

2019



Responsibility Report

A YEAR OF PROGRESS



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This *Responsibility Report* covers The Home Depot's year of progress in 2018.

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ON THE COVER:

Atlanta store associate Danny Watson has been with The Home Depot for 21 years and served as a Team Depot project captain for 16 years. His gardening helpers are Sabrina Dimson, 11, and Stanley Mayer, 5, both children of associates.





OVERVIEW

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CEO LETTER

OUR PILLARS OF
SUSTAINABILITY

Running a responsible and sustainable business is foundational for The Home Depot. It reflects the core values upon which our company was built and the entrepreneurial spirit that allows us to thrive in a changing marketplace. It also reflects our view of what success will look like for our company, our communities and our planet in the years to come. We organize our approach around three key pillars:

**Focus on People****Operate Sustainably****Strengthen Our Communities**

This *Responsibility Report* details the daily work we do to support these three pillars, as well as the progress we made in 2018 thanks to the dedication and ingenuity of our associates and suppliers. You'll discover high- and low-tech innovations. For example, materials engineering allowed us to eliminate enough PVC film from our private-brand packaging to cover 28 football fields, while a simple-but-smart training change led to a 7% reduction in injuries among our new hires.

You'll learn more about how we strive to create a work environment that's inclusive, engaging and rewarding to associates. Our workforce of over 400,000 people is more ethnically diverse than the U.S. working population. Our associates reflect the customers and communities we serve. Four out of five associates feel emotionally committed to our company. Their outstanding performance in 2018 enabled 100% of our stores to qualify for Success Sharing bonus payments to non-management associates. We offer training and development that transforms jobs into careers; 90% of our store leaders began as hourly associates.

Our partnerships with suppliers allow us to give our customers access to hundreds of products that are good for their homes and good for the environment. In 2018, our energy-saving products enabled customers to cut their energy consumption by 10 billion kilowatt hours, equivalent to eliminating emissions from more than 2 million cars. Our water-saving products allowed customers to reduce consumption by 59 billion gallons.

In our operations, we continued efforts to use less energy. From 2010 to 2018, energy consumption at our U.S. stores dropped 26%, even as our store count grew over that time.

We are strengthening our communities by giving back financially and through associates' Team Depot volunteering — a hallmark of who we are. In 2018, the Home Depot Foundation increased our long-standing commitment to veterans by pledging an additional \$250 million, meaning we will give half a billion dollars to support veteran causes by 2025. Associates contributed their time and energy to these causes, too. During our Celebration of Service in the seven weeks leading up to Veterans Day 2018, our people volunteered 100,000 hours to support veterans.

But we can always do more. On [Page 11](#) you'll see the goals we've set for doing our part to build a better business and world.

The creativity and commitment of our associates and suppliers make The Home Depot successful. Thank you for your interest in our progress and our plans for improvement.

Craig Menear

Chairman, Chief Executive Officer and President



ENGAGING STAKEHOLDERS & SETTING PRIORITIES

A variety of stakeholders are interested in how we run our business. Customers ask us questions when they walk into our stores or shop with us online. Citizens contact us with concerns. We meet with shareholders and non-governmental organizations (NGOs). We take part in industry efforts to raise awareness about the social and environmental responsibilities we all share.

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

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

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

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

Areas of Focus



Chemical Concerns



Climate Change



Energy Reduction



Human Welfare



Natural Resources



Responsible Sourcing



Waste & Recycling



Associates

“ I want to contribute to a values-based company.”



Customers

“ Perform due diligence on your products to build my trust.”



NGOs

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



Academia

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



Suppliers

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



Investors

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



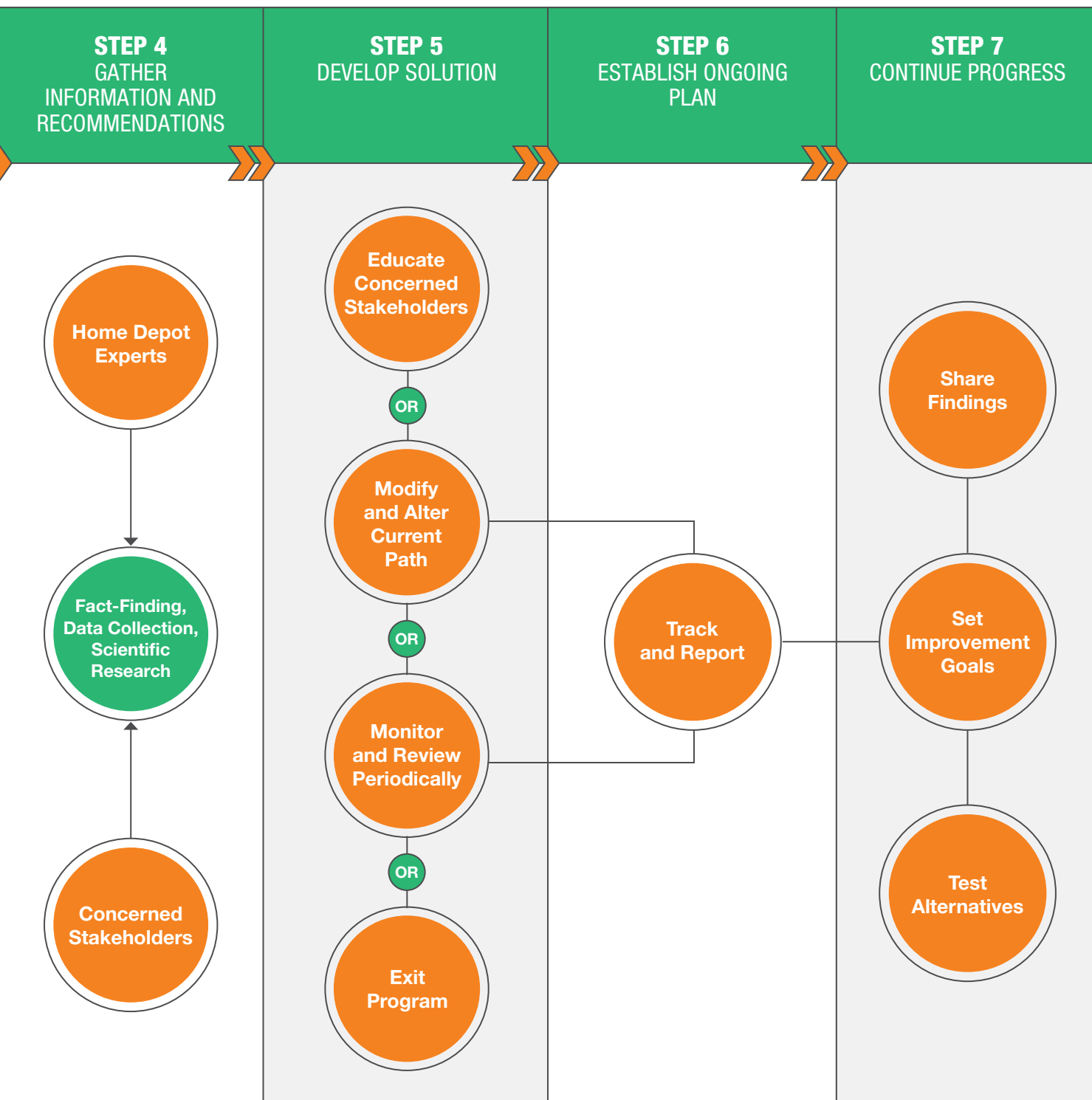
Government

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

MATERIALITY ASSESSMENT FRAMEWORK

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





MATERIALITY TOUCHPOINTS

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

MATERIALITY TOUCHPOINTS		KEY IMPACTED STAKEHOLDERS							
	IMPACTS	ASSOCIATES	CUSTOMERS	SUPPLIERS	GOVERNMENT	NONGOVERNMENTAL ORGANIZATIONS	ACADEMICS & EDUCATORS	INVESTORS	LOCAL COMMUNITY
FOCUS ON PEOPLE									
Associate Development	Training, education, promotion, support	●	●					●	●
Associate Well-Being	Safety, health, wages, hours	●	●	●				●	●
Diversity & Inclusion	Workforce/community demographic parity, acceptance and respect of diverse cultures, supplier diversity	●	●	●	●	●		●	●
Governance	Ethics, culture, data privacy and security, risk management	●	●	●	●	●		●	●
Third-Party Worker Well-Being	Safety, health, wages, hours			●	●	●		●	
OPERATE SUSTAINABLY OPERATIONS									
Energy Use	Carbon emissions					●		●	●
Hazardous Materials	Waste, disposal	●		●	●			●	●
Waste	Recycle, landfill, incineration	●	●					●	●
Water Use	Responsible consumption	●						●	●
OPERATE SUSTAINABLY PRODUCTS									
Eco Products	Eco Options, Chemical Strategy, Wood Purchasing Policy	●	●	●	●	●	●	●	●
End of Life	Waste, recycle	●	●	●	●	●	●	●	●
Manufacturing Process	Natural resources, chemicals, carbon emissions, packaging	●	●	●	●	●	●	●	
Transportation	Carbon emissions			●	●	●		●	
STRENGTHEN OUR COMMUNITIES									
Community Support	Veterans, trades training, disaster response, local engagement	●	●	●		●	●	●	●

GOALS

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

HOME DEPOT PILLARS	GLOBAL IMPACT	GOAL	CHANGE AGENT	PROGRESS	GOAL DATE
FOCUS ON PEOPLE	 People	Invest more than 1 million hours per year over the next five years in training and development to help our associates grow their careers	The Home Depot	On track	2023
		Create enhanced career opportunities for 50,000 associates over the next five years (began July 2018)	The Home Depot	On track	2023
OPERATE SUSTAINABLY	 Carbon Emissions	Science-based target to reduce emissions 40% by 2030 and 50% by 2035	Home Depot Operations and Energy Utilities	On track	2030, 2035
		Procure/produce 135 megawatts of renewable energy	Renewable and Alternative Energy Producers	Ahead of plan	2020
		20% reduction in store kilowatt hour energy use, compared to 2010 levels	Home Depot Operations	Ahead of plan	2020
		Help reduce customers' greenhouse gas emissions by 20 million metric tonnes	Merchants and Suppliers	Ahead of plan	2020
	 Chemical Reduction	Reduce suspect chemicals in cleaning products	Cleaning Manufacturers	Ahead of plan	2022
		Reduce suspect chemicals in paint	Paint Manufacturers	Ahead of plan	2020
		Reduce suspect chemicals in carpet	Carpet Manufacturers	Completed	2018
		Reduce suspect chemicals in insulation	Insulation Manufacturers	Completed	2018
		Reduce formaldehyde levels in laminate/engineered flooring	Floor Manufacturers	Completed	2017
		Remove ortho-phthalates from vinyl flooring	Floor Manufacturers	Completed	2016
	 Planet	Help reduce consumers' water use by 250 billion gallons	Merchants and Suppliers	On track	2020
		Eliminate neonicotinoids from live goods	Plant Growers	Ahead of plan	2019
		Achieve supplier compliance with tropical deforestation standards	Wood Suppliers	Completed and continuously monitored	2018
STRENGTHEN OUR COMMUNITIES	 Community	Invest \$50 million in THD Foundation funds to train 20,000 tradespeople, particularly veterans	THD Foundation and Partners	On track	2028
		Invest \$500 million in THD Foundation funds to veterans' causes, with a focus on housing	THD Foundation and Partners	On track	2025
		Help customers save \$2.8 billion on utility bills through energy-efficient products	Merchants and Suppliers	Ahead of plan	2020

ESG TRANSPARENCY

This chart highlights The Home Depot's key environmental, social and governance (ESG) metrics from 2016-2018.

		2016	2017	2018
FOCUS ON PEOPLE	Associates			
	Homer Fund assistance granted to fellow associates	\$17 million	\$18 million*	\$13 million**
	Lost time incident rate per 200,000 hours	1.18	1.15	1.05
	Percentage of associates contributing to The Homer Fund	93%	93%	95%
	Recordable incident rate per 200,000 hours	4.19	4.14	4.14
	Success Sharing paid to associates	\$233 million	\$256 million	\$222 million
OPERATE SUSTAINABLY	Carbon Emissions			
	CDP Climate Change score	A-	A	***
	Diesel used (MWh)	134,148	124,249	107,552
	Direct (Scope 1) GHG emissions (MT of CO ₂)	438,000	434,000	515,000
	Electricity generated (MWh)	192,140	273,582	295,443
	Electricity purchased (MWh)	4,123,660	3,983,471	3,897,257
	Energy consumption within the company (MWh)	6,117,795	6,478,488	6,844,899
	Estimated annual reduction of customers' CO ₂ emissions through purchase and proper use of ENERGY STAR products (MT)	4.9 million	6.2 million	7 million
	Fuel cell store energy capacity (MWac)	31.4	35.1	40.3
	GHG emissions intensity Scope 1+2 (MT of CO ₂ per billion dollars spent)	24,786	20,989	20,002
	Indirect (Scope 2) GHG emissions (MT of CO ₂)	1,906	1,684	1,645
	Natural gas used (MWh)	1,430,320	1,842,458	2,236,023
	Number of stores with fuel cell energy source	157	176	202
	Propane used (MWh)	213,020	231,886	204,485
	Reduction of GHG emissions compared to 2009	-25%	-32%	-31%
	Reduction of Scope 1&2 GHG emissions, compared to 2009 (MT of CO ₂)	-780,000	-1,007,000	-965,000
	Solar energy capacity companywide, rooftop and off-site (MWac)	22	27.6	42
	Wind energy capacity companywide (MW)	0	62	62
	Operations			
	Cardboard recycled (tons)	225,000	230,000	248,400
	CFL light bulbs recycled (pounds)	860,000	980,000	800,500
	Fuel blending (pounds)	5,073,726	5,382,790	5,274,318
	Lead-acid batteries recycled (battery cores)	180,000	200,000	218,000

		2016	2017	2018
STRENGTHEN OUR COMMUNITIES	Non-hazardous waste generated (MT)	749,147	758,877	796,228
	Rechargeable batteries recycled (pounds)	1,000,000	1,100,000	1,043,300
	Reduction of kilowatts used by stores companywide, year over year	-1.3%	-3.2%	-3.4%
	Waste incinerated (pounds)	2,301,978	2,057,127	2,109,756
	Waste recycled (MT)	212,406	227,011	244,568
	Waste sent to landfill (MT)	536,741	531,866	551,661
	Responsible Sourcing			
	Combined factory audits and follow-up visits by THD	2,599	2,704	3,011
	Elimination of expanded polystyrene (EPS) foam (CF)	*	341,000	517,600
	Elimination of polyvinyl chloride (PVC) film (SF)	*	587,900	1,628,900
	Pre-shipment product inspections	12,548	19,328	20,196
	Third-party product tests	20,758	18,858	25,856
	Third-party transit tests	21,975	19,332	27,695
	Products			
	ENERGY STAR products offered in stores and online	13,860	15,267	22,000
	Energy-saving product sales	\$5.095 million	\$5.780 million	\$5.793 million
	Number of residential solar installs	27,000	17,000	18,000
	Number of Restricted Substance List (RSL) chemical policies	2	6	7
	WaterSense products offered in stores and online	5,704	7,845	9,000
	Water-saving product sales	\$1.237 million	\$1.307 million	\$1.349 million
	Community			
	Estimated annual customer savings from purchase and proper use of ENERGY STAR products	\$900 million	\$1 billion	\$1.2 billion
	Estimated annual customer savings from purchase and proper use of WaterSense products	\$593 million	\$643 million	\$655 million
	Number of small or diverse suppliers	2,698	3,108	3,400
	Team Depot volunteer hours	150,480	158,400	240,000
	The Home Depot Foundation grant amounts	\$59.9 million	\$62.6 million	\$74.9 million
	Number of veterans' homes and facilities improved	5,951	6,237	5,830
	U.S. corporate political contributions	\$274,500	\$281,900	\$200,000
	U.S. political contributions by The Home Depot PAC	\$2,041,605.25	\$1,778,060.54	\$1,995,565.50

All monetary amounts are U.S. dollars.

* The higher than normal number of natural disasters in 2017 led to an increase in giving (over \$5 million dedicated to natural disaster assistance alone).

