



Fortune Brands  
A home and security company

2021

ESG

Report





# Contents

## Introduction

- 04 CEO Letter
- 06 ESG Highlights
- 07 Material Topics
- 09 ESG Data

## Social

- 33 Safety
- 42 Health & Benefits
- 44 Employee Engagement
- 45 Diversity, Equity & Inclusion
- 52 Training & Development
- 54 Enriching Communities

## Company & Products

- 11 Company Overview
- 12 Where We Work
- 13 How We Work
- 14 Creating Value
- 15 Products Overview
- 16 Global Plumbing Group
- 19 Outdoors & Security
- 22 Cabinets

## Governance

- 61 Board of Directors
- 62 Oversight of ESG
- 63 Governing with High Standards
- 66 Supply Chain

## Environmental

- 25 Carbon Emissions & Energy
- 28 Conserving Water
- 30 Waste Reduction

## Resources & Indices

- 69 Links to Supporting Materials
- 70 Global Reporting Initiative (GRI) Index
- 74 Sustainability Accounting Standards Board (SASB) Index
- 78 Task Force on Climate-related Financial Disclosures (TCFD) Index

Unless the context otherwise requires, references in this ESG Report to “Fortune Brands,” the “Company,” “we,” “our” or “us” refer to Fortune Brands Home & Security, Inc. and its consolidated subsidiaries.

Published April 2022.



For the latest, please visit  
[www.fbhs.com/corporate-responsibility](http://www.fbhs.com/corporate-responsibility).



# Introduction

Thanks for taking the time to learn about Fortune Brands' Environmental, Social and Governance programs. Whether you're a current associate, prospective associate, investor or customer, we are glad you're here!

---

## In This Section:

- 04 CEO Letter
- 06 ESG Highlights
- 07 Material Topics
- 09 ESG Data





# CEO Letter

In 2021, we celebrated Fortune Brands' 10-year anniversary as a public company. While we have experienced impressive growth over the last decade, one thing has remained consistent — **our commitment to doing the right thing for our people, our consumers, our partners and our communities.** This commitment is deeply rooted in our culture and is reflected in our leading-edge products.

Our purpose extends to the way we conduct our work, making sure we take care of our teams, protect our environment and support our communities, all of which are part of our larger, collective home. Whether it's our commitment to maintain our best-in-class safety records, operate efficient manufacturing processes, develop products with sustainability in mind or setting high supply chain standards, we are looking beyond the house. It's simply the right thing to do, and all our stakeholders benefit.

In addition to delivering outstanding financial performance in 2021, we took actions to position the Company for the future, including making progress on key Environmental, Social and Governance focus areas.

## Environmental Stewardship

In 2021, we set our first enterprise-wide environmental goals to reduce carbon emissions and use renewable energy, an important step in mitigating climate change. We have identified three areas in which we aspire to lead: water, wood and recycling. Moen's innovative Smart Water Network is paving the way for how consumers engage with and monitor their water use, providing important information and functionality to spot leaks and detect the chance of significant

water loss before it occurs. The Smart Water Network is just one example of Mission Moen in action. Mission Moen is the brand's ambitious commitment to create innovative water-saving products with a goal of allowing end-users to save up to 1 trillion gallons of water by 2030. Moen is also making progress on its Mission Moen commitment to recover and repurpose 2,000 tons of ocean plastic by 2030.

We continue to invest in more efficient capacity for one of our fastest-growing brands, Fiberon, whose PE composite products are made almost entirely from recycled wood and plastic. As a manufacturer, we are committed to continually finding ways to recycle water, improve energy efficiency, manage waste, and practice reuse and recycle wherever practicable.

## Valuing Our Associates

Safety is our top priority, and our safety records are among the best in the industry. We have a proven track record of ensuring all newly acquired companies meet our extremely high safety standards as quickly as possible; this is one of the ESG synergies we bring to our acquired businesses, adding value for everyone. We recognize employee wellbeing extends beyond just physical safety; we also provide meaningful health and wellness programs, including mental health resources.

**“We are looking beyond the house. It's simply the right thing to do, and all our stakeholders benefit.”**



**Nicholas I. Fink**  
Chief Executive Officer  
Fortune Brands Home & Security, Inc.

[CONTINUED](#) →



## CEO MESSAGE

CONTINUED

During 2021, we developed a comprehensive equity strategy to further our Diversity, Equity and Inclusion initiatives. This ESG Report provides more details about how we are Building a Home For All. We also conducted our first-ever global employee engagement survey. Given a workforce of approximately 28,000 people, many of whom work on plant floors and in distribution centers, we developed a systematized way to collect feedback. We are taking action based on the results. Continuing these surveys on a regular cadence demonstrates that we desire and appreciate associates' input, helps us identify areas for improvement and evaluate how effectively we are addressing what's important to our teams.

### Supporting Our Communities

In 2021, we increased our level of community support and laid the groundwork for exciting multi-year partnerships with several nonprofits, including Rebuilding Together and Yellowstone Forever. These charitable initiatives are examples of how we are partnering with our communities to fulfill the dreams of home using our innovative and sustainable products and leveraging our passionate associates.

### Enhanced ESG Reporting

Our more robust Environmental, Health & Safety data management platform has enabled us to expand our environmental disclosures. This 2021 ESG Report now includes global environmental data, helping Fortune Brands and our stakeholders gain a more holistic view of our environmental impacts. This data will be critical for setting future goals and assessing our progress.

In 2021, we also published our first Sustainability Accounting Standards Board and Task Force on Climate-related Financial Disclosures indices. We recognize these two frameworks, in addition to the Global Reporting Initiative, to be some of the most helpful guideposts for our stakeholders to evaluate our ESG programs and performance.

Finally, we are providing more ESG touchpoints throughout the year. In 2021, we revitalized our website to better illustrate our ESG initiatives and focus areas, and we are sharing developments through social media and [FBHS.com](https://www.fbhs.com) on an ongoing basis. In addition to this comprehensive ESG Report, we also provide a 2021 ESG Data Sheet on our website.

### In Closing

I'm proud to lead a company where our associates are so passionate about realizing our purpose of fulfilling dreams of home in an ethical, responsible and sustainable way. I am also proud to share more with you about our high standards, our responsible supply chains, and our team's efforts to act responsibly and ethically every day. We will continue to build on our strong foundation to enable even greater progress ahead.

**Nicholas I. Fink**  
Chief Executive Officer  
Fortune Brands Home & Security, Inc.



We've been named to *Fortune* magazine's List of the World's Most Admired Companies, and to Newsweek's list of America's Most Responsible Companies.

©2022 Fortune Media IP Limited. All rights reserved. Used under license.



## ESG Highlights

### Environmental

- Set goals to reduce our absolute Scope 1 and 2 carbon emissions by 30% by the year 2030, and to offset 50% of our electricity usage with renewable sources by 2030
- Reported global environmental data for the first time
- Invested in new software and systems to improve and streamline environmental data collection processes, capture global data, enhance future reporting and better evaluate opportunities
- Committed to operating efficiently to reduce environmental impacts; we recycle the majority of the waste produced

### Social

- Well-established, strong safety record; we're committed to zero safety incidents and proud of how we invest in acquired companies to make them safer
- Increased representation at the highest levels demonstrated by our Board and Leadership Team
- Advanced Diversity, Equity and Inclusion by driving a comprehensive strategy
- Conducted our first global associate engagement survey and established ongoing survey cadence

### Governance

- Re-evaluated and aligned key ESG focus areas with SASB and TCFD reporting frameworks to ensure we are providing meaningful information to our stakeholders
- Nominating, Environmental, Social and Governance Committee of the Board provides oversight of ESG programs and related risks
- Established formal ESG Steering Committee that reports to the CEO



# Material Topics

In 2021, we refreshed our key ESG focus areas to better align with our business, feedback from key stakeholders, and the SASB and TCFD frameworks. 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. The term "materiality," as used in this ESG Report, is different than how "materiality" is used in the context of our SEC filings.



### Responsible Products

Innovative sustainability and safety solutions for our consumers.



### Combating Climate Change

We've joined the fight.



### Our Communities

Focusing on affordable housing and skilled trades, the environment, and where we can make an impact on DEI.



### Design & Manufacturing with Sustainability in Mind

Making sure sustainability is part of our design and manufacturing processes.



### Associate Safety & Wellbeing

Protecting our people.



### Responsible Sourcing

We meet or exceed the wood procurement standards of the Lacey Act.



### Operating Efficiently

Efficiently using water and energy, limiting waste and increasing recycling.



### Advancing Diversity, Equity & Inclusion (DEI)

Our commitment to a diverse and inclusive culture.



### Strong Governance & Ethics

Our Board, high standards and responsible supply chains.



## MATERIAL TOPICS

CONTINUED

### Topic Identification: Stakeholder & Landscape Assessment

To help us identify the most important ESG topics for FBHS, we conducted a multi-stakeholder analysis to understand the concerns and expectations of key audiences: investors, ratings agencies, customers and associates. We gathered their input through conversations, research and 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. Three frameworks have been identified as the most relevant for Fortune Brands to use: the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

### Prioritization & Validation

Fortune Brands' cross-functional ESG Steering Committee reviewed the list of potential material factors of interest to our external stakeholders. The ESG Steering 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 and in the most impactful ways.

---

Content indices for GRI, SASB and TCFD are presented in this report.





# ESG Data

This 2021 edition is Fortune Brands' fourth ESG Report. It includes data and financials for the year-end 2021, as well as programs and initiatives targeted for 2022.

## Data in This Report:

- **ESG Standards:** The 2021 ESG Report was prepared in guidance with the SASB standards for the Building Products & Furnishings industry, and the GRI standards. Content indices for SASB, GRI and TCFD are presented in the Resources indices section.
- **Environmental Data:** For the first time, we are disclosing global environmental data. Environmental data covers our manufacturing facilities, distribution centers and key offices.
- **Historical Data:** Each year, we have increased our transparency by including additional ESG metrics.
- **Acquired Companies:** Larson Manufacturing, a storm and screen door manufacturer, was acquired in December 2020 and is included in the data presented in this report for the year 2021. Metrics for Fiberon, our decking brand, are included beginning in 2018, the year in which it was acquired by Fortune Brands.

## 2021 ESG Data Sheet

Our 2021 ESG Data Sheet is available at [FBHS.com](https://www.fbhs.com).

## Key Enhancements to This Report

In the spirit of continuous improvement, we look for ways to improve our disclosures. This 2021 ESG Report includes the following reporting enhancements:

- Updated ESG material topics
- Global environmental data, in addition to metrics for our U.S. locations
- Scope 1 and Scope 2 energy usage
- Progress on DEI programs and initiatives
- SASB content index
- TCFD content index

## EH&S Data Management 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 safety and environmental data. 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 & Products

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; and values focused on conducting business responsibly.

---

## In This Section

- 11 Company Overview
- 12 Where We Work
- 13 How We Work
- 14 Creating Value
- 15 Products Overview
- 16 Global Plumbing Group
- 19 Outdoors & Security
- 22 Cabinets





# Company Overview

## Plumbing



### Key Brands

Moen  
House of Rohl  
Perrin & Rowe  
Riobel

Rohl  
Shaws  
Victoria + Albert

# #1

Moen is the #1 consumer faucet brand in North America.

## Outdoors & Security



### Key Brands

American Lock  
Fiberon  
Fypon  
LARSON

Master Lock  
SentrySafe  
Therma-Tru

# #1

Therma-Tru is the #1 entry door brand in U.S. among residential building professionals.

LARSON is the #1 storm door brand in the U.S.

## Cabinets



### Key Brands

Aristokraft  
Decorá  
Diamond

KitchenCraft  
Mantra  
Omega

View more at [masterbrand.com](https://www.masterbrand.com).

# #1

MasterBrand Cabinets is the #1 kitchen and bath residential cabinet manufacturer in North America.



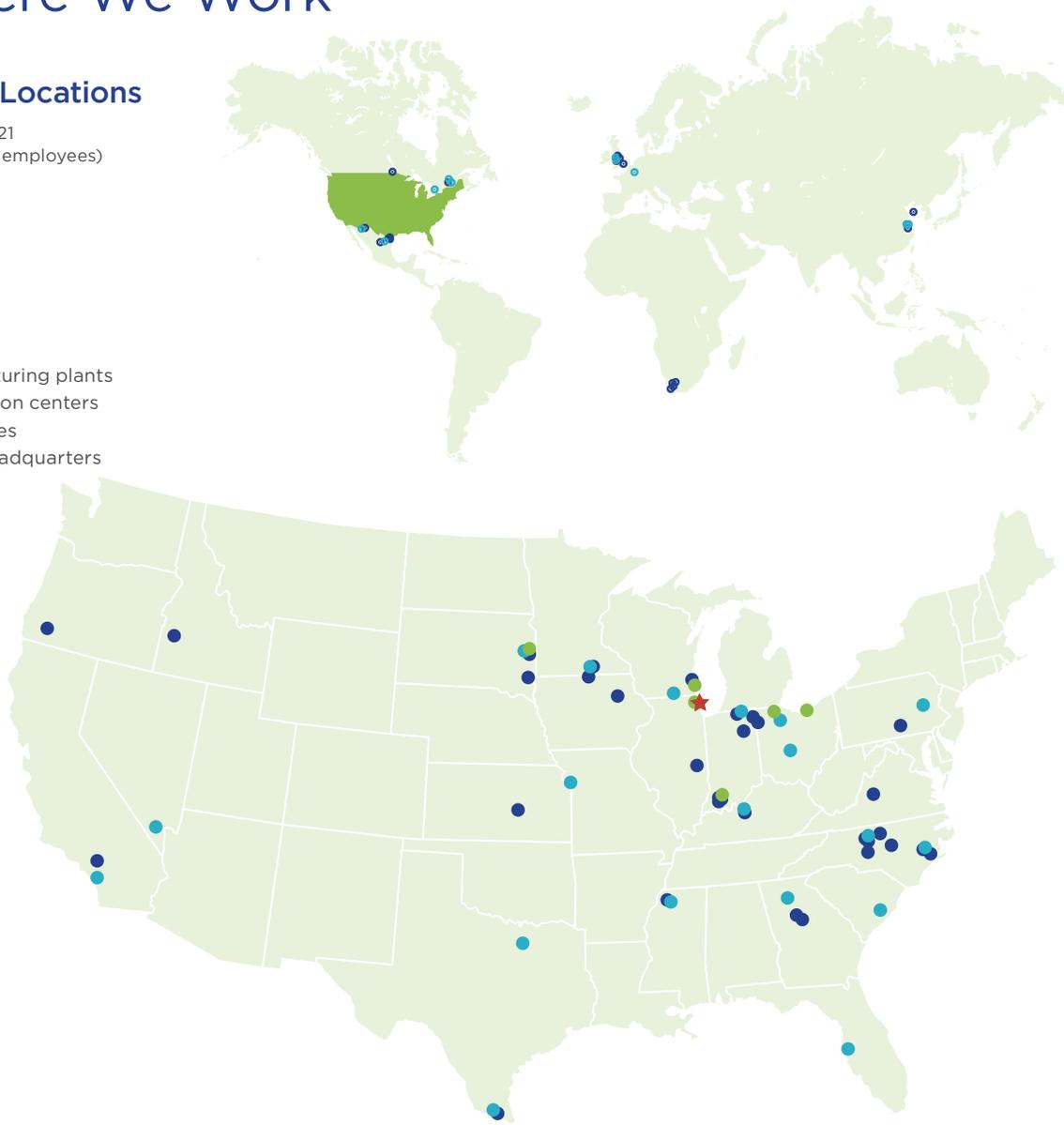
# Where We Work

## Global Locations

As of YE 2021  
(25 or more employees)

### KEY

- Manufacturing plants
- Distribution centers
- Key offices
- ★ FBHS headquarters



Solar Innovations, acquired in January 2022, is not included in this 2021 ESG Report.



