- Team Depot: Our associate volunteer force supports the initiatives of the Foundation's veteran projects and disaster response with in-person aid.

"Giving back to our communities is at the core of who we are as a company," said Crystal Hanlon, The Home Depot's culture officer. "We aren't just in these communities; we are a part of them."

CRYSTAL HANLON, SVP, Culture Officer





# **COMMUNITY PARTNERSHIPS**

We partner with local and national organizations to amplify our support to the communities we serve.

The Home Depot and The Home Depot Foundation have partnered with and invested tens of millions of dollars in organizations whose programs focus on social equity, which help us further our mission to strengthen our communities. These organizations align with our commitment to improve social equity and represent the diversity of our associates, suppliers and communities.





#### THE HOME DEPOT FOUNDATION:

The Home Depot Foundation works with a powerful network of nonprofit organizations to build, repair and enhance homes for veterans, provide relief to communities impacted by natural disasters and train the next generation of tradespeople. Some of our partners include:

- The American Red Cross
- Habitat for Humanity
- Meals on Wheels America
- The National Coalition for Homeless Veterans (NCHV)
- Operation Blessing International
- Team Rubicon
- U.S.VETS
- Volunteers of America (VOA)



#### DEI

We partner with organizations that promote diversity, equity and inclusion through programming which enables us to deliver on our community commitment to advance education and close the wealth gap. Our local and national partners represent the diversity of our associates, communities and suppliers, and include some of the following organizations:

- American Indian College Fund
- HBCU Hall of Fame Legacy Bowl
- Human Rights Campaign
- Ladies Who Launch
- Latin American Association
- National Coalition Asian Pacific American Community Development
- UNCF
- Urban League of Greater Atlanta







#### **TALENT ACQUISITION**

We partner with many different organizations to help identify great talent in underrepresented communities. Some of our resources include:

- Georgia Tech
- HBCU CDM Program
- Hiring our Heroes
- Morehouse College
- National Society of Black Engineers
- Society of Hispanic Professional Engineers
- Society of Women Engineers
- Society of Women in Business and Women in Engineering
- Spelman College Spelprenuer Program
- Women in Machine Learning
- Women in Technology



#### **GOVERNMENT RELATIONS**

We align with numerous diversity-based political organizations to ensure that all voices are included in the political process. Key alliances include:

- Board of Latino Legislative Leaders
- Congressional Black Caucus Foundation
- Congressional Hispanic Leadership Institute
- National Black Caucus of State Legislators
- Women in Government Relations



# **Community Partnerships: Partners in Action**



#### **UNITED NEGRO COLLEGE FUND (UNCF)**

Since 1992, The Home Depot has been partnering with the United Negro College Fund (UNCF), an organization that works to build a robust pipeline of highly qualified college graduates from under-represented populations. The UNCF focuses on activities to ensure more students are college-ready, enroll in college and persist to graduation. We recently supported a UNCF grant that funded 27 needs-based scholarships for students attending HBCUs. Click here to read more.



#### LADIES WHO LAUNCH, INC.

Ladies Who Launch (LWL) is dedicated to elevating and empowering women and non-binary business owners and entrepreneurs. They support business owners by providing educational resources, funding, mentorship, networking and community.

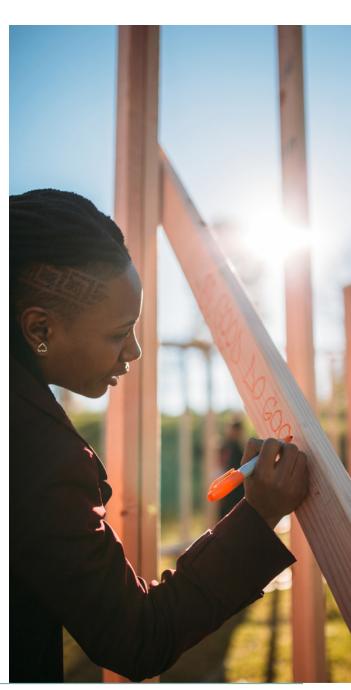
In 2022, we proudly invested \$100,000 to support the organization's Launch Program, a six-month grant program that provides selected recipients a cash grant of \$10,000, in addition to community, business education, mentorship and more.

Click here to read more.

# CHECK IT OUT

The Home Depot has partnered with the HRC (Human Rights Campaign) Foundation in the past to advance meaningful change, and recently expanded our partnership to support multiple initiatives that align with key commitments around advancing education for all, specifically within diverse communities.

Two HRC Foundation-led programs that the Company is supporting are the Welcoming Schools program and the Historically Black Colleges and Universities (HBCU) program. The Welcoming Schools program focuses on preventing and ending bullying, which is often targeted at LGBTQ+ students. The HBCU program focuses on enhancing and promoting excellence in LGBTQ+ education, equity and engagement within HBCUs.





## 2022 Retool Your School Winners

# **CLUSTER 1:** 4.000+ STUDENTS Alabama A&M University Alabama State University Jackson State University

- Southern University and A&M College
- Albany State University
- Grambling State University
- Winston-Salem State University
- Fayetteville State University
- Prairie View A&M University
- Florida Agricultural and Mechanical University

#### **CLUSTER 2:** 1,201-3,999 STUDENTS

- Coahoma Community College
- Alcorn State University
- Tuskegee University
- Benedict College
- South Carolina State University
- Mississippi Valley State University
- University of Arkansas at Pine Bluff
- Elizabeth City State University
- West Virginia State University
- Hampton University

#### **CLUSTER 3:** 1,200 OR FEWER STUDENTS

- Tougaloo College
- Texas College
- Fisk University
- Johnson C. Smith University
- Lane College
- Southwestern Christian College
- Wilberforce University
- Saint Augustine University
- Edward Waters University
- Rust College



## (+) DID YOU KNOW

As of 2022, The Home Depot has invested more than \$5.2 million to update and upgrade HBCU campuses.

## BY THE NUMBERS





\$1,020,000

awarded in grants in 2022



30 schools received \$20,000 to \$75,000 each, with one school also winning \$45,000 for Campaign of the Year



**OU**+ grants have been awarded since 2009 to fund a variety of campus improvement projects



#### **CAMPAIGN OF THE YEAR**

Awarded for galvanizing supporters with an innovative and effective campaign

#### SPOTLIGHT

#### **RETOOL YOUR SCHOOL**

Since 2009, our campus improvement grant program has helped fund more than 180 projects benefiting nearly 70% of the nation's HBCUs.

In 2022, The Home Depot's Retool Your School campus improvement grant program marked its 13th year of commitment to HBCUs and the pivotal role they play in our higher education system.

Every year, HBCU students, alumni and advocates vote for their schools to become Retool Your School grant recipients. Voting is organized around three school clusters, based on student population, and 10 schools with the highest votes per cluster are awarded a grant. In 2022, 59 HBCUs competed to earn their share of \$1 million.

Since the program's launch, nearly 48 million votes have been cast in support of HBCUs vying for Retool Your School grants.

In 2023, we've committed to furthering our support of Retool Your School through expanding our campus improvement grant program into other areas: Campus, Career, Curriculum and Community. Our annual commitment to HBCUs will increase to \$4 million.

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# **SUPPLIER DIVERSITY**

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

We remain committed to building inclusive and sustainable business opportunities for women-, minority-, veteran-, LGBTQ+- and disability-owned partners. Since 2003, we've invested in and celebrated entrepreneurs through our Supplier Diversity Program, which has helped drive innovation, create jobs, and foster a positive impact in the communities we serve. In 2022, we drove approximately \$3.4 billion of spend with diverse suppliers, compared to \$3.3 billion the previous year.

As we announced in 2022, we plan to achieve \$5 billion in annual spend with diverse suppliers by the end of 2025. We remain excited about the investments we've made around our Tier II supplier diversity program, which is why we are expanding the scope of this goal to include both Tier I and Tier II diverse suppliers. This will allow us to support a greater number of diverse-owned businesses, beyond just those that we spend with directly.

Our Tier II program is designed to drive greater spend from our direct, or Tier I suppliers, to the diverse businesses with whom they do business. Leveraging the capabilities of our new program, we can better ensure that a portion of the money we spend on products and services, even with suppliers that are not identified as diverse, makes its way to diverse enterprises. In addition, to support our Tier II suppliers, we provide supplier development programs and mentoring to assist diverse suppliers with business growth, and we partner with organizations that provide certification, education and opportunities for capital and networking.

"We've learned that increasing our spend with diverse suppliers is good for our customers and our business. By driving more spend to both our Tier I and Tier II suppliers, we will be able to drive further innovation in our value chain."

BILLY BASTEK, EVP - Merchandising



Women's Business Enterprise National Council (WBENC)



National Minority Supplier Development (NMSDC)



Georgia Hispanic Chamber of Commerce (GHCC)



US Pan Asian American Chamber of Commerce (USPAACC)



Disability:IN



Greater Women's Business Council



The National Center for American Indian Enterprise Development



National LGBT Chamber of Commerce (NGLCC)



National Veteran Business Development Center (NVBDC)



Georgia Minority Supplier Development Council



United States Black Chambers, Inc. (USBC)



US Hispanic Chamber of Commerce (USHCC)



## SPOTLIGHT □

## **Partners in Growth**

The Home Depot's Supplier Diversity strategy includes ethnic-minority, women, LGBTQ+, veteran and disability-owned business partners. We value a supply chain ecosystem that is diverse, drives innovation, allows us to provide the best customer experience and creates economically healthy communities.

We also believe that in order to support historically under-resourced entrepreneurs and the important role their businesses play in our own business and communities, we need to provide them the necessary investment, access, mentorship and resources. Beyond just the products we sell, we also work to identify diverse suppliers across our business, including real estate, transportation and other services. Below are just a few examples of diverse suppliers that we are proud to work with:



# MYCA Material Handling Solutions

Patti Massey owns MYCA Material Handling, which provides data analytics technology to help customers uncover hidden costs in their supply chain networks. The Home Depot has partnered with MYCA for four years and shares their belief that fostering an uplifting environment for all employees leads to success.



