ESG Report

5 Takeaways

2021
The Home Depot’s 2021 ESG Report dives deep into how we focus on our people, operate sustainably and strengthen our communities. Here are five takeaways.

01 We’re reducing our operations’ impact on the planet.
02 We help our customers reduce their impact on the planet.
03 Our people are empowered to grow their careers and strengthen their financial futures.
04 We believe equity is critical to promoting diversity and inclusion in our workplace and communities.
05 We are committed to building strong, sustainable communities.
We’re reducing our operations’ impact on the planet.
The efficiencies we gained in our operations and our investments in green energy helped us reduce our Scope 1 and 2 carbon emissions by more than 127,000 metric tons in 2020.

Our CO2 reductions were equivalent to avoiding a year’s worth of emissions from over 27,600 cars.

GOAL: Science-based target to reduce emissions 40% by 2030, 50% by 2035

Status: Making progress

We received a score of A- from CDP, the Climate Disclosure Project, for our latest report. The score reflects our leadership on climate change action and transparency.
GOAL: Committed to setting Science Based Targets initiative (SBTi) Scope 1, 2 and 3 goals by 2023 to reduce emissions in line with Paris Agreement goals

Status: Just getting started

Years of investing in efficiencies led to a 22% year-over-year drop in the Scope 1 and 2 CO2 we emitted for each dollar of revenue we earned in 2020.
Using resources wisely is a smart business strategy that also makes our store operations more sustainable. We’re making progress through our diligent, business-centered focus to identify unnecessary electricity consumption and reduce it.

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

**Status:** Just getting started
In 2020 alone, electricity use in U.S. stores fell more than 14%. Here are some of the ways we did it.

- At the end of 2020, 1,589 of our U.S. stores had been upgraded to overhead LED lighting.
- Building automation systems in all U.S. and Canadian stores monitor conditions, such as indoor temperature and exterior light levels, reducing electricity consumption and maintenance costs.
- We installed 836 energy-efficient heating, air-conditioning and ventilation systems in more than 70 U.S. stores in 2020.
- Over 900 U.S. stores participate in demand mitigation to optimize our electricity costs during peak demand and help local utilities better manage grid capacity.
- At 52 U.S. stores, on-site batteries store power during off-peak times for use when demand spikes.
- At 203 stores, fuel cells produce over 90% of the store’s electricity needs and reduce emissions.
Procure or produce 335 megawatts of renewable or alternative energy by 2025

GOAL:

Status: Making progress

At the end of 2020, 71 U.S. stores were operating solar farms on their rooftops – up from 47 in 2019.

Projects in development at 46 U.S. stores in 2021 will expand our rooftop solar capacity even more.

We’ll also buy 225 megawatts of solar energy capacity by 2023, enough to power 450 stores.
A wind farm in Texas sells us enough renewable energy capacity to power 120 Home Depot stores.

DID YOU KNOW?

Smart sprinklers are reducing irrigation-related water use by about 30% at some of our U.S. stores.
We moved more products than ever in 2020. But our investments in operational efficiency and green energy still allowed us to reduce our carbon intensity year over year.
Ways we’re driving supply chain improvements

In 2020, we installed hydrogen fuel cells at nine U.S. supply chain facilities, giving us 12 locations with emissions-free fuel for forklifts.

We sell available space on our trucks and buy space from other companies. These space-sharing deals save about 2 million driven miles a year.

We do a technology-assisted assessment of scheduled pickups and deliveries, then prescribe each driver’s path to reduce miles traveled, fuel consumed and trucks on the road.

One of our transportation providers on the West Coast uses electric 18-wheelers with a 250-mile range. The e-rigs can be recharged to 80% capacity in 90 minutes.

Learn more about our supply chain innovations on Page 62 of the report.
Our private-label packaging innovations reduce waste, increase shipping efficiency and decrease product damage. That’s good for the planet and our business.

