



# ESG Report

2022

DOING OUR PART



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This report covers The Home Depot's year of environmental, social and governance (ESG) progress in Fiscal 2021.

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

# OVERVIEW

## RESOURCES

- > Resources & Reports
- > Corporate Responsibility

**Forward-Looking Statements:** All statements in this report that are not historical constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements may relate to, among other things, our goals, commitments and programs, and projections of future results, including our ability to meet our goals; the impact on our business, operations and financial results of the COVID-19 pandemic and the related recovery; our business plans, strategies, initiatives and objectives and their expected execution and impact; management of relationships with our associates, potential associates, suppliers and service providers; cost and availability of labor; costs of fuel and other energy sources; international trade disputes, natural disasters, climate change, public health issues (including pandemics and quarantines, related shut-downs and other governmental orders, and similar restrictions, as well as subsequent re-openings), cybersecurity events, military conflicts or acts of war, and other business interruptions that could disrupt operation of our facilities, our ability to operate or access communications, financial or banking systems, or supply or delivery of, or demand for, the Company’s products or services; the impact of regulatory changes; the impact of acquired companies on our organization; and our assumptions, expectations and projections regarding any of the foregoing. Forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. They are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control, dependent on the actions of third parties, or currently unknown to us – as well as potentially inaccurate assumptions that could cause actual results to differ materially. These risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section and elsewhere in our most recently filed Annual Report on Form 10-K, and also in future reports we file with the Securities and Exchange Commission. We encourage you to review these filings. Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law. You are advised, however, to review any further disclosures we make on related subjects in our filings with the Securities and Exchange Commission and in our other public statements.

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

## CEO LETTER

# OUR SUCCESS STARTS WITH OUR CULTURE

We organize our approach to corporate responsibility around three key pillars: Focusing on Our People, Operating Sustainably and Strengthening Our Communities.

When I joined The Home Depot more than 22 years ago, I could never have imagined that I would have the opportunity to lead such an incredible organization. Prior to becoming CEO, I had the privilege to work in multiple departments across the organization. One thing that has always been clear to me is that our values-driven culture and passion for our customers has been instrumental to our success.

Built around our core values, our approach to ESG centers around three key pillars – Focus on Our People, Operate Sustainably, and Strengthen Our Communities. By identifying these three pillars, we can concentrate on the areas where we can have the greatest impact. Our 2022 ESG Report details the daily work we do to support these three pillars, as well as the progress we made in 2021 thanks to the dedication and ingenuity of our associates and suppliers.

Our focus on people centers around continuously striving to create a work environment that is inclusive, engaging, and rewarding to associates. Our associates' outstanding performance in 2021 enabled 100% of our stores to qualify for Success Sharing bonus payments to non-management associates. We also offer training and development that transforms jobs into careers, which is reflected in the fact that approximately 90% of our U.S. store leaders began as hourly associates.

Our U.S. workforce is more ethnically diverse than the U.S. working population. In addition, we increased the representation of female and underrepresented minority groups across our managers and above cohort in the U.S. during 2021.

“Built around our core values, our approach to ESG centers around three key pillars – Focus on Our People, Operate Sustainably, and Strengthen Our Communities. By identifying these three pillars, we can concentrate on the areas where we can have the greatest impact.”

– Ted Decker, CEO and president of The Home Depot

We believe our associates should reflect the customers and communities we serve. In 2021, approximately 36% of our U.S. new hires were women, while more than 57% of U.S. new hires were from an underrepresented minority group.

Our commitment to diversity also extends to our supplier relationships. In 2021, we increased our spend with diverse suppliers to \$3.3 billion and have announced a goal to achieve \$5 billion in direct annual spend with diverse suppliers by 2025. We also completed our goal to launch a Tier II supplier diversity program to encourage our suppliers to spend with diverse businesses. We will continue to push forward in this area by partnering with organizations like the Billion Dollar Roundtable, an association geared at celebrating corporations that spend at least \$1 billion per year with minority- and woman-owned suppliers, to further amplify our supplier diversity efforts.

Our efforts to operate sustainably begin with our understanding that our biggest impact on the environment comes from the products we sell. Our partnership with suppliers allows us to give our customers access to hundreds of products that are good for their homes, good for the environment, and good for their wallets. In 2021, we estimate our customers' purchases of Energy Star products helped reduce annual electricity use by 7 billion kilowatt hours, saving \$950 million on energy costs, and lowering carbon emissions by 4.9 million metric tons. Our water-saving products allowed customers to reduce consumption by over 66 billion gallons.

Continues on next page 

We also made progress in 2021 by operating more sustainably in our own business, reducing electricity consumption in our U.S. stores by approximately 11% year-over-year. We cut U.S. store electricity usage a remarkable 50% since 2010. A hallmark of progress in this area has been the transition to LED overhead lighting in our U.S. stores, which join our Canada and Mexico stores in having nearly all of interior lighting powered by LED bulbs. While we remain focused on reducing our energy consumption, we are also making progress towards our goal of producing or procuring 100% renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by 2030.

We focus on strengthening our communities by giving back financially and through our associates' time and efforts dedicated to Team Depot volunteer activities – a hallmark of who we are. In 2021, approximately 14,000 associates volunteered in communities across 150 cities nationwide. Our Team Depot volunteers helped our communities prepare and respond to natural disasters like tornados, hurricanes, and wildfires, while also achieving more than 1.25 million hours of service to veterans since 2011.

We also value our nonprofit partners that enable The Home Depot Foundation to improve the homes and lives of U.S. veterans, train skilled tradespeople to fill the labor gap, and support communities affected by natural disasters.

In 2021, the Foundation achieved a milestone of ten years and over \$400 million invested in support of veteran causes, on track to contribute half of a billion dollars to veteran causes by 2025.

While we have made significant progress, there is more work to do. On [Pages 9 and 10](#) of this report, you will see the goals we've set as we strive to build a better and more sustainable business.

We know that when we invest in running a responsible, sustainable company, we make our business stronger, more agile, and more resilient. 2021 was another year filled with great accomplishments, and I want to thank our associates and supplier partners for the many ways they enable us to do our part and live our values every day.



**Ted Decker**

CEO and president of The Home Depot

“We know that when we invest in running a responsible, sustainable company, we make our business stronger, more agile, and more resilient.”

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# ENGAGING STAKEHOLDERS & SETTING PRIORITIES

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

As the largest home improvement retailer in the world, we have the unique opportunity to create positive impacts across a broad number of stakeholders. We have also been reminded over the last two years how quickly our world can change, which is why we continue our practice of proactive engagement and provide numerous channels for feedback, so we can remain attentive to the concerns and needs of our stakeholders.

We have learned over the years that one of the best ways for us to make sure we understand the relevant environmental, social and governance (ESG) impacts of our business and the current areas of focus of our many stakeholders is to engage with our stakeholders. This engagement comes through multiple channels.

We receive constant feedback from our customers through the more than a billion and a half transactions across our stores and digital channels annually.

We survey our approximately 500,000 associates to measure how emotionally connected they are to their work. We collaborate with our vendors and suppliers in an effort to lessen the environmental impact of the products we sell. Individuals and organizations from around the globe reach out to us with questions or concerns about our operations or products. We meet with shareholders and nongovernmental organizations (NGOs) interested in our business practices. We take part in industry efforts to raise awareness about the ESG responsibilities we all share.

Our ongoing interactions may be formal or informal, as detailed in our ESG Priority Assessment Framework on [Page 7](#). These interactions help validate our own priority assessment; they also help us gauge the impact of our business, refine ESG priorities, measure our progress and design ways to improve.

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

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

The Council meets twice a year, and its chair presents our sustainability strategy and activities to the Board of Directors annually. We also provide quarterly updates to our Nominating and Corporate Governance Committee regarding our ESG engagement. Our ESG priorities and plans are communicated internally and externally via various channels, including in this annual report.

## AREAS OF FOCUS



People



Communities



Climate Change



Energy Reduction



Waste & Recycling



Chemical Concerns



Natural Resources



Responsible Sourcing



Corporate Governance

# OUR STAKEHOLDERS

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

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## Associates

“Empower us to be contributing team members of a values-based organization.”



## Customers

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



## Academia

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



## Suppliers

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



## Communities

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



## NGOs

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



## Investors

“Tell us your primary 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.”

# ESG PRIORITY ASSESSMENT FRAMEWORK

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

## STEP 1

### Identify Potential ESG Issue

Examples:

- Chemicals
- Circular Economy
- Fuel Cells
- Global Warming
- Human Capital
- Invasive Plants
- Organics
- Pollinator Health
- Rainforest Depletion
- Recycled Content
- Renewable Energy
- Worker Well-Being

## STEP 2

### Trigger ESG Assessment

CATALYSTS

Priority Issues Identified by The Home Depot

or

Issues Identified by Concerned Stakeholders

## STEP 3

### Engage Relevant Internal Business Teams

- Corporate Communications
- Diversity, Equity & Inclusion
- Government Relations
- Human Resources
- Information Technology
- Investor Relations
- Legal
- Merchandising
- Operations
- Real Estate & Construction
- Supply Chain
- Sustainability

## STEP 4

### Gather Information and Recommendations

Home Depot Experts

Fact-Finding, Data Collection, Scientific Research

Concerned Stakeholders

## STEP 5

### Develop Solution

Educate Concerned Stakeholders

or

Modify Current Path

or

Monitor and Review Periodically

or

Exit Program

## STEP 6

### Establish Ongoing Plan

Track and Report

## STEP 7

### Continue Progress

Share Findings

Set Improvement Goals

Test Alternatives

# ESG PRIORITY TOUCHPOINTS

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

# GOALS

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

## PROGRESS KEY



FOCUS ON OUR PEOPLE

### GLOBAL IMPACT: PEOPLE (PAGES 21-27)

Invest more than 1 million hours per year over five years in training and development to help our front-line associates grow their careers	PROGRESS	Goal Date: 2022
Create career advancement opportunities for 50,000 front-line associates over a five-year period	PROGRESS	Goal Date: 2023
Expand associate resource groups to include more associates and increase engagement and participation	PROGRESS	Goal Date: 2021

### GLOBAL IMPACT: CLIMATE (PAGES 34-37, 48)

Procure/produce 335 megawatts of renewable or alternative energy	PROGRESS	Goal Date: 2025
Produce/procure 100% renewable electricity for all Home Depot facilities worldwide by 2030	PROGRESS	Goal Date: 2030
Utilizing science-based targets to reduce Scope 1 and Scope 2 emissions 40% by 2030, 50% by 2035	PROGRESS	Goal Date: 2030, 2035
20% reduction in U.S. store kilowatt-hour electricity use, compared to 2010 levels	PROGRESS	Goal Date: 2020
Help reduce customers' greenhouse gas emissions by 20 million metric tons (since 2017)	PROGRESS	Goal Date: 2020

### GLOBAL IMPACT: RESPONSIBLE CHEMISTRY (PAGES 46-47, 50-52)

Eliminate certain chemicals from cleaning products	PROGRESS	Goal Date: 2022
Eliminate certain chemicals in paint	PROGRESS	Goal Date: 2020

HOME DEPOT PILLARS

OPERATE SUSTAINABLY: OPERATIONS

Continues on next page

**GLOBAL IMPACT: RESPONSIBLE CHEMISTRY (PAGES 46-47, 50-52)**

Eliminate neonicotinoids from live goods, except where legally required	PROGRESS	Goal Date: 2019
Eliminate certain chemicals in carpet	PROGRESS	Goal Date: 2018
Eliminate certain chemicals in insulation	PROGRESS	Goal Date: 2018
Reduce formaldehyde levels in laminate/engineered flooring	PROGRESS	Goal Date: 2017
Remove ortho-phthalates from vinyl flooring	PROGRESS	Goal Date: 2016

**GLOBAL IMPACT: PLANET (PAGES 40-41, 48-49, 55-56)**

Exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from private-brand packaging	PROGRESS	Goal Date: 2023
Help customers save \$2.8 billion on utility bills through energy-efficient products (since 2017)	PROGRESS	Goal Date: 2020
Help reduce consumers' water use by 250 billion gallons (since 2017)	PROGRESS	Goal Date: 2020
Implement additional requirements regarding tropical deforestation standards	PROGRESS	Goal Date: 2018

**GLOBAL IMPACT: COMMUNITIES (PAGES 57-66)**

Achieve \$5 billion in direct annual spend with diverse suppliers	PROGRESS	Goal Date: 2025
The Home Depot Foundation plans to contribute \$500 million to veteran causes with a focus on housing	PROGRESS	Goal Date: 2025
The Home Depot Foundation plans to invest \$50 million to train 20,000 skilled tradespeople, including veterans	PROGRESS	Goal Date: 2028
Launch a Tier II supplier diversity program that measures and encourages our Tier I suppliers' spending with diverse suppliers	PROGRESS	Goal Date: 2022

# ESG TRANSPARENCY

This chart highlights The Home Depot's key ESG metrics. Some of our 2021 results continue to be impacted by the ongoing effects of the COVID-19 pandemic. All data reflects Home Depot's fiscal year, unless otherwise noted. For detailed diversity, equity and inclusion data, [see pages 21 -24](#).

	FY 2019	FY 2020	FY 2021	
<b>Associates</b>				
Focus on Our People	Underrepresented minority groups among new hires in the U.S.	52.3%	52.8%	57.3%
	Women among new hires in the U.S.	33.4%	35.5%	35.7%
	Success Sharing paid to associates	\$201 million	\$616 million	\$739 million
	Homer Fund assistance paid to fellow associates	\$16 million	\$16.2 million	\$18.7 million
	Lost time incident rate per 200,000 hours	1.21	1.07	1.23
	Recordable incident rate per 200,000 hours	4.89	4.03	4.25
<b>Carbon Emissions</b>				
Operate Sustainably	CDP Climate Change score	A-	A-	§
	Estimated reduction of customers' GHG emissions through the purchase and proper use of energy-saving products (MT CO <sub>2</sub> e) (includes Energy Star, 4.9 million MT in 2021)	6.9 million	7.6 million	7.5 million
	Direct (Scope 1) GHG emissions (MT of CO <sub>2</sub> e)*	554,000	607,000	642,000
	Indirect (Scope 2) GHG emissions (MT CO <sub>2</sub> e)*	1,394,000	1,214,000	1,007,000
	Reduction of GHG emissions since 2009 (MT CO <sub>2</sub> e; Scope 1&2)*	-1.2 million	-1.3 million	-1.5 million
	% Reduction of GHG emissions since 2009 (Scope 1 &2)*	-38%	-42%	-47%
	Number of stores with fuel cell energy source	203	203	204
	Fuel cell energy capacity for U.S. operations (MWac)	40.9	40.9	41.3
	Solar energy capacity companywide, rooftop and off-site (MWac)	44.6	62.9	141.7
	Wind energy capacity companywide (MWac)	62	62	62
	Diesel used (MWh)*	106,922	199,176	213,000
	Electricity purchased (MWh)*	3,479,171	3,103,115	2,935,500
	Electricity generated (MWh)*	308,566	302,200	300,600
	Natural gas used (MWh)*	2,371,696	2,457,439	2,601,500
	Propane used (MWh)*	247,669	272,844	280,200
	Energy consumption within the organization (MWh)*	6,634,705	6,445,071	6,444,300
GHG emissions intensity Scope 1+2 (MT of CO <sub>2</sub> e per billion U.S. dollars of revenue)*	17,675	13,784	10,900	
<b>Operating Sustainably</b>				
Reduction of kWh used by U.S. stores, year over year	-11.79%	-14.11%	-10.63%	
Rechargeable battery recycling by all stores (pounds)	1,170,200	1,240,400	1,162,800	
CFL bulb recycling (pounds)	804,300	562,700	514,200	

	FY 2019	FY 2020	FY 2021	
Operate Sustainably	Lead-acid battery recycling (battery cores)	235,200	184,600	204,300
	Cardboard recycling (tons)	250,600	261,500	272,900
	Nonhazardous waste generated (MT)	851,330	919,574	1,048,500
	Waste sent to landfill (MT)	575,344	627,196	728,300
	Waste recycling (MT)	275,986	292,378	320,200
	Waste incineration (pounds)***	2,331,110	3,107,629	2,959,900
	Fuel blending (pounds)***	5,207,933	5,505,096	5,571,300
<b>Responsible Sourcing</b>				
Operate Sustainably	Combined factory audits and follow-up visits by THD	3,044	3,012	3,119
	Product tests conducted by third parties***	37,044	25,831	18,753
	Transit tests conducted by third parties***	15,469	12,628	12,887
	Pre-shipment product inspection visits	21,482	26,243	28,300
	Expanded polystyrene (EPS) foam elimination (CF)	19,100	873,200	274,600
	Polyvinyl chloride (PVC) film elimination (SF)	5,729,000	961,100	1,119,700
<b>Products</b>				
Operate Sustainably	Number of restricted substance categories in Chemical Strategy	8	8	8
	Energy-saving products offered in stores and online (includes Energy Star, 15,225 in 2021)	24,677	23,668	22,700
	Energy-saving product sales (includes Energy Star, \$7.02 billion in 2021)	\$6.03 billion	\$8.76 billion	\$7.59 billion
	Estimated annual customer savings from purchase and proper use of energy-saving products (includes Energy Star, \$950 million in 2021)	\$1.2 billion	\$1.4 billion	\$1.5 billion
	Water-saving products offered in store and online (includes WaterSense, 5,579 in 2021)	9,460	9,994	8,100
	Water-saving product sales (includes WaterSense, \$1.71 billion in 2021)	\$1.36 billion	\$1.65 billion	\$1.79 billion
	Estimated annual customer savings from purchase and proper use of water-saving products (includes WaterSense, \$873 million in 2021)	\$650 million	\$746 million	\$895 million
<b>Community</b>				
Strengthen Our Communities	Home Depot direct spend with diverse suppliers	\$2.1 billion	\$3.2 billion	\$3.3 billion
	The Home Depot Foundation grants	\$82.6 million	\$52.9 million	\$66.7 million
	Team Depot volunteer hours	315,000	**	84,000
	U.S. political contributions by The Home Depot PAC	\$2,282,468	\$1,885,107	\$2,447,000
	U.S. corporate political contributions	\$150,000	\$420,000	\$400,000

All monetary amounts are U.S. dollars.

\* 2021 data reflects our fiscal year; 2020 and 2019 reflect the calendar year. Our fiscal 2021 includes activity during February 1, 2021 through January 30, 2022, compared to calendar year 2020, which includes activity during January 1, 2020 through December 31, 2020.

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

\*\*\* Prior year data updated based on more complete data available.

§ Not available at time of publication.

CF = cubic feet

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

CO<sub>2</sub>e = CO<sub>2</sub> + other greenhouse gas emissions

GHG = greenhouse gas

kWh = kilowatt hours

MT = metric tons

MW = megawatts

MWac = megawatts of alternating current

MWh = megawatt hours

SF = square feet

# RATINGS

Leading third-party sustainability rating organizations monitor and report on our progress. Below are some key ratings for our company in 2021.

	<p>Assesses action on climate change; score was based on 2020 data, the latest available</p>	 <p>Positions The Home Depot as an industry leader</p>
	<p>Analyzes corporate environmental, social and governance (ESG) progress</p>	 <p>Our ESG risks are low compared to the industry</p>
	<p>Measures ESG risk and performance of publicly traded companies</p>	 <p>On a scale of 0-5; we rank better than the industry average of 2.3</p>
	<p>Grades retailers' progress in selling products with safer chemicals</p>	 <p>Our score has improved from an initial C+ in 2017; our latest score is from March 2021</p>
	<p>Measures resilience to long-term, financially relevant ESG risks</p>	 <p>Second-highest rating; positions us as an industry leader in key ESG areas</p>



# RECOGNITION

Here are some of the organizations that recognized our efforts in 2021 to build a better workplace, business and world.



**Energy Star**  
Retail Partner  
of the Year



**National Retail Federation**  
No. 4 — Top Retailers



**Gartner**  
No. 38 — Top Supply Chains



**Fortune**  
No. 19 — World's Most Admired Companies



**EPA (Environmental Protection Agency)**

- SmartWay Excellence Award
- WaterSense Partner of the Year Award
- Safer Choice Partner of the Year Award



**Forbes**

- No. 22 — World's Best Employers
- No. 69 — Best Employers for Veterans



**Human Rights Campaign**

- No. 90 — Corporate Equality Index (USA)
- No. 82 — Corporate Equality Index (Mexico)



**Military Friendly**

- Employer
- Spouse Employer
- Company & Brand



**Comparably**

- No. 25 — Best Company Work-Life Balance
- No. 50 — Best Sales Team
- No. 8 — Best Places to Work in Atlanta



**Atlanta Business Chronicle**  
HR Excellence Award for Most People-Focused CEO (Craig Menear)



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



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

# FAQ: WE ALL OWN SUSTAINABILITY

Reducing The Home Depot's environmental impact is essential to our efforts to build a better business, workplace and world.