## By The Numbers



**28,000**  
Associates worldwide



**61%**  
U.S. associates



**77%**  
Hourly production associates



**89**  
56 manufacturing plants and 33 distribution centers worldwide



**6**  
Key offices

For more workforce metrics, [click here.](#)



# 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.](#)



## Our Culture

Everyone is encouraged and empowered to be their authentic self.

 [View video: Our Values, the 3As](#)



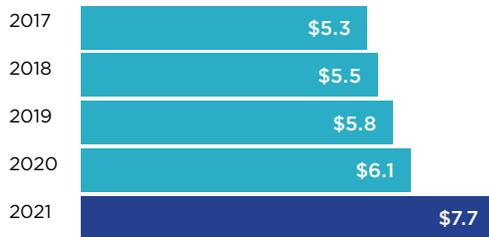
# Creating Value

Our responsible and proactive approach to business has delivered strong results and created significant shareholder value, which also benefits our associates, customers and stakeholders. 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](#).

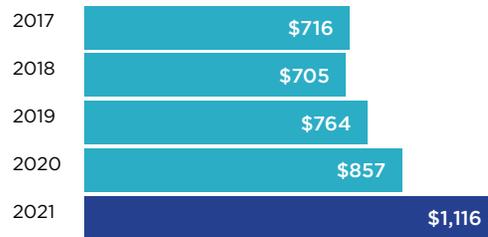
## Total Net Sales

In Billions



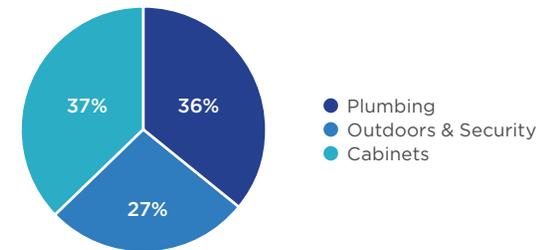
## Operating Income

In Millions



## 2021 Segment Net Sales

% Of Total as of YE 2021



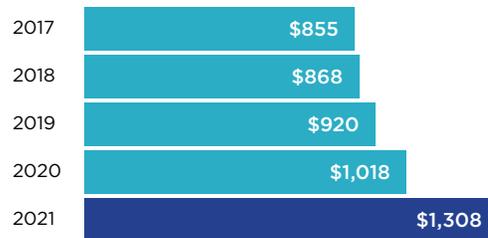
## Earnings Per Share

\$/Share



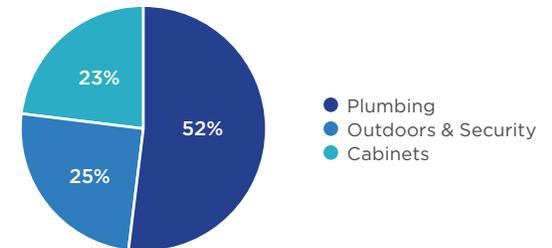
## EBITDA

In Millions



## 2021 Segment Net Income

% of Total as of YE 2021



Data on this page is presented from continuing operations, and all references to operating income, earnings per share, EBITDA are on a before charges/gains basis. Reconciliations of non-GAAP measures are presented in the 2021 Annual Report.



# Products Overview

We produce products that...

support the vital home industry

are made from recycled materials

protect people

can save water

can conserve energy



## Our Products, Our Purpose: Fulfilling the Dreams of Home

“Increasingly, we are looking to design and manufacture great products that save water, reduce energy consumption, and use recycled materials, and we keep asking ourselves ‘what’s next?’ Consumers’ interest in sustainability is rising, and we are planning for that future.”

**Nicholas Fink**, CEO, Fortune Brands Home & Security



# Global Plumbing Group

## We Design for Water

Designing for water means innovating, engineering and protecting the water of tomorrow. We are building products to champion and conserve Earth's most precious resource.

### Moen Smart Water Network

Moen is connecting homeowners to their water like never before with the industry's first-of-its-kind, whole-home smart water ecosystem: the Moen Smart Water Network.

The system includes innovative water-saving products, such as:

- **Smart Faucets** — The Moen Smart Faucet offers convenience, precision and intuitive voice-activation technology to help complete tasks in the kitchen.
- **Smart Showers** — Start your shower from the Moen Smart Water App and pause it to avoid wasting water.
- **Smart Water Security** — This system is designed to detect and protect homes from water damage and leaks, 24 hours a day/7 days a week. It includes the Flo Smart Water Monitor and Shutoff, Moen Smart Leak Detector and Moen Smart Sump Pump Monitor.

Water savings generated by these products contribute to Mission Moen, the brand's ambitious commitment to create innovative water-saving products with a goal of allowing end-users to save up to 1 trillion gallons of water by 2030.

### DID YOU KNOW

Moen products provide you control over water usage, improve your health, comfort, security and conservation — all from the palm of your hand.



## Saving Water, Saving Money

A 2020 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.

Because of its ability to prevent or minimize water damage, some homeowner's insurance providers offer discounts for homes that use Moen's Smart Water Security system.



## GLOBAL PLUMBING GROUP

CONTINUED

### Nebia by Moen

Nebia by Moen is a relaxing, spa-like shower that uses about half the water\* compared to a conventional shower for an immersive, 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.

---

### DID YOU KNOW

Most bathroom faucets from the Global Plumbing Group are certified to meet the Environmental Protection Agency's WaterSense criteria, which reduces a sink's water flow by 30% or more from the standard flow of 2.2 gallons per minute.



\*As compared to a standard Moen 2.5 gpm showerhead.



---

## Nebia by Moen

Homeowners who have Nebia by Moen enjoy a great shower experience using about half the water\*.



## GLOBAL PLUMBING GROUP

CONTINUED

### Mission Moen

#### Conserving Water

Mission Moen is our ambitious commitment to create innovative water-saving products with a goal of allowing end-users to save up to 1 trillion gallons of water by 2030. Nebia by Moen and the Moen Smart Water Network are great examples of how we are working toward this goal.

#### Expanding Our Ocean Plastic Commitment

In addition to conserving water, Mission Moen is committed to utilizing ocean plastic to help clean our oceans.

In 2020, Moen began using plastic recovered from discarded fishing nets and ropes as an installation tool component for one of its highest volume products, the posi-temp valve.

In 2021, Moen designers found ways to utilize recycled plastics in even more product components. Between 2020 and 2021, Moen used approximately 300 U.S. tons of ocean plastic. We are discovering new opportunities to incorporate recycled ocean plastic. Learn more at [www.moen.com/missionmoen](http://www.moen.com/missionmoen).

#### Leading Locally

Moen leaders serve on the board of directors of Drink Local. Drink Tap., the Cleveland Water Alliance, and the Great Lakes Science Center of Greater Cleveland, charitable organizations that help to raise awareness, improve and safeguard our water.

Moen also participates in beach cleanups and supports The Nature Conservancy's Lake Erie clean water efforts.



**MISSION MOEN™**

**OUR COMMITMENT**

**2,000 tons  
by 2030**

We're committed to recovering and repurposing 2,000 tons of ocean plastic by 2030.



# Outdoors & Security

## Leveraging Advanced Materials

Our Outdoors & Security teams work to fulfill outdoor living dreams through performance and style with the confidence of safety and security.

### Therma-Tru Thrive

Therma-Tru is building a better world, beyond their own doors. Therma-Tru Thrive is the brand’s commitment to make safe and sustainable products, support the communities where their associates live and work, and leave a positive, lasting impact on the environment.

Through all their efforts, Therma-Tru is leading the way to a better tomorrow — a place where we can all thrive. Part of Therma-Tru Thrive is a focus on making life better at home, and in particular, boosting energy efficiency at home. Therma-Tru’s industry-leading complete door systems are built to help protect against energy loss, keeping heat and air conditioning sealed inside the home. In fact, 85% of Therma-Tru doors are ENERGY STAR® qualified.

Making life better at home is one of three key pillars of Therma-Tru Thrive, along with helping take care of our planet, and being a good neighbor. Learn more at [www.thermatru.com/thrive](http://www.thermatru.com/thrive).

### DID YOU KNOW

85% of Therma-Tru doors are ENERGY STAR® qualified.

Built with a polyurethane foam core that offers up to four times the insulating R-Value of wood\*, Therma-Tru fiberglass doors help insulate against cold and heat for exceptional energy efficiency.

\* Based on studies comparing 1-1/2-inch-thick doors in fiberglass versus wood, each with no glass insert.





## OUTDOORS & SECURITY

CONTINUED

### Leveraging Recycled Materials: Fiberon PE\* Composite Decking and Cladding

Fiberon PE composite decking and cladding offers clear advantages over wood. More and more consumers and customers are choosing our high-performance products because they:

- Are nearly maintenance-free
- Cost less over time than wood
- Last longer than wood decking
- Look like wood
- Are made from recycled materials

Fiberon PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content. **In 2021, Fiberon used approximately 59,000 U.S. tons of recycled plastic, and approximately 92,000 U.S. tons of post-industrial wood.**



That makes a big impact on the planet.

Fiberon has completed a product lifecycle assessment and environmental product declaration to gain an even better understanding of its environmental impacts and future opportunities.

➔ See more at [www.fiberonbalance.com](http://www.fiberonbalance.com).

\*PE composite decking and cladding refers to our Fiberon products that are made from post-industrial wood and polyethylene, or "PE," which is the most common plastic in use today. These products account for the vast majority of the decking and cladding products Fiberon makes.



**DID YOU KNOW**  
Fiberon PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content.



## OUTDOORS & SECURITY

CONTINUED



### 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 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.

### DID YOU KNOW

Safety products and services make up 14% of Master Lock's sales.

### LARSON Energy-Efficient Storm Windows

As a leader in the storm door category, associates from LARSON were invited to work with the U.S. Department of Energy on setting a new ENERGY STAR® standard for storm windows to help homeowners conserve energy. The new standard was released in late 2018, and as the first manufacturer to certify its storm windows to the new standard, LARSON began to sell ENERGY STAR® certified storm windows in 2019. In its inaugural year, LARSON led ENERGY STAR® certified storm window adoption across all major home improvement retailers.

### DID YOU KNOW

ENERGY STAR® certified windows represent about two-thirds of all LARSON's residential storm window sales.



# Cabinets

## Quality Cabinets

MasterBrand Cabinets is the leading kitchen and bath residential cabinet manufacturer in North America. On average, we produce more than 55,000 cabinets each day.

## Quality to Keep Up with Busy Homes

Like so many other Fortune Brands products, homeowners can expect to enjoy their cabinets for a long time. In fact, the typical homeowner keeps their cabinets for about 25 years. We make sure to offer products that can withstand the activity of a busy family.

MasterBrand Cabinets participates in the Kitchen Cabinet Manufacturer's Association's (KCMA) stringent Performance and Construction Standard for kitchen and vanity cabinets. 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.

## Recognized by the Environmental Stewardship Program (ESP)

Most of our cabinets are certified in the KCMA's Environmental Stewardship Program (ESP). The ESP recognizes companies that demonstrate the use of environmentally responsible materials in cabinet products and minimize their environmental impact in their manufacturing processes.

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.



Cabinets that bear the KCMA Quality Certification seal are recognized in the marketplace as superior products.



## MASTERBRAND CABINETS

CONTINUED

### Our Critical Ingredient: Wood

Cabinets are an essential component of a home and wood-based materials continue to be the best material for producing them. While trees are one of Earth’s renewable resources, it is essential that we follow strict wood sourcing practices that promote sustainable forestry.

#### Hardwood

More than 80% of our solid wood spend is derived from supply that originates in the United States and Canada, countries with strict rules to promote the health of forests.

#### Composite Wood

We buy composite wood components, including medium density fiberboard and plywood. These are usually made from wood scraps, helping to make more efficient use of trees. Composite wood products are durable and meet our quality standards, helping MasterBrand Cabinets deliver value-priced cabinets in the styles and finishes consumers want.



### RESPONSIBLE WOOD SOURCING

We are using our leading position to promote responsible wood sourcing compliance.

[See page 67 to learn more.](#)

### Proud to Partner with the National Forest Foundation



MasterBrand Cabinets partners 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.

MasterBrand Cabinets supports NFF’s campaign to plant 50 million trees across national forests. Tree planting mitigates climate change, improves water quality, supports wildfire recovery and more. We are proud to continue our partnership with the National Forest Foundation.



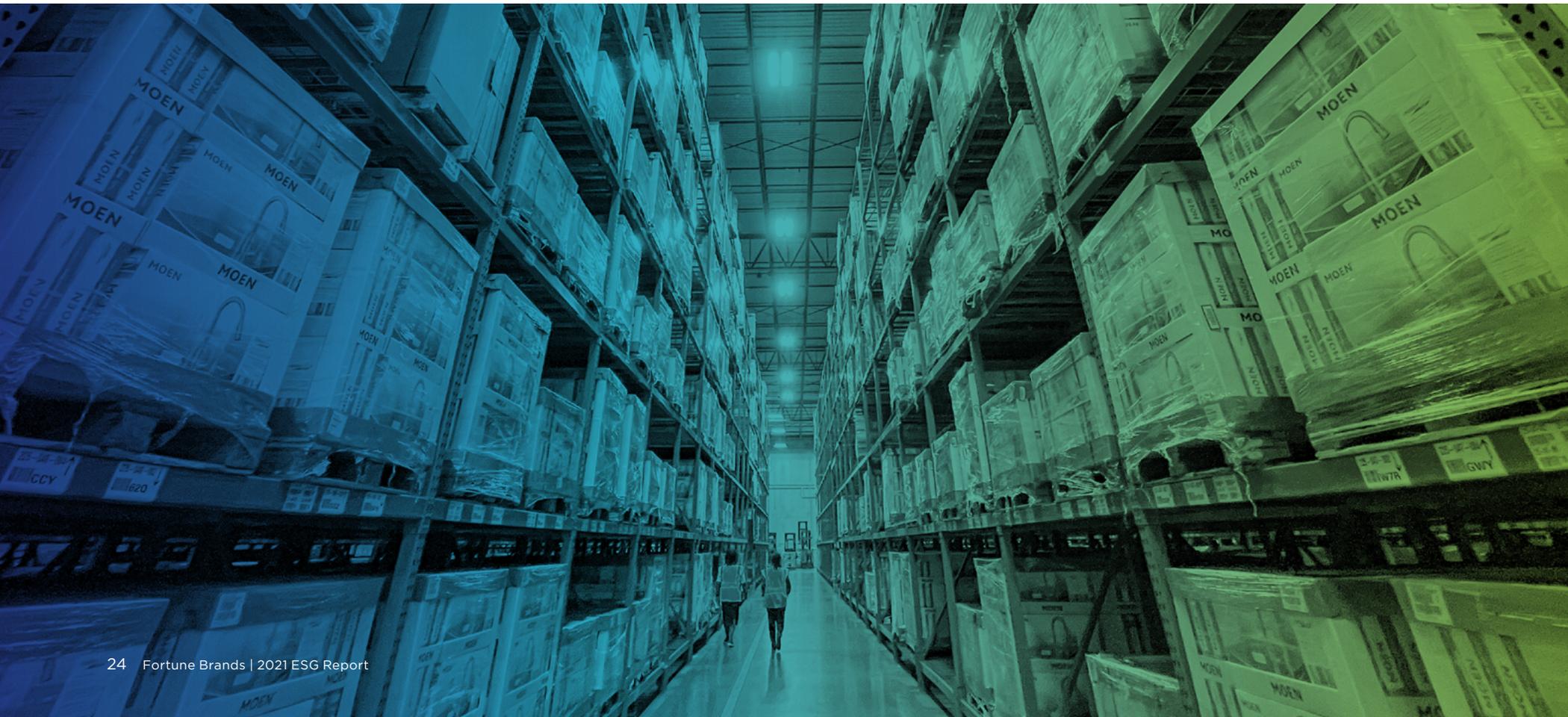
# Environmental

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.

