2020 ESG REPORT
Leading with Sustainable and Safe Products:

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51  Eco-Friendly, Quality Cabinets
INTRODUCTION

Our purpose is to fulfill the dreams of home. We accomplish this through our industry-leading, innovative brands for kitchens, bathrooms, entryways and outdoor living spaces; engaged, high-performing teams who see limitless opportunities; and values focused on conducting business responsibly.
We are committed to realizing our purpose of fulfilling the dreams of home in a responsible and sustainable way. Building on our strong base, we have taken additional steps to elevate the Company’s focus on ESG issues, and will look for ways to continually improve.

We are proud to provide reliable, on-trend products that touch people’s lives every day. Our faucets, entry doors and cabinets help make homes functional and more beautiful. Our decks allow homeowners to increase their at-home space while connecting with nature. Our security tools keep people and valuable possessions safe. Our products enable people to create their own unique spaces, and can help them conserve water and save energy.

Environmental Stewardship
In 2020, our flagship plumbing brand launched Mission Moen, a commitment to save 1 trillion gallons of water and recover and repurpose 2,000 tons of ocean plastics by 2030. Our Fiberon products are made almost entirely from recycled wood and plastic. As a manufacturer, we continue to find ways to recycle water, manage waste, and practice reuse and recycle wherever practicable. We have moved to a more robust Environmental, Health & Safety management system to improve data collection and decision making. We are developing a carbon mitigation strategy and look forward to sharing our strategy and goals in this critical area.

Valuing Our Associates
Worker safety has always been our top priority and we are proud of our multi-year track record of industry-leading performance. The COVID-19 pandemic further emphasized the importance of providing safe workplaces for associates, and we were fast to act, beating U.S. COVID-19 prevalence benchmarks. We’ve included a section within this report to share steps we took during the unprecedented coronavirus crisis. Calls for racial justice further showed the importance of diversity, equity & inclusion (DEI) efforts. We are increasing and accelerating our DEI initiatives, and have included a deeper look at our DEI actions within this report. Keeping associates safe within a work culture where all are treated with respect and feel valued is critical to making sure we can represent and best serve our diverse customers with products that are meeting their needs, while making a positive impact on all stakeholders.

Governing Business Ethically
We elevated the importance of ESG by broadening the remit of the Board of Directors’ Nominating, Environmental, Social and Governance Committee (formerly the Nominating & Corporate Governance Committee) to include oversight of the Company’s ESG programs and related risks. We adopted aspects of the GRI and SASB as key guideposts to frame ESG initiatives and strategic plans. We also added two new Board members and appointed a new Board Chair, increasing the diversity and independent oversight of our Board.

Looking Ahead
Our products have been vital during the recent periods of sheltering at home. Our responsible approach to business, hardworking associates and the FBHS Advantage — our set of core platform capabilities that we leverage across businesses and brands to drive value — have enabled us to serve increasing customer needs through a challenging environment. In 2020, we delivered market-beating financial results while accelerating our ESG efforts.

I am proud to share more with you about our high standards, our responsible supply chains, our team’s efforts to act responsibly and ethically every day, and the foundation we’ve built that will enable even greater progress ahead.

Nicholas I. Fink
Chief Executive Officer
Fortune Brands Home & Security, Inc.
Continuous Improvement
Fortune Brands issued our first ESG report in 2018 to provide our stakeholders with a comprehensive resource for ESG information. Each reporting cycle, we look for opportunities to mature our ESG reporting. To that end, in 2020, we conducted an ESG materiality assessment to align and prioritize our environmental, social and governance topics which have the greatest importance to our stakeholders and are the most meaningful to our business.

Topic Identification: Stakeholder & Landscape Assessment
We conducted a multi-stakeholder analysis to help us understand the concerns and expectations of key audiences: investors, ratings agencies, customers and associates. We gathered their input through conversations, research and recent requests for information. We also looked to our peers, best-in-class companies, and current and emerging ESG trends to provide us a more complete understanding of key ESG factors.

Complementing the stakeholder analysis, we looked at the landscape of ESG standards. Ultimately, we felt that two frameworks were most relevant for Fortune Brands to use: the Global Reporting Initiative (GRI) and the Sustainable Accounting Standards Board (SASB). SASB’s industry-specific materiality assessment provides important environmental sustainability metrics closely associated with the manufacturing of home products, whereas the GRI provides a framework for reporting on social issues that we feel are key to driving long-term shareholder value.

Prioritization & Validation
Fortune Brands’ cross-functional ESG Steering Committee reviewed the list of potential material factors of interest to our external stakeholders. The committee then adjusted certain items based on its internal insight to determine our priority topics — those topics that matter most to our business, our stakeholders, and our ability to continue to profitably grow and generate value.

In some areas, we identified reporting or program gaps, which we have filled or are working to build out in the coming years.

Going Forward
We will continue to collect input and monitor the ever-evolving ESG landscape to ensure we are reporting on the most meaningful ESG data to our business and key stakeholder groups in the most impactful ways, including by continuing to define our materiality topics. During 2021 Fortune Brands will update this Report to include responses for the Sustainability Disclosure Topics and Accounting Metrics specified by the Sustainability Accounting Standards Board (SASB) for the Building Products & Furnishings Industry. We are also evaluating the Task Force on Climate-related Financial Disclosures (TCFD) framework for potential inclusion in future reports.

Our ESG Material Topics
Our analysis identified the following topics to have the most significant impact on Fortune Brands’ social, economic and environmental stewardship and to have the most influence on stakeholder decisions. Policies and programs are in place or in development to monitor each of the issues identified here.

Environmental stewardship focused on water conservation, waste reduction, and carbon & climate
Employee safety and valuing our employees through advancing diversity, equity & inclusion; training & development, and providing meaningful benefits
Conducting business ethically
The Fortune Brands ESG Report provides a comprehensive resource for information on our associates’ safety and development; community commitments; environmental stewardship; and corporate governance to ensure ethical business conduct.

The 2020 edition is Fortune Brands’ third ESG Report. This report includes data and financials for the year-end 2020, as well as programs and initiatives in 2021.

### Data in This Report:

- **ESG Standards**: The 2020 ESG Report was prepared in guidance with the GRI Standards. We also referred to SASB’s industry-specific material topics and metrics for the Building Products & Furnishings industry while creating this report.

- **Company Overview**: Headcount and other company information included within the Company Overview includes the full Company, including LARSON, which was acquired in December 2020.

- **Environmental Data**: Environmental data covers our U.S. operations, excluding LARSON. Our goal is to expand our reporting of environmental data to include all North American locations, and then all global operations.

- **Historical Data**: Each year, we have increased our transparency by including additional ESG metrics. We are committed to reporting as much data as possible that is meaningful and accurate.

- **Acquired Companies**: LARSON, acquired in December 2020, is included within our Company Overview pages. LARSON safety, workforce, environmental, and community metrics are not included unless otherwise noted. We are working to integrate LARSON into Fortune Brands’ ESG reporting processes. Fiberon metrics are included beginning in 2018, the year in which it was acquired by Fortune Brands.

### Key Enhancements to This Report Include:

- **ESG materiality assessment overview**
- **Additional environmental metrics**
- **Additional diversity metrics and information on DEI programs**
- **Link to human rights policy**
- **GRI content index**

### EH&S Data Platform

During 2020, Fortune Brands began transitioning to a new, more robust web-based Environmental, Health and Safety (EH&S) data management platform to give EH&S teams, facility leadership, senior corporate leadership and production management real-time data regarding safety and environmental metrics. The platform allows us to monitor energy conservation, water usage and waste streams to better identify areas for improvement. It also helps us further improve worker safety by tracking employee safety metrics, audits and trainings; helping us flag potential work hazards; providing leading indicators; and giving EH&S insight into behavioral trends. The new system’s multi-language platform is also key to gathering data in our global locations.
COMPANY OVERVIEW

Our Products, Our Purpose: Fulfilling the Dreams of Home

PRODUCTS THAT SUPPORT THE CRITICAL HOME INDUSTRY

PRODUCTS THAT SAVE WATER

PRODUCTS THAT ARE MADE FROM RECYCLED MATERIALS

PRODUCTS THAT CONSERVE ENERGY

PRODUCTS THAT PROTECT PEOPLE
Our Growth Platforms

Plumbing

Cabinets

Outdoors & Security

Key Brands

Plumbing

- Moen
- House of Rohl
- Perrin & Rowe
- Riobel
- Rohl
- Shaws
- Victoria + Albert

Cabinets

- Aristokraft
- Decorá
- Diamond
- Mantra
- Omega
- Urbana

View more at masterbrand.com

Outdoors & Security

- American Lock
- Fiberon
- Fypon
- LARSON
- Master Lock
- SentrySafe
- Therma-Tru

#1

- Moen is the #1 consumer faucet brand in North America
- Kitchen and bath residential cabinet manufacturer in North America

#1

- Therma-Tru is the #1 entry door brand in U.S. among residential building professionals
- LARSON is the #1 storm, screen and security door brand in North America
- #1 Padlock and safe brands in North America

2020 Segment Financials

Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of Total as of YE 2020</th>
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<tbody>
<tr>
<td>Plumbing</td>
<td>23%</td>
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<tr>
<td>Cabinets</td>
<td>36%</td>
</tr>
<tr>
<td>Outdoors &amp; Security</td>
<td>41%</td>
</tr>
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</table>

Net Profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of Total as of YE 2020</th>
</tr>
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<tbody>
<tr>
<td>Plumbing</td>
<td>22%</td>
</tr>
<tr>
<td>Cabinets</td>
<td>51%</td>
</tr>
<tr>
<td>Outdoors &amp; Security</td>
<td>27%</td>
</tr>
</tbody>
</table>

Visit our Company website at www.FBHS.com
Where We Work

Global Locations (25 or more employees)
AS OF YE 2020

- **27,500** Associates worldwide
- **64%** U.S. associates
- **77%** Hourly production associates
- **86** 57 manufacturing plants and 29 distribution centers worldwide
- **7** Key offices

For more workforce metrics, click here.

*LARSON, acquired in December 2020, is included in Company Overview data shown on this page.*
How We Work

Our Values

Across our organization, we are guided by our values, our fundamental beliefs and behaviors focused on how we conduct business and treat others:

- **Aligned:** We are collaborative, inclusive, and work decisively.

- **Agile:** We move quickly in an ever-changing business landscape to capture the opportunities ahead.

- **Accountable:** We operate with responsibility, transparency, and ownership to deliver results.

EH&S Principles

Our EH&S Principles guide our Company every day in our global efforts to deliver products that fulfill the dreams of home, while ensuring the safety and health of our people and stewardship of natural resources.

- View Fortune Brands’ Environmental Health & Safety Principles.

Fortune Brands is proud to be recognized for Corporate Social Responsibility excellence.

View video: Our Values, the 3As
Creating Value

Our responsible and proactive approach to business has delivered strong results and created significant shareholder value, which benefits our associates, customers and shareholders. We are investing in our greatest opportunities to ensure we are positioned for continued growth, and to capture the benefits from strong underlying housing fundamentals.

