2016 Responsibility Report
We make responsible decisions every day – to ensure a better tomorrow for our communities.
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2016 The Home Depot Responsibility Report
corporate.homedepot.com
From Our CEO

At The Home Depot, we approach sustainability and corporate responsibility with the mindset of continuous improvement. We focus our efforts not only on our business operations, but also on our associates, communities and the products we sell.

Our merchants are continuously striving to develop more sustainable product assortments with innovations like Lithium-Ion technology, and energy-saving, water-saving and organic-certified products to help customers create smarter homes that reduce their environmental impact. In fact, we helped customers save more than 70 billion gallons of water and reduce greenhouse gas emissions by more than 4,000,000 metric tons in 2015 alone.

"At The Home Depot, we believe that momentum is a force multiplier."

For example, we moved the industry over the past several years from toilets that once consumed 3.5 to 5 gallons per flush to WaterSense® toilets that use 1.28 gallons per flush. And in 2015, our merchants introduced a new toilet that uses only .08 gallons per flush. Our drive for innovation also helped shift the industry from incandescent to CFL to LED lighting technology, reducing homeowners’ energy use by up to 80 percent per bulb.

These efforts were recently recognized by the U.S. Environmental Protection Agency (EPA) with both WaterSense® and ENERGY STAR® Sustained Excellence awards.

Continual sustainable improvements are also woven into our operations. In 2010, we set 2015 goals to reduce our store energy use by 20 percent over 2004 levels and greenhouse gas emissions from our supply chain distribution by 20 percent over 2010 levels. We exceeded both of these targets, reducing the company’s in-store energy use and greenhouse gas emissions from our supply chain distribution by over 30 percent.

As a result, the Carbon Disclosure Project assigned us a score of 99 out of 100 and rated us as a Global Industry Leader in carbon emission reduction and disclosure in 2015. The EPA has also recognized The Home Depot with a SmartWay Transport Excellence Award over the past several years.

In this report, you’ll see how we’re augmenting these efforts through more sustainable energy sources such as solar, fuel cell and wind technologies.

The Home Depot is focused on the social impacts of our industry, as well. In 2015, we performed more than 2,000 foreign factory audits and follow-up visits where we monitored working conditions, hourly wage rates and more than 100 additional checkpoints.

In our communities, through The Home Depot Foundation and our Team Depot associate volunteer force, we have transformed more than 26,700 veterans’ homes and facilities since 2011. In addition, the Foundation increased its commitment to a quarter of a billion dollars by 2020 to help make a difference in the lives of even more veterans.

Our successes in 2015 and thus far in 2016 have positioned us to continue in a rapid pace to improve the social and environmental impacts of our company. I would like to personally thank all of our associates and partners whose hard work and dedication helped us exceed our 2015 goals and have positioned us for continued progress toward a sustainable future.

Craig Menear, Chairman, CEO and President
Living Our Values

Our values are the fabric of the company’s unique culture and are central to our success. In fact, they are our competitive advantage in the marketplace. Associate pride and our “orange-blooded” entrepreneurial spirit are distinctive hallmarks of our culture.

Creating Shareholder Value
The investors who provide the capital necessary to allow our company to grow need and expect a return on their investment; we are committed to providing it.

Doing the Right Thing
We exercise good judgment by “doing the right thing” instead of just “doing things right.” We strive to understand the impact of our decisions, and we accept responsibility for our actions.

Respect for All People
In order to remain successful, our associates must work in an environment of mutual respect, free of discrimination and harassment, where each associate is regarded as a part of The Home Depot team.

Entrepreneurial Spirit
The Home Depot associates are encouraged to initiate creative and innovative ways of serving our customers, improving the business and spreading best practices throughout the company.

Taking Care of Our People
We treat our people well by encouraging associates to speak up and take risks, by recognizing and rewarding good performance and by leading and developing people so they may grow.

Building Strong Relationships
Strong relationships are built on trust, honesty and integrity. We listen and respond to the needs of customers, associates, communities and vendors, treating them as partners.

Excellent Customer Service
Along with our quality products, service, price and selection, we must go the extra mile to give customers knowledgeable advice about merchandise and help them use those products to their maximum benefit.

Giving Back to Our Communities
An important part of the fabric of The Home Depot is giving our time, talents, energy and resources to worthwhile causes in our communities and society.
Our Relationship with Stakeholders

At the core of our validation process for addressing issues with the greatest social and environmental impact lies our stakeholder involvement and acceptance. Engagement with stakeholders is a continuous multistage process. From our multi-level stakeholder engagement, an overview of internal aspects and boundaries are proposed and elevated to the appropriate internal functional group and/or our Sustainability Council. The Sustainability Council is composed of representatives from different areas of the business and focuses on climate change risk, carbon footprint and other key sustainability aspects.

It is through this understanding of our impacts and collaboration with our stakeholders that we are able to set our sustainability objectives to maximize our sphere of influence in developing sustainable products for our customers to build, repair and remodel their homes.

The purpose of defining our business impacts and designing ways to improve upon these impacts is never complete. As societal impact information becomes more accessible, the material aspects and boundaries will continue to shift to a more sustainable path for all. Listening to stakeholders, engaging in the science, reacting to enhancements and monitoring our results is the formula for us to ensure that the material aspects and boundaries support and enhance our business objectives.

The issues and boundaries are communicated back through our department structure to the senior leadership team and presented quarterly to the Chairman, CEO and President. The Chairman of the Sustainability Council presents our sustainability strategy and activity to the Board of Directors on an annual basis.
The Home Depot Foundation

In partnership with The Home Depot Foundation, we work to improve the homes and lives of U.S. military veterans and their families, and also aid communities affected by natural disasters.

Since 2011, The Home Depot Foundation has invested more than $160 million in veteran causes and transformed more than 26,700 veteran homes with the help of Team Depot, the company’s associate-led volunteer force.

“I’m committed to ensuring The Home Depot Foundation and Team Depot keep being a leader in improving the homes and lives of veterans and honoring them for their service.” — Shannon

SHANNEO GERBER
Director of Philanthropy, The Home Depot
Where We’re Focused

**Senior Veterans**
- 9.4 million+ veterans are over the age of 65

**Combat-Wounded Veterans**
- 1,600+ post-9/11 veterans have lost a limb in combat

**Homeless Veterans**
- 39,000+ veterans are currently homeless

**Disaster Response**
- $4 billion in damages caused by natural disasters in 2015
Our Partners
The Home Depot Foundation partners with thousands of non-profit organizations to support our initiatives and help veterans and communities in need.

Learn more about our national partners at corporate.homedepot.com/community
What We’ve Accomplished

When it comes to serving our veterans, we’re all in. Since 2011, The Home Depot Foundation and Team Depot have committed time, talents and resources to serve our veterans who have served us all.

“We’ve accomplished a lot, but there’s so much more to be done.”

More than 26,700 Veteran Homes Impacted

We work with 3,800 Non-Profit Partners

More than 2,200 Cities Impacted
The Home Depot Foundation is committed to giving a quarter of a billion dollars for veteran-related causes by 2020.
Diversity & Inclusion

The Home Depot’s culture and commitment to diversity and inclusion was established over 35 years ago in our eight core values.

Here at The Home Depot, we remain committed to those values and intentional in our efforts to foster a diverse and inclusive culture that embraces the value of our associates, customers and suppliers.

“As the #1 home improvement retailer in the world, our competitive advantage is the orange-blooded passion of over 385,000 associates – working hard every day to serve our customers by living our values. Just as we value a diverse mix of products and services to compete in the marketplace, we also value diversity in our workplace.

Looking ahead, I am excited to lead the team that will continue driving an inclusive environment. We are committed to ensuring that The Home Depot remains a great place to work and a great place for our customers to shop.

“We are committed to ensuring that The Home Depot remains a great place to work and a great place for our customers to shop.”

Our associates make The Home Depot a great place to work as they represent a myriad of differences and similarities in beliefs, cultures, backgrounds and work experiences. However, it is their willingness to work together and embrace differences that represent inclusion – which enables us to deliver the best customer experience.”