** Modifications to matching grants resulted in a decrease in awards, causing an overall decrease in giving in 2018.

*** Not available at time of publication.

CF = cubic feet

CO2 = carbon dioxide

GHG = greenhouse gas

MT = metric tonnes

MW = megawatts

MWac = megawatts of alternating current

MWh = megawatt hours

SF = square feet

RATINGS

Leading third-party sustainability rating organizations monitor and report on our progress. Below are some key ratings for our company in 2018.



Assesses action on climate change. Score was based on 2017 data, the latest available

A

positions The Home Depot as an industry leader



Analyzes corporate environmental, social and governance (ESG) progress

91%

positions The Home Depot as an industry leader

**FTSE
Russell**

Measures ESG risk and performance of publicly traded companies

3.6

on a scale of 0-5; the industry average is 2.3



Grades retailers' progress in selling products with safer chemicals

B-

THD's score improved from C+ in 2017



RECOGNITION

Here are some of the organizations that recognized our efforts in 2018 to build a better workplace, business and world.



National Retail Federation
No. 5 — Top Retailers



Gartner
No. 23 — Top Supply Chains



Omnikal
No. 27 — Top 50 Organizations for Multicultural Business Opportunities



Fortune
No. 22 — Most Admired Companies



Human Rights Campaign
Corporate Equality Index



Military Times
Best for Vets Employers Top 100



Military Friendly Employer



Comparably Best Company Award

- CEOs for Women
- Leadership
- Professional Development



Gartner L2
Digital IQ Genius



Cannes
Bronze Lion
“Built-In Pins” Campaign on Pinterest



Canada's Best Diversity Employers
10th Consecutive Year



Labor Equality & Nondiscrimination

FAQ: MEASURING OUR PROGRESS

Vice President of Environmental Innovation Ron Jarvis has spent nearly two decades working with stakeholders to drive sustainability progress at The Home Depot. Some of the frequently asked questions he responds to give insight into our efforts to improve and regularly measure progress.

Q. People around the globe increasingly focus on the connection between carbon emissions and climate change. How does The Home Depot monitor its carbon emissions?

A. We have been tracking our carbon emissions since 2009 using metrics that are industry standards:

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

Through our efforts and focus we have reduced our absolute carbon emissions by over 3 million metric tonnes since 2009. This was achieved amid significant growth — from \$66 billion in sales in 2008 to \$108 billion in 2018. Learn more on [Page 44](#).

Q. Does The Home Depot have consistent global workplace standards for suppliers — regardless of where their factories are located?

A. We formalized our supplier standards in 2002. These standards apply to all suppliers in all countries and cover 14 categories, including worker safety, hours and wages, underage labor and more. In 2018, we performed a combined 3,011 factory audits and follow-up visits to supplier sites. Read more on [Page 50](#).

Q. Do you track the impact of water- and energy-saving products sold at The Home Depot?

A. Our biggest environmental impact comes from the products we sell. We track and report on the results that come from our customers choosing more eco-friendly products. We are ahead of our stated goals to help customers cut greenhouse gas emissions by 20 million metric tonnes and reduce water use by 250 billion gallons by 2020 through the purchase and proper use of our consumption-reducing products. Find out more on [Page 64](#) and [Page 66](#).

Q. What is The Home Depot's Wood Purchasing Policy, and how have you adapted it as the world's forests have changed?

A. We established our [Wood Purchasing Policy](#) in 1999 to help guide our suppliers in sourcing sustainable wood. We work with many stakeholders to understand ongoing global forestry issues and update our policy accordingly. In 2018, we increased protections for forests in Papua New Guinea, the Solomon Islands, the South American Amazon Basin and the African Congo Basin. Learn more on [Page 54](#).

“ Just knowing the potential impact of certain products and how we use them can help all of us make better choices.”

- Ron Jarvis, Vice President of Environmental Innovation

Q. How does The Home Depot select which product categories to focus on to address environmental concerns?

A. Every year we review our major product categories to identify largest volumes. We then assess stakeholder feedback and concerns and prioritize potential environmental improvements that could have the greatest impact. In addition, we continually assess and address stakeholder concerns, even for small-volume product categories, to guide improvements throughout the year. Read more about how we work with stakeholders on [Page 6](#).

Q. What does The Home Depot's Eco Options product classification mean?

A. Our Eco Options® program identifies products that have less of an impact on the environment than comparable standard products. It's our effort to better define and clarify manufacturers' green claims. Just knowing the potential impact of certain products or how we use them can help all of us make better choices about how we use energy, water and chemicals in our homes. Thousands of people go through our doors every day, which puts us in a unique position to educate customers about products that are good for their homes and the environment. Discover more about Eco Options and our Chemical Strategy on [Page 58](#).



2018 HIGHLIGHTS

Our core values and orange-blooded culture benefit our associates and the communities we serve.

FOCUS ON PEOPLE

4 out of 5
associates feel **emotionally**
committed to The Home Depot

See [Page 28](#)

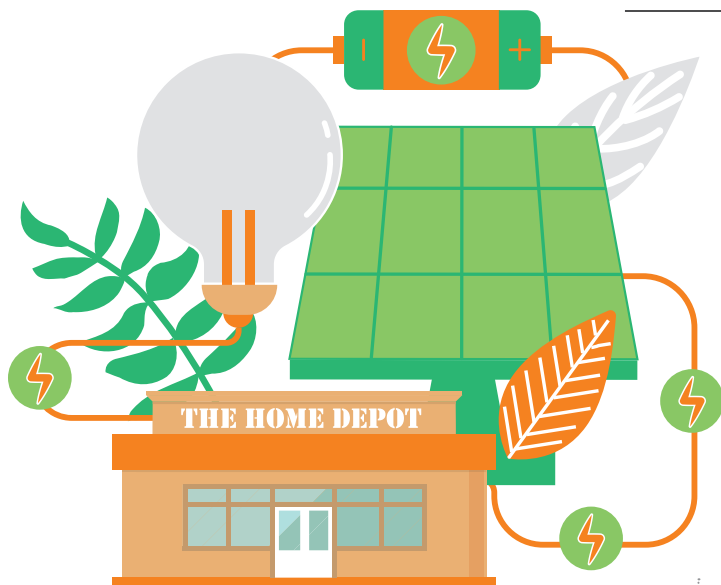
In 2018, **our**
workforce was
44% minority
and
38% female

See [Page 25](#)



95% of associates
contributed to The Homer Fund — built by
our people for our people in need

See [Page 36](#)



OPERATE SUSTAINABLY

U.S. store energy use
decreased **26%**

compared to 2010, putting us
ahead of our stated goal to
reduce consumption

See [Page 46](#)

**We set a science-based target
to achieve**

40% reduction
in emissions by 2030 and
50% reduction
by 2035

See [Page 11](#)

**Under our responsible
sourcing policy**, we conducted

1,362 factory audits
and
1,649 follow-up visits
in 2018

See [Page 50](#)

STRENGTHEN OUR COMMUNITIES

For the first
time, we publicly
identified

10
**U.N. Sustainable
Development
Goals**

that align with our
sphere of influence

See [Page 108](#)

Since 2011,
**associate volunteers
and Home Depot
Foundation funds**
have helped improve
more than

41,000
**veterans' homes
or facilities**

See [Page 98](#)





Hi, I'm
Kristi



I put customers **FIRST**



More saving. More doing.™



FOCUS ON PEOPLE

Resources

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

DIVERSITY & INCLUSION

A diverse and inclusive workplace is about much more than measuring data. At The Home Depot, it is an integral part of our culture. It's the right thing to do, and it's also good for our business. People from different backgrounds bring different perspectives and ideas to our company, and that cultivates innovation.

We actively integrate diversity and inclusion into every aspect of our business. Our associates and our suppliers, our product selection and the services we offer — all reflect our aim to create a workplace and company that reflects the communities we serve. Associate feedback helps us gauge progress. Through our Voice of the Associate Survey, we ask for and act on associates' assessments of our workplace.

Our commitment to diversity and inclusion was established almost 40 years ago in our eight [core values](#). We remain committed to those values and to fostering an environment where our associates, customers and suppliers are valued and respected.

The Home Depot Values Wheel



Hiring

Our inclusive practices make The Home Depot a great place to work and shop. We are intentional in our efforts to build a workforce that reflects the communities in which we do business, even as demographics shift.

We also lead by example through diversity on our Board of Directors and executive team. Here are some of the ways we foster an inclusive workplace:

- The Home Depot [career website](#) offers candidates a view of the company's commitment to diversity and inclusion.
- We post openings on diversity-focused job boards to increase diversity among applicants.
- We regularly participate in diversity-related career fairs around the nation.
- We use social media, traditional advertising in multicultural markets and other outreach to target prospective associates.
- Our University Relations program recruits interns from diverse backgrounds. In 2018, more than 327 students participated in our summer internships across 12 business areas. Half of those interns were ethnically diverse, and a third were women.
- We connect with veterans and their spouses through our [military transition portal](#). More than 35,000 veterans are employed by The Home Depot.



DID YOU KNOW?

In 2018, over 40% of promotions were earned by minority associates, and over 45% were earned by female associates.

Retention & Promotion

All employees prosper through our robust development opportunities and benefits, but we structure some programs specifically to support workforce diversity. Here are a few examples:

- Respect training is part of all associates' curriculum.
- All of our new leaders receive unconscious bias training as part of their leadership curriculum. In 2018, all officers received this training.
- All hiring managers receive training about removing bias from the interview process.
- All salaried leadership positions require diverse slates of candidates.
- Our chief diversity officer provides strategic leadership in developing a workplace where all associates are valued, respected and supported in doing their best work.
- Our talent-planning process is designed to help identify diversity gaps.
- Our Leaders Inclusion Network (Lead-IN) empowers associates to lead inclusively by engaging and championing diverse talent. We held over 135 Lead-IN events in 2018, attracting approximately 7,800 participants. Our Women in Leadership curriculum is among the developmental content available to associates under Lead-IN.
- In 2018, our Mentoring Circle Program, which fosters inclusion, drew participants that were over 45% ethnic minority and over 50% female.
- Tuition reimbursement includes learning other languages.
- Medical coverage includes transgender benefits.



Building a Diverse Workforce

Our diverse workforce of over 400,000 associates strengthens our competitive advantage and reflects the customers we serve. A comparison against U.S. Department of Labor data shows that our workforce is more ethnically diverse than the nation's working population. These charts reflect the demographics of The Home Depot's U.S. workforce in 2017 and 2018.

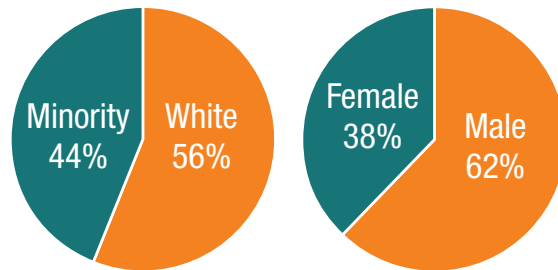
2017

U.S. WORKING POPULATION

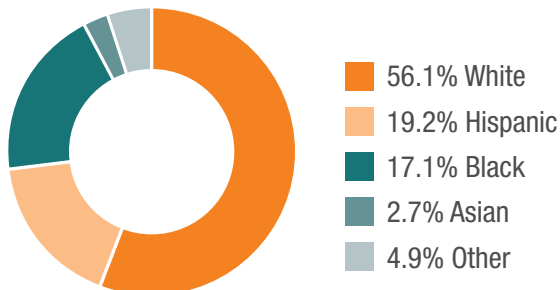


Sources: 2017 U.S. Bureau of Labor Statistics

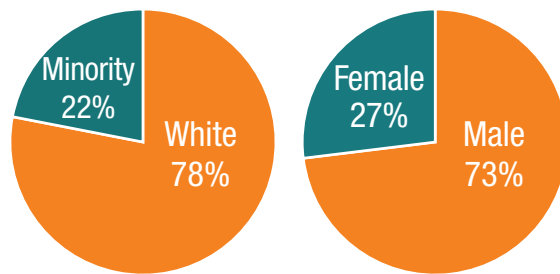
THD U.S. WORKFORCE



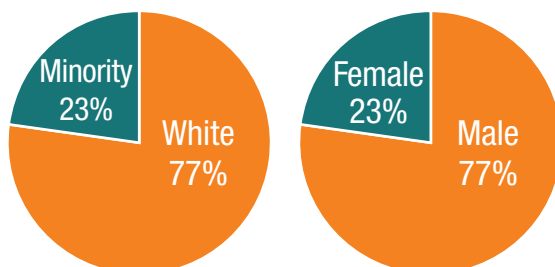
THD U.S. WORKFORCE BY ETHNICITY



U.S. OFFICERS

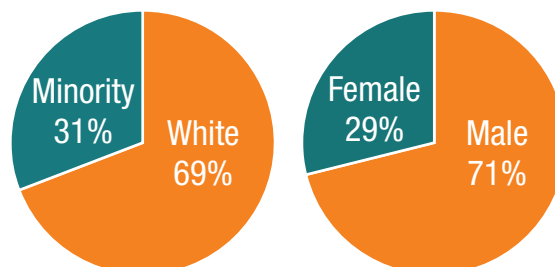


BOARD OF DIRECTORS



U.S. MANAGERS AND ABOVE

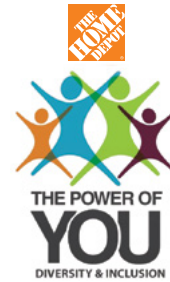
(Excludes Officer Level)





DID YOU KNOW?

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



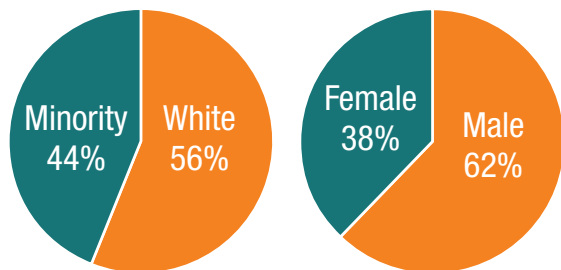
2018

U.S. WORKING POPULATION

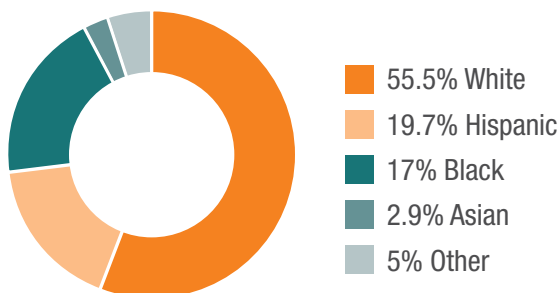


Sources: 2018 U.S. Bureau of Labor Statistics

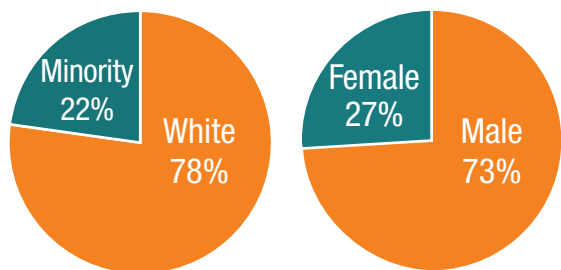
THD U.S. WORKFORCE



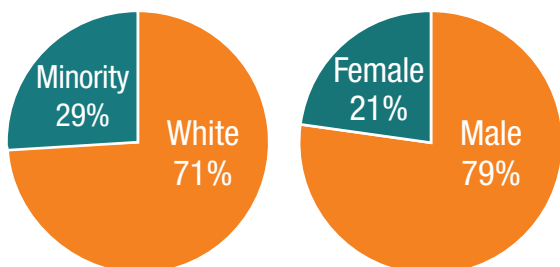
THD U.S. WORKFORCE BY ETHNICITY



U.S. OFFICERS

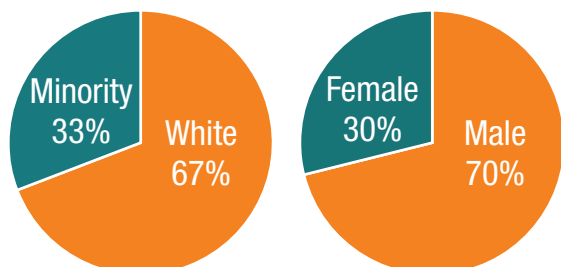


BOARD OF DIRECTORS



U.S. MANAGERS AND ABOVE

(Excludes Officer Level)



LEARNING & DEVELOPMENT

The Home Depot strives to build a learning-rich workplace where associates and leaders are prepared to succeed, motivated to serve our customers well and given opportunities to grow. Our learning and development programs expand skills and capabilities so associates can master their roles, which ultimately leads to great customer experiences.