---

## In This Section:

- 25 Carbon Emissions & Energy
- 28 Conserving Water
- 30 Waste Reduction





# Carbon Emissions & Energy

## 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 have invested in new software and systems to improve and streamline environmental data collection processes, capture global data, enhance future reporting, and better evaluate opportunities. This data is key to helping us understand our direct carbon emission impacts and to set environmental goals. In 2021, we set our first-ever carbon reduction and renewable energy goals.

## Our Goals

In 2021, we set goals to reduce our absolute Scope 1 and 2 carbon emissions by 30% by the year 2030, and to offset 50% of our electricity usage with renewable sources by 2030.

### How We'll Achieve These Goals

To help reach our goals, Fortune Brands currently plans to identify and help fund a renewable energy project by entering into a virtual power purchase agreement (VPPA). By supporting a renewable energy project, we will source clean power to match our electricity needs, address our carbon emissions and contribute to adding long-term green energy options to the existing supply of energy in the United States.

We feel our goals and path to achieve them are both appropriate for our industry and realistic. As we work toward these targets, we will also remain open as new or more options to reduce carbon emissions become available in the future.

## Carbon Mitigation Strategy

Our carbon mitigation strategy includes:

- **Supporting renewable energy:** We plan to enter into a VPPA for a project that generates renewable energy.
- **Reducing our own energy usage:** The majority of our locations have switched to energy-efficient lighting, and we routinely check and repair our equipment to ensure it is running efficiently. We also invest in new equipment that is more energy efficient. While we have already taken many actions to run more energy-efficient operations, we are on the lookout for more opportunities to conserve energy.
- **Investing in making responsible products:** Manufacturing energy-efficient Therma-Tru doors, energy-efficient LARSON storm windows, using recycled inputs as the main components for our Fiberon PE composite decking, and responsibly sourcing wood for our cabinets are all part of how we can help to mitigate carbon emissions.
- **Partnering to mitigate climate change:** Through our support of the National Forest Foundation and their tree planting campaign, we are part of that non-profit's climate-change-fighting effort to plant 50 million trees across the United States' national forests.



## 2030 GOALS ESTABLISHED

30% reduction in absolute Scope 1 and Scope 2 carbon emissions by 2030.

Offset 50% of our electricity usage with renewable sources by 2030.



## USING TCFD

Fortune Brands is using the Task Force on Climate-related Financial Disclosures to discuss climate-related risks and opportunities.



# CARBON EMISSIONS & ENERGY

CONTINUED

## Global Carbon Emissions and Energy Usage

| Metric   | 2020    | 2021           |
|--|---------|----------------|
| Scope 1 — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )   | 68,454  | <b>70,923</b>  |
| Scope 2 — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )   | 211,183 | <b>220,103</b> |
| Total Scope — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )                                     | 279,637 | <b>291,026</b> |
| CO <sub>2</sub> Intensity from Energy Used<br>(In metric tons of CO <sub>2</sub> / Unit net global sales (x10 <sup>-5</sup> )) | 4.59    | <b>3.80</b>    |
| Total Energy (In million GJ)   | 3.12    | <b>3.25</b>    |
| Electricity (In million kWh)   | 488     | <b>509</b>     |
| Natural Gas (In million therms)  | 12.94   | <b>13.40</b>   |
| Renewable Energy Goal  | No      | <b>Yes</b>     |

Global reporting of carbon emissions and energy usage begin in 2020.

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. LARSON is included in 2021 data.

## Energy Usage

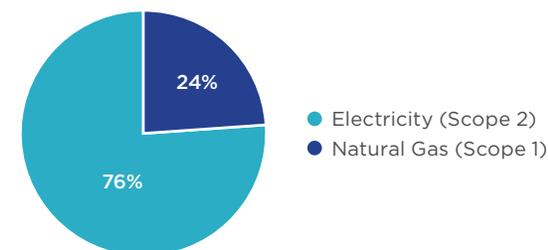
### Global Energy Intensity

In metric tons of CO<sub>2</sub> / Unit net global sales (x10<sup>-5</sup>)



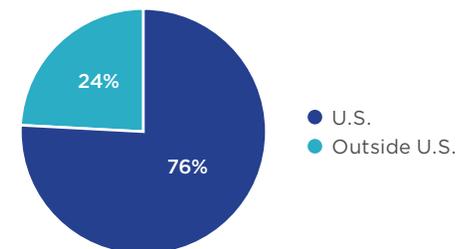
### 2021 Global Carbon Emissions by Type

As a percentage of total global Scope 1 and Scope 2 emissions



### 2021 Global Carbon Emissions by Geography

In metric tons of CO<sub>2</sub>





## CARBON EMISSIONS & ENERGY

CONTINUED

### U.S. Carbon Emissions and Energy Usage

| Metric   | 2017    | 2018    | 2019    | 2020    | 2021           |
|--|---------|---------|---------|---------|----------------|
| Scope 1 — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )                                       | 50,411  | 66,590  | 64,780  | 55,445  | <b>55,978</b>  |
| Scope 2 — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )                                       | 127,152 | 152,033 | 160,150 | 161,454 | <b>166,483</b> |
| Total Scope — Raw CO <sub>2</sub> from Energy Used<br>(In metric tons of CO <sub>2</sub> )                                   | 177,563 | 218,623 | 224,930 | 216,899 | <b>222,461</b> |
| CO <sub>2</sub> Intensity from Energy Used<br>(In metric tons of CO <sub>2</sub> / Unit net U.S. sales (x10 <sup>-5</sup> )) | 3.95    | 4.75    | 4.66    | 4.26    | <b>3.47</b>    |
| Total Energy (In million GJ)   | 2.06    | 2.61    | 2.62    | 2.45    | <b>2.50</b>    |
| Electricity (In million kWh)   | 294     | 351     | 370     | 373     | <b>385</b>     |
| Natural Gas (In million therms)  | 9.51    | 11.90   | 12.24   | 10.48   | <b>10.58</b>   |
| Renewable Energy Goal  | No      | No      | No      | No      | <b>Yes</b>     |

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.

Prior data for Scope 2 — Raw CO<sub>2</sub> from Energy Used, Total Scope — Raw CO<sub>2</sub> from Energy Used and CO<sub>2</sub> Intensity from Energy Used have been restated using the Environmental Protection Agency's revised, March 2022 [Greenhouse Gas Equivalencies](#).

Environmental metrics from acquired businesses are generally included for the year in which the acquisition took place. Fiberon is included in 2018 data and LARSON is included in 2021 data.

### Energy Usage

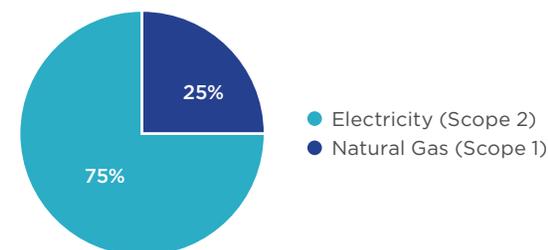
#### U.S. Energy Intensity

In metric tons of CO<sub>2</sub> / Unit net U.S. sales (x10<sup>-5</sup>)



#### 2021 U.S. Carbon Emissions by Type

As a percentage of total U.S. Scope 1 and Scope 2 emissions





# Conserving Water

## 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

Our facilities track water usage to allow the Company to report on total water use. 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.

For example, our Fiberon plants utilize a closed-loop water system for minimal waste discharge, enabling Fiberon to use the same water every day, and Master Lock's air-cooled air compressor, which replaced the water-cooled air compressor in its Milwaukee, Wisconsin, plant, is enabling Master Lock to reduce its annual water consumption by about 15 million gallons. We continue to look for ways to improve how we manage water in the manufacturing process.

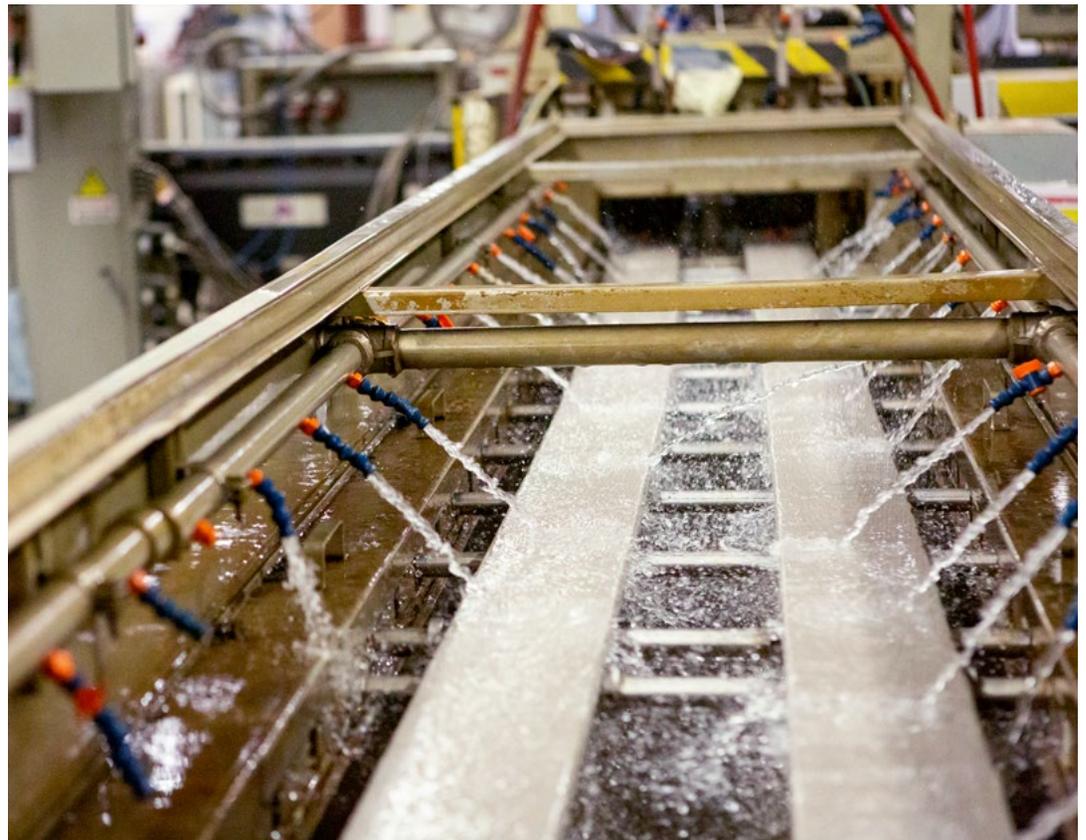
Most recently, innovative offerings like the Moen Smart Water Network exemplify how the business is leading the charge into a new era of monumental change in how people encounter water every day. Moen, our core brand within the Global Plumbing Group, is focused on creating exceptional experiences with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

[Learn more](#) about our partnerships that support water initiatives.

---

## DID YOU KNOW

Our Fiberon plants utilize a closed-loop water system for minimal waste discharge, enabling Fiberon to use the same water every day.





# CONSERVING WATER

CONTINUED

## Global Water

| Metric  | 2020  | 2021         |
|---|-------|--------------|
| Total Water Withdrawn<br>(In million gallons)               | 252   | <b>262</b>   |
| Water Use Intensity<br>(In gallons / Unit net global sales) | 0.041 | <b>0.034</b> |

Global reporting of water data begins in 2020.

## U.S. Water

| Metric  | 2017  | 2018  | 2019  | 2020  | 2021         |
|---|-------|-------|-------|-------|--------------|
| Total Water Withdrawn<br>(In million gallons)             | 213   | 263   | 235   | 196   | <b>217</b>   |
| Water Use Intensity<br>(In gallons / Unit net U.S. sales) | 0.040 | 0.057 | 0.049 | 0.039 | <b>0.034</b> |

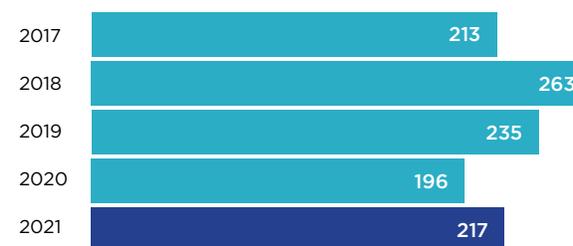
The reduction in water withdrawn for 2020 is mainly attributable to updated equipment and processes, and operational changes in key locations. Fiberon is included in 2018 data, and LARSON is included in 2021 data.

## Water Usage

### U.S. Total Water Withdrawn

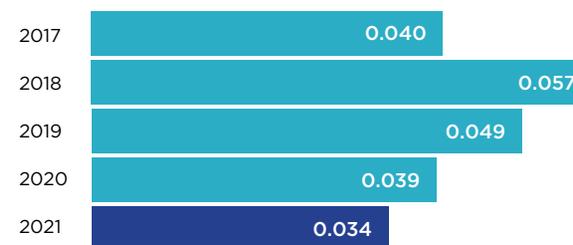
In million gallons

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



### U.S. Water Use Intensity

In gallons/Unit net U.S. sales





# 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 use 80/20 techniques and lean practices to assess waste streams and help find ways to reduce, reuse or recycle. Some of the most common materials we recycle or reuse are wood, plastics and metals, and we participate in recycling programs in most of our locations for these materials.

While the proportion of hazardous waste we generate is low, mainly driven by the finishes and paint needed to provide quality products to our customers, where possible, we look for opportunities to reduce or re-use these waste materials. We adhere to global rules and regulations related to hazardous waste management, conduct internal audits of our processes, and ensure any associates who deal with hazardous waste receive the proper training. To complete our cradle-to-grave focus on safe material use, we work with transportation, storage and disposal partners that adhere to compliant methods.

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.

## Global Waste

| Metric   | 2021         |
|--|--------------|
| Waste Intensity<br>(In U.S. tons / Unit net global sales x10 <sup>-5</sup> ) | <b>3.79</b>  |
| Waste Streams (In thousand tons)   |              |
| Diverted (Recycled, Reused, Re-purposed)                                     | <b>176.5</b> |
| Landfill   | <b>109.3</b> |
| Hazardous Waste  | <b>4.1</b>   |
| <b>Total Waste Generated (In thousand tons)</b>                              | <b>289.9</b> |

Global reporting of waste data begins in 2021.

## U.S. Waste

| Metric   | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|
| Waste Intensity<br>(In U.S. tons / Unit net U.S. sales x10 <sup>-5</sup> ) | 3.45         | 3.37         | 3.16         | <b>3.13</b>  |
| Waste Streams (In thousand tons)   |              |              |              |              |
| Diverted (Recycled, Reused, Re-purposed)                                   | 107.0        | 106.0        | 113.0        | <b>136.7</b> |
| Landfill   | 52.0         | 52.0         | 56.0         | <b>60.4</b>  |
| Hazardous Waste  | N/A          | 2.5          | 3.0          | <b>3.5</b>   |
| <b>Total Waste Generated (In thousand tons)</b>                            | <b>159.0</b> | <b>160.5</b> | <b>172.0</b> | <b>200.6</b> |

Reporting on U.S. hazardous waste data began in 2019.