Ann Marie Campbell, Executive VP, U.S. Stores

How We Proactively Engage

Building strategic partnerships with suppliers and the communities we serve.

Integrating inclusive solutions into our business processes.

Educating and engaging associates.
Integrating Inclusion

We don’t just recruit — we acquire diverse talent and support their passion and growth. From our careers portal, potential candidates gain valuable insight into our diverse workforce and culture. Through our employment marketing strategy, we are able to source and recruit diverse associates in a variety of ways.

Diverse Sourcing & Recruiting Method

Utilizing our University Relations program to target recent college graduates and interns.

Engaging veterans and their spouses through our Military Transition portal.

Participating in national and local diversity career fairs

Maximizing exposure to target multicultural markets through social and print media.

Hiring Strategy

More than 40% of new hires are ethnically diverse

Over 200 internship opportunities from 16 states and over 40 universities

Hired over 79,000 veterans and exceeded White House commitment to hire 55,000 in 5 years by 3½ years

We cultivate a culture where associates want to stay with The Home Depot and have the opportunity to grow their career with us.

Benefits Packages

To retain associates, we offer a robust benefits package which continues to meet the needs of our diverse workforce.

Tuition reimbursement includes learning other languages and earning new IT certifications.

Relocation packages expanded to include job search support for spouses

Medical coverage expanded to include transgender benefits
Taking Care of Our Associates

Each Associate Resource Group at our Store Support Center is championed by an executive sponsor and an advisor, and showcases our commitment to Diversity and Inclusion through events and activities around professional development, community outreach, and awareness and exposure.

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<th>Associate Resource Groups</th>
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<td>PULSE</td>
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<td>MILITARY APPRECIATION GROUP</td>
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Engaging Our Associates

Our associates are our greatest competitive advantage. By supporting an inclusive culture, we celebrate what makes each associate unique and what brings us together as a high-performing, diverse workforce.

Communications

Our communications strategy includes diversity and inclusion messaging focused on increasing cultural awareness and reiterating the importance of inclusion in the workplace.

Monthly communications are distributed to stores, distribution centers and other locations throughout the U.S.

Voice of Associate Survey

We also value the opinion of our associates. One of the ways we obtain associate feedback is through our annual Voice of the Associate (VOA) Survey, which measures overall associate engagement and satisfaction.

- **More than 80% favorable**
  - Associates' Diversity and Inclusion rating on The Home Depot offering equal advancement opportunities regardless of diverse background.

- **More than 90% favorable**
  - Associates' rating on The Home Depot offering equal employment opportunities regardless of diverse background.
Education & Development

All associates at The Home Depot are empowered to take control of their careers through learning and development. We offer tools and resources such as Home Depot University, a development microsite, a development plan tool, advanced development programs and mentoring circles. We also require Diversity and Inclusion training for all leaders.

*Here at The Home Depot, we value our associates’ growth and development.*

**Women in Leadership**

The Home Depot also develops leaders through our Women in Leadership program. Initially developed for female leaders, the content was recently revised. It is now available in English and Spanish to assist in developing key leadership skills, expanding business acumen and accessing resources to support their career development.

Over **20,000 associates** accessed Women in Leadership content

**Mentoring Circles**

For professional roles at our Store Support Center, our 2015 mentoring circle program was comprised of over 50% ethnically diverse participants.
Diverse Suppliers & Community Partnerships

We know we cannot do it alone. An important part of our strategy is to build relationships within the communities that we serve.

Building Strategic Partnerships with Suppliers

Our Supplier Diversity Program is consistently recognized at the local and national levels. We build mutually beneficial partnerships with small and diverse suppliers and ensure their inclusion in our sourcing and procurement process. They enable us to deliver innovative products and services, meet the needs of our diverse customer base and support economic growth in the communities we serve. We maintain memberships, participate in trade shows and provide sponsorship support to a number of diverse organizations including:

• Minority Business Development Agency
• National Minority Suppliers Development Council
• Small Veterans Business Conference Expo
• United States Hispanic Chamber of Commerce
• United States Pan Asian American Chamber of Commerce
• Women’s Business Enterprise National Council

More than 1,000 new suppliers register as small or diverse annually

Building Strategic Partnerships in the Community

Our regional and national community partners represent the diversity of our associates. We proudly partner with organizations that enable us to promote inclusion, engage the community and grow talent.

100 Black Men of Atlanta
American Corporate Partners
Catalyst
Executive Leadership Council
Hispanic Association on Corporate Responsibility (HACR)
Human Rights Campaign
National Action Network
National Association for the Advancement of Colored People (NAACP)
National Association of Asian Professionals
National Association of Chinese Americans
National Urban League
Network of Executive Women
Rainbow PUSH Coalition
The Latin American Association
The Martin Luther King Center
Trumpet Awards Foundation
Urban League of Greater Atlanta
United Negro College Fund

Awarded $255,000 in 2015 to nine Historically Black Colleges and Universities (HBCUs) through the Retool Your School Program
Recognition in Diversity

Through our commitment to diversity and inclusion, we have achieved local and national recognition. Here are some of our recent awards and recognitions.


Minority Corporate Counsel Association Employer of Choice Award for the South Region (2016)


Military Times Best for Vets Military Employer (2015)

Georgia Mentor Protégé Power of Partnership Award (2015)

Victory Media Top 100 Military Friendly Employer (2015)

Top 50 Organizations for Multicultural Business Opportunities in the U.S. from DiversityBusiness.com (2015)

“We are committed to our associates and our leaders. In this highly diverse, fast-paced environment, we are focusing on inclusion. From processes to behaviors, we are ensuring that our leaders have what they need to engage and retain the workforce of tomorrow.”

– Beatriz Rodriguez, Chief Diversity Officer
Voice of the Associate

The commitment of our associates is a key part of our values. Our annual Voice of the Associate Survey helps determine how emotionally connected our associates are to their jobs, their leaders and The Home Depot.

We proudly report that results are uniformly favorable, and we have seen an increase in our associates’ commitment over the last several years. The results are not only used to help each of our stores, warehouses and other locations improve the customer and associate experience, but are also a key metric for our leaders.

“We strive to provide our associates with a chance to be part of a winning team, with an opportunity to grow their careers and an environment that lives the company’s values.” - Scott

Scott Smith
Vice President, Human Resources
Maximize Their Money

We offer a variety of financially focused benefits, including our discounted stock purchase program, 401(k) savings plan with company match and associate discounts program.

Financial Wellness

We have developed partnerships with leaders in the world of financial well-being, such as Merrill Lynch and Financial Engines, that are available to all associates. Services range from providing assistance with planning for large purchases or expenses (college education, home-buying, long-term care, etc.), retirement planning and help with developing an overall financial strategy.

Our associates have saved more than $14 million in 2015 through our discounts program.

Success Sharing

All Home Depot associates have the opportunity to participate in some form of incentive compensation programs. Success Sharing is a semi-annual profit sharing program made available to all non-management associates.

The Home Depot has awarded associates more than $1 billion in Success Sharing awards since 2009.

Tuition Reimbursement

In the last 11 years, more than 39,000 associates have received more than $127 million in tuition reimbursement.
Family Support

This program provides families with best-practice resources and training to support their children with developmental disabilities or challenges with learning and behavior. Developed by leaders in the field of developmental disabilities, this comprehensive program provides access to easy-to-follow videos, custom learning plans, a training center and one-on-one sessions with licensed experts.

ReThink Program

As a mother of four, three on the spectrum, I think ReThink is AWESOME! The Home Depot has been supportive of my family the past 16½ years. I’m proud to work for such a caring company! – Donna Russell

College Coach

The Home Depot provides its associates with the nation’s leading experts in college admissions and financing to help associates for free. College Coach offers live, online presentations to meet their child’s needs at any age, and recorded versions are posted online for one year so they’re available when associates are.

