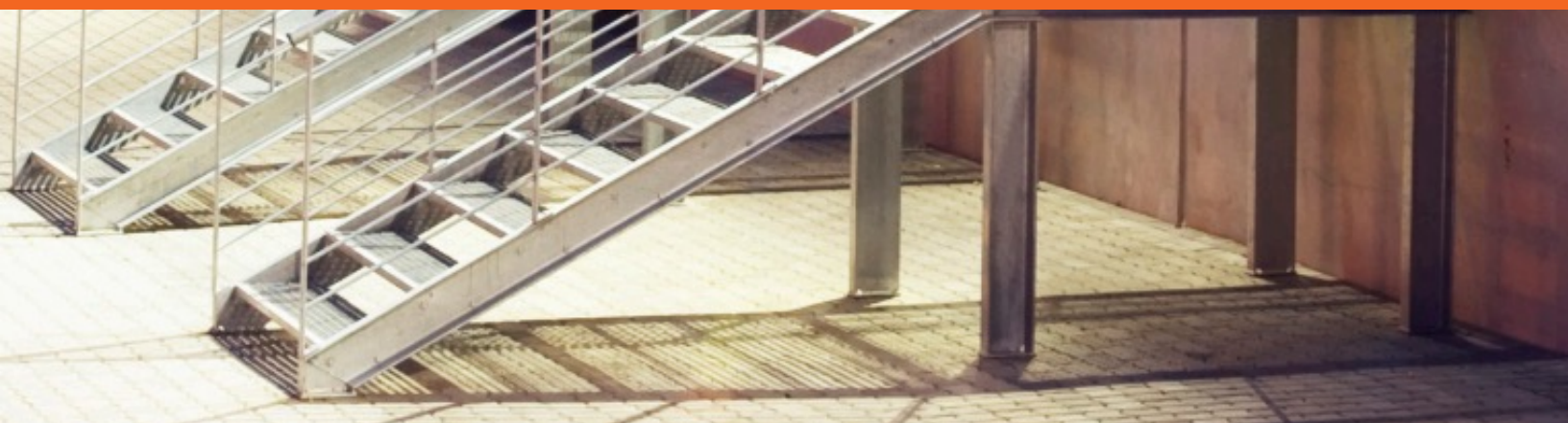




Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act **2023 Report**



Introduction

This joint report is produced by Home Depot of Canada Inc., HD Supply Canada, Inc., and Home Depot U.S.A., Inc. (dba blinds.ca) (collectively “THD Canada”) for The Home Depot’s fiscal year January 30, 2023 - January 28, 2024 pursuant to Section 11 of the *Canadian Fighting Against Forced Labour in Supply Chains Act* (the “Act”). The report outlines steps THD Canada has taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere or of good imported into Canada by the corporation. THD Canada are affiliates of The Home Depot, Inc. (“The Home Depot”), a Delaware corporation, which is a reporting entity under the *California Transparency in Supply Chains Act of 2010*.

We’re committed to respecting the rights of all individuals throughout our supply chain. Our values of Doing the Right Thing, Respect for All People and Taking Care of Our People are at the center of our Responsible Sourcing Program. The Home Depot and our affiliates, divisions and subsidiaries respect and support the dignity, well-being and human rights of our associates, the workers in our extended supply chain, the communities in which we live and those affected by our operations.



For over 15 years, our Responsible Sourcing Program has helped us assess and manage the many aspects of our supply chain oversight and support our efforts to conduct our business in a responsible and ethical manner. We engage our suppliers by requiring them to produce products in factories that adhere to responsible sourcing standards. We report on our progress in our annual Responsible Sourcing Report.

We also place additional focus around higher-risk commodities, demographics and regions. As part of this approach, we monitor current trends in the domestic and international labour markets to identify growing risk areas in our supply chain and update our standards and audit practices based on any new trends.

