

TCFD Index

Fortune Brands is using the Taskforce on Climate-related Financial Disclosures (TCFD) to disclose information that our stakeholders find relevant. For more information on our ESG initiatives and other ESG reporting information, please visit [FBHS.com/Corporate-Responsibility](https://www.fbhs.com/Corporate-Responsibility).

| Governance | Fortune Brands Disclosure |
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| <p><i>Disclose the organization's governance around climate-related risks and opportunities.</i></p> | <p>Board oversight of climate-related risks and opportunities</p> <p>Our Board of Directors is committed to overseeing the integration of ESG initiatives and progress throughout the Company. In 2020, the Board broadened the role of its Nominating, Environmental, Social & Governance Committee (the “NESG Committee”) to include oversight of the Company’s ESG initiatives, strategies, and related risks, including those related to climate. Environmental and social programs, progress, risks and strategies are reported to the NESG Committee on a quarterly basis. In addition, the Board’s Audit Committee oversees the Company’s enterprise risk management (ERM) program, which includes some climate-related risks. In addition to reviewing the annual assessment of enterprise-wide risks, the Audit Committee is also updated on enterprise-wide risks throughout the year as needed, to account for quickly changing business dynamics.</p> <p>Management’s role in assessing and managing climate-related risks and opportunities</p> <p>The Company formalized an ESG Steering Committee in 2021. The ESG Steering Committee is a cross-functional management committee created to assist the Company’s senior leadership team in setting ESG strategy; developing, implementing, and monitoring initiatives and policies based on that strategy, including climate-related risks and opportunities. The ESG Steering Committee reports directly to the Company’s CEO. Representatives from the ESG Steering Committee report updates to the NESG committee. With the newly broadened NESG Committee’s role and many ESG initiatives underway, the ESG Steering Committee is reporting progress to the NESG Committee throughout the year.</p> |

| Strategy | Fortune Brands Disclosure |
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| <p><i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</i></p> | <p>Climate-related risks and opportunities</p> <p>The Company has identified the following short, medium and long-term risks and opportunities related to climate change. We consider short, medium and long-term risks to be those that could have a sizeable impact on our business within the next 1 to 2 years, 3 to 5 years, and 6 to 10 years, respectively.</p> <p><u>Physical Risks</u></p> <p>Short-term climate-related risks include acute physical risk to our operations and supply chains due to severe weather events. Any prolonged disruption in our operations – or supply chain – due to the destruction of, or damage to, any facility as a result of natural disasters, including fires, floods, hurricanes and tornadoes, could negatively impact our profitability and competitive position and adversely affect our results of operations, cash flows and financial condition.</p> <p>To mitigate acute physical risks, we have created operational contingency plans, which include distributing production across multiple lines or facilities, and identifying alternate third-party suppliers. The adequacy of our partners’ supply is analyzed routinely in considering sourcing options and inventory planning. Business interruption and property insurance is in place for significant losses. On an annual basis, associates in storm areas undergo emergency preparedness training and store materials on site to protect against weather-related emergencies. The Company also is strengthening its supply chain and has the agility to make adjustments as needed in the case of supply constraints due to severe weather events.</p> |

Medium-term chronic physical risk includes the impact of increased insurance premiums for our facilities located in areas more likely to be impacted by severe weather, including fires, tornados and flooding. Fortune Brands considers the likelihood of severe weather and natural disasters when deciding where to locate new facilities.

Transition Risks & Opportunities

Market

- **Risks:** As the call from consumers for more sustainable products and packaging grows, we need to be ready to meet that need in order to continue gaining share. Additionally, we are subject to raw material and commodity price volatility that may be caused by weather. From time to time, we use derivative contracts to manage our exposure to commodity price volatility, and we enter into commodity swaps to manage the price risk associated with forecasted purchases of materials used in our operations.
- **Opportunities:** As the threats of climate change increase and awareness builds, we have an opportunity to engage new environmentally-conscious customers with high quality options to meet their needs, and an added opportunity to successfully introduce new sustainable products. Climate-related opportunities are generally incorporated into product strategies at a brand level.

Opportunities for our Responsible Products

Fortune Brands has opportunities to continue selling and expanding its product offerings that have environmentally friendly or climate-aware attributes, such as:

- Water products from the Global Plumbing Group that help people save water, manage their water, and reduce energy costs associated with wasted water. Newer products like Nebia by Moen Quattro showers and the Flo by Moen whole-house water leak prevention and detection system can help to significantly conserve water. The Mission Moen commitment helps to underscore the importance of water conservation and sustainability, and can make our Moen brand even more appealing to sustainability-minded consumers.
- Fiberon composite decking made from a certified minimum 94% of recycled content: recycled wood and plastics. The Fiberon Balance story, which also emphasizes manufacturing processes that conserve water and reusing almost all waste, helps to underscore the importance of sustainability, and can make our Fiberon brand even more appealing to sustainability-minded consumers.
- Fiberglass Therma-Tru doors that increase energy efficiency.
- Weather-durable and storm-resistant decking, entry and storm doors and security devices from Fiberon, Therma-Tru, LARSON and Master Lock.