# **HD Drayage & Container Services**

The Home Depot is working to create the fastest and most reliable supply chain in home improvement. To do this, we look to partner with great companies like HD Drayage & Container Services. "We are committed to providing the most cost-effective trucking solutions, best routing and best transit times." - Hope White, the owner.



Black Diamond Coatings, Inc.

Black Diamond Coatings' creates unique water-based sealers that give the same rich look of a traditional solvent-based solution. As a family-and veteran-owned business, they have been partners with The Home Depot since 2021.



# **Avanity**

Fiona Kuong owns Avanity, which creates and sells an extensive design spectrum of smart and functional bathroom furniture to suit various types of home décor. This diverse supplier has been a Home Depot supplier for 13 years.



# **VETERAN SUPPORT**

Individuals who have served in the U.S. military continue to be overrepresented in the homeless adult population, based on estimates from the U.S. Department of Housing and Urban Development. Through The Home Depot Foundation, Team Depot and our nonprofit partners, we have built, renovated, and enhanced more than 55,000 veteran homes and facilities and invested more than \$450 million in veteran related causes since 2011.

# The Home Depot Foundation

For more than a decade, The Home Depot Foundation has been honored to support the U.S. military veteran community. Through its commitment to serving U.S. veterans, it has surpassed \$450 million in support of the veteran community as of the end of fiscal 2022. This achievement is part of the Foundation's larger commitment to invest \$500 million in veteran causes by 2025.

Giving back to veterans is part of The Home Depot's culture and aligns with our Core Values. Whether it's the veterans and military spouses in our workforce or those in our communities, we are focused on helping support the brave men and women who served our country (see page 43).

The Foundation is focused on ending veteran homelessness, improving veteran housing through critical home repairs; and building accessible smart homes for veterans catastrophically wounded in combat. Since 2011, the Foundation surpassed more than \$100 million invested to help address the issue of veteran homelessness at the national and local level. In 2022, the Foundation continued its commitment to end veteran homelessness across several initiatives.

In May, we announced an investment of more than \$2 million towards affordable housing access and resources for homeless veterans. This investment will support nonprofit organizations, including City of Refuge, Veterans Empowerment Organization and Mary Hall Freedom Village, to provide nearly 50 new units of housing for individuals facing homelessness in our home city of Atlanta, the majority of which will be reserved for veterans. Grants to Quest Communities and Gateway Center will ensure veterans have access to supportive services, such as job skill training and stable housing.

In honor of Veterans Day, the Foundation also surprised 1,000 U.S. veterans across the country with rental and mortgage payment assistance. Many of these veterans previously faced homelessness before securing permanent supportive housing in facilities operated by longstanding Foundation partners, including U.S.VETS, Volunteers of America and Quest Communities.

"The number of veterans facing homelessness was more than 65,000 when we established our first formal financial commitment to veterans in 2011, and we're proud to see progress today through significant declines in that figure," said Shannon Gerber, executive director of The Home Depot Foundation. "However, there is much more work to be done, and we remain dedicated to working with our nonprofit partners to ensure the heroes who served our nation have a place to lay their heads."



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# **Team Depot**

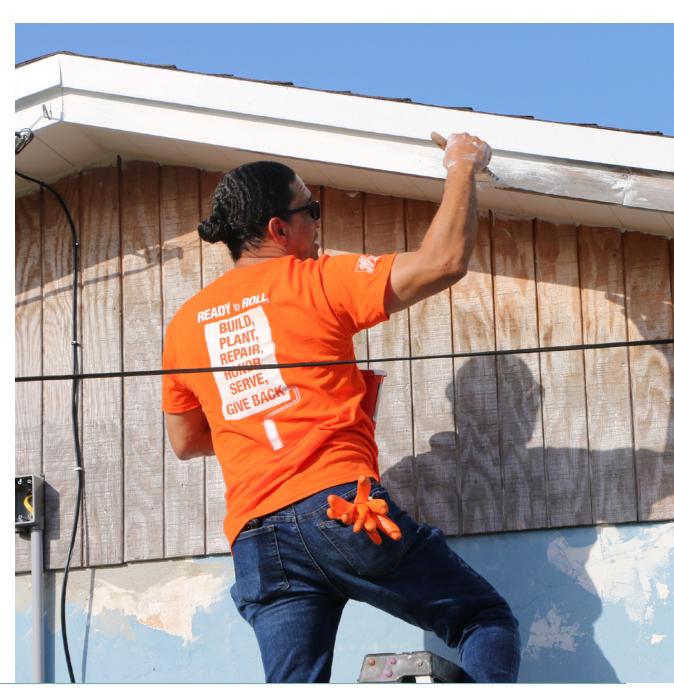
In 2022, Team Depot, The Home Depot's associate volunteer force, continued to partner with the Foundation to help improve the homes and lives of veterans, reaching approximately 1.4 million hours of service to veterans since 2011.

On Veterans Day of 2022, Team Depot volunteers and The Home Depot Foundation kicked-off their annual Operation Surprise campaign. The annual campaign aims to provide life-changing moments of surprise and support for veterans and communities in need. During our 2022 campaign, more than 12,000 Team Depot volunteers completed more than 500 projects across the country in partnership with our nonprofit partners.

Since 2011, Team Depot has volunteered approximately

1.4 million

hours of service to veterans





# TRADES TRAINING: OUR PATH TO PRO PROGRAMS

The U.S. faces a significant labor shortage in skilled trades professionals. This shortage directly impacts our professional customers, which in turn impacts our customers' ability to source home improvement services.

We are committed to educating more people in the skilled trades and helping them upskill and find careers in the home improvement industry. With nearly 400,000 open roles in the trades nationally, we can't tackle this work alone. Industry leaders like Home Builders Institute (HBI), Construction Ready, SkillPointe Foundation and Atlanta Technical College (ATC) are helping us prepare skilled people for these opportunities.

Five years ago, The Home Depot Foundation launched its Path to Pro program, which provides training programs, scholarships and certifications to key populations in our communities: separating military service members, youth and diverse adults. In 2020, The Home Depot launched a separate but related program to include more educational resources, coursework and job placement opportunities. The expanded program now connects our professional customer network with job seekers who have received training from the Path to Pro program. These complementary programs combine our core business values and capabilities to address our stakeholders' needs.

# The Home Depot Foundation

The Home Depot Foundation's Path to Pro program launched in 2018 with a \$50 million commitment to train the next generation of skilled tradespeople, diversify the trades industry, and address the growing labor shortage in the U.S.

The Foundation's trades-focused partnerships have introduced more than 132,000 people to the skilled trades and have trained more than 39,000 participants through programming available to youth, high school students, underserved communities and separating U.S. military, surpassing its initial commitment to train 20,000 people six years ahead of schedule.

To underscore our commitment to addressing the labor gap, in 2022 the Foundation committed an additional \$3.7 million to support growth of youth programming with 100 Black Men of America, develop two additional academy programs in Sacramento and Phoenix, and add \$300,000 in trades school scholarships, among other enhancements.





# **Military Program**

The Path to Pro military program is currently offered on 10 U.S. military bases and provides exiting service members access to a free, 12-week program that provides industry-recognized pre-apprenticeship certification (PACT) and OSHA 10 certifications. In 2022, nearly 800 military veterans were trained in carpentry, electrical, plumbing and HVAC services through this program.

## **Youth Program**

The Foundation aims to address the gap in the skilled trades by training the next generation of skilled trades people. In partnership with HBI, the Path to Pro high school program offers PACT curriculum and hands-on experience to 11th and 12th grade students in schools across more than 30 states. The Foundation also partners with Construction Ready (formerly CEFGA) to provide K-12 trades training programs in across more than 160 schools in Georgia.

# **Academy Program**

The Foundation launched the community-based Path to Pro academy program, which offers training and certification for diverse adult populations. Path to Pro academies have successfully trained more than 1,000 students. Going forward, we expect to open additional programs in Phoenix and Sacramento to train skilled tradespeople to support those housing markets.

# **Scholarship Program**

Through the Path to Pro scholarship program, The Home Depot Foundation and SkillPointe Foundation have awarded more than 190 scholarships for students nationwide to continue their education at a qualifying trades school or community college.



CHECK IT OUT 🧷

PathToPro.com outlines The Home Depot and The Home Depot Foundation's collective Path to Pro initiatives.



# The Home Depot Business

We estimate 3.9 million jobs will open in home improvement-related trades over the next decade, which will continue to drive the unprecedented demand for skilled labor in the construction industry. In response, The Home Depot launched its Path to Pro program, launched nationally in October 2022, to help build the next generation of trades professionals and solve a top pain point of our Pro customers – finding the labor they need to grow their business.

In addition to the Foundation's efforts, the business-side Path to Pro program is a unique jobseeker and trades training platform that allows skilled labor candidates to learn about the trades, showcase their experience, and connect with The Home Depot's Pro customers who are looking to hire.

# **Expanding Coursework in Path to Pro Skills Program**

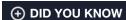
The Path to Pro Skills Program offers free, virtual training options for those interested in pursuing and growing a career in the skilled trades. Enhancements to the curriculum include additional "how-to" training content on drywall installation and paint, developed in partnership with vendors like BEHR. Additionally, the Skills Program offers OSHA 10 certification in partnership with CareerSafe, allowing participants to enhance their job site safety knowledge and qualifications for future jobs in the trades.