Steps taken to prevent and reduce the risk of forced labour and child labour in 2023

As we explain in more detail below, we took the following steps during the previous financial year to prevent and reduce the risk of forced labour and child labour as part of our ongoing Responsible Sourcing Program:

- **Policies:** We continued to implement our Responsible Sourcing Standards, which all suppliers are contractually required to comply with and include prohibitions on the use and/or employment of forced labour and child labour;
- **Due Diligence:** Within our extensive due diligence processes, we carried out regular monitoring and auditing of suppliers, which includes a specific focus on forced and child labour;

- **Training:** We implemented training initiatives and communicated awareness materials on forced labour and child labour both internally and with our supply chain partners;
- **Remediation:** We continued to implement grievance mechanisms, which are available to workers in all countries where we source goods and include specific information on reporting forced labour and child labour risks.
- **Assessing Effectiveness:** Our approach is one of continuous improvement and we continued to implement the Supplier Compliance Ownership Program Evaluation (SCOPE) gap analysis to evaluate program effectiveness at supplier and factory level, as well as carried out our annual internal audit of the Responsible Sourcing Program.



Our structure, activities, and supply chains

The Home Depot is the world's largest home improvement retailer based on net sales for fiscal 2023. We provide an interconnected shopping experience for our DIY customers and PROs, offering a wide assortment of building materials, home improvement products, lawn and garden products, décor products, and facilities maintenance, repair and operations products. We also provide the industry's largest installation business for the Do-It-For-Me customer and a well-stocked Rental Centre with the tools, equipment,

and trucks necessary to get the job done right. As of the end of fiscal 2023, we operated 2,335 stores located throughout the U.S. (including the Commonwealth of Puerto Rico and the territories of the U.S. Virgin Islands and Guam), Canada (182 stores), and Mexico. We also maintain a network of distribution and fulfillment centers, as well as a number of e-commerce websites in the U.S., Canada and Mexico.

About Home Depot Canada:



182

stores across 10 provinces



34,000+

associates



99,000

average store sqft



300,000+

products sold online



40,000

products sold instore

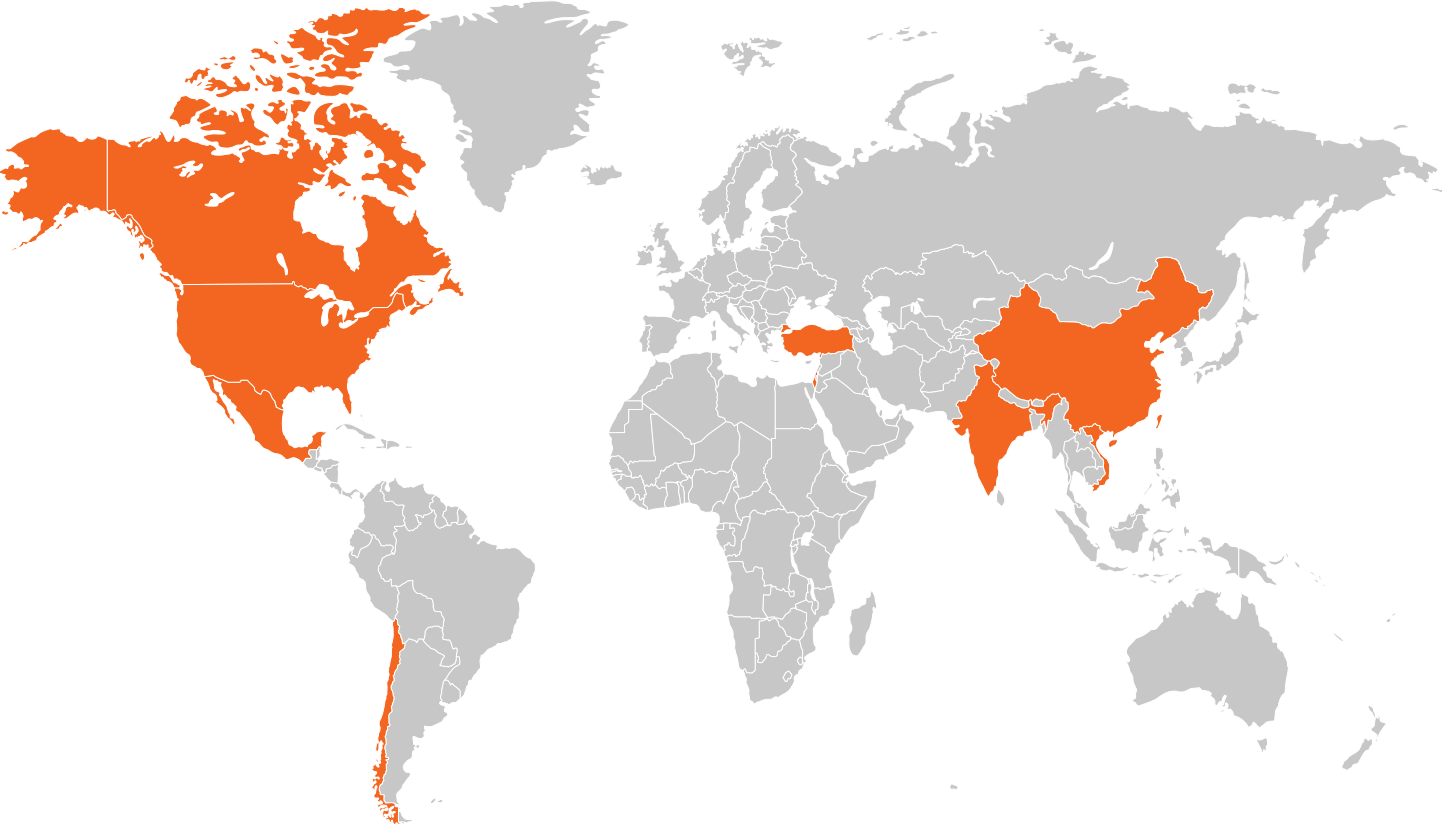


20

private brands

Through our merchandising organization, we deliver product innovation, assortment and value, which reinforces our position as the product authority in home improvement. We maintain a global sourcing program to obtain high-quality and innovative products directly from manufacturers in Canada and around the world. During fiscal 2023,

in addition to our Canada sourcing operations, we maintained sourcing offices in the U.S., Mexico, China, India, Vietnam and Europe. We source from 73 countries around the world, with the ten countries below making up 96.5 percent of our spend:



Canada
Chile
China
Israel
India

Mexico
Taiwan
Turkey
US
Vietnam

Our key product departments for THD Canada are:



Building Materials



Lighting



Décor & Storage
& Organization



Lumber



Electrical



Millwork



Flooring



Paint



Hardware



Plumbing



Kitchen, Bath,
Appliances



Seasonal

About HD Supply Canada:



129

associates Canada wide



2

Distribution Centres
serving customers

Canada wide:

- 80,000 sq ft in Toronto
- 40,000 sq ft in Calgary



10,000+

products sold online



7

private brands



Canada Wide

Delivery network covering

Our policies and due diligence processes in relation to forced labour and child labour

Our Commitments

The Home Depot is committed to respecting internationally recognized human rights. We review and are informed by the United Nations (UN) Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Respecting and supporting our supply chain starts at the top. The Home Depot maintains effective governance and oversight over the Responsible Sourcing Program in order to drive accountability. The Home Depot Responsible Sourcing team reports to the Executive Leadership Team, who sets the tone for our ethical standards and provides oversight and guidance, including reporting to The Home Depot Board of Directors. The Board of Directors provides general oversight and receives annual progress reports and reviews of the Responsible Sourcing Program.

Since 2021, we have had a cross-functional, advisory Forced Labour Working Group to oversee The Home Depot's forced labour and child labour compliance strategy. As part of this strategy, we work closely with our suppliers to conduct risk-based mapping and tracing of our supply chains and to improve supply chain visibility. We also continuously monitor external reports and regulatory developments to stay abreast of geographic, entity, and product-specific risks related to forced labour and to proactively identify and address specific risks that may exist in our supply chain. We hold suppliers accountable with expanded contractual requirements, certifications and audits; increased communications and training; and enhanced due diligence on high-risk supply chains requiring timely mitigation of any identified forced labour risk. We also conduct ongoing screening of our suppliers against sanctioned and listed entities and do not source from countries designated as high risk of responsible sourcing and potential security concerns. These actions are explained in more detail below.

Responsible Sourcing Standards

The Home Depot expects and contractually requires that all suppliers abide by all applicable international and local laws, rules, and regulations in the manufacture and distribution of merchandise or services to The Home Depot. Our suppliers are also contractually required to comply with The Home Depot's Responsible Sourcing Standards, and are strongly encouraged to exceed those standards and promote continuous improvement throughout their operations.