We develop our associates and leaders using:

- **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.
- **Online resources:** Our library of online, on-demand resources includes videos, courses, book summaries, reference materials and performance-support tools.
- **Executive development:** Advanced business and leadership training empowers experienced leaders to develop strategic business approaches and prepare for higher-level roles.
- **Mobile learning:** On-demand content inside the work stream guides associates in assisting customers. Hands-on activities improve learning retention.

BY THE NUMBERS



More than

90%

of store leaders began
as hourly associates



There were nearly

21 million

course completions in 2018



That adds up to

6 million

hours of associate training



DID YOU KNOW?

We expanded summer internships to college students already working in our stores and other locations. Our Field-to-SSC program accounted for 10% of the interns who explored careers at our Store Support Center in 2018.

ASSOCIATE ENGAGEMENT

Engaged associates care about their work and the performance of The Home Depot. They work with enthusiasm and understand that their efforts make a difference. Associate engagement is the emotional commitment our associates have to our company and our goals. Engagement is vital to The Home Depot's culture and to our success.

Voice of the Associate Survey

We create an engaging workplace by asking and acting on associate feedback. Our annual Voice of the Associate survey helps us determine how emotionally connected our associates are to the company, their jobs, coworkers and leaders. The survey data and associate feedback are used to help improve associate experiences. Over 310,000 associates participated in the most recent survey. The results show that, on average, four out of five associates feel emotionally committed to The Home Depot. Female and minority associates rate our company at 80% or better for our commitment to diversity and inclusion.

Success Sharing & Bonuses

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

The outstanding performance of our associates in fiscal 2018 enabled 100% of stores to qualify for Success Sharing in both the first and second half of the year. This resulted in bonus payments to our non-management associates of approximately \$222 million.

In 2018, we also paid a one-time bonus of up to \$1,000 to our U.S. hourly associates related to the expected benefit from U.S. tax reform. In addition, we established a merit increase budget for our associates of between 2.5% and 3%.



+ DID YOU KNOW?

Team Depot associate volunteers have made a difference in over 4,100 U.S. cities since 2011. Learn more on [Page 98](#).

Associate Resource Groups

For more than 12 years, our [Associate Resource Groups](#) (ARGs) have engaged associates and supported an inclusive culture. Championed by executive sponsors and advisers, each group is connected to a single aspect of diversity.

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



BY THE NUMBERS



Associate Resource Groups sponsored

60+

events in 2018



The ARG events drew

12,000+

participants in 2018



More than

60%

of Store Support Center associates belong to an ARG

BENEFITS

Our people make The Home Depot successful, and it's our responsibility and privilege to take care of them. In 2018, we launched an updated parental leave policy that gives six weeks of 100% paid leave to all parents, plus an additional six weeks of 100% paid maternity leave to all birth mothers. This launch also included other enhanced benefits like Milk Stork, a breast milk delivery service for traveling mothers. Read more in the Spotlight on [Page 33](#) about how parental leave is benefiting associates.

Associates are at different life stages, and in 2018 we launched [Benefits4U](#) to guide them to the right resources. With one click, associates can find support for wherever they are on life's journey. For example, the money module is the place to go for help with personal finance education or retirement planning. The elders module provides guidance on everything from finding caregivers for aging parents to negotiating the complexities of Medicare.

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% in matching contributions from the company.

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

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

Alight Financial Advisors®: Independent advisory services help associates gauge whether they're on track for retirement.

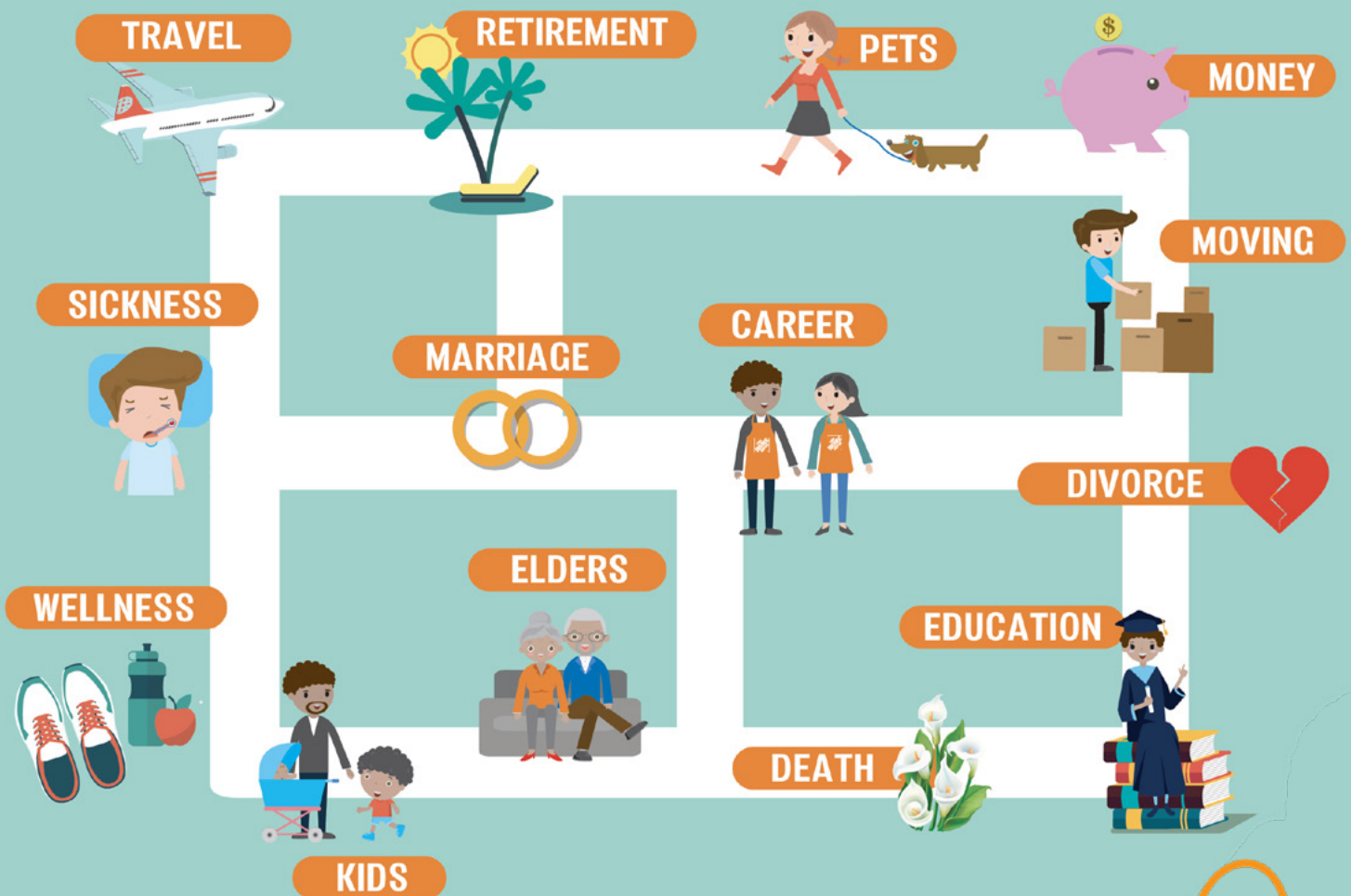
Insurance: To prepare for the unexpected, associates have access to policies for medical care, disability, life, home, auto and pet health insurance.

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

Discounts: Associates receive special rates on a wide variety of everyday goods and services — from nursery items to mobile phone service, gym memberships, computers, vacations and more.



BENEFITS4U THROUGHOUT YOUR LIFE



CHECK IT OUT

One click on the [Benefits4U infographic](#) guides associates to support for their stage of life.



BENEFITS

Associate Assistance

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

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

Family Support

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

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

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

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

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

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

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

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

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



SPOTLIGHT: PARENTAL LEAVE GIVES DADS AND NEWBORNS TIME TO BOND

Meet two fathers who took advantage of The Home Depot's updated parental leave policy to spend time with their families. Bonding with their newborns helped them at home and at work.

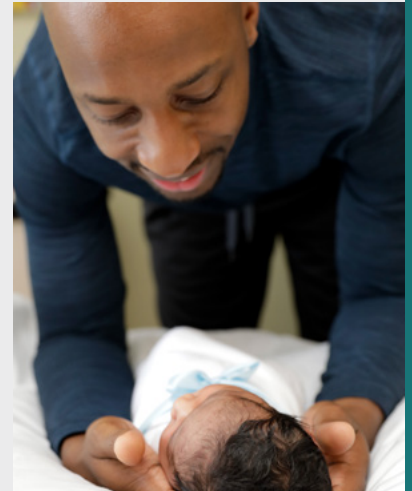
First-Time Parents Welcome Three

Matt Sullins and his wife had a big surprise when they went in for an ultrasound. "We saw there were actually two babies. We were in shock for 10 minutes," Matt said. Then came another surprise. "The technician's eyes got big, and we said, 'Is that a third baby?'"

His wife spent the final 10 weeks of the pregnancy on bed rest, so Matt, a garden associate in Flowery Branch, Georgia, started preparing to take paid parental leave. "With multiples, you don't know when your babies are going to be born," he explained.

When Piper, Roman and Blakely were born at full-term in July, Matt's leave began immediately. His time at home gave his wife an opportunity to rest and recover. It also allowed the first-time father get to know his children. "I was able to bond with the kids," he said. "There's nothing like waking up and taking them downstairs, knowing that you get to spend the entire day with them."

Matt was initially anxious about returning to work, but it was a smooth transition. "When I got back, I was able to hit the ground running," he said, "and the team here was happy to see me back."



Associates Matt Sullins and Shay Thomas benefited from THD's updated policy to provide six weeks of paid leave to parents welcoming a new child through birth, adoption or foster care.

Getting Past the 'Mental Block'

Shay Thomas became a dad for the third time in November when his son, Micah, was born. "For my previous two [children], I didn't have more than 14 days away," said the district manager for northern Connecticut.

His wife was thrilled about The Home Depot's updated parental leave policy, but Shay was initially hesitant to take advantage of the benefit. "I prided myself on being a guy who didn't take time off. I had to get past the mental block."

Shay's regional vice president, a champion of the updated policy, encouraged him to take parental leave. Shay was able to help care for his wife while she recovered from childbirth, take his older kids to school and help transition Micah into the family.

Meanwhile, back at work, associates who had stepped up to cover his duties gained confidence and demonstrated their ability to lead. "That will help us over the long term," Shay said.

BENEFITS

Educational Assistance

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

Orange Scholars: This extension of The Homer Fund offers scholarships to qualified children of associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration.

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

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



DID YOU KNOW?

Over 60,000 associates have received more than \$142 million in tuition reimbursement since 2005.

Healthy Life

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

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

Health screening: Associates have access to biometric screenings on-site or at a Quest Diagnostic Patient Service Center.

Tobacco cessation: Personalized, one-on-one strategies and support are available to help associates mentally and physically prepare to quit.

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

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

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

BY THE NUMBERS



100,000+
associates and spouses get
annual health screenings

.....



25,000+
associates and spouses have
quit using tobacco
since 2009

.....



We began our annual
health challenge in
2011



THE HOMER FUND

When our associates face unforeseen hardships, **The Homer Fund®** is there to help. Our charity provides emergency financial assistance to associates when they need it most. Powered by associate contributions, The Homer Fund helped more than 7,700 associates in 2018 through grants that collectively totaled over \$13 million.

A Board of Directors governs The Homer Fund, and associates oversee its daily operations. The company pays for operating costs; 100% of all donations go toward grants. The Fund receives more than 1,000 requests each month to help associates manage the financial pressures of an unexpected emergency or life-changing event.

When disasters strike, The Homer Fund supports affected associates. We're there for them as they go above and beyond for customers living through the aftermath of hurricanes, wildfires and earthquakes. In 2018, The Homer Fund gave more than \$1 million to assist associates affected by natural disasters.

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

CHECK IT OUT

Meet an associate who was helped by The Homer Fund after her son's devastating accident.



BY THE NUMBERS



95%
of associates contributed to
The Homer Fund during the
2018 fundraising campaign



The Homer Fund has awarded
\$176 million+
in associate assistance since
launching in 1999



138,000+
associates have been helped by
The Homer Fund since 1999



SPOTLIGHT: EASING THE FINANCIAL BURDEN OF A MEDICAL EMERGENCY

Soon after joining The Home Depot, Ray Ferry learned about The Homer Fund and began donating. As a veteran, he saw parallels between the company's core value of taking care of our people and ideals he practiced during his 20 years in the military as a medic.

"In the Army, it's all the same," he said. "It's being part of a huge, huge family. You have a brother or a sister to your left or to your right, and they look out for you, and you look out for them. That's how it is with The Home Depot."

Ray's life changed when he was rushed to an emergency room with early stage organ failure. Doctors put him in an induced coma for a month and a half, during which he underwent six abdominal surgeries.

Ray's store manager applied for a Homer Fund grant on his family's behalf. The financial support helped his wife and daughter with living expenses while Ray was recovering. "It was such a relief to know that somebody else cared enough about not only me, but my family, also," he said.

“

It's being part of a huge, huge family. You have a brother or a sister to your left or right, and they look out for you.”

— Raymond (Ray) Ferry, Store 939



ASSOCIATE SAFETY

The Home Depot never stops striving to create a safer working and shopping experience for our associates and customers. We make progress through training associates and reinforcing safety best practices; more than 90% of associates underwent InFocus safety training in 2018.

Our store leaders are engaged in promoting safety in our aisles. And we reduce risks through innovation. Our injury rates are consistently lower than industry averages for our retail class. Read more about our progress in the Spotlight on the following page.

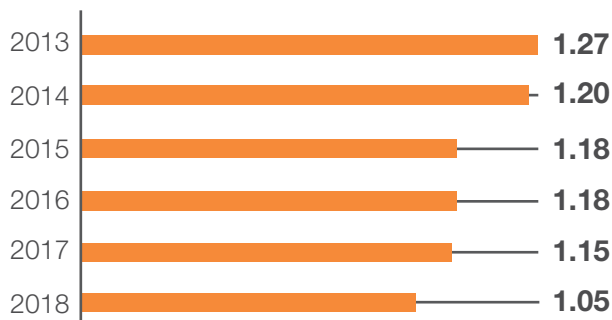
RECORDABLE INCIDENT RATE (per 200,000 hours)

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



LOST TIME INCIDENT RATE (per 200,000 hours)

More significant injury that results in time away from work



Note: Annual data reported in previous years, including in the 2018 *Responsibility Report*, is restated above to account for maturity of claims.

BY THE NUMBERS



281 stores

joined our Club 365 in 2018,
meaning they operated
**all year without a significant
safety incident**



150,000+ associates

received specialized safety
training for new hires in 2018



Associates completed

3,361,907

**role-specific InFocus
safety modules** in 2018



SPOTLIGHT: INNOVATING TO IMPROVE ASSOCIATE SAFETY

Our people are our most important asset, and in 2018 we took an entrepreneurial approach to improving their safety.

Helping New Associates Stay Injury Free

We increased new associates' safety with a training program designed just for them. New associates kept learning after their initial training by participating in monthly InFocus training modules. The modules detailed best practices for avoiding injuries and kept safety top of mind.

Those fundamentals were reinforced by store leaders who met with new hires to explain the importance of injury prevention and The Home Depot's commitment to their safety.

Over 150,000 associates received this specialized new-hire training in 2018. The result: a 7% reduction in injuries among new hires, compared to 2017.

Engineering Against Risk

Our Store Support Center and field teams continually collaborate to create processes and tools that make

the associate experience safer. In 2018, their innovation was a small but powerful lift-assist tool that lets a single operator load a bulky, heavy item into a customer's vehicle with very little ergonomic demand on the body.