# Connecting Jobseekers & Pros Through Path to Pro Network

The Path to Pro Network is a free jobseeker marketplace created to connect skilled tradespeople to hiring trades professionals in the construction and home improvement industries. Jobseekers can visit PathtoPro.com to create a profile, upload their resume, and add photos of their work to connect with The Home Depot's Pro customers looking to hire in their local area. Pros can post jobs for free, as well as reach out to skilled labor candidates directly. Millions of Pros now have access to candidates in every state who are using the Path to Pro Network for career networking opportunities and to showcase their qualifications in the trades.

# Bringing New Resources to PathtoPro.com

Since 2021, PathtoPro.com has served student, parent, advisor, military, and Pro audiences by providing skilled trades career resources, as well as connecting interested candidates to both the Path to Pro Skills Program and Network platforms. In 2022, the content available on PathtoPro.com more than doubled, introducing eight new trade type pages, program guides translated into Spanish, as well as new pages that highlight the technical college and "earn and learn" pathways into the trades.



The Home Depot works with diverse community partners like the Urban League to attract and prepare diverse trades people.





# **DISASTER RELIEF & RESPONSE**

Communities across North America face ongoing distress from disasters which lead to significant losses of life and property damage. The impacts of disasters like hurricanes, tornadoes, wildfires, floods and extreme weather events put our most vulnerable populations, including low-income families and the elderly, at risk. The Home Depot commits to providing disaster relief and response in line with our Core Values of Doing the Right Thing and Giving Back.

Both our Team Depot volunteers and The Home Depot Foundation provide disaster relief support in various ways. Our volunteers provide the service and donate their time off to assemble disaster relief kits and distribute them to communities in need. Volunteers located near disaster relief sites and from neighboring areas also give their time and energy to help remove debris and clean up their local communities after catastrophes.

The Home Depot Foundation invests in disaster relief efforts by partnering with nonprofits to target preparedness, short-term relief, and long-term recovery initiatives to build community resilience. The Foundation also invests money to target immediate needs for communities following disaster events.

# **Team Depot**

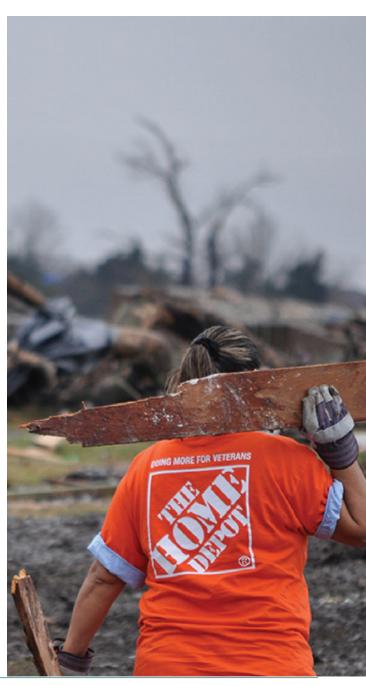
The Home Depot has helped communities for many years prepare and recover from the devastating impacts caused by hurricanes, and 2022 was no different. In anticipation of the 2022 hurricane season, Team Depot built 7,000 disaster relief kits to be stored in The Home Depot distribution centers for strategic delivery when disaster strikes. Dozens of volunteers assembled the kits, which contain items like garbage bags, paper towels, cleaners, sponges, gloves and N95 masks in 5-gallon buckets. These kits provided essential supplies to communities impacted by hurricanes.

Immediately following Hurricane Ian, Team Depot, along with the Foundation and other nonprofit partners, provided immediate assistance to communities in need by distributing water and relief supplies, delivering meals, providing shelter and removing debris in the impacted areas as soon as the storm cleared. In the weeks following one of the most devastating hurricanes to make landfall in Florida, more than 150 Team Depot volunteers traveled to work alongside Team Rubicon and provide critical relief to those in need.

Following the catastrophic tornado outbreak that affected Central and Southern United States in January 2023, Team Depot delivered nearly 1,000 disaster relief kits and other relief supplies to a community distribution site in Griffin, Georgia, before helping clean up downed trees and removing debris from nearby neighborhoods. They also delivered water to local residents.

#### ① DID YOU KNOW

Team Depot volunteerism extends beyond disaster relief. In April, National Volunteer Month, a passionate group of more than 7,000 Team Depot volunteers participated in over 400 service projects across the country.





# The Home Depot Foundation

With the help of Team Depot and many other nonprofit partners, the Foundation is able to provide immediate support, resources and relief supplies to communities in need, while our merchandising, supply chain and operations teams move necessary product and equipment to stores in strike zones, and our stores often become command centers for first responders and relief agencies. Each year, the Foundation prepares before disaster strikes by pre-stocking nonprofit partner warehouses and The Home Depot distribution centers with relief supplies for quick deployment in the immediate wake of a storm.

In 2022, The Home Depot Foundation invested more than \$7 million in key national nonprofit partners for annual operational support, early load-in of disaster response products, disaster relief kit distribution, immediate disaster relief efforts and long-term recovery efforts.

This included the Foundation's commitment of up to \$1 million to support immediate disaster relief and long-term recovery efforts in communities impacted by Hurricane lan, plus nearly \$300,000 to help communities impacted by the devastating floods in the Appalachian and Midwest regions.

# CHECK IT OUT

The Home Depot premieres a documentary film "Hope Builds," offering a behind-thescenes look at natural disasters and what it takes to rebuild.





# RESPONSIBLE BUSINESS PRACTICES

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.

Code of Conduct Responsible Sourcing and Human Rights

Corporate Governance Government Relations Corporate Taxes

Data Security & Privacy

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# **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
- Government Contracting

#### **SUPPLIER ALERTLINE**

1-800-286-4909

**ASSOCIATE AWARELINE** 

Reports are handled using a case management system. We have a longstanding policy that prohibits retaliation for making a report.

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.

In addition, our Supplier AlertLine is answered by a live operator 24/7 in these countries:

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

Mexico: 001-888-765-8153 China: 400-8-801-045

India: (Access Code) 000-117

(Dial) 800-435-3152

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

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

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 or through a live operator available in local languages. Associates may remain anonymous when reporting concerns.



# RESPONSIBLE SOURCING AND HUMAN RIGHTS

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

We are committed to respecting the rights of all individuals throughout our supply chain. Our values of Doing the Right Thing, Respect for All People and Taking Care of Our People are at the center of our Human Rights program. The Home Depot and our affiliates, divisions and subsidiaries respect and support the dignity, well-being and human rights of our associates, the workers in our extended supply chain, the communities in which we live and those affected by our operations.

For over 15 years, our responsible sourcing program has helped us assess and manage the many aspects of our supply chain oversight and support our efforts to conduct our business in a responsible and ethical manner. We engage our suppliers by requiring them to produce products in factories that adhere to responsible sourcing standards. We report on our progress in our 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 of factories around the world to ensure compliance with our responsible sourcing standards.

We also place additional focus around higher-risk commodities, demographics and regions. As part of this approach, we monitor current trends in the domestic and international labor markets to identify growing risk areas in our supply chain and update our standards and audit practices based on any new trends.

Since early 2019, we have significantly expanded the language in our responsible sourcing standards to address forced labor and the enforcement mechanisms to ensure the standards are met.

- We updated and expanded our standards which prohibit all types of forced labor (including forced, bonded or indentured labor, prison labor, slavery, or human trafficking).
- We also updated our standards to provide specific requirements regarding worker's freedom of movement, hiring practices, ability to terminate employment, access to identity or immigration documents, and payment of recruiting fees.
- In addition, we also added a fine structure to our policy and include ways to identify forced labor indicators as part of our regular audit process.

Our forced labor standards are based on the code of conduct developed by the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Suppliers must maintain on-site documentation that demonstrates compliance with our responsible sourcing standards. They also must allow The Home Depot associates and/or representatives full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits. We expect our suppliers to promptly correct any noncompliance, starting with timely preparation and presentation of a corrective and preventative action plan. We also re-audit supplier facilities,

with the frequency depending on their performance in prior audits.

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



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 BOARD COMMITTEE

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



#### **EXECUTIVE LEADERSHIP TEAM**

sets the tone for our ethical standards and provides oversight and guidance, as needed



#### **MANAGEMENT**

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



#### THE HOME DEPOT GLOBAL SOURCING OFFICES

work with our supply chain to ensure compliance with our standards



#### THE HOME DEPOT'S RESPONSIBLE SOURCING TEAM

includes dedicated associates focused on ensuring factories adhere to our standards



#### **THIRD-PARTY AUDITORS**

conduct our responsible sourcing compliance audits



#### **INTERNAL AUDIT**

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





BY THE NUMBERS



**1,420** 

factory audits

and 1,684 follow-up visits **conducted in 33 countries** under our responsible sourcing policy in 2022



uUuU

229

factories

audited for
compliance at
peak production



**76** 

subcontractors

audited in 2022



# **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.

## **2022 Progress**

As detailed in The Home Depot's Conflict Minerals Report for the year ended December 31, 2022, 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<sup>®</sup>. We report this data for the calendar year, rather than our fiscal year, in line with U.S. Securities and Exchange Commission (SEC) rules. Our in-scope Tier 1 suppliers decreased to 14 in 2022, from 21 in 2021, and from 91 in 2020. In 2022, as part of our annual assessment of products in scope, we continued to exclude any supplier of products where the supplier merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party, as permitted by SEC guidance.

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

Forty-three percent, or six, of our in-scope Tier 1 suppliers indicated that one or more conflict minerals were necessary to the functionality or production of covered products, down from 62% in 2021. Of the smelters or refiners reported by these suppliers, only 31 out of a total of 97 uniquely identified smelters or refiners sourced conflict minerals from covered countries. All 31 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.







# **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, ESG, and management succession planning.

# **Leadership Structure**

On at least an annual basis, the Board assesses its leadership structure, including the appointment of the Chair of the Board. The Board believes that, given the Company's current circumstances, having a combined Chair and CEO, a strong independent Lead Director who is annually elected by the independent directors, and Board committees composed entirely of independent directors currently provides the best Board leadership structure for the Company. Alternatively, having a separate CEO and Chair has supported a smooth management transition and ensured strong leadership at other times in the Company's history. The Board will continue to assess its leadership structure and make adjustments as circumstances warrant.

