

2017

RESPONSIBILITY REPORT



LEVERAGING OUR VALUES TODAY

Impacting Generations Tomorrow



Living Our Values

Our everyday values are at the core of sustainable improvement. Through our business operations, associates, communities and products, we strive to conduct business in a responsible manner to firmly establish ourselves within communities.

We execute a high caliber of best practices that build strong peer and customer relationships to make sure The Home Depot® is a great place to work and a great place to shop. Our goal is continuous improvement on our company's social and environmental impacts, and it's something that we'll continue to focus on for generations to come.

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.

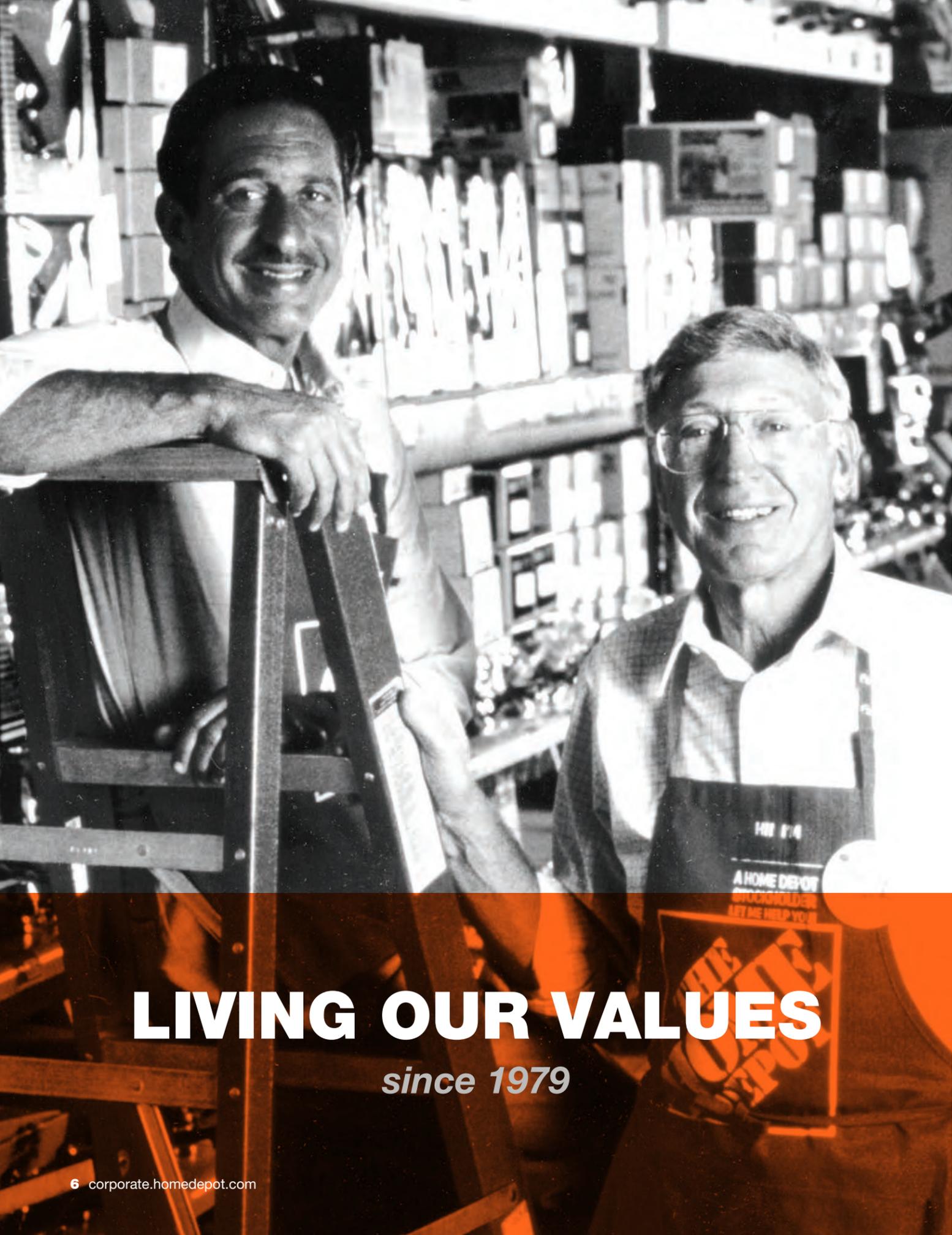
Excellent Customer Service

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.





LIVING OUR VALUES

since 1979

Contents

Introduction

- 04 Living Our Values
- 08 Letter From Our CEO
- 10 Relationship with Stakeholders
- 12 Framework for Global Materiality Issues
- 14 2016 Highlights
- 15 Letter From Our Environmental Leader
- 16 Our Accomplishments

The Home Depot Foundation & Team Depot

- 20 The Home Depot Foundation
- 22 Our Commitment
- 24 Emergency Preparation & Response

Diversity & Inclusion

- 28 Diversity & Inclusion
- 30 Inclusive Practices
- 32 Retaining Talent
- 34 Supplier Partnerships
- 36 Community Partnerships

Commitment to Our People

- 40 Associate Engagement
- 42 Financial Benefits
- 44 Family Support
- 46 Associate Assistance
- 48 Healthy Life
- 50 Business Code of Conduct & Ethics
- 52 Learning & Development

Greening Our Products

- 56 Sustainable Packaging
- 58 Ethical Sourcing
- 62 Conflict Minerals
- 64 Greener Products for a Better World
- 66 Chemical Strategy
- 70 Natural & Organic Gardening
- 76 Circular Economy Decking & Fencing
- 78 Responsible Flooring
- 82 Smarter Paints
- 84 Lithium-Ion Battery Power
- 86 Cleaner Energy
- 88 Greener Cleaning
- 90 Sustainable Forestry
- 92 Saving with WaterSense®
- 94 Saving with ENERGY STAR®

Operating Efficiently

- 98 Taking Care of Our People
- 100 Smart Energy Commitment
- 106 Reducing Our Carbon Footprint
- 108 Greening Our Supply Chain
- 110 Hydrogen Fuel Cell Forklifts
- 112 Sustainable Store Operations
- 114 Waste Management & Recycling
- 116 Departmental Requirements for Hazardous Materials
- 118 Corporate Governance

Closing

- 120 Global Reporting Initiative

CHAIRMAN, CEO AND PRESIDENT



Letter From Our CEO

Our eight core values are the greatest gift our founders, Bernie Marcus and Arthur Blank, gave us almost four decades ago. Their philosophy was that if we operated according to these values, the rest would take care of itself. Our founders were right, and we continue to use these values as our guide every day.

We know that our business impacts our communities, and it's important to us that we do things the right way. When we consider everyday questions through the lens of our values, decisions become easier: Do we buy a certain species of wood from a specific region? Should we partner with a supplier to replace a chemical? Which nonprofit should we support in our community?

We also know that our biggest environmental and social impacts come from the manufacturing and use of the products we sell. With that in mind, this year's report contains an expanded product impact section including improvements that we are making in collaboration with our suppliers.

Other report highlights this year include:

- An update on our quarter-of-a-billion dollar pledge to advance veteran housing through 2020
- Our 10th consecutive year of recognition by the Environmental Protection Agency (EPA) as Retailer of the Year, as well as our Sustained Excellence Award for both ENERGY STAR® and WaterSense® products
- Advancements in supply chain efficiency as recognized by the EPA's SmartWay® Transportation Award
- Progress against our 2020 renewable and alternative energy goal of 135MW through the expansion of solar, wind and fuel cell technology

We are far from alone on this journey. I want to thank our incredible associates and suppliers who have made social and environmental responsibility a top priority. I hope that you find our *2017 Responsibility Report* informative; and as always, we welcome your feedback on our progress and initiatives.

Craig Menear, Chairman, CEO and President



ASSOCIATES

"I want to contribute to a values-based company."
livetheorangelife.com



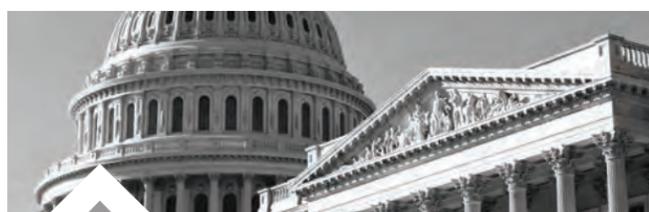
CUSTOMERS

"Perform due diligence on your products to build my trust."
homedepot.com or homedepot.com/contactus



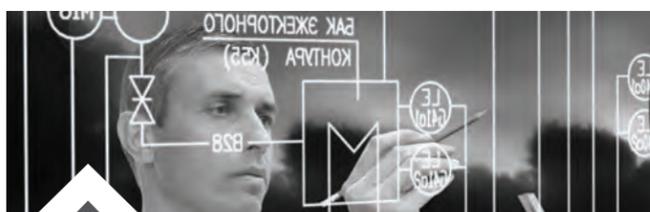
NGOs

"Work with us to elevate our causes to action and progress."
corporate.homedepot.com/responsibility/products



GOVERNMENT

"Create partnerships with local, state and federal officials that help bridge industry innovation to public policy advancement."
homedepot.com/c/government_customers



ACADEMIA

"Give us insight to customer trends and habits to aid our research."
homedepot.com/contactus



INVESTORS

"Know your sustainable/social risks in your supply chain and throughout the business."
ir.homedepot.com



SUPPLIERS

"Give us the outlet to market innovative, sustainable products with timely feedback."
homedepotlink.homedepot.com

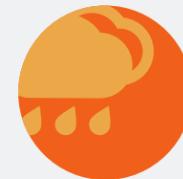
Relationship with Stakeholders

As a retailer, there are various types of stakeholder interaction, including face-to-face customer inquiries, emails from concerned citizens, formal NGO meetings, industry association presentations and many more.

We utilize these formal and informal inquiries along with our materiality assessment survey to gather input from our many stakeholders. The process 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 align synergies with our stakeholders. Listening to stakeholders, engaging in the science, reacting to enhancements and monitoring our results is the formula for us to determine what material

aspects and boundaries support and enhance our business objectives. We have outlined our framework addressing global materiality issues on the following two pages. The issues and boundaries identified through this framework are communicated back through our department structure to the senior leadership team and presented biannually to the Sustainability Council. The Chairman of the Sustainability Council presents our sustainability strategy and activity to the Board of Directors on an annual basis.