For more information, see our latest Annual Report.

Data on this page is presented from continuing operations, and earnings per share, operating income and EBITDA are on a before charges/gains basis. Reconciliations of non-GAAP measures are presented in the 2020 Annual Report.

The financial results of LARSON were included in the Company’s consolidated balance sheet as of December 31, 2020. Net sales, operating income and cash flows for LARSON from the date of acquisition to December 31, 2020 were not material to the Company.
Fortune Brands believes the protection of our natural resources is important to our business. We strive to reduce the energy, water and materials we use, as well as reduce, reuse or recycle the waste generated.
Why It’s Important

Water is one of Earth’s most precious resources, and a key to having healthy communities around the world. Water is also a key component of Fortune Brands’ manufacturing process, with our decking and faucet operations using our most water-intensive manufacturing processes.

Our Approach

All our U.S. facilities track water usage to allow the Company to report on total water use in our U.S. locations. We rely on our operational and EH&S teams to identify water-related impacts to our manufacturing, primarily by finding ways to reduce the amount of water used, implement or maintain recycled water systems or clean wastewater.

The Global Plumbing Group considers water savings as part of the product design process. All Moen bathroom faucets are certified to meet the Environmental Protection Agency’s WaterSense criteria, using up to 32% less water while maintaining the same great performance. Additionally, all bathroom faucets from the House of Rohl are low flow (1.2 gallons per minute or lower) to help conserve water.

Most recently, innovative offerings like Nebia by Moen, Flo by Moen, U by Moen Smart Faucet and U by Moen Smart Shower exemplify how the business is leading the charge into a new era of monumental change in how people encounter water every day. Moen, our core brand within the Global Plumbing Group, is focused on creating exceptional experiences with water, and helping raise awareness around ways to leverage more water efficient products within the home.

U.S. Water Metrics

Total Water Withdrawn
IN MILLION GALLONS

Water Withdrawn is water we bring into our facilities, comprised primarily of third-party water such as municipal water suppliers.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td></td>
<td>193</td>
<td>213</td>
<td>263</td>
<td>235</td>
<td>194</td>
</tr>
</tbody>
</table>

Water Use Intensity
IN GALLONS / UNIT NET U.S. SALES

Water Use Intensity shows how efficiently we used water.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.039</td>
<td>0.040</td>
<td>0.057</td>
<td>0.049</td>
<td>0.038</td>
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</tbody>
</table>

LARSON, acquired in December 2020, is not included in our environmental data.

The reduction in water withdrawn for 2020 is mainly attributable to updated equipment and processes, and operational changes in key locations. 2018’s increase is mainly attributable to the acquisition of Fiberon.
Water Management in Manufacturing Processes

We manufacture plumbing goods engineered to help consumers conserve water. We also manage the water we use throughout our processes. Some examples include:

- **Fiberson**
  Fiberson's composite decking manufacturing process requires a constant source of water. Our Fiberson plants utilize a closed-loop water system for minimal waste water discharge. The closed-loop system recycles the same water every day, preventing billions of gallons of water from ending up in the waste stream — enough to fill up 5,300 Olympic-size swimming pools over the course of a year.

- **Moen’s Design Reliability Labs**
  The Moen Design Reliability Labs in the North Olmsted, Ohio, office use recycled water whenever possible. From 2018 through 2020, the lab used more than 50 million gallons of recycled water, averaging an annual recycled water usage rate of 43%.

- **Master Lock Equipment Update**
  Master Lock's Milwaukee, Wisconsin, plant reduced its year-over-year water consumption by more than 15 million gallons by replacing the facility’s water-cooled air compressor with an air-cooled air compressor.

**Closed-Loop Systems Save Water**

Fiberson's closed-loop system recycles the same water every day, preventing billions of gallons of water from ending up in the waste stream — enough to fill up 5,300 Olympic-size swimming pools over the course of a year.
MOEN WATER-SAVING INNOVATIONS

Moen is helping consumers conserve Earth’s most precious resource, while improving how they experience it. Moen is innovating, engineering and designing for water of tomorrow.

Led by Moen’s exciting, innovative, award-winning new offerings, Mission Moen is our commitment to save 1 trillion gallons of water and recover and repurpose 2,000 tons of our ocean’s plastic by 2030.

See the latest on Mission Moen

Nebia by Moen

Nebia by Moen is a relaxing, spa-like shower that uses about half the water compared to a conventional shower, while creating a blissful shower experience. It uses a patented atomization spray technology that breaks up water into tiny droplets to create the sensation of more water and provide full body coverage. In fact, the showerhead’s droplets come in contact with skin three times faster than standard shower heads, meaning greater pressure and rinse-ability.

Since 2015, when the first Nebia Spa Shower was launched, more than 100 million gallons of water have been saved. Moen’s recent investment in Nebia is helping the product reach new consumers through key distribution channels, as well as through an enhanced, stylish design and multiple finish options. This unique spa shower can be installed in homes with well-below-average water pressure and can be used to replace existing, traditional showerheads, meaning that Moen has a huge opportunity to expand its reach through Nebia by Moen and make strides toward 1 trillion gallons of water saved.
U by Moen Smart Faucet

U by Moen Smart Faucet is engineered to flow on command, and control water’s precise amount and temperature to better manage water use and help minimize waste. This award-winning faucet can be controlled by voice, hand motion, app or by handle. It can dispense a single tablespoon for cooking, and has a “wash hands” voice command that helps users thoroughly wash hands during a 20-second water stream pause.

The technology that powers the U by Moen Smart Faucet is also part of the U by Moen Smart Shower. Both are available in a variety of styles and finishes to meet a broad range of consumer tastes.

U by Moen Smart Shower

The first cloud-based, app-driven digital shower on the market, U by Moen helps homeowners save water. Using our innovative digital valve, users can start the shower, let it warm to their desired temperature and then U by Moen will pause and hold the flow of water, so no water is wasted waiting for their shower to reach optimal temperature. It also offers timers for the length of the shower, which can help control water usage for the entire family.

Flo by Moen

Flo by Moen is a whole-house water leak prevention and detection system. It gives homeowners the power to monitor, control and conserve water in the home via their smartphone to help prevent water damage and waste. Leaks in the home are one of the largest wastes of water in the United States — more than a trillion gallons each year in the U.S. alone according to the EPA — and an often unseen problem for a homeowner. Flo by Moen not only detects leaks, it provides indicators of a leak before it happens, and in the case of a leak, has a remote and automatic water shutoff.

In addition to saving water, the Flo by Moen community can rest assured knowing they are preventing disruptive, leak-induced water damage.

The ability to prevent serious property damage, get potential discounts on homeowner’s insurance, have peace of mind and save water make the Flo by Moen suite of products — which includes the Flo by Moen Smart Water Shutoff, Smart Water Detector and Smart Sump Pump Monitor — an attractive investment and area for growth.

Saving Water, Saving Money

A Lexis Nexis study showed that one year following installation of the Flo by Moen Smart Water Shutoff, homes saw a 96% decrease in paid water leak claims compared to two years prior to installation, while control group home claims increased 10% during the same period.
Our Water-Saving Innovations are Getting Recognized

Our innovative products have been widely recognized over the years for their ability to creatively and sustainably fulfill customers’ needs. Here are some of our most recent accolades:

**Nebia by Moen**
- 2021 CES Innovation Awards – Best of Innovation Honoree
- Popular Science – Best of What’s New 2020
- Women’s Health – Healthy Cooking Award Winner 2021

**Flo by Moen**
- 2021 Best of KBIS, Kitchen Silver Category for Flo by Moen Sump Pump Monitor
- Fast Company – Finalist, Innovation by Design, 2020 for Flo by Moen Smart Water Detector
- USA Today Reviewed – CES Editor’s Choice 2021 for Flo by Moen Sump Pump Monitor

**U by Moen Smart Faucet**
- Fast Company – Honoree, 2020 Innovation by Design Awards, Sustainability Category
Partnerships That Support Water Initiatives

Partnerships enable us to expand our efforts to positively affect the world’s water system. Fortune Brands supports organizations dedicated to water conservation and clean water access through corporate giving and volunteerism, both locally and globally.

One key community partner is The Nature Conservancy.

We’ve donated more than $800,000 to The Nature Conservancy from 2012 to 2020, primarily in support of freshwater initiatives in the Great Lakes and around the world.

Our associates have also contributed time and money to their local The Nature Conservancy chapter.

Our Global Plumbing Group business works with Drink Local. Drink Tap., a nonprofit organization that inspires individuals to recognize and solve our water issues through creative education, events and providing safe water access to people in need.

Our contributions have helped build six water and sanitation projects in Uganda, and have educated thousands of students in Northeast Ohio. Additionally, in August 2019, nearly 100 Global Plumbing Group associates removed over 200 pounds of trash and debris from Lake Erie during the Edgewater Beach cleanup event in partnership with Drink Local. Drink Tap., and Global Plumbing Group associates participated in 2020’s “4 Miles 4 Water,” an event named to recognize the average distance many people in the world have to walk every day in order to access clean water.

In addition to Drink Local. Drink Tap., Moen supports the Cleveland Water Alliance and Great Lakes Science Center. Moen leaders are on the boards of each of these three organizations, helping to raise awareness, improve and safeguard our water.

Moen Takes a Stand to Ensure All Americans Have Access to Water During Pandemic

As a leader in water delivery, our Global Plumbing Group understands the importance of access to water. During the COVID-19 pandemic, thousands of Americans risked water shutoffs in their homes. Moen encouraged Americans and FBHS associates to send a letter to Congress through Food and Water Action, urging leaders to issue a national moratorium on water shutoffs during the crisis.
WASTE REDUCTION

Why It’s Important
For Fortune Brands, our responsible approach to business means finding a way to balance our commitment to environmental stewardship with delivering exceptional products. Reducing waste streams is better for the environment, and can also help us save money.

Our Approach
All Fortune Brands facilities have a commitment to manage waste streams in support of our EH&S principles. Many of our facilities are managing their waste output by finding ways to recycle or re-use wood, plastics and metals. We participate in recycling programs in most of our locations for these materials. Our associates look for innovative opportunities to reduce our contribution to the waste stream. Their innovation and stewardship help us reduce our environmental impact and strengthen our Company with additional value creation.

U.S. Waste Metrics

<table>
<thead>
<tr>
<th>Waste Intensity</th>
<th>IN U.S. TONS/UNIT NET U.S. SALES (X10-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Waste Intensity shows how efficiently we use materials in our processes.</td>
</tr>
<tr>
<td>2018</td>
<td>3.45</td>
</tr>
<tr>
<td>2019</td>
<td>3.37</td>
</tr>
<tr>
<td>2020</td>
<td>3.16</td>
</tr>
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</table>

Landfill & Incinerated Vs. Diverted Through Recycling
% OF TOTAL FBHS

<table>
<thead>
<tr>
<th>IN THOUSAND TONS</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>107.0</td>
<td>106.0</td>
<td>113.0</td>
</tr>
<tr>
<td>Landfill</td>
<td>52.0</td>
<td>52.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>2.5</td>
<td>2.5</td>
<td>3.0</td>
</tr>
</tbody>
</table>

LARSON, acquired in December 2020, is not included in our environmental data.