*Home Depot's chief sustainability officer Ron Jarvis has spent more than two decades driving sustainability improvements at The Home Depot. Here he offers insights into our progress.*

## Who drives ESG at The Home Depot?

Many associates and business leaders throughout our enterprise! They take pride in improving their departments and businesses in multiple ESG aspects. Our leadership understands that an effective environmental, social and governance strategy cannot happen in isolation. It is not the sole responsibility of a corporate ESG team. Rather, our ESG strategy must reflect The Home Depot's core values, and it must be embedded in all aspects of how we run our business. Everybody owns it.

## How have associates helped drive ESG progress at The Home Depot?

One of our eight core values is Do The Right Thing, which drives our associates to find new ways that our organization can reduce its environmental impact.

This can be seen through our packaging team who looks for ways to reduce the package footprints and ways to use more sustainable materials for our private-label products (see Page 55).

Another example are our associates who work to find ways to upcycle the packaging waste in our stores and supply chain into new products like Trex composite decking.

## How is The Home Depot helping customers increase the sustainability of their homes and businesses?

Our Eco Actions program, which builds on our original Eco Options program that we launched in 2007, helps our customers take on more sustainable DIY projects and choose greener products that can save water, conserve energy or are formulated to reduce certain chemicals. Products can only qualify for this distinction if manufacturers provide third-party verification of environmental claims that meet our program's requirements. This program also offers customers green project ideas and tips, for example, how to grow an organic garden (see Page 50).

In addition, we encourage our customers to drop off used compact fluorescent light bulbs and rechargeable batteries for recycling. In 2021, we collected 1,162,800 pounds of recycled batteries, a 24% increase since 2014 (see Page 54).

We also help our customers go greener in ways that may be less apparent to them. For example, we offer circularity-centered products like our Home Depot-branded moving boxes, made from 100% post-consumer recycled paper fiber (see Page 45), as well as composite deck boards made from recycled plastic waste from our stores. We continue to make progress on our goal to exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from our private-brand product packaging by the end of 2023. When customers rent tools from us, they help avoid the environmental impact of new product manufacturing. Another example: Our stores have cut electricity consumption 50% since 2010, providing our customers a lower energy intensive shopping environment.



## Is sustainability a competitive advantage for The Home Depot?

Overall, we believe good business decisions drive sustainability. Examples of this can be seen through the investments we've made to create the most efficient supply chain in home improvement. These investments have helped us reduce the number of trucks needed and distance traveled to get our products from our supplier to our customers, while also reducing fuel emissions. Another example of this is our store investments, part of which included transitioning stores to LED lighting, which helped us reduce operating costs and electricity consumption.

We also believe that by working with our suppliers to bring innovative and sustainable products to market, we help our customers create more sustainable homes and workplaces. Our efforts to drive innovation can be seen in every aisle of the store, and we believe this is a key differentiator in the market.

We also want to see sustainability be the norm for our entire industry. We are encouraged when we see other retailers take big swings and do innovative things that push all of us to do a better job of protecting the planet, and we hope the innovation that we bring through our operations and products motivates others to do the same.

**- Ron Jarvis**

Chief Sustainability Officer

# 2021 HIGHLIGHTS

Our core values guide how we focus on our people, operate sustainably and strengthen our communities and provide a benchmark for measuring progress. These highlights reflect progress made in 2021.

## OUR BUSINESS

Achieved the milestone of over **\$150 billion** in sales

Sales from Digital Platforms increased over **100%** on a 2-year basis

Diluted earnings per share were \$15.53, an increase of **30.1%** compared to fiscal 2020

Total company comp sales increased **11.4%** and U.S. comp sales increased 10.7%

## FOCUS ON OUR PEOPLE

We paid record Success Sharing payments to our non-management associates of **~ \$739 million**



Approximately **\$230 million** in grants, assisting approximately **164,000** associates since 1999

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

Approximately



**36%** of our U.S. new hires were women

and more than



**57%** were ethnically/ racially diverse

## OPERATE SUSTAINABLY



We reduced our Scope 1 and 2 carbon emissions by approximately **172,000 metric tons**, equivalent to taking more than

**37,000 cars** off the road for a year



We decreased electricity consumption **50%** in our U.S. stores since 2010



Completed our multi-year project to convert **U.S. Stores** to LED lighting



We redesigned **286 private-brand packages** to reduce size and materials. This helped us eliminate 1,119,700 square feet of PVC film—enough to cover **19 football fields**



We have committed to participating in the **CDP forests questionnaire**



## STRENGTHEN OUR COMMUNITIES



The Home Depot Foundation has contributed more than **\$400 million** towards veteran causes, since 2011



In 2021, we spent **\$3.3 billion** with diverse suppliers

The Home Depot Foundation committed more than **\$7 million** to help communities impacted by natural disasters in 2021



Since 2009, our **Retool Your School** grant program has helped fund over **100 projects** benefitting 65% of HBCUs by asking our suppliers to spend more with them



Since 2011, Team Depot has volunteered more than **1.25 million service hours** to veteran causes

# FOCUS ON OUR PEOPLE

## RESOURCES

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

## GOALS

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

Invest more than  
**1 million**  
hours per year through 2022 in training and development to help our front-line associates grow their careers

Create enhanced career opportunities for  
**50,000**  
front-line associates over a five-year period ending in 2023

By the end of 2021, expand associate resource groups to include more associates and increase engagement and participation

# DIVERSITY, EQUITY & INCLUSION

We strive to create an environment centered around our eight core values, where diversity, equity and inclusion fuel opportunities for our associates, communities, and suppliers.

While our office of Diversity & Inclusion has existed within the company for more than a decade to help diversify our workforce and support change in our communities, we expanded in 2020 and renamed it to fit an enhanced mission: Diversity, Equity and Inclusion (DEI). Adding equity to our focus reflects our desire to promote fairness, remove bias and ensure all of our associates and business partners have access to the resources they need to succeed at work.

In 2021, we met our goal to expand our associate resource groups (ARGs) beyond our Store Support Center (corporate facility) to include more associates and increase engagement and participation. Through our new associate engagement platform, Yammer, all our U.S. associates are now able to access our ARGs. We also leveraged Yammer to reach more associates with C.A.R.E. talks, a series of diversity discussions that Champion Awareness, Respect, and Equity for all associates. Learn more here: [Page 26](#).

We were also able to meet our goal to launch a Tier II supplier diversity program in 2021. Beyond the \$3.3 billion we spent with diverse Tier I (direct) suppliers last year, our new program will help us measure and encourage our Tier I suppliers to spend more with diverse businesses. Find out more about our supplier diversity efforts on [Page 60](#).

At The Home Depot, we define diversity, equity and inclusion as:

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

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

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

## KEY AREAS OF FOCUS

At The Home Depot, we focus on three key areas to create meaningful change through thoughtful actions that align with all eight of our core values.

### ASSOCIATE ENGAGEMENT

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

### COMMUNITY PARTNERSHIPS

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

### SUPPLIER DIVERSITY

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

We have many initiatives currently in the works, including an expansion of our existing Retool Your School program to further strengthen our commitment to historically black colleges and universities (HBCUs). This expansion, set to launch in 2023, will include more programming and a broader reach ([See Page 62](#)).

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

Learn more about how we work with our community partners across the nation and how spending with diverse suppliers benefits our company and our communities on [Pages 58-61](#).



## CHECK IT OUT

When Khareem Mitchell started with The Home Depot in 2018, he discovered a workplace where his personal principles aligned with company values. His Afro-Hispanic roots play a big role in how he conducts his life — both inside and outside of work.



# DOING THE RIGHT THING

*Derek Bottoms, chief diversity officer and vice president of associate relations, explains how diversity, equity and inclusion align with our company values.*

## What does diversity, equity and inclusion mean at The Home Depot?

At The Home Depot, our values guide us on everything we do. They serve as our foundation, and they are embedded in our culture. Our expanded focus on diversity, equity and inclusion supports all eight of our core values, including respect for all people, giving back and building strong relationships with other associates and our customers. We strive to build a workplace and retail space that reflect the communities we serve. A diverse and inclusive workplace also creates shareholder value by providing different perspectives and fresh ideas that spark innovation.

## What are some ways The Home Depot is driving progress for its stakeholders?

We recently expanded our associate resource groups (ARGs) to all associates companywide, including in stores and distribution centers. Previously, these groups were only available to our Store Support Center (SSC) associates. (Go to [Page 26](#) to learn more.) In an aligned effort, we are identifying tools and platforms to directly engage with our hourly front-line associates to share DEI-related information and resources.

We also are raising awareness of DEI and its importance by modernizing our learning materials; holding listening sessions where executives hear from associates across the organization; and focusing on recruiting and talent-planning strategies that emphasize diversity and inclusion.

On the community side, we are continuing to partner with local and national organizations focused on closing the wealth gap and advancing education for all. We continue to amplify our supplier diversity efforts to drive innovation, economic opportunities and shareholder value by directing more of our dollars, directly and indirectly, toward diverse businesses. We look to partner with organizations like the Billion Dollar Roundtable whose mission aligns with our focus areas. To further our commitment to supplier diversity, we are also seeking to achieve \$5 billion in direct annual spend with diverse suppliers by 2025. [See Page 60](#) to learn more about our supplier diversity efforts.

## What project excites you?

I'm excited about our plans to expand Our Retool Your School program in 2023, which has provided campus beautification funding to historically black colleges and universities (HBCUs) since 2009. By expanding the reach of this program, we can further strengthen our commitment to HBCUs and their students, including through career development opportunities. (Learn more on [Page 62](#)).

## Mission Statement

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

## Vision Statement

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

### Derek Bottoms

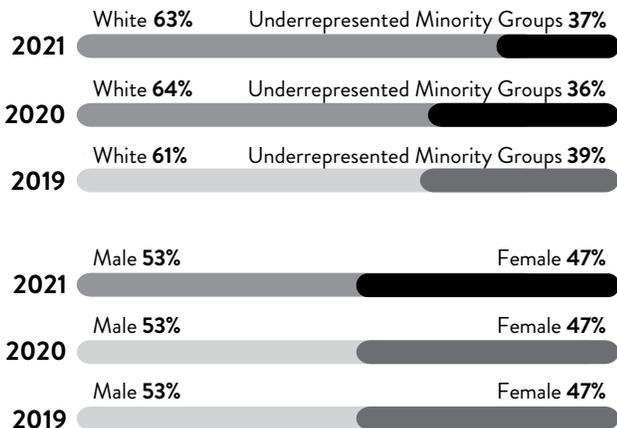
Chief Diversity Officer and Vice President of Associate Relations



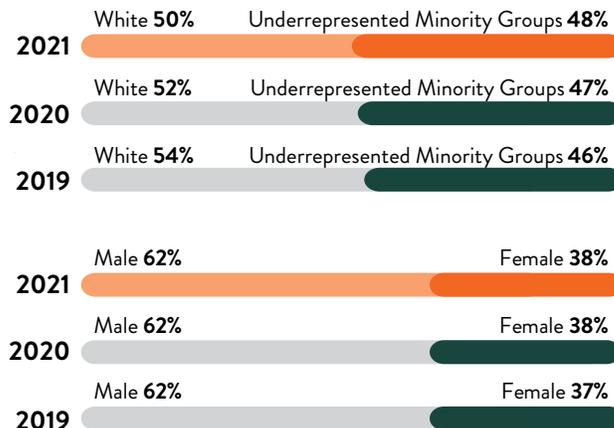
## BUILDING A DIVERSE WORKFORCE

Our diverse workforce strengthens our competitive advantages and reflects the customers and communities we serve. A comparison against U.S. Department of Labor data shows that our U.S. workforce is more ethnically diverse than the nation's working population. In 2021, we also expanded the number and percentage of women and minorities at the manager level and above. These charts reflect the demographics of The Home Depot's U.S. workforce from fiscal 2019 through fiscal 2021. Certain percentages may not sum to 100% due to rounding or, in 2020 and 2021, some associates choosing not to self-identify by race/ethnicity or gender. 2019 percentages included these non-disclosing associates in the white or male categories, as applicable.

### U.S. WORKING POPULATION



### THD U.S. WORKFORCE\*

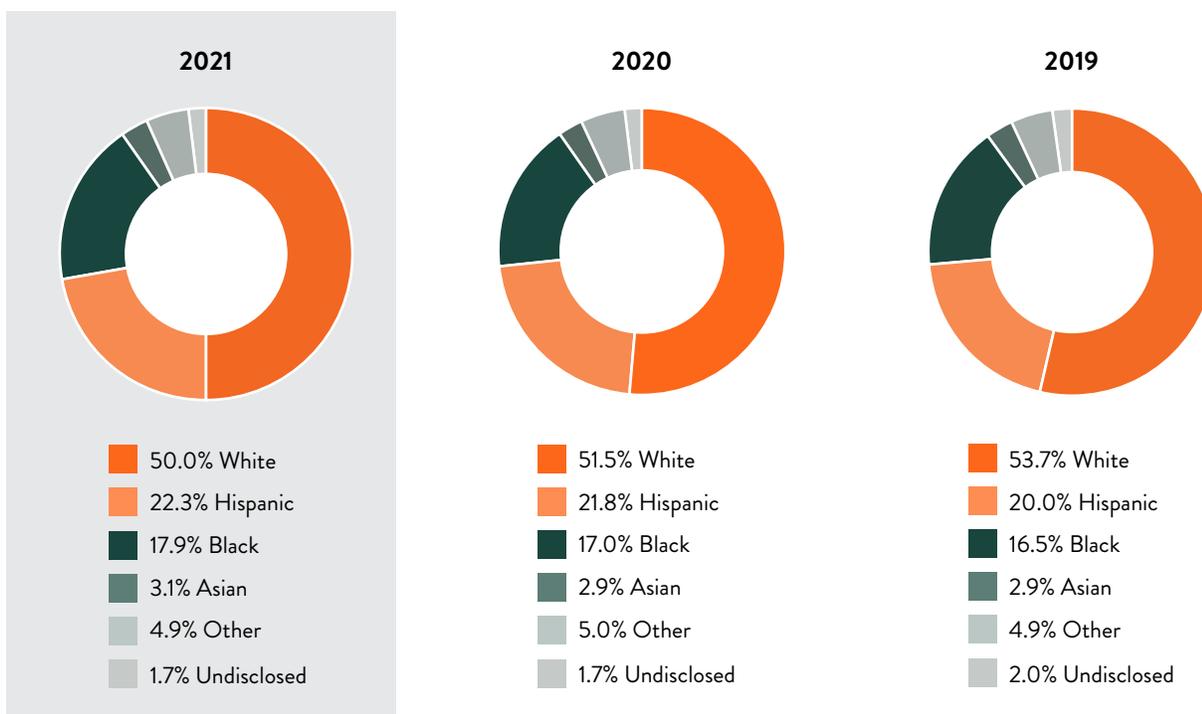


Source: Latest available data from the U.S. Bureau of Labor Statistics; 2021 data is estimated

#### Total Number of U.S. Associates:

2021: 437,000 | 2020: 441,000 | 2019: 370,000

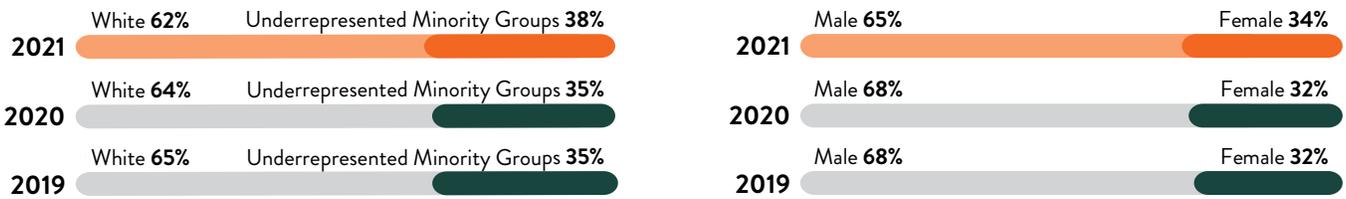
### THD U.S. WORKFORCE BY RACE/ETHNICITY



\*The 2020 and 2021 results include data for HD Supply Holdings Inc.

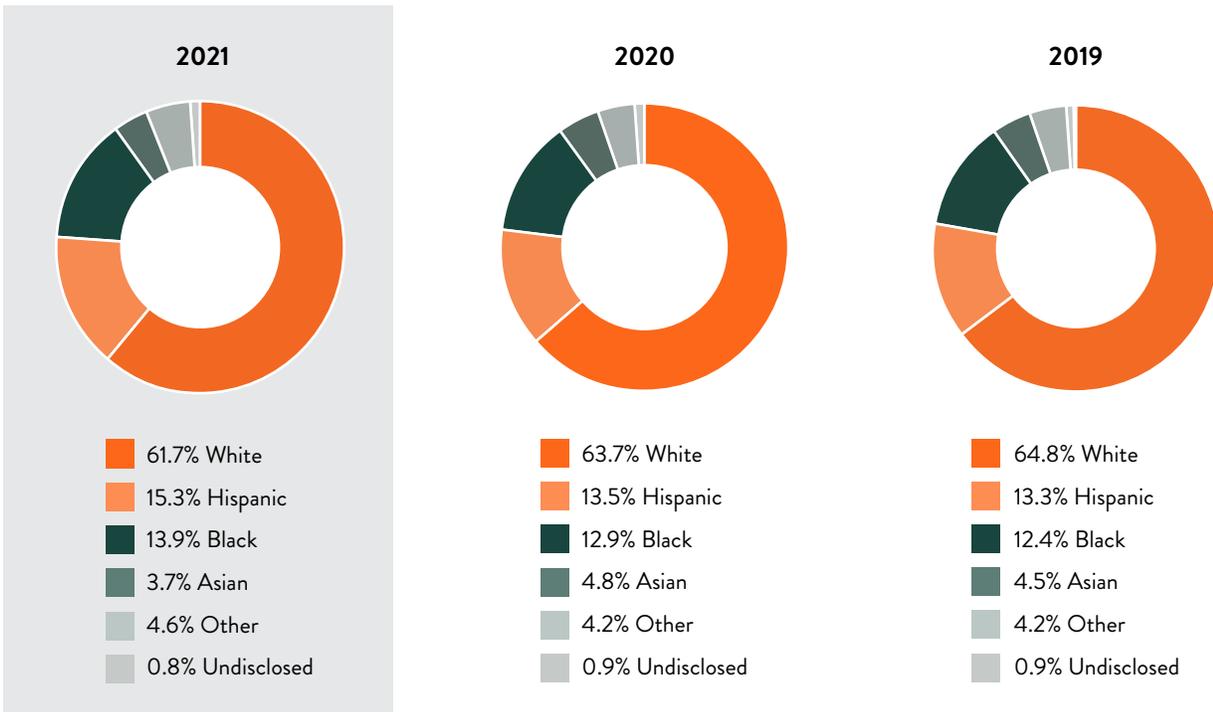


### U.S. MANAGERS AND ABOVE\* (EXCLUDES OFFICER LEVEL)



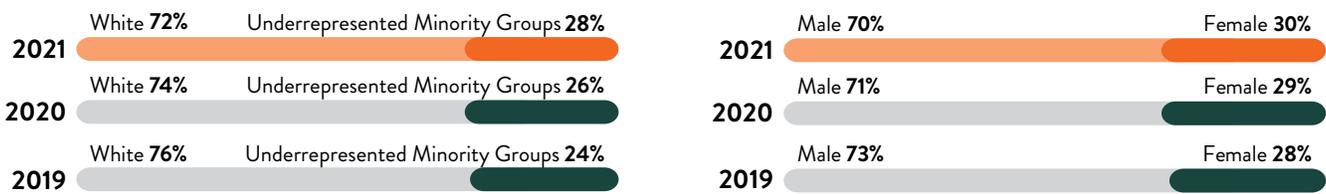
Total Number of U.S. Managers and Above:  
2021: 24,600 | 2020: 19,100 | 2019: 18,100

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



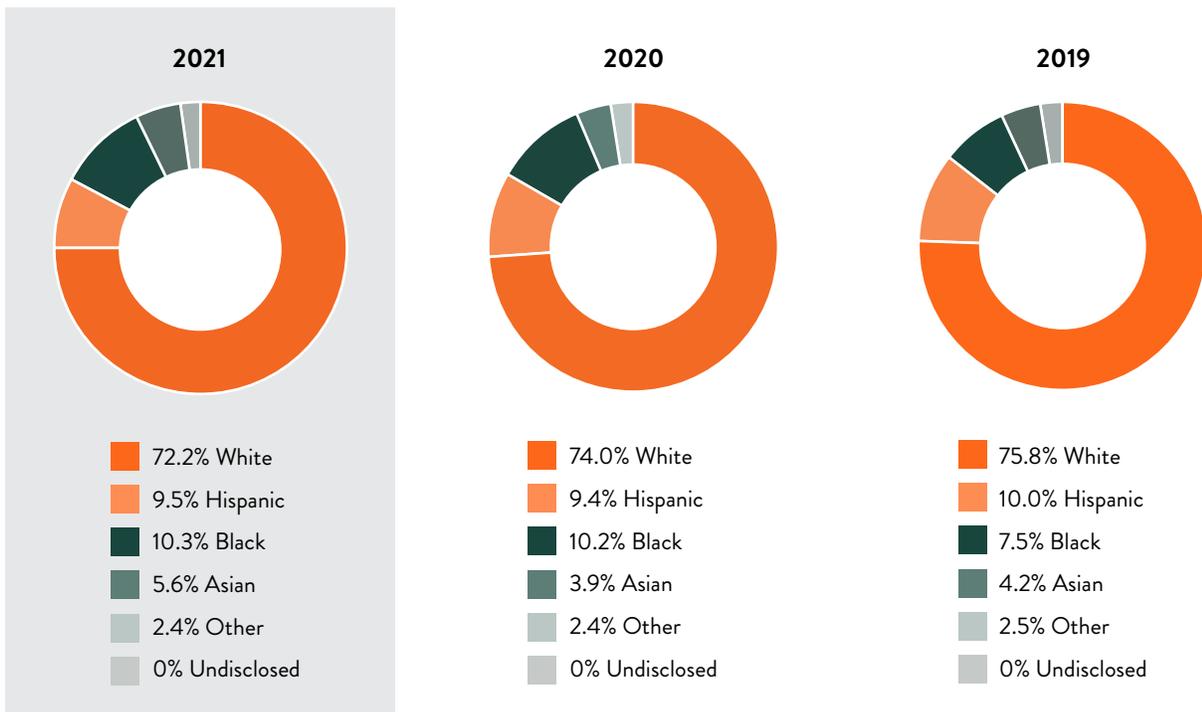
\*Includes manager-level positions and above at stores, distribution centers and other field locations, as well as at our Store Support Center; excludes officers. The 2020 & 2021 results include data for HD Supply Holdings Inc.