Areas of Focus



Climate Change



Factory Audits



Energy Reduction



Natural Resources



Diversity & Inclusion



Chemical Concerns



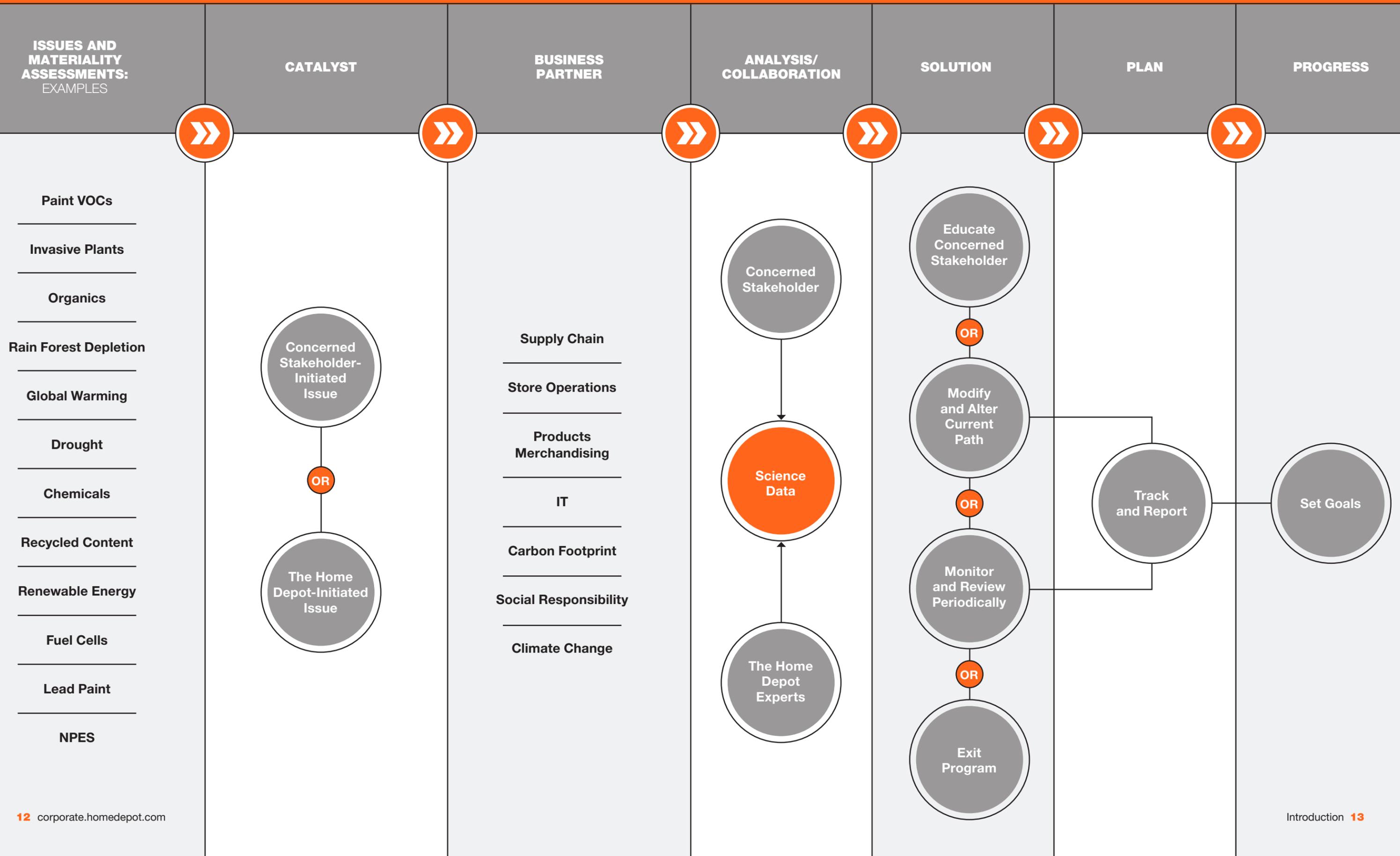
Waste & Recycle

Materiality aspects and boundaries are determined through

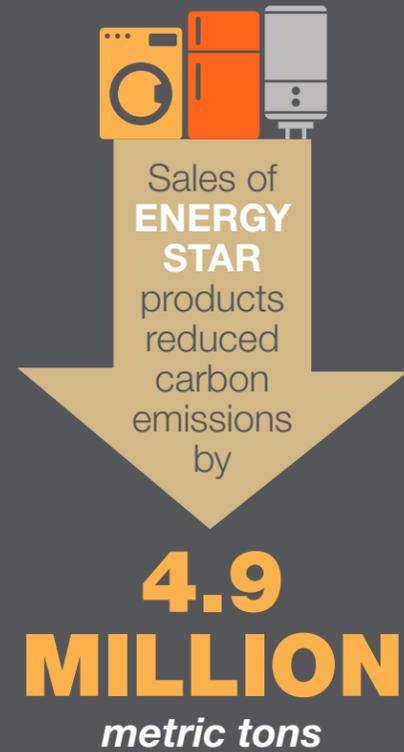
STAKEHOLDER ENGAGEMENT

to help maintain core business strategy alignment

FRAMEWORK FOR GLOBAL MATERIALITY ISSUES

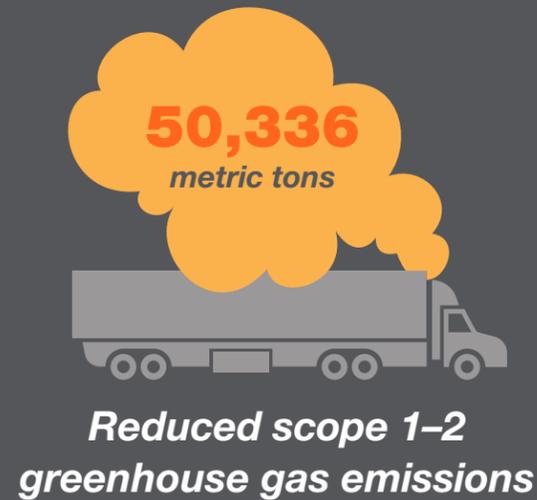


2016 Highlights



Pledged to help reduce consumer greenhouse gas emissions by

20 MILLION
metric tons by 2020



Committed to eliminate

EPS STYROFOAM
from private brand holiday packaging

Energy-saving products sold reduced

7 BILLION
kilowatt hours

Letter From Our Environmental Leader

As a multi-channel, interconnected retailer, we have seen and continue to see enormous changes in the retail and manufacturing landscape. We not only have more powerful and innovative ways to serve customers, but also see more transparency of corporate responsibility issues by manufacturers and the business community. This transparency has stemmed from public and private companies' desires to inform and satisfy their many stakeholders.

With more than one million different products available in stores and online, as well as thousands of suppliers across the planet, we are passionate about our opportunities to encourage our suppliers to reduce negative environmental product impacts.

The influence may be subtle at times: minor changes in a manufacturing process, a tweak in an ingredient list or a more pronounced change like converting a gas-powered lawn mower to a lithium-ion battery-powered mower. And instead of focusing only on buying green products, we also work to green the products we buy.

We're constantly working to balance the responsibilities of being a global retailer that embraces sustainable aspirations. Our goal is to collaborate with suppliers to promote environmental innovation, foster technological advancements and reduce the environmental impact across our product categories.

We seek transparency on issues that interest our stakeholders. In this year's *2017 Responsibility Report*, we have expanded our insights into many of our activities in order to help our stakeholders understand our focus areas and impacts. You will find our progress and actions on foreign factory audits, renewable energy growth, organic product assortment, employee development, veteran housing initiatives, carbon emission reduction and more. It is our daily challenge to be proactive in reducing our industry's environmental impact and strive to improve human life across the global communities that we influence and support.

Thank you for your time and interest in The Home Depot.

Ron Jarvis, Vice President, Environmental Innovation



Recycled over

1.2 MILLION
pounds of shrink-wrap from our stores into Trex® composite decking



Recycled over

1 MILLION
pounds of rechargeable batteries



Recycled over

72.5 MILLION
gallons of water from reclamation tanks in our garden centers

VICE PRESIDENT, ENVIRONMENTAL INNOVATION



Our Accomplishments

The Home Depot is thoroughly dedicated to helping customers in our aisles, supporting our associates and giving back in our communities. We also continue to monitor our environmental impact and pursue strategic partnerships with our vendors and suppliers to execute more sustainable initiatives. Here are some of our recent awards and recognitions.

Community Recognition



Veterans Empowerment Organization Corporate Partner of the Year



Southern Crescent Habitat for Humanity® Golden Hammer Award (2016)



U.S. American Legion Large Employer of the Year: Georgia (2016)



National Coalition for Homeless Veterans Corporate Partner of the Year

Sustainability Recognition



WaterSense® Partner of the Year for Sustained Excellence (2016)



Piedmont Park Conservancy Green Giant Award (April 2016)



SmartWay® Transport Excellence Award (2016)



Trees Atlanta Corporate Tree Champion (2016)



ENERGY STAR® Partner of the Year for Sustained Excellence (April 2017)



Newsweek Green Rankings Top Green Companies (2016)



Call2Recycle® Leader in Sustainability (2016)

Diversity Recognition



MilitaryTimes Best for Vets Military Employer (2017)



G.I. Jobs® Top 50 Military Friendly Employer (2016)



Human Rights Campaign® Best Places to Work for LGBT Equality (2017)



Top 50 Corporations for Inclusion from Omnikal (2017)



Victory Media Top 100 Military Friendly Employer



CivilianJobs.com Most Valuable Employers for Military List (2016)



DiversityBusiness.com® Ranked #31 in America's Top 50 Organizations for Multicultural Business Opportunities (2016)



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



U.S. Hispanic Chamber of Commerce (USHCC) Million Dollar Club (2016)

Retail Recognition



InternetRetailer® Five Top Performers (2016)



L2 ranked us #1 in Big Box Retailers in the Digital IQ Index (2016)



HillVets ranked us among Top 100 Veteran Influencers (2017)



Better Buildings Challenge by the U.S. Department of Energy recognized our Austin Data Center for reduced energy intensity by 25% over a 5-year period (2016)

THE HOME DEPOT FOUNDATION & TEAM DEPOT

- 20 The Home Depot Foundation
- 23 Our Commitment
- 24 Emergency Preparation & Response



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 – with the help of Team Depot, the company’s associate-led volunteer force – has invested more than \$198 million in veteran causes.



WHERE WE'RE FOCUSED



Combat-Wounded Veterans

3.8+ MILLION

veterans have a service-connected disability.



Senior Veterans

9.4+ MILLION

veterans are over the age of 65.



Homeless Veterans

39,000+

veterans are homeless on any given night.



Disaster Response

\$4.3+ BILLION

in damages caused by natural disasters in 2016.

Our Partners

The Home Depot partners with thousands of nonprofit organizations to support our initiatives and help veterans and communities in need.

Learn more about our national partners at corporate.homedepot.com/community



Volunteers of America®



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.

\$213 MILLION+
*awarded to veteran
nonprofit partners*

3,800+
nonprofit partnerships

34,500+
*veteran homes & facilities
positively impacted*

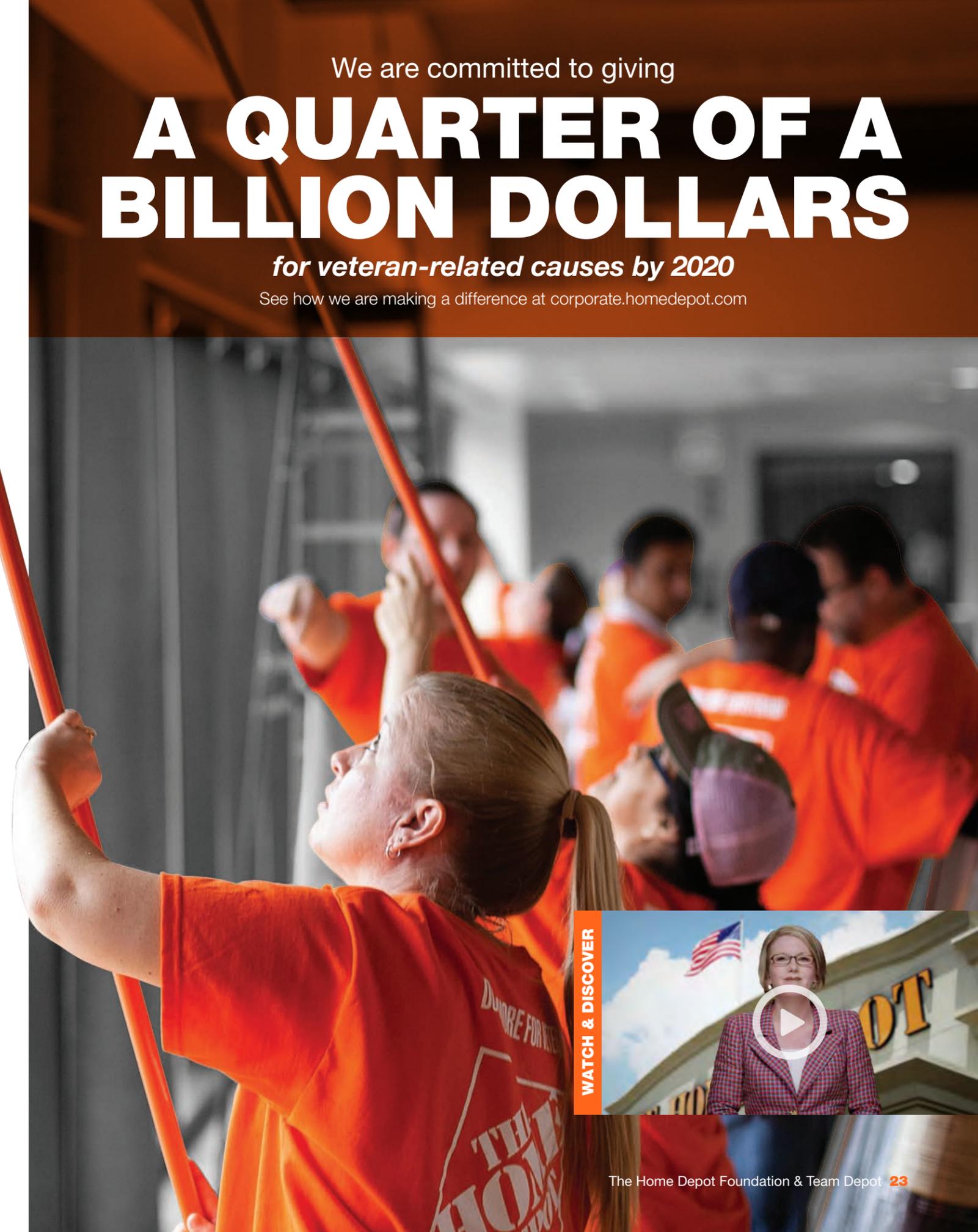
3,700+
U.S. cities impacted

We are committed to giving

A QUARTER OF A BILLION DOLLARS

for veteran-related causes by 2020

See how we are making a difference at corporate.homedepot.com



WATCH & DISCOVER





Emergency Preparation & Response

Before the Storm

During large natural disasters, our merchandising, supply chain and operations teams work around the clock in a coordinated and comprehensive effort to move necessary product and equipment to impacted areas. Response efforts are focused on the appropriate response for stores caught in the path of hurricanes, blizzards, tornadoes, wildfires and other significant events.