Apart from the data presented in "Diverted (Recycled, Reused, Re-purposed)," in 2021, Fiberon used approximately 59,000 U.S. tons of recycled plastic, and approximately 92,000 U.S. tons of post-industrial wood. Our Fiberon PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content.



## WASTE REDUCTION

CONTINUED

### Reducing Waste

Here are just some examples of how we are reducing waste and recycling at Fortune Brands.

- **Metals** — Moen’s Design Reliability Labs recycled approximately 15 U.S. tons of mixed metals from faucets and plumbing systems in 2021. At Master Lock, we recycled about 5,000 U.S. tons of metal in 2021.
- **Plastics** — Master Lock recycled about 18 U.S. tons of polyethylene in 2021.
- **Wood** — MasterBrand Cabinets uses — and reuses — a significant number of wood pallets to move materials. Wood pallets that can no longer be reused get sent to pallet recycling facilities, where available. Additionally, scraps from the cabinets manufacturing process get turned into boiler fuel, animal bedding and compost.

### Brands that Leverage Recycled Inputs

- **Moen** — In 2020, Moen began using plastic recovered from discarded fishing nets and ropes as an installation tool component for one of its highest volume products, the posi-temp valve. Products are being designed to use even more ocean plastic and help to make progress toward one of our Mission Moen commitments: to reclaim and reuse 2,000 tons of our ocean plastic by 2030.
- **Fiberon** — Fiberon PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content.



Associates at our Ferdinand plant established standard labels for containers to make recycling easier.

### Spotlight: Waste Reduction Efforts at MasterBrand Cabinets’ Ferdinand, Indiana Plant

Associates at our largest cabinets plant have been driving efforts to reduce waste. Associates recommended and implemented some simple changes to help make recycling easier, such as adding “recycling” signage and painting “wood only” on certain dumpsters. In 2021, the plant also added two baler machines, which compact waste to make it easier to recycle, and will be installing two more balers in 2022. Associates are also involved in continuous improvement processes like value stream mapping, which has helped to reduce the amount of waste produced in the first place.



# Social

Our associates are key to our success. 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:

- 33 Safety
- 42 Health & Benefits
- 44 Employee Engagement
- 45 Diversity, Equity & Inclusion
- 52 Training & Development
- 54 Enriching Communities





# Safety

## Why It's Important

Employee safety is our top priority. Providing a safe workplace 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 achieve best-in-class safety records.

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 Nominating, Environmental, Social and Governance (NESG) Committee of the Board.





## SAFETY

CONTINUED

### Our Safety Goals

We are proud of our best-in-class safety results. Our focus on leading indicators in addition to our key established metrics is just one part of our success.

We always have a vision and drive for zero safety incidents in our operations. The strategic initiatives around this vision have yielded many achievements and milestones through the years.

As Fortune Brands acquires new businesses, we work closely with them on safety processes and controls. One of our most powerful mergers and acquisition synergies is that we make acquired companies safer through immediate assessment and investment in sustainable safety systems and establishment of safe work practices.

- Fiberon, which was acquired in 2018, significantly improved its Total Recordable Incident Rate (TRIR) after being part of the Fortune Brands family of companies.
- We are investing in our LARSON team to help them adopt our safe work practices and standards. While the increase in 2021 for both FBHS and Outdoors & Security's TRIR is mainly due to the addition of LARSON, we have already seen improvements in LARSON's safety performance since Fortune Brands first acquired the company in December 2020.





## SAFETY

CONTINUED

### Global Safety Metrics

Total Recordable Incident Rate and Lost-Time Rate include all global full-time employees, temporary workers and contractors under our direct supervision, and is calculated per 100 employees. Metrics from acquired businesses are generally included for the year in which the acquisition took place. Fiberon safety metrics are included starting in 2018. LARSON, acquired in December 2020, is included in 2021 data.

| Metric                                  | 2017 | 2018 | 2019 | 2020 | 2021                    |
|---|------|------|------|------|-------------------------|
| <b>For Total Organization:</b>          |      |      |      |      |                         |
| Total Recordable Incident Rate (TRIR)   | 1.40 | 1.23 | 1.20 | 1.20 | <b>1.34</b>             |
| Lost-Time Rate (LTR)                    | 0.39 | 0.41 | 0.40 | 0.40 | <b>0.48</b>             |
| Total Number of Work-Related Fatalities | 1    | 0    | 0    | 0    | <b>0</b>                |
| <b>TRIR by Segment:</b>                 |      |      |      |      |                         |
| Plumbing                                | 1.0  | 0.80 | 0.80 | 0.70 | <b>0.53</b>             |
| Outdoors & Security                     | 1.73 | 1.92 | 1.80 | 1.41 | <b>2.46<sup>a</sup></b> |
| Cabinets                                | 1.50 | 1.50 | 1.10 | 1.30 | <b>1.10</b>             |

<sup>a</sup> Increase in Outdoors & Security TRIR is mainly due to the addition of LARSON. Outdoors & Security TRIR without Larson is 1.80.

### TRIR for Fortune Brands Global Plumbing Group vs. Industry Average

Fortune Brands Global Plumbing Group

0.5

Industry Average

1.6

### TRIR for MasterBrand Cabinets vs. Industry Average

MasterBrand Cabinets

1.1

Industry Average

3.4

## SAFETY HIGHLIGHTS

### 3x better than industry

Our TRIR at the Global Plumbing Group and at MasterBrand Cabinets is 3 times better than the comparable industry benchmarks.

Source: [U.S. Bureau of Labor Statistics](#) most recently available data for industry, as of March 31, 2022. We are showing industry averages data for Plumbing (Plumbing benchmark: NAICS 332913 plumbing fixture fitting and trim manufacturing) and Cabinets (Cabinets benchmark: NAICS 337110 household and institutional furniture and kitchen cabinet manufacturing) because we believe these provide helpful information regarding our safety performance. Meaningfully comparable industry average data for our Outdoors & Security segment is not available.



# SAFETY

CONTINUED

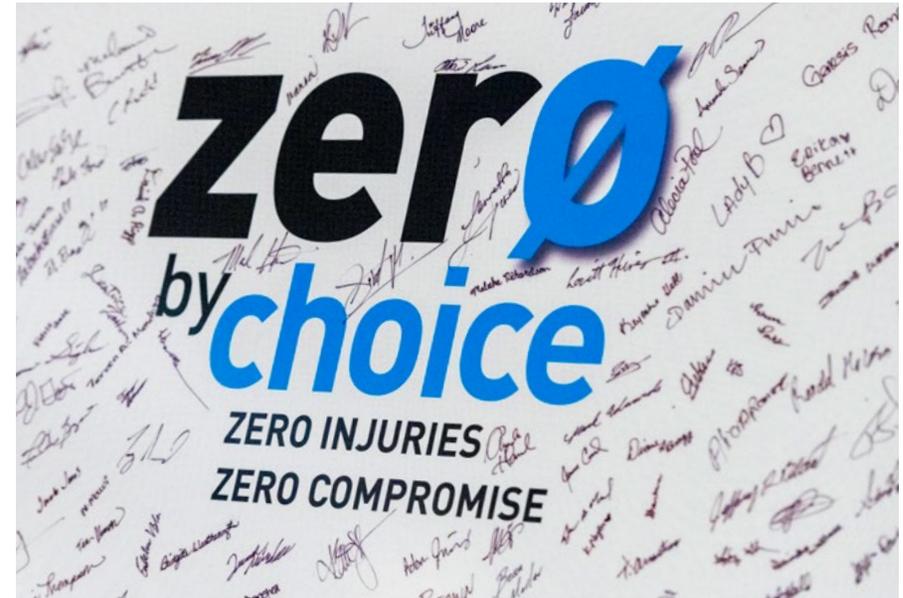
## Safety Milestones & Recognitions

### Big Milestones

Our team has achieved some impressive safety milestones and recognitions over the years.



➔ Please visit our website at [www.fbhs.com/corporate-responsibility/safety-milestones-recognitions/](http://www.fbhs.com/corporate-responsibility/safety-milestones-recognitions/) to see some of them!



## Celebrating Safety Throughout Fortune Brands

We love to celebrate safety achievements, both big and small! 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, one of our internal communications tools. Often, teams earning safety awards give back to their local communities by turning their award into a financial donation.



# SAFETY

CONTINUED



## COVID-19 Agility & Response Recognition

In 2021, Fortune Brands won an International SOS Foundation Duty of Care award in the category of COVID-19 Agility & Response. The award recognized our organization’s outstanding response to COVID-19 in protecting the health and wellbeing of our workforce.



In particular, Fortune Brands was highlighted for having top management strongly involved in our COVID-19 safety and vaccination efforts, as well as for working with associates and reaching out to families to gain support from multiple stakeholder groups for being safe during the pandemic.

In 2021, we helped to host approximately three dozen on-site vaccination clinics to enable more than 2,700 associates to conveniently get vaccinated.

We also conducted a COVID-19 Vaccine Sweepstakes where we gave away \$100,000 to our associates to encourage and thank associates who were fully vaccinated.

**“Thanks to our teams for all their hard work throughout a very challenging time. Our strong response during the COVID-19 pandemic was truly a team effort at all levels of our organization. This recognition is further evidence that our teams are world class and committed to keeping each other safe.”**

Margaret Reddick, VP Total Rewards, Fortune Brands Home & Security



## SAFETY

CONTINUED

### 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
- Foundational compliance
- Accountability to each other
- Engaged and caring culture
- Integration precision

### Critical Elements Program

Fortune Brands' company-wide Critical Elements Program is an initiative to heighten awareness and mitigate risk on 15 critical safety components within our manufacturing and distribution operations. These components are identified as having the most potential for severe injury:

- Contractor management
- Electrical safety and arc flash
- Combustible dust
- Confined space
- Fall protection
- Lock-out tag-out
- Machine guarding
- Powered industrial vehicles
- Dock safety and material storage
- Industrial hygiene
- Overhead doors
- Fire prevention
- Integrated emergency response
- Pre-startup safety reviews and management of change
- Physical security

We have also developed customized auditing protocols that score progress around each Critical Elements program component. 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.

## EH&S Strategy Spotlight: Courage to Care

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.





## SAFETY

CONTINUED

### 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 work environments where we have Courage to Care. Each business segment adds its unique branding on behavior-based safety and has flexibility with how it is implemented.

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

- 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, and everyone needs to speak up if they see an unsafe behavior or work environment.

Focusing on a behavioral approach to safety has resulted in some big improvements over the years. We continue to reinforce behavior-based safety and instill and strengthen our safety initiatives in our recently acquired businesses.

### Behavior-Based Safety Spotlight: MasterBrand Cabinets' SHIELD

SHIELD is the behavior-based safety program MasterBrand Cabinets uses for approximately 2,400 associates in its Huntingburg, Jasper and Ferdinand, Indiana, locations. SHIELD stands for Safety Here Impacts Everyday Life Decisions. Working safely at work and living safely outside of the plants is equally important.

By observing colleagues and offering positive reinforcement for safe behaviors, our associates are making a positive impact in their work environment. Since 2017, when the program was initially launched, our Cabinets teams have seen a dramatic increase in safety in the workplace and a decrease in recordable injuries. The steering committees at each site work hard to create safety action plans and help create a safer working environment for all associates.



## SAFETY

CONTINUED

### EH&S Aligned with Lean Operations

Our EH&S teams look to reduce operational risk to the lowest level possible and eliminate variation and waste in our processes. These tenants align with 80/20 concepts and lean thinking, tools we leverage to reduce complexity. Our EH&S organization helps to reduce complexity by:

1. Developing standardized work to identify and train to the most efficient and safe process.
2. Utilizing learning teams to review incidents for improvement opportunities and corrective actions.
3. Including safety as a foundational element for Kaizen and 6S events, which also tie in EH&S's continuous improvement philosophy.
4. Integrating both management systems and Value Stream Mapping to eliminate non-valued work, or "waste," in our operations.

### Ergonomics

#### Industrial Ergonomics

Fortune Brands pays special attention to how we can prevent strains through increased awareness and specialized training. We measure and score risks associated with manual material handling and look for ways to reduce or eliminate the need to lift weight and distances needed to be taken, improve postures, and minimize force or vibrations.

#### Therma-Tru Ergonomics Spotlight

During Therma-Tru's new hire orientation, associates receive MoveSmart 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.

#### Health & Wellness Programs for Musculoskeletal Issues

Associates on Fortune Brands' medical plan can take advantage of a free, innovative digital musculoskeletal program to help discover healthy ways to manage back, knee, hip, neck and shoulder pain.

This unique program leverages physical therapists plus unlimited one-on-one coaching to provide personalized treatments related to four distinct treatment paths: prevention, acute pain, chronic pain and support with pre-and post-rehab surgery.

Each path includes advanced motion sensors, an all-in-one app experience, wearable pain management, plus access to experts, such as nurses, nutritionists, health coaches, physical therapy doctors, orthopedic surgeons and more.

**"I have an old shoulder injury that has plagued me for years. Using this process over the last 6 months, I have gained a level of comfort and mobility that I have not seen in years."**

**Cabinets associate**

We receive a lot of positive feedback from our associates about this musculoskeletal benefit. For 2022, we broadened the services available and made it easier to enroll.

Additionally, some of our locations also offer targeted ergonomics programs to help care for associates with sprains and strains. The Conservative Care program at MasterBrand Cabinets and the Active Release Techniques 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.



## SAFETY

CONTINUED

### 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.

As part of our Supplier Code of Conduct process, EH&S resources assist our suppliers with training on topics such as fire prevention, occupational illness prevention, and the importance of implementing health and safety management systems.



Our new team in Georgia.

### Emphasizing Safety From Day One

In 2021, Fortune Brands opened a new cabinets plant in Jackson, Georgia. Safety was an integral part of the onboarding process as teams learned their new roles.

### Daily Huddles at Outdoors & Security

Across our Outdoors & Security locations, including newly acquired LARSON, teams start each day with Daily Huddle meetings. These meetings ensure associates have the information and support they need to be successful. Working safe is one of the main topics at these meetings.

## Beyond Physical: Cybersafety

Cybersafety is a crucial component to 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 essential to ensure our business can operate uninterrupted.

Fortune Brands has enhanced our teams and technology to better prevent cyber risks and shut down attacks. We've provided tools and extensive training to help our workers more easily identify and report a variety of malicious content, like emails, links and text messages. Comprehensive web-based trainings and reminders in our internal communications app raise awareness about the importance of cybersecurity and how to stay safe, both at work and at home. 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.

### DID YOU KNOW

Our cybersafety program leverages the Stop.Think.Connect. campaign initiated by the U.S. Department of Homeland Security.



# Health & Benefits



Healthy



Balanced



Secure



Inspired

## DID YOU KNOW

In 2021, Fortune Brands invested approximately \$371 million toward associate health and wellbeing programs<sup>a</sup>.

### 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 2021, Fortune Brands invested approximately \$371 million toward associate health and wellbeing programs<sup>a</sup>.

### 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 HR teams work extensively to determine the best strategy to control rising long-term costs while providing quality, 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, which include:

- Resources to guide associates through a new diagnosis, find doctors or specialists, solve issues with medical bills, and support for finding low cost, high quality health care services.
- Telemedicine for easy, low-cost, 24/7 doctor visits, virtually or by phone.
- Virtual health screenings that include an at-home blood pressure monitor and easy-to-use blood test kit.
- A diabetes management program that includes connected devices to help monitor blood glucose, as well as coaching.

<sup>a</sup> Investment amount includes related taxes paid by the Company.

- Musculoskeletal digital program with access to experts and at-home exercise therapy for knee, hip, back, neck and shoulder pain.
- Weight management and fitness programs.
- Additionally, Tobacco cessation assistance is available to all FBHS associates.