Fortune Brands began reporting hazardous waste totals in our waste metrics in 2019.
RESPONSIBLE PRODUCTS

FIBERON RECYCLED COMPOSITE DECK BOARDS

A Great Product Made From 94%+ Recycled Materials

Fiberon composite material decks blend the best qualities of recycled wood, combined with the long-lasting resilience of recycled plastic, to create beautiful, nature-inspired products that last and are good for the environment.

Our Fiberon composite decking is made nearly entirely from recycled plastics and recycled wood.

In fact, our Fiberon deck boards and cladding are 3rd-party certified for a minimum 94% pre-consumer recycled wood fiber and plastic content.

Our reliance on recycling makes a big impact:

- 100 million pounds of recycled plastic used annually
  - That’s the weight of two full cruise ships.

- 1 million trees prevented from being cut down
  - That’s the equivalent of about 15,000 football fields worth of healthy forest.
Manufacturing With Sustainability in Mind

Manufacturing our composite decking requires a constant source of water. With our closed-loop water systems, we recycle the same water each day, preventing billions of gallons of water from entering the waste stream.

We also work to keep our manufacturing footprint small by reusing 98.5% of the waste from our manufacturing process.

For Fiberon’s numerous efforts to reduce pollution, including making products out of recycled materials, improving the efficiency of plant operations through targeted equipment modifications, installing LED lighting and improving compressed air applications, the Fiberon facility in Meridian, Idaho, was recognized as a 2020 Pollution Prevention Champion.

See more at www.balance.fiberondecking.com
Finding New Uses for Fiberglass

In the past, fiberglass scrap from manufacturing our Therma-Tru doors was sent to landfills. Starting in 2013, the EH&S teams identified several opportunities to reuse the materials for a new purpose, including for pallets that make material handling better, and as filler for counter tops.

Since then, Therma-Tru associates have expanded their recycling efforts. In 2018 alone, the Indiana plant saved more than $1 million by recycling fiberglass, metals, cardboard, wood scrap pallets, foam insulated cut outs, doors and plastics.

From Scraps to Animal Bedding

MasterBrand Cabinets’ Goshen, Indiana, facility sits within a largely agricultural area, leading to a unique opportunity to reuse wood scrap from the cabinet manufacturing process. The wood waste is now repurposed to make animal bedding, as well as boiler fuel and landscape mulch, instead of being sent to a landfill.

Likewise, the Therma-Tru EH&S team found a new use for the portion of the door that is cut out during manufacturing to make an opening for decorative glass. These scraps are now reused as insulation for barns and animal shelters.

Recycling Metals & Plastics

During the manufacture of our safety products, small plastic and metal scraps are generated. Master Lock has successfully implemented recycling programs to keep these pieces out of landfills. On an annual basis, Master Lock recycles about 14 tons of polyethylene and about 6,500 tons of metal.

Moen’s Design Reliability Labs in North Olmsted, Ohio, emphasize recycling. The labs recycle approximately 20 tons of mixed metals from faucets and plumbing systems annually.

In addition, as of 2020, Moen has begun using plastic recovered from our ocean’s garbage patches as a packaging/installation component for one of its highest volume products, the posi-temp valve. To date, over 150 tons of recovered plastic has been used by Moen. New products are being designed to use even more. This is part of Mission Moen, a commitment to save 1 trillion gallons of water and reclaim and reuse 2,000 tons of our ocean’s plastic by 2030.
CARBON & EMISSIONS

Why It’s Important

Along with scientists, economists and investors, Fortune Brands recognizes that climate change needs to be quickly and comprehensively addressed to help people live safe and healthy lives, and to ensure we can contribute to an economy that is strong and sustainable. We are committed to being part of solutions to protect the Earth.

Our Approach

We are committed to reducing our carbon impact on the environment while continuing to manufacture our products, serve our customers and create value for all our stakeholders.

We are reviewing the Task Force on Climate-related Financial Disclosures (TCFD), evaluating our renewable energy opportunities and creating a carbon mitigation strategy. Additionally, we will be setting carbon-related targets and making those commitments public.

To support our carbon mitigation strategy, we are expanding our energy data collection to include global operations. In 2020, we invested in a more robust, multi-language EH&S software system to support global environmental data collection. Having a more comprehensive view of our energy usage will allow us to better quantify our environmental impacts, set targets and find opportunities to reduce greenhouse gases.

U.S. Energy Usage

<table>
<thead>
<tr>
<th>CO₂ Intensity From Energy Used</th>
<th>Total Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN METRIC TONS OF CO₂/UNIT NET U.S. SALES (X10-5)</td>
<td>IN MILLION GJ</td>
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<table>
<thead>
<tr>
<th>Year</th>
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<td>Value</td>
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<td>6.77</td>
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<table>
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<tr>
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<th>2017</th>
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<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Value</td>
<td>2.11</td>
<td>2.06</td>
<td>2.61</td>
<td>2.62</td>
<td>2.54</td>
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LARSON, acquired in December 2020, is not included in our environmental data.

Our energy data is based on the criteria for Scope 1 direct and Scope 2 electricity indirect GHG emissions, as defined by the GHG Protocol. Direct GHG emissions, or Scope 1, occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc. Electricity indirect GHG emissions, or Scope 2, accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Environmental metrics from acquired businesses are generally included for the year in which the acquisition took place. Fiberon is included in 2018 data and accounts for much of the increased energy usage. 2020 natural gas reduction can be attributed to a small number of operational pauses related to COVID-19, and is in contrast to the increased 2019 natural gas usage, due to extremely cold winter temperatures.
Management of Process Emissions

When manufacturing cabinets, we often use solvent-based formulations to apply color or protective coating to wood components. This process produces emissions of volatile organic compounds (VOCs). To reduce the number of VOCs emitted during the manufacturing process while maintaining high-quality, high-capacity output, our cabinets business uses thermal oxidizers in some of its largest operations. These thermal oxidizers capture and destroy VOC emissions at a control efficiency rate of 77% to 89%. Fortune Brands has made significant investments in thermal oxidizers. In 2019, thermal oxidizer usage amounted to a VOC reduction of 568 tons. In 2020, when the thermal oxidizers were operational for the full year, the VOC reduction was 922 tons.

Lighting & Equipment Upgrades to Reduce Energy Use

MasterBrand Cabinets Highlights

MasterBrand Cabinets, the largest cabinet manufacturer in North America, has achieved impressive energy savings through smart lighting and equipment upgrades.

In just two years, energy consumption at two of the largest facilities — Goshen, Indiana, and Grants Pass, Oregon — has been reduced by more than 4,200,000 kWh, saving close to $300,000 per year.

The Goshen facility upgraded interior lights to high-efficiency fluorescent fixtures, and outdoor security and parking lot lights to LED fixtures.

Motion sensors, which turn interior lights off automatically if there is no activity in the area, also contributed to energy savings. Overall, these upgrades saved more than 1,245,000 kWh of lighting energy — a 54% reduction — each year. The lighting upgrades also improved productivity and product quality. The extra light makes it much easier to identify manufacturing defects before cabinets leave the facility.

The Grants Pass facility also made significant strides in reducing energy consumption, at close to 3,000,000 kWh, and more than $150,000 in annual savings. This was accomplished by updating the lighting in the facilities, and by ensuring equipment was efficient. One example is air compressors, which are used in many of the cabinet-making processes and consume a great deal of energy. MasterBrand Cabinets’ environmental department audited its air compressor equipment to locate and fix leaks that allow compressed air, and therefore energy, to escape.

Therma-Tru Expands LED Lighting

After seeing how LED lighting installations successfully reduced energy usage and costs at its Butler, Edgerton, and Howe locations, Therma-Tru updated its Monclova, Ohio, innovation center with LED lighting.

Switching to LED lighting in their Butler and Howe, Indiana, and Edgerton, Ohio, facilities helped Therma-Tru reduce their annual energy consumption by about 4,000,000 kWh, saving more than $360,000 per year.

THERMA-TRU ENERGY EFFICIENT FIBERGLASS DOORS

Fiberglass doors — the fastest-growing segment of the entry door market — are more durable, lasting and energy efficient than their wood counterparts. Therma-Tru brought the first fiberglass door to market in 1983. Today, more than 80% of Therma-Tru’s door and glass options are National Fenestration Rating Council (NFRC) certified and ENERGY STAR® qualified, helping homeowners reduce their heating and cooling costs and their carbon footprints.
SOCIAL

Our associates are our greatest asset. Keeping them safe, treating them with dignity and respect, and giving them a workplace where they can thrive are essential to winning in the marketplace. We work hard to train and empower associates in their role at Fortune Brands. This commitment to people extends outward as we strive to enrich the lives of our customers and communities as well.

In This Section:

26 Health & Safety
34 Enhanced Safety During COVID-19
36 Diversity, Equity & Inclusion
40 Training & Development
42 Enriching Our Communities
HEALTH & SAFETY

Why It’s Important
Employee safety is our top priority. We are committed to providing a safe, healthy and secure work environment for our associates. We keep EH&S at the forefront of everything we do because keeping each other safe and executing our business strategies go hand-in-hand. In other words, providing a safe workplace and meaningful benefits is not only the right thing to do, it’s essential to maintaining our high-performance culture, attracting new talent and outperforming our markets.

Our Approach
Our commitment to creating and maintaining safe work environments is highlighted in our EH&S Principles and comes to life through our EH&S strategies. We keep safety at the forefront of everything we do. Associates participate in safety trainings, and we have increased awareness and mitigated risks around our most critical safety elements within our manufacturing and distribution operations.

We follow a behavior-based safety model that reinforces positive behaviors and empowers all associates to take part in driving a safe work environment by speaking up if they see unsafe behavior. Safety is routinely emphasized by leaders during daily huddle meetings, trainings, town halls, video messages and other communications channels. This culture of safety has helped Fortune Brands reduce both our total recordable incident rate and lost-time rate.

Fortune Brands tracks key health and safety metrics at each of our businesses using our organization-wide web-based EH&S management system. Data regarding safety trainings, safety or security incidents, near misses and the business’ “Critical Elements” are tracked for full-time, part-time and contract or temporary workers across our Company. We report on health and safety metrics, trainings and initiatives annually to the NESG Committee of the Board.

We care about our associates’ overall health and wellness, not just their safety at work. Fortune Brands offers a total rewards package designed to help associates and their families maintain or improve their physical, emotional and financial health.

Our Safety Goals
As Fortune Brands acquires new businesses, we work closely with them on safety. One of our most powerful M&A synergies is that we make acquired companies safer through immediate assessment and investment in safety upgrades.

We significantly improve the safety of our acquired businesses.