The Home Depot human resources team, alongside The Homer Fund, activates to support impacted associates while our operations teams try to ensure that our stores are the last to safely close and the first to safely reopen to help communities recover.

After the Storm

Rebuilding after a natural disaster takes time, money and energy that many victims don't have. With this in mind, our HD Foundation team partners with the American Red Cross and other organizations to facilitate relief aid to impacted communities. Product availability is a key focus to help communities have the materials they need to repair and rebuild. Team Depot, our associate-led volunteer force, is coordinated and deployed to ensure our communities have the support they need to recover.

We also partner with FEMA, State Offices of Emergency Management and other organizations to support first responders and relief agencies.

Community and Associate Expectations

- Be prepared.
- Be there.
- Be open.
- Solve customer and associate issues.
- Provide credible information.
- Help with recovery assistance.
- Set the example.

Our motto:

LAST TO CLOSE,
first to open

DIVERSITY & INCLUSION

- 28 Diversity & Inclusion
- 30 Inclusive Practices
- 32 Retaining Talent
- 34 Supplier Partnerships
- 36 Community Partnerships



Diversity & Inclusion

Differences in thought, style, culture, ethnicity, age, sexual orientation and experience are invaluable aspects of diversity. Our culture commitment is to welcome and accept those differences.



For us, diversity and inclusion is more than just data and results. It is about our culture, our core values and engaging in a way that demonstrates inclusion. With over 30 languages represented across our stores, our diversity and inclusion strategy makes The Home Depot a great place to work and a great place to shop. We proactively engage by:



Integrating Inclusive Practices
into our business processes



Educating & Engaging
our associates



Building Strategic Partnerships
with suppliers and the communities we serve

From our associates to product selection to the services we provide to the suppliers we engage, we are integrating diversity and inclusion into every aspect of our business. Outcomes of our inclusiveness are depicted within the pages of this report.



BEATRIZ RODRIGUEZ

Chief
Diversity Officer

"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. We are committed to our associates and our leaders."

Inclusive Practices

We understand that we succeed through people – those who skillfully process and deliver the products and services that distinguish us from our competitors. We believe that our workforce of diverse and inclusive associates not only strengthens our competitive advantage, but also maximizes the investment of our shareholders and ultimately benefits the communities we serve. We cultivate a culture at The Home Depot where associates want to stay and have the opportunity to grow their career.

As U.S. demographics continue to shift, so does the landscape of our customer base. Our employment marketing strategy is more than just recruiting associates – it is about acquiring diverse talent. As a result, our workforce is more ethnically diverse than the U.S. working population, which according to the 2016 U.S. Department of Labor statistics, is comprised of 38% minorities. Additionally, we are leading by example in the diversity of our Board of Directors and our C-suite leaders.

Hiring Strategy



220+

summer internship

participants across 10 business areas



82,000+

veterans hired,

exceeding the 2012 White House commitment to hire 55,000 by 2017

Diverse Sourcing & Recruiting Method



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



Participating in national and local diversity career fairs



Engaging veterans and their spouses through our Military Transition portal



Maximizing exposure to target multicultural markets through social and print media



More than

45% OF NEW HIRES

are ethnically diverse

Retaining Talent

To retain associates in 2016, we offered a robust development and benefits package which continues to meet the needs of our diverse workforce.

Development

- Diversity, Respect and Inclusion training is part of all associates' curriculum.
- Over 20,000 associates accessed Women in Leadership content (also available in Spanish).
- Over 55% of associates participating in our Store Support Center mentoring circle were ethnically diverse, and over 55% were female.

Benefits

- 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.



JOSEFINA PERVICE
Greeter – Store #115

Josefina will be the first person in her family to graduate from college, thanks in part to Home Depot's Tuition Reimbursement program. "I'm able to buy books, which can be very expensive," she said. Josefina's father was a loyal Home Depot customer when she was growing up. "He got me interested in hardware and suggested I apply for a job." Josefina started as a part-time cashier and applied for tuition reimbursement when she saw a flier in the break room. She works part-time while the store accommodates her full-time school schedule. She will graduate from Georgia State University with a bachelor's degree in psychology.



AKINYEMI "YEMI" AKINBODE
IT Product Support Specialist – SSC

In 2013, Yemi moved to the U.S. from Nigeria to reunite with his family living in Pittsburgh. Although he had already completed a Bachelor of Science degree in accounting and a master's in personnel psychology while at home, Yemi's career goal was to work in IT. With the help and encouragement of his leader, MET Supervisor Lou Molinaro, Yemi took different IT classes that later translated into an opportunity to join Home Depot's IT Department. Two years later, Yemi was promoted to the role of Product Support Specialist.

CRYSTAL HANLON
President - Northern Division

"I have had countless mentors throughout my career, all have taught me a passion for our people, our customers and our company. That mindset and living by our values is what has led me to a career with The Home Depot for the last 31 years! We are all one Orange-Blooded family, working together to make a difference for our people and our customers, and I love it, each and every day!"



125,000+
associates were promoted to
positions of increased responsibility

Supplier Partnerships

Our supplier diversity strategy provides meaningful business opportunities for minority-, veteran- and female-owned suppliers as well as small businesses. Our suppliers 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. As a result, we are consistently recognized at the local and national level for ensuring their inclusion in our sourcing and procurement process.

1,000+
suppliers register
as small or diverse
annually

100,000+
active SKUs are
supplied by small or
diverse businesses

We maintain memberships, participate in trade shows and provide sponsorship support to a number of diverse organizations including:

- Minority Business Development Agency
- National Gay and Lesbian Chamber of Commerce
- 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

Costa Farms Partnership

Headquartered in Miami, Florida, Costa Farms is America's largest producer of indoor plants and the second largest bedding plant supplier in the nation. Costa Farms is a third generation, Hispanic family-owned group of companies which is committed to continually fine-tuning their IPM (Integrated Pest Management) program to become more efficient, effective and environmentally friendly. Winning is part of their culture, and team members thrive on Costa Farms' mantra, "Humble, Hungry, Hustle." They live it daily, constantly working to improve operations and never satisfied with the status quo.



\$15 BILLION+

spent with small businesses and diverse suppliers in the last three years



Community Partnerships

Our local and national community partners represent the diversity of our associates and customers. Our Diversity and Inclusion team strategically partners with organizations that align with our commitment to promote inclusion, develop talent and engage the diverse community.

Retool Your School Grant Program

Established in 2010, Retool Your School is our Campus Improvement Grant program, which offers Historically Black Colleges and Universities (HBCUs) the opportunity to receive funds for sustainable renovations and upgrades to their campuses.

In 2017, as a result of our partnership with our stores, school administrators, students, alums and the community at large, we achieved a 44% increase in school participation (72 schools) and awarded grants totaling \$360,000.

Community Partners

- 100 Black Men of Atlanta
- American Corporate Partners (ACP)
- Catalyst
- Executive Leadership Council (ELC)
- Georgia Diversity Council
- Hispanic Association on Corporate Responsibility (HACR)
- Human Rights Campaign (HRC)
- National Association for the Advancement of Colored People (NAACP)
- National Association of Asian American Professionals (NAAAP)
- National Action Network (NAN)
- National Association of Chinese Americans (NACA)
- National Urban League (NUL)
- Network of Executive Women (NEW)
- Rainbow PUSH Coalition
- The Latin American Association
- The Martin Luther King Center for Non-Violent Social Change
- Trumpet Awards Foundation
- Urban League of Greater Atlanta (ULGA)
- United Negro College Fund (UNCF)

Since Retool Your School Program Inception



**81%
HBCU**
*(Historically Black
Colleges and Universities)
participation rate*



**4,000+
VOLUNTEER**
hours donated



**\$1.8
MILLION+**
in grants

COMMITMENT TO OUR PEOPLE

- 40 Associate Engagement
- 42 Financial Benefits
- 44 Family Support
- 46 Associate Assistance
- 48 Healthy Life
- 50 Business Code of Conduct & Ethics
- 52 Learning & Development



Associate Engagement

We strive to create an environment that gives our associates a sense of meaning, a sense of family, and a sense of dignity and growth. When our associates feel that they belong, everybody wins. “Our internal research has shown that engaged associates are more loyal, work harder and provide better customer service to our valued customers.” – Joe Garcia, Senior Director, Organizational Effectiveness

Voice of the Associate Survey

Our annual Voice of the Associate Survey (VOA) helps determine how emotionally connected our associates are to their jobs, leaders and The Home Depot.

We proudly report that results are uniformly favorable, and we have seen an increase in 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. The area of Diversity & Inclusion is tied with Safety as the highest-rated dimension on our overall survey.

80%

of overall associates
rated diversity and inclusion favorably

90%

of diverse associates
rated our commitment to employ
diverse individuals favorably

Associate Resource Groups

At our Store Support Center (SSC), we engage associates and support their inclusive culture through our seven Associate Resource Groups (ARGs) – teams of associates joined together around a single aspect of diversity to take action that supports the company’s business objectives and policies.

Championed by executive sponsors and advisors, each ARG highlights our commitment to diversity and inclusion by engaging associates in activities aligned around professional development, awareness and community outreach. For over 10 years, our ARG members have led initiatives and associate engagement for recruiting, mentoring and community partnerships.

60%
of SSC
associates
belong to an ARG



**RINA
BALA**
Pan-Asian
Waves Chair

“Through the Associate Resource Groups that Home Depot provides, I have been able to give back to our communities and celebrate our associates’ diversity. I look forward to continue living these values and helping others develop in their careers just as I have been supported throughout mine.”





\$131 MILLION+

*in tuition reimbursement received by more than
45,000 associates over the last 12 years*

Financial Benefits

We offer a variety of financially focused benefits, including our discounted employee 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 Aon Financial Advisors, 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.) to retirement planning and help with developing an overall financial strategy.

\$15 MILLION+

saved by our associates

through our discounts program in 2016



Success Sharing

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

\$1 BILLION+

awarded to associates

in Success Sharing

since 2009

Family Support

We consider our associates our biggest competitive advantage, and it's our responsibility and privilege to take care of them. We do this by offering an array of programs to meet their needs.



EdAssist

Our new EdAssist program offers associates access to academic and college financial advisors to assist them in reducing the time, cost and stress of pursuing their educational goals. This program also includes access to tuition discounts at more than 200 educational institutions nationwide.



SitterCity

The Home Depot offers associates access to prescreened, 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.



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.



ReThink Program

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.



Backup Care

The Home Depot has partnered with Bright Horizons® to offer eligible associates backup care for the following instances:

- When a regular caregiver/stay-at-home spouse is unavailable
- When an associate is between childcare or adult/eldercare
- 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



**NINA
PLAYER**
SSC

"This is one of the best benefits offered by Home Depot. The fact that you can use it for childcare or eldercare is awesome. The hourly rate can't be beat, and the caliber of the caregivers for eldercare has been great."

Associate Assistance

All associates are members of our extended orange family. Supporting our family members in time of need is the core of our culture.



The Homer Fund

The Homer Fund is a nonprofit charity that provides emergency financial assistance to associates of The Home Depot who face 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.



CARE/Solutions for Life

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.

CARE IS FREE
and confidential for all associates
and their household members

Our CARE/Solutions for Life program is managed by an internal Home Depot team of medical professionals who are available 24 hours a day, 7 days a week, 52 weeks a year. 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 supporting our associates in times of need.

\$152 MILLION+

*of assistance awarded to over
115,000 associates by The
Homer Fund since 1999*





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, and they compete as teams to 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.



Flu Prevention

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



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 access to free biometric screenings on-site or at a Quest Diagnostic Patient Service Center. Over 100,000 associates and spouses participate annually.



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 attend quarterly calls to receive information and share ideas with each other.



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. This program helps them discover their Sleep Score and build a personal program to reach their sleep goals.



24/7 Care

Associates are able to virtually see a doctor from the comfort of home for common illnesses, mental health services and more. 24/7 Care is perfect for after-hours, holidays and weekends, or while they are traveling or on the go. Additionally, we offer other valuable healthcare programs like comprehensive dental and vision benefits and a second opinion program through Best Doctors.



Business Code of Conduct & Ethics

The Business Code of Conduct & 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 multiple areas such as:

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

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 longstanding policy that prohibits retaliation for making a report.

AwareLine: 1-800-286-4909

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.

