

POLITICAL SPENDING MISALIGNMENT

Whereas:

The Home Depot's Nominating and Corporate Governance Committee annually reviews The Home Depot's political contributions. The Home Depot has stated, "In an effort to ensure that the federal, state and local governments of those countries in which we conduct business act responsibly and in the best interest of our customers and associates, Home Depot actively participates, and encourages its associates to participate, in the political process."

Home Depot sponsors a political action committee (PAC) which "supports public officials and candidates who understand the issues affecting Home Depot and promote a favorable business climate for the Company."

However, The Home Depot's politically focused expenditures appear to be misaligned with its public statements of its views and operational practices. For example, The Home Depot has committed to achieving a 50% reduction in carbon emissions by 2035 yet is a member of the U.S. Chamber of Commerce, which has long and consistently lobbied to roll back specific US climate regulations and promoted regulatory frameworks that would significantly slow a transition away from a GHG emission-intense energy mix.

In addition, The Home Depot has evidenced a strong commitment to gender diversity through its support of a women's employee resource group, a "Women in Leadership" curriculum, and other actions, including the provision of strong reproductive health and maternity benefits. Yet based on public data, the proponent estimates that in the 2016-2020 election cycles, The Home Depot and its employee PAC made political donations nearing \$7.5 million to politicians and political organizations working to weaken access to abortion.

Corporate political spending that conflicts with companies' priorities is gaining attention in the media, with coverage by prominent media outlets such as Bloomberg, Washington Post, Wall Street Journal, New York Times, Atlanta's WSB-TV and the Guardian in 2020 alone. Some of this coverage has focused on or included mention of The Home Depot.

Proponents believe The Home Depot should establish policies and reporting systems that minimize risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending that contrast with its stated diversity and environmental policies.

Shareholder Proposal for The Home Depot 2022 Proxy Ballot
Submitted by Dr. Ruth Shaber acting on behalf of the Tara Health Foundation

Resolved:

Shareholders request that The Home Depot publish, at least annually, a report, at reasonable expense, analyzing the congruence of political and electioneering expenditures during the preceding year against publicly stated company values and policies and disclosing or summarizing any actions taken regarding pausing or terminating support for organizations or politicians, and the types of incongruent policy advocacy triggering those decisions.

Supporting Statement:

Proponents recommend that such report also contain management's analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with company values. "Expenditures for electioneering communications" means spending, from the corporate treasury and from the PAC, directly or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.