### 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:

- Employee assistance program (EAP) that provides free counseling to our associates and their family members. The EAP is available to all FBHS associates.
- Virtual counseling visits through our telemedicine provider, for help with managing stress, relationship issues, depression and other behavioral and mental health topics. Virtual counseling visits are available to associates on our health care plan.
- Parental support program to help navigate associates and their partners through the parenthood journey; it encompasses preconception, fertility, surrogacy, adoption, pregnancy, postpartum and return to work after parental leave. This program is available to associates on our health care plan. Additionally, paid parental leave for new parents is available at most of our businesses, and we offer adoption assistance programs.
- Matching gift programs at most of our businesses that support causes that are important to our associates.



## HEALTH & BENEFITS

CONTINUED

### 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 cash incentive plan (bonus program)
- Annual profit sharing contributions

Additionally, most FBHS associates are eligible to participate in a Company-sponsored 401(k) plan and many 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 internal communications app.

## The World Beyond COVID-19

### Mental Health Care

Given the challenges and long-lasting impacts of the COVID-19 pandemic, the importance of mental health has never been greater. In the summer of 2021, Fortune Brands launched a mental health campaign, which focused on destigmatizing mental health issues and how to spot them. The campaign also incentivized associates to participate in educational activities, and emphasized our EAP and telemedicine counseling resources. We also piloted a program to offer on-site counseling to associates at our largest Therma-Tru plant.

We continue to educate and provide resources to help teams avoid burnout, manage stress and develop healthful habits. Mental health is a topic our leaders continue to address throughout the year.

### Increased Flexibility

Throughout our Company, we have moved to increased flexibility, empowering more associates to decide where and when they do their best work. Hybrid schedules, where associates work some days at home and some days in an office, have become the norm for our traditional "office" workers, allowing associates to gain more work-life balance while still getting to benefit from collaborating with others in person.

Additionally, there are more opportunities than ever for associates to work remotely. In our plants, we are also looking for ways to provide more shift flexibility through alternative schedules and an increase in part-time opportunities.



# Employee Engagement

## Fortune Brands’ First-Ever Global Associate Engagement Survey

In the Fall of 2021, Fortune Brands completed its first-ever global associate engagement pulse survey, reaching out to all of our 28,000 associates across plants, distribution centers and offices around the world. **We achieved a 74% participation rate and we collected over 30,000 comments.**

The pulse survey is providing valuable insights into how our associates view the Company and their experience at FBHS. We are committed to taking action at all levels to make our Company an even better place to work.

Going forward, we plan to conduct pulse surveys twice a year. This cadence will help us to maintain our strengths, identify our opportunities, and assess our progress in making sure we are a company that retains and attracts top talent.

## Strengthening Our Culture With The Connect App

Connect is our mobile app for associates. 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 can better connect their work to the Company’s larger purpose. Additionally, the Connect app generates real-time, two-way feedback by allowing associates to voice feedback through comments and polls.

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, sharing some of the ways our associates are coming together to give back to their communities. We recognize team and individual achievements, share business results and announcements, and encourage associates to take advantage of our many Company-sponsored benefits and financial health programs. Finally, our CEO and senior leadership team members use the app to share business updates, words of encouragement and gratitude to our teams.

“I like reading about positive changes the company is making in our communities.”  
O&S associate

“Love seeing what we are doing both in our communities and our facilities!”  
MasterBrand associate

“I love the feeling of community and belonging!”  
GPG associate





# Diversity, Equity & Inclusion

## Why It's Important

Our world 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 build a more diverse, equitable and inclusive organization, including unconscious bias training, inclusive culture councils, employee resource groups and providing learning resources.

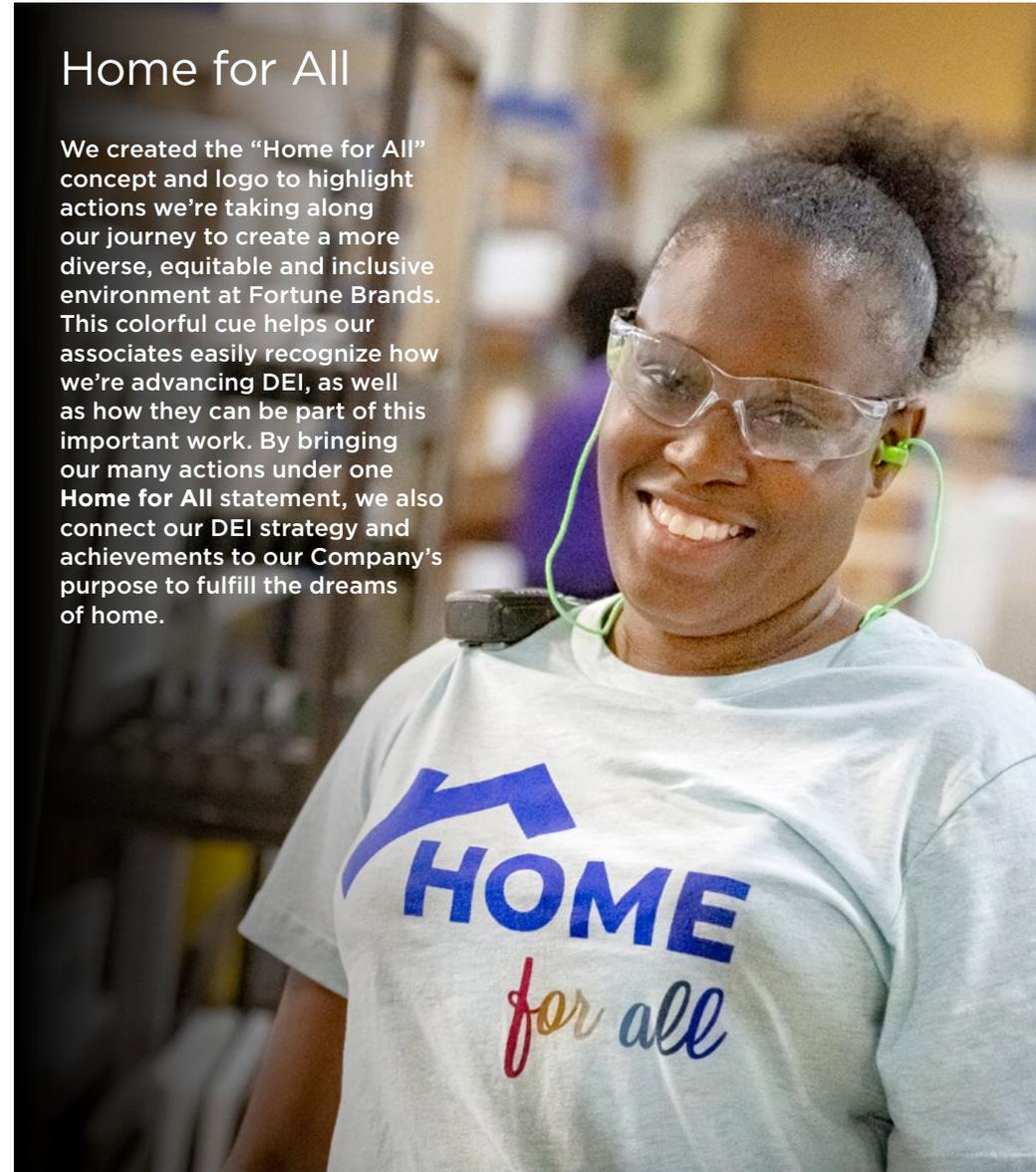
We are holding ourselves accountable for making progress. We are working toward aligning our talent processes to better recruit, retain and develop underrepresented associate segments at all levels. We are continuing the listening sessions with associates to continually assess the state of DEI across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

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

In 2021, we formalized a DEI strategy, which continues and expands upon many of the actions we took in 2020 and 2021.

## Home for All

We created the "Home for All" concept and logo 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 strategy and achievements to our Company's purpose to fulfill the dreams of home.





## DIVERSITY, EQUITY & INCLUSION

CONTINUED

### DEI Strategy

In 2021, Fortune Brands joined the W.K. Kellogg Foundation's Expanding Equity program to gain access to more tools to advance our racial equity and DEI strategies. As part of Expanding Equity, select Fortune Brands senior leaders attended workshops focused on tactical methods for establishing a racial equity strategy, and identifying initiatives that can quickly be put into action. The result: a comprehensive DEI strategy.

Our DEI strategy revolves around four pillars: Attract, Belong, Promote and Influence.

- **Attract.** We aim to increase representation of professionals of color and women. We will identify key partnerships to help us recruit a more diverse pool of talent, standardize and optimize the interview process to help our hiring managers make fact-based decisions.
- **Belong.** We will look for ways to reduce the barriers to inclusion through our policies, programs, business practices and education. "Belonging" is one of the attributes we are measuring in our engagement pulse surveys, and we are leveraging the feedback associates provided to help us do even better in this area. Additionally, we will continue DEI trainings and listening sessions.
- **Promote.** We want to better prepare our professionals of color and women for promotion opportunities into manager level positions and above, and will be launching mentoring circles to support this pillar.
- **Influence.** We will publicly demonstrate our DEI commitment. Already, we have increased diversity at the highest levels of our organization — both our Board of Directors and our Leadership team — and we are supporting many community organizations that promote equality.

Fortune Brands' chief human resources officer and other members of HR report on our DEI strategy progress to the NESG Committee of the Board.

### More Inclusive Benefits

In alignment with the Belong pillar of our DEI strategy, effective in 2022, Fortune Brands enhanced key parental benefits to be more inclusive.

We now offer a program that provides all U.S. associates and their partners with specialized support through their parenthood journey, encompassing preconception, fertility, surrogacy, adoption, pregnancy, postpartum and return to work after parental leave. The program includes many providers who are experienced in serving LGBTQIA+ couples along their journey to parenthood. We also enhanced our medical plan to eliminate the requirement of a diagnosis of infertility, enabling same-sex couples to also gain access to benefits such as in-vitro fertilization, embryo transfer and artificial insemination.

 Fortune Brands has strict [Anti-Harassment and Whistleblower Policies](#) to ensure compliance in creating a safe and respectful culture.



## DIVERSITY, EQUITY & INCLUSION

CONTINUED

### Employee Resource Groups (ERGs)

In 2020, Fortune Brands launched our first enterprise-wide employee resource group, the Women’s Impact Network. In 2021, we added three more ERGs, and have plans to add ERGs for veterans, working caregivers and Asian Pacific Islanders in 2022. Our ERGs help us make progress on our DEI strategy’s four pillars: Attract, Belong, Promote and Influence.

#### About our ERGs:

Our **Women’s Impact Network** empowers and raises the visibility of women through networking, professional development, engagement, and business opportunities within an inclusive culture. Through Women’s Impact Network, top women leaders at Fortune Brands and its Board of Directors have been able to share their experiences with a broader group. This ERG also offers monthly professional development events called Sharpen the Saw.



Our **Black Employee Impact and Networking Group (BEING)** builds and sustains an equitable company where people of color feel truly included and have networking and mentoring opportunities that can expand their personal and professional mobility. BEING guest speakers have addressed inclusive leadership and the science behind bias that affects decision making. Additionally, through community outreach, this ERG demonstrates Fortune Brands’ commitment to issues facing the black community. BEING partnered with Together We Rise to decorate duffle bags that were filled with essential items for kids in the foster care system, and BEING members at our MasterBrand Cabinets and Moen plants in Kinston, NC, supported a holiday food drive for their community.



**Pride Alliance** is an employee resource group for the Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex, and Asexual community, including all gender and sexually diverse employees and our straight Allies across Fortune Brands’ companies. Pride Alliance elevates the visibility of this community and encourages individuals to be proud to be their authentic selves within a safe and inclusive work environment. Pride Alliance is partnering with Plexus, an organization that focuses on enriching the lives of the LGBTQIA+ community through various channels, such as work, mental health, and education.



**INSPIRA** supports and promotes cultural diversity by driving the professional development of Hispanic minorities within Fortune Brands. By elevating minority inclusion within the organization, this ERG aims to empower Hispanic associates to achieve more and be successful. INSPIRA members strive to make FBHS an organization in which everyone can make an impact, share their full potential and grow professionally, all while feeling a sense of belonging. With support from the Hispanic Alliance for Career Enhancement, INSPIRA hosts lunch-and-learn style events called “Éxito con Inspira” and professional development opportunities.



#### Local Groups

In addition to our enterprise-wide ERGs, some associates have even more opportunities at a local level. GPG continues to grow its Emerging Professional group, first launched in 2019, and the longstanding Women’s Engineering Network for STEM & Advocacy. In 2021, the cabinets team in Rio Bravo, Mexico, launched their inaugural women’s group, Linea Rosa or “Pink Line,” dedicated to empowering women in the workforce.

In 2022, we plan to add ERGs for veterans, working caregivers and Asian Pacific Islanders.



## DIVERSITY, EQUITY & INCLUSION

CONTINUED

### More Actions to Advance DEI at Fortune Brands

#### Unconscious Bias Training

Our most important 2020 initiative to increase DEI awareness across our organization was implementing DECIDE, an unconscious bias learning program facilitated by the NeuroLeadership Institute. This outcome-driven, digital initiative was provided to the most senior leaders across the organization in 2020.

In 2021, we broadened our audience by offering the DECIDE training to all our people leaders around the world.

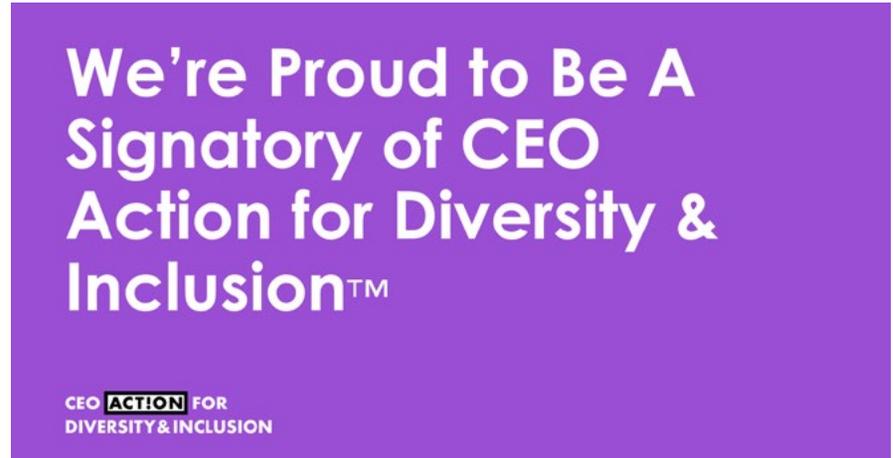
The DECIDE program is helping teams to immediately acquire actionable strategies to break unconscious bias, unlocking the full potential of our teams and vastly improving the quality of our decisions.

#### 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. The ICC's responsibilities have grown since its formation. Now, it establishes enterprise-wide priorities and ensures each business unit is held accountable to diversity and inclusion goals. The ICC also 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 business has set up its own DEI Council. These councils find additional organic, on-the-ground opportunities for advancing the DEI initiatives that are important and unique to their business, as well as to Fortune Brands' overall DEI aspirations.