*U.S. and Canada: 1-800-435-3152
Mexico: 001-888-765-8153
China: 400-880-1045*



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



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



Suppliers may report values or compliance concerns online at tnw.reportlineweb.com/custom/HDVendorRelations

Learning & Development

We cultivate a learning-rich environment where associates are prepared to succeed and are motivated to serve our customers. Great customer experiences start with great associate experiences, which begin with strong, effective leadership. We provide our leaders and associates with comprehensive training and development programs designed to grow their skills and capabilities, enabling them to be competent and confident to take care of our customers and advance in their career.

Associate and Leader 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. Learning and development supports growth and development at every phase of our associates' journey. We develop our leaders and associates using:



eLearning

Provides media-rich, self-directed learning with focused, interactive activities and actionable feedback starting on day one.



Instructor-Led Experiences

Provides immersive training on business acumen, technical skills and leadership skills. Classes are held at our Atlanta Store Support Center for new leaders in critical positions.



Online Resources

A library of online, on-demand resources including videos, courses, book summaries, reference material and performance support tools.



Executive Development

Designed to increase business acumen and leadership capabilities, and empower advanced leaders to develop strategic business approaches and prepare for a higher-level role.

6 MILLION+
*hours of training are invested
in our associates each year*

**ANN-MARIE
CAMPBELL**

Executive Vice
President
– U.S. Stores

“It has been great to work for a company that fosters and embraces a learning environment; and in my career development, it provided a platform for growth from being a cashier to leader of HD stores.”



GREENING OUR PRODUCTS

- 56 Sustainable Packaging
- 58 Ethical Sourcing
- 62 Conflict Minerals
- 64 Greener Products for a Better World
- 66 The Home Depot Chemical Strategy
- 70 Natural & Organic Gardening
- 76 Circular Economy Decking & Fencing
- 78 Responsible Flooring
- 82 Smarter Paints
- 84 Lithium-Ion Battery Power
- 86 Cleaner Energy
- 88 Greener Cleaning
- 90 Sustainable Forestry
- 92 Saving with WaterSense
- 94 Saving with ENERGY STAR



Sustainable Packaging

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 private brand product development.



We optimized
152 PACKAGES
to reduce size and materials



Our packaging optimization for 2018 should result in shipping over
1,165 FEWER
40' shipping containers



With intelligent packaging design, we estimate that
1.8 MILLION POUNDS
of damaged product waste was abated in the past year



We removed over
341,000 CUBIC FEET OF EPS FOAM
from our packaging; this is equivalent to 355 Greyhound buses



We plan to remove over
79,500 POUNDS
of PVC packaging from reaching landfills; this is more than the weight of four adult elephants



WATCH & DISCOVER



TRANSITION FROM EPS FOAM (LEFT) TO PAPER HONEYCOMB CUSHIONING (RIGHT)



GREG FORNASIERO
Sr. Manager,
Packaging

“THD Packaging Engineering Team is driven by the objective to ‘make the most from the limited available resources.’ And as part of our role, we strive to educate our suppliers to use the best available materials, processes and design solutions. Our team feels there is always opportunity to improve.”



Expanded Polystyrene (EPS) Foam

Starting out as beads of chemicals and oil, EPS is blown and molded to create customized cushioning to protect many of the goods consumers buy.

The issue? EPS is difficult to recycle due to its chemical make-up and oftentimes ends up in landfills and oceans.

Through partnership with our suppliers, we were able to eliminate 341,000 cubic feet of EPS foam from our stores. That is 355 Greyhound buses-worthful of non-recyclable foam that has been replaced with more sustainable, environmentally-friendly materials such as fiber-based molded pulp and paper.



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.

SER 2016 Program Highlights

- 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.
 - 2,599 factory audits and follow-up visits
 - 23 subcontractors were identified and audited
- 21 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.
- We implemented a “Seasonal Audit Program” where 272 factories producing products deemed “Seasonal” were audited during peak production in 2016 to address compliance at the “right time.”
- In addition to our on-site training, which was attended by 466 associates from 264 factories and 60 vendors, we launched an online training tool in December 2016 which had 143 participating users from 12 suppliers and 85 factories located in 9 countries that month.
- We added an additional 90 factories into the SER program via the acquisition of Interline Brands Inc.

Committed to

**HUMAN RIGHTS
AND SAFETY**
in the workplace



SER Standards

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

- 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

Transparency is Vital

To ensure our suppliers and factory workers have the ability to communicate concerns to The Home Depot, we provide a Supplier AlertLine to report violations of company policy or legal requirements.

Workers from all 33 countries we source from may submit anonymous reports to The Home Depot via our Supplier AlertLine site:

tnw.reportlineweb.com/custom/HDVendorRelations

In addition, almost 90% of our factories are located in the following four countries where workers can file a report by phone 24 hours a day, 365 days a year:

- **U.S. and Canada:** 1-800-435-3152
- **Mexico:** 001-888-765-8153
- **China:** 400-880-1045

RESPECTING AND SUPPORTING OUR SUPPLY CHAIN STARTS AT THE TOP



BOARD OF DIRECTORS AND AUDIT COMMITTEE

The Home Depot Audit Committee reviews the company's SER program on an annual basis



ENTERPRISE RISK COUNCIL

Council comprised of senior executive leaders from throughout the company that provides oversight and guidance

THIRD-PARTY AUDITORS

The Home Depot partners with 4 international firms to conduct our SER compliance audits



INTERNAL AUDIT

7 associates who spend over 1,100 hours annually to ensure the program operates as expected



HOME DEPOT GLOBAL SOURCING OFFICES

Staff from our 6 global sourcing offices play a vital role in working with our supply chain towards compliance with our standards

THE HOME DEPOT SER TEAM

The Home Depot has 7 dedicated associates focused on ensuring factories adhere to our standards



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).

321
*in-scope
suppliers*

21%
*indicated 3TG
necessary to
functionality
or production*

63
*countries
where 3TG
was sourced*

325
*verified
smelters or
refiners (SORs)*

64
*SORs sourcing
from DRC
or neighboring
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.

In 2016, our efforts continued to be focused on collecting and disseminating information from our tier 1 suppliers on their sourcing practices using the conflict materials reporting template developed by the Conflict-Free Sourcing Initiative, or CFSI, and creating a database for that information. Each year since the company began the process of assessing the origin of conflict minerals necessary for the functionality or production of products that the company has contracted to manufacture, the company has continually made enhancements to its supplier review processes. In 2016, the company reduced the number of in-scope tier 1 suppliers by excluding any supplier of products where the supplier merely affixed company brands, trademarks, logos or labels to generic products manufactured by a third party.

As a result, the total number of tier 1 suppliers decreased to 325 in 2016 from 831 in 2015.

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 in-scope private brands and proprietary suppliers for 2016.

In 2016, we determined that 19.7% of the verified smelters reported by our suppliers sourced 3TG from the Covered Countries. Of these, all but one of these smelters or refiners were members of the CFSI (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) and were certified as DRC conflict-free by the respective organization.

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.



Committed to
**RESPONSIBLE
SOURCING**
of materials for our products



Greener Products for a Better World

We believe the simplest way to help customers choose environmentally preferred and healthy products is by improving the products we already sell.

Quietly yet persistently, our suppliers have been researching, testing and improving products. The result is a selection of environmental product innovations across our stores.

Over the years, we have talked a lot about LED bulbs and ENERGY STAR-certified products, water-saving products and WaterSense-approved products, and they remain vital to helping our customers reduce their environmental impact and utility bills.

This year, we are proud to highlight the work of our industry-leading suppliers in products that promote extensive recycling, healthy indoor air quality, organic gardening and more.



Eco Options: Identifying Environmentally Preferred Products

In 2007, in partnership with SCS Global Services, a leading, independent, third-party certification body, we launched our Eco Options® program – an identification system that recognizes products that have less of an impact on the environment than comparable products.

We track products in 5 key categories:



Energy Efficiency



Water Conservation



Healthy Home



Clean Air



Sustainable Forestry

For a product to be classified as an Eco Options product, the supplier must present documentation illustrating the environmental attributes of the product that proves it has less of an impact on the environment than comparable products in the same category.

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



Chemical Strategy

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

With our encouragement, our suppliers have been investing in developing environmentally innovative products. The Home Depot supports the work of the Green Chemistry & Commerce Council (GC3) through annual membership and participation in the Retail Leadership Council of the GC3, and we participated in developing the GC3's Joint Statement on using Green Chemistry and Safer Alternatives to Advance Sustainable Products. We and our suppliers also partner with respected third-party certification organizations and environmental nonprofits that guide the home improvement industry toward safe chemical ingredient use. The Home Depot is committed to continuing the drive toward minimizing the environmental impact of the products we sell.

Our Commitment

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

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



Paints

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

- Triclosan
- Isocyanates
- Formaldehyde
- Lead/Heavy Metals
- Alkylphenol ethoxylates and nonylphenol ethoxylates by 2019 (APEOs and NPEs have been eliminated from most formulas and are in the process of being phased out of the remaining formulas for elimination by December 2019.)

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

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

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

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

VOC VALUE <5G/L = ZERO VOC	VOC VALUE <50G/L = LOW VOC	
BEHR Premium Plus Interior	BEHR Premium Plus Exterior	Glidden Premium Exterior
BEHRPro i300 Interior	BEHR Premium Plus Ultra Interior	Glidden Essentials Interior
Glidden Premium Interior	BEHR Premium Plus Ultra Exterior	Glidden Ceiling Paint
Glidden Diamond Interior	BEHR Marquee Interior	Glidden Professional Speedwall
CIL Premium Interior (Canada)	BEHR Marquee Exterior	Glidden Professional Ultra-Hide 220
	BEHRPro i100 Interior	Glidden Professional Ultra-Hide 440
	PPG Timeless Interior	Glidden Speed-Cote Exterior
	PPG Timeless Exterior	Glidden Vinyl Renew Exterior
	CIL DUO Interior (Canada)	

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



Paint Removers

Removing paints and varnishes safely and efficiently is an important step in many home improvement painting and staining projects. Methylene chloride has historically been the most effective product option in this category. The Home Depot is committed to working with suppliers and the EPA to identify alternatives with comparable efficacy that do not pose risks to human and environmental health. Meanwhile, we offer several alternatives to methylene chloride-based removers.



Flooring

Carpet

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

- Perfluorooctanoic Acid (PFOA) or Perfluorooctane Sulfonate (PFOS)
- Triclosan
- Organotins
- Ortho-Phthalates
- Vinyl Chloride
- Nonylphenol Ethoxylates (NPEs)
- Coal Fly Ash
- Formaldehyde
- Added Heavy Metals

Vinyl

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

Laminate Flooring

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



Insulation

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

- Brominated Flame Retardants
- Halogenated Flame Retardants
- Antimony Trioxide
- Formaldehyde
- Added Heavy Metals

Natural & Organic Gardening

More of our customers are asking for ways to grow healthy gardens while avoiding chemicals. So a few years ago, we started bringing a broad and diverse selection of organic and natural soils, fertilizers and pest controls into our assortments.

Our merchants work with well-respected national suppliers who source local and regional products for our organic assortments, giving our customers a range of soils, fertilizers and pest controls that best suit their organic gardening needs.

And today, we carry a wide assortment of organic products, including products from:

ALASKA®

BONNIE®

DR. EARTH®

ECOSCRAPS®

ESPOMA®

JOBES®

KELLOGG®

MIRACLE-GRO® NATURE'S CARE®

Did You Know?

We conduct organic gardening DIY workshops each year to give our customers a chance to learn about our products and how to use them. Our efforts are making organic gardening easier and more accessible with the best brands and products our customers need, all under one roof.



WATCH & DISCOVER





Organic Soils & Plant Food



A full line of organic gardening soils, fertilizers and pest controls with 100% natural, certified organic, non-GMO, OMRI-certified products. Their patented aloe-vera concentrate keeps soils and plants hydrated.



Ecoscrap's re-purposes leftovers from all parts of the food life cycle. This reduces landfill waste while creating an all-in-one particle organic nutrition source for superb vegetables, fruits and flowering plants.



Organic plant foods for indoor and outdoor plants with long-lasting bio-tone and natural ingredients. Espoma has been making organic and natural lawn and garden care products since 1929.



Innovative and eco-friendly fertilizers that feed roots all season long. Their blend of Biozome plus organic plant nutrients and beneficial microbial species are uniquely combined to enhance soil conditions and stimulate plant growth.



A 92-year-old, family-owned manufacturer of organic soils and fertilizers. They have been focused on sustainability since they were founded in 1925, investing in rigorous organic growing practices and ensuring every product is OMRI-certified.



Fertilizers and pest controls formulated just for organic gardening. Their soils, with Water Conserve, keep plants hydrated with natural ingredients to absorb water like a sponge to protect against over- and under-watering.

**NICOLE
PETRUSKA**
Merchant,
Soils & Mulch

"Healthy soil is critical to the ecosystem. It's important that we take care of it to ensure agriculture and plant growth for years to come."

