

Equal Employment Opportunity (EEO) 2010 – Home Depot, Inc.

WHEREAS: Equal employment opportunity (EEO) is a fair employment practice and an investment issue. We believe that companies with a good EEO record have a competitive advantage in recruiting and retaining employees. Moreover, we believe Home Depot customers are increasingly diverse; therefore a similarly diverse work force is more likely to anticipate and respond effectively to consumer demand. EEO reporting has economic relevance.

Home Depot shareholder votes in favor of a diversity report surpassed 22%, 25%, and 25% in 2009, 2008 and 2007, respectively – sending a consistent signal to management that shareowners desire increased accountability.

The Company annually files an EEO-1 report with the Equal Employment Opportunity Commission. Hence, this information could be made available to shareholders at a minimal additional cost.

Allegations of discrimination in the workplace burden shareholders with costly litigation that can damage a company's reputation.

Home Depot has paid out more than \$100 million to settle discrimination lawsuits in the last 13 years. The most significant EEO settlement of \$87 million was in 1997. In 2004, Home Depot agreed to pay \$5.5 million to settle charges of class-wide gender, race and national origin discrimination at more than 30 Colorado stores. In 2006, Home Depot paid \$125,000 to settle a racial discrimination suit.

RESOLVED: The shareholders request that Home Depot prepare a diversity report, at reasonable cost and omitting confidential information, available to investors by September 2010, including the following:

1. A chart identifying employees according to their gender and race in each of the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
2. A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; and
3. A description of any policies and programs oriented specifically toward increasing the number of managers who are qualified females or minorities.

Supporting Statement: In 2006, the U.S. Equal Employment Opportunity Commission reported racial minorities comprised 32% of private industry but just 17% of executives and managers. Likewise, women represented 48% of the workforce, but just 36% of executives and managers. Employment and advancement barriers persist.

Several major U.S. corporations provide diversity reports with detailed EEO information including Wal-Mart, IBM, Intel, Merck, Costco and Coca-Cola.

In 2001, Home Depot began providing EEO information to investors upon request. Since then Home Depot reversed its policy on disclosure of this information.

We agree with a recommendation of the 1995 bipartisan Glass Ceiling Commission that "public disclosure of diversity data—specifically data on the most senior positions—is an effective incentive to develop and maintain innovative, effective programs to break the glass ceiling barriers."

The Social Investment Forum and RiskMetrics concluded in a 2008 study of corporate disclosure of EEO data that corporate transparency on EEO progress is necessary to assess the risks and opportunities of an investment.

Home Depot has demonstrated leadership on many corporate social responsibility issues. We ask the company to again demonstrate leadership in diversity by committing to EEO disclosure.

