



Ron Jarvis



Kelly Caffarelli

## A Corporation with a Conscience

An Interview with Ron Jarvis,  
Vice President-Merchandising & Environmental Innovation, The Home Depot,  
and Kelly Caffarelli, President, The Home Depot Foundation

**EDITORS' NOTE** Ron Jarvis joined The Home Depot in February 1995 as a product merchandise manager. Since then, he has held various positions in merchandising and operations including Divisional Merchandise Manager, Environmental Global Product Manager, Merchandising Vice President, VP-Environmental Innovation, and Senior Vice President of Pro Business, Tool Rental, and Environmental Innovation. Jarvis holds a B.A. degree from North Carolina State University in business management/economics.

Under the direction of Kelly Caffarelli since 2003, the Foundation and Team Depot – the company's associate-led volunteer force – have become leaders in supporting the construction, repair, and refurbishment of affordable homes, community centers, and parks across the country. She currently sits on the Board of Directors for Volunteers of America, the National Building Museum, the Woodruff Arts Center, The Galloway School, and Zoo Atlanta.

**COMPANY BRIEF** The Home Depot (*home depot.com*) is the world's largest home improvement specialty retailer, with more than 2,250 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces, and Mexico. The company employs more than 300,000 associates.

Affordable housing for deserving families is at the heart of The Home Depot Foundation's (*homedepotfoundation.org*) mission. Since 2002, The Home Depot Foundation has invested more than \$340 million in local communities to build and renovate homes for deserving families; transform local parks and playgrounds; and repair community facilities. The Home Depot Foundation has committed \$80 million over five years to nonprofit organizations dedicated to improving the homes of economically disadvantaged veterans.

### How has The Home Depot Foundation evolved?

*Caffarelli:* We're about 10 years old, but we grew out of the legacy of the company in terms of giving back to our communities and getting involved where our stores are located.

The foundation was created originally to focus on affordable housing issues, so we have always done that. In 2011, we shifted our work to veterans' housing issues.

The company has always supported military and veteran families – we have 35,000 veterans among our associates. It has resonated with our employee base and our communities.

We originally launched that mission to ensure that every veteran has a safe place to call home at the beginning of 2011 with a \$30-million commitment, which has expanded to \$80 million over five years.

We are thrilled with the progress. We have touched around 10,000 veterans, helping develop units with both cash and volunteer projects.

### How did you organize to ensure it would have the needed impact?

*Caffarelli:* Everything we do is in partnership with a nonprofit. We have worked with quite a few national as well as local and regional groups. Those have been selected because they were, at some point along the spectrum, helping us achieve our mission of addressing veterans' housing issues.

This goes from literally getting veterans off the streets and into traditional and permanent supportive housing with groups like Volunteers of America to helping with home ownership in partnership with groups like Purple Heart Homes.

We also did huge modifications for young veterans who are coming home from the hospital and have disabilities because of war injuries. We add wheelchair ramps and other elements to make their homes more livable. We have also done home maintenance projects for World War II veterans who want to remain in their homes as they age.

We have looked for strong nonprofits across the board with track records for serving veterans, and partnered with them with grant dollars and volunteer hours.

### How do you communicate the message of the foundation to employees so as to get them engaged?

*Caffarelli:* Communication is important for us but difficult as a retailer, because our employees aren't sitting in front of computers all day. We're fortunate that we have a 30-year history of volunteerism and it is part of our culture.

We communicate to our associates what our programs are and how to access the resources we have to help them do those projects. They are building those local partnerships throughout the country. So it's more of a pull for us than a push – they're asking for resources and we're facilitating that.

### How do you put metrics around the work that the foundation does to track impact?

*Caffarelli:* Seventy-five percent of our giving is aimed at veterans. The dollar amounts as of the end of last year touched 10,000 veterans' housing units, both in terms of large grants that enabled those homes and apartments to be built and rehabbed, as well as volunteer projects that all involved some kind of physical improvement.

### How significant is the emphasis Home Depot has placed on sustainable initiatives?

*Jarvis:* We have focused on sustainability since 1990 – we were the first retailer to mandate that any supplier who came to us with an environmental claim on a product had to have it verified.

In 1994, we were the first retailer to carry FSC-certified wood; in 1996, we won a President's award for sustainability from President Clinton.

Second are the stores themselves, the distribution centers, the store support centers – making them as energy and water efficient as possible.

Third is our supply chain – we're defining that now by the reduction of carbon emissions from the factory to the store.

Supply chain can get complicated, so we're phasing it in, and the first is the greenhouse gas emission reduction in the transportation of our products.

Fourth is our SER side, where we focus on overseas factories – making sure we hold them to our standards, not just the standards of the local laws. We conduct 1,000 factory audits each year.

### How is this effort integrated?

*Jarvis:* We have set forward goals for most of the business units. For instance, we have a 20 percent reduction goal for the energy used in our stores. This is an absolute reduction goal by 2015.

This is a combination of several different organizations: store operations, construction, maintenance – there are a lot of groups that work on achieving that goal.

The second goal is the 20 percent reduction of greenhouse gas emissions from our supply chain by 2015. This comes from merchandising and the supply chain group working toward making sure we hit that number.

### How did you engage employees and help them understand this business imperative?

*Jarvis:* Any large corporation, but especially Home Depot, is a microcosm of the community it's in. We have associates that are really green and those that are not green at all. We also have an Internet program called the warehouse; we have a green team program in every store, and those who are very green take the lead to set up programs. People love to work for a corporation with a conscience. ●