Problem-Solving Plants



Organics

Home Depot offers nearly 50 varieties of USDA 100% certified organic vegetable, fruit and herb varieties in 1,100 of our stores across 29 states. All varieties are non-GMO and will be available in all our U.S. stores and in select Canada stores in 2018.



Water Conservation

Smart Planet™ plants conserve water and create an eco-friendly environment and a habitat for native wildlife. They bring together the best flowering plants and grasses for local climates to help conserve resources without sacrificing beautiful gardens.



Pollinators

Nature's Nutrients flowering plants attract butterflies and other pollinators to help gardens thrive. They are grown without the use of neonicotinoid pesticides, and they are only available at The Home Depot.



Peat Pots

Since 1918, Bonnie Plants has helped gardeners grow the freshest vegetables and herbs. Most Bonnie plants are grown in biodegradable peat pots that reduce garden waste. In 2016, Bonnie and The Home Depot kept over 19 million plastic pots out of landfills.

Regional Environmental Programs



PlantRight – California

PlantRight raises awareness about how to keep invasive plant species from entering local ecosystems and collaborates with the nursery industry to prevent the spread of these species. We're proud to be the first big-box retail partner to engage with PlantRight, and now our growers use PlantRight's list of locally invasive garden plants and suggested alternatives. As a result, we now carry non-invasive plants in our California stores, helping preserve California's rich biodiversity.



Our Water Our World (OWOW) – California

OWOW is a collaboration of regional and local water pollution prevention agencies in Northern California. Since 2003, Home Depot has collaborated with OWOW to raise awareness about less toxic pest management strategies and products that can help protect local waterways. Today, OWOW is active in 59 of our San Francisco Bay area and Sacramento area stores, assisting customers and training associates on IPM (Integrated Pest Management) practices.



Maine YardScaping

The Home Depot partners with Maine's Cumberland County Soil and Water Conservation District to promote their YardScaping healthy lawn care program in our Southern Maine stores. YardScaping promotes the use of lawn care products and techniques that promote soil health and fertility while decreasing polluted runoff. YardScaping representatives work with our stores to educate our customers and help train our store associates.



Bring One for the Chipper – Georgia

Each year, The Home Depot works with Keep Georgia Beautiful to organize a Christmas tree recycling event. Since the program started, The Home Depot and other sponsors have helped recycle almost 6 million Christmas trees, providing mulch for playgrounds, local government beautification projects and individual yards, as well as providing trees for fish habitats.

19 MILLION+
*plastic pots kept out of landfills in 2016
 with Bonnie Plants peat pots*

Circular Economy Decking & Fencing

Both Veranda™ and Trex composite decking and fencing products are made from a blend of recycled content of wood dust and plastics including stretch film, plastic bags and plastic bottles.

300,000 TONS
*of wood and plastic are diverted
from landfills each year*
by Veranda and Trex

These composite products not only help reduce waste, they also help avoid polyethylene from leaching from aerobic waste sites – and no chemicals or binders are added or required for manufacturing composite decking.



Veranda composite products are made with over 80% recycled wood and plastic, and do not require paint, stain or cleaners common for wood decking, railing and fencing. Their recycled content is sourced within 500 miles of their manufacturing facilities, saving transport fuel and avoiding CO₂ emissions.



Trex recycles almost 100% of their waste back into the manufacturing line. Home Depot partners with Trex to recycle plastic films like shopping bags and shrink-wrap from our own stores. These plastics are then manufactured into Trex boards. In 2016, Trex recovered 1.2 million pounds of plastic from our U.S. stores.



100 MILLION+
pounds of material diverted from landfills in 2016

Home Depot's sales of composite products also helped divert almost 400 million pounds over the last 5 years – that's equal to more than 14 billion water bottles

Responsible Flooring

Our flooring suppliers have been at the forefront of evolving carpeting, carpet padding, laminate and vinyl flooring to innovate materials and avoid chemicals of concern, while improving design and durability. Below is a sampling of some of their impressive work.



All Mohawk carpets sold at Home Depot are Declare Labeled. Mohawk environmental efforts include using bio-based yarns that are moisture-resistant, carpet that is recyclable and PET content that is recycled from post-consumer water bottles. They built a dedicated recycling facility in Summerville, Georgia, where they recycle more than 5 billion plastic bottles a year for recycled content fibers for carpets, along with 25 million pounds of tires to manufacture doormats. Mohawk has reduced manufacturing water intensity by 35% in the last 7 years.



Engineered Floors (EF) is the largest producer of solution-dyed PET carpet fiber – a process where the color is built directly into the fiber, helping the carpet hold its color and resist fading from wear or cleaning. This process uses 87% less water and 30% less energy, and emits 42% fewer greenhouse gas emissions during production. All EF carpets are CRI Green Label Plus certified by the Carpet & Rug Institute for very low chemical and VOC emissions, and they are only made in the U.S.A.



Shaw is the only carpet manufacturer that has obtained Cradle to Cradle (C2C) Silver certification for residential carpets. This third-party certification verifies that chemicals included in the product are not carcinogenic, mutagenic, or reproductive toxins, and that the product contains no chemicals listed on C2C's banned list. This helps Shaw carpets meet rigorous standards for commercial buildings which exceed residential flooring requirements. Shaw has achieved 15% reductions in energy intensity and 28% reductions in water intensity, and reduced total greenhouse gas emissions by 25% from their original baseline values.

The Home Depot carpet suppliers have been at the forefront of the industry-wide removal of chemicals of concern and the exploration of safer alternatives. The following standard applies to all our wall-to-wall carpets sold through Home Depot U.S. and Canada stores:

- No PFOA or PFOS
- No Triclosan
- No Organotins
- No Ortho-Phthalates
- No Vinyl Chloride
- No NPEs
- No Coal Fly Ash
- No Formaldehyde
- No Added Heavy Metals



5 BILLION
*plastic bottles recycled by Mohawk
 for carpet fibers each year*

Future Foam Carpeting Pad

90%+ of the Future Foam carpet pad we sell contains post-industrial recycled content. It's recyclable, and 100% of their products are CRI Green Label Plus-certified and low in VOCs. Future Foam's Step Ahead carpet pad is made from Nike Grind, a foam made from post-industrial recycled Nike footwear.

9 MILLION POUNDS

*of Nike's recycled footwear foam
in Future Foam's carpet pad every year*



71 MILLION
*pounds of foam and fiber
diverted from landfills in 2016*
from Home Depot's sales of Future Foam carpet pad

Vinyl Flooring

Innovations in vinyl over the last five years have not been limited to products with a real-stone or real-wood look. Our suppliers have improved the chemical profile of products and supported the circular economy with recycled content, while avoiding chemicals of concern and monitoring recycled content sources. As of January 2016, no ortho-phthalates are permitted as added plasticizers in vinyl flooring sold at The Home Depot in the U.S. and Canada.



Laminate Flooring

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



Smarter Paints

We believe we sell the best paints available. Not only do they regularly receive high performance ratings for coverage and durability, but as a result of BEHR and Glidden's efforts over the last 10 years, our paints have evolved to help lessen the impact on air quality where they are used.

Our customers don't have to take our word for it – BEHR and Glidden have third-party certifications including GREENGUARD Gold and MPI X-Green to validate that their paints meet high standards. Our chemical changes in paint furthers our commitment to working with our suppliers to continually improve the products we sell. The following changes and standards apply to our latex, water-based interior and exterior wall paints in our U.S. and Canada stores:



- No Triclosan
- No Isocyanates
- No APEOs by 2019
- No Formaldehyde
- No Lead/Heavy Metals
- No NPEs by 2019

Alkylphenol ethoxylates (APEOs) and nonylphenol ethoxylates (NPEs) have been eliminated from most formulas and are in the process of being phased out of the remaining formulas for elimination by December 2019. In 2012, we transitioned our colorants from solvent-based formulation to a water-based, low-VOC and ethylene-glycol-free formulation.

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



BEHR

- BEHR re-uses wash water to decrease demand on local water resources and reduce water discharge from their facilities.
- Gallon and quart cans are 100% post-consumer recycled content.
- Pigment dust from the manufacturing process is collected and recycled for use back into their products.
- They have invested in replacing all lighting with LEDs to reduce their energy demand.



Glidden

- Paint cans contain up to 100% recycled plastics.
- In 2016, PPG/Glidden surpassed several 2020 goals including:
 - Exceeded a 10% waste disposal intensity reduction.
 - Reduced greenhouse gas intensity by 29%, exceeding the 25% reduction goal.

ZERO- AND LOW-VOC CERTIFIED
interior and exterior wall paints

Lithium-Ion Battery Power

One of the many ways The Home Depot supports alternative energy is through lithium-ion powered tools, which conserve energy and help maintain cleaner air products.

Operating a gas-powered lawn mower for one hour produces as much pollution as driving a car 45 miles. And because filling lawn equipment gas tanks can be cumbersome, homeowners spill 17 million gallons of gas annually when refilling their lawn equipment. Lithium-ion-powered mowers, blowers and string trimmers avoid VOC emissions from spilled gas and emit zero emissions during use. And they cost up to 97% less to operate than gas-powered equipment.



RYOBI® cordless tools are manufactured by Techtronic Industries. TTI has consistently introduced tools that rival gas-powered equipment in both price and performance, making it easier for homeowners to switch to cleaner battery power.

In 2016, TTI consolidated four manufacturing, distribution and warehouse locations into one facility which will save over 11,000 metric tons of CO₂ emissions each year, reducing their facilities' environmental impact by 70%.



EGO® power equipment is made by CHERVON, a manufacturer committed to reducing its environmental impact both through the products they make and through their own operations.

CHERVON avoids almost 1,300 tons of CO₂ emissions each year through programs at their manufacturing plants, including rooftop vegetation and solar panels, ground source heat pumps and solar street light programs.

2.5 MILLION

gallons of gas avoided

Our sales of lithium-ion outdoor power equipment in 2016 alone helped avoid enough gasoline to run 5,000 cars for a year



WATCH & DISCOVER



Cleaner Energy

Residential solar energy generation is becoming more appealing and even more affordable through local and state tax rebate programs. And our partnerships with SolarCity and sunrun® are making it easier for our customers to use and promote cleaner energy.



Over 30 years, the systems we have installed should create 5 billion kilowatts of clean energy – that’s equivalent to planting 80 million trees or removing 20,000 cars from the road for 30 years.



Residential Solar Panel System Benefits

- Typical systems can produce more than 8,400 kilowatt-hours a year – that’s almost 80% of a typical U.S. home’s annual energy needs.
- If a system generates more power than a home can use at any given time, it automatically contributes power back into the grid. Most power companies offer credits back to the customer, essentially buying that power back from the customer.



Clean Energy Creation

- Typical residential systems help avoid more than 5 metric tons of CO₂ emissions annually, which is equal to planting 130 tree seedlings each year or removing a typical car from the road for a full year.
- Most residential solar panel systems are built to last at least 20 years yet begin delivering net carbon reductions in less than a year.

SolarCity® installed
140,000 KILOWATTS
*of clean energy in 2016 alone through
 The Home Depot solar program*

Solar power creates
91% LESS CO₂
*pollution than natural gas and
 96% less CO₂ than coal*

Greener Cleaning

When choosing a cleaner, soap or laundry detergent, consumers should not have to trade performance for products that have less of an environmental impact.

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



Our suppliers are changing the way people think about cleaning and its impact on the environment, and we are proud to partner with these industry-leading formulators.



CLR Brands has supported the EPA's Safer Choice program since 2005 in their quest to formulate environmentally safe products for consumers and the environment. Their commitment won them the Safer Choice Partner Award for the third year in a row in 2017.



Concrobium Mold Control® safely eliminates mold at its roots and leaves an antimicrobial layer that shields against mold so it can't grow back. It is the only mold-fighting solution that both eliminates and prevents mold without the use of bleach, ammonia or other harsh chemicals. And it's safe to use around kids and pets.



Simple Green® Original and Lemon Scent Concentrated All-Purpose Cleaners use a safer, non-toxic and biodegradable formula, and carry the EPA Safer Choice label. Their Outdoor Odor Eliminator uses naturally occurring bacteria and enzymes to eliminate odors without harsh chemicals. And many of their products use formulas that are safer for people, animals and the environment.



Original Krud Kutter products remove tough stains from multiple surfaces yet are biodegradable, non-toxic and meet the EPA's Safer Choice standards. Krud Kutter was named a 2017 Safer Choice Partner of the Year, and its original formula is NSF category A-1 certified for use around food preparation.



Green Gobbler breaks down clogs without the use of harsh chemicals. Their formulation is gentler on the environment, allowing clogs to enter the sewer system and naturally convert to elements that are commonly found in nature, preventing toxic substances from being added to the environment.