Regulation

- **Risks:** We, like all companies, are subject to federal, state, and local laws and regulations designed to protect the environment. These laws and regulations could impose liability for remediation costs and civil or criminal penalties in cases of non-compliance. Compliance with environmental laws increases our costs of doing business. Because these laws are subject to frequent changes, we are unable to predict the future costs resulting from environmental compliance.
- **Opportunities:** Demand for our products and services could be positively impacted by the introduction of tax incentives for purchasers of our products and services that contribute to reducing energy use, conserving water, or that are made predominantly from recycled inputs.

Reputation

- **Risks:** Like all companies, if Fortune Brands is perceived as being irresponsible regarding climate change, that may adversely impact our business and reputation. Management and the Board of Directors have been focused on assessing the current impact of climate change on our operations and taking action to contribute to renewable energy, and increasing the quality and transparency of our ESG performance and disclosures of our management approach - to better demonstrate our commitment to sustainability.
- **Opportunities:** Fortune Brands' ability to demonstrate it is a responsible corporate citizen and is acting responsibly regarding climate change may positively impact our business and reputation. The more we can be seen as a responsible company, the more we can improve our ESG ratings,

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| | <p>increase our investors through ESG outreach , leverage ESG publicity opportunities and attract and retain talent.</p> <p>To-date, the Company has not undertaken climate change scenario planning.</p> |
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| Risk Management | Fortune Brands Disclosure |
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| <p><i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i></p> | <p>Our processes for identifying and assessing climate-related risks</p> <p>The Company's leadership team has identified and defined key external, strategic, operational, financial and compliance risks for the management team to consider as part of the annual enterprise risk management (ERM) assessment process. Each year, members of management review and rank the risks, and their risk assessment is reviewed at a segment level by the segment's president and chief financial officer. Each segment's risk assessment is aggregated and ranked at the Fortune Brands enterprise level. Results of the ERM are presented to the Company's executive committee, as well as to the Audit Committee of the Board of Directors. During the ERM process, climate-related risks are considered a driver that indirectly influences components of risk, rather than a standalone risk category. For example, climate-driven risks to the regulatory landscape is assessed as part of our overall assessment of regulatory risk and the impact of weather events is assessed as part of our overall assessment of catastrophic loss. All risks are addressed with a plan to accept, mitigate, share or avoid risks.</p> <p>Our processes for managing climate-related risks</p> <p>All our facilities operate under a common set of EH&S principles, which provide an overall foundation for environmental stewardship. The specific ways in which each location manages climate-related risks varies due to the diversity of our business, the products we make and where we are located. We maintain contingency plans and production is distributed among multiple lines, or alternate third-party suppliers have been identified to mitigate short-term acute risks. On an annual basis, associates in storm areas undergo emergency preparedness training and store on site materials to protect against weather-related emergencies.</p> <p>To mitigate short- and medium-term risks, the adequacy of supply is analyzed routinely in considering sourcing options and inventory planning. Business interruption and property insurance is in place for significant losses.</p> <p>We are addressing medium- and long-term climate-related transition risks to our reputation by increasing the quality of our disclosure around our sustainability programs and commitments and approach to managing our ESG focus areas.</p> <p>Integration into overall risk management</p> <p>While climate-related risks are already indirectly incorporated into our ERM program, we plan to more formally incorporate specific climate-related risks into our ERM process.</p> |

| Metrics & Targets | Fortune Brands Disclosure |
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| <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> | <p>Greenhouse gas (GHG) emission metrics</p> <p>Currently, the primary metrics Fortune Brands uses to measure climate-related risks and performance are Scope 1 and Scope 2 carbon emissions. For the year-ended 2020, for our U.S. operations (excluding LARSON), GHG emissions from energy used was:</p> <p style="padding-left: 40px;">Scope 1: 59,931 metric tons CO₂ Scope 2: 263,886 metric tons CO₂</p> <p>Management uses this data to help evaluate opportunities for using renewable energy and to identify focus areas for energy reduction efforts. Additional years can be viewed in our ESG Data Sheet or ESG Report. At this time, Fortune Brands is not tracking our Scope 3 emissions.</p> <p>In 2021, the Company transitioned to a more robust EH&S data management platform which can better accommodate the collection of global energy data. We expect to share global energy data in our next major ESG reporting cycle.</p> <p>Targets</p> <p>We have set goals to reduce our absolute Scope 1 and 2 carbon emissions by 30% by the year 2030, and offset 50% of our electricity usage with renewable sources by 2030. Our baseline year is 2020 global operations (excluding LARSON). To help reach our targets, Fortune Brands plans to identify and help fund a renewable energy project by entering into a virtual power purchase agreement (VPPA).</p> |