**GOAL:** Exclude expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from private-brand packaging by 2023

**Status:** Making progress

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- **Takeaway 1:**
  - **49 packages** were redesigned in 2020 to reduce size and materials.

- **Takeaway 2:**
  - **873,200 cubic feet** of EPS foam was removed from our private-label packaging in 2020 — enough to fill 441 school buses.

- **Takeaway 3:**
  - **961,100 square feet** of PVC film was eliminated last year, too, enough to cover 16 football fields.

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**CHECK IT OUT**
Switching from wooden to recycled paper pallets in some parts of our supply chain saves money and trees. See an infographic explainer.
Ceiling fan parts have long been packaged in EPS foam. In 2020, we changed to more compact and biodegradable packaging for many of our private-label fans. Check out the results.

- **Molded paper pulp** protects as well as EPS but uses less space and biodegrades faster.
- Smaller packages decrease demand for space on cargo ships and trucks, helping reduce emissions.
- On average, using molded pulp instead of EPS can shrink package size 15%.
- 126 fan models were repackaged with molded paper.
We’ve worked for three decades to protect endangered forests while ensuring timber for future generations.
We help our customers reduce their impact on the planet.
We understand that our biggest impact on the environment comes from the products we sell. We continue to work with our suppliers to make products more sustainable through improvements in materials sourcing, chemistry, packaging, manufacturing and distribution.”

– Ron Jarvis, Chief Sustainability Officer

CHECK IT OUT
Answers to FAQs offer insights into our sustainability strategy and progress.
Our Eco Options labels and Eco Actions projects help customers build a better world one product and project at a time. We focus on five pillars:

- **Carbon Emissions**
- **Circularity**
- **Responsible Chemistry**
- **Sustainable Forestry**
- **Water Conservation**

**CHECK IT OUT**

*Discover how The Home Depot makes it easier for customers to go green at home.*
Our new Eco Actions website provides home project tips for sustainability-minded DIYers.
In 2020, we achieved goals set in 2017 to help customers save $2.8 billion on utility bills and save 250 billion gallons of water through the purchase and proper use of eco-friendly products we sell.

DID YOU KNOW
The U.S. Environmental Protection Agency has recognized our company with 11 Energy Star awards and named us a WaterSense Partner of the Year seven times.
We strive to offer plants and garden products that contribute to healthy ecosystems and support small businesses in the communities we serve.

We offer more than 25 varieties of organic, non-GMO vegetable and herb plants grown to USDA National Organic Program standards.

We partner with more than 140 plant suppliers focused on providing healthy plants suited for local environments.

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

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

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

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

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

**ECO-FRIENDLY SWEEPER**
Libman uses recycled plastic for broom fibers and recycled steel to create mop and broom handles.

We’ve pledged to exclude certain chemicals from cleaning products we sell by 2022, following on our successful elimination of certain chemicals in paint, carpet, insulation, flooring and live plants in recent years.
Painting Products

We’ve worked with our paint suppliers for more than a decade to provide more sustainable products to our customers. Among the results: All interior and exterior latex water-based wall paints in our U.S. and Canada stores have low or no volatile organic compounds (VOCs).

DID YOU KNOW

Behr is making paints greener inside and out by reducing certain chemicals and by converting paint cans to 100% recycled plastic. Learn more about Responsible Chemistry on Page 78 of the report.
In 2020, our residential solar partners completed installations at over 4,500 homes, giving our customers the capacity to produce nearly 34,000 kilowatts of sun-fueled energy.
Our focus on circularity reflects our aim to prevent products and packaging from becoming trash. We work with suppliers to drive sustainable innovations in the products we sell, and we provide opportunities for our customers to repair, reuse, recycle and reduce their environmental impact.

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

**DID YOU KNOW**
In 2020, our customers dropped off more than 1.2 million pounds of rechargeable batteries with us for recycling — up 32% since 2014.