#### **OUR CORPORATE GOVERNANCE POLICIES REFLECT BEST PRACTICES:**

#### **Shareholder Protections**

- Annual election of directors, with majority voting standard in uncontested director elections
- Shareholder ability to call special meetings and act by written consent
- A market standard shareholder right of proxy access
- Independent Lead Director
- Approximately 92% of directors and all Board committee members are independent
- Director mandatory retirement age (age 72)
- No shareholder rights plan, also referred to as a "poison pill"

#### **Board Engagement and Oversight**

- Annual Board strategy session and review of the Company's strategic plan
- Director overboarding policy
- Store-walk policy for directors
- Board education and orientation program
- Annual Board and committee self-evaluations, including individual director interviews
- Management succession policy set forth in Corporate Governance Guidelines
- Independent directors meet without management

## **Board Committees**

Our Board of Directors has established four standing committees - Audit Committee, Finance Committee, Leadership Development & Compensation (LDC) Committee and Nominating & Corporate Governance (NCG) Committee - each comprised solely of independent directors and governed by a written charter that sets forth its purpose, composition, powers, duties and responsibilities.

## **Learn More**

Our proxy statement offers more details about our corporate governance and risk management. Go to our Corporate Governance Overview for additional information on our corporate governance practices.



# **Board Oversight of Risk**

The Company has a robust framework designed to identify and ensure proper management of risk, including risk related to our ability to operate responsibly and sustainably. The framework that we use to identify and manage risk considers a number of enterprise-level issues, including competitive environment, brand and reputation, regulatory and compliance, and security, as well as external and internal factors that could distract the Company from our business or derail our 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. Going forward, our Board will continue to assess its oversight structure and make adjustments as appropriate.

## **Board of Directors**

#### **FULL BOARD**

- Has primary responsibility for risk oversight, including approval of strategic objectives and defining risk appetite
- Delegates oversight of management of certain risks to Board committees
- Receives regular reports from the committees regarding risk-related matters

AUDIT	FINANCE	LDC COMMITTEE	NCG COMMITTEE
<ul> <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>Product quality and safety and associate and customer safety</li> </ul>	<ul> <li>Long-range strategic planning</li> <li>Long-range financial outlook and finance-related risks</li> <li>Capital structure, including investments and capital allocation principles</li> <li>Annual capital plan and key capital investments</li> <li>Merger and acquisition strategy</li> </ul>	<ul> <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> <li>Diversity, equity and inclusion, including pay equity</li> </ul>	<ul> <li>Corporate governance</li> <li>Director succession planning and board composition</li> <li>Corporate social responsibility, environmental, and responsible sourcing initiatives, risks and opportunities</li> <li>Policies on political activity, including political spending and payments to trade associations</li> <li>Related-person transactions</li> </ul>



# **GOVERNMENT RELATIONS**

We are guided by our Core Values when participating in the political process and recognize that we may need to balance competing interests when evaluating laws that 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:

- Creating Economic Growth by making sure we have a say in laws that encourage job creation, support a healthy housing market, promote the use of innovative products, and affect flexibility and career growth for associates
- Supporting a Strong, Secure and Sustainable Supply Chain by advocating for funding for traditional infrastructure as well as a global trade framework to bring quality products at low prices to consumers
- Encouraging Fair Competition by promoting a level playing field for all retailers to follow the same rules on taxation, privacy, accountability and transparency
- Combating Retail Theft by supporting the passage of laws across the country to fight organized retail crime, which not only is a safety issue for all retailers, but also feeds other crimes in our neighborhoods
- Building Strong Private-Public Partnerships to ensure high-skilled trades jobs have a robust applicant pool, and continuing to invest in our communities during natural disasters and other times of need





Our Government Relations team carefully analyzes our engagement activities, trade association partnerships, and political contributions, guided by our top priorities and our eight Core Values. Our political donations are made to promote our interests, not based on the private political preferences of our executives or directors. We may not agree with every position taken by a candidate, elected official, or trade association we support, and a contribution to any individual or organization should not be taken to mean agreement with every position taken by that individual or group. However, we use several business-focused criteria and our Core Values to make decisions that will allow us to have a seat at the table to engage, both on the issues on which we align and those on which we disagree, to support our business, associates and communities.

We may also be called upon to weigh in on issues that are not core to our business or critical to a majority of our stakeholders. We have a thoughtful process for determining if we should speak on a particular issue, which includes a risk analysis, careful deliberation, assessment of business impact, and consideration of alignment with our Core Values.

## CHECK IT OUT



## 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.

#### PREPARE

Eligible associates voluntarily choose to join The Home Depot PAC.

PACKAGE
All participating associate contributions are pooled.
\$3,638,000 contributed to candidates and their leadership PACs in 2022
13,500+ individual contributors in that election cycle

#### QUALITY ASSURANCE

Our Core Values drive all strategic decisions inside our Company, and we build relationships with elected officials who help enable our ability to implement those strategies to the benefit of our associates, customers, shareholders and communities. Here are the primary, business-focused criteria the PAC considers when deciding which candidates to support:

- Service on key committees important to The Home Depot
- Favorable position on one or more legislative issues that align with The Home Depot's business objectives
- Service in a current or potential leadership position
- Location of a Home Depot facility in the candidate's district
- Industry support from business and retail organizations

# DISTRIBUTE PAC funds are distributed to candidates and their leadership PACs.

We work to build relationships with lawmakers who are well positioned to legislate on issues important to The Home Depot and our associates.

ASSESS
Legislators make informed decisions on issues affecting our Company.



# **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 for alignment with our key priorities, guided by our Core Values. All of The Home Depot's political contributions are made to promote the interests of the Company and without regard for the private political preferences of executives or directors. The Government Relations team is responsible for ensuring all PAC and corporate political contributions are made in accordance with the law and Company policies. The team participates in regular trainings and performs routine reviews to monitor compliance.

The Nominating and Corporate Governance Committee of our Board of Directors provides additional oversight, conducting an annual review of our Political Activity and Government Relations Policy, the Company's political contributions, payments to trade associations that engage in lobbying activities, and the Company's support of ballot initiatives.

The Nominating & Corporate Governance Committee must approve in advance any public advertisement directly or indirectly paid for by the Company that expressly advocates the election or defeat of a candidate in which The Home Depot is identified specifically as an advocate of such election or defeat. To date, the Company has not made any expenditure for such electioneering communications, and has no present plans to make any such expenditures.

The Home Depot PAC's finances, governance and communications are governed by a PAC Board. The PAC Board is chaired by the vice president of Government Relations and is made up of representatives from each functional area of the business and each field division to ensure a wide range of experiences and perspectives.

We provide transparency in our actions by publishing an annual report of the Company's political contributions and the aggregate dues paid to trade associations that engage in lobbying activities, and any independent political expenditures by the Company supporting or opposing ballot initiatives and contributions to ballot measures committees. 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.

Following the continued enhancements to our Political Activity and Government Relations Policy and our disclosures in recent years, we were recently elevated to the First Tier of the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which seeks to measure electoral spending transparency and accountability among the largest public corporations in the U.S.

#### **⊕** DID YOU KNOW

The Home Depot has an interactive <u>Economic Impact map</u> that highlights the importance of its business in communities around the country. The Economic Impact map, which was created in collaboration between our Government Relations, Tax and Strategic Business Development teams, along with PwC, includes information about employment numbers, taxes and community involvement. The map gives a state-by-state breakdown so customers and associates can easily see the impact in their communities.





# **CORPORATE TAXES**

We do the right thing for our associates, shareholders and communities by ensuring we pay our fair share of taxes and manage them transparently.

Taxes are a significant component of The Home Depot's economic contribution to the countries, states and local communities in which we operate. Our commitment to our Core Values informs how we approach taxes. Responsible management of The Home Depot's taxes includes:

## **Accountability & Governance**

Tax governance is overseen by the Audit Committee of the Board of Directors. At least once a year, Company leaders report to the Audit Committee regarding our approach to managing taxes. Learn more about our Corporate Governance structure on page 97.

## **Risk Management**

We identify and manage risks associated with taxes, including:

- Legislative uncertainty
- Reputational risk, including that a tax position taken by the Company may not be consistent with our guiding principles or may expose the Company to negative publicity
- Scarcity of talented tax professionals to recruit and hire as associates

# **Compliance**

We comply with tax laws in the jurisdictions in which we operate, including reporting and paying our taxes in a timely manner by:

- Employing appropriate resources and controls to ensure that our tax reporting is accurate and complete
- Supporting audits of our tax reporting and control environment by our internal control team and independent, third-party auditors, as required for publicly traded companies
- Seeking reasonable interpretations of laws where there may be ambiguity
- Engaging proactively and transparently with tax authorities, when appropriate, to seek clarity, guidance or agreement on tax positions

# **Alignment with Our Business**

Our corporate entity structure reflects the alignment with our commercial activities to ensure that we pay our fair share of tax commensurate with our business' geographical footprint and operations within a jurisdiction. Additionally, we seek and claim tax incentives that:

- Align with our business
- Are consistent with the statutory or regulatory framework
- Drive economic development and job creation in the communities in which we operate





# **Stakeholder Engagement**

We actively engage with federal, state and local governments; tax authorities; trade associations; and other business groups to advocate for policies that align with our approach to tax management, including the ways we:

- Support tax policies that drive a vibrant, competitive and growing economy allowing continued meaningful investments in our company and our people
- Staff our stores based upon revenue generated within the stores; thus, a strong economy that includes balanced taxation policy drives revenue that supports employment

# THE HOME DEPOT'S 2022 TAX PAYMENTS<sup>1</sup>

State Income Tax<sup>2</sup> Federal Income Tax \$3.96 billion \$940 million Other Income & Foreign & Territorial Income Tax<sup>3</sup> Business Taxes<sup>4</sup> \$540 million \$1.02 billion Sales Taxes<sup>5</sup> **Property Taxes** \$698 million \$10.68 billion Payroll Taxes<sup>6</sup> Total: \$22.51 billion \$4.68 billion



- These amounts reflect actual cash taxes paid which do not include deferred taxes, but do include foreign withholding taxes.
- State income taxes and franchise taxes based on income.
- <sup>3</sup> Income taxes paid in Canada, Mexico, China, Puerto Rico, Guam and the U.S. Virgin Islands.
- <sup>4</sup> Taxes paid for franchise taxes not based on income in U.S. states and India; Licenses & Permits paid to U.S. states and territories; and duties paid to the U.S., Canada and Mexico on imported products.
- Includes all sales taxes and use taxes.
- Unemployment taxes; Federal Insurance Contributions Act (FICA) contributions; and federal and state income taxes withheld on behalf of THD associates based on calendar year 2022 earnings.