### U.S. OFFICERS\*



Total Number of U.S. Officers:  
 2021: 126 | 2020: 127 | 2019: 120

### U.S. OFFICERS BY RACE/ETHNICITY

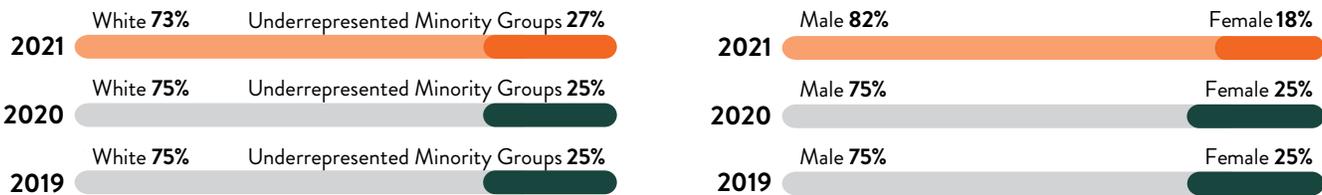


\*The 2020 & 2021 results include data for HD Supply Holdings Inc.

## + DID YOU KNOW

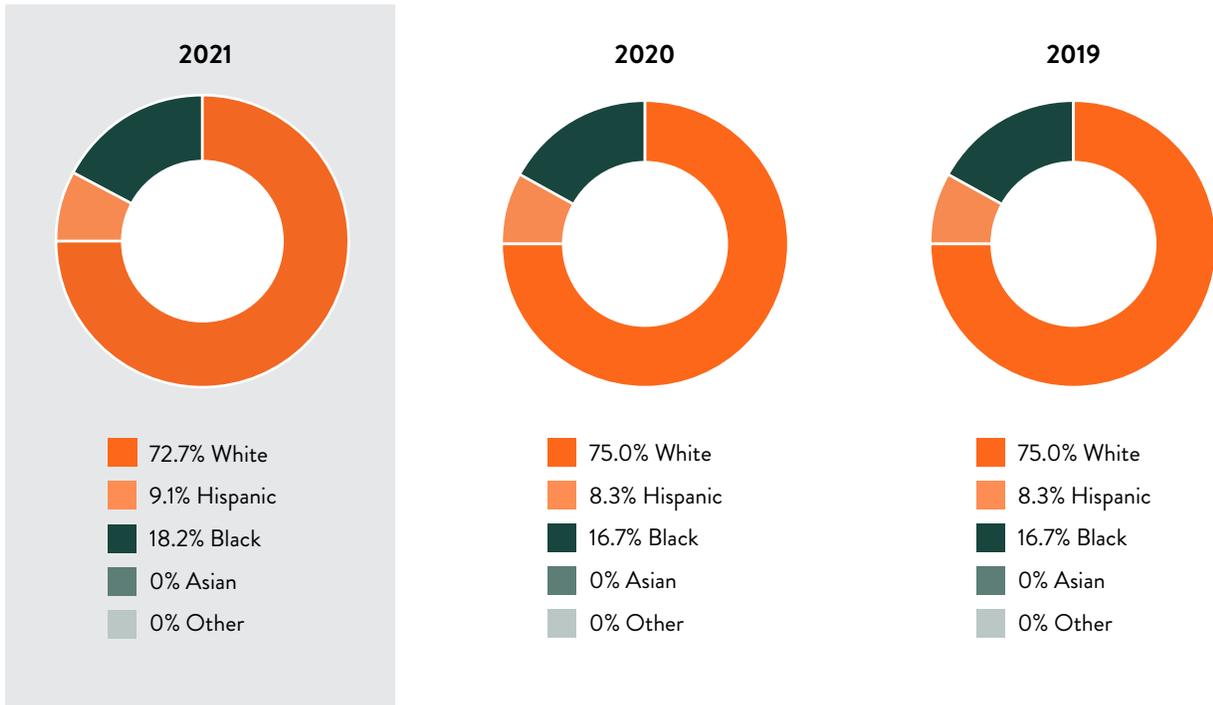
Since 2013, The Home Depot has added 11 directors to its Board, seven of whom were women, members of a historically under-represented racial or ethnic group or both. As of May 2022, our Board had 10 male directors (71%) and 4 female directors (29%). And of the 12 independent directors, 33% are women and 33% are members of historically under-represented racial or ethnic groups.

### BOARD OF DIRECTORS\*



Total Number of Board Members:  
 2021: 11 | 2020: 12 | 2019: 12

### BOARD OF DIRECTORS BY RACE/ETHNICITY



\*2021 data as of the fiscal year ended January 30, 2022. For additional information on our board composition, visit the [Corporate Governance](#) section of our website.

# ASSOCIATE ENGAGEMENT

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

## Voice of the Associate Survey

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

In 2021, we introduced an additional Voice of the Associate survey to all our associates. Our two Voice of the Associate surveys – Census and Pulse – provided us the opportunity to hear from our associates at least twice in 2021. Our Census survey is an annual in-depth look at our associate's engagement and satisfaction with their job and with the Home Depot, while our Pulse survey is typically shorter and seeks feedback on specific topics. Based on the Voice of the Associate 2021 Census survey, we saw the highest engagement numbers across the enterprise that we have seen in the past few years.

In addition, we also added two additional surveys – Onboarding and Exit, into our “Lifecycle Listening” toolbelt. These additional surveys allow us to intentionally connect with associates at specific moments within their career at The Home Depot.

## Engagement Platform

In 2021, our new associate engagement platform - Yammer, which was launched at the end of fiscal 2020 - helped create new collaboration spaces and opportunities for reaching associates across the business.

Whether through on-site desktops or on-the-go mobile devices, more than 450,000 associates across the U.S. and Canada have access to Yammer. With more than 650 active

communities in the network, the digital hub links associates to both their local co-workers and corporate support across North America. It serves as a central hub to recognize associates for living our values, promote company news, cultivate connections between front-line and corporate associates and fuel the orange-blooded entrepreneurial spirit that's part of what drives our business every day.

## Success Sharing and Compensation Enhancements

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

The outstanding performance of our associates in fiscal 2021 enabled 100% of stores to qualify for Success Sharing in both the first and second half of the year. This resulted in record award payments to our non-management associates of approximately \$739 million.

We also continue to make investments in our associates – recent actions include our decision at the end of 2020 to transition our COVID-related enhanced associate pay and benefits to permanent compensation enhancements for front-line, hourly associates. In addition, we continued matching contributions under our FutureBuilder 401(k) Plan, and merit-based salary increases.

## Our People: Pay Equity

The Home Depot's commitment to doing the right thing and taking care of our people extends to our pay practices. To ensure that we are paying our associates fairly, we conduct an annual analysis of our pay and compensation practices for our U.S. associates (who comprise approximately 89% of our workforce), in consultation with expert third-party firms following industry-leading standards. Our review of our U.S. associates' total W-2 compensation for calendar year 2021, including base pay, cash bonuses, and stock, showed that, adjusting for relevant factors such as tenure, position, location and hours worked, associates who identified as female earned approximately 101% of what male associates earned, and associates who identified as members of a racial or ethnic minority earned approximately 99% of what non-minority associates earned. Not adjusting for those factors, our analysis showed that the median annualized W-2 pay for U.S. associates who identified as female was 98% of the median for men, and that the median pay for racial/ethnic minority associates in the U.S. was 94% of the median for non-minority associates. The Leadership Development and Compensation Committee of the Board of Directors, which is tasked with providing oversight of our human capital management strategy and our diversity and inclusion efforts, receives regular updates on these findings. We will continue to strive to ensure equal pay across our organization.

## + DID YOU KNOW

In 2021, Home Depot's Yammer network was recognized as the #1 Yammer network among large organizations in the Americas by SWOOP Analytics.

# ASSOCIATE RESOURCE GROUPS

Our associate resource groups promote inclusion and support diversity.

Our associate resource groups (ARGs) are led by associates and sponsored by executive leaders. They drive associate engagement and promote inclusion across our company through fostering professional development, raising cultural awareness, celebrating diversity, and community outreach.

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

In 2021, we revised our ARG structure to further support the career development of associates who voluntarily lead these groups. We also achieved our goal of expanding associate resource groups to include more of our people. We hosted more than 70 ARG events virtually in 2021 to celebrate diversity, raise cultural awareness and foster professional development. We continue to expand outreach to associates to encourage their engagement in our ARGs.



Military-Affiliated Associates



African American Associates



Hispanic and Latino Associates



Associates with Disabilities



LGBTQ+ Associates



Asian and Pacific Islander Associates



Women Associates

## + DID YOU KNOW

The Home Depot was named to Forbes' list of Best Employers for Diversity in 2019, 2021 and 2022.

## SPOTLIGHT: C.A.R.E. TALKS

We launched Caring Conversations in 2020 in response to the unrest in our community. The virtual events for all associates included panel discussions where senior company leaders shared candid stories about race and ethnicity, and experts from outside our company educated associates about civil rights, laws, voting and more. In 2021, Caring Conversations evolved into C.A.R.E. Talks, a series of diversity discussions that Champion Awareness, Respect, and Equity for all associates. These discussions include external speaker series, panel discussions, and small group listening sessions, and we occasionally partnered with our Associate Resource Groups on elevating keynote speakers in this format. At the enterprise level, we hosted 13 C.A.R.E. Talks in 2021. These diversity discussions will be expanded to include additional formats in 2022.

### Comments from Associate Feedback Survey:

**Supplier Diversity Panel:** "The impact HD and many of its suppliers have on making their associates have better lives is inspiring and heartfelt. Love working for and with folks that care. Pun intended."

**HBCU Panel:** "The alignment between THD's values and the values instilled in students attending HBCUs resonated with me. As an HBCU alum, my experience was similar to the panelists' experiences, i.e. earning a values-based education in addition to the academics."

**Ken's Krew Program:** "The sheer pride that poured out of that young man and his mother literally made my day. We take for granted sometimes the roles we have and this was a nice reminder." (Learn more on [Page 59](#))

# LEARNING & DEVELOPMENT

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

The Home Depot strives to build a learning-rich workplace where associates and leaders are prepared to succeed, motivated to serve our customers well and given opportunities to grow. Our Home Depot University, now in its 12th year, is critical to the development of values-based leaders who take care of our associates, customers, and communities.

In 2021, we continued to respond to the unique and ever-changing challenges related to the pandemic by serving up relevant content and leveraging multiple learning platforms.

- **E-learning:** Media-rich, self-directed learning offers focused, interactive activities and actionable feedback.
- **Virtual Instructor-led Experiences:** Engaging virtual training that allows two-way communication, group activities, and skills practice, provides consistent and timely development to multiple audiences totaling 94,000 completions across the company in the U.S.
- **Mobile Learning:** On-demand content and activities inside the workstream improve learning retention and guide associates in assisting customers.
- **Online Resources:** Our library of online, on-demand resources includes videos, courses, book summaries, reference materials, and performance support tools for associates to continue their development journey.

We support associate training at all levels of the career journey. As a result of our efforts, this year we achieved our goal to create career advancement opportunities for 50,000 front-line associates over a five-year period. In addition, we continue to strengthen our connection to our customers by expanding training opportunities for them.

- **New-in-Role:** A blend of instructor-led training, e-learning, on-the-job activities, leader involvement, and new associate coaches supports a successful assimilation.
- **Ongoing Development:** Continuous development of technical and leadership skills delivered in multiple ways and made up of both universal and role-specific content. This development ensures associates at every level continue to evolve their skills to meet the demands of a rapidly changing and increasingly complex environment.
- **Advanced Development:** Programs that prepare select associates to lead effectively at the next level. These programs prepare experienced leaders for the challenges they'll face as they move to higher-level roles.
- **Customer Training:** Homeowner 101 and Do-It-Yourself live virtual workshops that meet customers' evolving home maintenance and improvement needs. Over 71,000 customers attended workshops in 2021.
- **Trades Training:** To help solve the skilled labor shortage and support our Pro customers, over 590 customers completed the Path to Pro training program. This program is designed to provide knowledgeable and qualified candidates to our loyal Pro customers in need of skilled labor.

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

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

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



## CHECK IT OUT

22-year associate, Kisha Perez, discusses how Home Depot's focus on teaching and development helped her go from part-time cashier to department supervisor.



## + DID YOU KNOW

Associates achieved 27 million learning completions in 2021.

# BENEFITS

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

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

In 2021, the COVID-19 response team continued to support associates as they faced challenges created by the pandemic, as detailed on [livetheorangelife.com/covid19](https://www.livetheorangelife.com/covid19).

## Financial Programs & Tools

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

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

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

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

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

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

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

## Associate Assistance

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

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

## Family Support

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

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

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

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

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

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

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

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

Continues on next page

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

## Educational Assistance

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

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

**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.



## CHECK IT OUT

In March 2021, associate Keoki Souza purchased his first home. “As a result of my career with The Home Depot, I’ve been able to help provide the life my family deserves.”



## Healthy Life

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

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

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

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

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

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

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

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

## Time Off

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

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



# FOCUSING ON THOSE WHO SERVE

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

Honoring those who serve or who have served us is fundamental to our ESG pillar of Strengthening our Communities. Our focus on the military community and their families includes the tens of thousands of veterans and military spouses in our workforce. Through our recently expanded Military Relations department, we look for ways to make The Home Depot an employer of choice for military members, veterans and their families.

One of those veterans is Pete Capel, who has created a 30+ year career with The Home Depot. Like his father who served in the Navy during WWII, Pete joined the Marine Corps in 1983. During his 7-year military career maintaining radar systems, he was promoted to the rank of sergeant and was awarded the Navy Achievement Medal twice, an award that recognizes outstanding achievement or meritorious service and is recognized across all military branches.

After Pete left the Marine Corps in 1990, he began to think about what was next in his life. That's when his story with The Home Depot started in the most unlikely of ways.

Pete was getting his hair cut when Bernie Marcus and Arthur Blank, Home Depot co-founders, appeared on TV. As they were talking about how the company got started, Pete looked up and saw that there was a Home Depot store across the street. After his appointment ended, Pete walked over and immediately applied for a job.

Pete was originally employed as a store sales associate in the electrical department. Since then, he's held positions of increasing responsibility over his 30-year career. Today, he's the vice president of field merchandising for the northern, southern, and western divisions.

Just as Pete did more than 30 years ago, Richard Cranford and Aminah Meho recently left careers in the Army and Air Force, respectively, and found new opportunities with The Home Depot. Through programs like [Hiring our Heroes](#), The Home Depot partners with organizations that support military members who are transitioning into a second career and can help veterans find a role they enjoy.

## Made-to-Fit Benefits

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

- Military leave of absence for reservists, National Guard, and active-duty associates
- Differential pay when activated or deployed
- Fellowships for transitioning service members
- Military family international leave of absence
- Military Spouse Relocation program for hourly associates
- Over 5,000 remote eligible jobs that can be relocated with military moves
- Support resources, such as counselors, financial advisers and childcare assistance directories



## Pete Capel

Vice President of Field Merchandising for Northern, Southern, and Western Divisions

## + DID YOU KNOW

The Home Depot recently enhanced its military discount benefit to include all U.S. veterans, active service members and military spouses every day, reaffirming the company's commitment to serving the U.S. military community nationwide. [Learn more here.](#)



## CHECK IT OUT

The Home Depot supports associates who are spouses of military members with flexible hours to help address the unique challenges the military might bring. Hear from military spouse and 6-year associate Alexis (Lexi) Strom on how The Home Depot's flexible hours helped her balance family responsibilities during the pandemic.



# THE HOMER FUND

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

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

## Grant Programs

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

## Scholarships for Associates' Children

The Homer Fund's Orange Scholars program offers scholarships to qualified children or dependents of hourly associates based on financial need, academic performance, community involvement and leadership. Financial need is the highest consideration. Since the Orange Scholars launch in 2006, the program has awarded scholarships to more than 15,000 recipients, totaling \$36 million.

## Financial Preparation

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

## Highlights

In 2021, The Homer Fund continued to support our people in times of need:

- Nearly **\$18.8 million** was awarded through Homer Fund grants
- **12 consecutive months of grant distributions** related to natural disasters helped associates cope with a variety of challenges
- **8,800+ associates received financial assistance** linked to the pandemic, hurricanes, wildfires and more
- Associate financial assistance included 358 grants totaling **\$1.2 million related to COVID-19 hardships**, and 2,920 grants totaling **\$2.7 million for disaster recovery**



*we're all*  
**orange**  
*@heart*

### CHECK IT OUT

Learn how The Homer Fund touched lives through the generosity of fellow associates.  
#OrangeAtHeart



Since 1999,  
**The Homer Fund**  
grants totaling approximately  
**\$230 million**  
have assisted approximately  
**164,000 associates**  
facing unexpected hardships.

# ASSOCIATE SAFETY

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

The Home Depot strives to provide the safest working and shopping environment for our associates and customers. A major component in the strategy is raising awareness of risks among both front-line associates and leaders. When our people are trained to recognize and correct hazards, our workplace is primed for continual improvement.

## Safety Takes EveryONE

In 2021 we launched an awareness campaign called Safety Takes EveryONE. This message exemplifies that everyone, at all levels of the organization, must contribute to the safety of our associates and customers.

At the individual level of the campaign, each associate is provided tools to avoid risk, with every decision made, resulting in everyday safety. Safety Takes EveryONE is our rally cry to remind associates that safety is their most important responsibility and allows us to send everyone home safely.

The leader approach to Safety Takes EveryONE utilizes the acronym ONE. This second arm of the campaign focuses on our leaders' efforts to increase awareness of the higher-risk injury categories.

## The O is for Overexertion

Whether associates are handling product in a distribution center, receiving freight in a store, helping a customer load product into their vehicle or delivering bulky product to a jobsite, lifting too much or too frequently can result in injury. To prevent these injuries, we ask our leaders to engage with associates to create sustainable habits centered on our Lift it Close to Home ergonomic program. This program reminds individuals to minimize strain on their shoulders and back by anchoring the product lifted to their apron's Home Depot logo, promoting safer lifting techniques.

## The N is for New Hire

Our focus is to ensure our newest associates are set up for safety success. Starting with their initial onboarding, we have simplified and prioritized safety training earlier in an associate's experience to raise awareness around the riskiest tasks. We reinforce our onboarding program with monthly awareness topics and leader-driven engagements during the first six months of employment to allow associates to ask questions and provide feedback to improve safety. Safety Takes EveryONE requires leaders to engage with their associates early in their career to establish a positive safety culture.

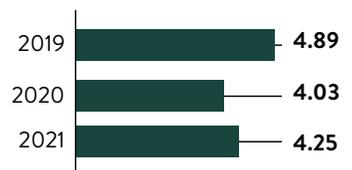
## The E is for Equipment

Equipment is essential to all areas of our business and it is paramount that it is operated in a safe manner. Safety Takes EveryONE requires leaders to interact with associates through safety engagements focusing on the safe operations of both the driver and the associates working around the equipment. The results of these engagements are reviewed and shared with leaders to create a continuous improvement model. This heightened awareness drives innovation that will remove risk from our business and improve the safety within our stores and facilities.