#### Partnering 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.

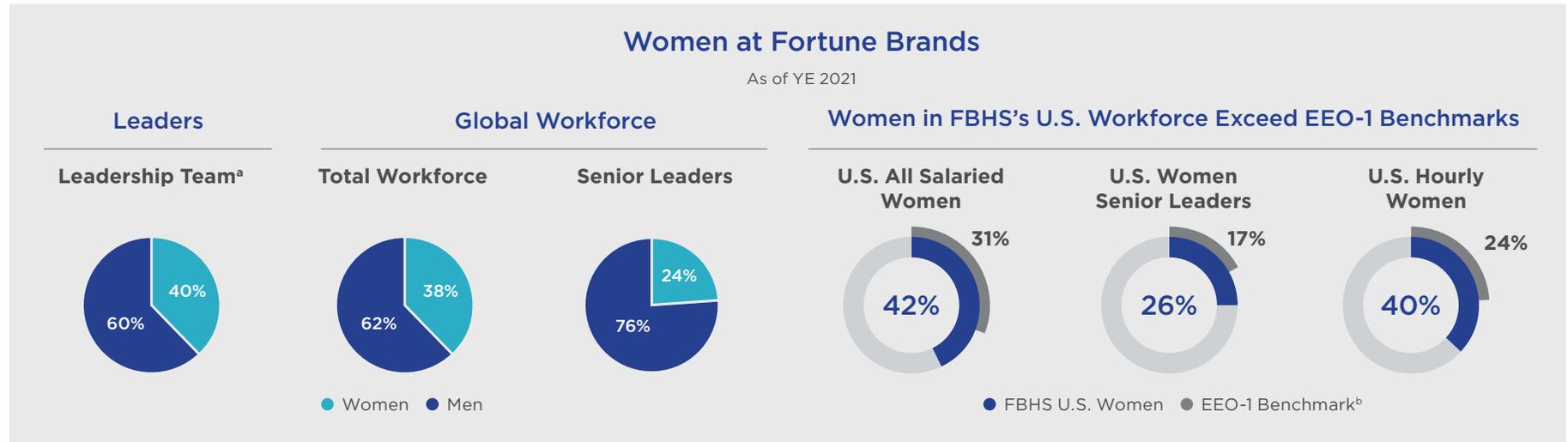
Our CEO and CHRO participated in the CEO Action Summit 2020, where members convened to discuss diversity and inclusion strategies and best practices.

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.



# DIVERSITY, EQUITY & INCLUSION

CONTINUED





## DIVERSITY, EQUITY &amp; INCLUSION

CONTINUED

## Global Workforce

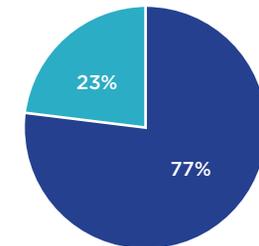
As of Year-End 2021

|                                   | 2019          | %   | 2020          | %   | 2021          | %   |
|-----------------------------------|---------------|-----|---------------|-----|---------------|-----|
| <b>TOTAL GLOBAL WORKFORCE</b>     | <b>25,650</b> |     | <b>26,138</b> |     | <b>28,056</b> |     |
| <b>Job Type</b>                   |               |     |               |     |               |     |
| Production Hourly                 | 19,647        | 77% | 20,064        | 77% | 21,509        | 77% |
| Salaried <sup>a</sup>             | 6,003         | 23% | 6,074         | 23% | 6,547         | 23% |
| People Managers                   | 2,066         | 8%  | 2,030         | 8%  | 2,129         | 8%  |
| Senior Leaders <sup>b</sup>       | 218           | 1%  | 220           | 1%  | 201           | 1%  |
| <b>Production Hourly</b>          |               |     |               |     |               |     |
| Men                               | 11,903        | 61% | 12,514        | 62% | 13,647        | 63% |
| Women                             | 7,744         | 39% | 7,550         | 38% | 7,862         | 37% |
| <b>Salaried<sup>a</sup></b>       |               |     |               |     |               |     |
| Men                               | 3,820         | 64% | 3,600         | 59% | 3,878         | 59% |
| Women                             | 2,183         | 36% | 2,474         | 41% | 2,669         | 41% |
| <b>People Managers</b>            |               |     |               |     |               |     |
| Men                               | 1,486         | 72% | 1,473         | 73% | 1,532         | 72% |
| Women                             | 580           | 28% | 557           | 27% | 597           | 28% |
| <b>Senior Leaders<sup>b</sup></b> |               |     |               |     |               |     |
| Men                               | 157           | 72% | 168           | 76% | 152           | 76% |
| Women                             | 61            | 28% | 52            | 24% | 49            | 24% |

a Salaried population includes people managers and senior leaders.

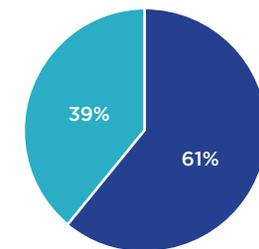
b Senior leaders who are people managers included in people manager total.

## 2021 Global Workforce by Job Type



● Production hourly  
● Salaried

## 2021 Global Workforce by Location



● Associates in the U.S.  
● Associates outside the U.S.

See our [global locations](#) on page 12.



## DIVERSITY, EQUITY &amp; INCLUSION

CONTINUED

## U.S. Workforce

As of Year-End 2021

|                                   | 2019          | %          | 2020          | %          | 2021          | %          |
|-----------------------------------|---------------|------------|---------------|------------|---------------|------------|
| <b>TOTAL U.S. WORKFORCE</b>       | <b>15,228</b> |            | <b>16,222</b> |            | <b>17,248</b> |            |
| <b>Job Type</b>                   |               |            |               |            |               |            |
| Production Hourly                 | 11,719        | 77%        | 12,396        | 76%        | 12,907        | 75%        |
| Salaried <sup>a</sup>             | 3,509         | 23%        | 3,826         | 24%        | 4,341         | 25%        |
| People Managers                   | 1,492         | 10%        | 1,414         | 9%         | 1,540         | 9%         |
| Senior Leaders <sup>b</sup>       | 184           | 1%         | 194           | 1%         | 168           | 1%         |
| <b>Production Hourly</b>          | <b>11,719</b> | <b>77%</b> | <b>12,396</b> | <b>76%</b> | <b>12,907</b> | <b>75%</b> |
| Men                               | 6,672         | 57%        | 7,271         | 59%        | 7,750         | 60%        |
| Women                             | 5,047         | 43%        | 5,125         | 41%        | 5,157         | 40%        |
| <b>Salaried<sup>a</sup></b>       | <b>3,509</b>  | <b>23%</b> | <b>3,826</b>  | <b>24%</b> | <b>4,341</b>  | <b>25%</b> |
| Men                               | 2,196         | 63%        | 2,192         | 57%        | 2,498         | 58%        |
| Women                             | 1,313         | 37%        | 1,634         | 43%        | 1,843         | 42%        |
| <b>People Managers</b>            | <b>1,492</b>  | <b>10%</b> | <b>1,414</b>  | <b>9%</b>  | <b>1,540</b>  | <b>9%</b>  |
| Men                               | 1,067         | 72%        | 1,026         | 73%        | 1,113         | 72%        |
| Women                             | 425           | 28%        | 388           | 27%        | 427           | 28%        |
| <b>Senior Leaders<sup>b</sup></b> | <b>184</b>    | <b>1%</b>  | <b>194</b>    | <b>1%</b>  | <b>168</b>    | <b>1%</b>  |
| Men                               | 130           | 71%        | 145           | 75%        | 124           | 74%        |
| Women                             | 54            | 29%        | 49            | 25%        | 44            | 26%        |
| <b>People of Color</b>            | <b>4,731</b>  | <b>31%</b> | <b>5,576</b>  | <b>34%</b> | <b>6,326</b>  | <b>37%</b> |
| Production Hourly                 | 4,235         | 36%        | 5,000         | 40%        | 5,671         | 44%        |
| Salaried <sup>a</sup>             | 496           | 14%        | 576           | 15%        | 655           | 15%        |
| People Managers                   | 206           | 14%        | 206           | 15%        | 236           | 15%        |
| Senior Leaders <sup>b</sup>       | 21            | 11%        | 20            | 10%        | 20            | 12%        |

a Salaried population includes people managers and senior leaders.

b Senior leaders who are people managers included in people manager total.



# Training & Development

## Developing Skills & Leaders

Our focus is to help our associates be successful in the job they have today, 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.

By promoting 1:1s, we’re supporting a high-performance culture, strengthening our employee engagement and helping to retain our top talent.

Salaried associates have access to LinkedIn Learning, an award-winning online training platform with a digital library of over 16,000 courses taught by real world experts. 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

As we continue to offer more flexibility in where and when associates conduct their work, it’s important to help our teams adapt to new ways of working, which include more hybrid and remote-team options. We’ve shared guidance for how to set up at-home workspaces and schedules, manage teams in a hybrid work environment, support mental health, maintain flexibility and understanding, and leverage technology. In many of our offices, we upgraded technology to support better hybrid meetings and virtual collaboration.

**1:1s to Build a Culture of Performance**

Across FBHS, associates use 1:1 conversations to align on critical priorities, understand how they are performing and discuss their personal development.

## Preparing Workers for a Faster-Paced, More Digital World

Our world is rapidly evolving, and businesses are becoming more and more digital. We are on a digital transformation journey to leverage data, technology and digital solutions to unlock performance for our customers, consumers, products, back-office operations and in new business models.

To enable our jump to a more digitally-enhanced company, we are training many associates in new, Agile ways of working. Agile methodology will allow us to deliver solutions for our stakeholders at a higher speed. Associates who are part of Agile pods receive training in Agile methodology. We’re also providing broad Agile training to other key leaders who are not directly in Agile pods, to help them support the business and broaden their understanding of work tactics that are likely to become even more prolific in the future.



## TRAINING & DEVELOPMENT

CONTINUED

### 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. This program has been provided to about 600 front-line leaders in our operations teams across all businesses. 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. We have successfully expanded this program across all of our businesses.

### Accelerated Development

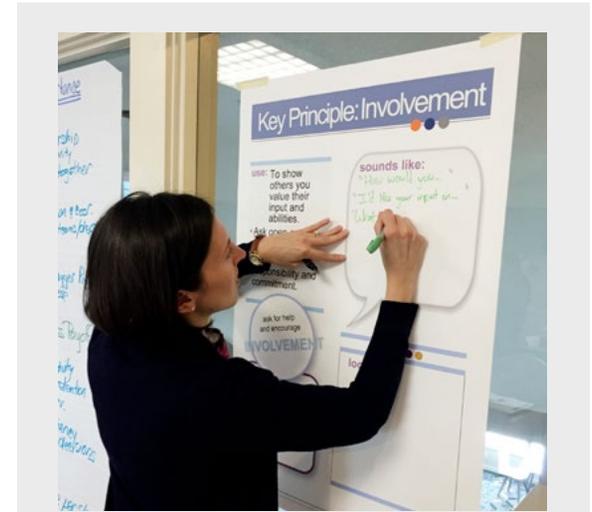
We support our high-potential leaders through assessments, executive coaching and individualized development planning. The Company makes a significant investment in ensuring our leaders are prepared for greater levels of responsibility and can successfully transition into new roles. As a result of participating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

### Sioux Falls Plant Recognized for Providing Employment Opportunities

MasterBrand Cabinets' Sioux Falls, South Dakota, plant was honored with the 2021 Outstanding Private Employer (Large Employer) Governor's Award. The Governor's Awards recognize individuals, organizations and employers for their significant contributions to improving independent living and employment opportunities for people with disabilities.

### Moen China HR Team Wins Award

The Moen Human Resources team in China were recognized with a Best HR Team Award in Greater China for 2021.



### DID YOU KNOW

We have trained more than 1,000 supervisors, managers and senior leaders in coaching skills, since 2018.



# Enriching Communities

## Why it's Important

Everyone wants to be proud of where they work. Being involved in our communities is one of the ways to build that pride. By helping others, we are supporting the communities in which we live and work, and we are also positioning the Company to better attract and retain an engaged workforce.

## Our Approach

Through our Fortunate Giving program, we support organizations that positively impact housing and skilled trades, the environment and DEI. These partnerships are aligned with our purpose to Fulfill the Dreams of Home and our diversity mission to build a Home For All.

Fortune Brands reports community contributions and activities quarterly to Company executives and yearly to the Nominating, Environmental, Social and Governance Committee of the Board of Directors.



### DID YOU KNOW

~\$9 million

Fortune Brands and our family of companies have donated nearly \$9 million from 2017-2021 in cash, in-kind and matching gift donations. Our associates give their own time and money on top of this!

~\$595,000

From 2017 to 2021, Fortune Brands has matched more than half a million dollars in support of our associates and their communities.

Above: 2021 events from left to right: Moen Earth Day activities, Fiberon sponsors Blitz Build with Home Builders Foundation, and Therma-Tru partnership with Jared Allen's Homes for Wounded Warriors



## ENRICHING COMMUNITIES

CONTINUED

### Community Giving

Fortune Brands has a strong heritage of giving back. In 2021, we reached our highest level of Company donations in recent history, and we are excited about opportunities across the Company to continue to meaningfully and impactfully support our communities.

#### Company Giving by Year: Cash & In-Kind Donations

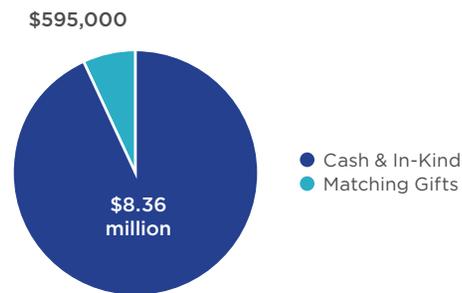
In millions



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

#### Total Company Giving 2017-2021:

#### Cash, In-Kind and Matching Gifts Donations



### Supporting Our Associates

Giving back is important to our associates as well, and we support their interests through volunteer opportunities and matching gifts.

#### Volunteer Opportunities

All Fortune Brands' companies engage in volunteer activities ranging from Habitat for Humanity Build Days to product drives for local organizations, volunteering at community food pantries and supporting local families with gifts or food during the holidays, and more. Many businesses also run employee giving campaigns. 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.

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

#### Matching Gifts

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 pre-determined list of charities, associates are encouraged to give to groups for which they have a passion.

### Our Community Pillars

On the following pages, learn more about organizations we support within our community pillars.



## ENRICHING COMMUNITIES

CONTINUED

### Housing & Skilled Trades Support

#### Rebuilding Together

In 2021, Fortune Brands announced a three-year partnership with Rebuilding Together — a national nonprofit organization with the mission to repair the homes of people in need — to create the Dreams of Home community revitalization project. Fortune Brands has committed \$500,000 through the project to support critical home repairs for underserved neighbors in communities near several of its operations, including the Chicago metro area; Northeastern Ohio; Rogue Valley, Oregon; and the greater Charlotte, North Carolina, area. Announcing the Rebuilding Together partnership was one of the ways Fortune Brands celebrated its 10-year anniversary of becoming an independently traded public company. We look forward to the opportunity to volunteer alongside Rebuilding Together on repair and remodel projects across the United States.



**Below from left to right: Therma-Tru, FBHS corporate and Master Lock associates participate in recent Habitat Build Days**

#### Habitat for Humanity

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 providing financial support. Our work with Habitat for Humanity is also a part of our DEI efforts to support diverse communities, and further overlaps with our focus to support causes in skilled trades.

We continued to show our support for Habitat for Humanity by sponsoring the Lake County chapter's 5 Homes for 5 Families project with a significant \$150,000 donation in celebration of FBHS' 10-year anniversary. Our 2021 contribution has funded the construction of a new home in Lake County, Illinois, near where Fortune Brands is headquartered. This donation brings Fortune Brands' total support for Habitat for Humanity to over \$1 million since 2011.

---

Fortune Brands and our businesses have donated over \$1 million in cash, in-kind and matching gift donations to our Habitat for Humanity chapters from 2011-2021.