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



WATCH & DISCOVER



method® products are made with non-toxic, naturally derived formulas and never tested on animals. And their bottles are made with recycled plastic. That's why their permanent lines of laundry, personal and home-care products are Cradle to Cradle-certified. In August 2013, method re-incorporated as a benefit corporation and formally incorporated their mandate for sustainability into the DNA of their company. This unique corporate structure enables method to balance profits with environmental and social responsibility.

method opened a unique and transformative factory in the Pullman Park district in the south side of Chicago, with on-site renewable wind and solar energy generation. The factory is also home to a 75,000 square foot urban greenhouse garden where local urban agriculture company Gotham Greens has created a commercial-scale greenhouse that produces about 500 tons of fresh, premium quality, pesticide-free produce annually for the local community and surrounding retail and restaurant market.

Sustainable Forestry

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

Forest Loss

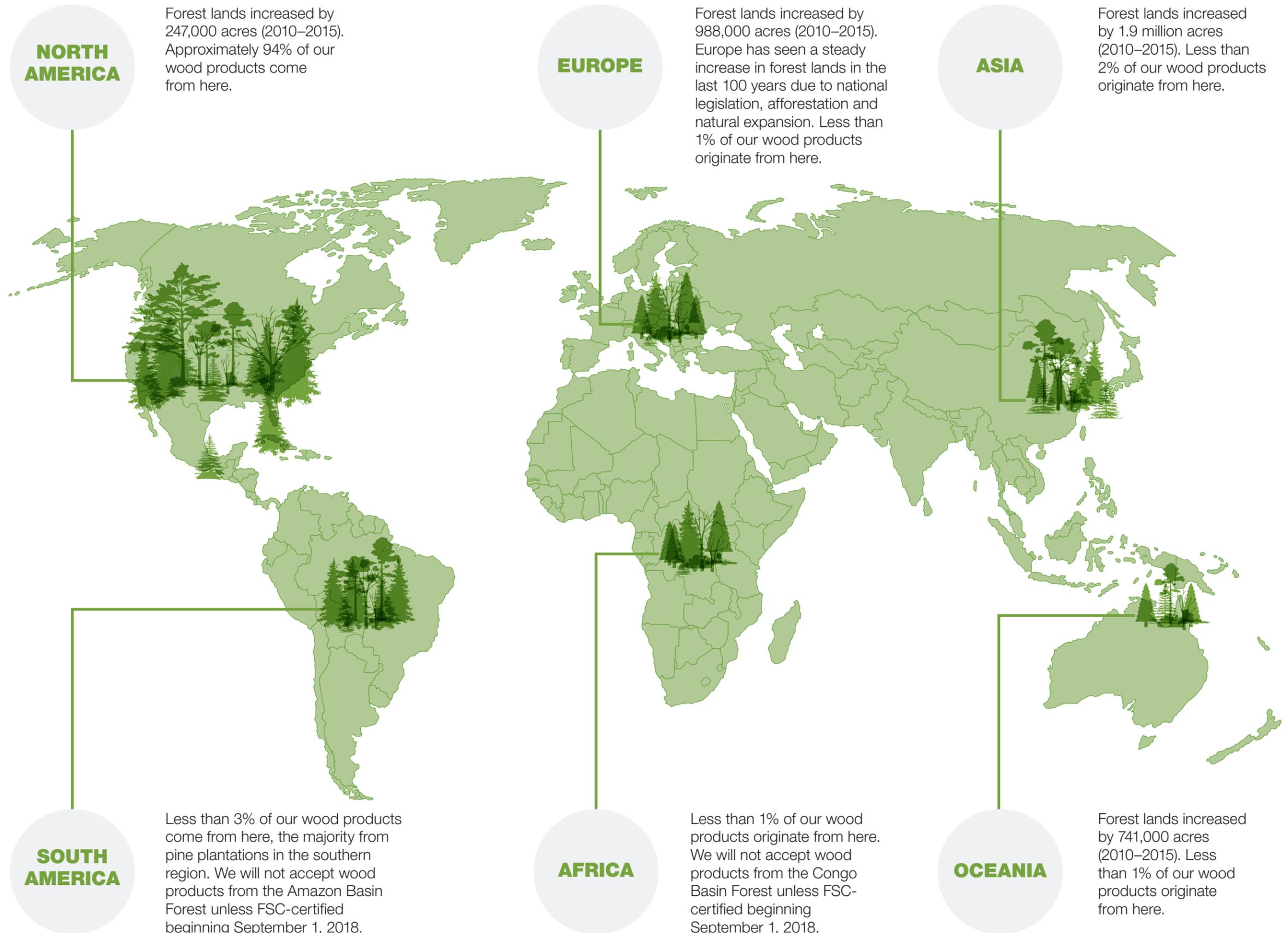
A characteristic of many low-income, food-deficient countries where government investment in agriculture and forestry is low. Countries that promote agricultural investment and provide enabling infrastructure have addressed the problem of forest loss more effectively than those where investment is low.

Primary Sources of Forest Loss

- 40% Large Scale Commercial Agriculture
- 33% Local Subsistence Agriculture
- 27% Infrastructure, Mining, etc.

Forests play a key role in the water cycle, soil conservation, carbon sequestration and habitat protection (including pollinators). Their sustainable management is crucial for sustainable agriculture and food security.

Percentages do not sum to 100% due to rounding.





Saving with WaterSense®

The Home Depot has been named EPA WaterSense Partner of the Year for six consecutive years. In 2017, 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.



15.4+
MILLION
*WaterSense products
sold in 2016*

In our stores,
100%
*of all new
bathroom vanity
faucets, showerheads
and toilets are
WaterSense-labeled*



In 2016, we required that all new store-merchandise showerheads must exceed the current WaterSense specifications of 2.5 gallons per minute.

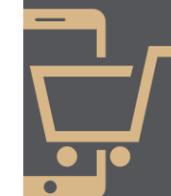
In 2016, we estimate our customers saved over
76 BILLION
*gallons of water from the purchase
of WaterSense-labeled products*

We estimate customers have saved over

\$640
MILLION
*on annual water utility costs
in 2016*



Home Depot's online Rebate Finder Tool resulted in 100 million impressions for individual rebates for WaterSense-qualified products in 2016



In 2016, we offered over 7,000 WaterSense products in store and online

Saving with ENERGY STAR®

The Home Depot is an eleven-time ENERGY STAR award winner, and in 2017, The Home Depot was named EPA ENERGY STAR Partner of the Year for Sustained Excellence for the fourth 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 2016, over
161 MILLION
ENERGY STAR
products sold

In 2016, we estimate customers have saved over

\$900

MILLION
on annual energy
utility costs



In 2016, sales of ENERGY STAR products helped our customers reduce carbon emissions by

4.9 MILLION
metric tons

In 2016, sales of ENERGY STAR products helped our customers reduce

7 BILLION
kilowatt hours,
which is equal to removing over
1.1 million cars from the road

In 2016, we offered nearly 24,000 ENERGY STAR products in store and online



94 corporate.homedepot.com

Within the last year, our associates completed more than 354,000 training courses on energy-saving products. We also educated thousands of customers on ways to conserve energy in their homes with energy-saving workshops.



WATCH & DISCOVER



OPERATING EFFICIENTLY

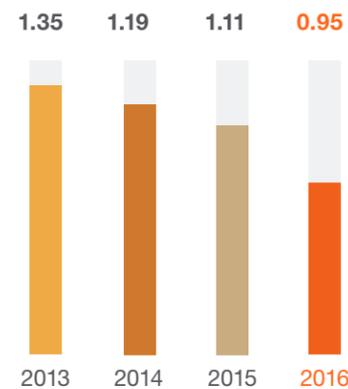
- 98 Taking Care of Our People
- 100 Smart Energy Commitment
- 106 Reducing Our Carbon Footprint
- 108 Greening Our Supply Chain
- 110 Hydrogen Fuel Cell Forklifts
- 112 Sustainable Store Operations
- 114 Waste Management & Recycling
- 116 Departmental Requirements for Hazardous Materials
- 118 Corporate Governance



Taking Care of Our People

We are committed to the safety of our associates, customers and communities. We are constantly collaborating and looking at new merchandising opportunities, equipment, tools and operational procedures that help minimize injuries and create efficiencies. The Home Depot continuously strives to foster an environment where associates are recognized for creating a safer environment. Improving the overall shopping experience for our customers and work environment for our associates is just one of the ways The Home Depot lives our value of Taking Care of Our People.

Lost Time Incident Rate
(per 200,000 hours)

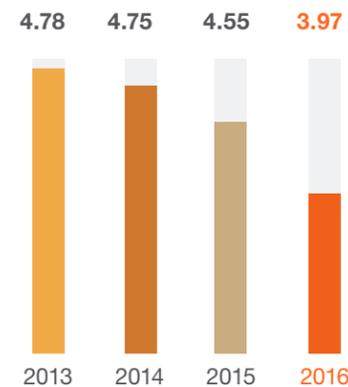


Injury Prevention

The Home Depot continues to be an industry leader in prevention of associates' injuries. When we compare 2016 data to 2013, as illustrated in the accompanying graphs, our rate of associate incidents has declined considerably. Recordable Incident Rate, a measure of associate work-related injury that typically warrants medical care beyond store-provided first aid, has improved 17%, from 4.78 to 3.97. For the same time period, the Lost Time Incident Rate, a measure of more significant injury (those that result in time away from work), shows an improvement of 29%, from 1.35 to 0.95.

We continually learn from events that happen and use this information to improve our programs and how we communicate with our associates. These injury rates are consistently lower than the industry averages for our retail class.

Recordable Incident Rate
(per 200,000 hours)



Training

Each associate who joins The Home Depot team is required to complete a 30-, 60- and 90-day training curriculum based on their role. During the first 30 days, specific hands-on training is provided to new associates that covers the most common incidents which occur with new hires. As associates progress in their roles or move to a new department, their curriculum updates to reflect required training. Courses include a number of injury-prevention procedures, safe behaviors for working in a warehouse environment and proper use of department-specific protective equipment and tools. The Home Depot uses a learning management system to deliver the right training to the right associate at the right time. In 2016, The Home Depot associates completed over 3 million Safety Modules on our associate awareness platform, InFocus.

Awareness in Focus

Our store management team and department supervisors begin each day with the completion of an assessment, which includes merchandising safety, operations safety and behavior-based questions. Quarterly updates to the assessment ensure we are looking at the most relevant risk factors for that period. Associates walk each department and answer questions on a mobile device to help identify and correct hazards, ensuring our stores are safe for customers and associates.

We continue to build on our associate awareness platform, InFocus. The stores have a team of associates and leaders who drive program participation and create dialogue around injury prevention. These participants receive additional learnings in safety leadership and hazard recognition, and being effective communicators. InFocus teams use an in-store awareness board to track and celebrate their individual store safety milestones, communicate safety best practices and recognize associates for working safely. Through InFocus, we deliver monthly best-in-class, customized safety messages by the use of interactive modules that test associates' knowledge. New this year, the sessions include targeted messages that speak specifically to an associate, their department and the work that they do.



In 2016, Store #2760 Alpena, MI, reached

1,418
days safe

225
STORES
ACHIEVED
1 YEAR
Injury-Free

24
STORES
ACHIEVED
2 YEARS
Injury-Free

4
STORES
ACHIEVED
3 YEARS
Injury-Free



WE'VE DECREASED
ELECTRICITY USAGE
IN U.S. STORES BY
since 2010

21.5%



1,300+
stores had lighting
retrofits conversion
from 6- to 4-lamp fixtures



Converted
1,900+
signs to LED technology



**BUILDING AUTOMATION
SYSTEMS (BAS)**
upgraded controls equipment
and software for all U.S. and
Canada stores in 2013 and 2014



IMPROVEMENTS

in store energy efficiency

**VARIABLE-FREQUENCY
DRIVES (VFD)**
to control AC motor speed and torque

Replaced
243
stores with more
efficient HVAC units
over the past 5 years





Our goal is

135 MEGAWATTS

alternative and renewable energy by 2020

Smart Energy Commitment

Our goal is 135 megawatts of alternative and renewable energy by 2020 – enough power for over 300 stores. Here are a few ways in which we plan to make it happen.



Off-Site Wind
In January 2017, we welcomed a large-scale, off-site development in Texas that produces wind energy.

A 50-MEGAWATT project produces 190,000 megawatt hours annually



Off-Site Solar
Initiatives are set up off-site in Delaware and Massachusetts.

A 9.2-MEGAWATT project produces 12,100 megawatt hours annually



Battery Storage

- Installed at nine stores in California
- Stores electricity and uses during peak demand
- 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



Rooftop Solar

- Installations in CA, NJ, HI, CT, NY and DC
- Systems will provide approximately 35% of each store's electricity needs
- No emissions of any kind

50+ STORES
are installing solar systems
on the roof in 2017



Bloom Energy Fuel Cells

- 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

50% DECREASE
in carbon emissions
when using natural gas compared
to the average of U.S. power generation

170 STORES
have installed fuel cells
as of September 2017





Reducing Our Carbon Footprint

The Home Depot is committed to providing sustainability through greenhouse gas (GHG) reduction efforts. In 2016, 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.