Our safety goal is to maintain the current strong safety metrics we have today as we continue to grow our business.

We strive for zero safety incidents.

Safety Metrics
Our safety processes focus on reducing risks, implementing strong management systems, and embracing the core value of being accountable to oneself and to fellow associates. This has yielded strong results. Fortune Brands has maintained strong safety metrics as the Company has grown in sales and size.

Total Recordable Incident Rate

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Lost-Time Rate

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<tr>
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TRIR and LTR include all global full-time employees, temporary workers and contractors under our direct supervision. We calculate TRIR and LTR per 100 employees. LARSON associates are not included in 2020 safety metrics. Fiberon is included beginning in 2018, the year in which the business was acquired by FBHS. All safety data is as of January 5 of the following year.
Key EH&S Strategies
At Fortune Brands, six key EH&S strategies drive our operating companies forward in delivering best-in-class operations: strong management systems; relentless risk mitigation; compliance being foundational; accountability to each other; engagement by all; and courage to care.

EH&S Strategy Spotlight: Courage to Care
Each day in our operations we talk about understanding the risks in the workplace, the controls we have in place to reduce those risks, and the changes and variations that occur every day that challenge us to have safe production. Managing those changes requires courage. Associates in a courageous culture step-up, speak-up, and act outside of what is comfortable until it becomes comfortable. We see courage demonstrated when associates slow down to rethink a task, ask a co-worker to wear the appropriate personal protective equipment, and in management’s uncompromising commitment to value the safety and health of every associate, visitor, and contractor. When we have the courage to stop, question and provide feedback — both positive and constructive — we create the fuel for sustaining a strong safety culture.

Behavior-Based Safety Across Fortune Brands
The behavior-based safety model is standard across the Fortune Brands organization, and a natural tactical approach to achieving our Courage to Care strategy. Each business segment adds its unique branding on behavior-based safety, and has flexibility with how it is implemented. For example, MasterBrand Cabinets emphasizes “Always Aware,” the Global Plumbing Group brands its program “Zero By Choice,” and Master Lock takes a Kamishibai approach to safety.

While the initiatives may look a little different throughout the organization, all our behavior-based safety programs share some key features:

- They focus on reinforcing positive behaviors and empowering all associates to actively take part in driving a safe work environment.
- Individual contributors and managers alike understand that everyone plays an important role in creating a safe culture. Speaking up if they see unsafe behavior or work environments is not just a nice thing to do, but imperative.

Focusing on a behavioral approach to safety has resulted in some big improvements over the years, helping Fortune Brands reduce both our total recordable incident rate and lost-time rate. We continue to reinforce behavior-based safety and instill and strengthen our safety initiatives in our recently acquired businesses.

Critical Elements Program
Fortune Brands’ companywide Critical Elements is an initiative to heighten awareness and mitigate risk on 10 critical safety components within our manufacturing and distribution operations. These components are identified as having the most potential for severe injury. The critical areas of our Fortune Brands program include:

- Hazardous energy control (lockout-tagout)
- Working safely within confined spaces
- Machine safeguarding
- Proper materials storage and dock safety
- Fall protection
- Electrical safety
- Contractor management
- Powered industrial vehicles
- Industrial hygiene
- Maintaining robust risk assessments

We have also developed customized auditing protocols that score progress around each Critical Elements program element. In addition, we flag and capture specific incident data to enhance our understanding of causation and drive subsequent corrective action activities. We then modify our processes through a Plan-Do-Check-Act system and share lessons learned with the EH&S Leadership Council and senior management.

View video: Safety at Fortune Brands
Safety Training

We believe it is our responsibility as a company to make sure people go home in the same condition they came to work. Robust safety training is the foundation of that commitment and our management systems. We require our manufacturing and distribution associates to participate and demonstrate knowledge in appropriate and required employee and environmental safety programs.

We also support our global supply chain with specific training on topics, such as fire prevention, occupational illness prevention, and the importance of implementing health and safety management systems.

New Hire Training at MasterBrand Cabinets

MasterBrand Cabinets’ new hire training program, called New Hire Dojo, encompasses 4 to 5 days of safety and skills observations and training. During this time, associates are engaged in hands-on learning segmented into safety, quality and production stations. The interactive Dojos use self-guided sessions, gamification, mock drills and practice with real-life work to prepare them for a range of processes and tasks, and to best match associates to the right job at the facility.

RESPONSIBLE PRODUCTS

15% of Sales

Safety products make up 15% of Master Lock’s sales.

MASTER LOCK: PROTECTING PEOPLE AT WORK

Master Lock offers a comprehensive portfolio of safety padlocks, lockout devices and expert consulting services providing businesses end-to-end safety lockout solutions that help keep their workers safe on the job and ensure compliance with OSHA Standard 1910.147 Control of Hazardous Energy. Master Lock partners with businesses of all sizes to conduct on-site safety assessments, develop written lockout programs and procedures, and train employees on safe work practices that protect themselves and their co-workers. Master Lock can provide companies the tools and guidance to implement lockout/tagout best practices to help achieve their safety goals of keeping their employees and work environments safe.
Ergonomics Reduce Risk of Injury

One common employee safety hazard for a manufacturer is improper ergonomics; in fact, ergonomics-related issues account for the majority of injuries in our operations. That’s why Fortune Brands’ businesses pay special attention to how we can prevent strains through increased awareness and specialized training. Associate injuries due to manual material handling used to be the leading cause of injury for the Therma-Tru business.

Those injuries have gone down by 50% as a result of its MoveSmart safety program.

During Therma-Tru’s new hire orientation, associates receive MoveSmart training alongside their behavior-based safety training. The MoveSmart program teaches associates to use their major muscle areas when doing heavy lifting to avoid applying force to joints that are more susceptible to injury. Specially trained associate coaches reinforce key program points beyond the new hire period. Therma-Tru has also invested in new machinery and process improvements to remove points of higher ergonomic strain on our manufacturing lines.

Additionally, we offer support for those dealing with musculoskeletal issues. Programs are in place at our largest cabinets facility and at Master Lock to help care for associates with sprains and strains. The Conservative Care program at MasterBrand and the Active Release Techniques (ART) initiative at Master Lock match associates with therapists who provide therapeutic sessions at no cost to the associate with the goal of alleviating pain and learning how to manage and prevent conditions from occurring in the future.

Through a new benefits partnership in 2020, Fortune Brands began to offer innovative digital programs for back, knee, hip, neck and shoulder pain. These easy to do, 15-minute exercise therapy sessions are part of a free benefit for associates on Fortune Brands’ medical plan. Associates enrolled in this benefit receive a tablet and wearable fitness tracker and are also connected with a personal health coach who can tailor the program to the associate’s specific needs.

Beyond Physical: Cybersafety

We view cybersafety as another important component of keeping our associates and business safe. With the general increase in cyber threats and growing sophistication of cyberattacks, we know that protecting our digital assets and associates’ personal informational is critical to ensure our business can operate uninterrupted. Fortune Brands has enhanced our teams and technology to better prevent cyber risks and shutdown attacks. We’ve provided tools and extensive training to help our workers more easily identify and report malicious emails. Comprehensive web-based trainings and reminders in our Connect app raise awareness about the importance of cybersecurity and how to stay safe. Periodic real-world testing with our associates is conducted to evaluate our progress. Our cybersafety program leverages the Stop.Think.Connect. campaign initiated by the U.S. Department of Homeland Security.

Fortune Brands’ CIO reports on program updates and metrics semi-annually to the Audit Committee of the Board of Directors, as well as on an ongoing basis to the Company’s executives. Our cybersecurity strategies are guided by Fortune Brands’ IT Risk Management Committee, comprised of leadership from across the Company.

View video: Your Role in Creating a Cyber Aware Culture
Key Safety Milestones & Recognitions

Milestones

Our team has achieved some impressive safety milestones and recognitions over the years. Recent safety milestones for zero lost-time incidents include:

- 3 million hours reached in 2018 — MasterBrand Cabinets’ Sioux Falls, South Dakota, plant
- 2 million hours reached in 2020 — MasterBrand Cabinets’ Waterloo, Iowa, plant
- 2 million hours reached in 2020 — Moen’s Changshu, China plant
- 2 million hours reached in 2018 — Moen’s Kinston, North Carolina, plant
- 1 million hours reached in 2019 — Therma-Tru’s Edgerton, Ohio, plant
- 1 million hours reached in 2018 — Moen’s Sanford, North Carolina, plant
- 1 million hours reached in 2017 — Moen’s Las Vegas, Nevada, distribution center

We also have many teams that have celebrated a full year without a lost-time incident, including at our cabinets facilities in McAllen, Texas, (2020), Weslaco, Texas, (2019), Riverside, California, (2018), Kinston, North Carolina, (2019), our Therma-Tru plant in Matamoros, Mexico, (2021), as well as our Global Plumbing Group locations in Riobel-Quebec (early 2021) and Victoria + Albert in South Africa (2020).

Recognitions

We are also proud to be recognized for our dedication to safety.

In North Carolina, Moen and MasterBrand have been recognized by the North Carolina Department of Labor (NCDOL) for safety. MasterBrand Cabinets’ facility in Liberty, North Carolina, was awarded the 2020 Gold Safety Award. This marks the third consecutive year that this facility has been recognized for its outstanding health and safety efforts. MasterBrand Cabinets’ Kinston, North Carolina, team won the Gold Safety Award in 2017. Moen’s New Bern, North Carolina, facility has won numerous NCDOL awards over the years for their commitment to safety.

MasterBrand Cabinets’ Huntingburg, Indiana, facility won the 2019 Governor’s Workplace Safety Award in the Rising Star category for mid-sized businesses. The award recognizes organizations that have improved the impact on employee safety and health in a positive way. Huntingburg operations were rewarded for their employee participation and engagement, leadership engagement and support, system implementation, and reduction in recordable incidents.

In 2020, our Reynosa, Mexico, cabinets facility was nominated as a company of excellence for the state of Tamaulipas. Mexico’s Federal Department of Labor for COVID-19 compliance bestowed the recognition after auditing the facility and finding the teams met 100% of the department’s safety criteria.

Celebrating Safety Achievements Throughout Fortune Brands

In addition to highlighting major safety achievements and recognitions, we recognize individual departments, shifts and teams for reaching memorable safety milestones and for their important contributions to creating and maintaining a culture of safety at Fortune Brands. Groups have earned special gear and meals to celebrate their success, and their achievements are promoted organization-wide through the Company’s Connect app. Often, teams earning safety awards give back to their local communities by turning their award into a financial donation.
Meaningful Benefits
We value our people and offer a total rewards package designed to help associates and their families maintain or improve their physical, emotional and financial health. In 2020, Fortune Brands invested approximately $248 million toward associate health and wellbeing programs.

Be Healthy: Benefits That Support Physical Health & Wellness
We place high priority on providing our associates with quality and competitive health insurance. Our leadership and Human Resource teams work extensively to determine the best strategy to control rising long-term costs while providing quality and competitive health and welfare benefits.

