



November 22, 2021

Craig Menear, CEO 2455 Paces Ferry Road Atlanta, Georgia, 30339

Dear Mr. Menear:

We write to urge you to use The Home Depot's purchasing power to protect the boreal forest, which is critically important for the climate, biological diversity and the communities that rely upon it.

Over the past few decades, as information about climate change, sustainable forestry and conservation of endangered species became available, The Home Depot demonstrated the desire and ability to adapt. The adoption of The Home Depot's <u>Wood Purchasing Policy</u> in 1999 was an important step that encouraged responsible forestry practices in the home improvement sector. The Home Depot does not accept wood from the Amazon or Congo Basin areas, Papua New Guinea or the Solomon Islands unless Forest Stewardship Council (FSC) certified.

The Home Depot's actions not only reflect the changing values of your consumers, but also conveys the company's commitment to stewardship of the environment. Thank you for the actions you have taken. Now that a <u>global consensus</u> is forming that the protection of primary forests is of urgent importance, it is time for The Home Depot to go further.

The Canadian boreal forest is the largest remaining primary forest on the planet. It stores 300 billion tons of carbon, provides habitat for threatened boreal caribou, billions of birds and a multitude of other species. The boreal is essential to the sustenance and culture of hundreds of Indigenous communities. Unfortunately, one and a half football fields' worth of the forest are cut down every minute to produce softwood lumber, wood pulp and other products. American companies like The Home Depot contribute to demand for these products.

Canadian federal and provincial regulations and compliance protocols are not preventing certain timber companies from engaging in practices that neglect their carbon footprint, threaten the survival of species and violate the rights of the Indigenous Peoples who live in the boreal forest. For this reason, it is incumbent upon companies that purchase wood products sourced from the boreal forest to leverage their market power to protect the forest without adversely affecting

other forests. The Home Depot sources at least <u>90% of its wood from North America</u>, and it is our understanding that a portion of your wood originates in the Canadian boreal forest.

For this reason, we are asking The Home Depot to improve its global wood sourcing policy by making the following commitments:

1. Reduce the amount of wood sourced from forests and ensure that the forests The Home Depot's suppliers source from are managed sustainably.

- a. Begin issuing an annual report that fully discloses, by the end of 2022, the following information related to The Home Depot's wood sourcing, including:
 - i. the regions where timber and wood products are sourced;
 - ii. the names of the company's timber and wood product suppliers;
 - iii. how much of the company's Scope 3 emissions are caused by logging and forest degradation;
 - iv. the volume and percentage of wood products harvested from FSC certified forests by region and country; and
 - v. The volume and percentage of lumber made from reclaimed wood or sustainable alternatives to wood products, such as Forest Stewardship Council (FSC) certified bamboo.
- Prioritize sourcing from FSC certified forests by committing to reach 95% FSC certified wood by 2025, with an incremental goal of 50% FSC certified wood by 2023.

2. Establish policies that define and protect the rights of Indigenous Peoples and the local communities that use or rely on forests logged by The Home Depot's suppliers.

- a. Require your suppliers to adhere to the U.N. Declaration on the Rights of Indigenous Peoples and require proof and documentation of free, prior, and informed consent when suppliers operate in Indigenous and local communities' lands.
- b. Implement a clear and transparent grievance mechanism and protocol, so that individuals, communities, and organizations may file grievances with The Home Depot if violations of its policies occur within its supply chain, and so that consequences for supplier violations are clear, time-bound, and sufficient to prevent future violations.

3. Implement policies that protect biodiversity and take steps to reduce The Home Depot's impact on the climate.

- a. Clearly define "endangered regions" such that primary forests, as defined by the <u>U.N. Food and Agricultural Organization</u>, and threatened species habitat are both excluded from The Home Depot's sourcing.
- b. Include Scope 3 emissions caused by the extraction of forest commodities in The Home Depot's greenhouse gas emissions reduction goals.

These actions will not only help to protect the boreal, and in so doing protect our climate and important species, but will establish The Home Depot as a leader in sustainable forestry. We urge you to act.

We would very much like to discuss these proposed actions (or others that the company is contemplating) and believe that we can have a healthy dialogue about our shared goals of good stewardship.

I look forward to hearing back from you.

Sincerely,

Sammy Herdman
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Environment America

Jennette Gayer
Environment Georgia Director
Environment America

Shelley Vineyard
Boreal Corporate Campaign Manager
The Natural Resources Defense Council

Cc: Ron Jarvis, Vice President, Merchandising & Sustainability
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