Safety is not one person's responsibility, Safety Takes EveryONE to create an environment that fosters feedback, empowers our associates and leaders to make the safest decision, and allows every associate and customer to go home safely to their loved ones every day.

## 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*



## + DID YOU KNOW

The Home Depot's lost time incident rate was lower than industry averages for our retail class, according to data from the U.S. Bureau of Labor Statistics.

\*Recordable and lost time incident rates for U.S. store associates.

# OPERATE SUSTAINABLY

## RESOURCES

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

## GOALS

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



Procure/produce

**100% renewable electricity**  
equivalent to the needs for all Home Depot facilities worldwide by 2030



Procure/produce

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



Science-based target to **reduce**  
Scope 1 & 2 emissions

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



Eliminate

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

## PROTECTING THE CLIMATE

**CARBON FOOTPRINT**

By driving efficiencies and investing in green energy, we reduced our absolute combined Scope 1 and 2 carbon emissions by approximately 172,000 metric tons in 2021.

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

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

Our latest score of A- from CDP reflects our leadership and high level of action on climate change mitigation, adaptation and transparency.

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

New this year, our annual GHG emissions and carbon intensities correspond to our fiscal year results, which will also be disclosed in our response to the annual CDP Climate Change questionnaire. Our results include data for HD Supply Holdings Inc., which we acquired on December 24, 2020.

In 2021, we decreased our Scope 1 and 2 carbon intensity. Our investments in efficiency helped us achieve a 21% reduction in the carbon dioxide emitted for each dollar of revenue we earned, compared to 2020.

**2021 RESULTS****Scope 1:**

Direct emissions from combustible sources and refrigerants totaled approximately 642,000 metric tons.

**Scope 2:**

Indirect emissions from purchasing electricity totaled approximately 1,007,000 metric tons.

**Scope 3:**

We are currently assessing our Scope 3 emissions.

**CHECK IT OUT**

The Home Depot joined RE100 with our goal to produce or procure 100% renewable electricity equivalent to the electricity needs for all Home Depot facilities by 2030. This action helps us move towards the company's emission reduction targets.



# PROTECTING THE CLIMATE

## STORE OPERATIONS

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

Running our stores more efficiently furthers both our business and sustainability goals. In 2021, we hit key milestones, including a 50% decrease in U.S. store electricity use since 2010.

When we launched our store electricity conservation efforts a few years ago, we anticipated reducing U.S. store electricity use 20% over a decade. But by tapping into technologies and closely tracking and analyzing use, we were able to save more electricity than we originally imagined. (See chart.) In 2021 alone, we reduced year-over-year U.S. store electricity use approximately 11%.

We learned a great deal from the progress we made reducing electricity use in our stores, and now we are applying our experience and proven strategies to conserving resources in other areas of our business, including electricity use in our supply chain and water use in store irrigation.

Our successful energy conservation efforts have helped us move closer to our goal of producing or procuring 100% renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by 2030.

### LEDs Help Reduce Store Electricity Usage

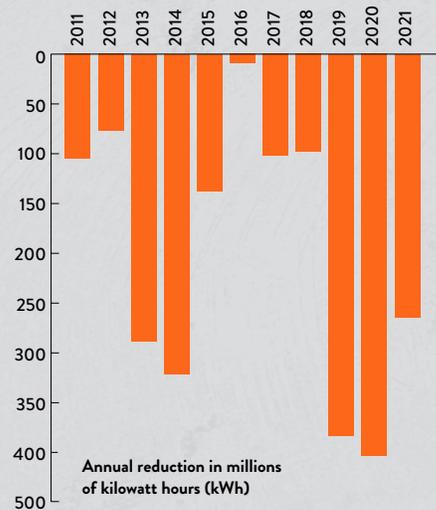
In 2021, we completed our multi-year project to upgrade U.S. stores to overhead LED lighting, retrofitting 383 stores in 2021 alone. Now LEDs light up nearly all our store aisles across the U.S., Canada and Mexico. In the U.S., we have invested approximately \$230 million in total capital expenditures on LED upgrades since 2018. Our U.S. stores with LEDs consume about 30% less electricity than similar stores with conventional lighting.

### Capitalizing on Solar's Evolution

Harnessing power from the sun is essential to our renewable electricity aims, and we're making progress by buying electricity from large-scale commercial solar farms. In 2021, Enel Green Power's Azure Sky began operating in Haskell County, Texas, west of Dallas, providing us with 75 megawatts of renewable electricity. We have agreed to purchase another 150 megawatts from companies building solar farms elsewhere in Texas. Once operating, we expect these commercial solar farms, in addition to our wind farm projects, to provide us with enough electricity to power the equivalent of more than 500 Home Depot stores.

### Making Every kWh Count

The Home Depot reduced U.S. store electricity consumption 50% since 2010 through a multifaceted effort to find energy savings in every corner of the store. See our annual year-over-year progress below:



#### DID YOU KNOW

Enel Green Power's Azure Sky solar and storage plant in Texas began operating in 2021 and provides 75 megawatts of solar power to Home Depot stores.



Continues on next page

## Rooftop Solar Harvests Renewable Energy

Seeing the potential to use soccer-field-size space atop our stores to harvest the sun's power, we installed our first rooftop solar farm in 2014. By the end of 2021, solar farms operated on 76 Home Depot stores and one distribution center in the U.S. In 2022, we're increasing our emphasis on rooftop solar by:

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

## Water Use Drops with Smart Irrigation

A pilot program launched in 2019 showed us the potential of using smart irrigation systems to save water at our stores. We rolled out the technology to 164 additional stores in 2021; 503 U.S. stores were using smart irrigation systems by the end of the year. On average, there is a 29% reduction in water used to irrigate landscaping, compared to stores with traditional timer-based irrigation systems.

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



### CHECK IT OUT

We also help our customers harness the power of the sun. In partnership with Sunrun, we help our customers create clean and sustainable electricity.



## PROGRESS ON POWER



On average, **fuel cells helped power 204 U.S. stores** with more than 100% of their electricity needs annually.



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



The energy capacity we purchase from the Los Mirasoles Wind Farm in McAllen, Texas, is **enough wind power to run 125 Home Depot stores.**



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

## PROTECTING THE CLIMATE

# SUPPLY CHAIN

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

We continue to make progress on our multi-year supply chain initiative to create the fastest, most efficient and reliable delivery network for home improvement products.

When we announced our approximately \$1.2 billion supply chain initiative in 2017, we could have never envisioned the disruption to the global supply chain because of the pandemic. Due to our supply chain investments, however, we have demonstrated our ability to navigate any environment.

In addition, our supply chain investments have helped us move record amounts of product more efficiently. Despite seeing another year of record product volume move through our business, our new supply chain facilities helped us reduce the miles driven to get products from our vendors to our customers.

Even as supply chain volume increased, the efficiencies we gained in our operations and our investments in green energy helped us reduce our carbon intensity. Learn more on [Page 34](#).

### 3 ECO-FRIENDLY SUPPLY CHAIN INNOVATIONS

#### 1

Added over **30 distribution centers** - increasing speed and efficiency.

#### 2

Moved approximately **6.9 billion cubic feet of products** through our supply chain - a company record.

#### 3

**Reduced supply chain miles driven** - despite moving record volume through our supply chain.



### + DID YOU KNOW

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



## WAYS WE'RE DRIVING SUPPLY CHAIN IMPROVEMENTS



In 2021, we installed hydrogen fuel cells at three U.S. supply chain facilities, **giving us 15 locations with emissions-free fuel for forklifts**. We estimate these fuel cells helped us reduce electricity consumption by about 21 million kilowatt hours in 2021.



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



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



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



As we roll out our new distribution facilities, we've partnered with Plug Power to fuel some of our new facility's material handling fleets, like forklifts, with zero-emission hydrogen fuel. This is another way we are reducing our environmental impact while building a best-in-class supply chain.



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

## SOURCING RESPONSIBLY

## ETHICAL SOURCING

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

We owe it to our customers, associates and communities to further the collective commitment to human rights, safety and environmentally sound practices through ethical sourcing. We engage our suppliers in this commitment by requiring them to produce products in factories that adhere to 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 of factories around the world to ensure compliance with our responsible sourcing standards.

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

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

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

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

## BY THE NUMBERS

**1,487**  
factory audits

and 1,632 follow-up visits conducted in 39 countries under our responsible sourcing policy in 2021

**232**  
factories

audited for compliance at peak production

**83**  
subcontractors audited in 2021

### Responsible Sourcing Starts at the Top

**Board of Directors and/or Audit Committee of the Board**  
provides general oversight; receives annual progress report on and reviews results of the annual internal audit of the responsible sourcing program

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

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



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

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

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

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

## SOURCING RESPONSIBLY

# CONFLICT MINERALS

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

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

## 2021 Progress

As detailed in The Home Depot’s [Conflict Minerals Report](#) for the year ended Dec. 31, 2021, our efforts focused on collecting and disseminating information about the sourcing practices of our suppliers. We cataloged that information in a database using the conflict minerals reporting template developed by the [Responsible Minerals Initiative](#)<sup>®</sup>. We report this data for the calendar year, rather than our fiscal year, in line with U.S. Securities and Exchange Commission (SEC) rules.

Our in-scope Tier 1 suppliers decreased to 21 in 2021 from 91 in 2020 and from 71 in 2019. In 2021, as part of our annual assessment of products in scope, we continued to exclude any supplier of products where the supplier merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party, as permitted by SEC guidance.

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

Sixty-two percent of our in-scope Tier 1 suppliers indicated that one or more conflict minerals were necessary to the functionality or production of covered products, up from 32% in 2020. Of the smelters or refiners reported by these suppliers, only 48 out of a total of 311 uniquely identified smelters or refiners sourced conflict minerals from covered countries. Forty-three of these smelters or refiners were certified as DRC conflict-free by the Responsible Minerals Initiative, the London Bullion Market Association and/or the Responsible Jewellery Council.

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

# 100%

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



## SOURCING RESPONSIBLY

## SUSTAINABLE FORESTRY

**I** We strive to create transparency in how global forest resources are used in our products.

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

We know that responsible forest management is essential to protecting the health of our ecosystems, critical biodiversity and the more than one billion people who depend on forests for their livelihoods. The goal of our sustainable forestry efforts is to ensure timber and healthy forests remain available for future generations. We are proud of our ability to create positive change by encouraging sustainable forestry practices. We strive to better understand the social and economic effects that wood purchases have around the world, especially in regions with endangered forests.

Over the years, we have focused our efforts to ensure the protection of forests at highest risk. While we sell less than 2% of the roundwood cut worldwide, we believe our efforts have had an outsized impact on the industry. We source approximately 86% from North America, approximately 8% from South America, approximately 3% from Asia, and less than 1% from each of Europe, Africa, and Oceania.

We believe that through our ongoing work with suppliers to sustainably manage forests and the commitments listed in our Wood Purchasing Policy, we have helped to expand forest land coverage in North America. Through the sharing of best practices with suppliers and ongoing engagement with stakeholders, we seek to build upon the progress we've made to protect the world's forests.

The positive impact of our work with suppliers can be seen in our results. We also source lumber from a number of the largest forestry companies in North America, which work with sustainable forest management organizations like Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI), Programme for the Endorsement of Forest Certification (PEFC), and American Tree Farm to ensure their trees are being sourced sustainably.

Suppliers of ours like [Mendocino Redwood Company \(MRC®\)](#) and [Humboldt Redwood Company \(HRC™\)](#) seek to be examples of forest restoration and show how private forest management can protect and restore the ecological attributes of the forest, and whose forestlands are certified by the Forest Stewardship Council® (FSC) as being well-managed forests.

While we are proud of the progress we have made to promote sustainable forestry, we continue to assess opportunities to drive progress in this area.

We continually work with stakeholders to promote sustainable forestry around the globe. Some of our current and future focus areas include:

- Continuing to avoid areas of deforestation and conversion of natural ecosystems in our supply chain.
- Engaging in a multiple stakeholder dialogue to develop a Canadian forest procurement framework.
- Supporting the continual dialogue around the development of jurisdictional landscape. We believe that this approach, although complex, could contain the core foundation to aligning multiple stakeholders with community interests, like responsible commodity production, improved economic growth, and human wellbeing opportunities. Development of this approach has the potential to promote sustained community growth while protecting a region's natural resource base.

## CHECK IT OUT

To further our commitment to sustainable forestry and increased transparency, we recently committed to participating in the CDP forests questionnaire.



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## Data-Driven Sourcing

Understanding the world's forest coverage by country helps guide our supply chain decisions. The vast majority of our wood product purchases originate from North America.

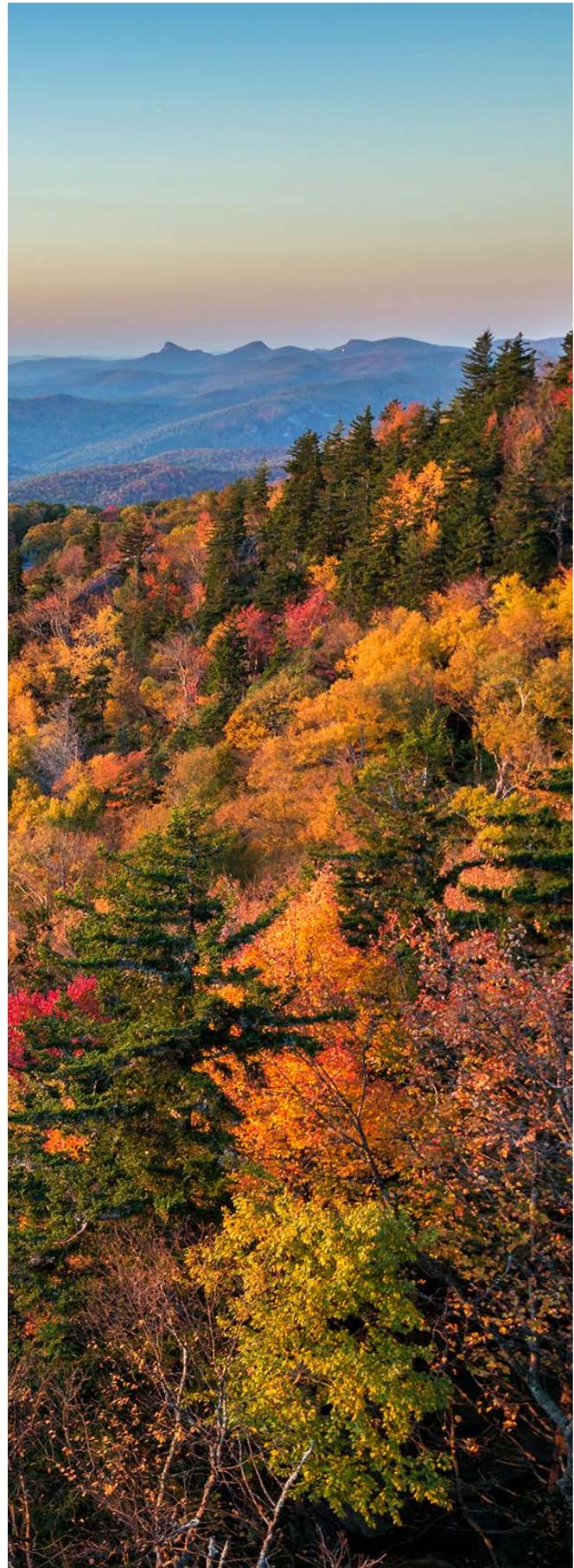
Seventeen percent of the world's forests are in Canada and the United States, according to research by the United Nations Food & Agriculture Organization. The U.N.'s 2020 [State of the World's Forests](#) report shows that more than half of the world's forest coverage is in five countries: Russia (20%),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

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

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

### CHECK IT OUT

Visit the Sustainable Forestry page of our Eco Actions website to learn more about our initiatives to protect the world's forests and how we work with suppliers to create high standards for forest management.



## REDUCING ENVIRONMENTAL IMPACT

# GREENER PRODUCTS

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

## Eco Options

The Home Depot's Eco Options program continues to help our customers identify products that have less of an impact on the environment and encourages our suppliers to provide more sustainable offerings.

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

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



## Eco Actions

We continue to look for ways to help our customers reduce their environmental impact through the projects they take on. Building on the progress we've made with our Eco Options program, in April 2021 we launched our new Eco Actions program, which provides our customers with the resources they need to take individual action on environmental issues.

Our Eco Actions website provides customers with new content, insights and ideas from innovative partners to inspire sustainable action. Eco Action's growing library of sustainable-DIY content includes:

- Reducing emissions with [battery-powered outdoor equipment](#)
- Installing a [water-conserving shower faucet](#)
- Reducing waste through [our tool repair services](#)
- Highlighting [responsibly sourced wood products](#)
- Benefits of [organic gardening](#)

Eco Actions is just another way we're helping our customers make sustainable changes for the better by helping them create greener homes.



### CHECK IT OUT

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



## Focus on Forestry and Responsible Chemistry

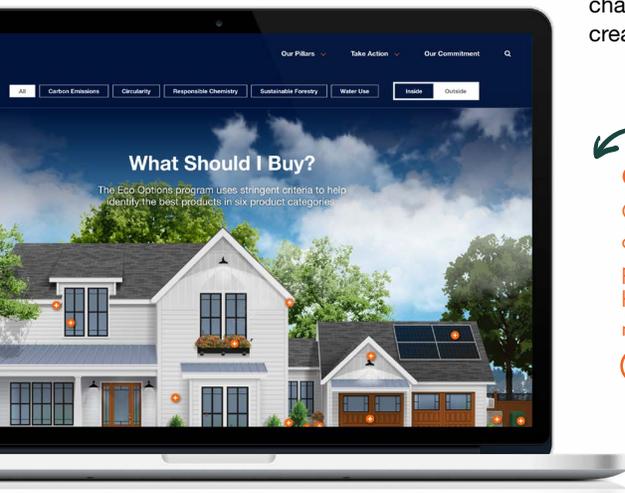
In addition to our Eco Options and Eco Actions programs, we focus our sustainable product efforts in two key areas relevant to our business: forestry and indoor air quality.

In 1999, we established a [Wood Purchasing Policy](#) to help avoid wood products coming from forestland with a high conservation value. Since then, we have continued to update this policy, and have worked to lead our suppliers to understanding and practicing sustainable forestry throughout the world.

And in 2017, we published our Chemical Strategy ([see Page 46](#)) to encourage the exclusion of certain chemicals from paint, flooring, insulation, household cleaning and paint removers. Our chemical strategy is an important part of our commitment to offer greener products.

## + DID YOU KNOW

The Home Depot was honored with four Environmental Protection Agency (EPA) Awards in 2021. These awards reflect our commitment to sustainable business practices. We are proud to serve as industry leaders in the design, manufacture, selection, and use of products that are safer for the environment.



# GOING GREEN AT HOME

Our Eco Actions website makes it easier for customers to identify products that can help reduce their households' impact on the climate, the planet and natural resources. Discover a few products in the program below, and learn more about our greener products on [Page 42](#).



1

### Smart Thermostat

Nest Leaf helps you choose an energy-efficient temperature and safety alerts let you know when your house gets too hot or cold.

- Carbon Emissions



2

### WaterSense® Toilets

WaterSense toilets can help customers save ~\$110 a year by using less water.

- Water Conservation



3

### Flooring

Laminate flooring at The Home Depot is verified by either GREENGUARD® Gold or FloorScore® for chemical safety.

- Responsible Chemistry



4

### Carpet Pad

StepAhead with Nike Grind is made from 90% premium recycled materials and is 100% recyclable after use.

- Circularity

# REDUCING ENVIRONMENTAL IMPACT

# CIRCULARITY

The Home Depot works to help the industry change the way it thinks about materials. We encourage supplier innovation in product and packaging design, material selection and manufacturing, as well as striving to produce products that have positive environmental impact during use.

Since we introduced Circularity as one of our Eco Options' pillars in 2019, our focus has been to prevent products and packaging from becoming waste throughout the product lifecycle. The foundation of Circularity comes from nature: nothing is wasted, and everything is regenerative.

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

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

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

- Design with the environment in mind
- Eliminate excess material
- Eliminate materials that are not readily reusable or recyclable
- Minimize mixed materials to enable simpler disassembly and recycling
- Utilize materials that are biodegradable or readily recyclable
- Utilize recycled content, when possible, without compromising product efficacy
- Facilitate the reuse of material indefinitely
- Promote minimization of environmental impact in manufacturing and consumer use



### CHECK IT OUT

See how The Home Depot partners with Nike to move towards a circular future in which the very concept of waste doesn't exist.

Nike Grind diverts shoes and material waste away from landfills and transforms them into a variety of new products, including carpet cushions and gym flooring tiles sold at The Home Depot.