# **DATA SECURITY & PRIVACY**

We believe that ensuring a safe and secure digital environment is part of our commitment to deliver excellent customer service.

We value and respect the privacy of our customers, associates, service providers and business partners.

Our approach to data security and privacy enables us to drive a collectively secure culture and reinforces our commitment to protecting privacy. Among other aspects of our program, we have:

- robust and direct Board-level oversight
- cross-functional committees comprised of senior and department leaders throughout our organization
- accomplished teams of cybersecurity and privacy professionals
- training and tools for all associates to help them stay informed and mitigate risks
- multiple ways for our customers and associates to exercise their privacy rights

## **Policies**

Information security and privacy policies are in place and are informed by regulatory requirements. These policies are reviewed periodically to ensure they remain aligned with current requirements.

# **Training and Awareness**

Data security and privacy training and awareness are provided to all associates upon hire and on an annual basis, with additional customized, role-based training provided to targeted internal audiences. In addition, from time to time we conduct awareness campaigns to reinforce our new-hire and annual training.

## Governance

Our commitment to creating a safe and secure digital environment starts with the governance and oversight of our data security and privacy policies and strategy.



- At least annually: Holds meeting dedicated to key data security and privacy topics such as:
  - risk identification and management strategies
  - customer, associate and business data protection
  - third-party assessments and testing
  - associate training
- At least quarterly: Receives updates (either directly or through an Audit Committee report-out) from senior IT leaders, including our Chief Information Officer (CIO) and Chief Information Security Officer (CISO), and the Chair of our Data Security and Privacy Governance Committee



AUDIT COMMITTEE OF THE BOARD

- Has primary responsibility for overseeing data security and privacy risks
- Receives at least quarterly updates (either directly to the Audit Committee or as part of a full Board update) from senior IT leaders, including our CIO and CISO, and the Chair of our Data Security and Privacy Governance Committee
- Receives periodic updates from our Chief Privacy Officer (CPO)



DATA SECURITY AND PRIVACY GOVERNANCE COMMITTEE

- Created to provide enterprise-wide awareness of data protection, privacy and cybersecurity matters, including oversight of related risks, mitigation and incident response plans, awareness and training programs, and regulatory compliance
- Chaired by our Vice President, Internal Audit and Corporate Compliance and composed of a cross-functional team of senior leaders, including our CEO
- Meets at least quarterly, with support from the following committees:

#### SECURITY AND TECHNOLOGY RISK LEADERSHIP COMMITTEE

- Provides leadership and oversight of our cybersecurity program
- Chaired by our CISO and composed of additional Home Depot technology leaders, as well as representatives from Legal, Finance, Human Resources, Corporate Communications, Online, Marketing and Internal Audit and Corporate Compliance

#### PRIVACY AND DATA GOVERNANCE COMMITTEE

- Provides leadership and oversight of our privacy and data governance programs
- Chaired by our CPO and composed of a cross-functional group across 20 departments



# **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 also continue to make investments to ensure 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 cybersecurity team, led by our CISO. In partnership with industry-leading third parties, our cybersecurity team designs and implements data security and cybersecurity programs, risk assessments, monitoring and training.

#### Monitoring and Mitigation

- Throughout the year, internal and external groups conduct targeted audits and penetration tests.
- We engage an industry-leading third party to independently evaluate our cybersecurity maturity on an annual basis.

#### Data Protection

- We have 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

- Our 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.
- Security risk assessments are conducted for targeted service provider and business partner relationships.
- Where applicable, service providers and business partners are contractually obligated to protect restricted data provided by or received from The Home Depot.

#### Frameworks

- We leverage the National Institute of Standards and Technology (NIST) Cybersecurity Framework as the foundation of our cybersecurity program.
- We are compliant with the Payment Card Industry Data Security Standard.





# Privacy and Data Governance Program

The Home Depot values and respects the privacy of its customers and visitors. While operating our business and interacting with our customers, we collect, use, and disclose personal information. We do so to process and fulfill orders, to improve our in-store and digital offerings, to create consistent in-store and digital experiences, to protect the rights and information of our customers and our Company, and for the other purposes disclosed in our Privacy and Security Statement, which also provides information about how we collect, use and share information we collect from our customers and visitors.

#### Privacy Principles

- Transparency we are open and honest with how we use and disclose personal information.
- Control we provide tools to help individuals exercise their rights.
- Security we use industry-standard means to protect our websites and personal information.

#### Privacy Program Management

- Led by our CPO, our privacy legal organization facilitates our strategy; advises on privacy and cyber laws and regulations; assesses and mitigates risks involving personal information; and manages regulatory, associate and customer inquiries.
  - The privacy team collectively holds multiple industry-leading privacy-related certifications and has over 50 years of relevant experience.

- Partners with stakeholders across the enterprise to develop, implement, and maintain policies, procedures, guidelines, and practices designed to operationalize The Home Depot's Privacy Principles.
- Privacy Champions are also embedded throughout the business to further increase awareness of privacy-related matters on a day-to-day basis.

#### Frameworks and Industry Partnerships

- We leverage industry-leading frameworks, including the NIST Privacy Framework, as the foundation of our privacy program.
- We participate in the Retail Industry Leaders Association's Privacy Leaders Council.
- The privacy team maintains membership in the International Association of Privacy Professionals.

#### Customer Education and Empowerment

The Privacy & Security Center page of our corporate website details how we use, collect and share personal information, and how customers can find out more about the personal information we collect and their options to manage/limit the use of their information and exercise their privacy rights.





# ESG PERFORMANCE DATA AND REPORTING FRAMEWORKS

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# **ESG TRANSPARENCY**

This chart highlights The Home Depot's key ESG metrics. All data reflects Home Depot's fiscal year, unless otherwise noted. For detailed diversity, equity and inclusion data, see pages 30-32.

	FY 2020	FY 2021	FY 2022
ASSOCIATES			
FOCUS ON OUR PEOPLE			
Underrepresented minority groups among new hires in the U.S.	52.8%	57.3%	58.0%
Women among new hires in the U.S.	35.5%	35.7%	36.0%
Success Sharing paid to associates	\$616 million	\$739 million	\$409 million
Homer Fund assistance paid to fellow associates	\$16.2 million	\$18.7 million	\$21.2 million
Lost time incident rate per 200,000 hours	1.07	1.23	1.16
Recordable incident rate per 200,000 hours	4.03	4.25	4.08
CARBON EMISSIONS			
OPERATE SUSTAINABLY			
CDP Climate Change score	A-	В	§
Estimated reduction of customers' GHG emissions through the purchase and proper use of energy-saving products (MT CO2e) (includes ENERGY STAR, 2.6 million MT in 2022)	7.6 million	7.5 million	5.8 million
Direct (Scope 1) GHG emissions (MT of CO2e) <sup>1</sup>	607,000	642,000	597,000
Indirect (Scope 2) GHG emissions (MT CO2e) <sup>1</sup>	1,214,000	1,007,000	960,000
Reduction of GHG emissions since 2009 (MT CO2e; Scope 1&2) <sup>1</sup>	-1.3 million	-1.5 million	-1.6 million
% Reduction of GHG emissions since 2009 (Scope 1 &2) <sup>1</sup>	-42%	-47%	-50%
Number of facilities with fuel cell energy source <sup>2</sup>	203	204	217
Fuel cell energy capacity for U.S. operations (MWac)	41	41	43
Solar energy capacity companywide, rooftop and off-site (MWac)	63	142	265
Wind energy capacity companywide (MWac)	62	62	112



	FY 2020	FY 2021	FY 2022
Diesel used (MWh) <sup>1</sup>	199,176	213,000	179,700
Electricity purchased (MWh) <sup>1</sup>	3,103,115	2,935,500	2,720,600
Electricity generated (MWh) <sup>1</sup>	302,200	300,600	283,100
Natural gas used (MWh) <sup>1</sup>	2,457,439	2,601,500	2,518,500
Propane used (MWh) <sup>1</sup>	272,844	280,200	249,500
Energy consumption within the organization (MWh) <sup>1</sup>	6,445,071	6,444,300	6,015,800
GHG emissions intensity Scope 1+2 (MT of CO2e per billion U.S. dollars of revenue)1	13,784	10,900	9,900
OPERATING SUSTAINABLY			
OPERATE SUSTAINABLY			
Reduction of kWh used by U.S. stores, year over year	-14.11%	-10.63%	-3.79%
Rechargeable battery recycling by all stores (pounds)	1,240,400	1,162,800	1,284,500
CFL bulb recycling (pounds)	562,700	514,200	460,200
Lead-acid battery recycling (battery cores)	184,600	204,300	180,700
Cardboard recycling (tons)	261,500	272,900	272,200
Nonhazardous waste generated (MT)	919,574	1,048,500	1,058,600
Waste sent to landfill (MT)	627,196	728,300	738,200
Waste recycling (MT)	292,378	320,200	320,500
Waste incineration (pounds)	3,107,629	2,959,900	3,025,500
Fuel blending (pounds)	5,505,096	5,571,300	5,111,400
RESPONSIBLE SOURCING			
Combined factory audits and follow-up visits by THD	3,012	3,119	3,104
Product tests conducted by third parties	25,800	18,800	23,700
Transit tests conducted by third parties	12,600	12,900	13,800
Pre-shipment product inspection visits	26,200	28,300	25,900
Expanded polystyrene (EPS) foam elimination (CF)	873,200	274,600	7,307,100
Polyvinyl chloride (PVC) film elimination (SF)	961,100	1,119,700	81,488,600



