

WHEREAS: The Intergovernmental Panel on Climate Change has advised that greenhouse gas (GHG) emissions must be halved by 2030 and reach net zero by 2050 in order to limit global warming to 1.5°C and avoid increasingly severe physical, transition, and systemic risks for companies and investors.

Investors commend The Home Depot, Inc. (“Home Depot” or “the Company”) for submitting science-based emissions reduction targets to the Science Based Targets initiative. In doing so, Home Depot recognizes the business imperative of reducing GHG emissions and preparing for a low-carbon economy. In its latest (2022) 10-K, Home Depot acknowledges that *“the long-term impacts of climate change... could affect the availability and cost of or demand for certain consumer products, commodities, and energy, which in turn may impact our ability to procure certain goods or services for the operation of our business at the quantities and levels we consider optimal.”*

Given these clearly stated business risks, investors seek a Climate Transition Action Plan (“transition plan”) that outlines how Home Depot plans to meet its climate targets. Transition plans differ from the Company’s existing, largely backwards-looking sustainability disclosures in that they are forward-looking, quantitative, near-term sets of actions a company will take to align its holistic business strategies on emissions reductions, governance, and external policy engagement with achieving 1.5°C in a just and equitable manner. For example, while Home Depot discloses its climate scenario analysis and 2030 emissions targets, it does not disclose the near-term actions or capital expenditures it will undertake to achieve these targets – or whether, in sum, these strategies are sufficient to achieve the Company’s stated goals and mitigate climate-related risks.

Over 4,100 organizations disclosed to CDP that they have 1.5°C-aligned transition plans and 6,520 plan to develop one.¹ To increase the credibility of its efforts, support the achievement of its targets, and demonstrate leadership, we believe Home Depot should develop a comprehensive transition plan.²

RESOLVED: Shareholders request that Home Depot issue a climate transition action plan, above and beyond existing disclosure, describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius. The plan should cover full operational and supply chain emissions, be published at reasonable expense, exclude confidential information, and detail progress and any plan updates on an annual basis.

SUPPORTING STATEMENT: In developing and implementing the transition plan, we recommend, at management’s discretion, that Home Depot:

- Provide forward-looking, near-term, and quantitative strategies, metrics, and milestones for achieving the Company's emissions reduction targets across decarbonization, governance, policy advocacy, and just transition components;
- Consider guidance by advisory groups such as the Task Force for Climate-Related Financial Disclosures, CDP, Transition Plan Taskforce, Climate Action 100+, & We Mean Business Coalition; and
- Consider capital expenditures towards meeting Home Depot’s GHG, renewable energy, energy efficiency, supply chain engagement goals.

¹ https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/785/original/Climate_transition_plan_report_2022_%2810%29.pdf?1676456406

² <https://www.ceres.org/sites/default/files/CTAP%20Foundations%20Checklist.pdf>