Fortune Brands offers U.S. associates health care plans that are competitive in cost and value relative to the market.

Associates on our health care plan are encouraged to take advantage of Company-provided services to help them stay healthy, save money and make the most of their benefits. These services include a tool to help with saving money on prescription drugs; a resource for finding health care service costs; an employee assistance program; a diabetes management program; tobacco cessation assistance; telemedicine services; and a travel assistance program.

New in 2020, associates and their families enrolled in our health plan have access to a health advocate service that provides personal assistance in managing their health from finding medical care providers, sorting out a new diagnosis, estimating costs and understanding their benefits. The advocacy program includes specialized services, such as a digital musculoskeletal program, behavioral counseling for weight management and diabetes prevention, and a hypertension management program.

Be Balanced: Programs That Support Life Outside of Work
Our associates are encouraged to take their paid time off and create flexible work arrangements that allow them to thrive both in and out of the workplace. Along with paid time off and flexible work arrangements, our businesses offer other work life balance benefits, such as:

- Paid parental leave for new parents.
- Employee assistance program (EAP) that provides free counseling to our associates and their family members.
- Matching gift programs that support causes that are important to our associates.

To see how we enhanced benefits during the COVID-19 crisis, click here.
**Be Secure: Benefits for Financial Security, Now & in the Future**

The majority of our associates share in FBHS’s success by participating in a number of programs that include:

- Annual incentive plan
- Annual profit sharing

Additionally, most FBHS associates are eligible to participate in a Company-sponsored 401(k) plan and are eligible to receive Company matching contributions to their retirement fund.

Our associates also have access to personalized retirement planning services, budgeting tools, college savings resources, debt management, and other financial education and resources through our 401(k) plan.

Through our cybersecurity awareness trainings and communications, we also reinforce what associates can do to protect against cyber-scams, phishing attempts and other malicious digital attempts that work to gain personal and financial information.

**Be Inspired: Encouraging Personal & Professional Growth**

Fortune Brands encourages informal and formal learning to support the unique learning needs of each of our associates. Our salaried associates have access to personalized, online learning resources, facilitator-led classes and leadership development programs.

Learn more here. Guidance on one-on-one effective conversations, setting goals, ways to reward and recognize, career development and other personal topics are highlighted through our Connect app.
Strengthening Our Culture With The Connect App

Fortune Brands is a leader in internal communications with the help of our “Connect” mobile phone app, which was launched in Spring 2017. Connect allows us to reach associates — including the traditionally hard-to-reach associates in our manufacturing and distribution centers — with timely, targeted information about their location and the business. Associates appreciate getting information when and where they want, and the added visibility to the broader Company enables them to connect their work to our purpose.

Through the app, we acknowledge and celebrate safety milestones, as well as post reminders about safety — and cybersafety — practices. We also highlight volunteerism and community partnerships; we recognize team and individual achievements; we encourage associates to take advantage of our many Company-sponsored benefits and financial health programs; and share business results and announcements.

As of December 2020:

- More than 5,500 associates, or a quarter of all targeted associates, have Connect. We encourage more associates to get the app during new hire orientations and special events.
- 60% of our users are manufacturing or remote workers.
- We have nearly 600 Super Users — people who visit the app nearly every single day to get the latest FBHS information.

Additionally, the Connect app generates real-time, two-way feedback by allowing associates to voice feedback through comments and polls.

Sharing Critical Information During a Pandemic

During the first 90 days of the COVID-19 pandemic, we added 500 users to the Connect app as more people began working remotely and looking for new ways to stay in touch. Additionally, the quickly evolving situation created a hunger for accurate, timely information. We’ve leveraged our Connect app to keep associates informed throughout the coronavirus crisis.

For example, we’ve frequently posted reminders on:

- How to stay safe in and outside of the workplace, including promoting our #MasksAreCool campaign.
- Coronavirus symptoms and what to do if experiencing them.
- Company benefits, such as telemedicine service and the Employee Assistance Program.
- COVID-19 vaccine safety and how to get vaccinated.

We’ve also shared tips for working and leading remotely, and stories highlighting donation drives, blood drives, PPE manufacturing, product donations and other ways our associates are making a difference in their communities. Finally, our CEO and division presidents are using the app to share business updates and words of encouragement and gratitude to our teams.

5,500+ Users

Over 5,500 associates are using our Connect app as of December 2020.
We quickly and aggressively enhanced our safety protocols and practices to provide safe workplaces for our associates during the COVID-19 pandemic.

Throughout the crisis, we have been guided by reputable health organizations, such as the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and the Occupational Safety & Health Administration (OSHA), in addition to adhering to applicable local and federal directives.

Our organization-wide, cross-functional COVID-19 project management office (PMO) has been coordinating our COVID-19 response since February 2020. The PMO discusses challenges, opportunities, and trends, and shares information and best practices so that our entire Company can benefit from our collective experiences in this quickly changing environment.

Better Than Benchmarks
Thanks to our dedicated teams and fast, aggressive actions, our COVID-19 case rates have been significantly lower than U.S. benchmarks.
Data provided by BCBS

Keeping Our Associates Safe at Work
Our products — especially now — play a critical role in people’s lives as millions of people have been spending a great deal more time in their homes. Due to our strong safety measures, our operations have been able to remain open except where our team felt a temporary closure was needed.

Examples of some of our enhanced safety measures during the pandemic include:
- Requiring that associates work at home when possible.
- Relaxing attendance policies to provide more flexibility for our associates.
- Establishing strict processes for contact tracing and quarantine to manage exposure risk in our facilities.
- Proactively mandating face covers be worn in the vast majority of our locations, ahead of face mask mandates.

- Providing cleaning products, tools and other personal protective equipment, including masks, face coverings and hand sanitizer, for associates to use at work and home.
- Multiple measures to increase physical distance within our facilities, such as adding extra shifts, staggering start and finish times, adjusting workstations to increase space, or adding barriers between stations.
- Relaxed our Short Term Disability policy to waive the waiting period during the pandemic, allowing associates to begin collecting benefits immediately.
- Made all telemedicine visits through our benefits plan free for four months, to correspond with the height of the Spring U.S. outbreak.
- Encouraging associates to take advantage of our existing Employee Assistance Program, which provides free sessions with professional counselors for our associates and their dependents.
- Running on-site COVID-19 vaccination clinics to provide associates with quick and easy access to the vaccine as soon as possible.
Supporting Our Communities

Whether providing cash donations to local food banks and organizations in need, catering lunches for local-area first responders, supporting blood drives or donating supplies, our brands have also been leaders in the community to provide assistance to those in need.

Providing Product

Master Lock has donated $300,000 in locks and lock boxes to health care workers to protect their scarce personal protective equipment.

With support from MasterBrand Cabinets and Master Lock, Moen built and donated 28 touchless hand-wash stations to the city of Cleveland to install in public areas, such as parks, allowing passers-by to stop and wash their hands with soap and water. MasterBrand Cabinets helped devise the unit base, while Master Lock provided locks to secure the materials. This creative and timely donation will last long after the coronavirus crisis.

As part of Mexico’s “Clean Hands Save Lives” awareness campaign, MasterBrand has donated vanities to the Mexican cities where we operate as part of an effort to drive awareness towards washing hands.

Manufacturing Personal Protective Equipment

Across the organization, including Moen’s headquarters and Therma-Tru’s innovation center, our locations with 3-D printers have been fabricating face shields and donating them to local hospitals. The largest producer has been our Therma-Tru plant in Matamoros, Mexico, which has manufactured and donated more than 20,000 face shields to local hospitals and care facilities.

Raising Awareness

Through virtual town hall meetings, daily huddles, email communications, increased on-site signage and our internal Connect app for associates, Fortune Brands has been emphasizing the serious nature of the virus, safety precautions, highlighting Company-provided benefits and providing guidance on what to do if experiencing illness.

In 2020, Fortune Brands provided health kits to all of its global associates. The kits included a health assessment notecard, with instructions on what to look for before coming to work and when to stay home, disposable face masks, a face mask strap adjuster, hand sanitizer, thermometer and a no-touch tool to reduce contact with surfaces when in public places.

Moen added its voice to support a moratorium on water shutoffs during the COVID-19 pandemic. In Mexico, the MasterBrand team worked with local officials on a “Clean Hands Save Lives” awareness campaign.

We have also encouraged our associates and their families to take action against COVID-19 in their communities. As the importance of mask-wearing became more evident, we helped normalize mask use in public places by launching a #MasksAreCool campaign.
DIVERSITY, EQUITY & INCLUSION

Why It’s Important

The U.S. population is more diverse than ever. It’s important that our workforce represents our consumers and communities so we can better understand, predict and meet our consumers’ needs with new products. Providing innovative products and solutions is key to our business, and diverse environments help drive more innovative outcomes. Fostering a diverse, equitable and inclusive environment is also essential in attracting and retaining the best talent.

Our Approach

Our Company’s purpose is to fulfill the dreams of home. At its best, home evokes a sense of belonging where people feel welcome and safe, and are invited to contribute in their own unique ways.

To fulfill our purpose for our consumers, we need to be in a place where our associates can fulfill their dreams inside the home that is Fortune Brands. Diverse teams are more reflective of our consumers and communities, and we know that as we build a Home for All within our Company, we will continue to excel. We succeed when everyone belongs.

We are taking a variety of steps on our journey to raise awareness around DEI and build a more diverse, equitable and inclusive organization, including unconscious bias training, inclusive culture councils, employee resource groups and providing learning resources.

We are holding ourselves accountable for making progress. We are working toward aligning our talent processes to better recruit, retain and develop underrepresented associate segments at all levels. We are continuing the listening sessions with associates to continually assess the state of DEI across our locations.

We have key enterprise-wide DEI targets to increase representation of people of color in our U.S. senior leader and professional positions. We also have key metrics for expanding our already above-industry metrics for women leaders.

To better support our enterprise-wide Inclusive Culture Council (ICC), division DEI Councils, DEI tracking and reporting, the initiatives we’ve already identified and the many more we want to pursue, FBHS created and filled a new DEI Manager role. We recognize that keeping associates engaged is an on-going effort requiring focused support.

Home for All

We created the “Home for All” concept to highlight actions we’re taking along our journey to create a more diverse, equitable and inclusive environment at Fortune Brands. This colorful cue helps our associates easily recognize how we’re advancing DEI, as well as how they can be part of this important work. By bringing our many actions under one Home for All statement, we also connect our DEI work to our Company’s purpose to fulfill the dreams of home.

Fortune Brands has strict Anti-Harassment and Whistleblower Policies to ensure compliance in creating a safe and respectful culture.
Actions to Advance DEI at Fortune Brands

Inclusive Culture Council
In 2019, Fortune Brands launched an organization-wide Inclusive Culture Council (ICC) with the goal to attract and retain the best talent that represents the diversity of our consumers and communities and allows us to outperform our markets and competitors. The council is sponsored by our CEO and chief human resources officer (CHRO), and includes leaders from each of the businesses. It reports its progress to the Nominating, Environmental, Social and Governance Committee of Fortune Brands’ Board of Directors. The ICC establishes enterprise-wide priorities and ensures each business division is held accountable to diversity and inclusion goals. The ICC identifies and promotes enterprise-wide initiatives that support an inclusive work environment.