Specifically, the Responsible Sourcing Standards contain the following specific prohibitions relating to the use of forced labour and child labour:

Forced Labour:

Suppliers must not use forced, bonded (including debt bondage) or indentured labour, or prison labour, nor shall suppliers participate in slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction, or fraud for labour or services. We also expect each vendor will conduct the due diligence necessary to ensure that all raw materials, components, and finished products come from sources that also meet this standard. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities. As part of the hiring process, workers must be provided with all documents relevant to their employment in a language they understand with a description of terms and conditions of employment prior

to the worker departing from his or her country of origin, and there shall be no substitution or change(s) allowed in such documentation upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate, or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Foreign migrant factory workers should not be required to pay employers' or agents' recruitment fees or other related fees for the purpose of being hired or as a condition of employment.

Child Labour:

Suppliers must not employ workers younger than the greater of 15 years of age – or 14 where the local law allows such exception consistent with International Labour Organization guidelines – or the age for completing compulsory education or the minimum age established by law in the country of manufacture. In addition, suppliers must comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages and working conditions.

Our standards are based on the Code of Conduct provided by the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.



Under the Responsible Sourcing Standards, The Home Depot undertakes affirmative measures, such as announced and unannounced on-site audits of production factories, to monitor compliance. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the Responsible Sourcing Standards, and suppliers must allow associates and/or representatives from The Home Depot full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits.

Suppliers are expected to take necessary corrective actions to promptly remediate any noncompliance. Suppliers are expected to actively engage in remediation – including timely preparation and presentation of a Corrective and Preventive Action (CAPA) plan. The Home Depot reserves the right to terminate its business relationship with any supplier who is unwilling to comply with these Responsible Sourcing Standards.

Due diligence processes

Audits

We have the right to audit any global factory selling product to The Home Depot. In 2023, all non-Canada and non-U.S. factories producing private brand and direct import products for The Home Depot were required to receive a Responsible Sourcing audit prior to selling product to The Home Depot.

Corrective and Preventive Action (CAPA)

The Home Depot believes deficiencies found during an audit should be first reviewed and addressed by the factory management team. We believe it is not only important for the factory to correct the problem, but also to prevent that problem from reoccurring. To that end, we have developed a comprehensive review and remediation program to address these deficiencies. The Home Depot works with our factory partners to develop strong, actionable plans with reasonable timelines to ensure both corrective and preventive solutions are put in place (a “CAPA plan”).

CAPA Verification Program

The CAPA Verification Program requires additional verification visits after a CAPA plan is approved so that the original auditor can verify corrective and preventive actions have been implemented. If a factory does not implement the corrective and preventive actions approved in their plan by the expected milestones in the program, The Home Depot will cease all future purchase orders with that factory.

Elevate Partnership

When heightened issues of noncompliance are identified, The Home Depot is committed to working with suppliers and factories above and beyond the traditional CAPA program to improve working conditions. The Home Depot has a two-pronged approach to working with suppliers and factories where recurrent or heightened issues have been identified: the factory-focused Transparency Improvement Program (TIP), launched in 2008, and the supplier-focused Supplier Compliance Ownership Program Evaluation (SCOPE), launched in 2011.

TIP is a factory-specific program unique to The Home Depot that is designed to support sustainable improvement for factories with recurrent and/or heightened issues. TIP was designed and is implemented by our third-party partner ELEVATE, a leading third-party business risk and sustainability solutions provider. TIP is a six-month program designed to reinforce the need for transparency and provide factories with the opportunity and support needed to develop and implement management systems in a practical way and within reasonable time frames.

If serious issues are identified in a factory, The Home Depot will work with the supplier to improve their systems for managing factory compliance. We partner with ELEVATE to use their SCOPE gap analysis to evaluate program effectiveness and require factories to close any gaps.

Collaborations

We are a member of the following industry initiatives and partnerships associated with forced labour and child labour as we view collaboration as essential to addressing systemic issues impacting working conditions and to ensure alignment with industry best practices:

- **The RBA's Responsible Labour Initiative:**

The Home Depot is a supporting member of the Responsible Business Alliance's Responsible Labour Initiative. The RLI is a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labour in global supply chains are consistently respected and promoted. In 2022, The Home Depot was added to the RLI Steering Committee which is a governance body that consists of 13 voting positions. The Steering Committee is responsible for the strategic guidance and direction of the RLI and reports to the RBA Board of Directors.

