

The Home Depot

Ron Guzzi – Carrier Relations & Sourcing

Reducing Transportation Emissions and Empty Miles

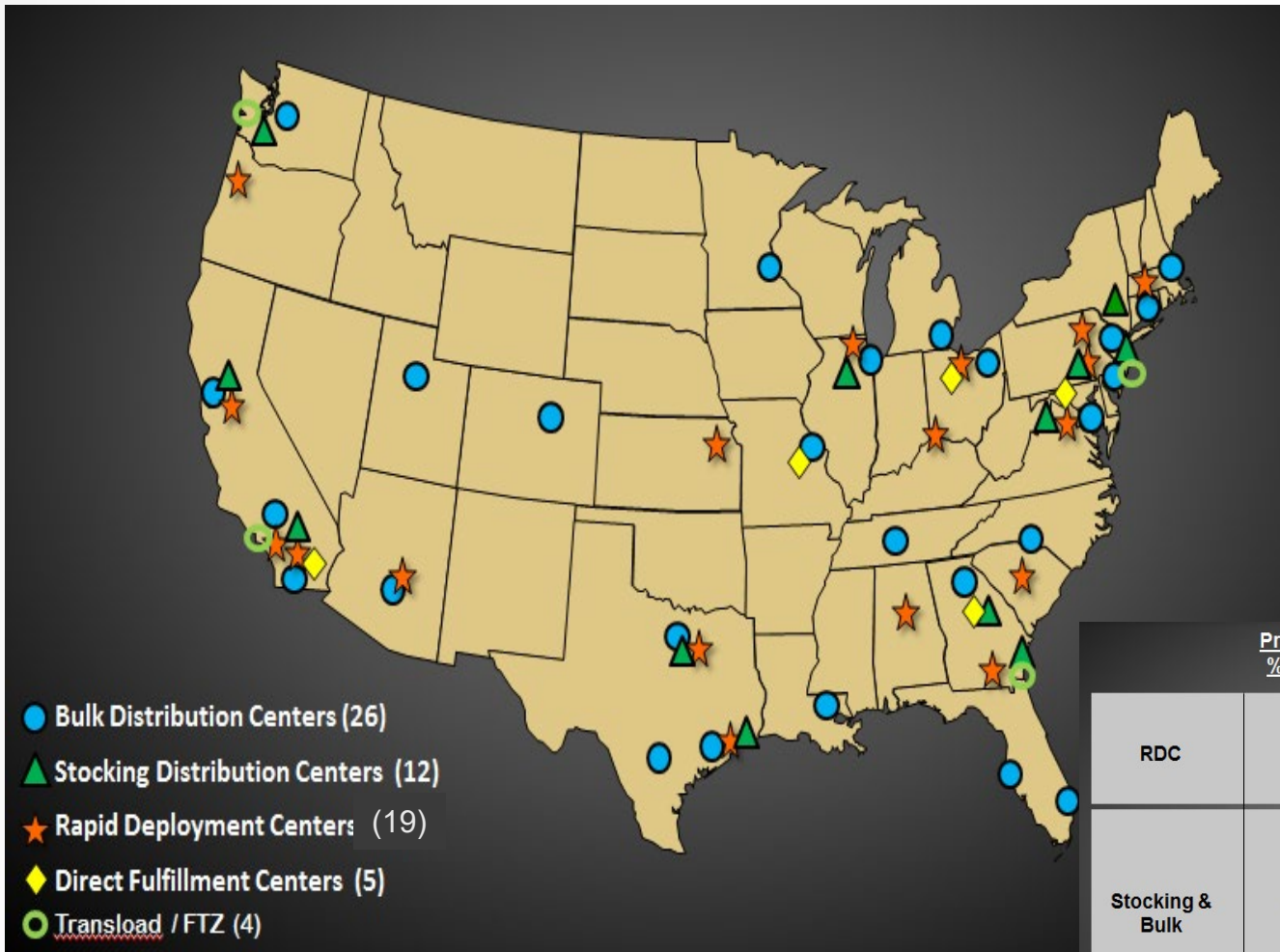


The Home Depot – Company Overview

- Largest home improvement retailer in the world
- Just under 2300 stores in US, Canada, Mexico PR, VI, Guam
- ~500K employees
- 2020 - \$132.1 billion in sales
 - 19.7% YoY Comp Sales in 2020 vs 2019
 - 2021 Q1 – 32.7% comp sales v2020 Q1 (9.2B in growth)
- THD Supply Chain –
 - ~70 DCs
 - 19 RDCs in US – 60%+ of sales flow through these sites
 - Over \$5 billion in Trans spend
 - ~225 Domestic Carriers in our network
 - We are an asset based shipper
- THD Sustainability Efforts & Results
 - 2019 Company reduction of carbon dioxide emission by 10%
 - Eliminated 10.5K Truckloads from increased cube
 - Estimated 15 million miles
 - Multi-year winner of the large shipper SmartWay award
 - 100% of our Domestic miles run with SmartWay partners



THD Distribution Network Overview



	Prior to 2007 % of COGS		2015 % of COGS
RDC			~63%
Stocking & Bulk	~40%	 	~23%
Direct to Store	~60%		~14%

Survey #1

Pick as many of the below that apply...

A – We run a dedicated or private fleet

B - We run a dedicated or private fleet with a high focus on filling empty miles

C – We also sell our excess empty miles to other shippers

D – We purchase dedicated/private fleet empty mile capacity from other shippers

E – We feel there is a high risk in buying/selling miles because of driver detention caused by the other shippers loads