## 3 WAYS THE HOME DEPOT SUPPORTS CIRCULARITY

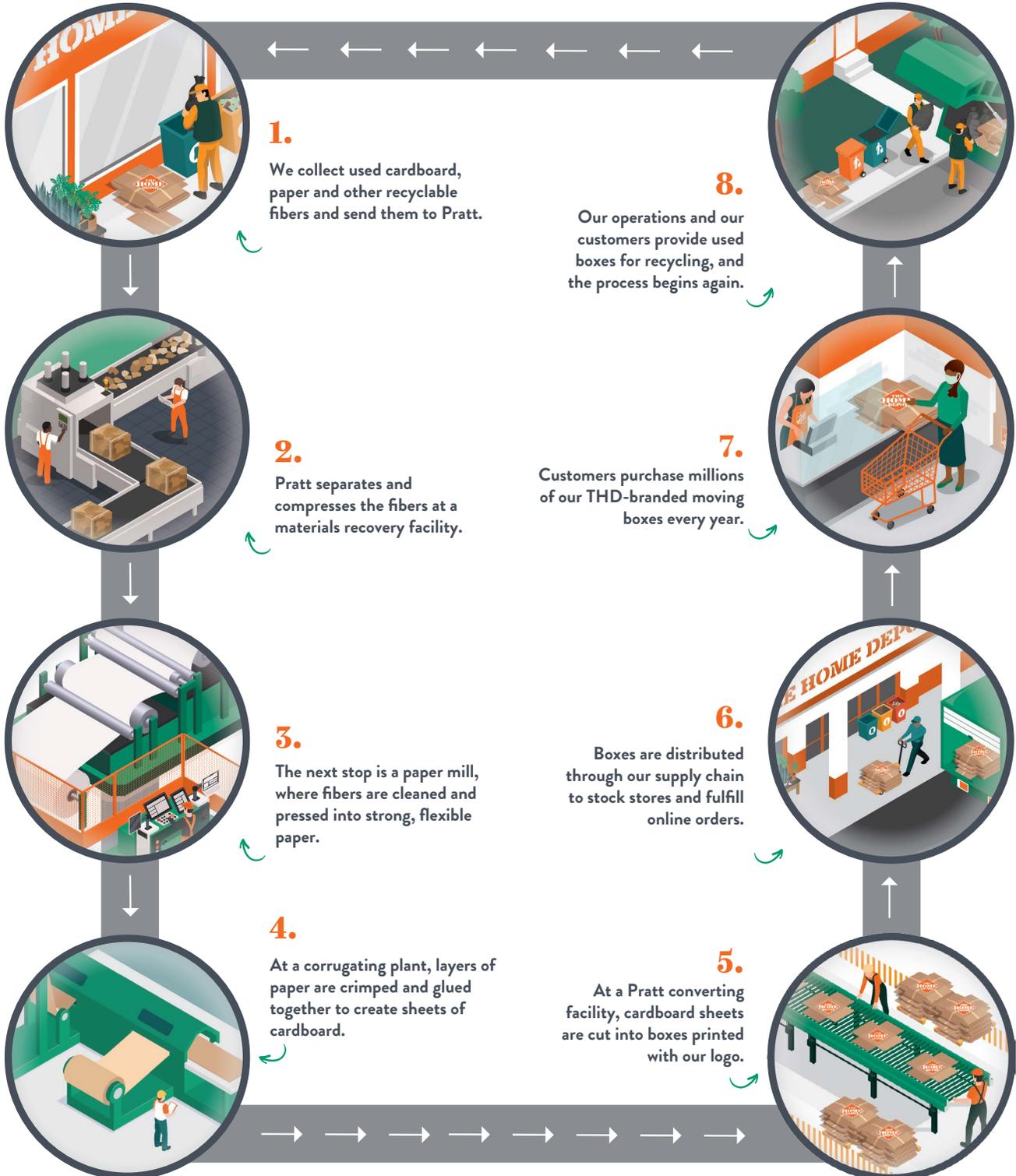
- 1 RECYCLE** by separating and collecting raw materials from our own waste streams, and working with our suppliers to turn them into new products.
- 2 REPAIR** items in our stores and for our customers to extend the life of products and avoid the energy emissions from manufacturing replacements.
- 3 REUSE** materials so less waste goes into landfills.

## PROGRESS IN 2021

RECYCLE	18.3 million pounds of plastic (LDPE)
	272,900 tons of cardboard (OCC)
	2,358,000 pounds of EPS foam
	138,700 tons of metal
	204,300 lead-acid battery cores
	514,200 pounds of CFL bulbs
	1.2 million pounds of rechargeable batteries
	2.8 million pounds of obsolete technology assets
REPAIR	233,900 tools repaired by The Home Depot
	10,700 tool repairs referred to third-party service providers
	61,200 large equipment repairs for Tool Rental
REUSE	62,200 repairs of store equipment
	114,900 tons of returns salvaged
	2.2 million pounds of returns donated
	8.7 million tool rental transactions

# CIRCULARITY: THE BOX GOES ON

See how we're recycling would-be waste into useful products over and over again. Supplier Pratt Industries produces all Home Depot moving boxes, made from 100% recycled material.



**1.** We collect used cardboard, paper and other recyclable fibers and send them to Pratt.

**8.** Our operations and our customers provide used boxes for recycling, and the process begins again.

**2.** Pratt separates and compresses the fibers at a materials recovery facility.

**7.** Customers purchase millions of our THD-branded moving boxes every year.

**3.** The next step is a paper mill, where fibers are cleaned and pressed into strong, flexible paper.

**6.** Boxes are distributed through our supply chain to stock stores and fulfill online orders.

**4.** At a corrugating plant, layers of paper are crimped and glued together to create sheets of cardboard.

**5.** At a Pratt converting facility, cardboard sheets are cut into boxes printed with our logo.

## REDUCING ENVIRONMENTAL IMPACT

# RESPONSIBLE CHEMISTRY

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

At The Home Depot, we recognize the opportunity we have for the environmental impact of our organization, and that our biggest impact is the products we sell. In partnership with stakeholders throughout the supply chain, we are committed to offering products that are safer for the environment and our customers.

With our encouragement, our suppliers have been investing in developing environmentally innovative products. 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 many of our suppliers also partner with respected third-party certification organizations and environmental non-profits 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 COMMITMENT

- The Home Depot is committed to increasing our assortment of products that maintain third-party certifications of their chemical ingredients, and that meet high environmental standards.
- The Home Depot works with many suppliers in efforts to improve chemicals in categories with the greatest potential impact on indoor air quality.

- We encourage our suppliers to continually review key categories to track progress on environmental innovations in green chemistry.

**The Home Depot will evaluate this strategy annually to ensure our approach, goals and disclosure are appropriate and meet the needs of our stakeholders.**

## FLOORING

### Carpet

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

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

### Vinyl

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

### Laminate Flooring

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



Continues on next page

## RESIDENTIAL HOUSEHOLD CLEANING CHEMICALS

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

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

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

## INSULATION

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

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

## GARDENING

Organic gardening has grown from niche to mainstream, and The Home Depot has expanded its organic gardening products to offer multiple brands of soils, fertilizers, and weed and pest control products to meet our customers' changing needs. In 2016 we launched

local, organic vegetables and herbs. We expanded the program in 2017 to half our U.S. stores and have committed to continue to expand our organics assortment.

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

## PAINTING PRODUCTS

### Paints

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

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

**Certifications:** In our U.S. stores, all Behr® interior paints, Glidden® Premium, Glidden Diamond™ and PPG® Timeless® interior paints are GREENGUARD Gold certified.

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

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

### Paint Removers

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

The Home Depot is committed to working with suppliers and the EPA to identify alternatives with comparable efficacy. The Home Depot phased out methylene chloride and N-methyl-2-pyrrolidone (NMP) from paint removal products at the end of 2018.

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

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

BEHRPro i300 Interior  
Glidden Diamond Interior  
Glidden Premium Interior  
PPG Speedhide Pro EV Zero

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

BEHR MARQUEE Ceiling Paint  
BEHR MARQUEE Exterior  
BEHR MARQUEE Interior  
BEHR Premium Plus Ceiling Paint  
BEHR Premium Plus Exterior  
BEHR Premium Plus Interior  
BEHR Premium Plus Ultra Ceiling paint  
BEHR Premium Plus Ultra Exterior  
BEHR Premium Plus Ultra Interior  
BEHRPro i100 Interior  
Glidden Ceiling Paint  
Glidden Essentials Exterior  
Glidden Essentials Interior  
Glidden Premium Exterior  
PPG Breakthrough  
PPG Multi-Pro  
PPG Speedhide  
Glidden Speed Pro (CANADA)  
Glidden Ultra Hide (CANADA)

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

## REDUCING ENVIRONMENTAL IMPACT

**ENERGY-SAVING PRODUCTS**

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

The Home Depot encourages suppliers to make the products we sell more energy efficient, and our partnership with the U.S. Environmental Protection Agency's **Energy Star**<sup>®</sup> program supports those efforts, too.

In 2021, we helped our customers save \$1.5 billion on utility bills through the purchase and proper use of energy-efficient products. Energy Star-labeled products were key to that progress. In 2021, we offered over 22,000 energy-saving products in stores and online, including more than 15,000 Energy Star products. We sold more than 200 million units of Energy Star products.

We estimate our customers' purchases of Energy Star products in 2021 helped reduce annual electricity use by 7 billion kilowatt hours, saving \$950 million on energy costs and lowering carbon emissions by 4.9 million metric tons.

### + DID YOU KNOW

The Home Depot U.S. is a 12-time Energy Star award winner and our Canadian stores were recognized for the eighth year in a row as the ENERGY STAR Canada Retailer of the Year in 2021. See how our Canadian division is improving sustainability on [Page 71](#).



## GOING GREEN, SAVING GREEN



Energy Star-labeled clothes dryers use 20% less electricity. If all clothes dryers sold in the U.S. were Energy Star certified, Americans could collectively save more than \$1.5 billion each year in utility costs and prevent greenhouse gas emissions equivalent to those from more than 2 million vehicles.



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

Source: EPA

## REDUCING ENVIRONMENTAL IMPACT

# WATER-SAVING PRODUCTS

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

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



In 2021, we continued to help our customers conserve water in their homes and businesses. Across our stores and online, we offered more than 8,000 water-saving products, including more than 5,000 products bearing the EPA's [WaterSense](#) label, and we sold nearly 21 million units of those WaterSense products.

We estimate our customers' purchases of WaterSense products in 2021 helped reduce annual water consumption by over 66 billion gallons, which would collectively mean savings of more than \$873 million on water bills.

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

## + DID YOU KNOW

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



## GOING GREEN, SAVING GREEN



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



Replacing old, inefficient faucets and aerators with WaterSense-labeled models can save the average family 700 gallons of water per year, equal to the amount of water needed to take 45 showers.



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

Source: EPA

## REDUCING ENVIRONMENTAL IMPACT

## GARDENING

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

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

### Growing Organic

We offer more than 40 varieties of organic, non-GMO vegetable and herb plants grown according to [methods approved](#) by the U.S. Department of Agriculture (USDA) National Organic Program. Only products that have been certified as meeting the USDA's organic production and handling standards may carry the USDA Organic seal.

### Native Plants

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

### Supporting Local Growers

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



### CHECK IT OUT

See our assortment of organic soils, seeds, plants and more at HomeDepot.com. Plus, find helpful videos and how-tos to get started with organic gardening.



## SIMPLE STEPS TO ORGANIC GARDENING

### STEP 1

#### Build a foundation

Organic soils and low-impact supplements support healthy ecosystems. Performance Organics delivers Miracle-Gro results you expect using ingredients you want.



### STEP 2

#### Choose eco-friendly plants

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



### STEP 3

#### Nurture with nature

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



### STEP 4

#### Select sustainable maintenance

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



## REDUCING ENVIRONMENTAL IMPACT

# CLEANING

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

We have long believed that a home should be a healthy environment, and in recent years this has never been more true. In response to the pandemic, our customers have relied on us to provide necessary safe and effective products to keep their homes clean of harmful germs. That's why The Home Depot offers environmentally preferred cleaners that carry third-party certifications validating their eco-friendly claims. Cleaning products that are non-toxic, biodegradable, free from harmful chemicals, plant-based and not tested on animals allow our customers to achieve clean and green homes.



Identifies products that use safer chemical ingredients without sacrificing performance



Leaping Bunny label certifies no animal testing in manufacturing



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



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



Assures a USDA-verified amount of renewable biological ingredients



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

### CHECK IT OUT

“The Home Depot’s Chemical Strategy and Eco Options product certification program both play a big role in sustainability in the cleaning department. Cleaning products listed in our Eco Options program have obtained certifications from independent, third-party testers.”

- Gina Perry, Senior Product Merchant for Cleaning



# ECO OPTIONS SUPPLIER SPOTLIGHT

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



## Lysol Biodegradable Disinfecting Wipes

Lysol Biodegradable Disinfecting Wipes kill 99.9% of viruses and bacteria, they are made with 100% plant-based fibers so they can be thrown away or offered for recycling where they will biodegrade.



## The Pink Stuff Miracle Cleaning Paste

The Pink Stuff's vegan formula is non-toxic and made with 99% natural ingredients. Star Brands, maker of The Pink Stuff, follows the charter for sustainable cleaning, which regulates more sustainable cleaning practices in Europe.



## Clorox Compostable Cleaning Wipes

Clorox Compostable Cleaning Wipes – USDA Certified Biobased and EPA Safer Choice certified – are made of compostable, plant-based cloth, and remove dirt and grime from many hard surfaces throughout the home.

## + DID YOU KNOW

The Home Depot is on track to reach its goal of eliminating certain chemicals from cleaning products by the end of 2022. See more about our chemical strategy on [Page 46](#).

### CHECK IT OUT

The Clorox Company was named the 2021 Safer Choice Partner of the Year award winner for outstanding achievement in the manufacturing of products with ingredients that are safer for families, pets, workplaces, communities, and the environment.



## REDUCING ENVIRONMENTAL IMPACT

# WASTE MANAGEMENT & RECYCLING

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

## Hazardous Materials Disposal & Handling

We seek sustainable methods of disposal, and, in 2021, our company recycled or reused for energy 30% of the hazardous waste generated from our operations and customer returns. We properly disposed of the remaining waste.

## Associate Training & Resources

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

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

## Preventative Actions

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

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

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

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

## Responsive Actions

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

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

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

## SUSTAINABLE SHREDDING

In the U.S., The Home Depot provided over 5.4 million pounds of shredded paper for recycling in 2021. Here's how that helped the planet:



Avoided **28.1 million pounds** of CO2 emissions



Avoided **17,000 trash bags** of solid waste



Preserved **65,000 trees**



Conserved **8.0 million kilowatt hours** of electricity



Saved over **5.1 million gallons** of water

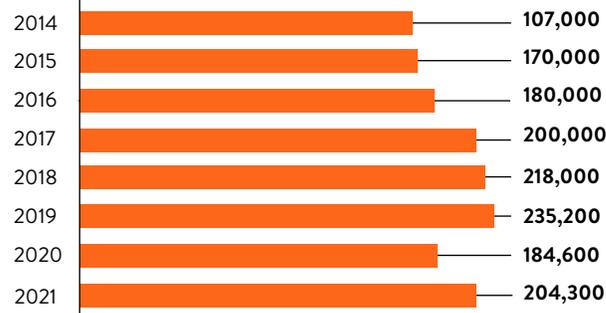
Source: Iron Mountain® using calculations by Paper Calculator™

## RECYCLING TO REDUCE WASTE

### LEAD-ACID BATTERIES

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

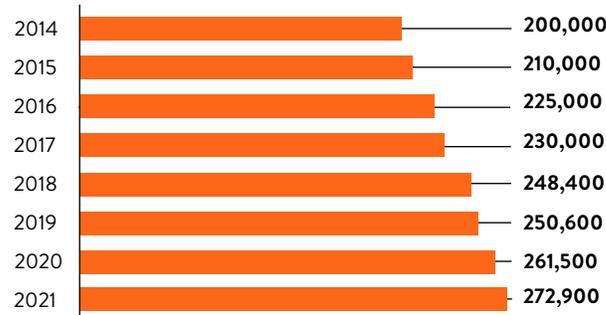
**91% increase since 2014**



### CARDBOARD

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

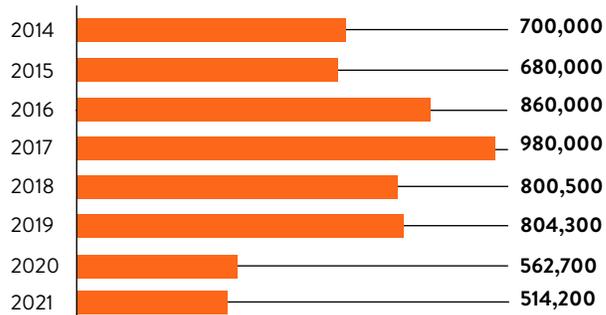
**36% increase since 2014**



### COMPACT FLUORESCENT LIGHT BULBS

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

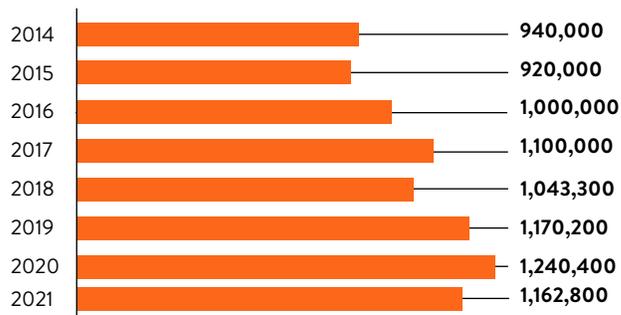
**27% decrease since 2014**



### RECHARGEABLE BATTERIES

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

**24% increase since 2014**



## REDUCING ENVIRONMENTAL IMPACT

# SUSTAINABLE PACKAGING

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

The Home Depot's packaging team works with our private-label product suppliers to apply science to creating better packaging. Our goal is to reduce package footprints and use more sustainable materials to secure and protect the private-label products we sell. From 2017 through 2021, our packaging innovations allowed us to redesign **652 packages** to reduce size and materials.

In 2021, our packaging team continued to innovate as they undertook a large project aimed at reducing packaging across our Crown Bolt products, Home Depot's private brand of fasteners and building hardware. This project touched **over 16 million packaging units**, across nearly 300 SKUs.



## Using Less EPS & PVC

In 2021, our packaging team continued to find substitutes for expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film in our private-label products. EPS foam is good at protecting products from damage, but it contains beads of chemicals and oil that are often difficult to recycle and can take more than a century to biodegrade. We continue to look across our private-label products to find even the smallest amounts of EPS and replace it with easier-to-recycle materials like molded pulp and paper.

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

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

## 2021 BY THE NUMBERS

**286**  
packages

were redesigned to **reduce size and materials**

**274,600**  
cubic feet

of **EPS foam** was **removed** from our private-label packaging— **enough to fill 138 school buses**

**1,119,700**  
square feet

of **PVC film** was **eliminated**— **enough to cover 19 football fields**

## CHECK IT OUT

We're compressing EPS waste from our operations into foam blocks that can be repurposed into new products, such as insulation — keeping the material out of landfills. Meet the entrepreneurial associate who launched this initiative.



# SUSTAINABLE PACKAGING

*Our practice of engaging with our stakeholders on ESG topics helped us design a more sustainable packaging solution for some of our LED lightbulbs. In response to customer feedback, we have sought to remove the excess plastic from our ECOSMART® LED bulb packaging. In this regard, our packaging team went to work looking for a new way to package the bulbs without the need for plastic. The redesign that our packaging team came up with helped eliminate the need for plastic in the packaging, while also reducing the size of the box.*

Redesigned packaging helped remove more than  
**133,000**  
 pounds of plastic



Paper packaging protects as well as molded plastic but is **recyclable** and requires less space

The new design also reduced the packaging size by **more than 20%** decreasing shipping space required, and lowering transportation emissions

# STRENGTHEN OUR COMMUNITIES

## RESOURCES

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

## GOALS

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

By 2025, achieve  
**\$5 billion**  
in direct annual spend with diverse suppliers

By 2028, The Home Depot Foundation will invest  
**\$50 million**  
to train 20,000 skilled tradespeople, including veterans

By 2025, the Foundation will contribute  
**\$500 million**  
to veteran causes with a focus on housing

# COMMUNITY PARTNERSHIPS

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

Our local and national partners represent the diversity of our associates, suppliers and communities. Since 2017, The Home Depot and The Home Depot Foundation have committed more than \$45 million to organizations working to improve social equity and further our diversity commitments: striving to close the wealth gap and advancing education for all. Organizations that help us further our commitment to communities include:

## Diversity Alliances

- 100 Black Men of America
- 100 Black Men of Atlanta
- American Corporate Partners
- ATL Action for Racial Equity
- Business Coalition for the Equality Act
- CEO Action for Diversity and Inclusion
- Congressional Black Caucus Foundation
- Congressional Hispanic Leadership Institute
- Executive Leadership Council
- Georgia Minority Supplier Development Council
- Hispanic Alliance for Career Enhancements
- Hispanic Association on Corporate Responsibility
- Human Rights Campaign
- Minority Business Development Agency
- NAACP
- National Action Network
- National Association of Asian American Professionals
- National Association of Chinese-Americans
- National Center for American Indian Enterprise Development
- National Council of Negro Women
- National Hispanic Corporate Council
- National LGBT Chamber of Commerce
- National Minority Supplier Development Council
- National Urban League and local affiliates
- Network of Executive Women
- Rainbow PUSH Coalition

- Second Chance Business Coalition
- Trumpet Awards Foundation
- U.S. Hispanic Chamber of Commerce
- U.S. Pan-Asian American Chamber of Commerce

## Community Support

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

## Arts

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

## Housing

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

## Education, Entrepreneurship & Trades

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

## Talent Acquisition

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

In 2021, we committed  
**\$10 million**  
 to venture capital focused on  
 diversity and innovation



# COMMUNITY PARTNERSHIPS: PARTNERS IN ACTION



## HBCU Legacy Bowl

James “Shack” Harris and Doug Williams, co-founders of the Black College Football Hall of Fame, wanted to address a major issue: Football players from historically Black colleges and universities (HBCUs) were not being drafted by NFL teams. Thus, they created the HBCU Legacy Bowl, a post-season all-star game showcasing some of the best draft-eligible football players attending historically black colleges and universities. The event is more than a football game. The Legacy Bowl’s career fair brings job opportunities and professional skills training like résumé writing and interview tips to juniors and seniors attending HBCUs.



