



MASCO

# CORPORATE SUSTAINABILITY BRIEF

2020



# EXECUTIVE MESSAGE

To Our Shareholders, Customers, Community Members, Employees and Other Stakeholders:

It goes without saying that 2020 has been an unprecedented year. The COVID-19 pandemic has brought increased focus to the health and safety of our employees, and the spotlight on racial injustice has brought greater attention to corporate Diversity, Equity and Inclusion (DE&I) culture and efforts.

In these challenging times, we understand the importance of continuing to communicate our Environmental, Social and Governance (ESG) progress. Due to the COVID-19 pandemic, our next comprehensive Corporate Sustainability Report will be available in 2021. This Corporate Sustainability Brief provides an update on our rapid response to COVID-19 and our increased focus on DE&I. Both areas are important to us as they impact our greatest resource – our people. As we continue our sustainability journey, know that we remain steadfast in delivering better living possibilities for our stakeholders.

Thank you for taking the time to learn more about Masco and how long-term sustainability influences the way we run our business, operate our facilities and contribute to the community.



Keith Allman  
President and CEO

# OUR COMPANY

Masco Corporation is a global leader in the design, manufacture and distribution of branded home improvement and building products. Our portfolio of industry-leading brands includes BEHR® paint; DELTA® and HANSGROHE® faucets and bath and shower fixtures; KICHLER® decorative indoor and outdoor landscape lighting; and HOT SPRING® spas. We leverage our powerful brands across product categories, sales channels and geographies to create value for our customers and shareholders.

In 2019, Masco’s leadership team and Board of Directors made the decision to divest the business units in our Cabinetry Products and Windows and Other Specialty Products segments, which included Masco Cabinetry, Milgard Windows & Doors and the UK Window Group. The sale of our Windows business was completed in November 2019; in February 2020, we completed the sale of our Cabinetry business. Today, Masco consists of the following two business segments:

## Plumbing Products

We are a leading provider of decorative and functional plumbing products with broad distribution channels worldwide. Through our premier brands, we offer an array of products, including faucets, plumbing fittings and valves, showerheads and handheld showers, bath hardware and accessories, bathtubs, shower bases and enclosures, toilets, spas, exercise pools and fitness systems, and water handling systems.

## Decorative Architectural Products

We are one of the largest suppliers of architectural coatings and exterior wood care products to the United States and Canadian do-it-yourself channels. This segment also includes glass shower doors, shower accessories, decorative and outdoor lighting, cabinet, door and window hardware, and functional hardware.

# MASCO AT A GLANCE

(as of December 31, 2019)

- Founded in 1929 and headquartered in Livonia, Michigan
- Publicly traded on the NYSE (Ticker: MAS)
- Over 18,000 employees; 45% of our employees work in North America
- 28 manufacturing facilities in North America
- 10 international manufacturing facilities, with most of our international operations in China, Germany and the United Kingdom
- 2019 net sales were approximately \$6.7 billion (additional information about our financial performance can be found in our 2019 Annual Report and Form 10-K)





# OUR COVID-19 RESPONSE

*In March 2020, as COVID-19 reached pandemic level and rapidly spread across the world, Masco reacted quickly to keep our employees safe. As many of our products were deemed critical to infrastructure sectors and the day-to-day operations of homes and businesses in our communities, we were tasked with ensuring the safety and well-being of our employees while continuing to provide essential products.*

## Keeping Our Employees Safe

In early March 2020, we formed a cross-functional Infectious Illness Response Team. This Team, led by our Environmental, Health and Safety Manager and HR and Legal professionals, has ensured that policies and safety measures across our enterprise adhere to best practices from the World Health Organization (“WHO”) and the Centers for Disease Control and Prevention (“CDC”). Under this Team’s leadership, we made rapid changes to our safety practices, work schedules and workplace layouts to protect the health and safety of our employees across the organization. Our response was dynamic and comprehensive and included:

### Educating our employees on the signs and symptoms of COVID-19 as well as on precautions to minimize the risk of contracting the virus by:

- Hosting virtual town halls and small forums
- Providing a wide array of written communications and illustrations