DEI Councils
In addition to the organization-wide ICC, which views progress and initiatives at a broad level, each Fortune Brands division has set up its own DEI Council to find additional organic, on-the-ground opportunities for advancing DEI.

Unconscious Bias Training
Our most important 2020 initiative to increase DEI awareness across our organization has been implementing DECIDE, an unconscious bias learning program facilitated by the NeuroLeadership Institute. This outcome-driven, digital initiative was launched to the most senior leaders across the organization in 2020. The DECIDE program is helping teams to immediately acquire actionable strategies to break unconscious bias, unlocking the full potential of our teams and vastly improving the quality of our decisions. As of early 2021, we are well on the way to having all people leaders — nearly 2,000 associates in total — complete this training.

Employee Resource Groups
Our plumbing team continues to grow their Emerging Professional group, first launched in 2019, and their longstanding Women’s Engineering Network for STEM & Advocacy. In 2020, Fortune Brands launched our first enterprise-wide employee resource group, WIN: Women’s Impact Network. Our enterprise-wide Black Associate employee resource group is now getting underway. We look to keep expanding our employee resource group offerings.

Partnersing With CEO Action for Diversity & Inclusion
In the summer of 2020, Fortune Brands joined this movement, underscoring our commitment to ensuring our associates feel accepted and heard, and can fully contribute their unique perspectives to our business. As a signatory of the CEO Action Pledge, we also commit to continue to cultivate workplaces that support open dialogue on complex, and sometimes difficult, conversations about race, identity and belonging; implement unconscious bias training education to find and improve our blind spots; and continue to create and share strategic plans with our Board of Directors to further progress in these areas.

Our CEO and CHRO participated in the CEO Action Summit 2020, where members convened to discuss diversity and inclusion strategies and best practices.

We have also encouraged our associates to personally get involved by taking the I ACT ON pledge to commit to mitigating any unconscious biases, and act on driving more inclusive behaviors in their everyday lives.

Participating in the W.K. Kellogg Foundation’s Expanding Equity Program
In 2021, Fortune Brands joins the W.K. Kellogg Foundation’s Expanding Equity program to gain access to more tools to advance racial equity. As part of Expanding Equity, select Fortune Brands senior leaders will attend workshops focused on tactical methods for establishing a racial equity strategy, and identifying initiatives that can quickly be put into action.
Advancing Gender Equality

While women are often underrepresented in manufacturing industries, Fortune Brands is above benchmarks for manufacturing companies. In 2019, the first woman was named as President of a Fortune Brands division.

Women make or heavily influence 60% of home product purchasing decisions, so it makes sense for us to have women leading our teams and developing our products. Studies also show that greater gender diversity in leadership roles also leads to greater innovation and fosters a more inclusive culture. With a strong foundation from which to start, we have a goal to increase our women people leaders. We are working toward this target through a number of efforts around talent acquisition, better engaging our female associates and increasing their internal mobility.

We exceed U.S. EEO-1 industry benchmarks for U.S. women representation.

Fortune Brands has partnered with the Network of Executive Women (NEW), a premiere learning and leadership community. The mission of NEW is to advance women, grow business and transform our industry’s workplace through the power of our community. We have more than 100 Fortune Brands women who have joined NEW, which provides them opportunities to attend local events, webinars, and other networking and leadership development offerings.

NEW’s CEO joined Fortune Brands’ top leadership meeting at the beginning of 2020 to help bring focus to the importance of inclusion and how our leaders can be part of that work. Our partnership reflects our commitment to promoting gender equality by supporting, developing and advancing women in our organization.

Women’s Engineering Network for STEM & Advocacy (WENSA) is an internal community of GPG associates who serve to further the professional development of women in science, technology, engineering, and mathematics (STEM) so that they can contribute to the organization to their fullest potential. WENSA participants engage in professional development events, and get support to strengthen their professional network. Fostering a culture that supports women engineers strengthens our ability to retain this critical skillset and attract more diverse talent.

In 2020, we launched our first enterprise-wide employee resource group, WIN: Women’s Impact Network. WIN is open to all professional associates. It focuses on issues that are important to our female associates and connects them with opportunities, experiences and networking relationships across Fortune Brands.

Learn more about how we support diverse communities.

Women at Fortune Brands

Women in FBHS’s U.S. Workforce Exceed EEO-1 Benchmarks

*LARSON associates are not included in FY 2020 data.
### Global Workforce

**AS OF YEAR-END 2020**

<table>
<thead>
<tr>
<th>Job Type</th>
<th>2019</th>
<th>%</th>
<th>2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL GLOBAL WORKFORCE</strong></td>
<td>25,650</td>
<td>—</td>
<td>26,138</td>
<td>—</td>
</tr>
<tr>
<td><strong>Production Hourly</strong></td>
<td>19,647</td>
<td>77%</td>
<td>20,064</td>
<td>77%</td>
</tr>
<tr>
<td><strong>Salaried</strong></td>
<td>6,003</td>
<td>23%</td>
<td>6,074</td>
<td>23%</td>
</tr>
<tr>
<td><strong>People Managers</strong></td>
<td>2,066</td>
<td>8%</td>
<td>2,030</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Senior Leaders</strong></td>
<td>218</td>
<td>1%</td>
<td>220</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>11,903</td>
<td>61%</td>
<td>12,514</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>7,744</td>
<td>39%</td>
<td>7,550</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Salaried</strong></td>
<td>3,820</td>
<td>64%</td>
<td>3,600</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>2,183</td>
<td>36%</td>
<td>2,474</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>1,637</td>
<td>64%</td>
<td>1,126</td>
<td>61%</td>
</tr>
<tr>
<td><strong>People Managers</strong></td>
<td>2,066</td>
<td>8%</td>
<td>2,030</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>1,486</td>
<td>72%</td>
<td>1,473</td>
<td>73%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>580</td>
<td>28%</td>
<td>557</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Senior Leaders</strong></td>
<td>218</td>
<td>1%</td>
<td>220</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>157</td>
<td>72%</td>
<td>168</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>61</td>
<td>28%</td>
<td>52</td>
<td>24%</td>
</tr>
</tbody>
</table>

---

### United States Workforce

**AS OF YEAR-END 2020**

<table>
<thead>
<tr>
<th>Job Type</th>
<th>2019</th>
<th>%</th>
<th>2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. WORKFORCE</strong></td>
<td>15,228</td>
<td>—</td>
<td>16,222</td>
<td>—</td>
</tr>
<tr>
<td><strong>Production Hourly</strong></td>
<td>11,719</td>
<td>77%</td>
<td>12,396</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Salaried</strong></td>
<td>3,509</td>
<td>23%</td>
<td>3,826</td>
<td>24%</td>
</tr>
<tr>
<td><strong>People Managers</strong></td>
<td>1,492</td>
<td>10%</td>
<td>1,414</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Senior Leaders</strong></td>
<td>184</td>
<td>1%</td>
<td>194</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>6,672</td>
<td>57%</td>
<td>7,271</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>5,047</td>
<td>43%</td>
<td>5,125</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Salaried</strong></td>
<td>2,196</td>
<td>63%</td>
<td>2,192</td>
<td>57%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>1,313</td>
<td>37%</td>
<td>1,634</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>1,313</td>
<td>63%</td>
<td>1,634</td>
<td>57%</td>
</tr>
<tr>
<td><strong>People Managers</strong></td>
<td>1,492</td>
<td>10%</td>
<td>1,414</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>1,067</td>
<td>72%</td>
<td>1,026</td>
<td>73%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>425</td>
<td>28%</td>
<td>388</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Senior Leaders</strong></td>
<td>184</td>
<td>1%</td>
<td>194</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td>130</td>
<td>71%</td>
<td>145</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>54</td>
<td>29%</td>
<td>49</td>
<td>25%</td>
</tr>
</tbody>
</table>

---

### People of Color

<table>
<thead>
<tr>
<th>Job Type</th>
<th>2019</th>
<th>%</th>
<th>2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Hourly</strong></td>
<td>4,235</td>
<td>36%</td>
<td>5,000</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Salaried</strong></td>
<td>496</td>
<td>14%</td>
<td>576</td>
<td>15%</td>
</tr>
<tr>
<td><strong>People Managers</strong></td>
<td>206</td>
<td>14%</td>
<td>206</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Senior Leaders</strong></td>
<td>21</td>
<td>11%</td>
<td>20</td>
<td>10%</td>
</tr>
</tbody>
</table>

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*aLARSON associates are not included in FY 2020 data shown on this page.

*bSalaried population includes people managers and senior leaders.*
Developing Skills & Leaders
Our focus is to help our associates be successful in the job they have today, and develop the skills to grow in their career and be ready for tomorrow. We offer relevant and accessible skills training in computer software, project management, communications and more, as well as assistance developing leadership skills, such as coaching and motivating teams. Career development is supported through feedback mechanisms, various tools and resources and encouragement to develop a strong professional network.

Supporting a High-Performance Culture
Fortune Brands supports performance management through effective and more frequent manager and associate one-on-one conversations. These “1:1” discussions aim to align associates’ work with the goals of the department and broader organization; provide two-way, real-time feedback; and review development opportunities for current and future roles.

Since 2018 we have trained more than 800 supervisors, managers and senior leaders in coaching skills.
By promoting 1:1s, we’re supporting a high-performance culture, strengthening our employee engagement and helping to retain our top talent.

In 2019, Fortune Brands launched LinkedIn Learning to salaried associates. LinkedIn Learning is an award-winning online training platform with a digital library of over 16,000 courses taught by real world experts covering a wide range of technical, business, software and creative topics. This on-demand learning solution helps associates gain new skills, as well as develop skills in their current role. In addition to searching for topics specific to an individual’s unique needs, the Company also creates resource playlists on topics such as Diversity, Equity & Inclusion; goal setting and performance management; and tips for remote working and leading remote teams.

Supporting New Ways of Working
With 2020’s sudden shift from working in offices to working remotely, we quickly provided toolkits to managers and associates to help them adjust and succeed in new ways of working. The resources shared guidance for how to stay connected with colleagues, set up at-home workspaces and schedules, support mental health, leverage technology, and maintain flexibility and understanding. For our front-lined leaders, we also provided job aids focused on ensuring a safe and respectful environment, leading with empathy and resilience.
Front-Line & Mid-Level Leadership

The Fortune Brands TrueLeader program is designed to develop key leadership skills, such as empathy, communications, conflict management and talent development, for our front-line leaders. By July 2021, we will have graduated all 600+ front-line leaders in our operations teams across all divisions. We have expanded the program to include first level leaders in our offices.

