

2021 Home Depot, Inc. EEO-1

RESOLVED: Shareholders request that the Board of Directors adopt a policy requiring The Home Depot Inc. (“THD”) to disclose on its website THD’s Consolidated EEO-1 Report, a comprehensive breakdown of its workforce by race, ethnicity and gender that THD is required to submit annually to the U.S Equal Employment Opportunity Commission (EEOC). The Company shall annually disclose its EEO-1 Report within 60 days of submission.

Supporting Statement

High-profile killings of Black men and women in 2020 highlighted the grave consequences of systemic racism in our society, sparked nationwide protests for racial justice, and prompted many companies to publicize their commitments to racial equity and diversity.

In a June 1 statement, CEO Craig Menear proclaimed: “We are all confronting deep pain and anguish over the senseless killing of George Floyd, Ahmaud Arbery and other unarmed Black men and women in our country. We cannot ignore that their deaths are part of a pattern of racism and reflect the harsh reality that as a nation we are much too far from fulfilling the promise of equal justice for all... Diversity and respect for all people are core to who we are as an Orange-Blooded family. We do not support discrimination in any form, period.”

We believe demonstrable commitments to hire, retain, and promote Black employees, other employees of color and women can contribute not only to a more just society, but to improved company performance. A May 2020 McKinsey study found that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer company diversity laggards, and that there is an even higher likelihood of outperformance among companies with more ethnically diverse executive teams (<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>).

The EEO-1 Report breaks down a company’s U.S. workforce demographics for 10 employment categories, including senior management (individuals within two reporting levels of the CEO). Disclosure of this critical information will provide investors:

- Standardized, quantitative, and reliable data that is comparable across companies, enabling investors to assess the representation of Black employees and other employees of color and women at various levels;
- Specific data on senior management diversity;
- Particularized data that allows investors to assess the representation of specific racial and ethnic groups by gender, such as Black female employees, in a job category – and to make meaningful, year-over-year comparisons.

THD’s 2020 Responsibility Report provides U.S. headcount and percentages only for “White” and “Minority” employees, and separately for gender, for three company-specific job categories. Also, it separately provides only percentages for some racial/ethnic groups. These figures are not comparable, nor decision-useful to investors.

Disclosing its EEO-1 Report is a cost-effective means for THD to demonstrate its diversity performance - it already collects the data.

The proposal neither prevents nor discourages disclosure of other information that THD believes reflects its organizational structure or demonstrates its diversity.

Most S&P 100 companies disclose or have committed to disclose their EEO-1 in 2021. THD, however, has resisted such requests since 2005.

We ask shareholders to vote FOR this proposal.