



PROXY MEMORANDUM

TO: The Home Depot, Inc. Shareholders

RE: Item No.11 ("Shareholder proposal regarding a report on sufficiency of associates' access to healthcare")

DATE: May 21, 2026

CONTACT: Elizabeth Levy, liz@cleanyield.com

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; Clean Yield Asset Management is not able to vote your proxies, nor does this communication contemplate such an event. Clean Yield Asset Management urges shareholders to vote for Item No. 11 following the instructions provided on management's proxy mailing.

Clean Yield Asset Management urges shareholders to vote YES on Item No. 11 on the Home Depot, Inc. (HD) 2026 proxy ballot. The resolved clause states as follows:

Resolved: Shareholders request that the Board of Directors issue a public report omitting confidential information and at reasonable expense, reporting on the sufficiency of employees' access to timely, quality healthcare, and discusses the company's strategy to ameliorate any insufficiencies identified.

About Clean Yield Asset Management

Clean Yield Asset Management ("Clean Yield") is an investment firm based in Norwich, VT, specializing in socially responsible asset management. We have filed this shareholder proposal on behalf of our client, Anne Penfield, a long-term shareholder in Home Depot because we are concerned that investors are unable to discern if the company's employees have access to affordable, quality, and timely healthcare.

Rationale in Support of this Proposal

1) Home Depot's Employees Care about Healthcare

Health-related benefits are key aspects of employee recruitment and retention plans and were the top priority for employers in 2025; 88% of employers listed them as "extremely important" or "very important" to their workforce in a SHRM survey. This surpassed retirement savings, flexible work, and career development benefits.¹ The cost of health care is a core affordability worry for employees, sitting ahead of food, utilities, and other household expenses.²

¹ https://www.shrm.org/content/dam/en/shrm/topics-tools/research/employee-benefits/2025_annual_benefits_survey_executive_summary.pdf

² <https://www.kff.org/health-costs/americans-challenges-with-health-care-costs/>

Additionally, Mercer estimates that companies are able to reduce turnover by 11% if they foster a “culture of health.”³ Turnover is expensive for a company due to direct recruiting, hiring, onboarding, and training costs. The average cost of replacing an employee has been estimated at \$1,500⁴ to \$4,000⁵ per employee. High turnover also has soft costs since it is disruptive to team dynamics and employee morale.

2) Home Depot’s Current Health Insurance Offering May Not Meet Needs

On Glassdoor, within the discussion of Home Depot’s employee benefits, a wide range of employee feedback is publicly available. While some of it is positive and affirming of the quality of the care, that view is far from consensus. Negative feedback includes, but is not limited to: “Deductible and Max OOP are very high even with the best option,” “High premiums relative to coverage,” “Too expensive for what you pay for,” “High cost premiums and coverage is not good for a company this size,” and “The worst thing is medical payment plans.”⁶

Accessibility concerns

According to a 2024 poll by KFF, 48% of insured adults worry about affording their monthly health insurance premium, and 21% still view costs as a barrier to getting the healthcare they need.⁷ These costs include not just the cost of premiums, but also the out-of-pocket cost of care.

While Home Depot offers multiple different health insurance plans to employees, information found online indicates that a family facing a medical condition may need to pay up to \$14,000 for out-of-pocket care within one year.⁸ It is estimated that the average total household savings of U.S. employees who make less than \$34,600 per year is \$2,566 and for those that make less than \$59,500 it is \$6,505.⁹ For families such as these, \$14,000 would be a catastrophic expense.

Similarly, if an employee is required to pay 30% of each doctor’s visit’s expense, they may not participate in essential preventative or diagnostic care actions. Other insurance plans that appear to be offered by Home Depot require co-pays of \$15-\$45 per doctor’s visit.¹⁰ If the average Home Depot employee earns \$17.40 an hour, just visiting the doctor for a consultation may represent 1/3 of a day’s wages.¹¹

Timeliness concerns

A 2023 survey of 5,000 U.S. employees by the Integrated Benefits Institute found that 58% of employees delayed necessary medical care because of cost or insurance barriers, and 42% delayed care because appointments weren’t available.¹² For diseases such as breast cancer where preventative screenings

³ <https://www.mercer.com/en-us/insights/us-health-news/the-surprisingly-strong-connection-between-well-being-and-turnover/>