SitterCity

The Home Depot offers associates access to pre-screened, self-selected candidates to aid with childcare needs through SitterCity. It also helps those with four-legged loved ones too, with services like dog-walking and pet-sitting while on vacation.

Adoption Assistance

The Home Depot provides reimbursement of certain adoption-related expenses to assist eligible associates who choose to adopt children.

Back-Up Care

The Home Depot has partnered with Bright Horizons to offer eligible associates back-up care for the following instances:

- When a regular caregiver/stay-at-home spouse is unavailable
- When an associate is between child or adult/elder care
- When a child’s regular childcare center/school is closed
- To ease transition back to work when returning from leave
- When a child or adult/elder relative is ill or needs assistance
- During business travel or relocation

Pet Insurance

We’re helping associates take care of their favorite four-legged friend. Veterinary Pet Insurance provides nose-to-tail coverage for everything from routine care, like shots and exams, to unexpected expenses, like illnesses and injuries.
Live a Healthy Life

Since 2011, we have held an annual health challenge to encourage engagement in activities to improve overall health, feel better and have fun. Associates set personal goals, plus they compete as teams win prizes. Participants in the challenge choose from a variety of activities in the Move, Fuel and Balance categories. Associates also compete by sharing through social media postings and cooking healthy recipes from our Annual Associate Cookbook.

I love the Overnight Oatmeal recipe from the 2015 Healthy Living Cookbook. – Toni

24/7 Care

Associates are able to virtually see a doctor from the comfort of home for common illnesses, mental health services and much more. Perfect for after hours, holidays and weekends, or while they are traveling or on the go. Additionally, we offer other valuable health care programs like comprehensive dental and vision benefits and a second opinion program through Best Doctors.

Sleep Support – Sleepio

For associates to achieve their best at home, at work and in the community, they need to optimize the Superpower of Sleep. That’s why we offer Sleepio to all associates. This program helps them discover their Sleep Score and build a personal program to reach their sleep goals.

Learn more at livetheorangelif.com/sleep

Flu Prevention

Since 2006, The Home Depot has offered free flu shots to associates to protect our associates and customers during the cold and flu season.

Tobacco Cessation Program

Personalized, one-on-one strategies and support to help associates mentally and physically prepare to quit. More than 21,000 associates and spouses have quit using tobacco since we started the program in 2009.

Wellness Champions

We invest in Wellness Champions to ensure support and engagement in our programs. They receive a monthly playbook and attend quarterly calls to receive information and share ideas with each other.

Weight Watchers

A program to help associates and spouses kickstart a healthier life with access to 24/7 expert and community support – and much more.

Health Screening

Offering associates access to free biometric screenings onsite or at a Quest Diagnostic Patient Service Center. Over 100,000 associates and spouses participate annually.
Taking Care of Our People

The Homer Fund is a nonprofit charity that provides emergency financial assistance to associates of The Home Depot facing certain unforeseen hardships. From providing shelter after natural disaster strikes, to helping with the cost of burying a loved one, the Homer Fund seeks to truly make a positive impact in the lives of our associates in need.

Since 1999, The Homer Fund’s programs have awarded more than $142 million in assistance to 115,000 associates.

The Home Depot’s employee assistance program, CARE/Solutions for Life, combines the assistance traditionally available through a company-employee assistance program and a work/life program.

Our CARE/Solutions for Life Program is managed by an internal Home Depot team of medical professionals who are available 24/7/365. Our team is dedicated to supporting our associates by developing specific interventions to meet the everyday needs of our workforce. This can be in the form of childcare, eldercare, marital concerns, bereavement, emotional stress, and legal or financial services. No concern is too small or too complex if it impacts the lives of our associates.

We have licensed counselors prepared to deliver assistance in the moment, whether it’s responding on an individual basis or providing broader support for a group of associates. We are prepared to assist our management teams in dealing with disaster relief and providing crisis response to traumatic events in the workplace or community. We are committed to keeping our associates safe and secure in times of need.

CARE is confidential and free for all associates and their household members.
Learning & Development

We work hard to cultivate an environment where associates want to work and customers want to shop. We know that a great customer experience starts with a great associate experience, and those experiences are driven by strong leaders. We provide our leaders and associates with training and development designed to help them be successful in their jobs, which ultimately gives them the confidence and competence to take care of our customers, and grow their own careers.

Associate Development

To our customers, the orange apron is a way to get questions answered and problems solved; however, we view it as more than that. We help improve customers’ lives. Whether it’s providing “how-to” tips, helping them select the right product or empowering customers to complete projects on their own, we make sure associates are equipped with the knowledge, skills and tools to meet customers’ ever-changing expectations. Building associate confidence and competence starts on day one with an introduction to our company culture and values, customer service model and fundamental information to give them a solid start. That solid start is reinforced with the support of a New Associate Coach. New associates partner with their Coach, working through a series of activities, building knowledge and getting questions answered.

Leadership Development

Orange-blooded associates are grown by leaders who take care of their people. In addition to demonstrating behaviors that drive associate commitment, leaders also need to have strong business acumen. Home Depot University supports growth and development among leaders at every phase of their journey. We develop our leaders using:

- Web-based training which provides structure, guides, videos and tools for a smooth assimilation, starting on day one.
- Instructor-led experiences held at our Atlanta Store Support Center for new leaders in critical positions, which provides training on business acumen, technical skills and introductory leadership skills.
- A library of online resources with access to videos, courses, book summaries and performance support tools.
- Executive development for advanced leaders designed to strengthen leadership skills, develop a more strategic business approach and help prepare them for a higher level role.

Professional Development

In addition to leadership development, we provide access to partnerships and programs to help associates grow their skills at work and in life. Associates can take advantage of tuition discounts with our multiple university partners to obtain certificates or degrees. We also offer a variety of professional development solutions to associates and leaders in the areas of technology, program management and a variety of other professional skills.
Code of Conduct

Business Code of Conduct and Ethics

The Business Code of Conduct and Ethics (the Code) provides associates with 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 worldwide to all associates of The Home Depot. Associates are expected to comply with the Code and all applicable laws and regulations of the countries in which we do business. The Code outlines ethical and legal expectations in a number of areas, including:

- Safety
- Insider Trading
  - Labor and Employment
  - Financial Integrity and Reporting
  - Conflicts of Interest
  - Records Retention
  - Anti-Trust and Fair Competition
  - Environmental Responsibility
  - Confidentiality, Privacy and Information Protection
  - FCPA and Anti-Bribery
  - Protecting the Company’s Assets and Intellectual Property
  - Political Activity

A copy of the Code can be found on the Corporate Governance page of our investor Relations site at corporategovernance.homedepot.com

Getting Help or Communicating Concerns

Associates have a variety of means to get answers to their questions or report concerns. The Home Depot has an Open Door Policy to create an atmosphere that encourages associates 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 the AwareLine, a 24/7 hotline answered by a live operator. Associates may remain anonymous when reporting concerns to the AwareLine. The line is available in local languages, and calls are managed in a case management system. The Home Depot has a long-standing policy that prohibits retaliation for making a report.

Associates may also contact the Corporate Compliance Department at corporate_compliance@homedepot.com or 770-384-4098

Suppliers, vendors and service providers may also report concerns when they think The Home Depot’s values or compliance with the law may be compromised through the Supplier AlertLine, also answered by a live operator 24/7.

They also have the option to report their concerns online at tnw.reportlineweb.com/custom/HDVendorRelations
The Eco Options Program

In 2007, The Home Depot launched the Eco Options program in conjunction with Scientific Certifications Systems, a leading independent, third-party certification body.

The identification system is designed to evaluate products that have less of an impact on the environment than comparable products.

"We're always looking for ways to make it easier for our customers to choose greener products. Our Eco Options program is a classification system that evaluates products for environmental preference – we do the legwork on understanding product impact so our customers don't have to." – Krissa
Our Five Key Focus Areas

We strive to be environmentally friendly. Partnering with our vendors to build a better world, The Home Depot saved our customers over 5 billion kilowatt hours in 2015 alone – enough to power 500,000 U.S. homes for a year.