The tool, which is akin to a portable loading dock, does the lifting for the associate. We co-developed it in partnership with a supplier and rolled it out to about 20 stores in 2018. More stores are getting the device in 2019.

Being There for Injured Associates

We put a lot of energy into safety awareness and injury prevention, but injuries still occur. Part of how we live The Home Depot values is by being there for associates.

In 2018, we began a process of fostering formal conversations between store leaders and injured associates. Our goals: learn from what happened, prevent recurrence and reinforce to our associates that they are the company's most valuable resource.



DATA SECURITY

The Home Depot values and respects the privacy of its customers and visitors. Our [Privacy and Security Statement](#) provides information about how we collect, use and share information we collect from our customers and visitors.

We leverage the National Institute of Standards and Technology (NIST) Cybersecurity Framework as the foundation of our cybersecurity program. As cybersecurity attackers become increasingly more sophisticated, our program prioritizes threat mitigation, while focusing on maintaining the integrity and resiliency of our systems. We invest in our ability to identify, protect and detect security risks within our environment.

In the event that we identify a security issue, we have defined procedures to respond and recover as quickly as possible. Overseeing our efforts on a day-to-day basis is our Information Technology Security team, led by an officer-level chief information security officer. Our approach enables us to drive a collectively secure culture.

Governance, Risk & Compliance

- The Home Depot has a Data Security and Privacy Governance Committee, composed of a cross-functional group of senior leadership, that oversees the security and privacy of customer and business information.
- Information security and privacy policies are in place and periodically reviewed.
- Targeted audits and penetration tests are conducted throughout the year by internal and external entities.
- We are compliant with the Payment Card Industry Data Security Standard.
- We engage an industry-leading third party to independently evaluate our information security maturity on an annual basis.

Data Protection

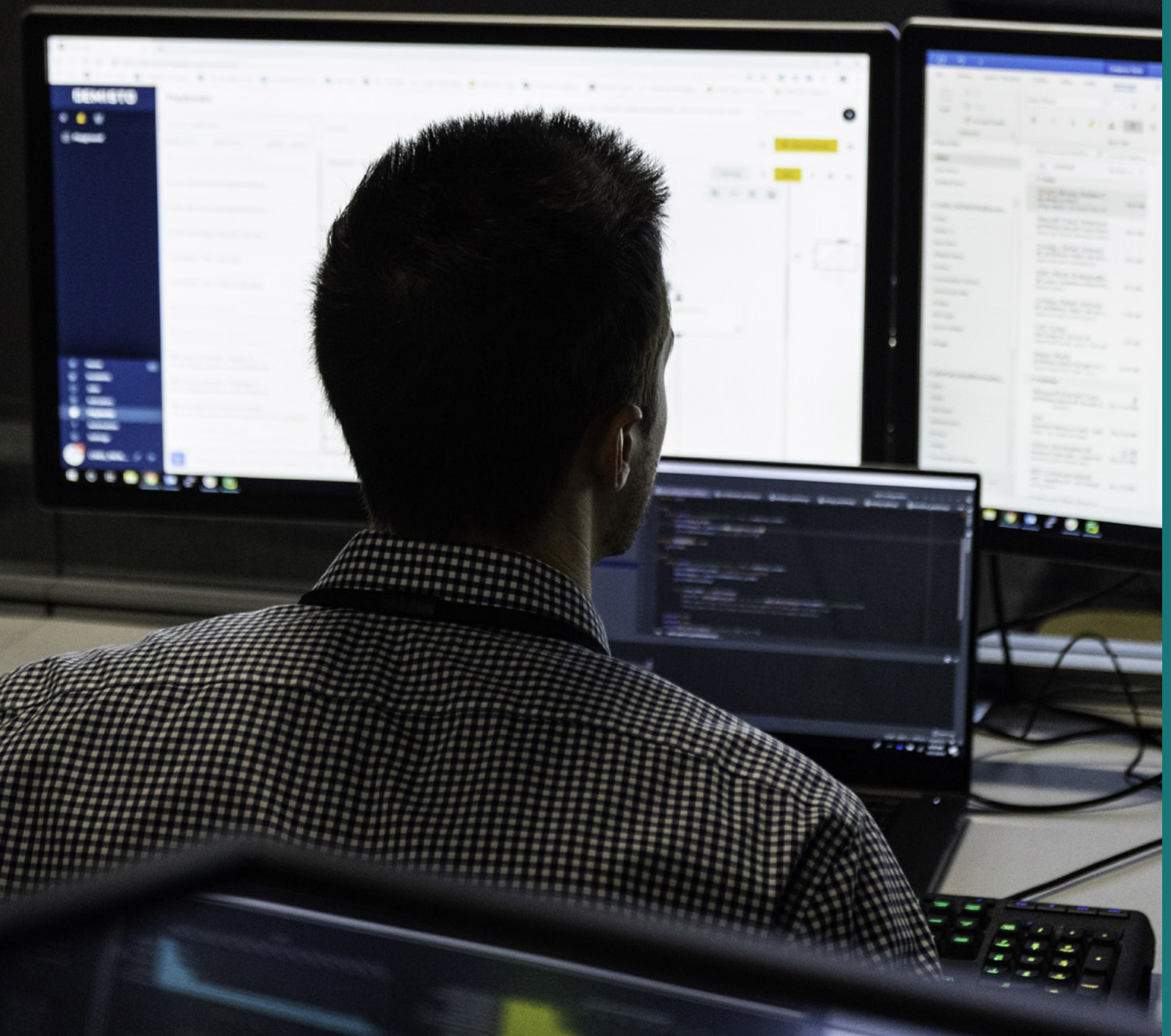
- The Home Depot has established data classification and retention policies focused on limiting the risk of unauthorized exposure of customer, associate and business data.
- Data protection strategies are in place and focused on data devaluation and data access monitoring.
- Sensitive data attributes are classified into domains with defined security expectations for data-at-rest and data-in-transit.

Vendor Security

- The Home Depot's vendor risk management program works to classify service provider or business partner risk based on several factors, including, but not limited to, data type accessed and/or retained.
- Service provider or business partner security risk assessments are conducted for targeted relationships.
- Where applicable, service providers and business partners are contractually obligated to protect restricted data provided by or received from The Home Depot.

Security Awareness

- Security and privacy training and awareness are provided to all associates, and additional customized, role-based training and awareness are provided to targeted internal audiences.







OPERATE SUSTAINABLY

Resources

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

PROTECTING THE CLIMATE

CARBON FOOTPRINT

The Home Depot uses the GHG Protocol Corporate Accounting and Reporting Standard, which has been adopted by over 90% of Fortune 500 companies to calculate metric tonnes of greenhouse gas emissions and efforts to reduce them. We continually review and refine our emissions measurements to reflect changes to our business and improvements in data collection and reporting.

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

We received a score of A from CDP for our latest report, reflecting our high level of action on climate change mitigation, adaptation and transparency in 2017. CDP also named our company an industry leader.

In 2018, we set a science-based target goal linked to our annual CDP reporting. We committed to reducing carbon dioxide emissions 2.1% per year to achieve a 39.9% reduction by 2030 and a 50.4% reduction by 2035. Our progress will come from continually improving energy efficiency in our operations and expanding our investments in renewable and alternative energy. In our U.S. stores, we reduced our energy use by 98 million kilowatt hours in 2018.

2018 Results

SCOPE 1:

Direct emissions from combustible sources and refrigerants totaled approximately 515,000 metric tonnes.

SCOPE 2:

Indirect emissions from purchasing electricity totaled approximately 1,649,000 metric tonnes.

SCOPE 3:

Emissions from upstream transportation and distribution of freight totaled approximately 2,865,000 metric tonnes.



PROTECTING THE CLIMATE

ENERGY USE

We constantly strive to improve the sustainability of our operations because it's good for our business and for the planet. Our efforts to increase operational efficiency and reduce our environmental impact have multiplier effects that drive innovation and benefit communities.

When we invest in technologies that supply new sources of energy or reduce consumption, we increase the viability of those solutions. The smart energy choices we make today contribute to a greener future.

Prioritizing Conservation

The simplest way to reduce emissions from energy use is to use less energy. In 2018, electricity consumption by our U.S. stores was 26% less than in 2010. That put us ahead of our stated 2020 goal to achieve a 20% reduction in store kilowatt hour energy use, compared to 2010 consumption. In 2018 alone, U.S. store energy consumption dropped 2.9%.

Our results come from making improvements kilowatt by kilowatt. In 2018, we installed energy-efficient heating, air-conditioning and ventilation systems in 133 stores. Over the last seven years, we've updated HVAC units in 467 stores.

We've upped the ante on LED lighting. A few years ago, we began retrofitting lighting from 6- to 4-lamp LED fixtures — ultimately upgrading lights in over 1,300 stores. We learned from those improvements, and in 2018, we installed even more efficient LED lights above the aisles and garden centers of 295 stores. The energy-saving results so far have been impressive. We're collecting additional data in 2019 as we expand LEDs to more stores.

We continue to benefit from earlier initiatives to install upgraded building automation systems in all U.S. and Canadian stores and add variable frequency drives (VFDs) to more than 600 stores. VFDs conserve energy by ensuring equipment uses only the electricity needed to meet immediate HVAC demands.

Balancing Energy Supply and Demand

More than 750 stores participate in demand mitigation to help balance power supply and demand. Here's how it works: During peak demand, utilities or grid operators strategically divert electricity from some of our stores, reducing the chance of regional outages and optimizing the price we pay for electricity.

In addition, we use on-site batteries to store electricity during off-peak times for use when demand rises. At the end of 2018, batteries were in place at 10 stores in California. We're installing more in 2019.



DID YOU KNOW?

Our U.S. stores reduced energy consumption by 98 million kilowatt hours in 2018, even as we added a new store to our footprint. LED lights contributed significantly to the savings.

BY THE NUMBERS



In 2018, U.S. stores' energy use was

26% less
than in 2010



On-site alternative or renewable energy projects were operating at

256 stores
by the end of 2018



750+ stores
participate in demand mitigation programs



PROTECTING THE CLIMATE

ENERGY USE

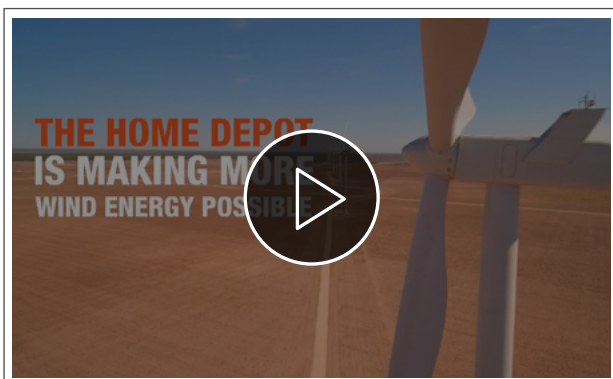
Leveraging Alternative and Renewable Energy

We support and tap into sustainable energy that's produced off-site and on-site. All of these sources bring us closer to our goal of leveraging 135 megawatts of alternative and renewable energy by 2020. In addition, when The Home Depot buys or produces energy from renewable sources, we strengthen the business case for such alternatives.

- **Off-site wind:** In early 2017, we became a customer of the Los Mirasoles Wind Farm northeast of McAllen, Texas. The energy purchased from the farm is enough to power 90 stores. We also purchase power from the Zopiloapan Wind Farm in central Mexico.
- **Off-site solar:** We partner with solar energy providers in Delaware, Massachusetts and Minnesota. Our support boosts the viability of solar power in these areas.
- **On-site solar:** We began 2018 with 13 small-scale solar farms atop U.S. stores, and we ended the year with 45. Rooftop solar takes advantage of the soccer field-size space at the top of our big boxes. Each solar farm reduces the store's annual electricity grid demand by an estimated 35% or more. That's the equivalent of powering 2,300 average U.S. homes for a year. Our goal is to have sun-fueled power plants on more than 50 U.S. stores.
- **Fuel cells:** Where rooftop infrastructure won't support solar panels, we're looking at other alternative energy options, including fuel cells. These mini power plants cut polluting emissions significantly — in some cases by 50% — compared to using traditional power sources. By the end of 2018, fuel cells were operating outside 202 stores — 26 more locations than the year before. The fuel cells produce more than 90% of each store's electricity needs. More fuel cell installations are underway in 2019.

CHECK IT OUT

Discover how The Home Depot's purchase of wind power supports renewable energy innovation.





DID YOU KNOW?

We buy enough energy from the Los Mirasoles Wind Farm in Texas to power 90 stores.



SOURCING RESPONSIBLY

ETHICAL SOURCING

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

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

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

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

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

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

BY THE NUMBERS



Under our
responsible sourcing policy,

1,362

**factory audits and 1,649 follow-up
visits** were conducted in 2018



We audited peak
production compliance at
258 factories
that make seasonal goods



72
subcontractors
were audited
in 2018



RESPONSIBLE SOURCING STARTS AT THE TOP

BOARD OF DIRECTORS AND/OR AUDIT COMMITTEE

review our responsible
sourcing program annually



**ENTERPRISE RISK
COUNCIL** of senior
company leaders provides
oversight and guidance,
as needed



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



THIRD-PARTY AUDITORS
conduct our responsible
sourcing compliance audits



**HOME DEPOT GLOBAL
SOURCING OFFICES**
work with our supply chain
to ensure compliance with
our standards



**THE HOME DEPOT
RESPONSIBLE SOURCING
TEAM** of associates make
sure factories adhere to
our standards

SOURCING RESPONSIBLY

CONFLICT MINERALS

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.

2018 Progress

As detailed in The Home Depot's [Conflict Minerals Report](#) for 2018, our efforts focused on collecting and disseminating information about sourcing practices of our suppliers. We cataloged that information in a database using the conflict minerals reporting template developed by the [Responsible Minerals Initiative](#)® (formerly the Conflict-Free Sourcing Initiative, or CFSI).

We continued to refine our supplier review processes for suppliers by excluding any that merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party, as permitted by U.S. Securities and Exchange Commission guidance. As a result, in-scope Tier 1 suppliers decreased to 153 in 2018 from 212 in 2017.

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

Thirty-four percent of our Tier 1 suppliers indicated that one or more conflict minerals were necessary to the functionality or production of covered products. Of the smelters or refiners reported by these suppliers, only 52 out of a total of 312 sourced conflict minerals from covered countries. All of these smelters or refiners were certified as DRC conflict-free by the Responsible Minerals Initiative, the London Bullion Market Association and/or the Responsible Jewellery Council. However, a small number of suppliers below the Tier 1 level were unable to complete chain-of-custody surveys back to the level of the smelter or refiner.

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



DID YOU KNOW?

