



## The Home Depot's Commitment to Its Associates

At The Home Depot®, we know that our associates are our greatest competitive advantage. Customers know that the orange apron means something special, and we want their shopping experience in our stores to be characterized by available, helpful and knowledgeable associates. The Home Depot currently employs more than 300,000 associates, and we are the eighth largest employer listed on the S&P 500.

### Compensation and Recognition

- **Success Sharing:** In 2007, we realigned compensation and reward programs to ensure that our associates are being appropriately recognized. We have restructured our success-sharing program, an incentive program for hourly store associates driven by individual store performance. As a result, the aggregate Success Sharing payout increased from \$25M to \$63M for FY06 to FY07 -- a 150 percent increase. For 2008, an additional enhancement to double the Success Sharing opportunity for Department Supervisors has been added to the program. At the end of the first half of 2008, 75 percent of our stores were eligible for success sharing and the Company will be issuing success sharing checks in excess of \$40 million. In 2009, a total of 96% of stores qualified for a Success Sharing payout in the first half of the year, resulting in \$65 million in rewards for the hard work of our associates.
- **Homer Awards:** Available in the U.S., this new associate recognition program gives "Homer Awards" to associates who consistently demonstrate behaviors that reflect The Home Depot's values. As associates accumulate Homer Awards, they will have the ability to reach four milestone levels. Each time an associate earns three awards they will qualify for one of four levels and will receive a cash incentive. In 2008, more than 410,000 Homer badges have been awarded to associates for outstanding customer service. To date, 1,159,036 Homer Badges have been distributed. And, 287,883 milestone awards have been distributed – this equates to a payout of more than \$14.3M.
- **Stock Grants:** Assistant store managers have also been given restricted stock grants, based on performance, as an incentive to improve customer service and associate morale.
- **Product Knowledge Badges:** In Q1 2008, we launched a new "PK Badge" that rewards associates for completing training in their departments and adjacent departments. To date, more than 120,000 have achieved PK Expert, and 91% of the department supervisors are PK experts. The Company logs more than 12M associate training hours each year.

### Benefits and Programs

The Home Depot offers the most competitive pay and benefits for full-time and part-time associates in the industry.

- **Health:** The Home Depot offers all full-time and part-time associates with access to a comprehensive health and welfare benefits package which includes medical, prescription drug, dental, vision, disability and life insurance. We leverage our volume to create benefits that are affordable, consumer-focused, and provide access to choice. This allows associates to build a benefits package that best meets their personal and family needs.
- **Non-traditional benefits:** The Home Depot also looks for ways to bring more value to associates by providing access to non-traditional benefits, such as group discount programs, through convenient payroll deductions – homeowners insurance, auto insurance, legal plans, pet insurance, long-term care insurance, etc.
- **Employee Savings Programs:** We offer savings opportunities to all associates.
  - **FutureBuilder 401(k) plan:** The Company match is \$1.50 for every dollar an associate saves on the first 1 percent of their eligible pay (compared to \$0.25 to \$0.50 industry standard), and \$0.50 for every additional \$1 they save on 2 percent to 5 percent of their eligible pay.
  - **Employee stock purchase plan:** 15 percent discount off the market closing stock price on the last day of the plan.

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### **The Homer Fund**

The Homer Fund is a nonprofit charity established to provide emergency financial assistance to The Home Depot associates who are unable to afford their basic living expenses because of an illness, injury, death, unemployment, fire or natural disaster. The Fund may also assist with essential funeral expenses for an uninsured associate or dependent.

- Since its inception in 1999, the Fund has provided more than \$36 million to over 35,000 associates in need of shelter, food, clothing and funeral expenses through its Direct and Matching Grant programs. In 2008, the Fund made grants of more than \$6.5 million to more than 7,000 associates in financial hardship.
- In 2009, The Homer Fund adjusted its program criteria in response to the struggling economy. As a result, the Fund awarded over \$11 million in 2009 to more than 7,300 associates in need. Dollars distributed in 2009 represent the same amount distributed in 2007 and 2008 combined.
- Beginning in 2006, The Homer Fund began a program that provides college scholarships to the children of all full-time and part-time associates. In 2009, 973 children of THD associates were awarded scholarships for the 2009-2010 academic year for a total of 2,564 scholarships awarded since the program began.

### **Hiring Partnerships**

The Home Depot has several well-established hiring partnerships in its on-going effort to recruit talented and diverse associates. At The Home Depot, we firmly believe that talent comes in many forms, and we celebrate each and every one of them. It is talent above all else that is cultivated, nourished and is considered to be the foundation of our culture.

- In June 2002, The Home Depot and the Department of Labor formed a national hiring partnership. At the local level, the Department of Labor recruits, screens, refers and prepares unemployed or dislocated workers for job opportunities with the Company.
- In August 2003, The Home Depot launched a hiring partnership with The Art Institute (AI). This innovative partnership provides us with access to a talented pool of future designers with exceptional knowledge of design, paint, millwork, flooring, plumbing and appliances. The Home Depot is the third largest employer of Art Institute graduates, with 34 schools participating in this program across the country.
- In February 2004, The Home Depot entered into a hiring partnership with AARP®, the leading membership organization for the 50+ population with more than 35 million members.
- In September 2004, The Home Depot formed a joint hiring initiative with the U.S. Departments of Defense, Labor and Veterans Affairs. The Home Depot provides career opportunities for those interested in a second career after their military service is completed. Since the program's launch we have hired tens of thousands of military job seekers, including veterans, separating active duty service members, National Guard members, reservists and military spouses.
- In February 2005, The Home Depot formed a hiring partnership with four of the country's leading national Hispanic organizations, The ASPIRA Association, Hispanic Association of Colleges and Universities (HACU), National Council of La Raza (NCLR), and SER – Jobs for Progress National. The Company works with these organizations and their strong network of local offices and contacts to recruit candidates for full-time and part-time positions across the country.

### **Diversity & Inclusion:**

The Home Depot's eight core values speak directly to providing a diverse and inclusive workplace and shopping experience. Our values are: doing the right thing; giving back; taking care of our people; excellent customer service; building strong relationships; respect for all people; creating shareholder value; and entrepreneurial spirit.

We strive to create an environment where our associates, customers and suppliers feel included, respected and supported. Our Corporate Inclusion Council coupled with our Divisional Councils ensures that we drive diversity and inclusion as business priorities and create competitive advantage in the global marketplace.