## Habitat for Humanity

The Home Depot Foundation has partnered with Habitat for Humanity since 2012 to help revitalize neighborhoods across America through affordable homeownership that helps build generational wealth. In March 2021, The Home Depot announced our Bring on Spring partnership with the nonprofit, providing more than \$200,000 in products to Habitat for Humanity organizations across the country to support local DIY projects and neighborhood revitalization efforts.



## CHECK IT OUT

Providing people with neuro-developmental disabilities the chance to earn a fair wage and reach their full potential is the mission of Ken’s Krew. We’ve partnered with the nonprofit for more than 25 years. Hundreds of Ken’s Krew members work in our stores.



# SUPPLIER DIVERSITY

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

At the Home Depot, we are committed to building inclusive and sustainable business opportunities for women, minority, veteran, disability and LGBTQ owned companies. Our Supplier Diversity program was established in 2003, with the goal of increasing shareholder value, driving innovation and creating positive impact in the communities we serve. We celebrate and invest in minority entrepreneurs because we understand their critical role in driving innovation, creating jobs and meaningful solutions in our communities. In 2021, we spent \$3.3 billion with diverse suppliers, compared to \$3.2 billion the previous year.

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

In 2021, we launched a Tier II supplier diversity program designed to drive more spending from our direct Tier I suppliers to diverse businesses. We're working to better ensure that a portion of the money we spend on products and services, even with suppliers that are not identified as diverse, makes its way to diverse enterprises. The Home Depot provides supplier development programs and mentoring to assist diverse suppliers with business growth, and we partner with organizations that provide certification, education and opportunities for capital and networking.



The National Center for American Indian Enterprise Development



Georgia Minority Supplier Development Council



United States Black Chambers, Inc. (USBC)



National Veteran-Owned Business Association (NaVOBA)



US Hispanic Chamber of Commerce (USHCC)

## SUPPLIER DIVERSITY VISION STATEMENT

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

*“We believe that a strong supplier diversity program increases shareholder value, drives innovation and creates economic impact in the communities that we serve. Simply put, it’s the right thing to do for our communities and for our customers.”*

— Ted Decker, CEO & President

# PARTNERS IN GROWTH

## Back to the Roots Gets Young Gardeners Growing

Founded by friends Alejandro Vélez and Nikhil Arora, Back to the Roots creates gardening kits for indoor or outdoor spaces with a mission to get the next generation growing — no green thumb or backyard needed.

“Accessibility continues to be a hurdle. Many kids grow up without access to a backyard. And that was definitely an inspiration to start our business and build a garden brand that would let the next generation grow food anywhere,” Arora explained.

Learn more about Back to the Roots and their partnership with The Home Depot [here](#).



### CHECK IT OUT

See a time-lapsed video of mushrooms growing in a Back to the Roots' garden-in-a-box kit.



### Tote-Maker Expands to Meet Demand

Shelley Fisher owns Edge Plastics Inc., which has expanded its operations and workforce to keep up with demand for its products. The Ohio-based manufacturer has been a Home Depot supplier for 10 years. Edge exclusively provides our HDX storage totes sold in stores across the U.S. and Canada.



### Entrepreneurial Spirit Fuels MSI's Success

MS International Inc. (MSI) is a nationwide distributor of flooring, wall and countertop surfaces with more than \$2 billion in annual revenue and 2,000 employees worldwide. “Our partnership with The Home Depot has enabled both parties to grow,” said Raj Shah, president of the company.” MSI and its supply chain have been able to produce jobs for more than 150,000 people worldwide.”



### Agency Partnered on Retool Your School

UniWorld Group, Inc. (UWG) is the longest-standing, full-service, multicultural marketing and advertising agency in the United States. UWG has been a collaborative partner and Agency of Record for The Home Depot since 2004, and has played a key role in developing the best-in-class Retool Your School (RYS) program, which has been running since 2009.



# RETOOL YOUR SCHOOL

Since 2009, our campus improvement grant program has helped fund more than 100 projects benefiting 65% of the nation's HBCUs.

In 2021, The Home Depot's Retool Your School campus improvement grant program marked its 12th year of commitment to historically Black colleges and universities (HBCUs) and the pivotal role they play in our higher education system.

Every year, HBCU students, alumni and advocates vote for their schools to become Retool Your School grant recipients. Voting is organized around three school clusters, based on student population, and 10 schools with the highest votes per cluster are awarded a grant. In 2021, 62 HBCUs competed.

Since the program's launch, more than 38 million votes have been cast in support of HBCUs vying for Retool Your School grants.

We are committed to furthering our support of Retool Your School through expanding our campus improvement grant program into other areas: Campus, Career, Curriculum and Community.

## BY THE NUMBERS

**\$1,020,000**  
awarded  
in grants in 2021

**30 schools**  
received  
\$20,000 to \$75,000 each

**150+**  
grants  
have been awarded since 2009  
to fund a variety of campus  
improvement projects



## + DID YOU KNOW

Tougaloo College won \$120,000 in 2021 between winning first place in their cluster and winning the Campaign of the Year award. This is the highest grant amount distributed to a single HBCU throughout the program's history.

## 2021 RETOOL YOUR SCHOOL WINNERS

### Cluster 1: 4,000+ students

- Alabama A&M University
- Jackson State University
- Southern University and A&M College
- Albany State University
- Alabama State University
- Grambling State University
- Morgan State University
- Fayetteville State University
- St. Phillip's College
- Howard University

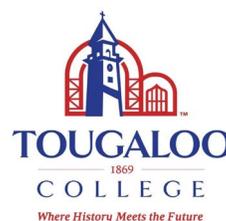
### Cluster 2: 1,201-3,999 students

- Coahoma Community College
- Tuskegee University
- Bethune Cookman University
- South Carolina State University
- Virginia State University
- Coppin State University
- Miles College
- Southern University at Shreveport (Bossier City)
- Savannah State University
- West Virginia State University

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

- Tougaloo College
- Lane College
- Texas College
- Fisk University
- Livingstone College
- Paine College
- Southwestern Christian College
- Wilberforce University
- Philander Smith College
- Talladega College

### Campaign of the Year



Awarded for galvanizing supporters with an innovative and effective campaign.

# TEAM DEPOT

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

Team Depot, The Home Depot's associate volunteer force, continued to support communities and veterans in need throughout 2021 despite ongoing COVID-related challenges. While adhering to CDC and government safety guidelines, our orange-blooded associates again rose to the challenges that many of our communities experienced throughout the year. Team Depot volunteers responded to numerous natural disasters including tornadoes, hurricanes and wildfires. In addition, they provided life-changing support to veterans across the country.

The Home Depot has helped communities for many years prepare and recover from the devastating impacts caused by hurricanes, and this year was no different. In anticipation of the 2021 hurricane season, Team Depot, alongside our nonprofit partner Operation Blessing, packaged nearly 800 relief kits. These kits provided essential supplies to communities as they experienced the third most active hurricane season on record.

Following Hurricane Ida, the second-most damaging hurricane ever to make landfall in Louisiana, The Home Depot Foundation and Team Depot volunteers stepped into action. The Home Depot Foundation committed up to \$1 million to support immediate disaster relief in the communities that were impacted. Team Depot volunteers from Courthouse, Ohio, gathered supplies and loaded materials including generators, box fans, and more, to be shipped nearly 900 miles away to the Children's Hospital New Orleans. Volunteers in Texas, Georgia and Alabama also worked to assemble thousands of disaster relief kits, which included items like cleaning supplies, N95 masks, hand sanitizer and other recovery essentials [\(Learn more here\)](#).

In the days following the devastating Marshall Fire in Boulder, Colorado, the most destructive fire in the state's history, Team Depot built and distributed over 600 sifters and donated personal protective equipment (PPE) to assist families who lost their homes. They also donated water and other supplies to local shelters and first responders.

As pandemic restrictions eased, our associates were eager to return to serving our communities. During National Volunteer Month in April, Team Depot volunteers participated in nearly 100 service projects across the country.

On Veterans Day of 2021, The Home Depot Foundation kicked-off its annual Operation Surprise campaign. Team Depot volunteers helped The Home Depot Foundation provide life-changing moments of surprise and support for veterans and communities in need. During our 2021 campaign, approximately 14,000 Team Depot associates completed more than 160 projects across 150 cities in partnership with more than 140 nonprofit partners.

## CHECK IT OUT

Learn more about The Home Depot Foundation's 2021 Operation Surprise Campaign.



Since 2011, Team Depot has volunteered more than **1.25 million** hours of service to veterans



# THE HOME DEPOT FOUNDATION

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

## Support for Veterans

In 2021, The Home Depot Foundation, a 501(c)3 public charity, was proud to achieve the milestone of ten years of its formal financial commitment to support the U.S. military veteran community, while also surpassing \$400 million invested in support of our veterans. These achievements are part of the Foundation's larger commitment to invest \$500 million in veteran causes by 2025.

Giving back to veterans is part of The Home Depot's culture and aligns with our core values. With tens of thousands of veterans and military spouses in our workforce, we are focused on helping support the brave men and women who served our country, both in our stores and in our communities ([see Page 30](#)).

For the past decade, the Foundation has focused on ending veteran homelessness, improving veteran housing through critical home repairs; and building accessible smart homes for catastrophically combat-wounded veterans. In 2021, the Foundation surpassed more than \$100 million invested to help address the issue of veteran homelessness at the national and local

level. The Foundation committed \$600,000 to support housing facilities in Phoenix, Arizona, and Riverside California, two of numerous grants awarded to nonprofits working to end veteran homelessness.

### Phoenix, Arizona

- Invested \$300,000 to provide housing and access to critical supportive services for more than 180 homeless and at-risk veterans, in partnership with U.S.VETS.

### Riverside, California

- Granted \$300,000 to U.S.VETS-Inland Empire to support the construction of a new housing facility that will serve 60 homeless and at-risk veterans.

Both of these new housing facilities will also provide veterans with access to counseling, treatment and other services vital to help veterans transition to civilian life.

Since 2011, The Foundation and its national nonprofit partners have built, renovated, and enhanced more than 50,000 veteran homes and facilities. [Learn more here.](#)

## Disaster Response

In 2021, The Home Depot Foundation committed more than \$7 million to help communities impacted by winter storms, fires, tornadoes, and hurricanes.

We are committed to providing our associates and communities with immediate support following natural disasters, and 2021 was no different. The Foundation, along with Team Depot volunteers, stepped up to help throughout the year.

In February, responding to the winter storms that impacted most of the U.S. and left millions without power, the Foundation committed up to \$500,000, plus sent generators and other essential supplies to those most impacted.

The Foundation also committed up to \$1 million to support the communities impacted by the devastating tornado outbreak across the central United States in December.

## CHECK IT OUT

Check out The Home Depot's new and enhanced disaster preparedness resources, which include: Weather Center Hub, Disaster Preparedness Workshops, and Step-By-Step Guides & Videos.



Continues on next page

## Path to Pro

The Home Depot Foundation's skilled trades training program, Path to Pro, launched in 2018 with a \$50 million commitment to train the next generation of skilled tradespeople, diversify the trades industry, and address the growing labor shortage in the U.S. The Foundation's trades-focused partnerships have introduced more than 15,000 people to the skilled trades and have trained more than 5,000 participants through programming available to youth, high school students, underserved communities and separating U.S. military.

### Military Program

The Path to Pro military program is currently offered on 10 U.S. military bases and provides exiting service members access to a free, 12-week program that provides industry-recognized PACT and OSHA 10 certifications. During the 2021 Operation Surprise campaign, the Foundation granted each of the Path to Pro military bases' programs \$10,000 to surprise a local Habitat for Humanity veteran family, just in time for the holidays.

### Youth Program

The Foundation aims to address the gap in the skilled trades by training the next generation of skilled trades people. In partnership with Home Builders Institute, the Path to Pro high school program offers pre-apprenticeship certification (PACT) curriculum and hands-on experience to 11th and 12th grade students in more than 250 schools across 30 states. The Foundation also partners with Construction Ready (formerly CEFGA) to provide K-12 trades training programs in Georgia.

### CHECK IT OUT

In celebration of Giving Tuesday, The Home Depot Foundation surprised six nonprofit organizations with \$30,000 of unrestricted funds totaling \$180,000.



### Academy Program

Most recently, the Foundation launched the community-based Path to Pro academy program, which offers training and certification for diverse adult populations. Path to Pro academies in Denver and Orlando have successfully trained more than 560 students. New academy programs are expected to open in Phoenix and Sacramento, by the end of 2022 and will train skilled tradespeople to support those housing markets

### Scholarships Program

In 2021, the Foundation announced a new Path to Pro scholarship program that will grant \$250,000 in financial assistance to high school seniors and graduates entering or currently enrolled in building construction trade programs. The scholarships will be awarded by the Foundation's nonprofit partner, SkillPointe Foundation.



### CHECK IT OUT

See how The Home Depot Foundation, a registered 501(c)3 public nonprofit, is partnering with leading construction trade organizations to prepare people for a career in the skilled trades.



# PATH TO PRO: ADDRESSING THE SKILLED LABOR GAP

*Beyond of the Foundation's efforts to train skilled tradespeople, The Home Depot also provides a Path to Pro Skills Program where individuals can prepare for a career in the trades.*

With more than 40% of the construction workforce set to retire in the next decade, The Home Depot is dedicated to helping build the next generation of trades professionals and connecting those trades people with Pros in need of skilled labor to keep their businesses running. Through the Path to Pro program, The Home Depot has built a [website](#) of trade resources, developed a free training program for those interested in building a career in the skilled trades, and launched an exclusive trades career networking platform for candidates to connect with hiring Pro Xtra members.

## Trade Resources on PathToPro.com

PathToPro.com launched in July of 2021 and serves student, parent, advisor, military, and pro audiences by providing consolidated resources on the skilled trades. The site includes a resource library with downloadable PDFs and video content to help individuals better understand the career potential in the trades industry, offers training opportunities, and acts as a K-12 trades education platform that can help guide graduating seniors in understanding how to build a career in the skilled trades.

## Free Training Through the Path to Pro Skills Program

The Path to Pro Skills Program is a free, virtual training program available to anyone interested in pursuing a career in the Skilled Trades. Coursework includes:

- Benefits of getting started & working in the trades
- How to get noticed by employers as a job seeker in the construction industry
- Construction, electrical, HVAC, & plumbing basics

Individuals who complete the Skills Program curriculum will stand out to hiring Pros as qualified candidates for entry-level trades jobs.

## Building Connection Points in the Path to Pro Network

The Path to Pro Network is a free online labor marketplace that allows hiring trade professionals access to job-seeking candidates and their credentials. Candidates looking to start or further a career in the trades can build profiles showcasing their skills, work portfolio, and availability for work. Pros can post jobs for free, as well as reach out to skilled labor candidates directly.

## + DID YOU KNOW

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



## CHECK IT OUT

PathToPro.com, which launched in 2021, outlines The Home Depot and The Home Depot Foundation's collective Path to Pro initiatives.



# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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



## Good Health and Well-Being

- We transitioned our COVID-related enhanced associate pay and benefits to permanent compensation enhancements for front-line, hourly associates. ([Page 25](#))
- We offer a range of healthy-life benefits at no cost to associates. ([Page 28](#))
- The Home Depot's Eco Options/Eco Actions program identifies environmentally preferred products. ([Page 42](#))



## Gender Equality

- We strive for a fair workplace that removes bias and provides women and associates from underrepresented minority groups access to resources they need to succeed at work. ([Page 19](#))
- Our Women's Link associate resource group promotes professional development for women associates across our organization. ([Page 26](#))
- We partner with the Women's Business Enterprise National Council to promote gender diversity among our suppliers. ([Page 60](#))
- In 2021, associates who identified as female earned approximately 101% compared to what male associates earned on an adjusted basis. ([Page 25](#))
- We offer six weeks paid parental leave to our eligible associates who are having a baby, adopting, or fostering a child. This benefit is available to both mothers and fathers. Birth mothers are eligible for an additional six-week paid maternity benefit. ([Page 28](#))



## Clean Water and Sanitation

- In U.S. stores, we offer bathroom vanity faucets and toilets for sale that bear the U.S. EPA's WaterSense label. Our store-merchandised showerheads are more efficient than the WaterSense standard. ([Page 49](#))
- We estimate that our customers saved over 66 billion gallons of water in 2021 by properly using our water-saving products. ([Page 49](#))
- In 2021, we had smart irrigation systems at 503 U.S. stores. On average, there is an approximately 29% reduction in water used, compared to traditional systems. ([Page 36](#))

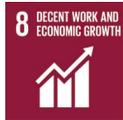


## Affordable and Clean Energy

- At the end of fiscal year 2021, we were operating rooftop solar farms atop 76 U.S. stores and leveraging fuel cell-generated power at 205 U.S. stores. ([Page 36](#))
- Through our expanded wind and solar farm partnerships, we expect to purchase enough electricity to power the equivalent of more than 500 Home Depot stores. ([Page 35](#))
- Our partnership with the EPA's Energy Star program in 2021 enabled customers to purchase products capable of reducing their electricity use by 7 billion kilowatt hours, saving \$950 million on energy costs. ([Page 48](#))

## SUSTAINABLE DEVELOPMENT GOALS





## Decent Work and Economic Growth

- We employ approximately 500,000 associates internationally, and our supply chain has an economic impact on millions of workers globally. ([Page 5](#))
- Approximately 90% of our U.S. store leaders started as hourly associates. ([Page 27](#))
- In 2021, we increased our year-over-year spending with diverse suppliers to \$3.3 billion. ([Page 60](#))
- We conducted 1,487 factory audits and 1,632 follow-up visits in fiscal year 2021, focusing on worker health, safety and well-being in our suppliers' operations. ([Page 38](#))



## Industry, Innovation and Infrastructure

- Investments by The Home Depot Foundation have introduced more than 15,000 people to skilled trades and trained over 5,000 trade workers since 2018. ([Page 65](#))
- We launched PathtoPro.com in 2021 to serve as a hub for training, licensing requirements, open jobs in the trades and connecting tradespeople with Pro customers. ([Page 66](#))
- Our company is rated and recognized by third-party organizations for our innovations in sustainability and supply chain efficiency. ([Page 13](#))
- We have repeatedly earned the EPA's SmartWay Sustained Excellence Award for improving freight efficiency and contributing to cleaner air throughout our supply chain. ([Page 37](#))



## Reduced Inequalities

- We are building a more diverse, equitable and inclusive organization, within our enterprise and the communities we are proud to serve. Grounded in our core values, we have the conviction, capabilities, and tools to make a difference for our associates, community partners and suppliers. ([Page 20](#))
- Since 2017, we have committed over \$45 million to community organizations working to improve social equity and further our diversity commitments. ([Page 58](#))
- We partner with organizations that provide our diverse suppliers with certification and education, as well as capital and networking opportunities. ([Page 60](#))
- Our Corporate Governance and Code of Conduct policies detail our commitment to workplace diversity, equity and inclusion. ([Page 75](#))



## Sustainable Cities and Communities

- By the end of fiscal year 2021, The Home Depot Foundation had invested over \$400 million in veteran causes. ([Page 64](#))
- The Foundation committed more than \$7 million in 2021 to disaster response. ([Page 64](#))
- The Homer Fund granted \$2.7 million to support associates affected by natural disasters in 2021. ([Page 31](#))
- In 2021, we sold about \$9.38 billion in energy- and water-saving products to our customers. ([Page 12](#))



## Responsible Consumption and Production

- Across our U.S. stores, we have cut electricity use 50% since 2010. ([Page 35](#))
- We challenge our suppliers to offer products with lowest-possible environmental impact and to pursue third-party certifications. ([Page 42](#))
- Our Chemical Strategy challenges suppliers to eliminate certain chemicals from the products we sell. ([Page 46](#))



## Climate Action

- We have pledged to produce or procure renewable electricity equivalent to the electricity needs for all Home Depot facilities worldwide by 2030. ([Page 35](#))
- We have pledged to produce or procure 335 megawatts of renewable or alternative energy by 2025. ([Page 9](#))
- We have set a science-based target to reduce our Scope 1 and Scope 2 emissions 2.1% per year to achieve a 40% reduction by 2030 and a 50% reduction by 2035. ([Page 34](#))
- We have a current score of A- from the Carbon Disclosure Project. ([Page 34](#))



## Life on Land

- We support circularity through recycling, repairing and reusing materials to reduce waste. ([Page 44](#))
- We have pledged to exclude EPS and PVC film from our private-brand packaging by 2023. ([Page 55](#))
- We have removed 274,600 cubic feet of EPS and 1,119,700 square feet of PVC from our private-label packaging in 2021. ([Page 55](#))
- Our Wood Purchasing Policy helps ensure our suppliers and manufacturers support sustainable forestry. ([Page 40](#))



# INTERNATIONAL RETAIL OPERATIONS

## RESOURCES

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



# CANADA

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

## Focus on Our People

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

The Home Depot was again ranked one of Canada's best diversity employers in 2021 — for the 13th consecutive year.