In 2018, 100% of our in-scope private brands and proprietary-product Tier 1 suppliers **participated in our efforts to collect conflict minerals information.**

SOURCING RESPONSIBLY

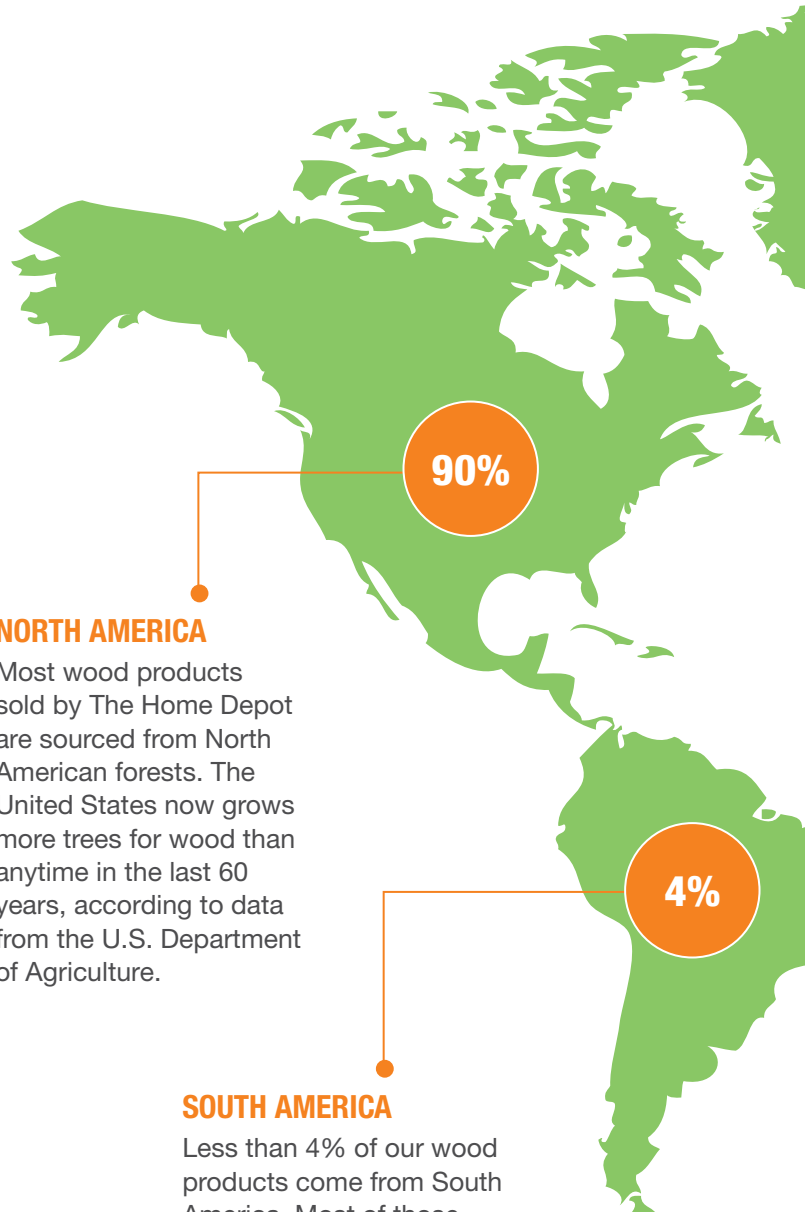
SUSTAINABLE FORESTRY

As one of the world's largest home improvement retailers, we have the ability to promote sustainable forestry through the wood products we sell.

To help protect endangered forests and ensure there will be timber for future generations, we formalized a [Wood Purchasing Policy](#) in 1999.

We do not accept wood products from Papua New Guinea, the Solomon Islands, the South American Amazon Basin or the African Congo Basin, unless the [Forest Stewardship Council](#)® (FSC) has certified the products. FSC certification ensures products come from responsibly managed forests that provide environmental, social and economic benefits.

The net loss of forests continues to slow; 17% of the world's forests are now in legally established protected areas, according to the [United Nations' Food and Agriculture Organization](#).

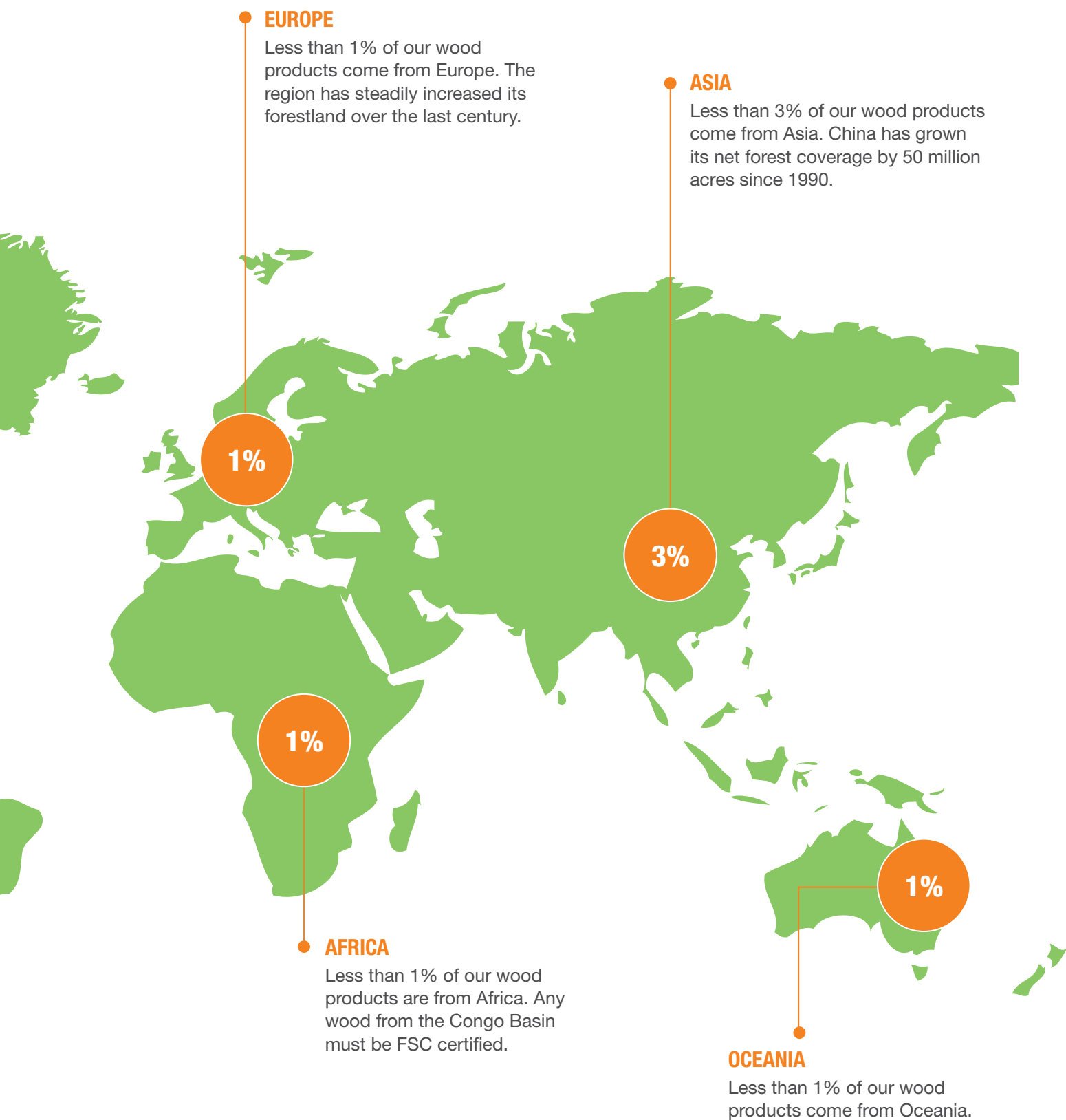


NORTH AMERICA

Most wood products sold by The Home Depot are sourced from North American forests. The United States now grows more trees for wood than anytime in the last 60 years, according to data from the U.S. Department of Agriculture.

SOUTH AMERICA

Less than 4% of our wood products come from South America. Most of those products are from pine plantations in Chile and Brazil.



Percentages shown on map are approximate.

Source: U.N. Food and Agriculture Organization, [State of the World's Forests](#)

SOURCING RESPONSIBLY

SUPPLY CHAIN

Our multiyear supply chain synchronization initiative, called Project Sync, continues to improve the way we store and move products. Project Sync incorporates and builds on clean transportation best practices throughout our supply chain. That omnichannel approach and our focus on sustainability earned The Home Depot a spot on Gartner Research's list of the Top 25 corporate supply chains in 2018.

Reducing Emissions Intensity

In late 2017, we announced our company would invest \$1.2 billion to update equipment, technology and infrastructure across our supply chain to meet customers' evolving demands. In 2018, some of those improvements began to take shape. They're helping us reduce our carbon dioxide emissions intensity. That means we're lessening the environmental impact of our each mile our goods travel, even as our business grows.

Our supply chain leverages green technologies like hydrogen fuel cells, which produce off-the-grid power that doesn't create polluting emissions. More than 170 fuel cells power forklifts at our direct fulfillment center in Troy Township, Ohio. At our stocking distribution center in Savannah, Georgia, over 130 fuel cells do the job. Combined, these fuel cells save nearly 4 million kilowatt hours of electricity a year.

Reporting Our Results

We participate in the U.S. Environmental Protection Agency's [SmartWay](#)® program to collect and report greenhouse gas emissions data from corporate supply chains — and we encourage others to, as well. We require all Home Depot carriers to be SmartWay partners, and we audit our carriers annually to ensure their data is properly submitted to the EPA. We are a six-time recipient of the SmartWay Excellence Award.

BY THE NUMBERS



In 2018, the **emissions intensity** of our supply chain shrunk

6%

That means we reduced the carbon dioxide produced for each unit of energy we consumed



Loading efficiencies allowed us to **eliminate over**

117,000 truckloads

in the U.S. in 2018, a **reduction of more than 3%**



We launched Project Sync in

2015

to boost distribution efficiency



REDUCING ENVIRONMENTAL IMPACT

GREENER PRODUCTS

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

Eco Options

Our [Eco Options](#) program helps our customers identify products that have less of an impact on the environment and encourages our suppliers to provide more sustainable offerings. We launched Eco Options in 2007 in partnership with SCS Global Services, a leading, independent, third-party certification body that validates environmental claims. Today, we offer more than 25,000 Eco Options products.

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

Chemical Strategy

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



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



Energy Efficiency

Save money and power



Water Conservation

Help protect and preserve water



Healthy Home

Reduce toxins and sources of contamination to create a healthier environment



Clean Air

Protect the air we breathe



Sustainable Forestry

Monitor wood products to ensure sustainability



Circular Economy

Reduce waste through recycling and reuse



REDUCING ENVIRONMENTAL IMPACT

CHEMICAL STRATEGY

At The Home Depot, we recognize 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, The Home Depot is committed to offering products that are safer for the environment.

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

We and our suppliers also partner with respected third-party certification organizations and environmental nonprofits that guide the home improvement industry toward safer chemical ingredient use. The Home Depot is committed to continuing the drive toward minimizing the environmental impact of the products we sell.



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

Our Commitment

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

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

Painting Products

Paints

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

- Triclosan
- Isocyanates
- Formaldehyde
- Lead/heavy metals
- Alkylphenol ethoxylates and nonylphenol ethoxylates (APEOs and NPEs) are in the process of being phased out by the end of 2019.

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

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

Volatile Organic Compounds: All of our interior and exterior latex water-based wall paints in our U.S. stores are zero or low VOC. The majority of interior and exterior latex water-based wall paints in our Canada stores are zero or low VOC, and our full assortment will be zero or low VOC by December 2020.

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

VOC VALUE <5g/L = zero VOC

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

VOC VALUE <50g/L = LOW VOC

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

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



DID YOU KNOW?

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



REDUCING ENVIRONMENTAL IMPACT

CHEMICAL STRATEGY

Flooring

Carpet

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

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

Vinyl

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

Laminate Flooring

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

Insulation

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

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

Residential Household Cleaning Chemicals

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

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

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



REDUCING ENVIRONMENTAL IMPACT

ENERGY-SAVING PRODUCTS

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. Customers who use our energy-saving products reduce their power bills and significantly decrease their households' greenhouse gas emissions.

In 2018, we offered over 22,000 ENERGY STAR products in stores and online, and we sold more than 231 million units of these products. This furthered our stated goal to help our customers save \$2.8 billion in energy costs by 2020 through the purchase and proper use of ENERGY STAR products. Our company is an 11-time ENERGY STAR award winner.

We promote energy-conservation awareness in our stores and online. For example, our popular DIY workshops teach customers how to use affordable energy-efficient products and offer ways to incorporate simple conservation practices into their household routines.



BY THE NUMBERS



We estimate customer purchases of **ENERGY STAR** products in 2018 helped reduce energy use by

**10 billion
kilowatt hours**



That was an estimated reduction of

**7 million
metric tonnes**
of carbon emissions



Customers saved an estimated

\$1.2 billion+
in annual energy utility costs
through purchases and proper
use of ENERGY STAR products



REDUCING ENVIRONMENTAL IMPACT

WATER-SAVING PRODUCTS

We understand the responsibility The Home Depot has in protecting water resources — not only through our operations, but also through the products we sell. We work with suppliers to encourage conservation innovations, and we've committed to helping customers save 250 billion gallons of water by 2020 through the purchase and proper use of our products.

Home Depot products that bear the EPA's [WaterSense®](#) label have been independently certified to perform well and help save water, energy and money. In 2018, we offered more than 9,000 WaterSense products in store and online, and we sold over 18 million units of those products. Our company has been a WaterSense Partner of the Year seven times since 2011, receiving Sustained Excellence awards in three of those years.

We also encourage protection of water resources in the communities we serve. For example, in Northern California, The Home Depot has partnered for 15 years with [Our Water Our World](#) (OWOW), a program organized by pollution-prevention agencies to protect local waterways. Across the country in Maine, we've partnered with the Cumberland County Soil and Water Conservation District's [YardScaping](#) program since 2014 to educate customers on how to minimize polluted runoff into area waterways.



DID YOU KNOW?

All toilets sold in our stores bear the WaterSense label.

BY THE NUMBERS



We estimate customers saved **\$655 million+** on annual water utility costs in 2018 through the purchase and proper use of WaterSense-labeled products



Those products helped save over **59 billion gallons** of water in 2018, according to our estimates



Showerheads sold in our U.S. stores have a maximum flow of **1.8 gallons** per minute, which is better than the WaterSense standard



REDUCING ENVIRONMENTAL IMPACT

GARDENING

We know that yards, patios and balconies are more than outdoor spaces — they're ecosystems that have an impact on their surroundings. That's why The Home Depot works closely with our growers and suppliers to offer healthy trees, blooms and edible plants that support local environments and pollinators. We're excited about meeting customers' growing demand for organic and environmentally beneficial plants.

Organic Edibles

We're making it easier for our customers to grow organic. We now offer more than 50 varieties of organic, non-GMO vegetable and herb plants grown according to methods approved by the U.S. Department of Agriculture (USDA) National Organic Program. Only products that have been certified as meeting the [USDA's organic production and handling standards](#) may carry the USDA Organic seal.

Native & Healthy Plants

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

Growing Local

Each region in which we operate has a unique ecosystem with its own weather patterns, soils and growing challenges. We are proud to partner with 250 local growers who carefully balance the impact of their production with local environmental issues. These partnerships reduce transportation costs and carbon dioxide emissions, and they enable us to offer affordable selections of plants and trees — while supporting the local economies of communities we serve.





DID YOU KNOW?

Our garden centers get plants from **250 local growers.**



GROWING GREEN

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



ALASKA®

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



AVENGER®

These organic herbicides, fertilizers and pesticides are certified organic and don't contain chemicals or synthetic ingredients that can harm people, animals or the environment. Avenger weed killer is an EPA-approved, eco-friendly way to kill post-emergent weeds, grasses and broadleaves.



BONIDE®

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



BURPEE®

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



DR. EARTH®

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



ECOSCRAPS®

Ecoscraps repurposes leftovers from all parts of the food life cycle. This reduces landfill waste while creating an all-in-one particle organic nutrition source for vegetables, fruits and flowering plants.



ESPOMA®

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



JOBE'S®

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



KELLOGG®

A 92-year-old, family-owned manufacturer of organic soils and fertilizers, Kellogg has been focused on sustainability since 1925. The company invests in rigorous organic growing practices and ensures every product is certified organic.



PERFORMANCE ORGANICS™

The Performance Organics line from Miracle Gro delivers fast results using eco-friendly ingredients. These products are OMRI-listed for organic gardening.



NATURE'S CARE®

Miracle Gro Nature's Care fertilizers and pest controls are formulated for organic gardening. Soils with Water Conserve natural ingredients absorb water to protect against dryness or overwatering.



DID YOU KNOW?

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



SPOTLIGHT: REDUCING SINGLE-USE PLASTIC IN THE GARDEN

For more than 10 years, the Home Depot has been participating in the Plant Pot Recycling Program, which helps our customers reduce and recycle plastic used for their gardens. We ask customers to bring back the plastic pots that hold plants they buy at our garden centers across the U.S. Then we send the pots back to growers, who return them to our stores with new plants for sale.

When the pots are no longer usable, program partner East Jordan Plastics recycles them into new pots, trays and hanging baskets. This creates a closed-loop solution to reducing plastic — also called the circular economy. The Home Depot is the largest retail contributor to the program, which recycled about 15 million pounds of plastic in 2009 and now recycles more than 33 million pounds a year.

Recycling plastic containers recovers more than 60% of the energy tied to initial production and diverts waste from landfills. It streamlines the supply chain, too. Shipping racks now have a two-way purpose. They travel back to plant nurseries filled with pots that the suppliers can reuse.