	FY 2020	FY 2021	FY 2022
PRODUCTS			
OPERATE SUSTAINABLY			
Number of restricted substance categories in Chemical Strategy	8	8	9
Energy-saving products offered in stores and online (includes ENERGY STAR, 14,600 in 2022) <sup>3</sup>	23,668	22,700	25,700
Energy-saving product sales (includes ENERGY STAR, \$9.61 billion in 2022) <sup>3</sup>	\$8.8 billion	\$7.6 billion	\$10.4 billion
Estimated annual customer savings from purchase and proper use of energy-saving products (includes ENERGY STAR, \$554 million in 2022) <sup>3</sup>	\$1.4 billion	\$1.5 billion	\$1.2 billior
Water-saving products offered in store and online (includes WaterSense, 6,200 in 2022)3	9,994	8,100	7,500
Water-saving product sales (includes WaterSense, \$1.97 billion in 2022)3	\$1.7 billion	\$1.8 billion	\$2.0 billion
Estimated annual customer savings from purchase and proper use of water-saving products (includes WaterSense, \$687 million in 2022) <sup>3</sup>	\$746 million	\$895 million	\$702 million
COMMUNITY			
STRENGTHEN OUR COMMUNITIES			
The Home Depot spend with diverse suppliers <sup>4</sup>	\$3.2 billion	\$3.3 billion	\$3.4 billion
The Home Depot Foundation grants	\$52.9 million	\$66.7 million	\$82.3 million
Team Depot volunteer hours <sup>5</sup>	N/A	84,000	270,000
U.S. political contributions by The Home Depot PAC	\$1,885,107	\$2,447,000	\$3,638,000
U.S. corporate political contributions	\$420,000	\$400,000	\$550,000

All monetary amounts are U.S. dollars.

CF = cubic feet
CO2 = carbon dioxide
CO2e = CO2 + other greenhouse gas emissions
GHG = greenhouse gas
kWh = kilowatt hours

MT = metric tons
MW = megawatts
MWac = megawatts of alternating current
MWh = megawatt hours
SF = square feet

<sup>1 2022</sup> and 2021 data reflect our fiscal year; 2020 reflects the calendar year. Our fiscal 2022 includes activity during January 31, 2022 through January 29, 2023, compared to fiscal year 2021 which includes activity during February 1, 2021 through January 30, 2022,

<sup>&</sup>lt;sup>2</sup> 2020 & 2021 data reflects stores only, 2022 includes distribution facilities.

<sup>3 2022</sup> energy and water-saving product figures include HD Supply, prior year figures were specific to The Home Depot U.S.

Data for 2020 and 2021 include Tier 1 spend only, 2022 data includes Tier 1 & 2 spend.

<sup>&</sup>lt;sup>5</sup> FY2020 activities halted because of the COVID-19 pandemic; did not track.

<sup>§</sup> Not available at time of publication.



# **GLOBAL REPORTING INITIATIVE (GRI) STANDARDS**

Statement of use	The Home Depot, Inc. has reported the information cited in this GRI content index for the period January 31, 2022 to January 29, 2023 with reference to the GRI Standards.  GRI 1: Foundation 2021				
GRI 1 used					
GRI STANDARD / DISCLOSURE	LOCATION				
GRI 2: General Disclosures 2021					
	The Home Depot, Inc., a publicly traded Delaware corporation, listed on the NYSE under the ticker symbol "HD"				
2-1 Organizational details	Headquarters located in Atlanta, Georgia, USA				
	Form 10-K pgs. 1-10, 22-23, Corporate Website - About Us				
2-2 Entities included in the organization's sustainability reporting	About This Report				
	<b>Reporting period</b> : The report covers our 2022 fiscal year, which began on January 31, 2022 and ended on January 29, 2023. In some cases, we include data and information about programs and activities relevant to our ESG priorities that occurred in the 2023 fiscal year, as noted.				
2-3 Reporting period, frequency and contact point	Reporting cycle: Annual				
	Publication date of the report: July 27, 2023				
	Contact point for questions regarding the report: Ron Jarvis, Chief Sustainability Officer, eco_optionsUSA@homedepot.com				
2-4 Restatements of information	<b>ESG Transparency</b> - Fiscal 2020 data for waste incineration, fuel blending, and product tests and transit tests conducted by third parties were updated based on more complete data being provided.				
2-5 External assurance	Certain carbon data is independently verified by an external third party to a limited level of external assurance for Scope 1, 2, and 3 (category 4) data.				
	The Home Depot is the world's largest home improvement retailer based on net sales for fiscal 2022.				
2-6 Activities, value chain and other business relationships	Overview, Community Partnerships, Supplier Diversity, Responsible Sourcing and Human Rights. In addition, as noted throughout our Operate Sustainably chapter, we partner with many of our suppliers to reduce the environmental impact of our products.				
	Form 10-K pgs. 1-10				
2-7 Employees	Diversity, Equity & Inclusion				
2 / Employees	Form 10-K, pgs. 6-8				



GRI STANDARD / DISCLOSURE	LOCATION				
	Corporate Governance				
2-9 Governance structure and composition	Proxy Statement pgs. 1-24				
	Corporate Website – Investor Relations > Corporate Governance				
	Corporate Governance				
2-10 Nomination and selection of the highest	Proxy Statement pgs. 1-24				
governance body	Corporate Website – Investor Relations > Corporate Governance: Corporate Governance Guidelines, Policy of Consideration and Evaluation of Board Candidates				
2-11 Chair of the highest governance body	Proxy Statement pgs. 1-2				
2-12 Role of the highest governance body in	Oversight of ESG, Associate Safety, Responsible Sourcing and Human Rights, Corporate Governance, Government Relations, Corporate Taxes, Data Security & Privacy				
overseeing the management of impacts	Proxy Statement pgs. 4-8				
	Corporate Website – Investor Relations > Corporate Governance > Committee Members & Charters				
2-13 Delegation of responsibility for managing impacts	Oversight of ESG, Responsible Sourcing and Human Rights, Corporate Governance, Government Relations, Corporate Taxes, Data Security & Privacy				
2-14 Role of the highest governance body in sustainability reporting	Oversight of ESG				
	Proxy Statement pgs. 10-12				
2-15 Conflicts of interest	Corporate Website – Investor Relations > Corporate Governance: Business Code of Conduct and Ethics, Corporate Governance Guidelines				
	ESG Priority Assessment, Code of Conduct				
2-16 Communication of critical concerns	Proxy Statement pgs. 8, 13				
2-10 Communication of Chical Concerns	Corporate Website – Investor Relations > Corporate Governance: Business Code of Conduct and Ethics, Corporate Governance Guidelines				
2-17 Collective knowledge of the highest	Oversight of ESG, ESG Priority Assessment				
governance body	Proxy Statement pgs. 1-24				
	Corporate Governance				
2-18 Evaluation of the performance of the highest	Proxy Statement pg. 10				
governance body	Corporate Website – Investor Relations > Corporate Governance > Committee Members & Charters > NCGC Charter				
	Proxy Statement pgs. 41-80				
2-19 Remuneration policies	Corporate Website – Investor Relations > Corporate Governance > Committee Members & Charters > LDCC Charter, Corporate Governance Guidelines				



GRI STANDARD / DISCLOSURE	LOCATION			
	Proxy Statement pgs. 41-80			
2-20 Process to determine remuneration	Corporate Website – Investor Relations > Corporate Governance > Committee Members & Charters > LDCC Charter, Corporate Governance Guidelines			
2-21 Annual total compensation ratio	Proxy Statement pgs. 75-76			
2-22 Statement on sustainable development strategy	CEO Letter, Diversity, Equity & Inclusion (Spotlight with our Chief Diversity Officer), Q&A: Continuing Our Sustainability Journey			
2-23 Policy commitments	Corporate Website – Investor Relations > ESG Investors			
	Oversight of ESG, Code of Conduct, Responsible Sourcing and Human Rights, Corporate Governance, Government Relations, Corporate Taxes, Data Security & Privacy			
2-24 Embedding policy commitments	Proxy Statement pgs. 4-7			
	Corporate Website – Investor Relations > Corporate Governance: Business Code of Conduct and Ethics, Corporate Governance Guidelines			
O OF Dunascooks was adjuste to existing instructs	Operate Sustainably, Responsible Sourcing and Human Rights			
2-25 Processes to remediate negative impacts	Corporate Website – Investor Relations > ESG Investors			
	ESG Priority Assessment, Code of Conduct			
2-26 Mechanisms for seeking advice and raising concerns	Proxy Statement pgs. 8, 13			
	Corporate Website – Investor Relations > Corporate Governance: Business Code of Conduct and Ethics, Corporate Governance Guidelines			
	Code of Conduct, Responsible Sourcing and Human Rights			
2-27 Compliance with laws and regulations	Form 10-K pgs. 10, 19			
	Corporate Website - Investor Relations > Corporate Governance: Business Code of Conduct and Ethics			
	2022 ESG Highlights (Canada and Mexico), Carbon Emissions Reduction, Responsible Chemistry, Community Partnerships, Optimized Supply Chain, Supplier Diversity			
2-28 Membership associations	Corporate Website – Investor Relations > Corporate Governance: Political Activity and Government Relation Policy, Advocacy and Political Activity Report			
2-29 Approach to stakeholder engagement	ESG Priority Assessment			
2-30 Collective bargaining agreements	Form 10-K pgs. 6-8			
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	ESG Priority Assessment			
3-2 List of material topics	ESG Priority Assessment			
3-3 Management of material topics	Our ESG Goals and Progress, 2022 ESG Highlights, Our Approach to ESG, Focus on Our People, Operate Sustainably, Strengthen Our Communities, Responsible Business Practices, ESG Transparency			
	2022 CDP Climate Change response			