- **The RBA's Responsible Workplace Program:**

In addition to our membership in the RLI, The Home Depot has partnered with the Responsible Business Alliance Foundation to take part in the Responsible Workplace Program. The Responsible Business Alliance Foundation and supporting program partner ELEVATE are implementing the Responsible Workplace Program, which aims to transform the market for ethical recruitment practices. Program Elements Available to Participating Companies Include:

- o Forced labour risks and recruitment worker surveys
- o Worker-management communication training
- o Effective pre-departure orientation training

- o Mechanisms to improve workers' awareness of their labour rights

- o Worker helpline and third-party support for migrant workers

- **Retail Ethical Sourcing Assessment:** In 2017, The Home Depot and Lowe's worked collaboratively to establish and implement a unified audit template for both companies. The goal of this Retail Ethical Sourcing Assessment (RESA) is to avoid duplication of audits where The Home Depot and Lowe's are utilizing the same factories. We encourage other retailers to join us in reducing "audit fatigue" by utilizing RESA. RESA's collaborative approach allows for audit resources to shift and enables our Responsible Sourcing team and factories to dedicate those saved resources to further focus on improvement and compliance-related activities. In addition to the RESA collaboration, there were 1,505 shared audits between THD and Lowe's from 2017 – 2023.

- **Association of Professional Social Compliance Auditors:** Social Compliance Auditing plays a vital role in enabling brands, retailers, producers, and other partners to assess and work towards improvement in labour conditions, including human rights and social issues throughout supply chains. APSCA aims to increase the value and effectiveness of independent social compliance audits by enhancing the professionalism and credibility of individuals and organizations performing them. All APSCA members are required to sign and abide by a Code of Professional Conduct,

which defines their commitments and the responsibilities to which they must adhere and will be held accountable. As a member of the stakeholder board, The Home Depot participates in supporting the development of the program. In addition, we also require all of our third-party audit partners to be members of APSCA.

Training

The Home Depot believes that through sufficient and effective communication, we can best partner with our suppliers and their factories to achieve our mutual goals. The Home Depot continues to engage and support our business partners via our online training system which provides an alternative solution for remote learning post-COVID and helps our suppliers understand the Responsible Sourcing processes and policies, no matter where they are located. As a result, we have seen a significant shift by our vendors and factories in the utilization of the online and virtual training instead of the face-to-face classes. In 2023, the online training:

- Continued to require that all new suppliers and factories undertake the training and present their certificate of completion at the time of their next audit. We believe this is driving better factory performance in our Responsible Sourcing Program audits.
- Continued to post a real-time seminar calendar online to give suppliers and factories the flexibility to register and join the training which fits their schedule and location.

Our online training program also has an “ask question” function so the Responsible Sourcing team can provide timely responses to the suppliers’ and factories’ questions. We are committed to being transparent with our partners and to helping them understand our expectations so that they in turn will be transparent with us.

In addition to training our supplier partners, The Home Depot annually carries out a mandatory training for internal employees responsible for sourcing products on how to identify and respond to social and environmental responsibility issues, such as forced labour or child labour.



Our risks of forced and child labour and the steps taken to assess and manage that risk

As described above, The Home Depot undertakes significant diligence on its supply chain and its suppliers to identify potential incidents of issues that would fall under the ILO Forced Labour Indicators. This process can involve the use of questionnaires and in-person factory audits. Issues may also be raised by suppliers when brought to their attention. When THD Canada identify issues that could fall within the scope of the ILO Forced Labour Indicators, they undertake actions that are appropriate to address and remediate the issue. These may include having suppliers terminate relationships with factories that are not cooperative.

Through its extensive supplier auditing process, THD Canada identified one issue with a factory who had a restrictive washroom break practice, which, while compliant with local laws, was out of step with The Home Depot's Responsible Sourcing Standards. As confirmed through follow-up by The Home Depot, the factory has now changed its practices to conform to our Supplier Standards. No other issues were identified in the last fiscal year.

Our approach to remediation of any forced labour or child labour

The Home Depot promotes a culture of ethical accountability through our values. We encourage and facilitate reporting by suppliers, factory workers, service providers, and associates of any concerns related to The Home Depot Responsible Sourcing Standards, adherence to our values, or compliance with the law.