For a product to be classified as an Eco Options product, the supplier has to present a report illustrating the environmental attributes of the product that proves it has less of an impact on the environment than others.

Until all industries create and abide by a reporting formula that measures an all-encompassing sustainability standard, we will utilize the Eco Options program to help customers sort through “green” product claims.

*The Eco Options program helps consumers locate products that have comparably lower environmental impact.*

Awareness of the challenges facing the environment is at an all-time high, but that awareness prompts a profound question in people: What can I do?

The answer lies in our everyday actions. Just knowing the impact of certain products may help us all make better decisions. With millions of people going through our doors on a daily basis, The Home Depot is in a unique position to educate and influence our customers on products that are good for them and good for the environment.
Energy Efficiency

In 2015, our innovative products reduced U.S. carbon emissions by over 4 million metric tons.

RYOBI® lithium ion battery powered drills are 53% more energy efficient*

smart or programmable thermostats save up to $180 per year

Since 2014, solar panels have generated over 530,000 kilowatt hours of energy

In 2015, ENERGY STAR® washing machines saved 104,000 metric tons of CO₂ emissions

RYOBI® lithium ion battery powered reciprocating saws are 49% more energy efficient*

Sealing gaps and cracks and adding insulation save up to 10% a year on a home’s energy use

Since 2014, solar panels have generated over 530,000 kilowatt hours of energy

Lithonia Lighting® LED integrated garage light fixtures are 26% more energy efficient and have saved over 120 million kilowatt hours* since 2013

RYOBI® lithium ion battery powered circulating saws are 44% more energy efficient*

LED holiday light strings save 75% energy use when compared to standard light strings

LUTRON® dimmers and occupancy sensors use 50% less energy*

ENERGY STAR® certified windows save up to $535 on heating and cooling costs per year

LEDs consume up to 85% less energy and last up to 10x longer than incandescent bulbs

44 LEDs have changed the entire lighting industry as we know it. They’re able to produce a high-quality light source using only a fraction of the energy consumed by the original incandescent bulbs. 17 – SGT

RYOBI® lithium ion battery powered heat pump water heaters use up to 61% less energy*

Sealing gaps and cracks and adding insulation save up to 10% a year on a home’s energy use

ENERGY STAR® certified windows save up to $535 on heating and cooling costs per year

LEDs consume up to 85% less energy and last up to 10x longer than incandescent bulbs

ENERGY STAR® ceiling fans are 60% more energy efficient

ENERGY STAR® certified windows save up to $535 on heating and cooling costs per year

LEDs consume up to 85% less energy and last up to 10x longer than incandescent bulbs

ENERGY STAR® air purifiers are 40% more energy efficient*

ENERGY STAR® bath vent fans are 50% more energy efficient* and avoid 460 pounds of GHG emissions over their lifetime

ENERGY STAR® certified windows save up to $535 on heating and cooling costs per year

LEDs consume up to 85% less energy and last up to 10x longer than incandescent bulbs

ENERGY STAR® air purifiers are 40% more energy efficient*

*Than standard products
Water Conservation

The Home Depot and our suppliers have been instrumental in taking water-efficient products to a new level.

In 2015, we worked closely with the state of California and the Plumbing Manufacturers Institute to dramatically reduce the flow rates of faucets, and plot transition timing for the industry to achieve even lower flow standards.

And we’re not only selling more efficient faucets in California, but we are moving toward taking all faucets, showerheads and toilets to standards even more efficient than WaterSense® standards in all our stores nationwide to conserve this precious resource.

- Bath faucets reduced from 1.5 to 1.2 gallons per minute
- Kitchen faucets reduced from 2.2 to 1.8 gallons per minute
- Showerheads reduced from 2.5 to 2.0 gallons per minute

Niagara’s Stealth® Ultra-High-Efficiency toilet uses 77% less water, saves 15,000 gallons a year*

WaterSense® toilets have saved 57.4 billion gallons versus standard toilets in 2015

Orbit® Smart Weather Sensing Wi-Fi irrigation timer saves 30% more water*

WaterSense® showerheads have saved 7.7 billion gallons from 2015 sales

Soaker hoses save up to 2,700 gallons of water and $70 per year

Dual-flush converter kits save 4,000 gallons and $100 per year

Vigoro® mulch helps retain moisture and prevent soil runoff

Faucet aerators save up to 500 gallons of water per year

In summer months, rain barrels save more than 1,300 gallons of water

Edyn solar garden sensors track temperature and soil humidity to avoid over-watering

Our programs – specifically around Glacier Bay toilets, faucets and showering – are all a focal point for our merchants to lead the industry in this effort, and for me personally, it’s an important role to continue to play regarding the development of future products.

– Mike
Healthy Home

We’re making it easier for our customers to grow their own food, and to enjoy healthier homes and yards.

EcoLogic™ pesticides are made from naturally derived botanical oils, and are safe to use around kids and pets.

Chicken coops for farm fresh eggs at your back door.

Smart Cara converts food waste into nutrient-rich soil amendment for use in composting.

Dr. Earth® patented aloe-vera concentrate is 100% organic, non-GMO, and keeps soils and plants hydrated.

Seventh Generation® cleaning products are non-toxic, biodegradable and hypoallergenic.

Simple Green® Original products are Safer Choice labeled by the EPA.

RatX™ is a non-toxic rodenticide and safe for people, pets and wildlife.

“Now more than ever, our customers are looking for products that allow them to live healthier lifestyles. We’ve made an ongoing commitment to bring a wide selection of organic products to our customers by continuing to work closely with our supplier partners on future products.” – Mike

EcoScraps® plant foods are made from recycled food waste and are OMRI listed.

Method® cleaning products are non-toxic and naturally derived.

Green Gobbler® non-toxic, biodegradable drain cleaner won’t harm pipes.

Nature’s Care® soils, fertilizers and pest control products are formulated just for organic gardening.

Composting improves and stabilizes soil pH.
Clean Air

Our suppliers are committed to protecting the air we breathe – promoting healthier homes and a healthier earth.

Glidden® Premium and BEHR® Premium Plus interior paints contain zero volatile organic compounds (VOCs)

Rapid Set™ concrete mix emits 32% less CO₂ than traditional cement and lasts 2-3 times longer

EGO Power™ lithium ion powered mowers are exhaust- and fume-free

Hampton Bay® humidity-sensing bath fans prevent mold, shut off automatically when humidity levels are below 60%

electrostatic air filters remove 97% of airborne particles

In 2015, RYOBI® lithium ion powered trimmers saved 7,000 metric tons of CO₂ emissions

Liquid Nails Fuze It® construction adhesive is low VOC and GREENGUARD Gold Certified

In 2015, Bootz Industries® recycled 1.5 million pounds of porcelain frit overspray from manufacturing bathtubs

Titebond® GreenChoice adhesive is low VOC, solvent-free and adds to LEED building credits

ENERGY STAR® air purifiers improve air quality to help keep your home healthy

We sell a variety of products and recognize our unique responsibility in helping improve products through the promotion of safer chemicals. We are committed to working with stakeholders and partners throughout the supply chain to understand chemical risks and green chemistry opportunities. We support the work of the Green Chemistry and Commerce Council (GC3) through annual membership, and participate in the Retail Leadership Council of the GC3.

We help customers improve air quality and help reduce emissions with such products as zero volatile organic compounds (VOCs) paints, air filters and ENERGY STAR® qualified air purifiers.
Circular Economy

Our suppliers are working to extend the life of retired products by utilizing more recycled content in products and packaging.

We have recycled more than 2.5 million holiday light strings for our customers since 2008.

Bootz Industries® bathtub packaging contains 60% post-consumer recycled cardboard.

In 2015, Veranda® composite decking recycled 27 million pounds of recycled plastic into deck boards sold only at The Home Depot.

In 2015, Trex® recycled 200 million pounds of plastic, including 2 million pounds of shrink wrap plastic from our stores, turning them into composite deck boards.