G – I don't know

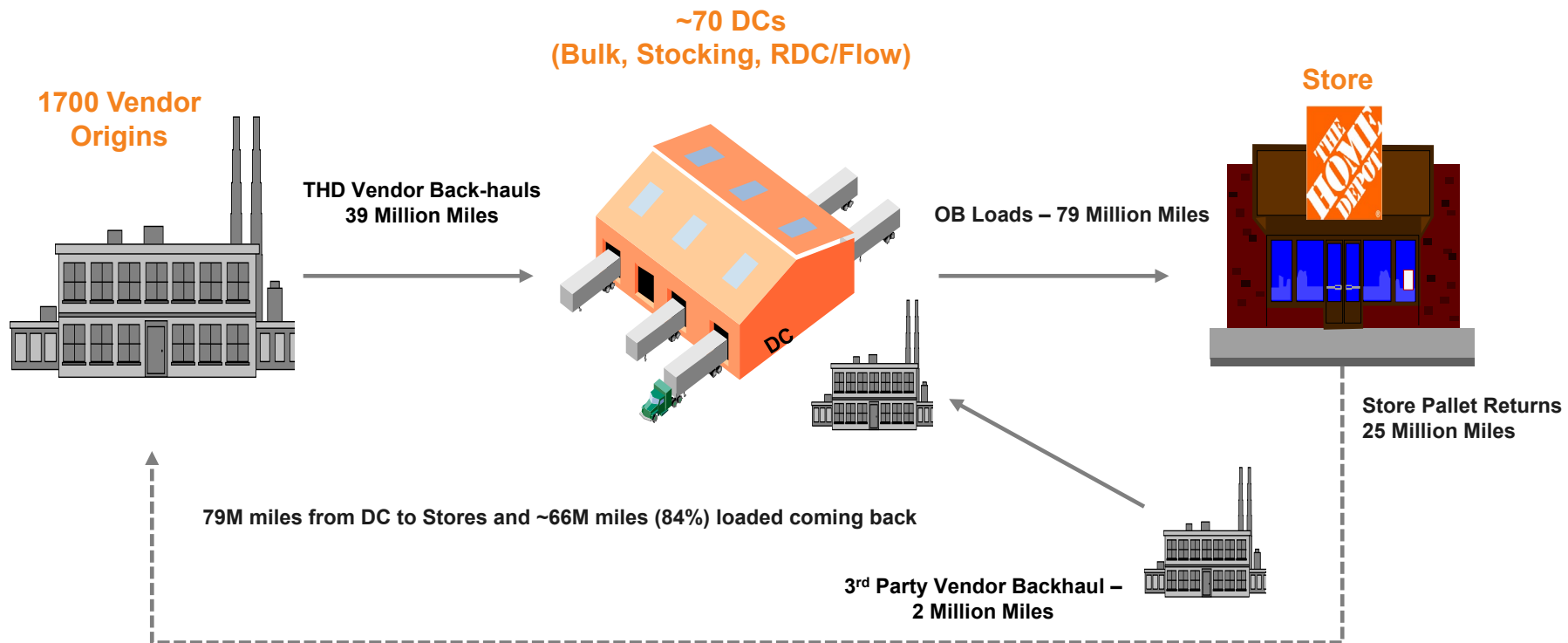


THD Dedicated Fleet “Ecosystem” 2020

Dedicated Fleet Overview

- Fleets at all DCs
- ~2600 total Drivers
- ~2300 total Tractors
- ~199M Annual Miles

- 199 Million Miles Run Annually
- 145 Million Miles Are Loaded – 73%



Survey #2

Pick as many of the below that apply...

A – We use intermodal to move our freight

B - We use intermodal only if it's the cheaper option versus OTR Truckload

C – We use intermodal and feel it's the better capacity option versus TL

D – We use intermodal and feel it's the better on-time service option to planned transit times

E – Internal business partners frown on intermodal because of the increased transit times

G – I don't know



THD Domestic Transportation – Reducing Miles

150K Annual Intermodal Loads



Filling Dedicated Empty Miles of Other Large Shippers

Pepsi and Frito-Lay – THD moved 4000 loads in 2020 (Others – CHEP, Walgreens, Coke)