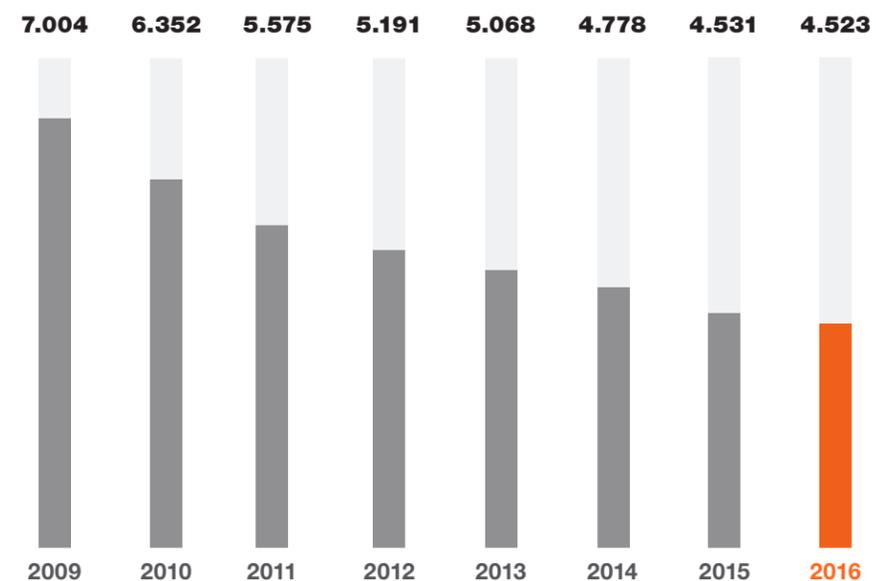
There are a variety of direct and indirect emission sources within Home Depot facilities. According to the GHG Protocol, emission sources associated with business operations are reported as follows:

- Direct emission sources (stationary and mobile combustion sources, and refrigerants) are reported as Scope 1: 438,335 metric tons
- Indirect emission sources (purchased electricity) are reported as Scope 2: 1,906,283 metric tons
- Upstream transportation and distribution of freight are reported as Scope 3: 2,293,060 metric tons with acquisition of Crown Bolt and Interline Brands
- 2016 absolute carbon reduction was over 8,000 metric tons (year over year comparison) with acquisitions, the absolute emissions were up 105,715 metric tons (2.3% increase)

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. In 2016, we received a score of A- (out of a range from A to E) from the CDP, reflecting a high level of action on climate change mitigation, adaptation and transparency.*

Scope 1, 2, 3 – Measured Metric Tons of Carbon Emissions (in millions)



Scope 1-2
50,366 METRIC TONS
 reduced in 2016
 (energy purchased and owned assets)

The Home Depot was rated a
2016 GLOBAL LEADER

by The Carbon Disclosure Project

*World Resources Institute/World Business Council for Sustainable Development's Greenhouse Gas Protocol

Greening Our Supply Chain

More products, fewer emissions is the new reality when it comes to Home Depot's supply chain. We remain committed to operating in a sustainable manner throughout our network by continuing to move more product on fewer trucks, reducing the number of miles driven by optimizing our network and aligning our business with service providers who share our passion for a clean environment.

Distribution

We are now shipping from our distribution centers to stores using a manual floor load process versus shipping on pallets. This allows us to load more product in a trailer and as a result, we have reduced the number of deliveries by 20%. Fewer deliveries means fewer miles driven and lower fuel consumption, and it eliminates the expense associated with recycling pallets.

Almost
28,000
loads reduced

Approximately
7.8 MILLION
miles reduced

Over
19.5 MILLION
CO₂ kg reduced



Ron Guzzi, Senior Manager - Carrier Relations and Sourcing, accepted the award from Cheryl Bynum, National Program Manager, SmartWay, at U.S. EPA.

SmartWay Program

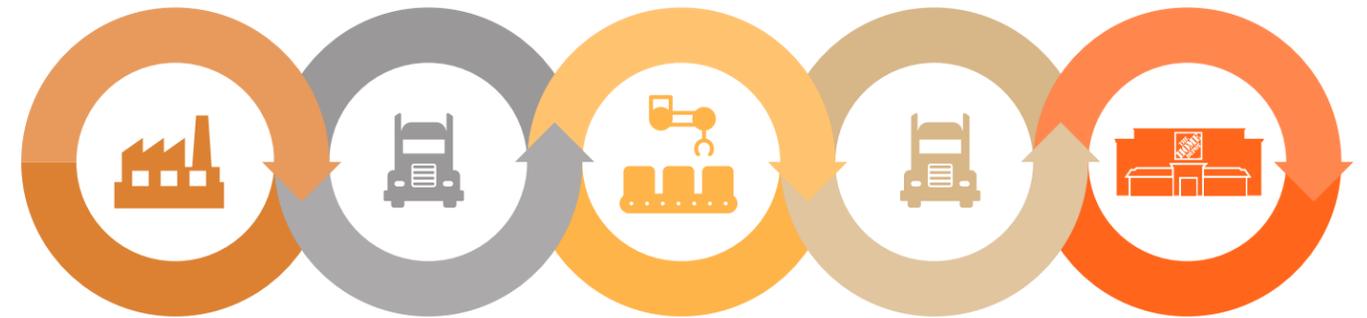
The U.S. Environmental Protection Agency (EPA) has recognized The Home Depot, the world's largest home improvement retailer, with a 2016 SmartWay Excellence Award for the fourth consecutive year.

A charter member of the EPA's SmartWay program, The Home Depot has consistently led the industry with contributions to cleaner, healthier air and reducing carbon emissions by hauling freight with environmentally and energy-efficient carriers. The Home Depot utilizes a number of clean transportation best practices including truckload optimization, greenhouse gases data collection and reporting, and requiring that all carriers be current SmartWay partners.

The SmartWay Program
3,600,000+
miles reduced

The SmartWay Program
6,200,000+
CO₂ kg reduced

PROJECT SYNC OPTIMIZATION



SUPPLIER

Balanced shipping labor
Inventory from closest shipping location

INBOUND TRANSPORT

Lowest rate
Full truckloads
Multi-stop pickup
Balanced lane capacity
Optimize inbound with outbound
Right mode

RAPID DEPLOYMENT CENTER

Balanced labor capacity
Balanced conveyor and equipment capacity

OUTBOUND TRANSPORT

Lowest rate
Full truckloads
Balanced lane capacity
Optimize outbound with inbound

STORE

Minimize pack up/pack down
Minimize inventory touches and footsteps
Planned freight flow

Our Supply Chain Synchronization initiative, which began over two years ago, is progressing on schedule and is providing the expected benefits by optimizing our network.

- Loads reduced: 6,700+
- Miles reduced: 6,400,000+
- CO₂ kg reduced: 11,000,000+



WATCH & DISCOVER

18 MILLION+
truck miles were removed
from our network in 2016

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.

520+
metric tons of CO₂
saved annually

1.3 MILLION+
kilowatt hours of electricity
saved by not having to charge the forklifts

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

800+
metric tons of CO₂
saved annually

2 MILLION+
kilowatt hours of electricity
saved by not having to charge the forklifts



Sustainable Store Operations

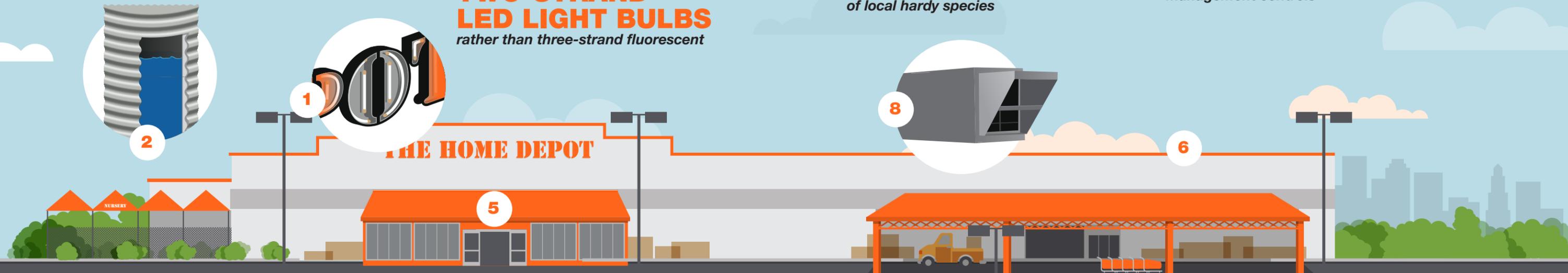
At The Home Depot, we are committed to implementing new sustainability enhancements each year.

1. Exterior building signs are **TWO-STRAND LED LIGHT BULBS** rather than three-strand fluorescent

6. Improved roofing **REDUCES HEAT ISLAND EFFECT** with highly reflective, white thermoplastic polyolefin roofs and recycled metal materials for bar joist and roof deck

7. Eight zoned planting areas **MINIMIZE MAINTENANCE** and water use, requiring incorporation of local hardy species

8. Rooftop HVAC units* are **HIGHLY EFFICIENT** with variable-speed fans, variable frequency drives and energy management controls



2. Water reclamation tanks store up to **500,000 GALLONS** per year, which irrigates our Garden Centers in 145 select stores

3. Dual-flush, low-flow toilets and urinals have a **40% REDUCTION** on water usage



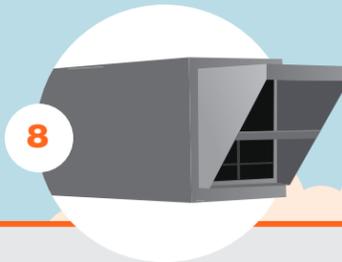
4. Established green parking **REDUCES PARKING SPACES** and adds more green space

5. Air lock vestibules* and exits **REDUCE AIR INFILTRATION**

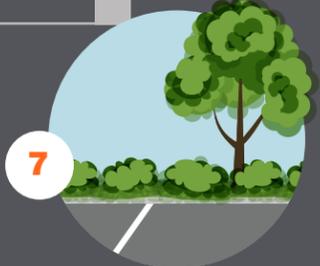


CO₂ sensors maintain **GOOD AIR QUALITY**

New irrigation systems* have a **35% REDUCTION** on water usage where irrigation is necessary



All store lighting and HVACs optimize **ENERGY EFFICIENCY** by energy management system control





Waste Management & Recycling

The Home Depot is committed to properly managing waste and hazardous waste generated through our store operations and customer returns, and we are always striving to find the most sustainable method. In partnership with our vendors, we continue to seek out ways to reduce, re-use and recycle all types of waste. In 2016, over 30% of the hazardous waste generated was re-used for energy or recycled.