In 2016, Rustoleum® EpoxyShield® will divert 227,000 pounds of packaging from landfills.

Our biodegradable lawn refuse bags contain 100% post-consumer recycled content.

Sellars® shop towels contain 40% post-consumer recycled content.

Andersen® 100 Series windows are made of 100% post-industrial recycled content.

In 2015, Command™ Brand removed 10,000 pounds of packaging material.

Apache Mills® floor mats are made from 100% recycled rubber and plastic.

Our moving boxes are made of 100% post-consumer recycled cardboard.

Recycling waste reduces pollution, energy consumption and the need for raw materials, helping preserve our natural resources.
Sustainable Forestry

The Home Depot purchases wood responsibly throughout the world. This map shows the volume that is purchased by continent.

North America
From 2010 to 2015, forest lands have grown by over 247,000 acres while producing more wood products than any other countries. Approximately 94% of our wood products come from here.

South America
We closely monitor our wood from here; most purchases come from pine plantations in the southern regions. Less than 4% of our wood products come from here.

Europe
Since 2010, forest lands have grown by over 988,000 acres. Less than 3% of our wood purchases are originated from here.

Asia
Since 2010, forest lands have grown by over 1.9 million acres. Less than 3% of our wood purchases are originated from here.

Africa
In developing countries, wood-based fuels are the dominant source of energy. Over 90% of harvested wood is used for energy.

Oceania
From 2010 to 2015, forest coverage grew by 241,000 acres. Less than 1% of our wood products originate here.

Percentages do not sum to 100% due to rounding.
In 2015, over 159 million ENERGY STAR® products were sold.

In 2015, The Home Depot was named EPA ENERGY STAR® Partner of the Year for Sustained Excellence for the third consecutive year. The Home Depot’s partnership with the EPA’s ENERGY STAR® program allows us to help our customers save energy and money. These savings contributed significantly to the reduction of greenhouse gas emissions.

In 2015, we offered over 23,000 ENERGY STAR® products in store and online.

Within the last year, our associates completed more than 350,000 training courses on energy-saving products. We also educated thousands of customers on ways to conserve energy in their homes with energy-saving workshops.

Home Depot’s online Rebate Finder Tool resulted in 36.4 million impressions for individual rebates for WaterSense® qualified products in 2015.

In 2015, customers have saved over $701.6 million on annual energy utility costs.

In 2015, sales of ENERGY STAR® products reduced carbon emissions by 4 million metric tons.

In 2015, customers have saved over 70 billion gallons of water from the purchase of WaterSense® labeled products.

In 2015, we have reduced 5 billion kilowatt hours from ENERGY STAR® product sales, which is equal to removing over 850,000 cars from the road.

In 2015, over 139 million ENERGY STAR® products were sold.

In our stores, 100% of all new bathroom vanity faucets and toilets are WaterSense® labeled.

In 2016, we required that all new store merchandised showerheads must exceed the current WaterSense® specification of 2.5 gallons per minute.

In 2015, over 15.4 million WaterSense® products were sold.

In 2015, customers have saved over $593.4 million on annual water utility costs.

In 2015, over 5,000 WaterSense® products were sold in store and online.

In 2015, customers have saved over 693.4 million gallons of water from the purchase of WaterSense® labeled products.

It is our goal as merchants to deliver ongoing value to our customers with our innovative assortment of energy-saving appliances. Appliances alone can account for up to 30% of home energy use, so we partner with our vendors to provide a continuous pipeline of appliances that save energy and money without sacrificing performance. – Natedra

WaterSense®

The Home Depot has been named EPA WaterSense® Partner of the Year for five consecutive years. In 2016, we were recognized for Sustained Excellence for our commitment to water efficiency and education as we continue to help build consumer awareness about WaterSense-approved products. Products bearing the WaterSense® label have been independently certified to perform well; help save water, energy and money; and encourage innovation in manufacturing.

In our stores, 100% of all new bathroom vanity faucets and toilets are WaterSense® labeled.

In 2015 over 15.4 million WaterSense® products were sold.

In 2015, customers have saved over $593.4 million on annual water utility costs.

Home Depot’s online Rebate Finder Tool resulted in 36.4 million impressions for individual rebates for WaterSense® qualified products in 2015.

In 2015, over 5,000 WaterSense® products were sold in store and online.

In 2015, customers have saved over 70 billion gallons of water from the purchase of WaterSense® labeled products.
Packaging Improvements

Packaging can often be overlooked as a means for product environmental impact reduction. Our packaging team uses a science-based approach to “right-size” the most sustainable package when they work with product development.

We optimized
148 packages to reduce size and materials

In 2017, our packaging reductions should result in shipping over 400 fewer 40 foot Shipping Containers

We plan to remove over 85,000 pounds of plastic waste with our reduction in plastic packaging for LED light bulbs; this is more than the weight of a Boeing 737-500

We plan to remove over 1 million square feet of corrugate materials from our supply chain; that’s more than 17 football fields of boxes or over 140,000 pounds of material

“Our global packaging team is focused on providing the appropriate package that protects the products we sell, and is optimized for material and transportation. Our goal is that nothing is wasted for our customers.” — Greg Fornasiero, Sr. Manager of Packaging
Ethical Sourcing

The Home Depot’s core values influence the beliefs and actions of all our dedicated associates and drive us to conduct our business in a responsible manner on a daily basis. Because we have relationships with suppliers around the world, we have the opportunity to leverage our values towards a collective commitment to human rights and safety in the workplace.

SER Program

Our Social Environmental Responsibility (SER) 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. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the SER Standards, and suppliers must allow associates and/or representatives from The Home Depot full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits.

Suppliers are expected to take necessary corrective actions to promptly remediate any non-compliance. Suppliers are expected to actively engage in remediation – including timely preparation and presentation of a Corrective and Preventative Action (CAPA) plan. Failure to improve may result in termination. In turn, The Home Depot has established programs to support factories that take positive action towards creating a lasting social and environmental compliance program. More than 122 post-audit support visits to our factories were conducted in 2015.

SER 2015 Program Highlights

- Completed a multi-year implementation of a multi-million-dollar information technology system to manage our SER program.
- New factories require an audit and approved CAPA plan prior to purchase orders being released to the supplier.
- Factories audited under the SER policy are required to have a periodic re-audit based on their performance. These range from 6 months to 2 years.
  - 2,340 factory audits and follow-up visits
  - 122 post audit support visits
  - 31 subcontractors were identified and audited
- While the majority of our suppliers and factories improved their compliance with the SER standards via the CAPA program, we did sever relationships with a number of suppliers and factories as a result of not adhering to these standards.
- We continue to see factories significantly improve their CAPA closure on-time rate.
  - 14 factories were required to engage with a third-party partner to improve their SER management program via a 6 month consultative engagement
  - 3 suppliers were required to engage with a third-party partner to conduct a gap analysis and implement systemic changes to improve the SER performance of their supply chain

SER Standards

Each of the following standards include audit protocols. These audits are designed to assess factory compliance and result in remediation via the CAPA process.

- Laws & Regulations
- Child & Forced Labor
- Harassment & Abuse
- Compensation
- Hours of Work
- Non-Discrimination
- Freedom of Association & Collective Bargaining
- Health & Safety
- Environment
- Subcontracting
- Communication
- Business Ethics
- Monitoring & Compliance
Conflict Minerals

The Home Depot is committed to the responsible sourcing of materials for our products, and we expect that our suppliers are likewise committed to responsible sourcing.

Our Expectations

We expect all suppliers manufacturing our products to partner with us to provide appropriate information and conduct necessary due diligence in order to facilitate our compliance with the conflict minerals law. We further expect all suppliers manufacturing our products to adopt sourcing practices to obtain products and materials from suppliers not involved in funding conflict in the Democratic Republic of the Congo and adjoining countries (Covered Countries).

Our Partnerships

We partnered with our private brands and proprietary suppliers whose products contain Tin, Tungsten, Tantalum or Gold (3TG) to identify the source of any 3TG in the supply chain.