⁴ <https://www.peoplekeep.com/blog/employee-retention-the-real-cost-of-losing-an-employee>

⁵ <https://www.applauz.me/resources/costs-of-employee-turnover>

⁶ https://www.glassdoor.com/Benefits/The-Home-Depot-Health-Insurance-US-BNFT1_E655_N1_IP2.htm

⁷ <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs>

⁸ https://choose.kaiserpermanente.org/content/dam/kp/secondsales/microsites/contents/pdf/thehomedepot/updated-2025-plans/TheHomeDepot_SBC_NCAL_SCAL_DeductibleFirstHMO_Actives_2025.pdf

⁹ <https://wallethub.com/edu/savings-account-statistics/143529>

¹⁰ <https://secure.livethehealthyorangelife.com/medical>

¹¹ https://www.payscale.com/research/US/Employer=The_Home_Depot_Inc./Hourly_Rate

¹² <https://blog.ibiweb.org/blog/breast-cancer-awareness-month-the-impact-of-delayed-care-during-the-pandemic>

significantly shift health outcomes, delayed care also impacts the intensity of treatment and timeline for employee recovery.

Quality concerns

Despite high healthcare spending in the United States, outcomes lag behind peer nations, including lower life expectancy and higher rates of preventable conditions.¹³ These systemic gaps may disproportionately affect companies with large workforces in regions with weaker healthcare infrastructure. Home Depot's geographic footprint includes significant exposure to southern U.S. states, particularly Georgia, where healthcare access and quality rank particularly poorly according to the Commonwealth Fund's 2025 scorecard.¹⁴

3) Home Depot has an Obligation to Break out of a "Business as Usual" mindset

In 2025, Stanford researchers surveyed human resources administrators. They found that most administrators were not focused on health care plans' benefits to employees' health and well-being. Rather the focus was on cost comparisons and spending trends.¹⁵

This is not an area where investors or Home Depot leadership should defer to a "business as usual approach". Ensuring effective employee health insurance is an opportunity for Home Depot to improve its service provision, support its employees, improve hiring and retention, and build a competitive advantage, all, potentially, at a limited or nominal cost.

The primary recommendation of a January 2025 McKinsey report called "Thriving workplaces: How employers can improve productivity and change lives," is to conduct a comprehensive health and well-being survey to diagnose workforce health needs.¹⁶ Other companies, including large retailers, do explicitly ask employees about the sufficiency of their health insurance and healthcare access.

While the Home Depot states that it already surveys employees and monitors benefits, it does not provide investors with clear, decision-useful disclosure regarding:

- The quantitative data captured that would allow for assessments of improved, or lessening, success in employee healthcare access or health outcomes,
- Whether access is sufficient across geographies and income levels
- Key metrics used to assess adequacy
- Identified gaps and corresponding strategies

Home Depot must have a clear baseline so that it is able to understand if the programs and policies it applies are effective in improving true healthcare access; it must understand if employees are currently able to access affordable, quality, and timely healthcare.

¹³ <https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022>

¹⁴ <https://www.forbes.com/advisor/health-insurance/best-worst-states-for-healthcare/>

¹⁵ https://news.stanford.edu/stories/2025/01/companies-focus-on-health-plans-costs-instead-of-employee-access-and-experience?utm_source=chatgpt.com

¹⁶ <https://www.mckinsey.com/mhi/our-insights/thriving-workplaces-how-employers-can-improve-productivity-and-change-lives>

As it states in its statement in opposition to this resolution, Home Depot solicits “associate feedback regarding the sufficiency of these benefits on a periodic basis to inform our offerings.” “Periodic basis” is not defined. Nor is an “opportunity for associates to provide anonymous feedback on, among other things, our healthcare benefit offerings” a thorough and rigorous review of healthcare sufficiency. The process under which feedback is solicited appears to be qualitative, informal, and lacking in the ability to assess the key question asked in this resolution: Do Home Depot employees have access to affordable, quality, and timely medical care?

CONCLUSION

Home Depot has released insufficient information to assure investors that it is tracking the extent to which its employees have access to affordable, quality, timely healthcare. **Clean Yield Asset Management urges shareholders to vote for Item No. 11 following the instructions provided on management's proxy mailing.**

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