In 2018, we returned enough plant pots for recycling to fill more than 800 15-yard dumpsters — keeping all that plastic out of landfills.



RECYCLING IN THE GARDEN

We accept containers with these resin codes in our Plant Pot Recycling Program



No. 2
High Density Polyethylene



No. 5
Polypropylene



No. 6
Polystyrene



REDUCING ENVIRONMENTAL IMPACT

CLEANING

The Home Depot offers environmentally preferred cleaners for every household cleaning task – with third-party certifications that validate claims, including non-toxic, biodegradable, no harmful chemicals, plant-based and not tested on animals. These certifications are vital to helping consumers choose products that meet their environmental standards for a healthy home.



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



Leaping Bunny label certifies no animal testing in manufacturing



Meets emissions standards for helping reduce indoor air pollution and risk of chemical exposure



Identifies products that use safer chemical ingredients without sacrificing performance



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



Assures a USDA-verified amount of renewable biological ingredients





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



Method® products are made with non-toxic, naturally derived formulas and never tested on animals. Bottles are made with recycled plastic. The company's permanent lines of laundry, personal and home-care products are Cradle to Cradle certified.

In 2013, Method reincorporated as a benefit corporation and formally integrated its mandate for sustainability into the company's mission. This unique corporate structure enables Method to balance profits with environmental and social responsibility.

Method's factory in the Pullman Park district on the South Side of Chicago features on-site renewable wind and solar energy generation.

The factory is home to a 75,000-square-foot garden where local urban agriculture company Gotham Greens® operates a commercial-scale greenhouse that produces about 500 tons of fresh, pesticide-free produce annually for the local community and surrounding retailers and restaurants.



Breathe® aerosol cleaners are made only from ingredients that meet EPA Safer Choice criteria. The company's non-toxic bathroom cleaner has no ammonia and no butane. It's powered by air, making it an eco-friendly choice for families and pets.



CLR Brands® aims to formulate products that are safe for consumers and the environment. The company's commitment to eco-friendly products has helped it earn the U.S. Environmental Protection Agency's [Safer Choice](#) Partner Award multiple times. The woman-owned company also is among THD's more than 3,400 small and diverse suppliers.



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



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



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



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

REDUCING ENVIRONMENTAL IMPACT

RESIDENTIAL SOLAR

Our customers' demand for clean, sustainable energy is growing as residential solar energy systems become more available and affordable than ever before. Our partnerships with Sunrun® and Vivant Solar® make it easier for our customers to access clean energy by capturing the power of the sun at home.

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

Since 2016, our solar partners have installed more than 280,000 kilowatts of clean energy through our solar program.

We're also empowering customers' energy independence by offering home battery energy solutions in all 50 U.S. states. The batteries provide reliable power, even during storms and outages.



vivant.Solar™

BY THE NUMBERS



Our solar program
installed systems at
18,000+
homes
in 2018



Those systems gave
our customers the
capacity to **produce**
94,000+
kilowatts
of solar energy



Our customers' solar
power had the capacity
to reduce carbon dioxide
emissions by 90,000 metric
tonnes, equivalent to **removing**
19,000+ cars
from the road for a year



DID YOU KNOW?

The amount of sunlight that strikes the earth's surface over 90 minutes could fuel the world's energy consumption for a full year.

Source: U.S. Department of Energy



REDUCING ENVIRONMENTAL IMPACT

SUSTAINABLE PACKAGING

The Home Depot's packaging team works with our private-label product suppliers to apply science to creating better packages. Our goals are to reduce package footprints and use more sustainable materials.

The innovations we achieve are good for the environment and for our business. We cut down on waste, boost shipping efficiency and reduce damage to products.

Using Less EPS

In 2018, our packaging team continued a multi-year effort to find substitutes for expanded polystyrene (EPS) foam. EPS foam is good at protecting products, but it contains beads of chemicals and oil that are often difficult to recycle and can take more than 500 years to biodegrade.

We're replacing EPS with recyclable materials like molded pulp and paper in some private-label packaging. In 2017, we eliminated 341,000 cubic feet of EPS foam from our packaging. In 2018, we eliminated more than 517,600 cubic feet — enough to keep six Olympic-size swimming pools of EPS foam out of landfills.

Reducing PVC

Polyvinyl chloride (PVC) film is widely used in packaging. The thin, rigid synthetic plastic polymer is molded around products to protect them from damage. But, like EPS, PVC film is difficult to recycle and takes a long time to biodegrade. In 2018, our packaging team eliminated 1.6 million square feet of PVC film from private-brand packaging, enough to cover 28 football fields.

BY THE NUMBERS



In 2018, THD redesigned
134 packages
to reduce size and materials



We estimate our packaging innovations abated
600,000 pounds
of damaged-product waste
in 2018



Smaller packages saved nearly
770,000 cubic feet
of shipping space in 2018



SPOTLIGHT: HOW WE'RE MAKING PACKAGES SMALLER, STRONGER AND MORE SUSTAINABLE

Our Husky® LED Work Light is a popular product among DIYers and Pros, and that made it a great candidate for a high-impact package redesign in 2018.



The new package footprint is 25% smaller.



Paper-based molded pulp replaced expanded polystyrene foam, eliminating 22,000 cubic feet of EPS in just one year.

The smaller, lighter package improves shipping efficiency, thereby reducing polluting emissions. It also reduces waste going to landfills and saves shelf space in our stores.

The new materials are stronger. Damaged-product returns are half of what they were with the previous packaging. That cuts waste and business costs.

REDUCING ENVIRONMENTAL IMPACT

WASTE MANAGEMENT
& RECYCLING

The Home Depot is committed to properly managing waste and hazardous waste. We partner with vendors to constantly improve how we reduce, reuse and recycle waste.

Hazardous Materials Disposal & Handling

We constantly seek sustainable methods of disposal. In 2018, our company recycled or reused for energy 34% of the hazardous waste generated from our operations and customer returns. We properly disposed of the remaining waste.

Associate Training & Resources

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

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

Preventative Actions

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

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

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

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

Responsive Actions

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

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

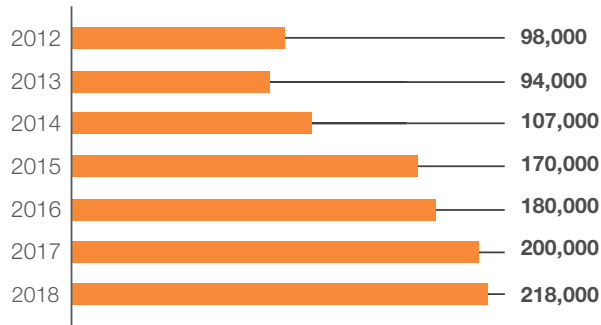
Emergency response—Third-party consultant provides an emergency response team available 24/7 to assist with hazardous materials cleanup and, if necessary, provide remediation services

RECYCLING TO REDUCE WASTE



LEAD-ACID BATTERIES

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

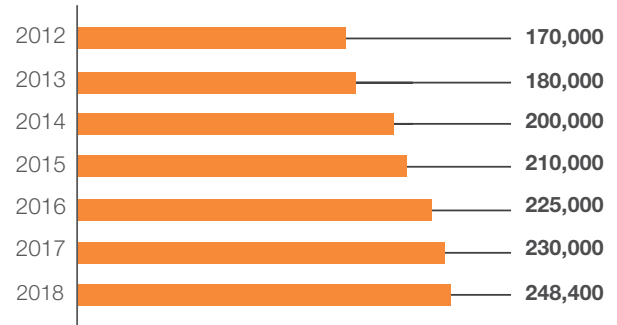


122% increase since 2012



CARDBOARD

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

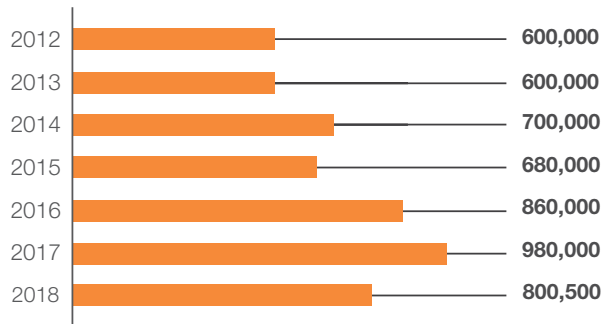


46% increase since 2012



COMPACT FLUORESCENT LIGHT BULBS

We recycle CFLs dropped off by customers. The number is declining as customers switch to LED lights. Amounts below are in pounds.

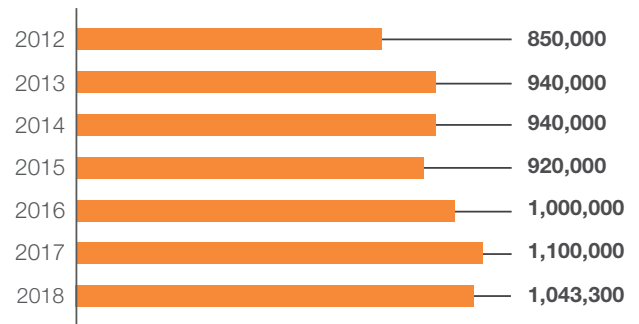


33% increase since 2012



RECHARGEABLE BATTERIES

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



23% increase since 2012

CANADA

The Home Depot opened our first store in Canada in 1992. Today, we employ more than 30,000 associates and operate 182 stores across 10 Canadian provinces. We provide products tailored to local communities and cater to DIYers and Pros.

Our focus on associates, customers and communities has helped us earn recognition as one of Canada's best diversity employers for 10 years in a row. In 2018, we were recognized for our sustainable product selection and sustainability improvements in our operations.

We work with utilities to help customers conserve energy and save money. Our partnerships with colleges, universities and learning centers help us to attract diverse talent. We're particularly proud of the work we do to end youth homelessness in Canada.

2018 Recognition



10th Consecutive Year



Energy Manager of the Year



Bringing Housing & Hope to Homeless Youth

Since 2014, The Home Depot Canada Foundation has supported more than 700 charity organizations and invested more than CA\$20 million in initiatives designed to prevent and end youth homelessness. By 2022, that investment will grow to CA\$50 million. Below is a snapshot of the leading Canadian charity partners that the Foundation works with to address this important issue:

- 360°kids Support Services (Markham, ON)
- A Way Home Canada Coalition (Toronto, ON)
- Boys and Girls Clubs of Calgary (Calgary, AB)
- Canadian Alliance to End Homelessness (Calgary, AB)
- Canadian Observatory on Homelessness (Toronto, ON)
- Choices for Youth (St. John's, NFLD)
- Covenant House Vancouver (Vancouver, BC)
- Dans la rue (Montreal, QC)
- Egale (Toronto, ON)
- Eva's Initiatives (Toronto, ON)
- Phoenix Youth Programs (Halifax, NS)
- Raising the Roof (Toronto, ON)
- Resource Assistance for Youth (Winnipeg, MB)
- Youth Empowerment and Support Services (Edmonton, AB)
- Youth Services Bureau (Ottawa, ON)



Housing and hope
for homeless youth

To learn more visit: www.orangedoorproject.ca

BY THE NUMBERS



We helped divert nearly

**270,000
pounds**

of household, power tool
and cellphone batteries from
landfills through our customer
collection program in 2018



LED retrofits completed in our
Canadian stores in 2018 save
enough energy to power

2,000 homes

for a year



**2,400+
associates**

volunteered for more than
200 community service
projects in 2018



MEXICO

The Home Depot began operating in Mexico in 2001, and now we have 124 stores across all 32 states. We employ more than 16,000 associates; in 2018, they collectively received more than 900,000 hours of training. We sell over 25,000 products in stores and over 21,000 online, including more than 350 designated with the Hipoteca Verde eco-friendly label.

For 12 consecutive years we have been recognized for our corporate social responsibility efforts in Mexico, including our support of ethical business and labor practices, our community involvement and our efforts to reduce environmental impact.

Our Orange Fund provides financial assistance to Mexican associates in need. It's similar to The Homer Fund that assists U.S. associates. In 2018, the Orange Fund helped 146 associates with expenses related to health care or disaster recovery.

Giving Back

2018 was a year of working together to support the communities we serve:

- Our Team Depot projects focused on schools and communities. We helped build community centers, green areas and playgrounds.
- We helped house seven families through a home-building partnership with TECHO and Construyendo.
- We donated 96 million pesos (US\$4.8 million) in merchandise to nongovernmental organizations dedicated to helping our communities' most vulnerable people.
- We joined forces with 22 suppliers to participate in the United for Housing Program in October and collected more than 3 million pesos (US\$150,000) in donations. The funds will help build 66 homes for families in need.
- We continued working to aid recovery of families affected by the September 2017 earthquakes in Mexico. By the end of 2018, we had participated in the reconstruction of 159 homes.

2018 Recognition



Labor equality and
nondiscrimination



Responsible business
practices



Family-supportive
workplace



Inclusive business
practices

BY THE NUMBERS



80%
of our vendors are
local companies based
in Mexico



In 2018, associates
took part in
790 projects
through Team Depot



In 2018, we
recycled or reused
987,431
wooden pallets







STRENGTHEN OUR COMMUNITIES

Resources

- > Supplier Diversity
- > Diversity Partnerships
- > Retool Your School
- > The Home Depot Foundation
- > Team Depot
- > Disaster Response

SUPPORTING DIVERSITY

Business Organization Partnerships

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

- Georgia Minority Supplier Development Council
- Minority Business Development Agency
- National Center for Indian Enterprise Development
- National Gay and Lesbian Chamber of Commerce
- National Minority Supplier Development Council
- U.S. Department of Veterans Affairs
- U.S. Hispanic Chamber of Commerce
- U.S. Pan-Asian American Chamber of Commerce
- Women's Business Enterprise National Council
- National Association for the Advancement of Colored People
- National Association of Asian American Professionals
- National Association of Chinese-Americans
- National Council of Negro Women
- National Urban League
- Network of Executive Women
- Rainbow PUSH Coalition
- Trumpet Awards Foundation
- Urban League of Greater Atlanta
- United Negro College Fund

Community Partnerships

Our local and national community partners represent the diversity of our associates and customers. To further The Home Depot's commitment to promote inclusion, develop talent and engage with diverse communities, we strategically partner with aligned organizations, including:

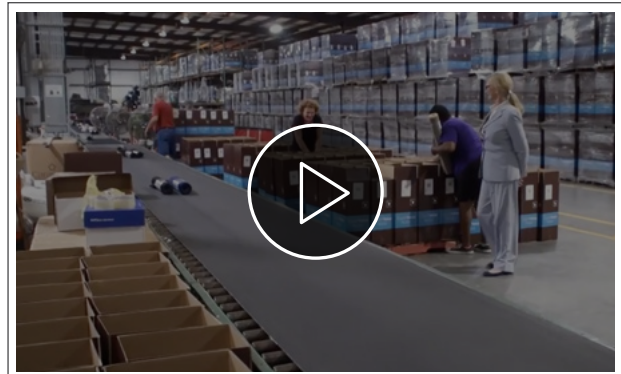
- 100 Black Men of Atlanta
- American Corporate Partners
- Catalyst
- CEO Action for Diversity & Inclusion
- Executive Leadership Council
- Hispanic Association on Corporate Responsibility
- Human Rights Campaign
- Martin Luther King Jr. Center for Nonviolent Social Change
- National Action Network

Supplier Diversity

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

CHECK IT OUT

Meet Carol Nance, CEO of woman-owned rug and carpet supplier Nance Industries, based in Calhoun, Georgia.