### Modifying our work environments to protect employees by:

- Enabling social distancing and installing barriers
- Providing employees with non-medical masks and gloves
- Requiring mandatory daily self-screenings for all on-site employees and visitors
- Requiring on-site employees and visitors to wear face coverings
- Mitigating the risk of contact with high-touch surfaces
- Sanitizing work areas

### Changing the way we run our facilities by:

- Creating procedures to mitigate the spread of COVID-19 and monitoring compliance

- Prohibiting large gatherings and limiting in-person visits from third parties
- Implementing alternative work arrangements such as working remotely and staggering shifts and breaks
- Initiating a reporting mechanism to track employees affected by COVID-19
- Creating return-to-office plans for remote workers that conform to state and local safe workplace guidelines
- Benchmarking how operational leaders outside of Masco are handling this crisis, bringing more ideas to our leaders

In addition to these measures, we expanded our benefit program to provide financial assistance to employees who are unable to work due to COVID-19 related situations. To further support employees, all in-network provider costs associated with COVID-19 testing are covered at no cost through our Company medical plans.

## Keeping our Communities Strong

Masco redirected its community outreach budget for 2020 to provide \$1 million in support to nonprofit organizations meeting the urgent needs of those impacted by the COVID-19 pandemic. This funding supported both short- and long-term relief efforts including food, shelter, health and human services, and financial assistance programs. The funds were invested into neighborhoods where our employees live and work, supporting over 50 nonprofit organizations during a critical time of increased demand for assistance and services.

Here are just a few examples of the emergency support provided by our individual business units to nonprofit organizations:

- Watkins Wellness provided financial support to Vista Community Clinic to bring telehealth services and phone screenings to the uninsured in the Vista community.
- Brasstech, Inc. donated to Orange County Rescue Mission, providing children with resources needed to complete their school year remotely, including headphones, chargers, wireless access points, and expanded WIFI.



Photo courtesy of St. Joseph Mercy Health System, a recipient of Masco COVID-19 funding.

- Liberty Hardware donated to Second Harvest Food Bank of North Carolina to provide over 1,600 family food boxes.
- VaporTech provided financial support to Safehouse Progressive Alliance for Nonviolence to help give refuge to survivors and their children during a time of increasing domestic violence.

In addition, our employees led efforts to create positive change and helped their communities through this unprecedented crisis. Our HÜPPE employees in Germany produced washing units for a 500-bed interim clinic and developed an examination cabinet to protect doctors treating potential COVID-19 patients. Kichler Lighting donated 1,000 masks to the Cleveland Clinic Hospital location in Independence, Ohio, and donated all perishable items in their cafeteria to a local food bank.

Delta Faucet Company employees tooled an inexpensive plastic device to significantly reduce pressure and irritation on the back of the ear due to extended wear of masks. As part of Delta’s “Save 4 Million Ears” campaign, ear savers were distributed across the U.S. and Canada to health care workers, first responders and service providers. Additionally, many Masco employees are personally supporting emergency relief, with Masco doubling their donations through our Employee Matching Gift Program.

**\$ 1 MILLION**

*Donated to over 50 nonprofits across the U.S. and Canada for COVID-19 relief*

# DIVERSITY, EQUITY AND INCLUSION

## Overview

At Masco, the common thread that weaves us together as a family of companies and individuals is our desire to seek out possibilities to help our employees grow, to enhance our consumers' lives and living spaces, and to improve our communities. Simply, we strive to make everything we touch better. Our everyday focus on continuous improvement extends to DE&I as we aim to cultivate a sense of belonging for all our employees, customers and community partners. We believe a workplace that encourages different voices, perspectives and backgrounds creates better teams, better solutions and more innovation. Our focus on DE&I is core to the achievement of our collective purpose.... *to deliver better living possibilities.*

For the past several years, we have strived to create a culture of inclusion, reduce bias in our talent practices, and invest in and engage with our communities. We have three key focus areas – our workplace, our communities and the marketplace – each with strategic objectives and expectations.

### WORKPLACE

Who we are and how it feels to work at Masco.