*In partnership with our supplier Trex, we transform more than 8,000 tons of plastic shrink wrap a year into wood-alternative decking sold in our stores.*

*Our company supplies some of the 360 truckloads a day of post-consumer fiber used by our supplier Pratt Industries. Pratt transforms this material into products like the moving boxes we sell.*
Meet Lindsey Tornello

Lindsey’s curiosity about a truck filled with lightweight waste led to a bright idea: compressing leftover expanded polystyrene (EPS) foam packaging into blocks to repurpose for insulation and other products. As a result, we kept about 89,000 pounds of EPS out of landfills in 2020. We’re planning to add more than 100 EPS compressors across our operations.

Learn more about Lindsey’s story on Page 76 of the report.
In 2020, our suppliers redesigned more than 200 products to shrink single-use plastics.

American Plastics led the pack by replacing 100 million pounds of virgin plastic with recycled plastic in products like their storage totes.

Go to Page 94 of the report to learn more.
Our people are empowered to grow their careers and strengthen their financial futures.
LEARNING & DEVELOPMENT

GOAL: By 2023, invest more than 1 million hours per year over five years in training and development to help our front-line associates grow their careers

Status: Making progress

200+ summer interns gained knowledge and experience with us in 2020 – about half from our stores, distribution centers and contact centers.

Meet Michael Villegas

After two years of fitting store shifts around colleges classes, in 2020 Michael earned a summer internship with our Store Support Center, his college degree and a full-time job as a Home Depot public relations specialist. “The company had my back and gave me an opportunity to excel.”

Learn more about Michael’s career story and our internship program on Page 37 of the report.
**GOAL:** Create enhanced career opportunities for 50,000 front-line associates over a five-year period by 2023

**Status:** Making progress

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**Meet Shenell Leighton**

Shenell began as a cashier in 2000. Today, she leads about 1,700 associates as the district manager of our metro New York store operations in Queens. Her experience on the front lines shapes her leadership style and her desire to build an inclusive, supportive workplace where others can successfully climb the ladder as she has.

Learn more about Shenell’s story.

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**Nearly 90%**

of our store leaders started as hourly associates.
Meet Ijumaa Shelton

Our stores stayed open in 2020 to serve our communities, just as we do during natural disasters. Customer demand drove record volume, including at the Ohio supply chain facility where Ijumaa works. He used enhanced overtime pay to get rid of his credit card debt, buy a computer and help a family member. He also took on more responsibility and began to see his job as a career. “Because of what happened in 2020, I’ve done almost every role at my level. I think I can do more.”

Learn more about Ijumaa’s story on Page 38 of the report.
Our people make The Home Depot successful, and it’s our responsibility and privilege to take care of them.

~$2 billion in enhanced pay and benefits helped ease associates’ COVID-19 challenges in 2020, and we began the transition to permanent compensation enhancements.

80 hours of additional paid time off for full-time hourly associates and 40 hours of additional paid time off for part-time hourly associates in 2020 helped our people balance work-life demands during the pandemic.

Nearly 9 out of 10 associates found value in the expanded benefits we offered in response to the pandemic.

+ Learn more about how we’ve taken care of our people during COVID-19.
DID YOU KNOW

We provide six weeks of paid parental leave to eligible associates who are having a baby, adopting or fostering a child. The benefit is for moms and dads, and birth mothers are eligible for an additional six-week paid maternity benefit.
Success Sharing

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.

$616 million in record Success Sharing awards payments went to our non-management associates in 2020 to reward their extraordinary work.

$1 billion+ in total Success Sharing awards have gone to our people over the last three years.
The Homer Fund provides our people with financial assistance for unexpected hardships, college scholarships for their children and personal finance information for emergencies. Our people contribute to the Fund to help fellow associates in need.

In 2020...

- **$16.2 million** in grants were awarded to associates.
- **7,100+ associates** received Homer Fund assistance.
- **1,000 scholarships** were awarded to dependents of hourly associates.
We believe equity is critical to promoting diversity and inclusion in our workplace and communities.
DIVERSITY, EQUITY & INCLUSION VISION STATEMENT

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

In 2020, we intensified our efforts to make a meaningful, sustainable difference in accordance with our core value of respect for all people.