BY THE NUMBERS



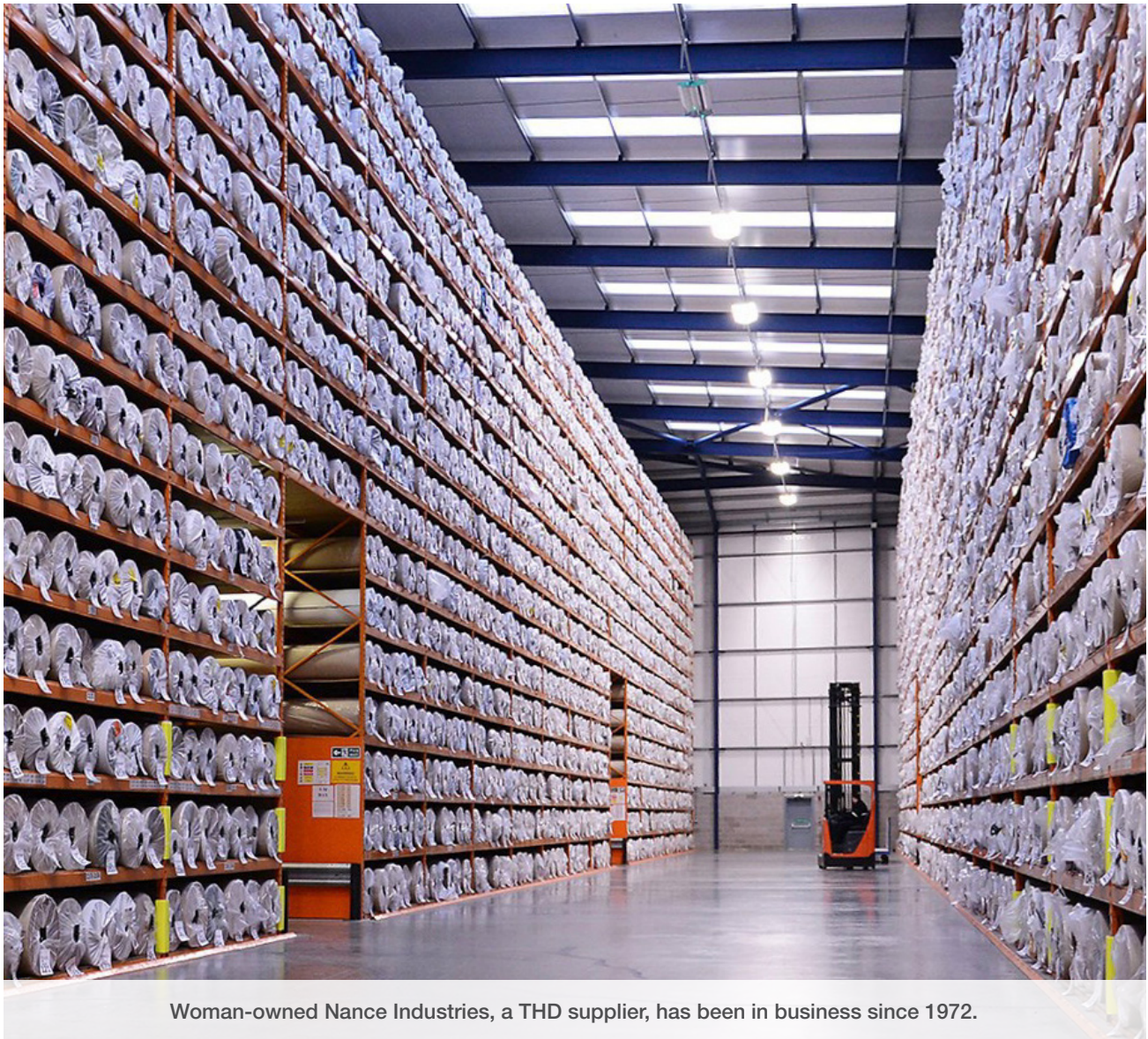
3,400+
small and diverse
businesses were among
our suppliers in 2018



The Home Depot spent
\$6 billion+
with **small and diverse**
suppliers in 2018



In 2018, our **diverse**
supplier count
grew 10%
compared to the year before



Woman-owned Nance Industries, a THD supplier, has been in business since 1972.



SPOTLIGHT: MINIMIZING WASTE AND MAXIMIZING SELF-SUFFICIENCY BOOST SUPPLIER'S SUCCESS

Pure Beauty Farms is among the 250 local growers working closely with The Home Depot to supply locally grown plants to stores. Brothers Henry and Victor Yanes, whose family fled Cuba in the early 1960s, have expanded their business alongside The Home Depot for more than two decades.

The main operation for this minority- and veteran-owned diverse supplier is a 290-acre farm about 30 miles from downtown Miami. Pure Beauty also has a Georgia farm with about 120 acres. Plants don't travel far to reach Home Depot stores and customers' homes across the Southeast.



We are fortunate to be in this country. We came from a family of immigrants and worked hard from an early age."

— Victor Yanes, Pure Beauty Farms

Recycling and reusing are part of the Yanes brothers' business. They focus on minimizing waste and maximizing self-sufficiency. Pure Beauty generates its own compost. It uses torn-up asphalt from Miami's highways as the foundation for greenhouse beds. The company manufactures its own greenhouses, which adds efficiency and speeds up recovery after hurricanes.

The Yaneses are thinking about who will lead Pure Beauty Farms in the future. Most of their children are in the business, and the brothers are working on a succession plan. "We feel blessed that The Home Depot has allowed us to do this for us and for our families," Victor Yanes said. "You can't get any luckier than that."





Henry and Victor Yanes



SUPPORTING DIVERSITY

Retool Your School Grant Program

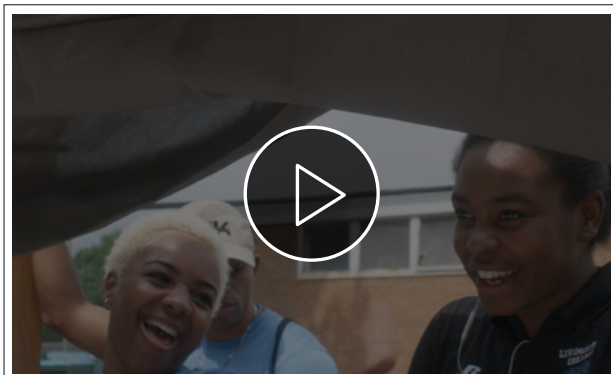
Since 2009, The Home Depot's [Retool Your School](#)® campus improvement grant program has invested more than \$2 million dollars to update, upgrade and uplift campuses of historically black colleges and universities (HBCUs).

Accredited HBCUs in the United States may apply to compete for Retool Your School grants to create sustainable renovations and additions to their campuses. HBCU supporters can vote for their favorite schools via Twitter and Instagram using the school's designated hashtag or by going to retoolyourschool.com. In 2018, 67 HBCUs competed for the program, and nine won grants.



CHECK IT OUT

Discover how Retool Your School helped build a pavilion at Livingstone College in North Carolina.



BY THE NUMBERS



\$360,000

awarded in 2018 for campus improvement projects



499

grants awarded to HBCUs since the program's inception in 2010



\$2.1 million

has been distributed to HBCUs through Retool Your School grants since 2010



Claflin University in Orangeburg, South Carolina, used Retool Your School funds for campus improvements.

THE HOME DEPOT FOUNDATION

The Home Depot Foundation works to:



Improve the homes and lives of U.S. veterans



Train skilled tradespeople to fill the labor gap



Support communities affected by natural disasters

Support for Veterans

Since 2011, [The Home Depot Foundation](#)® has invested nearly \$283 million to support U.S. veterans. In 2018, the Foundation committed an additional \$250 million to veteran causes, taking the total to half a billion dollars by 2025.

Trades Training Program

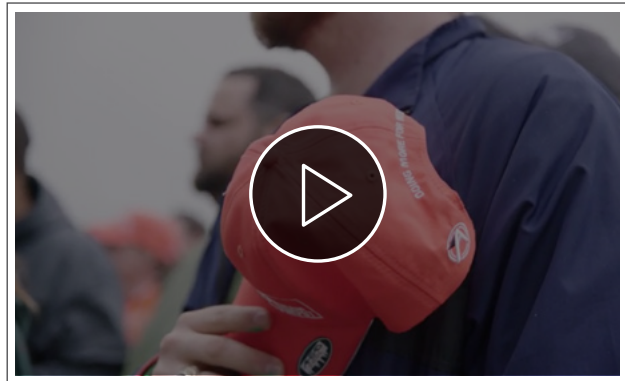
The Home Depot Foundation has pledged \$50 million to train 20,000 tradespeople by 2028 to help address the skilled trades labor shortage. As part of that commitment, the Foundation partnered with the Home Builders Institute (HBI) in 2017 to launch a 12-week [trades-training program](#) for transitioning military members, spouses and veterans. Active duty military members within 180 days of separation are eligible for the courses, which are taught at military bases. Participants pay no fees.

In 2018, 160 pre-apprentices graduated from the program, earning industry-recognized credentials. Graduates also received job-placement support. In 2019, the Foundation and HBI are expanding the program to more military bases.

The Home Depot Foundation also has partnered with the Construction Education Foundation of Georgia in a separate trades-training program, Construction Ready Plus. This program trains residents of Atlanta's Westside community to enhance careers in construction.

CHECK IT OUT

Learn more about the Foundation's increased pledge to veteran causes — adding up to half a billion dollars by 2025.



BY THE NUMBERS



The Home Depot Foundation has awarded nearly
\$283 million
to **veteran nonprofit partners**
since 2011



The Foundation has **pledged to train**
20,000
tradespeople
by 2028



The Foundation gave nearly
\$5 million
in 2018 to **help communities**
affected by natural disasters



The Home Depot Foundation helps improve veterans' homes across the United States.



DID YOU KNOW?

The Home Depot Foundation is investing \$50 million to train tradespeople to help fill the labor gap.

TEAM DEPOT

Team Depot® is a force of 400,000 orange-blooded volunteer associates led by more than 2,200 community captain leaders, spanning all associate levels. Together with The Home Depot Foundation, Team Depot works to improve the homes and lives of U.S. military veterans and their families, as well as to aid communities affected by natural disasters.

Since 2011, associate volunteers and Home Depot Foundation funds have helped improve more than 41,000 veterans' homes or facilities. We've made a difference in more than 4,100 U.S. cities.

Team Depot has received the U.S. President's Service Award, the highest presidential honor given to volunteers. In 2018, Team Depot celebrated 25 years of giving back.

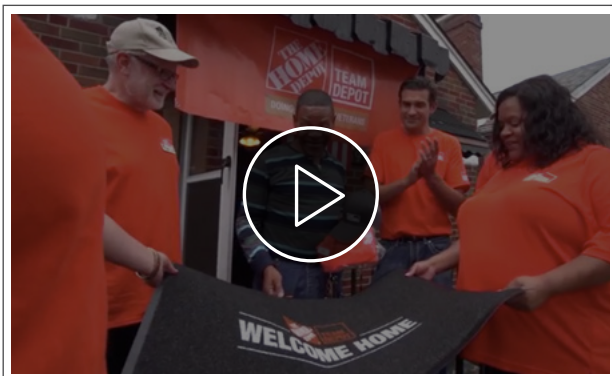


DID YOU KNOW?

Team Depot volunteers, many wearing military-green T-Shirts, gave 100,000 hours during our Celebration of Service in the seven weeks leading up to Veterans Day 2018.

CHECK IT OUT

Learn more about how Team Depot strengthens communities through the power of our people.



BY THE NUMBERS



Associate **participation** in projects for veterans rose nearly

30%

during our 2018 Celebration of Service



More than

**18,000
volunteers**

took part in
Celebration of Service 2018



Team Depot volunteers have
helped people in

4,100+ cities

across the U.S. since 2011



DISASTER RESPONSE

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

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

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

Through funds from The Home Depot Foundation and hands-on assistance from our crew of Team Depot associate volunteers, we help communities repair and rebuild. In 2018, The Home Depot Foundation gave nearly \$5 million to support our nonprofit partners helping communities affected by natural disasters.

Our [Homer Fund](#) provides financial assistance for associates affected by disasters, including the wildfires, hurricanes and floods that devastated communities in the U.S. in 2018.



DID YOU KNOW?

THD Foundation, associates and partners renovated nine hurricane-damaged schools in Puerto Rico in 2018, part of a \$1.2 million investment in the island's recovery since 2017.

BY THE NUMBERS



We operated our **Disaster Response Command Center** for
37 days
in 2018



The Foundation gave nearly
\$5 million
in 2018 to **help communities affected by natural disasters**



We delivered more than
2,600 shipments
of **disaster-relief supplies** to affected areas







OUR BUSINESS

Resources

- > [Code of Conduct](#)
- > [Associate AlertLine](#)
- > [Supplier AlertLine](#)
- > [Corporate Governance](#)
- > [Board of Directors](#)
- > [2019 Proxy Statement](#)
- > [2018 Annual Report](#)
- > [U.N. Sustainable Development Goals](#)
- > [Global Reporting Initiative \(GRI\) Standards](#)

CODE OF CONDUCT

At The Home Depot, 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
- Political activity

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

Associate AwareLine

1-800-286-4909

We also provide ways for suppliers, vendors, service providers and their workers to report concerns when they think our Home Depot values or compliance with the law may be compromised. Workers in all 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 and regions:

Supplier AlertLine

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

Mexico: 001-888-765-8153

Asia: 86-400-880-1045

India: (Access Code) 000-117 (Dial) 800-435-3152



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



CORPORATE GOVERNANCE

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. 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 constituencies.

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

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

Leadership Structure

We believe having a combined chairman, CEO and president; an independent Lead Director; and Board committees composed entirely of independent directors currently provides the best Board leadership structure for The Home Depot.

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

Our corporate governance policies reflect best practices:

- Annual election of directors
- Majority voting standard in director elections
- Shareholder ability to act by written consent and call special meetings
- Shareholder right of proxy access
- Independent Lead Director
- Over 90% of directors and all Board committee members are independent
- Independent directors meet without management
- Mandatory retirement age for directors
- Annual Board strategy session and review of the company's strategic plan
- Director overboarding policy
- No shareholder rights plan, also referred to as a "poison pill"
- Store-walk policy for directors
- Board education and orientation program
- Management succession policy set forth in [Corporate Governance Guidelines](#)
- Annual Board and committee self-evaluations, including individual director interviews with the independent Lead Director

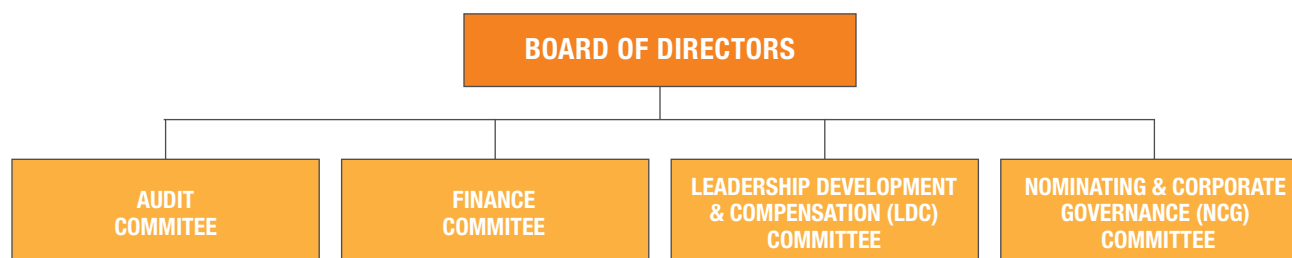


LEARN MORE

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

Board Committees

Our Board of Directors has established four [standing committees](#), comprised solely of independent directors and governed by a written charter that sets forth its purpose, composition, powers, duties and responsibilities.



Board Oversight of Risk

The company has a robust framework designed to identify and ensure proper management of risk, including risk relating to our ability to operate responsibly and sustainably. The framework used to identify and manage risk considers enterprise-level issues, including competitive environment, brand and reputation, regulatory and compliance, and security. The framework also considers external and internal factors that could distract from or derail strategic objectives. The Board oversees risk through this framework, with oversight accomplished by identifying key risks and mapping them to the appropriate Board committee or to the full Board.

Our Board reviews these key risks and the related framework annually, and the full Board or appropriate Board committees discuss selected risks in more detail throughout the year. The table below identifies key risk areas overseen by the Board and its committees.