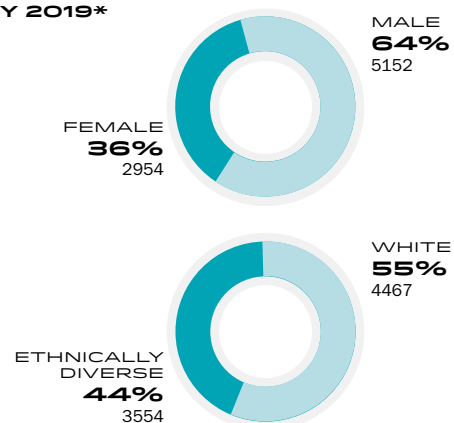
### COMMUNITIES

How we help increase access, equity, and inclusion with our diverse community partners.

### MARKETPLACE

How we represent our consumers and use our buying power to support advancing economic access and equity.

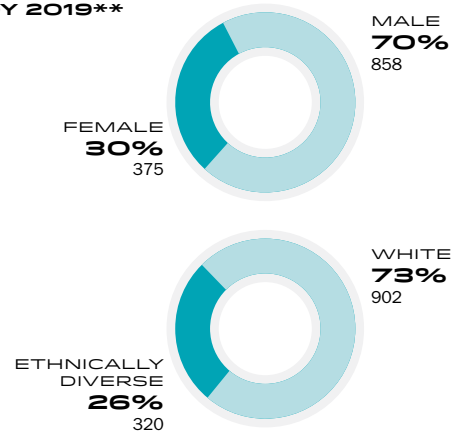
#### TOTAL U.S. WORKFORCE REPRESENTATION EOY 2019\*



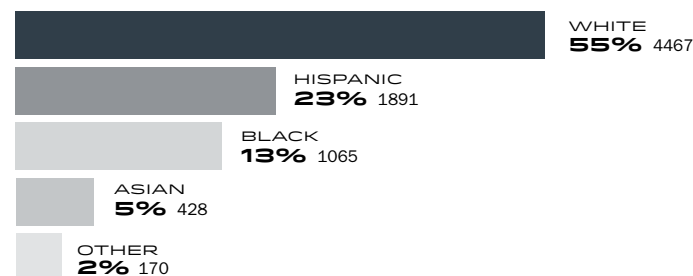
We are also developing multiple internal channels to increase communication and opportunity for engagement among our employees. We are particularly focused on helping people have meaningful conversations so we can build empathy, create opportunity to share perspectives, and cultivate a deeper sense of shared understanding with each other. We are also expanding or establishing programs for women and people of color to gain leadership skills and benefit from one-on-one mentoring.

A global, enterprise DE&I Council was established in 2020 to guide and support our strategy. Several business units and our corporate headquarters have also established local councils to help implement action plans tailored to their specific needs and challenges.

#### U.S. MANAGER & ABOVE REPRESENTATION EOY 2019\*\*



#### ETHNICITY DETAIL TOTAL U.S. WORKFORCE EOY 2019\*



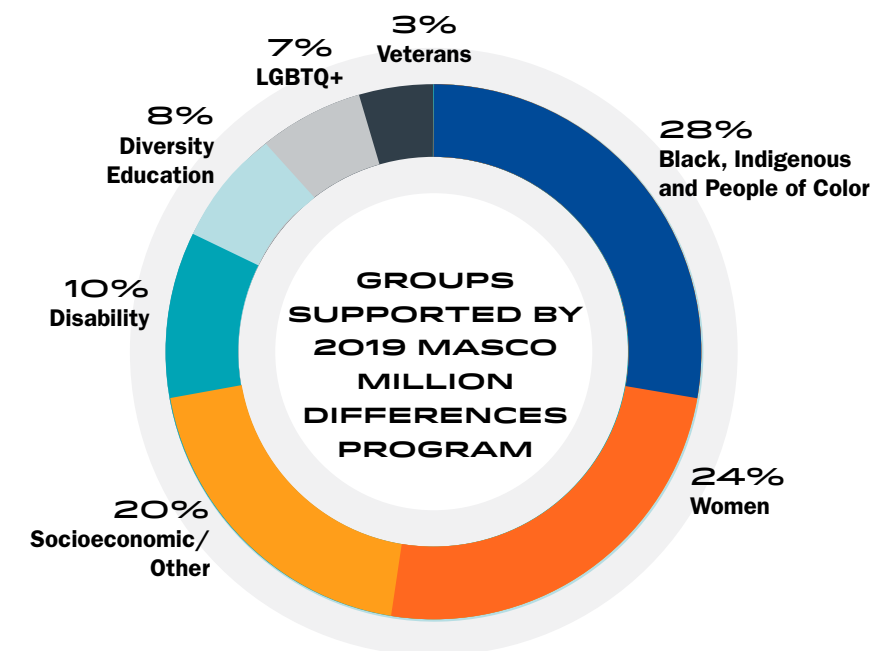
\*As some employees do not disclose gender and/or ethnicity, percentages may not add up to 100%. Total U.S. Workforce EOY 2019 is 8,110; 4 employees did not disclose gender, 89 did not disclose ethnicity.

