ARJUNA CAPITAL
ENLIGHTENED ENGAGEMENT IN THE CAPITAL MARKETS

March 1, 2017

The Home Depot, Inc.
Teresa Wynn Rosenborough
Corporate Secretary
2455 Paces Ferry Road
Building C-22
Atlanta, GA 30339

Dear Ms. Rosenborough:

Arjuna Capital is pleased to withdraw the shareholder proposal submitted to Home Depot Inc. on December 2, 2016 regarding lead-safe practices submitted under Rule 14a-8 for inclusion in Home Depot Inc.'s 2017 proxy statement on behalf of Patricia Josie Baucom.

We withdraw the proposal as Home Depot has committed to take the following actions to enhance its efforts to raise customer awareness of lead safe practices:

Awareness Days

- 2 events in the first year to promote lead safety awareness, with annual event(s) to follow.
- Event modeled days with Lead Awareness pamphlets and in store displays featuring lead testing kits for paint and water.
- Manufacturers sales representatives in store to help with in aisle communication

Digital Media

- Homedepot.com home page safety awareness message displayed during Awareness Days
- Paint home page safety awareness message and link to EPA lead safety website
- Interior paint home page safety awareness message and link to EPA lead safety website

In Store

- Enhanced mandatory lead safety training for paint associates at orientation, 30-day and 90-day increments.
- Safety awareness message stamped on standard stir sticks handed to customers
- In store Muzak lead safety messaging
- Phone sales hold messaging for lead safety

We commend the actions that Home Depot is taking to protect its customers and brand through greater lead-safety awareness.

Sincerely,

Natasha Lamb
Managing Partner
Arjuna Capital

cc: Diane Dayhoff, Vice President, Investor Relations

Enclosure: shareholder proposal submitted to Home Depot Inc. on December 2, 2016 regarding lead-safe practices

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LEAD-SAFE PRACTICES REPORT

WHEREAS: The water crisis in Flint Michigan catapulted the issue of human lead exposure into the headlines and was a catastrophe for Flint's most vulnerable population—children. The number of children with elevated lead levels almost doubled and nearly 8,000 children under five were exposed.

No level of lead exposure is considered safe at any age. But for children with developing brains, early exposure to this "cumulative toxicant" can cause severe neurological problems, decrease IQ rates, and lead to poor behavioral outcomes, aggression, ADHD, and Autism.

Unfortunately, lead exposure is endemic in our society, and not just in water. The Centers for Disease Control estimates that half a million U.S. children have elevated blood levels. One-third of Americans under the age of 18 are estimated to have had an elevated level in their lifetime.

The huge societal costs of lead exposure are borne not only by the victims, but by the economy at large —healthcare costs, special education, crime rates, reduced lifetime earnings and tax revenue. Columbia University pegs the social cost of the Flint crisis' effect on children's health at $395 million, nearly $50,000 per child. In the United States, the loss of economic productivity due to childhood lead exposure is pegged at over $50 billion annually.

Though sources of lead contamination have been regulated or banned, lead persists in the natural and built environment due to historic use. Nearly 35% of U.S. homes have lead paint and lead contaminated dust—the leading cause of poisoning.

The Environmental Protection Agency's (EPA) Repair, Renovations, and Painting rule (RRP) aims to limit the spread of dust from lead-paint particles during renovation. Yet, substantial lead exposure occurs residentially due to non-compliance, as well as Do-It-Yourself (DIY) renovations. DIY customers are not subject to lead-safety regulation and may not understand the dangers.

Home improvement retailers could be on the front lines driving lead-safety awareness, testing, and lead safe-practices as suppliers to the construction industry, homeowners, and landlords.

Yet, in 2016, Home Depot paid a penalty to the EPA for RRP violations after allegations that its At-Home services in Colorado failed to ensure proper management of waste debris and dust. Lead exposures can place the company's reputation at serious risk; conversely, the company can build trust and brand value through customer lead-safety education.

RESOLVED: Shareholders request that Home Depot issue a report, at reasonable expense and excluding proprietary and privileged information, on the risks and opportunities that the issue of human lead exposures from unsafe practices poses to the company, its employees, contractors, and customers.

SUPPORTING STATEMENT: The report should include an assessment of options to strengthen the company's corporate-wide policies regarding lead-safe practices, above and beyond legal compliance, such as consumer education on lead-safe practices, free or discounted lead testing products, and dedicated lead safety personnel. The report may exclude consideration of whether or not to sell products containing lead.