

POLITICAL SPENDING MISALIGNMENT

Whereas:

The Home Depot's Political Activity and Government Relations Policy states that it "actively participates, and encourages its associates to participate, in the political process," in an effort to ensure that governments of countries "in which we conduct business act responsibly and in the best interest of our customers and associates." 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 constrain U.S. climate regulations.

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 in the 2020-2022 election cycles, The Home Depot and its employee PAC made political donations of more than \$4.65 million to politicians and political organizations working to weaken access to abortion.

Shortly after the Capitol insurrection, The Home Depot paused donations to the members of Congress who voted against certifying the 2020 election results. Since then, it has [donated](#) more than \$540,000 to candidates for office who continue to deny or question the election results.

Corporate political activity that misaligns with organizational values has been subjected to widespread media coverage, some of which has focused on or included mention of The Home Depot. (See, for example, "Georgia Faith Leaders Urge Boycott of Home Depot Over Voting Law," New York Times, 4.20.21.)

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.

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.