831 Suppliers

19% Indicated 3TG Necessary to Functionality or Production

3TG Sourced from 91 Countries

331 Verified Smelters or Refiners (SORs)

29 SORs from DRC or Neighboring Countries

27 of 29 Certified as DRC Conflict-free by CFSI

Through our due diligence process, which aligns with due diligence guidance from the Organisation for Economic Co-operation and Development (OECD), we received 100% participation from our private brands and proprietary suppliers for 2015.

In 2015, we determined that 8.8% of the verified smelters reported by our suppliers sourced 3TG from the Covered Countries. Of these, all but 2 smelters or processors were members of the Conflict-Free Sourcing Initiative (founded by the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative), the London Bullion Market Association (LBMA) and/or the Responsible Jewellery Council (RJC).

We continue to work closely with our suppliers to ensure that they implement responsible sourcing and encourage their smelters to obtain a “conflict-free” designation from an independent third-party auditor.

Sn: 118.71, W: 183.84, Ta: 180.95, Au: 196.97
Our Commitment to Energy Efficiency in Our Stores

The Home Depot is making it a priority to understand our energy footprint and find ways to make an impact. We have optimized energy efficiency of our store buildings through:

| Variable-frequency drives (VFD) | In the past 3 years, we have decreased electricity usage by 18% |
| Lighting retrofits | Since 2004, we have reduced 10 billion kilowatt hours of energy |

- **Variable-frequency drives (VFD)** to control AC motor speed and torque
- **Lighting retrofits** conversion from 6- to 4-lamp fixtures for 1,300+ stores
- **Building automation systems (BAS)** upgraded controls equipment and software for all U.S. and Canada stores in 2013 and 2014

**Off-Site Solar**

Our solar energy initiatives are set up off-site in Delaware and Massachusetts.

- **9.2 megawatt** project producing annually **12,100 megawatt hours**

**Off-Site Wind**

In early 2017, we will welcome a large-scale, off-site development in Texas that produces wind energy.

- **50 megawatt** project producing annually **190,000 megawatt hours**

We view sustainable energy strategy through the lens of our company’s core values. Whether it is producing low emission on-site energy, reducing our energy demands or using energy from sustainable resources, we are doing the right thing for our environment, our associates, our customers and our shareholders. 

— Chris Berg

44 We view sustainable energy strategy through the lens of our company’s core values. Whether it is producing low emission on-site energy, reducing our energy demands or using energy from sustainable resources, we are doing the right thing for our environment, our associates, our customers and our shareholders. 

— Chris Berg
Alternative & Renewable Energy

Bloom Energy Fuel Cells

Dramatically reduces carbon emissions, a 50% reduction when using natural gas compared to the average of U.S. power generation.

Delivers more reliable, resilient power, helping to reduce the impact of grid power outages and ensuring electricity availability.

No air pollution or smog is created when electric power is generated, which can be typical of legacy power generation.

Our goal is 135 megawatts of alternative and renewable energy by 2020; enough power for 250 stores.

140 stores with fuel cell installs as of October 2016.

How Bloom Energy Fuel Cells Work

Fuel Passes Over the Anode
Oxygen ions move across the electrolyte to combine with reformed fuel. This reaction produces electricity without combustion.

Reaction Produces Electricity

Commitment to Smart Energy

The Home Depot is utilizing battery storage at five stores in California which:

- Stores electricity and shifts when consumption from the utility occurs (i.e., use electricity charging at night, then partially power the store during the day to reduce consumption from the utility at the time)
- Alleviates pressure on the electricity grid at times of high usage
- Typically coincides with system-wide high usage levels, meaning there’s a benefit to the utility and electric grid
- Reduces the need for utilities to build new power plants or source less desirable electricity generation in order to cover the relatively short periods of high electricity demand
Carbon Footprint

The Home Depot is committed to providing sustainability through greenhouse gas reduction efforts. In 2015, we continued efforts to calculate and reduce our comprehensive carbon footprint.

The Home Depot has chosen to use the GHG Protocol’s Corporate Accounting and Reporting Standard. Inventory development was led by The Home Depot’s Environmental Team with input from the Energy Management and Procurement Teams. A third-party company prepared the inventory.

There are a variety of direct and indirect emission sources within Home Depot facilities. According to the GHG Protocol, emission sources associated with business operations are reported as follows:

- **Direct emission sources** (stationary and mobile combustion sources and refrigerants) are reported as Scope 1: 398,049 metric tons
- **Indirect emission sources** (purchased electricity) are reported as Scope 2: 1,996,935 metric tons
- **Upstream transportation and distribution of freight** are reported as Scope 3: 2,136,979 metric tons
- **2015 absolute carbon reduction was over 240,000 metric tons**

The Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent, not-for-profit organization working with businesses and cities to reduce greenhouse gases and drive sustainable water use. The Home Depot’s 2015 score of 99 points (out of 100) from the CDP places us in the top quartile of our sector. Our performance band ranking of A- indicates a high level of action on climate change mitigation, adaption and transparency.*

The Home Depot

**reduced our carbon emissions from 7 million to 4.5 million metric tons; that is over a 35% decrease in the past 6 years**

---


**The Carbon Disclosure Project rated The Home Depot as a 2015 Global Leader.**

**We are an Industry Leader in 2015 with a score of 99 points** for the Carbon Disclosure Project.
Waste Management & Recycling

The Home Depot is committed to properly managing waste and hazardous waste generated through our store operations and customer returns, always striving to find the most sustainable method.

In partnership with our vendors, The Home Depot continues to seek out ways to reduce, reuse and recycle our hazardous waste. In 2015, over 40% of the hazardous waste generated was reused for energy or recycled.

Handling and Disposal of Hazardous Materials SOPs, Policies and Procedures

Hazardous Material Disposition – 2015 Fiscal Year
Identifies chemical-based products sold or used by the company. This includes specific preventative steps to avoid spills and contamination, outlines procedures for handling damaged containers and provides robust countermeasures for cleanup to limit impact of spills. The Home Depot uses various sustainable methods for properly managing hazardous waste generated through store operations and customer returns.

<table>
<thead>
<tr>
<th>Landfill</th>
<th>Incineration</th>
<th>Waste Water</th>
<th>Stabilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Waste-to-Energy (Fuels Blending)</th>
<th>Recycling</th>
</tr>
</thead>
<tbody>
<tr>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>

Associate Training on Handling and Disposal of Hazardous Materials SOPs
Training for all associates on recognizing hazardous materials in the workplace and more in-depth training on environmental compliance for specifically designated associates who are responsible for the storage and cleanup of hazardous materials.
Departmental Requirements for Hazardous Materials

Garden Center
Instructions on proper handling of bags of fertilizer and pesticides and guidance to check for and properly repair damaged bags.

Receiving and Central Storage
Requirements for accumulating hazardous waste and proper handling, labeling and storage of materials, including procedures ensuring separation of potentially incompatible materials and inventory of waste generated.

Daily Walk and Routine Inspections of Key Areas
Includes outside garden areas, parking lots and front apron of the stores to identify potential issues, and regularly scheduled sweeps of fertilizer aisles and parking lots to protect against hazardous materials contaminating storm water runoff or entering the environment through other means.

Spill Kits
Specific containers and spill kits located throughout the stores for the prompt and effective cleanup and disposal of hazardous materials such as paint, solvents, aerosols, oil, fuel, pesticides and fertilizer.

Automated System
An online Handling Hazardous Materials and Automation system, accessible through the handheld devices used by our associates and the associate intranet site, to provide guidance on the cleanup, classification, labeling and storage of hazardous waste.

Emergency Response
Access to a third-party consultant that provides an emergency response team available on a 24/7 basis to assist with cleanup if a spill occurs and, if necessary, provide remediation services.