Reducing Miles - Floor Loading to Our Stores

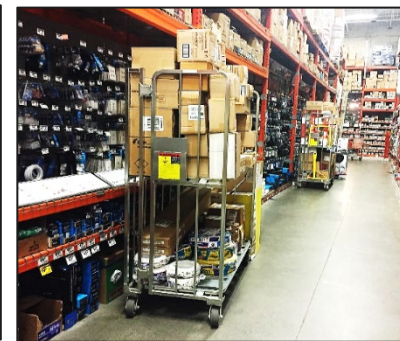
Distribution and Transportation

- Trailer utilization of 2500-3000 cube/load
- ~25% fewer loads to stores

Before

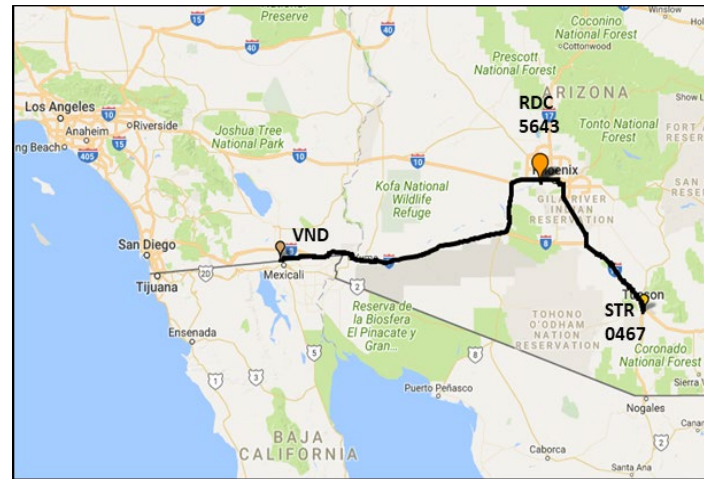


After



Floor Loading Yields ~25% More Product Per Delivery Than Pallet Loading





- \$\$\$
- Reduce Empty Miles
- Consistent Capacity
- Shipper of Choice Focus
 - Low Driver Turnover

- Improved Service (OT Delivery)
- OTR Trailer Pool Reductions

Currently running ~200 trucks with plans to expand...

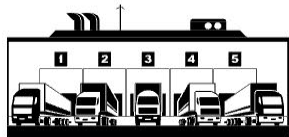
THD Final Mile Network

- Prior State - ~2000 Stores all making customer deliveries
- Future State Below...

DOWNSTREAM



Direct Fulfillment Centers
(Parcel / Flatbed / Local)



Market Delivery Operations



Market Delivery Stores



Customers
(DIY / Pro)



Creating the fastest, most efficient delivery in home improvement