Our BEST program is a cohort-based, multi-session, mid-level leader development program. In this advanced leadership development program, leaders learn how to build and sustain inclusive cultures, emotional intelligence, strategy development, team development, and many other relevant topics. In 2019, we expanded this program from one division, to others, and will continue this expansion in 2021.

Accelerated Development

We support our high potential leaders through assessments, executive coaching and individualized development planning. The Company makes a significant investment in ensuring our leaders are prepared for greater levels of responsibility and can successfully transition into new roles. As a result of participating in our accelerated development program, over 90% of participants have made significant development progress.

1:1s to Build a Culture of Performance

Organization-wide, associates and their supervisors are having better 1:1 conversations. Following our 1:1 guidelines, associates are able to focus conversations on critical priorities, understand how they are performing and make time for their personal development.
Fortune Brands has a strong heritage of giving back. Through our Fortunate Giving program, we support organizations that positively impact housing and skilled trades, the environment and DEI. We also look for ways to make a difference through our products and for our local communities.

In 2021, we are restructuring and expanding our community giving program to increase our overall community support and identify more opportunities across the Company to contribute in more meaningful and impactful ways.

Volunteerism & Matching Gifts

Giving back is important to our associates as well. Volunteer opportunities and matching gifts are our way to support their interests. All Fortune Brands companies engage in volunteer activities ranging from Habitat for Humanity Build Days to employee giving campaigns and product drives for local organizations they support. Some businesses offer designated volunteer days where associates can make a difference in their community on a work day without using their paid time off hours.

Company Donations

(Includes cash and in-kind donations)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1.90M</td>
</tr>
<tr>
<td>2017</td>
<td>$1.96M</td>
</tr>
<tr>
<td>2018</td>
<td>$1.45M</td>
</tr>
<tr>
<td>2019</td>
<td>$1.46M</td>
</tr>
<tr>
<td>2020</td>
<td>$1.16M</td>
</tr>
</tbody>
</table>

In addition to these Company donations, our associates donate their time and money.

Planned donations in 2020 were disrupted by COVID-19 challenges, including cancelled events and employee engagement opportunities. While stringent expense management in 2018 and 2019, and the 2020 pandemic resulted in decreased donations in those years, we expect to return to higher levels of giving in 2021 and beyond.

$8.4 Million

Fortune Brands and our family of companies have donated more than $8.4 million from 2016-2020 in cash, in-kind and matching gift donations.

Many locations have associate-led engagement and community groups that direct volunteer efforts to the most meaningful situations.

Matching gift programs are offered in most of our businesses to help our associates increase the impact of their personal giving to qualified, nonprofit organizations, ranging from annual maximum gifts of $100 to $5,000 per associate. Rather than choose from a rigid list of charities, associates are open to give to groups for which they have a passion.

From 2016 to 2020, Fortune Brands has matched nearly half a million dollars in support of our associates and their communities.
Housing & Skilled Trades Support

Fortune Brands’ purpose of fulfilling the dreams of home ties right into the work of Habitat for Humanity. We are proud to partner with our local Habitat for Humanity chapters to build and rehab affordable housing for low-income, hard-working Habitat Partner Families by volunteering on construction sites, donating product and offering financial support. Our work with Habitat for Humanity is also a part of our diversity, equity and inclusion efforts to support diverse communities, and further overlaps with our focus to support causes in skilled trades.

Fortune Brands and our businesses donated $880,000 in cash, in-kind and matching gift donations to our Habitat for Humanity chapters from 2016 to 2020.

People who work in skilled trades, like plumbers, carpenters and electricians, are critical to our Company’s success. After all, with most of our products aimed at housing — repair and remodel, new construction and commercial markets — we need plenty of skilled tradespeople to support housing markets and the growth we anticipate.

Our businesses support organizations that bring awareness to the benefits of vocational careers, like Mike Rowe Works Foundation, Lowe’s Foundation and The Home Depot Foundation. These organizations are elevating awareness of skilled trade work and promote vocational jobs as well-paying, rewarding, helpful to society and sustainable.

Additionally, Fortune Brands created a Skilled Trades Scholarship in partnership with City Colleges of Chicago in 2018. In 2018, we gave full-tuition awards to 14 students pursuing certifications and degrees in plumbing, construction management, HVAC and more.

Conserving Water, Protecting & Restoring Forests

From water-saving products to managing water used in our manufacturing process, learn what we are doing to protect water. Additionally, we partner with the National Forest Foundation to conserve and restore U.S. forests. Learn more here.

Advancing Diversity, Equity & Inclusion

We strive to build a Home for All at Fortune Brands, and this conviction also extends to our charitable partnerships. In recent years, we have put greater focus on supporting organizations that are advancing DEI in our communities.

In 2016, we partnered with the Ravinia Festival to support their Sistema Ravinia: Harza Nucleo student orchestra, part of their Reach Teach Play initiative to give students in diverse, low-income communities access to music education. Fortune Brands is also a proud supporter of the Beyond Sports Foundation since 2015, a nonprofit in the greater Chicago area helping student athletes in under-resourced communities realize their academic and professional goals beyond their high school sports. In addition to financial support, Fortune Brands has recently expanded this partnership to offer internship and job opportunities to student athletes.

Our divisions are also committed to advancing DEI efforts with their philanthropic partnerships, including supporting local schools in under-resourced communities, minority trade associations, organizations serving people with disabilities, and more.
GOVERNANCE

Maintaining high standards by which we conduct our business is vital to our success. Our values of being Aligned, Agile and Accountable are essential to our culture and contribute to the ways that we responsibly conduct our business.

In This Section:

45 Board of Directors
47 Governing with High Standards
49 Supply Chain
The Board of Directors and the executive team are committed to governing the Company with integrity and accountability. Strong corporate governance practices are good for our shareholders, associates, and our businesses and contribute to long-term value creation.

Recent Board refreshment has helped further enhance the diversity, leadership capabilities and depth of experience of the Board.

Board Composition

Our Board of Directors consists of 10 talented, highly experienced members and is led by an independent, non-executive Chair of the Board. All members of the Board, other than Fortune Brands’ CEO, are independent under the New York Stock Exchange rules.

With their varied backgrounds, extensive experience and expertise, they provide counsel and oversee management of the Company’s businesses, consistent with their duties to shareholders and with the goal of maximizing long-term shareholder value.

Board Refreshment

Effective on January 1, 2021, Susan S. Kilsby was appointed by our Board of Directors to serve as Chair. Ms. Kilsby has been a member of Fortune Brands’ Board since 2015, and has extensive investment banking, M&A, international business and board experience. She is Fortune Brands’ first female non-executive Chair of the Board. Her appointment to Chair demonstrates our commitment to enhancing diversity at the highest level.

Additionally, two new members were elected to our Board in 2020: Jeffery Perry and Amit Banati. Mr. Perry has a 30-year career as a strategic, operational and financial advisor, in addition to bringing his experience driving DEI initiatives. Mr. Banati brings his CFO experience and financial acumen, along with a background in international operations and general management. In a short period of time, we have further enhanced the diversity, leadership capabilities and depth of experience of the Board.
Governance Principles & Oversight

The Board has a set of standards that assists them in the exercise of its responsibilities and helps create a common set of expectations for how the Board, its committees and directors should perform their respective functions. These standards can be viewed in Fortune Brands’ Corporate Governance Principles and Committee Charters.

The Board has three main Committees, which have oversight of the following general areas:

<table>
<thead>
<tr>
<th>BOARD COMMITTEE</th>
<th>MAIN AREAS OF OVERSIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>● Oversees the integrity of the financial statements, financial reporting process and internal controls</td>
</tr>
<tr>
<td></td>
<td>● Oversees the performance of the external and internal auditors, compliance programs and whistleblower hotline calls</td>
</tr>
<tr>
<td></td>
<td>● Monitors enterprise risk program</td>
</tr>
<tr>
<td></td>
<td>● Monitors cybersecurity risks</td>
</tr>
<tr>
<td>Compensation</td>
<td>● Develops executive compensation philosophy to attract and retain key talent</td>
</tr>
<tr>
<td></td>
<td>● Sets compensation for executives and grants equity</td>
</tr>
<tr>
<td></td>
<td>● Sets performance metrics for the executive compensation programs</td>
</tr>
<tr>
<td></td>
<td>● Oversees risks related to compensation programs</td>
</tr>
<tr>
<td>Nominating, Environmental, Social and Governance</td>
<td>● Develops corporate governance policies and practices</td>
</tr>
<tr>
<td></td>
<td>● Recruits, identifies and nominates director candidates</td>
</tr>
<tr>
<td></td>
<td>● Monitors environmental, social and governance programs, progress and risks, including safety, environmental, diversity, equity and inclusion, talent and global citizenship initiatives</td>
</tr>
</tbody>
</table>

NESG Committee Shows Increased Commitment to Strategically Focus on ESG Initiatives

Our commitment to sustainability, social responsibility and inclusion efforts reaches the highest levels of our organization. In February 2020, the Board of Directors’ Nominating & Corporate Governance Committee expanded its charter to include oversight of Fortune Brands’ ESG programs and related risks. This broadened committee charter places additional emphasis on reviewing ESG in a strategic, holistic manner, and underscores the Company’s commitment to meaningful ESG activities and disclosures. The Committee was re-named the Nominating, Environmental, Social and Governance (NESG) Committee.

Read more in our Press Release.
GOVERNING WITH HIGH STANDARDS

Why It’s Important
We hold ourselves, our contractors and our suppliers to high standards. Conducting business ethically, responsibly and sustainably is how we generate economic value.

Our Approach
Our responsible approach to business is interwoven into our daily work, from our accounting practices, to our dealings with customers, to our employment practices, to our respect for the environment.

Ethical Conduct for Associates
The Board has adopted a common set of standards to ensure that the way we conduct our business is aligned with our values across our organization.

The Code of Business Conduct and Ethics applies to every Fortune Brands associate, at every level and in every location, as well as the members of our Board of Directors.

The Board has also adopted a Code of Ethics for Senior Financial Officers, a set of standards applicable to the Board, the CEO, CFO and principal accounting officer to ensure accuracy of our financial reporting.

Our Compliance Committee, which includes Fortune Brands’ CFO, General Counsel and other senior members of management, oversees compliance with our Code of Business Conduct and Ethics, which includes our anti-corruption and U.S. Foreign Corrupt Practices Act policies. This Compliance Committee reports to the Board of Directors annually regarding these programs, compliance and associate training.

Compliance Training
Our compliance training program includes online and in-person trainings, new hire onboarding, and special events to educate associates on the importance of understanding Company policies, all applicable laws affecting our business, and how to comply with these policies and laws. The following topics are included in our compliance program:

- Harassment-free workplaces
- Handling material information appropriately to avoid insider trading
- Avoiding conflicts of interest
- Appropriate use of technology
- Transparent and accurate financial reporting
- Antitrust considerations
- Anti-bribery, and how to work responsibly with third parties
- Safety and environmental trainings

Compliance & Ethics Week
MasterBrand Cabinets, Therma-Tru and Master Lock dedicate a special week to compliance and ethics during which Company policies and values are spotlighted. Using contests and giveaways, as well as messages from senior leaders, our businesses affirm our commitment to doing the right thing, every day.