FULL BOARD			
<ul style="list-style-type: none"> 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 style="list-style-type: none"> Overall risk assessment and management Financial exposures, statements, controls, systems and reporting Regulatory and compliance, including Foreign Corrupt Practices Act/anti-bribery and our whistleblower program Data protection and cybersecurity Internal audit and related investigatory matters Quality, safety and responsible sourcing 	<ul style="list-style-type: none"> Long-range strategic planning Long-range financial outlook and finance-related risks Capital structure, including investments and shareholder return principles Annual capital plan and key capital investments Merger and acquisition strategy 	<ul style="list-style-type: none"> Senior executive compensation Senior executive succession planning Overall risk related to the company's compensation policies and practices Human capital management Non-employee director compensation 	<ul style="list-style-type: none"> Corporate governance Director succession planning and board composition Political spending and payments to trade associations Environmental and social initiatives Related-party transactions

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The [U.N. Sustainable Development Goals](#) (SDGs) call for action to end extreme poverty, fight inequality and injustice and protect our planet. The plan, outlined in 2015, focuses on 17 areas in which nations, governments, businesses and citizens can work to achieve measurable results by 2030.

The Home Depot shares many of the same goals, which are articulated in our [core values](#). We aim to continuously improve our products, our business and our operations to benefit our customers, associates, suppliers and communities by building a better workplace, business and world.

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



Good Health and Well-Being

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



Gender Equality

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



Clean Water and Sanitation

- 100% of our in-store toilets, bath faucets and showerheads are high-efficiency products approved by the EPA's [WaterSense](#) program.
- We estimate that our customers saved over 59 billion gallons of water in 2018 by properly using our water-saving products.
- Water reclamation tanks in 145 garden centers in our stores conserve water use.

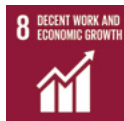


Affordable and Clean Energy

- We purchase enough wind-generated energy to power 90 stores, and we operate alternative energy projects — such as rooftop solar panels and fuel cells — at more than 250 stores.
- Our partnership with the EPA's [ENERGY STAR](#) program enabled customers to purchase products capable of reducing their energy use by 10 billion kilowatt hours in 2018 alone. That's equivalent to removing more than 2 million cars from the road.

SUSTAINABLE DEVELOPMENT GOALS





Decent Work and Economic Growth

- We employ over 400,000 associates internationally, and our supply chain has a total economic impact on millions of workers globally.
- We conducted 1,362 factory audits and 1,649 follow-up visits in 2018, focusing on worker health, safety and well-being in our suppliers' operations.



Industry, Innovation and Infrastructure

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



Sustainable Cities and Communities

- In 2018, we sold over \$10 billion in sustainable products to our customers.
- Our [emergency response team](#) offers direct help after natural disasters. In 2018, we delivered more than 2,600 shipments of disaster-relief supplies to affected areas.
- The Home Depot Foundation has committed \$500 million to support veteran-related causes by 2025.



Responsible Consumption and Production

- We have set a goal to produce and procure 135 megawatts of energy for our stores through renewable or alternative energy sources by 2020.
- We challenge our suppliers to offer products with the lowest-possible environmental impact and pursue third-party certification to verify efficacy.
- Our [Chemical Strategy](#) challenges suppliers to eliminate suspect chemicals from the products we sell.



Climate Action

- From 2009 to 2018, we reduced our carbon emissions by over 3 million metric tonnes.
- We have a current score of "A" from the [Carbon Disclosure Project](#), which assesses action on climate change.
- In 2018, our U.S. store energy consumption was 26% less than in 2010, putting us ahead of our energy-use reduction goals.



Life on Land

- Our [Wood Purchasing Policy](#) helps ensure our suppliers and manufacturers support sustainable forestry.
- In 2018, we stopped accepting wood products from Papua New Guinea, the Solomon Islands, the South American Amazon Basin and the African Congo Basin, unless the [Forest Stewardship Council](#) has certified the products.



GLOBAL REPORTING INITIATIVE FRAMEWORK

We have applied the [Global Reporting Initiative \(GRI\) Sustainability Reporting Standards](#) as an identification and cross-reference tool to make meaningful data accessible to our stakeholders. The following charts provide a cross-reference location guide to our reports.

Resources

- > Form 10-K – 2018 Annual Report on SEC Form 10-K
- > Carbon Disclosure Project
- > 2019 Proxy Statement
- > Corporate Website
- > Nominating & Corporate Governance Committee (NCGC) Charter
- > Leadership Development & Compensation Committee (LDCC) Charter
- > Corporate Governance Guidelines
- > Business Code of Conduct & Ethics
- > Board Candidate Policy
- > Political Activity Policy
- > Responsible Sourcing Report



GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
GENERAL DISCLOSURES				
ORGANIZATIONAL PROFILE	GRI 102: General Disclosures	102-1	Name of the organization	The Home Depot, Inc.
		102-2	Activities, brands, products and services	Form 10-K pgs. 1-7
		102-3	Location of headquarters	Atlanta, Georgia, USA
		102-4	Location of operations	Form 10-K pgs. 1-7, 15-17, Corporate Website – About Us
		102-5	Ownership & legal form	The Home Depot is a publicly traded company, incorporated in Delaware, USA, and listed on the NYSE under the ticker symbol, “HD”, Form 10-K pg. 1
		102-6	Markets served	Form 10-K pgs. 1-7, 15-17, Corporate Website – About Us
		102-7	Scale of the organization	Form 10-K pgs. 1-7
		102-8	Information on employees and other workers	Form 10-K pgs. 2-3
		102-9	Supply chain	Form 10-K pgs. 1-7, Responsible Sourcing Report
		102-10	Significant changes to the organization and its supply chain	Form 10-K pgs. 1-7
		102-11	Precautionary Principle or approach	Corporate Governance, Proxy Statement pgs. 4-6
		102-12	External initiatives	2018 Ratings, U.N. Sustainable Development Goals, Corporate Website – Responsibility, Responsible Sourcing Report
		102-13	Membership of associations	Carbon Footprint, Supply Chain, Chemical Strategy, Water-Saving Products, Canada, Mexico, Supporting Diversity, Responsible Sourcing Report
STRATEGY	GRI 102: General Disclosures	102-14	Statement from senior decision-maker	CEO Letter
		102-15	Key impacts, risks and opportunities	Materiality Touchpoints and Goals
ETHICS & INTEGRITY	GRI 102: General Disclosures	102-16	Values, principles, standards and norms of behavior	Diversity & Inclusion, Code of Conduct, Corporate Governance, Business Code of Conduct and Ethics, Corporate Governance Guidelines
		102-17	Mechanisms for advice and concerns about ethics	Sourcing Responsibly, Code of Conduct, Business Code of Conduct and Ethics

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
GOVERNANCE	GRI 102: General Disclosures	102-18	Governance structure	<i>Corporate Governance</i> , Proxy Statement pgs. 1-20, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter, Corporate Governance Guidelines
		102-19	Delegating authority	<i>Engaging Stakeholders & Setting Priorities, Ethical Sourcing, Corporate Governance</i>
		102-20	Executive-level responsibility for economic, environmental and social topics	<i>Engaging Stakeholders & Setting Priorities, Ethical Sourcing, Corporate Governance</i> , Proxy Statement pgs. 4-6, NCGC Charter, Corporate Governance Guidelines
		102-22	Composition of the highest governance body and its committees	<i>Corporate Governance</i> , Proxy Statement pgs. 1-20, Corporate Website – Investor Relations > Corporate Governance
		102-23	Chair of the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-20
		102-24	Nominating and selecting the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-20, Policy on Consideration and Evaluation of Board Candidates, Corporate Governance Guidelines
		102-25	Conflicts of Interest	Proxy Statement pgs. 6-12, Business Code of Conduct and Ethics, Corporate Governance Guidelines
		102-26	Role of highest governance body in setting purpose, values and strategy	<i>CEO Letter, Engaging Stakeholders & Setting Priorities, Ethical Sourcing</i> , Proxy Statement Letter to Shareholders and pgs. 3-7, NCGC Charter, Corporate Governance Guidelines
		102-27	Collective knowledge of highest governance body	<i>Engaging Stakeholders & Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 1-14
		102-28	Evaluating the highest governance body's performance	<i>Corporate Governance</i> , Proxy Statement Letter to Shareholders and pgs. 1-14, NCGC Charter
		102-29	Identifying and managing economic, environmental and social impacts	<i>Engaging Stakeholders & Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 1-14, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-30	Effectiveness of risk management process	<i>Corporate Governance</i> , Proxy Statement pgs. 4-6, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-31	Review of economic, environmental and social topics and their impacts, risks and opportunities	<i>Engaging Stakeholders & Setting Priorities, Materiality Touchpoints & Goals, Corporate Governance</i> , Proxy Statement pgs. 1-14, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-32	Highest governance body's role in sustainability reporting	<i>Engaging Stakeholders & Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 1-14, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter
		102-33	Communicating critical concerns	<i>Engaging Stakeholders & Setting Priorities, Code of Conduct, Corporate Governance</i> , Proxy Statement pgs. 1-14, Business Code of Conduct and Ethics, Corporate Governance Guidelines
		102-35	Remuneration policies	Proxy Statement pgs. 32-65, Corporate Governance Guidelines, LDCC Charter

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
GOVERNANCE		102-36	Process for determining remuneration	Proxy Statement pgs. 32-65, Corporate Governance Guidelines, LDCC Charter
		102-37	Stakeholders' involvement in remuneration	Proxy Statement pgs. 24, 36, 38
		102-38	Annual total compensation ratio	Proxy Statement pg. 60
STAKEHOLDER ENGAGEMENT	GRI 102: General Disclosures	102-40	List of stakeholder groups	<i>Engaging Stakeholders & Setting Priorities, Materiality Touchpoints & Goals</i>
		102-41	Collective bargaining agreements	Form 10-K pgs. 1-3
		102-42	Identifying and selecting stakeholders	<i>Engaging Stakeholders & Setting Priorities, Materiality Touchpoints & Goals</i>
		102-43	Approach to stakeholder engagement	<i>Engaging Stakeholders & Setting Priorities, Materiality Assessment Framework, FAQ: Measuring Our Progress</i> , Proxy Statement Letter to Shareholders and pg. 7
		102-44	Key topics and concerns raised	<i>Engaging Stakeholders & Setting Priorities, Materiality Touchpoints & Goals</i> , Proxy Statement Letter to Shareholders and pg. 7
REPORTING PRACTICES	GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Form 10-K
		102-46	Defining report content and topic Boundaries	<i>CEO Letter, Engaging Stakeholders & Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints & Goals</i>
		102-47	List of material topics	<i>CEO Letter, Engaging Stakeholders & Setting Priorities, Materiality Assessment Framework, Materiality Touchpoints & Goals</i>
		102-48	Restatements of information	N/A
		102-49	Changes in reporting	Expansion of Scope 3 boundaries to include more of our supply chain
		102-50	Reporting period	January 1, 2018 to December 31, 2018 (Calendar Year 2018)
		102-51	Date of most recent report	2018 Responsibility Report June 2018
		102-52	Reporting cycle	Annual
		102-53	Contact point for questions regarding the report	Ron Jarvis, Vice President, Environmental Innovation ron_jarvis@homedepot.com
		102-54	Claims of reporting in accordance with the GRI Standards	This report references the 2016 GRI Standards.
		102-55	GRI content index	This document
		102-56	External assurance	N/A
ECONOMIC				
	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
	GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	2018 CDP Report
		201-3	Defined benefit plan obligations and other retirement plans	<i>Benefits</i> , Form 10-K pg. 57, Form 11-K, Proxy Statement pgs. 42-43, 55
	GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>Strengthen Our Communities, U.N. Sustainable Development Goals</i>
		203-1	Significant indirect economic impacts	<i>Strengthen Our Communities, U.N. Sustainable Development Goals</i>
	GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	<i>Ethical Sourcing, Code of Conduct, Business Code of Conduct and Ethics</i>
ENVIRONMENTAL				
MATERIALS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 301: Materials	301-1	Materials used by weight or volume	<i>ESG Transparency, Sustainable Packaging</i>
ENERGY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 302: Energy	302-1	Energy consumption within the organization	2018 CDP Report, <i>Energy Use</i> , Corporate Website – Responsibility
		302-2	Energy consumption outside of the organization	<i>Carbon Footprint, Supply Chain</i>
		302-3	Energy intensity	2018 CDP Report, <i>Energy Use</i> , Corporate Website – Responsibility
		302-4	Reduction of energy consumption	2018 CDP Report, <i>CEO Letter, ESG Transparency, Energy Use, Canada, U.N. Sustainable Development Goals</i> , Corporate Website – Responsibility
		302-5	Reductions in energy requirements of products and services	2018 CDP Report, <i>ESG Transparency, FAQ: Measuring Our Progress, Energy Use, Energy-Saving Products, Residential Solar</i> , Form 10-K pgs. 6-7, Corporate Website – Responsibility
WATER AND EFFLUENTS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 303: Water Use and Effluents	303-1	Interactions with water as a shared resource	<i>Water-Saving Products, U.N. Sustainable Development Goals</i>

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
BIODIVERSITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 304: Biodiversity	304-2	Significant Impacts of activities, products, and services on Biodiversity	<i>Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>
		304-3	Habitats Protected or Restored	<i>Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>
EMISSIONS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	2018 CDP Report, <i>ESG Transparency, FAQ: Measuring Our Progress, Energy Use</i> , Corporate Website – Responsibility
		305-2	Indirect (Scope 2) GHG emissions	2018 CDP Report, <i>ESG Transparency, FAQ: Measuring Our Progress, Energy Use</i> , Corporate Website – Responsibility
		305-4	GHG emissions intensity	2018 CDP Report, <i>ESG Transparency, FAQ: Measuring Our Progress, Energy Use</i> , Corporate Website – Responsibility
		305-5	Reduction of GHG emissions	2018 CDP Report, <i>ESG Transparency, FAQ: Measuring Our Progress, Energy Use</i> , Corporate Website – Responsibility
EFFLUENTS AND WASTE	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	<i>ESG Transparency, Waste Management & Recycling</i> , Corporate Website – Responsibility
SUPPLIER ENVIRONMENTAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>Sourcing Responsibly</i> , Corporate Website – Responsibility

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
SOCIAL				
OCCUPATIONAL HEALTH AND SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Touchpoints & Goals
		103-2	The management approach and its components	Materiality Assessment Framework
		103-3	Evaluation of the management approach	Materiality Assessment Framework, ESG Transparency
	GRI 403: Occupational Health and Safety	403-2	Hazard identification, risk assessment and incident investigation	Materiality Assessment Framework, Materiality Touchpoints & Goals, Associate Safety
		403-5	Worker training on occupational health and safety	Associate Safety, Learning & Development
		403-6	Promotion of worker health	Benefits, Associate Safety
		403-9	Work-related injuries	Associate Safety
	TRAINING & EDUCATION	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary
103-2			The management approach and its components	Materiality Assessment Framework
103-3			Evaluation of the management approach	Materiality Assessment Framework, Learning & Development
GRI 404: Training and Education		404-1	Average hours of training per employee per year	Learning & Development
		404-2	Programs for upgrading employee skills and transition assistance programs	Diversity & Inclusion, Learning & Development, Associate Engagement, The Home Depot Foundation
DIVERSITY & EQUAL OPPORTUNITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Touchpoints & Goals
		103-2	The management approach and its components	Materiality Assessment Framework
		103-3	Evaluation of the management approach	Materiality Assessment Framework, Diversity & Inclusion
	GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	Diversity & Inclusion, Proxy Statement pgs. 12-20, Form 10-K
FORCED OR COMPULSORY LABOR	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Touchpoints & Goals
		103-2	The management approach and its components	Materiality Assessment Framework
		103-3	Evaluation of the management approach	Materiality Assessment Framework, ESG Transparency
	GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report

GRI STANDARD		DISCLOSURE		LOCATION/DIRECT ANSWER
LOCAL COMMUNITIES	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<i>Canada, Mexico, Strengthen our Communities</i>
SUPPLIER SOCIAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
		414-2	Negative social impacts in the supply chain and actions taken	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
PUBLIC POLICY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 415: Public Policy	415-1	Political contributions	<i>ESG Transparency, Corporate Governance, Political Activity and Government Relations Policy</i>
CUSTOMER HEALTH & SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>Materiality Touchpoints & Goals</i>
		103-2	The management approach and its components	<i>Materiality Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>Materiality Assessment Framework, ESG Transparency</i>
	GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>Greener Products, Chemical Strategy, Energy-Saving Products, Water-Saving Products, Gardening, Cleaning</i>