Our renamed Diversity, Equity & Inclusion (DEI) program calls out our focus on equity. We strive to ensure just and fair opportunities and outcomes for all of our associates, enabling them to reach their full potential in our workplace.

Learn more about our DEI efforts on Page 24 of the report.
Derek Bottoms, chief diversity officer and vice president of associate relations, gives his take on our expanded focus on diversity, equity and inclusion.

**Over**

35% of our U.S. hires in 2020 were women.

**Nearly**

53% of our U.S. hires in 2020 were ethnically/racially diverse.

**DID YOU KNOW**

We earned recognition as one of Forbes’ Best Employers for Diversity in 2021.

CHECK IT OUT

Derek Bottoms, chief diversity officer and vice president of associate relations, gives his take on our expanded focus on diversity, equity and inclusion.
Meet Christine Botnick

Christine got her start with our company as a part-timer selling paint. Now she leads hundreds of supply chain associates. She’s living proof that embracing diversity, equity and inclusion fuels success at The Home Depot. She is committed to representing all associates, particularly those who are LGBTQ, female and from diverse backgrounds, as they climb The Home Depot ladder and build brighter financial futures.

Check out Christine’s tips for practicing DEI with intention every day.
Our associate resource groups (ARGs) are led by associates and sponsored by executive leaders. They drive engagement and promote inclusion through professional development, cultural awareness and community outreach.

**GOAL:** Expand associate resource groups by the end of 2021 to include more associates and increase engagement and participation

**Status:** Making progress
Vision Statement
The Home Depot is building inclusive and sustainable business opportunities for women, ethnic 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.

In 2020, we increased our year-over-year spend with diverse suppliers to $3.2 billion

GOAL: Launch a Tier II supplier diversity program by the end of 2022 that measures and encourages our Tier I suppliers’ spending with diverse suppliers

Status: Just getting started

DID YOU KNOW
In 2020, we presented our inaugural Supplier Diversity Innovation Award to Tricam Industries for its innovative Gorilla ladders.

Learn more about our Supplier Diversity efforts on Page 100 of the report.
Supplier Spotlight

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

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

– Andre Woolery, MagnoGrip
COMMUNITY PARTNERSHIPS

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

We’ve partnered with Habitat for Humanity since 1989 to revitalize neighborhoods across America through affordable homeownership that helps combat inequity and segregation and build generational wealth.

We’ve committed $35 million+ since 2017 to organizations working to improve social equity.

For a list of our community partners, see Page 98 of the report.
It is with great pride that I represent Home Depot’s culture and values, especially respect for all people. One of the many benefits of giving back is the opportunity to expand one’s perspective and gain appreciation for other cultures.”

– Fahim Siddiqui, a Home Depot IT leader and member of the Carter Center board of councilors, was recognized as one of the 100 Most Influential Georgia Muslims by the Islamic Speakers Bureau

CHECK IT OUT
Learn more about Fahim’s efforts to increase diversity, equity and inclusion in his community.
Our campus improvement grant program for historically Black colleges and universities (HBCUs) has helped fund more than 100 projects since 2009, benefiting 87% of the nation’s HBCUs.

$500,000 in total grant funding was awarded in 2020. We’ve now doubled it to $1M a year.

10 schools received $50,000 grants in 2020.

100+ projects have improved HBCU campuses since 2009.

CHECK IT OUT
Get to know three HBCUs whose Nashville campuses were upgraded with Retool Your School grants.
The Home Depot Foundation’s trades-focused partnerships have introduced more than 15,000 people to the skilled trades and helped certify more than 5,000 participants through trades training programs since 2018.

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

**Status:** Making progress

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**MILITARY PROGRAM**

Our program in partnership with the Home Builders Institute (HBI) was operating on 10 military bases at the end of 2020.