GRI STANDARD / DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	Corporate Taxes
201-2 Financial implications and other risks and opportunities due to climate change	2022 CDP Climate Change response
004.0 D. (1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Benefits
201-3 Defined benefit plan obligations and other retirement plans	Form 10-K, pg. 61 and Form 11-K
Tetricite plans	Proxy Statement pgs. 55, 67
GRI 203: Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported	Carbon Emissions Reduction, Strengthen Our Communities
2002 O Cignificant indigest economic impacts	Promoting Customer Eco Actions, Strengthen Our Communities, ESG Transparency
203-2 Significant indirect economic impacts	Corporate Website – About Us > Economic Impact
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	Supplier Diversity
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	Proxy Statement pgs. 6-7
205-2 Communication and training about anti-	Code of Conduct, Responsible Sourcing and Human Rights
corruption policies and procedures	Corporate Website – Investor Relations > Corporate Governance: Business Code of Conduct and Ethics
GRI 207: Tax 2019	
207-1 Approach to tax	Corporate Taxes
207-2 Tax governance, control, and risk management	Corporate Taxes
207-3 Stakeholder engagement and management of concerns related to tax	Corporate Taxes
207-4 Country-by-country reporting	Corporate Taxes
GRI 301: Materials 2016	
301-1 Materials used by weight or volume	Circularity, Recycle, Repair, Reuse, ESG Transparency
301-2 Recycled input materials used	Circularity, Recycle, Repair, Reuse, ESG Transparency
301-3 Reclaimed products and their packaging materials	Circularity, Recycle, Repair, Reuse, ESG Transparency



GRI STANDARD / DISCLOSURE	LOCATION
GRI 302: Energy 2016	
000.4.5	Carbon Emissions Reduction, ESG Transparency
302-1 Energy consumption within the organization	2022 CDP Climate Change response
200 O Francisco control of	Carbon Emissions Reduction, ESG Transparency
302-2 Energy consumption outside of the organization	Certain carbon data is independently verified by an external third party to a limited level of external assurance for Scope 1, 2, and 3 (category 4) data.
302-3 Energy intensity	Carbon Emissions Reduction, ESG Transparency
302-3 Energy intensity	2022 CDP Climate Change response
302-4 Reduction of energy consumption	ESG Goals and Progress, 2022 ESG Highlights (Canada and Mexico), Q&A: Continuing Our Sustainability Journey, Carbon Emissions Reduction, ESG Transparency
	2022 CDP Climate Change response
302-5 Reductions in energy requirements of	ESG Goals and Progress, Q&A: Continuing Our Sustainability Journey, Carbon Emissions Reduction, ESG Transparency
products and services	2022 CDP Climate Change response
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	ESG Goals and Progress, Water Conservation, ESG Transparency
GRI 304: Biodiversity 2016	
304-2 Significant impacts of activities, products and services on biodiversity	Sustainable Forestry, Promoting Customer Eco Actions (From Forestry to Gardening)
304-3 Habitats protected or restored	Sustainable Forestry, Promoting Customer Eco Actions (From Forestry to Gardening)
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Carbon Emissions Reduction, ESG Transparency
303-1 Direct (Goope 1) Gira emissions	2022 CDP Climate Change response
305-2 Energy indirect (Scope 2) GHG emissions	Carbon Emissions Reduction, ESG Transparency
303-2 Energy Indirect (300pe 2) Grid emissions	2022 CDP Climate Change response
305-3 Other indirect (Scope 3) GHG emissions	Carbon Emissions Reduction, ESG Transparency
303-3 Other indirect (3cope 3) and emissions	2022 CDP Climate Change response
305-4 GHG emissions intensity	Carbon Emissions Reduction, ESG Transparency
305-5 Reduction of GHG emissions	Q&A: Continuing Our Sustainability Journey, Carbon Emissions Reduction, ESG Transparency
	2022 CDP Climate Change response
GRI 306: Waste 2020	
306-1 Waste generation and significant waste- related impacts	Circularity, ESG Transparency



GRI STANDARD / DISCLOSURE	LOCATION
306-2 Management of significant waste- related impacts	Circularity
306-3 Waste generated	ESG Transparency
306-4 Waste diverted from disposal	Circularity, ESG Transparency
306-5 Waste directed to disposal	ESG Transparency
GRI 308: Supplier Environmental Assessment 20	16
209 1 New auppliers that were gerooned using	Responsible Sourcing and Human Rights
308-1 New suppliers that were screened using environmental criteria	Corporate Website – Responsibility > Resources & Reports > Responsible Sourcing Report, Responsible Sourcing Manuals and Responsible Sourcing Standards
200 O Negative and increased in the	Responsible Sourcing and Human Rights
308-2 Negative environmental impacts in the supply chain and actions taken	Corporate Website – Responsibility > Resources & Reports > Responsible Sourcing Report, Responsible Sourcing Manuals and Responsible Sourcing Standards
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	ESG Transparency
401-2 Benefits provided to full-time employees	
that are not provided to temporary or part-	Benefits
time employees	
401-3 Parental leave	Benefits
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Associate Safety
403-2 Hazard identification, risk assessment, and incident investigation	Associate Safety
403-3 Occupational health services	Associate Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Associate Safety
403-5 Worker training on occupational health and safety	Associate Safety
403-6 Promotion of worker health	Associate Safety, Benefits
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Associate Safety
403-8 Workers covered by an occupational health and safety management system	Associate Safety
403-9 Work-related injuries	Associate Safety



GRI STANDARD / DISCLOSURE	LOCATION			
GRI 404: Training and Education 2016				
404-1 Average hours of training per year per employee	Learning & Development			
404-2 Programs for upgrading employee skills and transition assistance programs	Diversity, Equity & Inclusion, Associate Engagement, Learning & Development, Benefits, Trades Training: Our Path to Pro Programs			
GRI 405: Diversity and Equal Opportunity 2016				
405-1 Diversity of governance bodies	Diversity, Equity & Inclusion			
and employees	Proxy Statement pgs. 14-24			
405-2 Ratio of basic salary and remuneration of women to men	Diversity, Equity & Inclusion			
GRI 409: Forced or Compulsory Labor 2016				
409-1 Operations and suppliers at significant risk	Responsible Sourcing and Human Rights			
for incidents of forced or compulsory labor	Corporate Website – Responsibility > Resources & Reports > Responsible Sourcing Report, Responsible Sourcing Manuals and Responsible Sourcing Standards			
GRI 413: Local Communities 2016				
413-1 Operations with local community engagement, impact assessments, and development programs	2022 ESG Highlights (Canada and Mexico), Strengthen Our Communities			
GRI 414: Supplier Social Assessment 2016				
414-1 New suppliers that were screened using	Responsible Sourcing and Human Rights			
social criteria	Corporate Website – Responsibility > Resources & Reports > Responsible Sourcing Report, Responsible Sourcing Manuals and Responsible Sourcing Standards			
414-2 Negative social impacts in the supply chain	Responsible Sourcing and Human Rights			
and actions taken	Corporate Website – Responsibility > Resources & Reports > Responsible Sourcing Report, Responsible Sourcing Manuals and Responsible Sourcing Standards			
GRI 415: Public Policy 2016				
	Corporate Governance, Government Relations, ESG Transparency			
415-1 Political contributions	Corporate Website – Investor Relations > Corporate Governance: Political Activity and Government Relations Policy, Advocacy and Political Activity Report			
GRI 416: Customer Health and Safety 2016				
416-1 Assessment of the health and safety impacts of product and service categories	Responsible Chemistry, Promoting Customer Eco Actions, ESG Transparency			
GRI 418: Customer Privacy 2016				
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security & Privacy			



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (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 2023 ESG Report.