Lead Acid Battery Recycling (Automotive & Tractor)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>over 170,000 cores</td>
</tr>
<tr>
<td>2014</td>
<td>over 107,000 cores</td>
</tr>
<tr>
<td>2013</td>
<td>over 94,000 cores</td>
</tr>
<tr>
<td>2012</td>
<td>over 98,000 cores</td>
</tr>
<tr>
<td>2011</td>
<td>over 133,000 cores</td>
</tr>
<tr>
<td>2010</td>
<td>over 120,000 cores</td>
</tr>
</tbody>
</table>

Rechargeable Battery Recycling

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>over 920,000 pounds</td>
</tr>
<tr>
<td>2014</td>
<td>over 940,000 pounds</td>
</tr>
<tr>
<td>2013</td>
<td>over 940,000 pounds</td>
</tr>
<tr>
<td>2012</td>
<td>over 852,000 pounds</td>
</tr>
<tr>
<td>2011</td>
<td>over 770,000 pounds</td>
</tr>
<tr>
<td>2010</td>
<td>over 600,000 pounds</td>
</tr>
</tbody>
</table>

Cardboard Recycling

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>over 210,000 tons</td>
</tr>
<tr>
<td>2014</td>
<td>over 200,000 tons</td>
</tr>
<tr>
<td>2013</td>
<td>over 180,000 tons</td>
</tr>
<tr>
<td>2012</td>
<td>over 170,000 tons</td>
</tr>
<tr>
<td>2011</td>
<td>over 150,000 tons</td>
</tr>
<tr>
<td>2010</td>
<td>over 150,000 tons</td>
</tr>
</tbody>
</table>

CFL Recycling

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>over 680,000 pounds</td>
</tr>
<tr>
<td>2014</td>
<td>over 700,000 pounds</td>
</tr>
<tr>
<td>2013</td>
<td>over 600,000 pounds</td>
</tr>
<tr>
<td>2012</td>
<td>over 600,000 pounds</td>
</tr>
<tr>
<td>2011</td>
<td>over 450,000 pounds</td>
</tr>
<tr>
<td>2010</td>
<td>over 720,000 pounds</td>
</tr>
</tbody>
</table>
Associate Safety

Since taking care of our people is one of our core values, we are continually reviewing and improving our operations to remove risk and reduce injuries.

Continuing Improvement

<table>
<thead>
<tr>
<th>Recordable Incident Rate (per 200,000 hours)</th>
<th>2015</th>
<th>4.55</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.75</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>4.78</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>4.98</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lost Time Incident Rate (per 200,000 hours)</th>
<th>2015</th>
<th>1.11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.19</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1.55</td>
<td></td>
</tr>
</tbody>
</table>

Training

Our injury-avoidance culture begins with robust training that is specific to the risks that associates encounter in their assigned roles. At the beginning of an associate’s time with The Home Depot, we provide hands-on training on topics that are associated with the most common incidents we see in new associates. As associates progress in their roles or move on to new positions, we introduce courses that cover a wide array of injury avoidance initiatives: from role-specific ergonomics to how to safely use tools they may need. An associate’s curriculum is managed with the help of a Learning Management System that has the individual take courses at times when it provides them the greatest value of that knowledge and then periodically thereafter to support that knowledge base.

In 2015, our new associates completed more than 189,000 hours of safety-specific training.

Awareness

The Home Depot utilizes an associate awareness platform and point-of-decision reminders to reinforce associate learning around injury-avoidance.

The associate awareness platform, In-Focus, has a team comprised of store associates and leaders who interact with the population to create dialogue around injury prevention and have each associate on a monthly basis go through an online module that focuses on topics on two levels:

- General injury-avoidance trends that could be experienced by any associate
- Task-specific awareness that aligns with what the associate will be facing given current merchandising or operational initiatives

These interactive modules test associate knowledge and provide immediate feedback. When answering questions, the associates assign a confidence score to their answers. For those associates who are incorrect and very confident in their answers, the store safety team will have structured conversations to help improve their comprehension.

Training support is integrated into associate-facing processes. When store associates begin the day to ensure a safe working and shopping experience, they use a mobile-based assessment tool to make sure known risk has been abated. With each of these assessment questions, associates have visual representations of the standards and expectations they are working to achieve in order to reinforce their formalized training.

Safety is Everyone’s Responsibility

Associates and management are encouraged to maintain open communication. This includes identification and resolution of any hazards both local and systemic.

Our people and their passion for their families, their friends, their causes and their work inspire us to continually strive to make The Home Depot the safest place to work and shop.

All associates are empowered to immediately address issues and report unsafe conditions or behaviors to their managers. Management is empowered to make changes necessary to provide a workplace free of hazards.
## Improving Our Store Operations

At The Home Depot, we are committed to implementing new sustainability enhancements each year.

| Sustainable Operations | Environmentally Preferable Products | Commitment to Our Associates | Diversity & Inclusion | Corporate Social Responsibility

**New irrigation systems** reduce water usage by 35% where irrigation is necessary.

**Airlock Vestibules** and exits reduce air infiltration.

**CO, sensors** maintain good air quality.

**Green Parking** reduces parking spaces and adds more green space.

**Dual-Flush toilets and urinals** reduce water usage by 40%.

**Eight Zoned Planting Areas** minimize maintenance and water use, requiring incorporation of local hardy species.

**Improved Roofing** reduces heat island effect, with highly-reflective, white thermoplastic polyolefin roofs and recycled metal materials for bar joists and roof deck.

**Concrete** removes around 7,000 gallons of slurry water using a densified system versus diamond grinding.

**Water Reclamation Tanks** store up to 500,000 gallons per year which irrigates our Garden Centers in 145 select stores.

**Rooftop HVAC Units** are highly efficient with variable speed fans, variable frequency drives and energy management controls.

*New stores only.*
Supply Chain

The Home Depot is very committed to a sustainable supply chain and actively participates in organizations such as the Coalition for Responsible Transportation, which "continually strives to create and implement sustainable business practices that minimize diesel emissions from port activities."

Home Depot’s Supply Chain Synchronization multi-year program will reduce average lead time from supplier to shelf, a distribution strategy to provide the optimal flow path for a given product. Our Rapid Deployment Centers (RDCs) allow for aggregation of product needs for multiple stores to a single purchase order, and then rapid allocation and deployment of inventory to individual stores. Benefits include simplified ordering processes, improved transportation and inventory management.

- 2,451 inbound loads reduced; 1,451,783 inbound miles reduced (2015)
- 5,341 outbound loads reduced; 1,277,719 outbound miles reduced (2015)
- Enhanced cube optimization in containers and tracks
- Global route optimization saves miles

We are committed to reducing our carbon footprint and creating a sustainable supply chain by optimizing our network and aligning with efficient transportation partners.

Consolidating online orders in our distribution centers (DFCs)

Created a 25% reduction in less-than-truckload (LTL) outbound shipments from our DFCs

Created a 6% reduction in parcel outbound shipments from our DFCs

With our trailer optimization, we:

- Shipped 4,000 fewer trucks
- Helped save 4,132 metric tons of CO₂

“Moving products is not just about the right quantity at the right time. It is also working with our suppliers and transportation partners to seek continual improvements that lessen waste and reduce carbon emissions. Our team is very proud of the over 1 million tons of carbon reductions over the past 7 years.” – Michelle

2016 The Home Depot Responsibility Report
Hydrogen Fuel Cell Forklifts

Fuel cells emit no emissions, and because they don’t draw power from the grid, they have no upstream CO₂ emissions impact.

In our 1.4 million square foot Stocking Distribution Center in Savannah, Georgia, we partnered with Plug Power Inc. to convert 130 MHE forklift units from battery power to fuel cells.

We saved over 1.3 million kilowatt hours of electricity by not having to charge the forklifts

Saving over 520 metric tons of CO₂ annually

In our 1.6 million square foot Direct Fulfillment Distribution Center in Troy Township, Ohio, we are using 200 hydrogen fuel cell-powered forklifts.

We saved over 2 million kilowatt hours of electricity by not having to charge the forklifts

Saving over 800 metric tons of CO₂ annually
Corporate Governance

Corporate governance is part of our culture and is founded on our daily commitment to values and principles that recognize our ethical obligations to our shareholders, associates, customers, suppliers and the communities in which we operate.