~34,100

associates

wore the orange apron in Canada in 2021

4

associate resource groups

represent and support our ethnically diverse, disabled, LGBTQ2+ and women associates in Canada

646,000+

hours of associate

training in 2021

1,838,000+

courses

taken by associates in 2021

## Home Depot Canada ARGs

Our Associate Resource Groups (ARGs) are led by associates and sponsored by executive leaders. In 2021, we hosted several ARG events virtually to celebrate diversity, raise culture awareness and foster professional development. We also hosted 14+ DEI roundtable conversations, each sponsored by an ARG and the DEI team.

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



## + DID YOU KNOW

In 2021, The Home Depot Canada Foundation's Orange Door Project Grant Program donated CA\$1.35 million to youth charitable organizations supporting their renovation, prevention and employment & life skill programs targeting youth homelessness.



## + DID YOU KNOW

In 2021, over 35% of new hires in Canada were women.

## Operate Sustainably

Here are a few ways we improved sustainability in 2021:

*We recycled*

# 15,100

**metric tons of cardboard**

*from our stores and distribution centers.*

*Completed LED retrofits in*

# 19 stores

**resulting in all 182**

*Canadian store interiors converted to LED by the end of 2021, helping to reduce The Home Depot stores' energy consumption.*

*We collected*

# 326,000

**pounds**

*of household electronics, power tools, cellphones and other rechargeable batteries for responsible recycling via our customer take-back program.*

## CHECK IT OUT

Over the last 10 years, our stores in Canada have decreased electricity use by 43.7%. See how this contributes to our total company goals to operate more sustainably.



## Strengthen Our Communities

In 2021, The Home Depot Canada Foundation:

*Achieved our pledge to invest*

# CA\$50 million

**to help prevent and end youth homelessness, one year earlier than planned.**

*Invested*

# CA\$4.75 million

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

*Supported*

# 250

**organizations and granted CA\$12.39 million.**

*Invested*

# CA\$1.5

**million in TradeWorx**

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



## TradeWorx

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

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

## SUSTAINABLE SHREDDING

The Home Depot Canada provided over 260,000 pounds of shredded paper for recycling in 2021. Here's how that helped the planet:



Avoided **1.35 million pounds** of CO2 emissions



Kept over **10,000 pounds** of solid waste out of landfills



Preserved **3,124 trees**



Conserved more than **385,000 kilowatt hours** of electricity



Saved over **247,000 gallons** of water

Source: Iron Mountain® using calculations by Paper Calculator™

# MEXICO

| During 2021 The Home Depot Mexico celebrated 20 years of operating, with 129 stores across all 32 states.

## Focus on Our People

In 2021, we had more than 4,900 hires and we employed more than 19,000 associates who proudly wear the orange apron.

# 47

**scholarships**

were awarded to children of associates

# 1.9 million

**hours**

of career training courses were completed by associates

# 532

**associates**

received Orange Fund grants, totaling 7.4 million pesos (US \$370,000)

## Operate Sustainably

In 2021, we joined the rest of the organization in finding new ways to drive sustainability across the organization.

# 848,200

**wooden pallets reused**

Launched our Eco Options catalogue with more than

# 1,200

**products**

Recycled nearly

# 900,000

**pounds of plastic**

## + DID YOU KNOW

In 2021, approximately 34% of our hires in Mexico were women.



\*Home Depot Mexico data based on calendar year

## Strengthen Our Communities

Our company donated

# 57 million+

pesos (US \$2.85 million) in merchandise to nonprofit organizations. In our 20 years, this program has donated 1.2 billion pesos (\$60M USD).

Our customers donated

# 26.2 million+

pesos (US \$1.3 million) during our Round Up fundraising drives for charitable causes. In our 20 years with this program, we have raised 67.3 million pesos (\$3.35M USD).

Our suppliers donated

# 9 million+

pesos (US \$450,000) for housing and breast cancer initiatives.



### DID YOU KNOW

Over the past 20 years, we completed 6,900 Team Depot projects focused on schools, public areas, community centers and assistance to people in need.

## 2021 Recognitions

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

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

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

### Distintivo Éntrale 2020

During 2021 Home Depot was recognized with the certification Éntrale 2020 for the company's constant commitment to inclusion for our associates and for working and strengthening the implementation of projects that benefit the hiring and retention of associates with disabilities.

### Empresa Socialmente Responsable

Living our values has allowed us to be recognized for our Corporate Social Responsibility efforts for the 15th time in a row, including best practices in all our programs and focusing on maintaining sustainable relationships with our stakeholders to continue providing the best service.



\*Home Depot Mexico data based on calendar year

# OUR BUSINESS

## RESOURCES

- > Code of Conduct
- > Associate AwareLine
- > Supplier AlertLine
- > Corporate Governance
- > Board of Directors
- > 2022 Proxy Statement
- > 2021 Annual Report
- > Political Activity and Government Relations Policy
- > Annual Advocacy and Political Activity Report (2018-2021)
- > Federal Election Commission

# CODE OF CONDUCT

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

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

- Safety
- Labor and employment
- Conflicts of interest
- Antitrust and fair competition
- Confidentiality, privacy and information protection
- Protecting the company's assets and intellectual property
- Insider trading
- Financial integrity and reporting

- Records retention
- Environmental responsibility
- Foreign Corrupt Practices Act (FCPA) and anti-bribery compliance
- Political activity
- Government Contracting

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.

**Associate AwareLine**  
1-800-286-4909

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

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

## Supplier AlertLine

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

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

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

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

**Vietnam:** (Access Code) 1-201-0288 or  
1-228-0288 (Dial) 800-435-3152

## OUR HOME DEPOT FAMILY

Our code of conduct applies to our Home Depot family worldwide.



# CORPORATE GOVERNANCE

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

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

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

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

## Leadership Structure

On at least an annual basis, the Board assesses its leadership structure, including the appointment of the Chair of the Board. Our Lead Director is annually elected by the independent members of the Board. For the past several years, having a combined chairman and CEO, an independent Lead Director, and Board committees composed entirely of independent directors, together with other robust corporate governance practices, has provided strong independent oversight of management while ensuring clear strategic alignment throughout the company.

In early 2022, in connection with our CEO succession process, the Board split the CEO and Chair roles to support the leadership transition. Our former CEO, Craig Menear, remained as Board Chair following the appointment of Ted Decker as CEO and President. The independent members of the Board will continue to assess the Board leadership structure over time and determine what best supports the company's needs.

## Our corporate governance policies reflect best practices:

### Shareholder Protections

- Annual election of directors with majority voting standard in uncontested director elections
- Shareholder ability to call special meetings and act by written consent
- A market standard shareholder right of proxy access
- Independent Lead Director
- Approximately 86% of directors and all Board committee members are independent
- Director mandatory retirement age (age 72)
- No shareholder rights plan, also referred to as a "poison pill"

### Board Engagement and Oversight

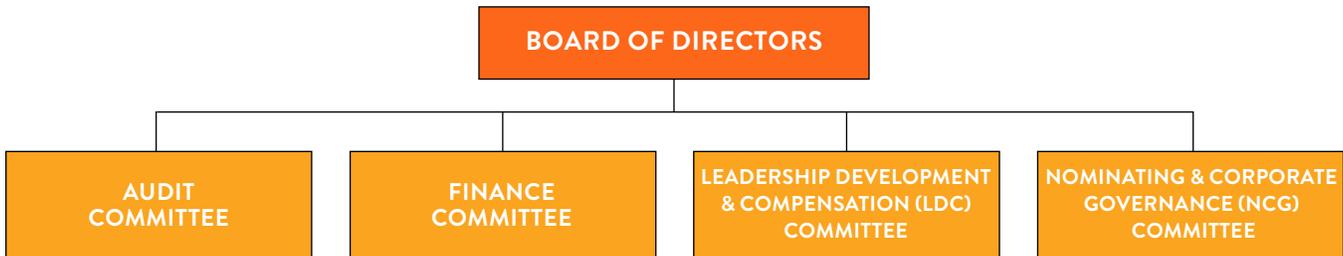
- Annual Board strategy session and review of the company's strategic plan
- Director overboarding policy
- Store-walk policy for directors
- Board education and orientation program
- Annual Board and committee self-evaluations, including individual director interviews
- Management succession policy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

## + LEARN MORE

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

## Board Committees

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



## Board Oversight of Risk

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

Our Board reviews these key risks and the related framework annually, and the full Board or appropriate Board committees discuss selected risks in more detail throughout the year, including the COVID-19 pandemic, its related risks and its impact on our enterprise risk framework. The table below identifies key risk areas overseen by the Board and its committees.

FULL BOARD			
<ul style="list-style-type: none"> <li>Has primary responsibility for risk oversight, including approval of strategic objectives and defining risk appetite</li> <li>Delegates oversight of management of certain risks to Board committees</li> <li>Receives regular reports from the committees regarding risk-related matters</li> </ul>			
AUDIT	FINANCE	LDC COMMITTEE	NCG COMMITTEE
<ul style="list-style-type: none"> <li>Overall risk assessment and management</li> <li>Financial exposures, statements, controls, systems and reporting</li> <li>Regulatory and compliance, including FCPA/anti-bribery and our whistleblower program</li> <li>Data protection and cybersecurity</li> <li>Internal audit and related investigatory matters</li> <li>Quality, safety and responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Long-range strategic planning</li> <li>Long-range financial outlook and finance-related risks</li> <li>Capital structure, including investments and shareholder return principles</li> <li>Annual capital plan and key capital investments</li> <li>Merger and acquisition strategy</li> </ul>	<ul style="list-style-type: none"> <li>Senior executive compensation</li> <li>Senior executive succession planning</li> <li>Overall risk related to the company's compensation policies and practices</li> <li>Human capital management</li> <li>Non-employee director compensation</li> <li>Diversity, equity and inclusion, including pay equity</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Director succession planning and board composition</li> <li>Policies on political activity, including political spending and payments to trade associations</li> <li>Related-person transactions</li> <li>Corporate social responsibility and environmental efforts, risks and opportunities</li> </ul>

# GOVERNMENT RELATIONS

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

We actively participate, and encourage our associates to participate, in the political process. Our [Political Activity and Government Relations Policy](#) provides the framework for our political activity. We engage in three key ways:

- Our Government Relations department protects and expands our company's ability to take care of our associates, customers and shareholders through effective regulatory and legislative action. Our Government Relations team works to optimize the government's impact on the business through effective lobbying, relationship building and political engagement.
- We have a political action committee (PAC) that connects our salaried associates to the political process and pools their personal contributions to financially support pro-business candidates who understand issues of importance to The Home Depot and our associates. As a long-standing practice, we do not contribute to presidential campaigns or endorse presidential candidates.
- The Home Depot supports trade associations that advocate on behalf of the business community and retail sector and reports annually the aggregate dues paid to those associations that engage in lobbying activities.

In deciding where we want to focus our advocacy, these are some of our top priorities:

- Driving sales by ensuring online-only marketplaces follow the same rules on accountability and transparency as interconnected retailers
- Supporting our Supply Chain initiative by advocating for funding for roads, ports and bridges and for laws that allow safer, heavier trucks to reduce loads and our environmental footprint
- Growing margin dollars by working to get laws passed that target sophisticated, organized retail crime rings to reduce theft and support free trade
- Taking care of our people by making sure we have a say in laws that could affect associate flexibility and career growth



## CHECK IT OUT

For the first time, The Home Depot has created an Economic Impact interactive map that highlights the importance of its business in communities around the country. The Economic Impact map, which was created in collaboration in collaboration between our Government Relations, Tax and Strategic Business Development teams, along with PwC, includes information about employment numbers, taxes, community involvement, and donations of critical COVID-19 supplies. The map gives a state-by-state breakdown so customers and associates can easily see the impact in their communities.



## Oversight of Our Political Activity

Our Government Relations department, led by a vice president who reports to our general counsel, manages our political activity. The team carefully analyzes our engagement activities, trade association partnerships, and political contributions for alignment with our key priorities, guided by our Core Values. All of The Home Depot's political contributions are made to promote the interests of the company and without regard for the private political preferences of executives or directors. The Government Relations team is responsible for ensuring all PAC and corporate political contributions are made in accordance with the law and company policies. The team participates in regular trainings and performs routine reviews to monitor compliance.

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

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

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

We provide transparency in our actions by publishing an [annual report](#) of the company's political contributions and the aggregate dues paid to trade associations that engage in lobbying activities, and any independent political expenditures by the Company supporting or opposing ballot initiatives and contributions to ballot measures committees. We list trade associations to which our company makes yearly payments of \$5,000 or more, and our PAC contributions are publicly available on the [Federal Election Commission](#) website.

## PATH OF THE PAC DOLLAR

Our political action committee connects salaried associates to the political process and pools their personal contributions to financially support pro-business candidates who understand issues of importance to The Home Depot and our associates.

1

### PREPARE

Eligible associates voluntarily choose to join The Home Depot PAC.

2

### PACKAGE

All participating associate contributions are pooled.

**\$2,447,000** contributed to candidates and their leadership PACs in FY 2021

**13,000+** individual contributors in that election cycle

3

### QUALITY ASSURANCE

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

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

4

### DISTRIBUTE

PAC funds are distributed to candidates and their leadership PACs.

5

### CONNECT

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

6

### ASSESS

Legislators make informed decisions on issues affecting our company.

# CORPORATE TAXES

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

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

- Seeking reasonable interpretations of laws where there may be ambiguity
- Engaging proactively and transparently with tax authorities, when appropriate, to seek clarity, guidance or agreement on tax positions

## Accountability & Governance

Tax governance is overseen by the Audit Committee of the Board of Directors. At least once a year, company leaders report to the Audit Committee regarding our approach to managing taxes. Learn more about our Corporate Governance structure on [Page 76](#).

## Risk Management

We identify and manage risks associated with taxes, including:

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

## Compliance

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

- Employing appropriate resources and controls to ensure that our tax reporting is accurate and complete
- Supporting audits of our tax reporting and control environment by our internal control team and independent, third-party auditors, as required for publicly traded companies

## Alignment with Our Business

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

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

## Stakeholder Engagement

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

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

## THE HOME DEPOT'S 2021 TAX PAYMENTS<sup>1</sup>

Federal Income Tax	State Income Tax <sup>2</sup>
<b>\$4.045 billion</b>	<b>\$933 million</b>
Foreign & Territorial Income Tax <sup>3</sup>	Other Income & Business Taxes <sup>4</sup>
<b>\$526 million</b>	<b>\$1.095 billion</b>
Property Taxes	Sales Taxes <sup>5</sup>
<b>\$655 million</b>	<b>\$9.576 billion</b>
Payroll Taxes <sup>6</sup>	<b>Total:</b>
<b>\$4.588 billion</b>	<b>\$21.418 billion</b>

## BY THE NUMBERS

The Home Depot paid approximately **1% of the total net corporate income taxes** collected by the U.S. government in 2021

Our company files **10,000+ sales tax returns** every year

We own, lease and pay property taxes on **3,000+ buildings** worldwide, including stores, distribution centers and offices

<sup>1</sup>These amounts reflect actual cash taxes paid which do not include deferred taxes, but do include foreign withholding taxes.

<sup>2</sup>State income taxes and franchise taxes based on income.

<sup>3</sup>Income taxes paid in Canada, Mexico, China, Puerto Rico, Guam and the U.S. Virgin Islands.

<sup>4</sup>Taxes paid for franchise taxes not based on income in U.S. states and India; Licenses & Permits paid to U.S. states and territories; and duties paid to the U.S., Canada and Mexico on imported products.

<sup>5</sup>Includes all sales taxes and use taxes.

<sup>6</sup>Unemployment taxes; Federal Insurance Contributions Act (FICA) contributions; and federal and state income taxes withheld on behalf of THD associates.

# DATA SECURITY & PRIVACY

We value and respect the privacy of our customers, associates, service providers and business partners. Our approach to data security enables us to drive a collectively secure culture.

The Home Depot [Privacy and Security Statement](#) provides information about how we collect, use and share information we collect from our customers and visitors.

We discuss the ways we use the information we collect, and how customers can find out more about the personal information we collect about them, on the [Privacy & Security Center](#) page of our corporate website.

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

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

## Governance, Risk & Compliance

- The Home Depot has a Data Security and Privacy Governance Committee, composed of a cross-functional group of senior leadership, that oversees the strategy and approach in place to manage the security and privacy of customer, associate and business data.
- Information security and privacy policies are in place and are informed by regulatory requirements. These policies are reviewed periodically to ensure they remain aligned with current requirements.
- 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

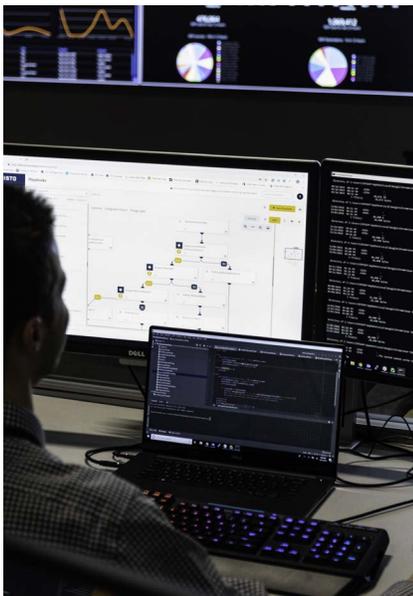
- The Home Depot has established data classification and retention policies focused on limiting the risk of unauthorized exposure of customer, associate and business data.
- Data protection strategies are in place and focused on data devaluation and data access monitoring.
- Sensitive data attributes 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.
- Security risk assessments are conducted for targeted service provider and business partner relationships.
- Where applicable, service providers and business partners are contractually obligated to protect restricted data provided by or received from The Home Depot.

## Data Security & Privacy Awareness

- Data security and privacy training and awareness are provided to all associates on an annual basis, and additional customized, role-based training is provided to targeted internal audiences.



### DID YOU KNOW

Our Privacy and Security Statement extends to personal information we receive from business partners and other third parties.

# REPORTING FRAMEWORK

## RESOURCES

- > 2022 Proxy Statement
- > Form 10-K – 2021 Annual Report on SEC Form 10-K
- > Global Reporting Initiative (GRI)
- > Sustainability Accounting Standards Board (SASB)
- > Task Force on Climate-Related Financial Disclosures (TCFD)
- > 2021 Carbon Disclosure Project (CDP) Climate Report
- > 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 STANDARDS

The Global Reporting Initiative (GRI) is an international independent standards organization that helps business, governments and other organizations understand and communicate their impacts on various issues. We have applied the [GRI Sustainability Reporting Standards](#) as an identification and cross-reference tool to make meaningful data accessible to our stakeholders.

The following charts provide a cross-reference location guide to our reports.