## ENRICHING COMMUNITIES

CONTINUED

### Skilled Trades

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.

On a more local level, Moen is proud to partner with She Built This City, an organization that introduces women and young girls from diverse backgrounds to construction and skilled trades. Their pre-apprenticeship plumbing program teaches soft skills, on-the-job know-how, and job site visits. Additionally, Fortune Brands is a long-time partner with the Symbol Training Institute in Chicago, helping to fund scholarships for their Computerized Numerical Control training institute to help individuals achieve professional and career success through targeted, quality education.

### Our Environment: Conserving Water, Protecting & Restoring Forests

#### Conserving Water

Partnerships with nonprofit organizations enable us to expand our efforts to positively affect the world's water system. In addition to making water-saving products and incorporating ocean recycled plastics into our designs, we are proud to be part of many initiatives to engage people around water education and conservation.

Fortune Brands has donated \$940,000 to The Nature Conservancy over the last decade, primarily in support of freshwater initiatives in the Great Lakes and around the world.

In 2021, Moen announced a partnership with the Chicago Children's Museum on constructing a new exhibit called Moen Presents Water City, that will connect water play and STEM experiences for the next generation of young explorers and their families.

GPG's contributions to Drink Local. Drink Tap. — an organization that inspires individuals to recognize and solve our water issues through creative education, events and providing safe water access to people in need — have helped build six water and sanitation projects in Uganda, and have educated thousands of students in Northeast Ohio. Moen also continues to support 5 Gyres and their work researching ocean plastic solutions and educating the public.

#### Protecting & Restoring Forests

Since 2019, we have been a proud partner of 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. Over the last three years, Fortune Brands has supported the NFF's campaign to plant 50 million trees across national forests.

MasterBrand Cabinets and Fiberon also support this multi-year initiative. Tree planting mitigates climate change, improves water quality, helps combat deforestation, supports wildfire recovery and more.



#### DID YOU KNOW

In 2021, Moen announced a partnership with the Chicago Children's Museum on constructing a new exhibit called Moen Presents Water City, that will connect water play and STEM experiences for the next generation of young explorers and their families.



## ENRICHING COMMUNITIES

CONTINUED

### Yellowstone Forever

In 2022, Fortune Brands announced a new partnership with Yellowstone Forever, the official nonprofit partner of Yellowstone National Park, to provide cash and product donations over the next three years to help the park reach its sustainability goals.



**YELLOWSTONE  
FOREVER**

Yellowstone has launched a major effort to revitalize employee housing and enhance sustainability efforts throughout the park. Fortune Brands will be donating products, such as Moen faucets, Therma-Tru doors and cabinets from MasterBrand Cabinets, to help update housing for park staff and some of the park’s facilities.

These upgrades will help the nation’s oldest national park meet its goals to reduce water consumption and conserve energy while increasing the comfort and functionality of employee housing and common spaces.



In celebration of Yellowstone’s 150-year anniversary, Fortune Brands will be donating products, such as Moen faucets, Therma-Tru doors and cabinets from MasterBrand Cabinets, to help Yellowstone Forever update housing for park staff and some of the park’s facilities.





## ENRICHING COMMUNITIES

CONTINUED

### 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.

For over 5 years, we have 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 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 businesses 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.

### Supporting Local

While some of our giving initiatives extend across our organization, many more are selected and run at the local level. This helps us make a difference when and where needed, and supports our associates, too.

#### DID YOU KNOW

In 2021, Master Lock celebrated its 100th anniversary. To help mark the milestone, the brand launched a Community Champions campaign, which highlighted citizens making a difference all across the country. Each finalist got to direct a donation from Master Lock to a charity of their choice.



Therma-Tru participates in Race for the Cure.



Sponsored by our BEING employee resource group, associates and their families partnered with Together We Rise — Foster Love to decorate and provide duffel bags and necessities to children entering foster care.

Follow us on [LinkedIn](#) to see the latest community events!





# 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:

- 61 Board of Directors
- 62 Oversight of ESG
- 63 Governing with High Standards
- 66 Supply Chain





# Board of Directors

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.

## 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

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

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.

Since 2019, the Board has appointed four new members. The appointment of Ms. Kilsby as Chair, as well as the additions of our two newest Board members, **Jeffery Perry** and **Amit Banati**, have demonstrated our Board's commitment to refreshment and increasing diversity.

## Board Composition

Current Members as of March 2022

### Independence



9 out of 10

board members are independent

### Diversity By Race & Gender



40%

diversity

- Women
- Ethnically/Racially Diverse

### Tenure



6.7 years

average tenure

- 0-4 years
- 5-9 years
- 10+ years

In a short period of time, we have further enhanced the diversity, leadership capabilities and depth of experience of the Board.



# Oversight of ESG

## Governance Principles and Oversight

The Board has a set of standards that assists in the exercise of their 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 generally have oversight of the following areas:

| BOARD COMMITTEE  | MAIN AREAS OF OVERSIGHT   |
|--|---|
| <b>Audit</b>   | <ul style="list-style-type: none"> <li>Oversees the integrity of the financial statements, financial reporting process and internal controls</li> <li>Oversees the performance of the external and internal auditors, compliance program and whistleblower hotline calls</li> <li>Monitors enterprise risk program</li> <li>Monitors developing risks, such as cybersecurity and climate-related</li> </ul> |
| <b>Compensation</b>  | <ul style="list-style-type: none"> <li>Develops executive compensation philosophy to attract, motivate and retain key talent</li> <li>Sets compensation for executives and grants equity</li> <li>Sets performance metrics for the executive compensation programs</li> <li>Oversees risks related to compensation programs</li> </ul>  |
| <b>Nominating, Environmental, Social and Governance (NESG)</b> | <ul style="list-style-type: none"> <li>Develops corporate governance policies and practices</li> <li>Recruits, identifies and nominates director candidates</li> <li>Monitors environmental, social and governance programs, progress and risks, including safety, environmental, diversity, equity and inclusion, talent and global citizenship initiatives</li> </ul>                                     |

## 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 2020, the Board of Directors more broadly expanded oversight of Fortune Brands' ESG programs and related risks to the NESG committee. This broadened committee oversight placed additional emphasis on reviewing ESG in a strategic, holistic manner, and underscored the Company's commitment to meaningful ESG activities and disclosures.

## New in 2021: ESG Steering Committee

Fortune Brands formed a cross-functional management committee in 2021 to support the Company's ongoing ESG commitments. This committee assists the Company's leadership team in setting our ESG strategy, implementing and monitoring initiatives based on that strategy, and overseeing ESG-related communications and reporting. The ESG Steering Committee reports directly to Fortune Brands' CEO.

## Managing ESG Topics in a Fast-Changing Environment

The ESG landscape continues to quickly evolve, and Fortune Brands has many ESG initiatives underway. The fast pace of change and breadth of activities has meant members from the ESG Steering Committee are reporting on environmental and social programs, progress, risks and strategies throughout the year to the NESG Committee and the full Board. Each year, management reports on FBHS's overall safety programs and DEI strategy and progress. In addition, once a year, a select business segment (on a rotating basis) presents a detailed report-out to the NESG Committee on specific health, safety and DEI strategies and progress.



# 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 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 & Ethics Week

Fortune Brands Outdoors & Security dedicates 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.





## GOVERNING WITH HIGH STANDARDS

CONTINUED

### 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 businesses, and how to comply with these policies and laws. The following topics are included in our compliance program:

- Harassment-free workplaces
- Handling material non-public 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 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.FBHScompliance.com](http://www.FBHScompliance.com), as well as internal communications channels, such as our Connect app.

Fortune Brands investigates any reports of ethical violations and follows a strict "no retaliation" policy for reports made in good faith. Concerns brought forward through the Compliance Helpline 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.



## GOVERNING WITH HIGH STANDARDS

CONTINUED

### 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 formalized and published our Human Rights Policy.

 [View our Human Rights Policy.](#)



# \$0

### 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.



# Supply Chain

## 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 businesses 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.](#)



## SUPPLY CHAIN

CONTINUED

### Responsible Wood Sourcing

We take our role in ensuring compliance of wood sourcing seriously. Fortune Brands adheres to 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 more than 80% of our solid wood spend is derived from suppliers in the United States and Canada.

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. MasterBrand Cabinets' sustainability committee advocates for improved responsible forestry practices and increased transparency in the wood supply chain.

The majority of our Cabinets wood supplier audits in high-risk locations are conducted by full-time auditors based outside of the U.S. and employed by MasterBrand Cabinets. Using our own associates — versus subcontracting auditors — has helped to raise the level of importance of wood compliance matters. Our auditors have a vested interest in compliance, and they help strengthen the supply chain by educating our partners and sharing best practices.

Starting in 2022, MasterBrand Cabinets is reaching out to its largest solid and composite wood suppliers to gather more information around their vendors' wood supply management and policies. By undertaking this comprehensive survey, which will be conducted on an annual basis, the business hopes to better be able to identify risks and opportunity areas, and use its leverage to push for stronger compliance measures.

#### Learn more about our 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 in their manufacturing process.

To learn more about our cabinets products, visit the [Our Products](#) section of this ESG Report.





# Resources & Indices

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

---

## In This Section

- 69 Links to Supporting Materials
- 70 Global Reporting Initiative (GRI) Index
- 74 Sustainability Accounting Standards Board (SASB) Index
- 78 Task Force on Climate-related Financial Disclosures (TCFD) 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](#)
-  [Corporate Responsibility on FBHS.com](#)
-  [Governance on FBHS.com](#)
-  [Human Rights Policy](#)
-  [Mergers & Acquisitions History](#)
-  [Proxy Statement](#)
-  [Supplier Code of Conduct \(English\)](#)
-  [Supplier Code of Conduct \(multi-language\)](#)
-  [Whistleblower Policy](#)

## Enhanced ESG Reporting & Communications

### Revitalized FBHS.com

In 2021, Fortune Brands revitalized its website to make it easier for stakeholders to find information on our ESG policies, programs and data.

### ESG Data Sheet

Our 2021 ESG Data Sheet consolidates the key metrics within this report, as well as provides historical ESG data.

 Visit our website at [www.fbhs.com/corporate-responsibility/esg-reporting/](http://www.fbhs.com/corporate-responsibility/esg-reporting/)

### Social Media & FBHS Stories

We share ESG highlights through our social media channels and new FBHS Stories page on our website. For the most up-to-date ESG developments, we invite you to visit [fbhs.com/corporate-responsibility](http://fbhs.com/corporate-responsibility), our social media channels and our FBHS Stories throughout the year.

## Compliance Helpline For Associates & Suppliers:

**855-212-7613**

OR

 Visit our website at [www.FBHScompliance.com](http://www.FBHScompliance.com)



# Global Reporting Initiative (GRI) Index

| TITLE                         | DISCLOSURE | ITEMS  | LOCATION / ANSWER  |
|-------------------------------|------------|--|--|
| <b>Organizational Profile</b> | 102-1      | Name of the organization                                     | Fortune Brands Home Security, Inc. (FBHS)  |
|                               | 102-2      | Activities, brands, products, and services                   | Pg. 11 " <a href="#">Company Overview</a> " and pg. 15-23 " <a href="#">Products</a> "   |
|                               | 102-3      | Location of headquarters                                     | Deerfield, Illinois, USA   |
|                               | 102-4      | Location of operations                                       | Pg. 12 " <a href="#">Where We Work</a> "   |
|                               | 102-5      | Ownership and legal form                                     | FBHS is a publicly traded company on the New York Stock Exchange (NYSE:FBHS)   |
|                               | 102-6      | Markets served   | Pg. 10-23 " <a href="#">Company &amp; Products</a> " and <a href="#">Annual Report</a>   |
|                               | 102-7      | Scale of the organization                                    | Pg. 11 " <a href="#">Company Overview</a> " and pg. 12 " <a href="#">Where We Work</a> "   |
|                               | 102-8      | Information on employees and other workers                   | Pg. 50 " <a href="#">Global Workforce</a> " and pg. 51 " <a href="#">U.S. Workforce</a> "<br>Workforce is not reported by region as it is not material to our workforce goals. |
|                               | 102-9      | Supply chain   | Pg. 66-67 " <a href="#">Supply Chain</a> "   |
|                               | 102-10     | Significant changes to the organization and its supply chain | <a href="#">Form 10-K</a>  |
|                               | 102-11     | Precautionary principle or approach                          | Pg. 62 " <a href="#">Oversight of ESG</a> "  |
|                               | 102-12     | External Initiatives   | Pg. 48 " <a href="#">CEO Action for Diversity &amp; Inclusion</a> " and pg. 67 " <a href="#">Responsible Wood Sourcing</a> "   |
|                               | 102-13     | Membership of associations                                   | National Association of Manufacturers (NAM), Kitchen Cabinet Manufacturer's Association (KCMA)   |
| <b>Strategy</b>               | 102-14     | Statement from senior decision-maker                         | Pg. 4 " <a href="#">CEO Letter</a> "   |
|                               | 102-15     | Key impacts, risks, and opportunities                        | <a href="#">Form 10-K</a>  |
| <b>Ethics and Integrity</b>   | 102-16     | Values, principles, standards, and norms of behavior         | Pg. 13 " <a href="#">How We Work</a> " and pg. 63 " <a href="#">Governing with High Standards</a> "  |
|                               | 102-17     | Mechanisms for advice and concerns about ethics              | Concerns may be related through a confidential Compliance Helpline, operated by a third party.   |
| <b>Governance</b>             | 102-18     | Governance structure   | <a href="#">Board of Directors</a>   |
|                               | 102-19     | Delegating authority   | <a href="#">Board of Directors</a>   |
|                               | 102-20     | Executive-level responsibility for economic, environmental,  | Pg. 62 " <a href="#">Oversight of ESG</a> "  |

Global Reporting Initiative (GRI) is the independent international organization — headquartered in Amsterdam with regional offices around the world — that helps businesses, governments and other organizations understand and communicate their sustainability impacts.