**YOUTH PROGRAM**

We help fund programs in K-12 schools in partnership with HBI and the Construction Education Foundation of Georgia.

**PATH TO PRO**

In 2020, the Foundation and The Home Depot launched Path to Pro to make skilled trades training and jobs more accessible.

**ACADEMY MODEL**

Colorado Home Building Academy is our partner in a tuition-free construction education program. The pilot served about 1,000 students in 2020.

+ Learn more about how we’re filling the skilled labor gap.
We’re partnering with 100 Black Men of America and the Home Builders Institute to provide youth in underserved communities access to trades training, work experience, internships and industry-recognized certifications.
We are committed to building strong, sustainable communities.
SUPPORT FOR VETERANS

Giving back to veterans is personal at The Home Depot. We are proud of the many veterans, active-duty military members and military spouses who wear the orange apron.

In 2020...

The Home Depot Foundation reached a milestone of $350 million toward our pledge to contribute half a billion dollars to veteran causes by 2025.

We provided one month of rental or mortgage payments to 500 veterans facing unique challenges during the pandemic.

GOAL: By 2025, the Home Depot Foundation will contribute $500 million to veteran causes with a focus on housing

Status: Making progress

Learn more about our benefits designed for military-affiliated associates. Go to Page 41 of the report.
Meet Brandon Adam

After an explosion took Brandon Adam’s legs during a 2007 mission in Iraq, the Army veteran needed a house suited for his needs. Discover how Brandon and his family are benefiting from a new, mortgage-free smart home provided by The Home Depot Foundation in partnership with the Tunnel to Towers Foundation.
Our powerful associate volunteer force pivoted in 2020 to safely support communities in need during the pandemic. Associates organized socially distanced disaster kit assembly lines, curbside donation queues and other COVID-aware ways to keep giving back.

Team Depot facilitated **3,200+ grants** to help our communities facing unique challenges in 2020.
We are committed to supporting our communities with immediate relief after natural disasters and long-term rebuilding that aids recovery.

The Home Depot Foundation committed $4 million in 2020 to assist communities affected by fires, tornadoes and hurricanes.

The Homer Fund provided grants of $1 million+ to associates affected by natural disasters in 2020.

Learn more about our disaster response efforts on Page 104 of the report.
Our company donated nearly 3.4 MILLION N95 masks to help front-line health care workers nationwide in 2020.

Meet the associates who orchestrated our mask donations. Go to Page 110 of the report.
We do the right thing for our associates, shareholders and communities by ensuring we pay our fair share of taxes and manage them transparently.

The Home Depot paid approximately 1% of the total net corporate income taxes collected by the U.S. government in 2020.

Our company files 7,500+ sales tax returns every year.

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

Learn more on Page 128 of the report.
CHECK IT OUT
Our company’s sphere of influence aligns with 11 of the United Nations Sustainable Development Goals (SDGs). Go to Page 112 of the report to see how we’re taking action.
The Home Depot began operating in Canada in 1994; today we operate 182 stores across 10 provinces, employing approximately 34,000 associates. Our Canadian operations are committed to the sustainability goals that drive progress in our U.S. operations.

In 2020...

25,000+ associates in Canada participated in unconscious bias training.

219,500 pounds of rechargeable batteries were collected from customers.

CA$36.5 million from The Home Depot Canada Foundation furthered our goal of contributing CA$50M by 2022 to end youth homelessness.
The Home Depot began operating in Mexico in 2001. Today, 127 stores across all 32 states employ over 18,000 associates. Our Mexican operations are committed to focusing on our people, operating sustainably and strengthening our communities.

In 2020...

- Mexican associates completed 770,000+ hours of career training.
- We stopped providing plastic bags in 80% of our Mexican stores.
- Our company donated 43 million+ pesos (US$2.2 million) in merchandise to nonprofits supporting our communities.

DID YOU KNOW
In 2020, we opened our first Mexican store with LEED V4 eco-certification. Go to Page 118 of the report.

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