### **Multiline and Specialty Retailers & Distributors**

#### TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE			
Energy Management in Retail &	Energy Management in Retail & Distribution							
<ul><li>(1) Total energy consumed,</li><li>(2) percentage grid electricity,</li><li>(3) percentage renewable</li></ul>	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	<ul> <li>Total energy consumed in fiscal 2022 – 21.7M GJ</li> <li>Purchased approximately 1.7M GJ of renewable energy</li> </ul>	2023 ESG Report – Carbon Emissions Reduction, pgs. 50-51			
Data Security	Data Security							
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	Details can be found in the Data Security & Privacy section of our ESG Report and in our 2023 Proxy Statement	2023 ESG Report – Data Security & Privacy, pg. 104-106; <b>2023 Proxy</b> <b>Statement,</b> pgs. 5-6			
<ul><li>(1) Number of data breaches,</li><li>(2) percentage involving personally identifiable information (PII), (3) number of customers affected</li></ul>	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No material breaches in fiscal 2022				

Operate Sustainably



ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
Labour Practices					
(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	CG-MR-310a.1	Starting rate is at least \$15 an hour	2023 ESG Report – Associate Engagement, pgs. 36
<b>Workforce Diversity &amp; Inclusion</b>					
Percentage of gender and racial/	Quantitative	Percentage (%)	CG-MR-330a.1	U.S. Officers:	2023 ESG Report – Diversity,
ethnic group representation for (1) management and				■ Gender: 29% Female	Equity & Inclusion, pgs. 27-32
(2) all other employees				<ul><li>Underrepresented Minority Groups 26%</li></ul>	
				U.S. Managers and Above (excluding Officers):	
				■ Gender: 35% Female	
				<ul> <li>Underrepresented Minority Groups 39%</li> </ul>	
				U.S. Workforce:	
				■ Gender: 38% Female	
				<ul><li>Underrepresented Minority Groups 48%</li></ul>	
Product Sourcing, Packaging &	Marketing				
Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting Currency	CG-MR-410a.1	Approximately \$23.7 billion in 2022	2023 ESG Report – Promoting Customer Eco Actions, pgs. 70-76
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 Operate Sustainably section of our ESG Report	2023 ESG Report – Responsible Waste Management, pg. 64; Responsible Chemistry, pgs. 67-69; Promoting Customer Eco Actions, pgs. 75-76
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 Circularity section of our ESG Report	2023 ESG Report – Circularity pg. 58-61



#### **TABLE 2. ACTIVITY METRICS**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
Number of: (1) retail locations	Quantitative	Number	CG-MR-000.A	<ul><li>2,322 retail locations</li></ul>	2022 Annual Report on SEC
and (2) distribution centers				<ul> <li>More than 400 distribution centers</li> </ul>	Form 10-K pg. 23
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m <sup>2</sup> )	CG-MR-000.B	<ul><li>22.4 million sq. meters of retail space</li></ul>	2022 Annual Report on SEC Form 10-K pg. 22
				<ul> <li>9.6 million sq. meters of warehouse and distribution centers</li> </ul>	

## **Building Products & Furnishings**

#### TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

ACCOUNTING METRIC CATEGORY		UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE				
Management of Chemicals in Products									
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 Operate Sustainably section of our ESG Report	2023 ESG Report – Responsible Waste Management, pg. 64; Responsible Chemistry, pgs. 67-69; Promoting Customer Eco Actions, pgs. 75-76				
Product Lifecycle Environmenta	l Impacts								
Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	CG-BF-410a.1	Details can be found in the Circularity section of our ESG Report	2023 ESG Report – Circularity, pgs. 58-64				
(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	Approximately 410,000	2023 ESG Report – Circularity, pgs. 58-64				



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (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 2023 ESG Report.

		2023 ESG REPORT				
RECOMMENDED DI	SCLOSURE TOPICS	Section	Page #	ADDITIONAL SOURCES		
GOVERNANCE	Describe the board's oversight of climate-related	Oversight of ESG	19	CDP Report; 2023 Proxy		
	risks and opportunities.	Corporate Governance	97-98	Statement pgs. 1-8		
		Our ESG Goals and Progress	10-11			
	Describe management's role in assessing and	Oversight of ESG	19	CDP Report; 2023 Proxy		
	managing climate-related risks and opportunities.	ESG Priority Assessment	20-24	Statement pgs. 1-8		
		Corporate Governance	97-98			
STRATEGY	Describe the climate-related risks and opportunities	ESG Priority Touchpoints	23-24	CDP Report; 2022 Annual		
	the organization has identified over the short-,	Q&A: Continuing Our Sustainability Journey	48-49	Report, pgs. 8-22; 2023 Proxy		
	medium- and long-term.	Carbon Emissions Reduction	50-55	Statement, pgs. 1-8		
		CEO Letter	3-4			
		ESG Priority Assessment	20-24			
	Describe the impact of climate- related risks and opportunities on the organization's businesses,	Operate Sustainably (Introduction)	47	CDP Report		
	strategy and financial planning.	Q&A: Continuing Our Sustainability Journey	48-49	CDF neport		
	3	Carbon Emissions Reduction	50-55			
		Promoting Customer Eco Actions	70-76			
	Describe the resilience of the company's strategy,	Our ESG Goals and Progress	10-11			
	taking into consideration different climate-related	Carbon Emissions Reduction	50-55	CDP Report		
	scenarios, including a 2°C or lower scenario.	Promoting Customer Eco Actions	70-76			



		2023 ESG REPORT					
RECOMMENDED DISCL	OSURE TOPICS	Section	Page #	ADDITIONAL SOURCES			
RISK MANAGEMENT	Describe the company's process for identifying and	uny's process for identifying and ESG Priority Assessment					
	assessing climate-related risks.	Corporate Governance	97-98	Statement, pgs. 1-8			
		ESG Priority Assessment	20-24	0000 D			
	Describe the company's processes for managing climate-related risks.	Carbon Emissions Reduction	50-55	CDP Report; 2023 Proxy			
	Cilitate-related risks.	Corporate Governance	97-98	Statement, pgs. 1-8			
	Describe how processes for identifying, assessing and managing climate- related risks are integrated	ESG Priority Assessment	20-24	CDP Report; 2023 Proxy			
	into the company's overall risk management.	Corporate Governance	Statement, pgs. 1-8				
METRICS & TARGETS		Our ESG Goals and Progress					
	Disclose the metrics used by the company to	ESG Priority Assessment	20-24	CDD Damart			
	assess climate-related risks and opportunities in line with its strategy and risk-management process.	Carbon Emissions Reduction	50-55	CDP Report			
	ine with the strategy and not management process.	ESG Transparency					
	Disclose Scope 1, Scope 2 and, if appropriate, Scope	Carbon Emissions Reduction	50-55				
	3 greenhouse gas (GHG) emissions and the related risks.	ESG Transparency	108-110	CDP Report			
	Describe the targets used by the company to manage climate-related risks and opportunities and	Our ESG Goals and Progress	10-13	- CDP Report			
	performance against targets.	Carbon Emissions Reduction	50-55	ODI: nepoit			



# **EEO-1 REPORT**

## The Home Depot, Inc. EEO-1 Report

			Not-Hispanic or Latino												
Job Categories	Hispanic or Latino		Male				Female								
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or more races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or more races	Overall Totals
Executive/Sr Officials & Mgrs	14	5	170	13	17	_	1	_	61	12	8	_	_	2	303
First/Mid Officials & Mgrs	2,906	1,532	10,946	2,445	574	139	95	564	5,388	1,774	296	56	58	376	27,149
Professionals	540	383	3,913	822	986	15	21	187	2,084	877	567	13	12	142	10,562
Technicians	127	28	769	137	29	2	8	48	157	48	16	1	2	10	1,382
Sales Workers	26,039	23,743	74,785	17,905	4,287	653	906	4,187	48,263	20,019	2,992	603	715	3,426	228,523
Administrative Support	4,326	4,928	12,260	3,270	634	143	149	771	13,243	4,987	521	216	178	931	46,557
Craft Workers	379	61	1,695	204	61	10	17	78	172	47	5	2	2	14	2,747
Operatives	16,754	4,976	29,170	15,722	1,832	655	523	2,449	6,230	4,365	353	195	150	630	84,004
Laborers and Helpers	3,724	443	6,688	3,479	400	125	115	516	411	459	70	46	13	46	16,535
Service Workers	461	76	1,050	508	44	14	8	77	183	81	2	1	2	14	2,521
Total	55,270	36,175	141,446	44,505	8,864	1,756	1,843	8,877	76,192	32,669	4,830	1,133	1,132	5,591	420,283
Previous Report Total	55,826	36,998	144,691	44,603	8,599	1,873	1,843	9,224	79,308	31,765	4,700	1,128	1,153	5,894	427,605

Analysis data as of payroll period from 12/15/2022 through 12/31/2022



## **RESOURCES**

Overview Pages 6 - 26

The Home Depot Canada

The Home Depot Canada Foundation

The Home Depot Canada Privacy Policy

The Home Depot Mexico

The Home Depot Mexico Privacy

Corporate Responsibility Resources and Reports

Corporate Responsibility Website

Focus on People Pages 27 - 47

Diversity, Equity and Inclusion

Caring for our People

Community Partnerships

Associate Engagement

Associate Resource Groups

Supplier Diversity

**Empowering Success** 

**Benefits** 

The Home Depot Benefits 4U

The Homer Fund

Operate Sustainably

Pages 48 - 79

Protecting the Climate

Carbon Emissions Eco Actions

CDP

Greenhouse Gas Protocol

Science Based Targets Initiative

**RE100** 

Green Power Partnership

SmartWay

**ENERGY STAR** 

Wood Purchasing Policy

Sustainable Forestry Eco Actions

Reducing Environmental Impact

Circularity Eco Actions

Water Conservation Eco Actions

WaterSense

Chemical Strategy

Responsible Product Standards

Responsible Chemistry Eco Actions

Eco Actions Website

**USDA** Organic

Safer Choice

**GREENGUARD** 

Cradle to Cradle

Leaping Bunny

**Strengthen Our Communities** 

Pages 80 - 94

Supplier Diversity

The Home Depot Foundation National Partnerships

Retool Your School

Supplier Diversity FAQs

The Home Depot Foundation

Serving Veterans

Partnerships

Path to Pro Program

Path to Pro Website

Team Depot

Disaster Relief

Our Business

Pages 95 - 109

Business Code of Conduct and Ethics

Associate AwareLine

Supplier AlertLine

Responsible Sourcing Standards

2022 Responsible Sourcing Report

2022 Conflict Minerals Report

Corporate Governance Guidelines

**Board of Directors** 

2023 Proxy Statement

2022 Annual Report

Political Activity and Government Relations Policy

Annual Advocacy and Political Activity Report

(2018-2022)

Federal Election Commission: The Home Depot PAC

The Home Depot (U.S.) Privacy and Security Statement

Exercise My Privacy Rights

**Reporting Framework** 

Pages 110 - 129

Global Reporting Initiative (GRI) Standards

Sustainability Accounting Standards Board (SASB)

Disclosure Matrix

Task Force on Climate-Related Financial Disclosures

(TCFD) Framework

**ESG Transparency** 

EEO-1 Report



www.homedepot.com