\*\*As some employees do not disclose gender and/or ethnicity, percentages may not add up to 100%. Total U.S. Manager+ EOY 2019 is 1,233; 11 employees did not disclose ethnicity.

# SUPPORTING DE&I

## Philanthropy

Since 2018, our community outreach has proudly included our Masco Million Differences program, an annual commitment of \$1 million to support high-impact DE&I nonprofit organizations in our local communities. Through educational and scholarship programs, job training and employment initiatives, and professional diversity organizations, our Masco Million Differences community partners have a proven track record of increasing access to the workplace pipeline for members of groups that historically have been disproportionately represented in the corporate workplace. In 2019, we partnered with over 70 organizations doing this work across the U.S., including 17 organizations that serve women, 10 that serve the Black and African American community, and 6 that serve the LGBTQ+ community.



Seven of these partnerships were with national organizations, allowing employees across our enterprise to benefit from expert learning and engagement initiatives. One such partnership is with the Human Library®, a nonprofit learnings platform that hosts personal conversations designed to challenge stigma and stereotypes. In 2020, over 550 of our employees attended a Human Library forum and engaged in open, personal conversations that will help us better incorporate social understanding in our workforce as well as grow cultural awareness. From these intimate conversations to professional conferences hosted by organizations like LEAP (Leadership Education for Asian Pacifics) and Out & Equal, we were able to support the work of leading diversity organizations while also creating positive impact within our workforce.

In addition, to further recruit Black employees and increase opportunities for our current Black employees to excel, in late 2019, we made an investment into a partnership with Calibr, a leadership association and professional network dedicated to accelerating the careers of mid-to-senior level African American executives through specialized training, mentoring, coaching and networking opportunities. We are working with Calibr to design a program to provide networking and support for our Black employees across our enterprise.

**27**  
Job Training And  
Employment Initiative  
Partners

**20**  
Professional Diversity  
Partners

**20**  
Education Partners



Advocacy

Our commitment to DE&I also includes opportunities for our employees to become involved with organizations that promote progress for diverse communities. From acting as mentors in education programs for young women and people of color, to running in a marathon to support the hiring of veterans returning to the civilian workplace, to serving on the board of women in STEM organizations, our team members went above and beyond our corporate financial contributions and dedicated their time and talent throughout 2019.

One advocacy opportunity was through Delta Faucet Company's partnership with Indy Pride, Inc., which supports Central Indiana's LGBTQ+ community through educational outreach, scholarships, and public events. As the presenting sponsor of the 2019 Cadillac Barbie Indy Pride Parade, Delta Faucet Company was proud to have over 100 employees and family members walk in a public show of support for LGBTQ+ rights.

We also continued our partnership with the Michigan Council of Women in Technology, which seeks to increase the number of women in the information technology field in Michigan through youth outreach, scholarships and internships for college students, and professional development opportunities for women in the field. We were a 2019 sponsor of Camp Infinity, where young girls from diverse backgrounds learn coding and web design. Additionally, our employees served in MCWT's mentorship program for university students in 2020. Masco is proud to help this organization make STEM careers more accessible to women.

Our Commitment

While “our speak up and listen” culture encourages everyone to bring their ideas and authentic self to work each day, we recognize there is still much work to do in DE&I and we continue to focus on how we can drive meaningful results. We are setting clear enterprise-wide expectations and strategic objectives and refining our mechanisms for ongoing accountability. Consistent with our belief in transparency and dedication to continuous improvement, Masco intends to disclose diversity representation metrics in our comprehensive 2020 Corporate Sustainability Report. We have also committed to join other leading organizations in the disclosure of our Consolidated EEO-1 Report.