Our Responsibilities

The Home Depot strives to be the employer, retailer, investment and neighbor of choice in the home improvement industry. We understand our responsibility to behave ethically, to understand the impact we have on people and communities, and to fairly consider the interests of a broad base of constituencies.

The Board of Directors of The Home Depot is committed to maximizing long-term shareholder value while supporting management in the business and operations of The Home Depot, observing the highest ethical standards and adhering to the laws of the jurisdictions within which The Home Depot operates.

Leadership Structure

Aligning with this mission is The Home Depot’s long-standing commitment to strong corporate governance practice, starting with our leadership structure. We believe that having a combined chairman, Chief Executive Officer (CEO) and president, an independent lead director and Board committees composed entirely of independent directors currently provides the best Board leadership structure for The Home Depot. This structure, together with our other robust corporate governance practices, provides strong independent oversight of management while ensuring clear strategic alignment throughout the company.

For more information on our corporate governance practices, please refer to our Corporate Governance Guidelines, Corporate Governance Factsheet, Board committee information and other governance-related documents, all of which are available at corporategovernance.homedepot.com, and to our most recent proxy statement, which is available at reports.homedepot.com under “Current Reports.”

Standing Committees

The Board of Directors has established four standing committees:

- Audit
- Leadership Development & Compensation
- Nominating & Corporate Governance
- Finance

These committees are comprised solely of independent directors, and each is governed by a written charter that sets forth its purpose, composition, powers, duties and responsibilities.

Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee (NCGC) is responsible for reviewing and making recommendations to the Board regarding policies concerning corporate and social issues of importance to the company. The NCGC also reviews at least annually the company’s political contributions and payments to trade associations that engage in lobbying activities. At least annually, the full Board of Directors also receives a report from the Vice President of Environmental Innovation on sustainability issues and initiatives.

As noted in the table below, we have adopted extensive governance best practices, and in 2014, 2015 and 2016, Institutional Shareholder Services (ISS) gave us its highest ranking of “1” under its QuickScore governance rating system, reflecting its conclusion that our corporate governance risk is low.

Reflecting Best Practices in Our Policies

| Annual election of directors | Management succession policy set forth in Corporate Governance Guidelines |
| Majority voting standard in director elections | Limited outside Board service for directors |
| Shareholder ability to act by written consent and call special meetings | No shareholder rights plan or “poison pill” |
| Shareholder right of proxy access | Director store walk policy |
| Independent lead director | Board education and orientation program |
| Over 90% of directors and all Board committee members are independent | Compensation recoupment policy applicable to all executive officers |
| Independent directors meet without management | Anti-hedging policy applicable to all associates, officers and directors |
| Annual Board and committee self-evaluations | Stock ownership and retention guidelines for executive officers |
| Annual Board strategy session and review of company’s strategic plan |
Our Accomplishments

**Sustainability Awards**

- **ENERGY STAR® Partner of the Year for Sustained Excellence** (April 2016)
- **WaterSense® Partner of the Year for Sustained Excellence** (2016)
- **Call2Recycle® Leader in Sustainability** (2015)
- **Piedmont Park Conservancy Green Giant Award** (April 2016)
- **SmartWay® Transport Excellence Award** (2016)
- **Trees Atlanta Corporate Tree Champion** (May 2016)
- **Newsweek Green Rankings Top Green Companies** (June 2016)

**Diversity & Inclusion**

- **Minority Corporate Counsel Association® Employer of Choice Award for the South Region** (2016)
- **MilitaryTimes Best for Vets Military Employer** (2016)
- **DiversityBusiness.com® Ranked #31 in America’s Top 50 Organizations for Multicultural Business Opportunities** (2016)
- **G.I. Jobs® Top 50 Military Friendly Employer** (2016)
- **Human Rights Campaign® Best Places to Work for LGBT Equality** (2016)
- **CivilianJobs.com Most Valuable Employers for Military List** (2016)
From Our VP

The Home Depot has tens of thousands of suppliers around the world. So, how are we influencing their social and environmental impact?

We’re driving sustainability as a competitive measurement for all Home Depot suppliers.

Each month, hundreds of suppliers present their latest products at our Store Support Centers in the United States, Canada and Mexico. Our merchants have always insisted on quality and performance at the best price. But over the past 10–15 years, environmental and social responsibility also have become standard requirements to do business with The Home Depot.

Today, our suppliers include details such as their reduced carbon emissions, water savings, green packaging changes and other details about their environmental impact improvements. The results of having all industries utilizing research and development resources to maintain and expand their environmental competitive advantage is a win-win-win, from a competitive, financial and environmental perspective.

It is with hope and enthusiasm that we review our industry’s improvements and environmental innovations.

Our accomplishments are the result of a collaborative journey with manufacturers, environmental groups, our merchants and operators.

We hope that you enjoyed our 2016 Responsibility Report and welcome your feedback on our transparency and how we can improve.

“We believe that “doing the right thing” should not be a mere goal, but instead a guiding principle for every aspect of our business.”

Ron Jarvis, VP, Environmental Innovation
Global Reporting Initiative

At The Home Depot, we use the Global Reporting Initiative (GRI) to illustrate our transparency on sustainability to our stakeholders.

We have applied the Global Reporting Initiative (GRI) G4 Guidelines as an identification and cross reference tool for our sustainability reporting. Our goal is to make meaningful data accessible to our stakeholders by using the internationally recognized GRI framework for reporting. The following charts provide a cross reference location guide to our reports that further highlight the GRI reporting metrics.

Cross Reference Legend
- Form 10-K – 2015 Annual Report on SEC Form 10-K
- Proxy Statement – 2016 Proxy Statement
- Corporate Website – corporate.homedepot.com
- NCGC – Nominating and Corporate Governance Committee
- LDCC – Leadership Development and Compensation Committee
## Introduction

Sustainable Operations

Environmentally Preferable Products

Commitment to Our Associates

Diversity & Inclusion

Our Accomplishments

Global Reporting Initiative

Better Life for People & Communities

**GRI Indicator** | **Description** | **Cross Reference Location**
--- | --- | ---
G4-1 | CEO Statement | Responsibility Report pg. 6
G4-2 | Key impacts, risks and opportunities | Responsibility Report, Form 10-K pgs. 1-12
G4-3 | Organization name | The Home Depot, Inc.
G4-4 | Primary brands, products and services | Form 10-K pgs. 1-7
G4-5 | Headquarters location | Atlanta, GA
G4-6 | Where the organization operates | Form 10-K pgs. 1-4, Corporate Website - About Us
G4-7 | Nature of ownership and legal form | Form 10-K pg. 1
G4-8 | Markets served | Form 10-K pgs. 1-7, 13-14, Corporate Website - About Us
G4-9 | Scale of the organization | Form 10-K
G4-10 | Total workforce by employment type, gender, employment contract and region | N/A
G4-11 | Collective bargaining agreements | Form 10-K pg. 3
G4-12 | Supply chain description | Form 10-K pgs. 5-6
G4-13 | Organizational changes during the reporting period | Form 10-K
G4-14 | If/How the precautionary approach or principle is addressed by the organization | N/A
G4-15 | External charters, principles or other initiatives | Responsibility Report pgs. 90-91, Corporate Website - About Us > Values Wheel, Corporate Website - Responsibility
G4-16 | Membership associations | Responsibility Report pgs. 90-91, Corporate Website - Investor Relations > Corporate Governance
G4-17 | Entities included in financial statements | Form 10-K
G4-18 | Process for defining report boundaries and content | Responsibility Report pgs. 10-11
G4-19 | List all the material Aspects identified | N/A
G4-20 | If the Aspect is material within the organization; The list of entities included in G4-17 for which the Aspect is or is not material. Specific limitation regarding the Aspect Boundary within the organization | N/A
G4-21 | If the Aspect is material outside the organization; The list of entities for which the Aspect is material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organization | N/A
We strive to make better decisions every day because we know their impact will last lifetimes.