GRI STANDARD	DESCRIPTION	ANSWER/LOCATION CROSS REFERENCE
<b>GENERAL DISCLOSURES</b>		
<b>ORGANIZATIONAL PROFILE</b>	GRI 102: General Disclosures	102-1 Name of the organization The Home Depot, Inc.
		102-2 Activities, brands, products and services Form 10-K pgs. 1-9
		102-3 Location of headquarters Atlanta, Georgia, USA
		102-4 Location of operations Form 10-K pgs. 1-19, 22-23, Corporate Website – About Us
		102-5 Ownership & legal form The Home Depot is a publicly traded company, incorporated in Delaware, USA, and listed on the NYSE under the ticker symbol “HD,” Form 10-K pg. 1
		102-6 Markets served Form 10-K pgs. 1-9, 22-23, Corporate Website – About Us
		102-7 Scale of the organization Form 10-K pgs. 1-9, 22-23
		102-8 Information on employees and other workers <i>Diversity, Equity &amp; Inclusion, EEO-1 Report</i> , Form 10-K pgs. 5-7
		102-9 Supply chain <i>Supply Chain</i> , Form 10-K pgs. 1-9, Responsible Sourcing Report
		102-10 Significant changes to the organization and its supply chain <i>Supply Chain</i> , Form 10-K pgs. 1-9
		102-11 Precautionary Principle or approach <i>Corporate Governance</i> , Proxy Statement pgs. 4-7
		102-12 External initiatives <i>Ratings and Recognition, Carbon Footprint, Supply Chain, U.N. Sustainable Development Goals</i> , Corporate Website – Responsibility, Responsible Sourcing Report
		102-13 Membership of associations <i>Carbon Footprint, Supply Chain, Responsible Chemistry, Water-Saving Products, Strengthen Our Communities, International Retail Operations</i> , Responsible Sourcing Report
<b>STRATEGY</b>	GRI 102: General Disclosures	102-14 Statement from senior decision-maker <i>CEO Letter</i>
		102-15 Key impacts, risks and opportunities <i>ESG Priority Touchpoints, Home Depot Goals</i>
<b>ETHICS &amp; INTEGRITY</b>	GRI 102: General Disclosures	102-16 Values, principles, standards and norms of behavior <i>Diversity, Equity &amp; Inclusion, Code of Conduct, Corporate Governance, Business Code of Conduct and Ethics, Corporate Governance Guidelines, Proxy Statement</i> pg. 4-5, Responsible Sourcing Report
		102-17 Mechanisms for advice and concerns about ethics <i>Sourcing Responsibly, Code of Conduct, Business Code of Conduct and Ethics, Responsible Sourcing Report</i>

GRI STANDARD	DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE	
GOVERNANCE	GRI 102: General Disclosures	102-18	Governance structure	<i>Corporate Governance</i> , Proxy Statement pgs. 1-24, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter, Corporate Governance Guidelines
		102-19	Delegating authority	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i>
		102-20	Executive-level responsibility for economic, environmental and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i> , Proxy Statement pgs. 2-8, NCGC Charter, Corporate Governance Guidelines
		102-21	Consulting stakeholders on economic, environmental, and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Touchpoints</i> , Proxy Statement pg. 8
		102-22	Composition of the highest governance body and its committees	<i>Corporate Governance</i> , Proxy Statement pgs. 1-24, Corporate Website – Investor Relations > Corporate Governance
		102-23	Chair of the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-24
		102-24	Nominating and selecting the highest governance body	<i>Corporate Governance</i> , Proxy Statement pgs. 1-24, Policy on Consideration and Evaluation of Board Candidates, Corporate Governance Guidelines
		102-25	Conflicts of Interest	Proxy Statement pgs. 10-12, Business Code of Conduct and Ethics, Corporate Governance Guidelines
		102-26	Role of highest governance body in setting purpose, values and strategy	<i>Engaging Stakeholders &amp; Setting Priorities, Ethical Sourcing, Corporate Governance</i> , Proxy Statement and Letter to Shareholders pgs. 1-8, NCGC Charter, Corporate Governance Guidelines
		102-27	Collective knowledge of highest governance body	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 1-24
		102-28	Evaluating the highest governance body's performance	<i>Corporate Governance</i> , Proxy Statement and Letter to Shareholders pgs. 1-17, NCGC Charter
		102-29	Identifying and managing economic, environmental and social impacts	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Assessment Framework, ESG Priority Touchpoints, Corporate Governance</i> , Proxy Statement pgs. 1-17, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-30	Effectiveness of risk management process	<i>Corporate Governance</i> , Proxy Statement pgs. 2-8, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-31	Review of economic, environmental and social topics	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Touchpoints, Home Depot Goals, Corporate Governance</i> , Proxy Statement pgs. 1-10, Corporate Website – Investor Relations > Corporate Governance, Corporate Governance Guidelines
		102-32	Highest governance body's role in sustainability reporting	<i>Engaging Stakeholders &amp; Setting Priorities, Corporate Governance</i> , Proxy Statement pgs. 7-8, Corporate Website – Investor Relations > Corporate Governance, NCGC Charter
102-33	Communicating critical concerns	<i>Engaging Stakeholders &amp; Setting Priorities, Code of Conduct, Corporate Governance</i> , Proxy Statement pgs. 1-17, Business Code of Conduct and Ethics, Corporate Governance Guidelines		
102-35	Remuneration policies	Proxy Statement pgs. 50-82, Corporate Governance Guidelines, LDCC Charter		

GRI STANDARD	DESCRIPTION	ANSWER/LOCATION CROSS REFERENCE		
	102-36	Process for determining remuneration	Proxy Statement pgs. 50-82, Corporate Governance Guidelines, LDCC Charter	
	102-37	Stakeholders' involvement in remuneration	Proxy Statement pgs. 28, 54, 57	
	102-38	Annual total compensation ratio	Proxy Statement pg. 78-79	
STAKEHOLDER ENGAGEMENT	GRI 102: General Disclosures	102-40	List of stakeholder groups	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Touchpoints</i>
		102-41	Collective bargaining agreements	Form 10-K pgs. 5-7
		102-42	Identifying and selecting stakeholders	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Touchpoints</i>
		102-43	Approach to stakeholder engagement	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Assessment Framework, Proxy Statement Letter to Shareholders and pg. 8</i>
		102-44	Key topics and concerns raised	<i>Engaging Stakeholders &amp; Setting Priorities, ESG Priority Touchpoints, Proxy Statement Letter to Shareholders and pg. 8</i>
REPORTING PRACTICES	GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Form 10-K
		102-46	Defining report content and topic Boundaries	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, ESG Priority Assessment Framework, ESG Priority Touchpoints</i>
		102-47	List of material topics	<i>CEO Letter, Engaging Stakeholders &amp; Setting Priorities, ESG Priority Assessment Framework, ESG Priority Touchpoints, Home Depot Goals</i>
		102-48	Restatements of information	<i>ESG Transparency - Prior year data for waste incineration, fuel blending, and product tests and transit tests conducted by third parties were updated based on more complete data being provided.</i>
		102-49	Changes in reporting	Carbon emissions data for 2019 and 2020 reflects the calendar year. Carbon emissions data reflects the fiscal year.
		102-50	Reporting period	Unless otherwise indicated, February 1, 2021 to January 30, 2022 (Fiscal Year 2021)
		102-51	Date of most recent report	2021 ESG Report July 2021
		102-52	Reporting cycle	Annual
		102-53	Contact point for questions regarding the report	Ron Jarvis, Chief Sustainability Officer ron_jarvis@homedepot.com
		102-54	Claims of reporting in accordance with the GRI Standards	This report references the 2016, 2018, 2019 and 2020 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>ESG Priority Touchpoints</i>	
	103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>	
	103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>	

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	<i>CEO Letter, Corporate Taxes</i>
		201-2	Financial implications and other risks and opportunities due to climate change	2021 CDP Report
		201-3	Defined benefit plan obligations and other retirement plans	<i>Benefits, Form 10-K pg. 64, Form 11-K, Proxy Statement pgs. 62, 74</i>
	GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>Store Operations, Strengthen Our Communities</i>
		203-2	Significant indirect economic impacts	<i>ESG Transparency, Energy-Saving Products, Water-Saving Products, Strengthen Our Communities, Corporate Website – Our Economic Impact</i>
	GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	<i>Ethical Sourcing, Code of Conduct, Business Code of Conduct and Ethics</i>
	GRI 207: Tax	207-1	Approach to tax	<i>Corporate Taxes</i>
		207-2	Tax governance, control and risk management	<i>Corporate Taxes</i>
		207-3	Stakeholder engagement and management of concerns related to tax	<i>Corporate Taxes</i>
		207-4	Country-by-country reporting	<i>Corporate Taxes</i>
<b>ENVIRONMENTAL</b>				
<b>MATERIALS</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 301: Materials	301-1	Materials used by weight or volume	<i>ESG Transparency, Circularity, Sustainable Packaging</i>
<b>ENERGY</b>	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 302: Energy	302-1	Energy consumption within the organization	2021 CDP Report, <i>ESG Transparency, Protecting the Climate, Corporate Website – Responsibility</i>
		302-2	Energy consumption outside of the organization	<i>Carbon Footprint, Supply Chain</i>
		302-3	Energy intensity	2021 CDP Report, <i>ESG Transparency</i>
		302-4	Reduction of energy consumption	2021 CDP Report, <i>CEO Letter, ESG Transparency, FAQ: We All Own Sustainability, Store Operations, Supply Chain, U.N. Sustainable Development Goals, International Retail Operations, Corporate Website – Responsibility</i>
		302-5	Reductions in energy requirements of products and services	2021 CDP Report, <i>ESG Transparency, FAQ: We All Own Sustainability, Store Operations, Energy-Saving Products, Form 10-K pgs. 7-9, Corporate Website – Responsibility</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
WATER USE AND EFFLUENTS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	<i>Water-Saving Products, U.N. Sustainable Development Goals</i>
BIODIVERSITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 304: Biodiversity	304-2	Significant Impacts of activities, products, and services on Biodiversity	<i>Greener Products, Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>
		304-3	Habitats Protected or Restored	<i>Sustainable Forestry, Gardening, Corporate Website – Responsibility</i>
EMISSIONS	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	<i>2021 CDP Report, ESG Transparency, Protecting the Climate, Corporate Website – Responsibility</i>
			Energy indirect (Scope 2) GHG emissions	<i>2021 CDP Report, Protecting the Climate, Corporate Website – Responsibility</i>
		305-4	GHG emissions intensity	<i>2021 CDP Report, ESG Transparency, Protecting the Climate, Corporate Website – Responsibility</i>
		305-5	Reduction of GHG emissions	<i>2021 CDP Report, ESG Transparency, FAQ: We All Own Sustainability, Protecting the Climate, Corporate Website – Responsibility</i>
WASTE	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 306: Waste	306-2	Management of significant waste-related impacts	<i>ESG Transparency, FAQ: We All Own Sustainability, Circularity, Waste Management &amp; Recycling, Corporate Website – Responsibility</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
SUPPLIER ENVIRONMENTAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>Sourcing Responsibly, Responsible Sourcing Report, Corporate Website – Responsibility</i>
<b>SOCIAL</b>				
OCCUPATIONAL HEALTH AND SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 403: Occupational Health and Safety	403-2	Hazard identification, risk assessment and incident investigation	<i>ESG Priority Assessment Framework, ESG Priority Touchpoints, Associate Safety</i>
		403-5	Worker training on occupational health and safety	<i>Learning &amp; Development, Associate Safety</i>
		403-6	Promotion of worker health	<i>Benefits, Associate Safety</i>
		403-9	Work-related injuries	<i>Associate Safety</i>
TRAINING & EDUCATION	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, Learning &amp; Development</i>
	GRI 404: Training and Education	404-1	Average hours of training per year per employee	<i>Learning &amp; Development</i>
		404-2	Programs for upgrading employee skills and transition assistance programs	<i>Diversity, Equity &amp; Inclusion, Learning &amp; Development, Associate Engagement, Benefits, The Home Depot Foundation</i>
DIVERSITY & EQUAL OPPORTUNITY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, Learning &amp; Development</i>
	GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>Diversity, Equity &amp; Inclusion, Proxy Statement pg. 14-24</i>
		405-2	Ratio of basic salary and remuneration of women to men	<i>Diversity, Equity &amp; Inclusion</i>

GRI STANDARD		DESCRIPTION		ANSWER/LOCATION CROSS REFERENCE
FORCED OR COMPULSORY LABOR	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<i>Ethical Sourcing, Conflict Minerals, Corporate Website – Responsibility, Responsible Sourcing Report</i>
LOCAL COMMUNITIES	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<i>Strengthen Our Communities, International Retail Operations</i>
SUPPLIER SOCIAL ASSESSMENT	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority 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>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 415: Public Policy	415-1	Political contributions	<i>ESG Transparency, Corporate Governance, Government Relations, Political Activity and Government Relations Policy, Advocacy and Political Activity Report</i>
CUSTOMER HEALTH & SAFETY	GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	<i>ESG Priority Touchpoints</i>
		103-2	The management approach and its components	<i>ESG Priority Assessment Framework</i>
		103-3	Evaluation of the management approach	<i>ESG Priority Assessment Framework, ESG Transparency</i>
	GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>ESG Transparency, Greener Products, Responsible Chemistry, Energy-Saving Products, Water-Saving Products, Gardening, Cleaning</i>

# SASB DISCLOSURE MATRIX

The [Sustainability Accounting Standards Board \(SASB\)](#) is an independent, standards-setting organization whose mission is to develop comparable sustainability metrics for public corporations to disclose material, decision-useful information to investors. We have considered the industry standards (as defined by SASB's Sustainable Industry Classification System) for Multiline and Specialty Retailers & Distributors and Building Products & Furnishings, and we have provided below the relevant data and/or the location of the applicable information in our 2022 ESG Report.

## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Energy Management in Retail &amp; Distribution</b>					
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	<ul style="list-style-type: none"> <li>Total energy consumed in fiscal 2021 – 23.3M GJ</li> <li>Purchased approximately 874,000 GJ of renewable energy</li> </ul>	2022 ESG Report – Store Operations, pgs. 35-36
<b>Data Security</b>					
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	Details can be found in the Data Security & Privacy section of our ESG Report and in our 2022 Proxy Statement	2022 ESG Report – Data Security & Privacy, pg. 81; 2022 Proxy Statement, pgs. 5-7
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No material breaches in fiscal 2021	
<b>Workforce Diversity &amp; Inclusion</b>					
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	<p>U.S. Officers:</p> <ul style="list-style-type: none"> <li>Gender: 30% Female</li> <li>Underrepresented Minority Groups 28%</li> </ul> <p>U.S. Managers and Above (excluding Officers):</p> <ul style="list-style-type: none"> <li>Gender: 34% Female</li> <li>Underrepresented Minority Groups 38%</li> </ul> <p>U.S. Workforce:</p> <ul style="list-style-type: none"> <li>Gender: 38% Female</li> <li>Underrepresented Minority Groups 48%</li> </ul>	2022 ESG Report – Diversity, Equity & Inclusion, pgs. 19-24

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Product Sourcing, Packaging &amp; Marketing</b>					
Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting Currency	CG-MR-410a.1	~\$20 billion in 2021	2022 ESG Report – Reducing Environmental Impact, pgs. 42-56
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	Details can be found in the Reducing Environmental Impact section of our ESG Report	2022 ESG Report – Responsible Chemistry, pgs. 46-47; Gardening pg. 50; and Cleaning, pgs. 51-52
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	Details can be found in the Sustainable Packaging section of our ESG Report	2022 ESG Report – Sustainable Packaging, pg. 55

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	<ul style="list-style-type: none"> <li>2,317 retail locations</li> </ul>	2021 Annual Report on SEC Form 10-K pgs. 22-23
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m <sup>2</sup> )	CG-MR-000.B	<ul style="list-style-type: none"> <li>22.3 million sq. meters of retail space</li> <li>8.2 million sq. meters of warehouse and distribution centers*</li> </ul>	2021 Annual Report on SEC Form 10-K pg. 22

\*Includes HD Supply Holdings Inc.

## BUILDING PRODUCTS & FURNISHINGS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA RESPONSE	REFERENCE
<b>Management of Chemicals in Products</b>					
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-BF-250a.1	Details can be found in the Reducing Environmental Impact section of our ESG Report	2022 ESG Report – Responsible Chemistry, pgs. 46-47; Gardening pg. 50; and Cleaning, pgs. 51-52
<b>Product Lifecycle Environmental Impacts</b>					
Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	CG-BF-410a.1	Details can be found in the Circularity, Sustainable Packaging and Waste Management & Recycling sections of our ESG Report	2022 ESG Report – Circularity, pgs. 44-45; Waste Management & Recycling, pgs. 53-54; and Sustainable Packaging, pgs. 55-56
(1) Weight of end-of-life material recovered, (2) percentage of recovered materials that are recycled	Quantitative	Metric tons (t), Percentage (%) by weight	CG-BF-410a.2	~424,000	2022 ESG Report – Circularity, pgs. 44-45; Waste Management & Recycling, pgs. 53-54

# TCFD FRAMEWORK

The [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) develops voluntary, consistent climate-related financial risk disclosures for companies to provide information to stakeholders. We have considered the TCFD framework as a tool to make meaningful data accessible to our stakeholders and have provided below the location of the relevant information in our 2022 ESG Report.

	RECOMMENDED DISCLOSURE TOPICS	2022 ESG REPORT		ADDITIONAL SOURCES
		Section	Page #	
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities.	Engaging Stakeholders and Setting Priorities	5	CDP Report; 2022 Proxy Statement pgs. 2-8
		Corporate Governance	69-70	
	Describe management's role in assessing and managing climate-related risks and opportunities.	Engaging Stakeholders and Setting Priorities	5	CDP Report; 2022 Proxy Statement pgs. 2-8
		ESG Priority Assessment Framework	7	
		Goals	9-10	
Corporate Governance	69-70			
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	ESG Priority Touchpoints	8	CDP Report; ; 2021 Annual Report on SEC Form 10-K pgs. 9-21; 2022 Proxy Statement pgs. 2-8
		Protecting the Climate	33-36	
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	CEO Letter	3-4	CDP Report
		ESG Priority Touchpoints	8	
		FAQ: We All Own Sustainability	15	
		Protecting the Climate	33-36	
	Corporate Governance	69-70		
	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Goals	9-10	CDP Report
		Protecting the Climate	33-36	
Reducing Environmental Impact		41-54		

	RECOMMENDED DISCLOSURE TOPICS	2022 ESG REPORT		ADDITIONAL SOURCES
		Section	Page #	
RISK MANAGEMENT	Describe the company's process for identifying and assessing climate-related risks.	Engaging Stakeholders and Setting Priorities	5	CDP Report; 2022 Proxy Statement pgs. 2-8
		ESG Priority Assessment Framework	7	
		Corporate Governance	69-70	
	Describe the company's processes for managing climate-related risks.	Engaging Stakeholders and Setting Priorities	5	CDP Report; 2022 Proxy Statement pgs. 2-8
		ESG Priority Assessment Framework	7	
		Protecting the Climate	33-36	
		Corporate Governance	69-70	
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	Engaging Stakeholders and Setting Priorities	5	CDP Report; 2022 Proxy Statement pgs. 2-8
		ESG Priority Assessment Framework	7	
Corporate Governance		69-70		
METRICS & TARGETS	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk-management process.	ESG Priority Assessment Framework	7	CDP Report
		Goals	9-10	
		ESG Transparency	11-12	
		Protecting the Climate	33-36	
		United Nations Sustainable Development Goals	64-65	
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG Transparency	11-12	CDP Report
		Protecting the Climate	33-36	
	Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	Goals	9-10	CDP Report
		Protecting the Climate	33-36	
United Nations Sustainable Development Goals		64-65		

# EEO-1 REPORT

## THE HOME DEPOT, INC. 2021 EEO-1 CONSOLIDATED REPORT DATA

Job Categories	Hispanic or Latino		Not-Hispanic or Latino										Overall Totals		
	Male	Female	Male					Female							
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or more races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian		American Indian or Alaskan Native	Two or more races
Executive/Sr Officials & Mgrs	14	6	159	14	0	11	1	0	53	11	0	7	0	2	278
First/Mid Officials & Mgrs	2207	1111	9123	1879	119	505	84	446	4236	1336	40	226	32	271	21615
Professionals	420	280	3528	680	16	844	18	160	1756	709	5	471	11	122	9020
Technicians	114	23	814	117	0	23	10	51	144	52	0	14	2	9	1373
Sales Workers	27487	25983	78869	18658	695	4326	961	4535	52551	20136	643	3110	763	3799	242516
Administrative Support	4267	4581	12398	3287	158	609	141	754	13367	4665	216	467	194	964	46068
Craft Workers	310	50	1447	154	10	49	10	66	134	40	1	5	1	16	2293
Operatives	16580	4509	30327	15832	681	1786	502	2569	6435	4291	157	327	142	648	84786
Laborers & Helpers	4010	394	7072	3471	182	408	107	564	456	450	62	69	5	49	17299
Service Workers	417	61	954	511	12	38	9	79	176	75	4	4	3	14	2357
<b>Total</b>	<b>55826</b>	<b>36998</b>	<b>144691</b>	<b>44603</b>	<b>1873</b>	<b>8599</b>	<b>1843</b>	<b>9224</b>	<b>79308</b>	<b>31765</b>	<b>1128</b>	<b>4700</b>	<b>1153</b>	<b>5894</b>	<b>427605</b>
<b>Previous Report Total</b>	<b>56845</b>	<b>37471</b>	<b>153361</b>	<b>44997</b>	<b>1776</b>	<b>8435</b>	<b>1873</b>	<b>9892</b>	<b>84948</b>	<b>31687</b>	<b>1140</b>	<b>4531</b>	<b>1162</b>	<b>6568</b>	<b>444686</b>

Analysis data as of payroll period from 12/16/2021 through 12/31/2021