- 
Hazardous Material Disposition
 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.
- 
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.
- 
Call2Recycle Rechargeable Battery Recycling Center
 In partnership with Call2Recycle, a nonprofit battery stewardship program, we have recycled more than 7.5 million pounds of rechargeable batteries since program inception. In 2016, 97% of U.S. stores participated in the program.*

For a glimpse into the battery recycling journey, please visit the following:
www.call2recycle.org/batteryjourney/
 *Reported in calendar year

Over
1 MILLION POUNDS
*of rechargeable batteries recycled in 2016 from
 4,183 pounds recycled in 1999*



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 for 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

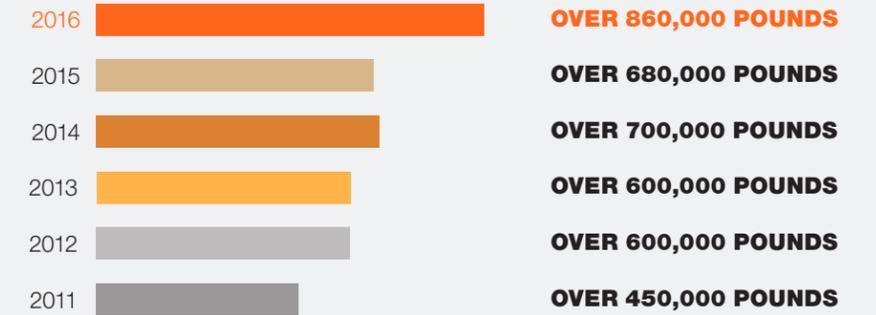


Emergency Response

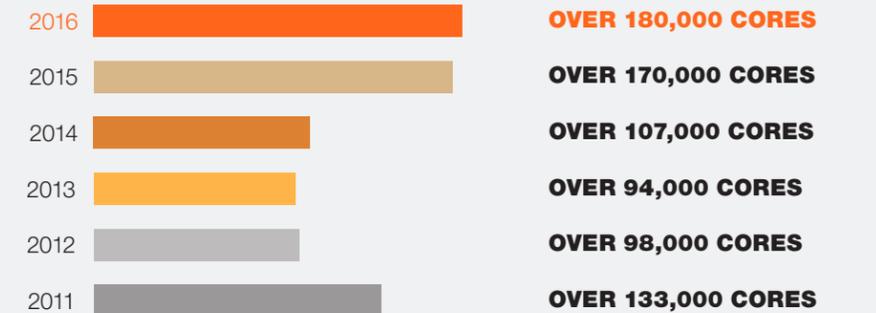
Access to a third-party consultant that provides an emergency response team available on a 24/7 basis to assist with cleanup if a spill occurs and, if necessary, provide remediation services



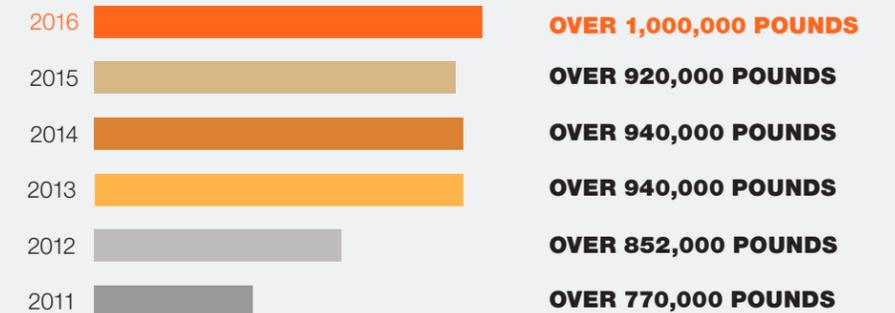
CFL Recycling



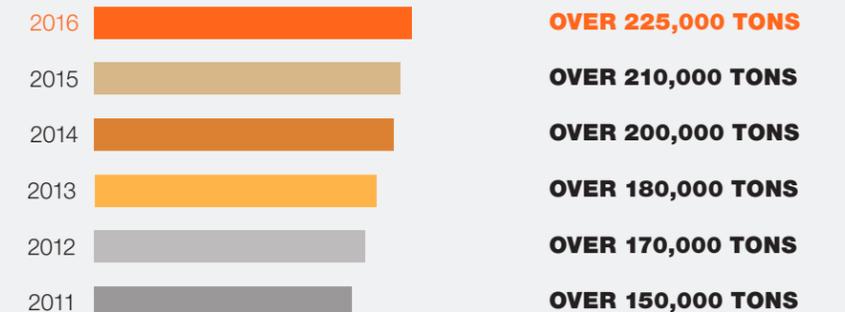
Lead Acid Battery Recycling (Automotive & Tractor)



Rechargeable Battery Recycling



Cardboard Recycling



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 longstanding 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.

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 (NCGC)

This committee 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. Also at least annually, the full Board of Directors receives a report from the Vice President of Environmental Innovation on sustainability issues and initiatives.

As noted in the page to the right, we have adopted extensive governance best practices, and in each of the last five years, Institutional Shareholder Services (ISS) gave us its highest ranking of "1" under its QualityScore governance rating system, reflecting its conclusion that our corporate governance risk is low.



Reflecting Best Practices in Our Policies

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

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 ir.homedepot.com under "Corporate Governance," as well as to our most recent proxy statement, which is available at reports.homedepot.com under "Current Forms."

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 highlights the GRI reporting metrics.

Cross-Reference Legend

- Form 10-K – 2016 Annual Report on SEC Form 10-K
- CDP Report – 2016 CDP Report available at cdp.net
- Proxy Statement – 2017 Proxy Statement
- Corporate Website – corporate.homedepot.com
- NCGC – Nominating and Corporate Governance Committee
- LDCC – Leadership Development Compensation Committee

GRI Indicator	Description	Cross Reference Location	
Strategy and Analysis Organizational Profile	G4-1	CEO Statement	Responsibility Report pg. 9
	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. 118-119, 128-129, Corporate Website - About Us > Values Wheel, Corporate Website - Responsibility
	G4-16	Membership associations	Responsibility Report pgs. 22, 37, 67, 107, 108, 118-119, Corporate Website - Investor Relations > Corporate Governance, Political Activity and Government Relations Policy
Identified Material Aspects & Boundaries	G4-17	Entities included in financial statements	Form 10-K
	G4-18	Process for defining report boundaries and content	Responsibility Report pgs. 10-13
	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

GRI Indicator	Description	Cross Reference Location	
Identified Material Aspects & Boundaries	G4-22	Explanation of the effect of any restatements	N/A
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	N/A
	G4-24	Stakeholder groups	Responsibility Report pgs. 10-13
Stakeholder Engmt. Report Profile	G4-25	How stakeholders were identified	Responsibility Report pgs. 10-13
	G4-26	Report Profile Governance	Responsibility Report pgs. 10-13
	G4-27	Topics raised during stakeholder engagements	Responsibility Report pgs. 10-13
	G4-28	Reporting period	Feb. 1, 2016 to Jan. 29, 2017 (Fiscal 2016)
	G4-29	Date of most recent report	2016 Responsibility Report September 2016
	G4-30	Reporting cycle	Annual Report
	G4-31	Reporting contact	ron_jarvis@homedepot.com
	G4-32	In accordance option, GRI Index and report assurance	This report contains Standard Disclosures from the GRI Sustainability Report Guidelines
	G4-33	Policy and current practice with regard to seeking external assurance for the report	N/A
	G4-34	Governance structure of the organization	Proxy Statement pgs. 5-22, Corporate Website - Investor Relations > Corporate Governance, NCGC Charter, Corporate Governance Guidelines
Report Profile Governance	G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	Responsibility Report pgs. 10-13, 118-119
	G4-36	High-level accountability for sustainability topics	Responsibility Report pgs. 9, 10-13, 15, 118-119
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics (to whom, any feedback)	Responsibility Report pgs. 10-13, Proxy Statement pg. 12, NCGC Charter, Corporate Governance Guidelines
	G4-38	Composition of the board and its committees	Responsibility Report pgs. 118-119, Proxy Statement pgs. 5-22, Corporate Website - Investor Relations > Corporate Governance
	G4-39	Whether the chair of the board is also an executive officer	Responsibility Report pgs. 118-119, Proxy Statement pgs. 5-22
	G4-40	Nomination and selection processes for the board and its committees	Responsibility Report pgs. 118-119, Proxy Statement pgs. 5-22, Policy on Consideration and Evaluation of Board Candidates, Corporate Governance Guidelines
	G4-41	Board conflicts of interest	Proxy Statement pgs. 10-15, Corporate Governance Guidelines, Business Code of Conduct and Ethics

GRI Indicator	Description	Cross Reference Location	
Report Profile Governance	G4-42	Board and executives' roles in the organization's mission statements, strategies, policies and goals related to how sustainability impacts employees	Responsibility Report pgs. 9, 118-119, Proxy Statement Letter to Shareholders and pgs. 7-8, NCGC Charter, Corporate Governance Guidelines
	G4-43	Board knowledge of sustainability topics	Responsibility Report pgs. 10-13, 118-119, Proxy Statement pgs. 7-15
	G4-44	Board performance with respect to governance of sustainability topics	Responsibility Report pgs. 10-13, 118-119, Proxy Statement Letter to Shareholders and pgs. 7-15, NCGC Charter
	G4-45	Board role in the identification and management of sustainability impacts, risks and opportunities	Responsibility Report pgs. 10-13, 118-119, Proxy Statement pgs. 7-15, Corporate Website - Investor Relations > Corporate Governance, Corporate Governance Guidelines
	G4-46	Board role in reviewing risk management processes for sustainability topics	Responsibility Report pgs. 10-13, 118-119, Proxy Statement pgs. 7-15, Corporate Website - Investor Relations > Corporate Governance, Corporate Governance Guidelines
	G4-47	Frequency of the board's review of sustainability impacts, risks and opportunities	Responsibility Report pgs. 10-13, 118-119, Proxy Statement pgs. 7-15, Corporate Website - Investor Relations > Corporate Governance
	G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	CEO
	G4-49	Process for communicating critical concerns to the board	Responsibility Report pgs. 10-13, 51, 118-119, Proxy Statement pgs. 7-15, Business Code of Conduct and Ethics, Corporate Governance Guidelines
	G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	N/A
	G4-51	Remuneration policies for the board and senior executives	Proxy Statement pgs. 34-64, Corporate Governance Guidelines, LDCC Charter
	G4-52	Process for determining remuneration	Proxy Statement pgs. 34-64, Corporate Governance Guidelines, LDCC Charter
	G4-53	Stakeholders' views on remuneration	Proxy Statement pgs. 26-27, 37, 40
	G4-54	The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	N/A
	G4-55	The ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	N/A
	Ethics & Integrity	G4-56	Code of Conduct
G4-57		Helplines or advice lines for employees	Responsibility Report pg. 51, Business Code of Conduct and Ethics
G4-58		Mechanisms for reporting concerns about unethical or unlawful behavior	Responsibility Report pg. 51, 60, Business Code of Conduct and Ethics
Economic Performance	G4-DMA	Disclosure on Management Approach	Responsibility Report pgs. 10-13, Form 10-K, 2016 CDP Report
	G4-EC1	Economic Value	Form 10-K
	G4-EC2	Climate Change Risk	2016 CDP Report, Form 10-K
	G4-EC3	Benefit Plan Coverage	Responsibility Report pgs. 40-49, Form 10-K
	G4-EC7	Infrastructure Investments	Responsibility Report pgs. 40-49, Form 10-K
	G4-EC8	Indirect Economic Impacts	Form 10-K

GRI Indicator	Description	Cross Reference Location		
Environmental	G4-DMA	Disclosure on Management Approach	Responsibility Report pgs. 5, 8-13, Form 10-K, 2016 CDP Report, Corporate Website - Responsibility	
	G4-EN3	Energy Consumption	2016 CDP Report, Responsibility Report pgs. 84-87, 100-113, Corporate Website - Responsibility	
	G4-EN5	Energy Intensity	2016 CDP Report, Responsibility Report pgs. 84-87, 100-113, Corporate Website - Responsibility	
	G4-EN6	Reduction of Energy Consumption	2016 CDP Report, Responsibility Report pgs. 84-87, 100-113, Corporate Website - Responsibility	
	G4-EN7	Reduction of Energy Use through products	Responsibility Report pgs. 84-87, 94, Corporate Website - Responsibility	
	G4-EN9	Affected Water use	Responsibility Report pgs. 92, 112-113, Corporate Website - Responsibility	
	G4-EN12	Impacts on Biodiversity	Responsibility Report pgs. 54-117, Corporate Website - Responsibility	
	G4-EN13	Habitats Protected	Responsibility Report pgs. 54-117, Corporate Website - Responsibility	
	G4-EN15	Direct Greenhouse Gas (GHG) Emission Scope 1	2016 CDP Report, Corporate Website - Responsibility	
	G4-EN16	Indirect Greenhouse Gas (GHG) Emission Scope 2	2016 CDP Report, Corporate Website - Responsibility	
	G4-EN17	Indirect Greenhouse Gas (GHG) Emission Scope 3	2016 CDP Report, Corporate Website - Responsibility	
	G4-EN18	Greenhouse Gas (GHG) emissions intensity	2016 CDP Report, Corporate Website - Responsibility	
	G4-EN19	Reduction on Greenhouse Gas (GHG) emissions	2016 CDP Report, Corporate Website - Responsibility	
	G4-EN23	Waste by type and disposal method	Responsibility Report pgs. 114-117, Corporate Website - Responsibility	
	G4-EN27	Mitigation of Environmental impacts of products and services	Responsibility Report pgs. 114-117, Corporate Website - Responsibility	
	G4-EN30	Environmental impacts of transporting products	2016 CDP Report, Responsibility Report pgs. 108-111, Corporate Website - Responsibility	
	Training/Education Human Rights Society	G4-LA-12	Composition of governance bodies and employees	Responsibility Report pgs. 28-37, Form 10-K
		G4-HR6	Suppliers identified as having significant risk for employees	Responsibility Report pgs. 34-35, 51, 60-63, Corporate Website - Responsibility
		G4-HR10	New suppliers screened for human rights criteria	Responsibility Report pgs. 51, 60-63, Corporate Website - Responsibility
G4-HR11		Human rights impact in the supply chain	Responsibility Report pgs. 34-35, 51, 60-63, Corporate Website - Responsibility	
G4-SO4		Communication and training on Anti-Corruption policies	Responsibility Report pg. 51, Business Code of Conduct and Ethics	

*Instead of focusing only
on buying green products,*

**WE ALSO
WORK TO
GREEN THE
PRODUCTS
WE BUY.**