Workers in all countries where we source goods may submit anonymous reports via www.THDSupplierAlertLine.com. This includes specific intake options for forced labour and child labour. We also maintain a Supplier AlertLine answered

by a live operator 24/7 in countries where we operate a global sourcing office:

- US and Canada
- Mexico
- China
- India
- Vietnam

Associates may anonymously report concerns through the THD AwareLine or thdawareline.com. All reports received through these mechanisms are evaluated, escalated appropriately, investigated, and resolved based on findings by The Home

Depot's Corporate Compliance team. In the last fiscal year, we have not identified or received any reports of any incident of forced labour or child labour in our supply chain and therefore we have not needed to take any measures to remediate, including loss of income.

If we do identify incidents of forced labour or child labour, we take the appropriate measures to resolve and remediate in accordance with international standards, including loss of income.

Our approach to training and communication on forced labour and child labour

Training forms an integral part of our processes to reduce and prevent forced labour and child labour, so is detailed in the above section. In 2023, we trained 117 internal employees responsible for sourcing products (Merchandising, Global Brands and Product Development, and Global Sourcing) on how to identify and respond to social and environmental responsibility issues, such as forced labour and child labour. In 2023, we held 14 live virtual training sessions for 684 vendors and factories worldwide through our online Responsible Sourcing training system, designed to help our partners understand our expectations and encourage transparency, including on forced labour and child labour risks. Our online training program also has an "ask a question" function so the Responsible Sourcing team can provide timely responses to the suppliers' and factories' questions.

In 2024, we plan to continue these training activities and also communicate with our supplier partners around the requirements of the Act and confirming their compliance. Our Canada Supply Chains Act Supplier Notification will be provided to THD Canada suppliers, which articulates our overall objective to eliminate forced and/or child labour in our supply chains, and our commitment to complying with our obligations under the Canada Supply Chains Act. The Supplier Notification also contemplates our expectation that our suppliers will undertake all measures possible to ensure that sufficient due diligence has been performed in connection with their own supply chain(s), and underscores our expectation that they too will comply with any applicable obligations under the Supply Chains Act and other relevant Canadian legislation. To the extent that our suppliers fall short of the expectations articulated in the Supplier Notification, THD Canada may take appropriate steps, including suspension of the relationship until such a time as THD Canada is satisfied with remediation measures.

Our approach to assessing effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains

Our approach is one of continuous improvement and our Responsible Sourcing Standards and Responsible Sourcing Program are reviewed and updated periodically based on the findings of our due diligence and our ongoing monitoring of best practices and trends. Our approach to preventing and reducing the risk of forced labour and child labour has been significantly reinforced in recent years and we are continuously striving to improve the effectiveness of our risk-based program. As explained above, as part of our partnership with ELEVATE, we use the Supplier Compliance Ownership Program Evaluation (SCOPE) gap analysis to evaluate program effectiveness at supplier and factory level.

We also carry out an extensive annual internal audit to assess the effectiveness of the Responsible Sourcing program and we take action to improve the program based on the audit findings. The Board of Directors reviews the results of the annual internal audit. We also participate in a number of industry initiatives on forced labour and corporate social responsibility in global supply chains, which allows us to monitor current trends, identify risk areas in our supply chain, and remain abreast of standards, best practices, and evolving stakeholder expectations. We update our standards and best practices based on these trends. We intend to continue to build out our approach to assessing our effectiveness in preventing and reducing risks of forced labour and child labour in our supply chains.

Planned measures for 2024

In 2024, we plan to continue taking steps to advance our efforts to prevent and reduce the risk of forced labour and child labour across our business and our supply chains. Some of these efforts include:

- Continuing to partner with third party screening, mapping and traceability providers in risk-based mapping of the supply chain using technology to identify potential risks associated with forced labour and child labour and prioritize actions accordingly.

Signature and attestation

This joint report of Home Depot of Canada Inc., for the most recent fiscal year which ended on Feb.29, 2024, in accordance with subparagraph 11(4)(b)(i) of the Act. HD Supply Canada, Inc., and Home Depot U.S.A., Inc. (dba blinds.ca) was approved by each entity's respective the Board of Directors

HOME DEPOT OF CANADA INC., HD SUPPLY CANADA, INC.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. I have the authority to bind Home Depot of Canada Inc. and HD Supply Canada, Inc.



Peter K. Muench

Director, Home Depot of Canada Inc. and HD Supply Canada, Inc.

May 23, 2024

Date

HOME DEPOT U.S.A., INC.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. I have the authority to bind Home Depot U.S.A., Inc.



Ann-Marie Campbell

Director, Home Depot U.S.A., Inc.

May 23, 2024

Date