Compliance Helpline
Our associates are trained to seek out guidance if they become involved in or aware of a situation that involves possible wrong-doing or ethical misconduct. They are trained to understand the importance of bringing those concerns to their manager, a human resources representative, or the Fortune Brands legal department or Compliance Committee.

Associates can also relate concerns through the Company’s confidential Compliance Helpline, operated by a third party.

Information on how to access the helpline is available on the Company’s website and www.FBHScmpliance.com, as well as internal communications channels.

Fortune Brands investigates any reports of ethical violation and follows a strict “no retaliation” policy for reports made in good faith. Concerns brought forward through the Compliance Helpline, and when needed, the steps taken to address concerns, are reported to the Audit Committee on a quarterly basis.

Suppliers who feel that the Supplier Code of Conduct is not being supported may also report concerns through the Compliance Helpline or website.
**Anti-Corruption Compliance Policy**

Fortune Brands operates in compliance with all applicable laws, rules, and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) that prohibits bribes and other improper payments to obtain a business advantage.

Our Anti-Corruption Compliance Policy states that all bribery is prohibited. The policy provides guidance for avoiding questionable situations, and highlights the importance of keeping accurate records and appropriate transaction documentation.

Our associates are encouraged to ask for help if they have any concerns related to the FCPA or any other compliance areas. They understand it’s their obligation to report any wrongdoing related to the FCPA. Good-faith reports of actual or suspected violations can be made to Fortune Brands’ legal department or our third-party Compliance Helpline. All reports of potential FCPA violations are investigated and reported to the Audit Committee.

**Human Rights Policy**

We’ve always held high human rights standards for our associates and our suppliers. In 2020, we updated and published our Human Rights Policy.

[View our Human Rights Policy.](#)

**Policy Against Political Contributions**

Fortune Brands has never used corporate funds or assets to participate or intervene in any campaign of a candidate for public office, or to influence any political election or referendum. We continue to follow our policy against political contributions.
Starting Off Right

Fortune Brands qualifies potential suppliers on the basis of several factors, including quality, reliability and global citizenship.

Auditing Our Suppliers

Fortune Brands’ risk-ranking methods and complementary audit process allow us to focus our time and resources on supplier partnerships that adhere to the same strict standards we set for ourselves.

Across our organization, our internal management system processes support the International Standards Organization (ISO) and the Occupational Health and Safety Assessment Series (OHSAS) certifications. For supply chain partnerships in developing countries, Fortune Brands provides support to help our business units evaluate a new opportunity or existing partnership.

We take a targeted approach at assessing supplier audits, including using sophisticated risk identification methods. Fortune Brands utilizes a model that scores suppliers on key attributes, such as type of product, use of third-party certifications and location. From this assessment, we identify the appropriate level of audit for that supplier. Suppliers who show areas for improvement are tracked for corrective action. Suppliers who fall below our standards and do not have the capacity or desire to make necessary adjustments may be removed. Fortune Brands supplements our efforts with tailored training, both internally and externally, on compliance matters, updates and best practices.

Supplier Code of Conduct

Our supply chain is a critical element in meeting our commitment to responsible business. We expect all suppliers and contractors to comply with our strict standards for the respect of human rights, workplace safety and protection of the environment in the work they perform and the services they provide, in accordance with our Supplier Code of Conduct.

View our Supplier Code of Conduct.
Wood Supply Chain Management & Lacey Act

We take our role in ensuring compliance of wood sourcing seriously. Fortune Brands meets or exceeds the standards of the Lacey Act, which prohibits importing, purchasing or acquiring products made from illegally logged woods.

We give preference to suppliers who participate in sustainability programs, such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and Canadian Standards Association (CSA), and 70% of our cabinets’ solid wood is supplied from North America.

In addition to Lacey Act compliance, our cabinets business follows guidance from CITES, the Convention on International Trade in Endangered Species, which aims to ensure that international trade in plants is legal, sustainable and traceable. We use audits to help us evaluate new, potential suppliers, and we conduct ongoing audits for existing suppliers to ensure our standards are being maintained. As with any supplier who shows areas for improvement, we track them for corrective action and help them bolster their practices to better meet the needs of Fortune Brands and our customers.

As a leader in the cabinets industry, we are also committed to using our expertise to lead improvements in responsible wood sourcing.

In 2020, MasterBrand formed a sustainability committee focused on advocating for improved responsible forestry practices and increased transparency in the wood supply chain.

Partnership with the National Forest Foundation

In 2019, Fortune Brands began to partner with the National Forest Foundation (NFF), the nonprofit partner of the U.S. Forest Service. NFF works with the U.S. Forest Service and thousands of Americans each year to promote the health and public enjoyment of our 193-million-acre National Forest System, which accounts for roughly 8% of the total land area in the United States.

Working with the U.S. Forest Service and partners, the NFF leverages best thinking, conservation capacity, and community action to measurably improve the health of the nation’s National Forests and Grasslands.

In 2019, 2020 and 2021, Fortune Brands has supported NFF’s campaign to plant 50 million trees across national forests. MasterBrand Cabinets and Fiberon decking also support this multi-year initiative. Tree planting mitigates climate change, improves water quality, supports wildfire recovery and more. Fortune Brands is proud to continue our partnership with the National Forest Foundation.
**ECO-FRIENDLY, QUALITY CABINETS**

Most cabinets from MasterBrand are certified in the Kitchen Cabinet Manufacturer’s Association’s (KCMA) Environmental Stewardship Program (ESP). The ESP recognizes companies that demonstrate the use of environmentally responsible materials in cabinet products and minimize their environmental impact by recycling wastes and using low emission coatings. The ESP certification is the only environmental certification program that specifically focuses on the holistic manufacturing process of kitchen and bath cabinets. It is awarded based on compliance in five categories: air quality and pollution prevention, resource sustainability, waste minimization, environmental stewardship, and community relations. The ESP is also aligned with the National Association of Home Builders’ Green Home Building Guidelines.

MasterBrand also participates in the KCMA’s stringent Performance and Construction Standard for kitchen and vanity cabinets, also referred to as ANSI, or the Approved American National Standard. Tests conducted by an independent laboratory measure structural integrity, as well as drawer, door and finish durability. Cabinets that bear the KCMA Quality Certification seal are recognized in the marketplace as superior products, capable of withstanding typical household use better and longer.

As a leader in the industry, MasterBrand Cabinets is proud to be a long-time, active member of the KCMA, with company executives holding positions on the board and many of its standing committees.
RESOURCES

Learn more about Fortune Brands and our responsible approach to business with these helpful resources.

In This Section:

53  Links to Supporting Materials
54  Global Reporting Initiative (GRI) Content Index
LINKS TO SUPPORTING MATERIALS

- Annual Report
- Code of Business Conduct & Ethics (English)
- Code of Business Conduct & Ethics (multi-language)
- Code of Ethics for Senior Financial Officers
- Corporate Governance Principles
- Environmental, Health & Safety Principles
- FCPA/Anti-Bribery Policy
- Global Citizenship on FBHS.com
- Governance on FBHS.com
- Human Rights Policy
- Mergers & Acquisitions History
- Proxy Statement
- Supplier Code of Conduct (English)
- Supplier Code of Conduct (multi-languages)
- Whistleblower Policy

Compliance Helpline For Associates & Suppliers:

855-212-7613

OR

Visit our website at
www.FBHScompliance.com
## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

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<td>Corrections were made to previously reported data in the 2019 ESG report in these areas: 2018 total U.S. water withdrawn; 2018 percentage of U.S. waste diverted/landfill; 2018 U.S. electricity, natural gas and total energy; and 2018 Company donations.</td>
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| 102-49 | Changes in reporting | This 2020 ESG Report marks the first year preparing our report under guidance from the GRI Standards. See pg. 6 “Key Enhancements”.
| 102-50 | Reporting period | Fiscal Year (January to December)
| 102-51 | Date of most recent report | October 2019
| 102-52 | Reporting cycle | We strive for annual updates
| 102-53 | Contact point for questions regarding the report | Investor.Questions@FBHS.com
| 102-54 | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option.
| 102-55 | GRI content index | Pg. 54–57 “GRI Content Index”
| 102-56 | External assurance | We currently do not seek assurance for our report, as the scale of our operations and the resources required are prohibitive. We will continue to explore assurance options as they evolve, but we are confident our internal processes provide sufficient oversight regarding the accuracy of the information we report.

**Economic Performance**

| 103 | Management Approach | Pg. 5 “Materiality” and pg. 11 “Creating Value”
| 201-1 | Direct economic value generated and distributed | Annual Report

**Indirect Economic Impacts**

| 203-1 | Infrastructure investments and services supported | Pg. 18 “Water Partnerships”, pg. 35 “Supporting Communities”, pg. 42, “Enriching Communities” and pg. 50 “Forest Conservation”

**Anti-Corruption**

| 103 | Management Approach | Pg. 5 “Materiality” and Anti-Corruption Compliance Policy
| 205-2 | Communication and training about anti-corruption policies and procedures | Pg. 47 “Governing with High Standards” and Anti-Corruption Compliance Policy

**Materials**

| 301-2 | Recycled input materials used | Pg. 20 “Fiberon” Deck boards contain inputs that are 94% or more recycled. Partial disclosure; this information is not available for other business units at this time.

**Energy**

| 103 | Management Approach | Pg. 5 “Materiality” and pg. 23 “Approach”
| 302-1 | Energy consumption within the organization | Pg. 23 “Energy Usage”

**Water and Effluents**

| 103 | Management Approach | Pg. 5 “Materiality” and pg. 13 “Approach”
| 303-3 | Water withdrawn | Pg. 13 “Water Withdrawn”

**Emissions**

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<td>FBHS has never contributed money toward a political campaign of a candidate for public office, or to influence any political election or referendum. See pg. 48 “Policy Against Political Contributions”</td>
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Throughout this ESG Report, we refer to numerous trademarks, trade names and brands. Moen, Flo by Moen, Nebia by Moen, U by Moen, Riobel, Rohl, Perrin & Rowe, Shaws, Victoria + Albert, Fiberon, Therma-Tru, LARSON, Master Lock, SentrySafe, and MasterBrand Cabinets are among the trademarks or trade names held by subsidiaries of Fortune Brands Home & Security, Inc., and are registered, pending registration, and/or common law marks in the U.S. and/or various countries.

Occasionally, in conveying information, we refer to trademarks of third parties. Such trademarks are the property of their respective owners.

Therma-Tru was awarded the No. 1 most-used entry door brand in the United States among residential building professionals, based on the 2020 Builder magazine Brand Use Study.

Fortune Brands Home & Security, Inc. was named to Newsweek’s 2021 list of America’s Most Responsible Companies.

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For questions regarding this report, contact Investor.Questions@FBHS.com.

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