| TITLE                         | DISCLOSURE | ITEMS   | LOCATION / ANSWER  |
|-------------------------------|------------|---|--|
|                               | 102-21     | Consulting stakeholders on economic, environmental, and social topics | Pg. 7 " <a href="#">Material Topics</a> "  |
|                               | 102-22     | Composition of the highest governance body and its committees         | Pg. 61-62 " <a href="#">Governance</a> " and <a href="#">Committees and Charters</a>   |
|                               | 102-23     | Chair of the highest governance body                                  | <a href="#">Board of Directors</a>   |
|                               | 102-24     | Nominating and selecting the highest governance body                  | Pg. 62 " <a href="#">Oversight of ESG</a> "  |
|                               | 102-25     | Conflicts of interest   | <a href="#">Proxy Statement</a>  |
|                               | 102-27     | Collective knowledge of highest governance body                       | <a href="#">Board of Directors</a>   |
|                               | 102-28     | Evaluating the highest governance body's performance                  | <a href="#">Corporate Governance Principles</a>  |
|                               | 102-30     | Effectiveness of risk management processes                            | <a href="#">Board of Directors</a>   |
|                               | 102-31     | Review of economic, environmental, and social topics                  | Pg. 62 " <a href="#">Oversight of ESG</a> "  |
|                               | 102-32     | Highest governance body's role in sustainability reporting            | Pg. 62 " <a href="#">Oversight of ESG</a> "  |
|                               | 102-35     | Remuneration policies   | <a href="#">Proxy Statement</a>  |
|                               | 102-36     | Process for determining remuneration                                  | <a href="#">Proxy Statement</a>  |
| <b>Stakeholder Engagement</b> | 102-40     | List of stakeholder groups  | Pg. 7-8 " <a href="#">Material Topics</a> "  |
|                               | 102-41     | Collective bargaining agreements                                      | We respect associates' right of freedom of association and their right to join or not join in labor unions. View our <a href="#">Human Rights Policy</a> .   |
|                               | 102-42     | Identifying and selecting stakeholders                                | Pg. 7-8 " <a href="#">Material Topics</a> "  |
|                               | 102-43     | Approach to stakeholder engagement                                    | Pg. 7-8 " <a href="#">Material Topics</a> "  |
|                               | 102-44     | Key topics and concerns raised  | Pg. 7-8 " <a href="#">Material Topics</a> "  |
| <b>Reporting Practice</b>     | 102-45     | Entities included in the consolidated financial statements            | <a href="#">Form 10-K</a>  |
|                               | 102-46     | Defining report content and topic boundaries                          | Pg. 7-8 " <a href="#">Material Topics</a> "  |
|                               | 102-47     | List of material topics   | Pg. 7-8 " <a href="#">Material Topics</a> "  |
|                               | 102-48     | Restatements of information   | Corrections were made to previously reported data in the 2020 ESG Report in these areas: 2020 U.S. raw CO <sub>2</sub> for scope 1+2; 2020 U.S. energy intensity; 2020 U.S. total energy; 2020 U.S. natural gas. Prior data for U.S. Scope 2 — Raw CO <sub>2</sub> from Energy Used, Total Scope — Raw CO <sub>2</sub> from Energy Used and CO <sub>2</sub> Intensity from Energy Used have been restated using the Environmental Protection Agency's revised, March 2022 <a href="#">Greenhouse Gas Equivalencies</a> . |



| TITLE                            | DISCLOSURE    | ITEMS  | LOCATION / ANSWER   |
|----------------------------------|---------------|--|---|
|                                  | <b>102-49</b> | Changes in reporting   | Pg. 9 “Key Enhancements to this Report”<br>Pg. 42 For 2021, the reported investment toward associate health and wellbeing programs also includes related taxes paid by the Company.   |
|                                  | <b>102-50</b> | Reporting period   | Fiscal Year (January to December)   |
|                                  | <b>102-51</b> | Date of most recent report   | April 2021  |
|                                  | <b>102-52</b> | Reporting cycle  | We strive for annual updates  |
|                                  | <b>102-53</b> | Contact point for questions regarding the report                         | <a href="mailto:Investor.Questions@FBHS.com">Investor.Questions@FBHS.com</a>  |
|                                  | <b>102-54</b> | Claims of reporting in accordance with the GRI Standards                 | This report has been prepared in accordance with the GRI Standards: Core option.  |
|                                  | <b>102-55</b> | GRI content index  | Pg. 70-73 “ <a href="#">GRI Index</a> ”   |
|                                  | <b>102-56</b> | 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. |
| <b>Economic Performance</b>      | <b>103</b>    | Management Approach  | Pg. 14 “ <a href="#">Creating Value</a> ”   |
|                                  | <b>201-1</b>  | Direct economic value generated and distributed                          | <a href="#">Annual Report</a>   |
| <b>Indirect Economic Impacts</b> | <b>203-1</b>  | Infrastructure investments and services supported                        | Pg. 54-59 “ <a href="#">Enriching Communities</a> ”   |
| <b>Anti-Corruption</b>           | <b>103</b>    | Management Approach  | Pg. 63-64 “ <a href="#">Governing with High Standards</a> ”   |
|                                  | <b>205-2</b>  | Communication and training about anti-corruption policies and procedures | Pg. 63-64 “ <a href="#">Governing with High Standards</a> ” and <a href="#">Anti-Corruption Compliance Policy</a>   |
| <b>Materials</b>                 | <b>301-2</b>  | Recycled input materials used  | Pg. 18 “ <a href="#">Mission Moen</a> ” and pg. 20 “ <a href="#">Leveraging Recycled Materials</a> ”<br>Partial disclosure; this information is not available for other business units at this time.  |
| <b>Energy</b>                    | <b>103</b>    | Management Approach  | Pg. 25 “ <a href="#">Carbon Emissions &amp; Energy</a> ”  |
|                                  | <b>302-1</b>  | Energy consumption within the organization                               | Pg. 26-27 “ <a href="#">Energy Usage</a> ”  |
| <b>Water and Effluents</b>       | <b>103</b>    | Management Approach  | Pg. 28 “ <a href="#">Conserving Water</a> ”   |
|                                  | <b>303-3</b>  | Water withdrawn  | Pg. 29 “ <a href="#">Water Usage</a> ”  |
| <b>Emissions</b>                 | <b>103</b>    | Management Approach  | Pg. 25 “ <a href="#">Carbon Emissions &amp; Energy</a> ”  |
|                                  | <b>305-1</b>  | Direct (Scope 1) GHG emissions   | Pg. 26 “ <a href="#">Global Carbon Emissions and Energy Usage</a> ”<br>Pg. 27 “ <a href="#">U.S. Carbon Emissions and Energy Usage</a> ”  |



| TITLE                                  | DISCLOSURE   | ITEMS  | LOCATION / ANSWER   |
|--|--------------|--|---|
|  | <b>305-2</b> | Energy indirect (Scope 2) GHG emissions                                | Pg. 26 " <a href="#">Global Carbon Emissions and Energy Usage</a> "<br>Pg. 27 " <a href="#">U.S. Carbon Emissions and Energy Usage</a> "  |
|  | <b>305-4</b> | GHG emissions intensity  | Pg. 26 " <a href="#">Global Carbon Emissions and Energy Usage</a> "<br>Pg. 27 " <a href="#">U.S. Carbon Emissions and Energy Usage</a> "  |
| <b>Waste</b>                           | <b>103</b>   | Management Approach  | Pg. 30 " <a href="#">Waste Reduction</a> "  |
|  | <b>306-1</b> | Waste generation and significant waste-related impacts                 | Pg. 30 " <a href="#">Waste Reduction</a> "  |
|  | <b>306-2</b> | Management of significant waste-related impacts                        | Pg. 30 " <a href="#">Waste Reduction</a> "  |
|  | <b>306-4</b> | Waste diverted from disposal   | Pg. 30 " <a href="#">Waste Reduction</a> "  |
|  | <b>306-5</b> | Waste directed to disposal   | Pg. 30 " <a href="#">Waste Reduction</a> "  |
| <b>Employment</b>                      | <b>103</b>   | Management Approach  | Pg. 42-43 " <a href="#">Health &amp; Benefits</a> " and pg. 45 " <a href="#">DEI</a> "  |
|  | <b>401-3</b> | Parental leave   | Pg. 42 " <a href="#">Health &amp; Benefits</a> " We do not report data on benefit usage.  |
| <b>Occupational Health and Safety</b>  | <b>103</b>   | Management Approach  | Pg. 33-34 " <a href="#">Safety</a> " and pg.42-43 " <a href="#">Health &amp; Benefits</a> "   |
|  | <b>403-1</b> | Occupational health and safety management system                       | Pg. 33-34 " <a href="#">Safety</a> "  |
|  | <b>403-3</b> | Occupational health services   | Pg. 38-43 " <a href="#">Safety</a> " and " <a href="#">Health &amp; Benefits</a> "  |
|  | <b>403-5</b> | Worker training on occupational health and safety                      | Pg. 41 " <a href="#">Safety Training</a> "  |
|  | <b>403-6</b> | Promotion of worker health   | Pg. 42-43 " <a href="#">Health &amp; Benefits</a> "   |
|  | <b>403-8</b> | Workers covered by an occupational health and safety management system | Pg. 9 " <a href="#">EH&amp;S Data Management Platform</a> "   |
|  | <b>403-9</b> | Work-related injuries  | Pg. 35 " <a href="#">Global Safety Metrics</a> "  |
| <b>Diversity and Equal Opportunity</b> | <b>103</b>   | Management Approach  | Pg. 45-48 " <a href="#">Diversity, Equity &amp; Inclusion</a> "   |
|  | <b>405-1</b> | Diversity of governance bodies and employees                           | Pg. 49 " <a href="#">Women at Fortune Brands</a> ", pg. 50-51 " <a href="#">Global and United States Workforce</a> " and pg. 61 " <a href="#">Board Composition</a> ." Partial disclosure; workforce breakdown by age is not reported as it is not a key metric for our business. |
| <b>Public Policy</b>                   | <b>415-1</b> | Political contributions  | 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. 65 " <a href="#">Policy Against Political Contributions</a> "  |



# Sustainability Accounting Standards Board (SASB) Index

| TOPIC  | ACCOUNTING METRIC   | CODE         | FBHS RESPONSE  |
|--|---|--------------|--|
| <b>Energy Management in Manufacturing</b>      | (1) Total energy consumed,<br>(2) percentage grid electricity,<br>(3) percentage renewable              | CG-BF-130a.1 | (1) Total energy consumed in 2021: 3.25 million gigajoules.<br>(2) We currently purchase 100% of our electricity from energy companies.<br>(3) 0%. In 2021, Fortune Brands set goals to reduce our absolute Scope 1 and 2 carbon emissions by 30% by the year 2030, and to offset 50% of our electricity usage with renewable sources by 2030.   |
| <b>Management of Chemicals in Products</b>     | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products | CG-BF-250a.1 | <p>Fortune Brands does not use any chemicals, materials or substances that have been deemed illegal for use due to safety concerns. We have set clear chemical labeling, handling and process policies. All hazardous substances and associated wastes are managed properly.</p> <p>When a new product is introduced to a manufacturing site, we conduct a review of the new product and all materials used in manufacturing. Safety Data Sheets are required for all purchased materials and chemicals, and are reviewed by our Environmental, Health &amp; Safety team. All associates who work with potentially hazardous chemicals receive training, and we conduct appropriate periodic industrial hygiene monitoring.</p> <p>This topic is most relevant to our Cabinets business, which uses a broad range of chemicals to provide high-quality coatings on cabinets. It has developed a list of substances that are strictly managed to maintain safe working conditions and ensure product quality.</p> |
|  | Percentage of eligible products meeting VOC emissions and contents                                      | CG-BF-250a.2 | Fortune Brands does not consider this metric to be material to our business or our products.   |
| <b>Product Lifecycle Environmental Impacts</b> | Description of efforts to manage product lifecycle impacts and meet demand for sustainable products     | CG-BF-410a.1 | <p>Increased demand for sustainable building products and packaging is driven by consumers, retailers, architects and builders that are responding to both consumer demand, regulation, or increasing focus on industry groups and certifications, such as National Green Building Standard, the U.S. Green Building Council LEED rating system, ENERGY STAR® Certified Homes, Passive House Institute, and Department of Energy Certified Net Zero Energy Homes.</p> <p>Across the Fortune Brands businesses, sustainability is factored into design, including input materials and packaging. The Global Plumbing Group designs products to improve water savings while ensuring high performance and excellent user experiences; this is part of one of GPG's key pillars: "Save, but don't sacrifice."</p>   |



| TOPIC  | ACCOUNTING METRIC   | CODE                | FBHS RESPONSE   |
|--|---|---------------------|---|
| <p><b>Product Lifecycle Environmental Impacts (cont)</b></p> |   |                     | <p>Not only does Therma-Tru design energy-efficient doors, it designs and manufactures entire door systems, resulting in superior air and water tightness, which helps conserve energy for the consumer. 85% of Therma-Tru doors are ENERGY STAR® qualified.</p> <p>We also strive to design products that can be manufactured with recycled input materials, when feasible. Fiberon PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content. Moen is incorporating recycled plastics in its designs for components, such as faucet docks, with a commitment to repurpose 2,000 tons of ocean plastic by 2030.</p> <p>MasterBrand Cabinets uses right-size carton creation machinery in 17 locations to make just-in-time corrugated cardboard packaging for its finished cabinets. The customized cartons reduce waste, provide better-fitting packages to protect cabinets during shipping, reduce material handling and provide the business with flexibility to add or make cabinet model changes without corrugate material obsolescence.</p> <p>Our Master Lock business works through retailers and take-back organizations to follow Extender Producer Responsibility regulations that require electrical and electronic equipment and batteries to be recycled at end-of-life. Our other businesses do not have formal take-back programs, however both MasterBrand Cabinets and the Global Plumbing Group handle returns and have programs in place to resell, recycle or reuse parts to keep those out of waste streams.</p> |
|  | <p>(1) Weight of end-of-life material recovered,<br/>(2) percentage of recovered materials recycled</p> | <p>CG-BF-410a.2</p> | <p>The businesses currently tracking weight of end-of-life material recovered for use in their product manufacturing are Fiberon and Moen.</p> <p>(1) Fiberon: Approximately 53,500 metric tons of recycled plastic, and approximately 83,600 metric tons of post-industrial wood were incorporated into Fiberon composite deck boards and cladding products in 2021. Moen: 220 metric tons of ocean recycled plastic was incorporated into products in 2021, including in an installation tool component for one of its highest volume products, the posi-temp valve.</p> <p>(2) Fiberon: PE composite decking and cladding is certified for containing a minimum 94% mixed recycled wood fiber and plastic content.</p>   |



| TOPIC                               | ACCOUNTING METRIC  | CODE         | FBHS RESPONSE  |
|-------------------------------------|--|--------------|--|
| <b>Wood Supply Chain Management</b> | (1) Total weight of wood fiber materials purchased,<br>(2) percentage from third- party certified forestlands,<br>(3) percentage by standard, and<br>(4) percentage certified to other wood fiber standards,<br>(5) percentage by standard | CG-BF-430a.1 | <p>Fortune Brands meets or exceeds the standards of the Lacey Act, which prohibits importing, purchasing or acquiring products made from illegally logged woods. In addition, our cabinets business follows guidance from the Convention on International Trade in Endangered Species (CITES), which aims to ensure that international trade in plants is legal, sustainable and traceable.</p> <p>MasterBrand Cabinets does not find wood fiber purchases by weight to be a valuable measurement tool as most suppliers use numerous other metrics to quantify wood. Our Cabinets business is working to better aggregate data across our large wood supply chain to provide a different metric that is more useful to our business and to investors. Additionally, MasterBrand Cabinets is working to better understand the extent to which our wood material purchases come from suppliers certified by a responsible foresting standard. To help our investors better understand the scale of our business and wood supply chain, MasterBrand Cabinets manufacturers more than 55,000 cabinets in a day. We use solid wood, particle board, medium density fiberboard and plywood for our various cabinet brands. More than 80% of our solid wood spend is derived from supply that originates in the United States and Canada, countries that have strict rules to promote the health of forests.</p> <p>To a much lesser extent, Therma-Tru Doors also uses wood materials. In 2021, Therma-Tru purchased approximately 24,000 metric tons of wood materials. Nearly 50% of Therma-Tru's wood comes from wood suppliers that participate in sustainable forestry certifications, such as the Sustainable Forestry Initiative and the Forest Stewardship Council.</p> <p>In 2021, Fiberon used approximately 83,600 metric tons of post-industrial wood to make its PE composite deck boards and cladding products.</p> |
|                                     | (1) Total recordable incident rate (TRIR) and<br>(2) fatality rate for direct and contract employees   | RT-CH-320a.1 | <p>Fortune Brands' direct and contract employees achieved a 1.34 TRIR in 2021 and 0 fatalities.</p> <p>We strive for zero safety incidents. A safe workplace is essential to maintaining our high-performance culture, attracting new talent and outperforming our markets.</p> <p>Our commitment to creating and maintaining safe work environments is highlighted in our EH&amp;S Principles and through our EH&amp;S strategies and Critical Elements Program.</p>  |



| TOPIC                                   | ACCOUNTING METRIC  | CODE         | FBHS RESPONSE  |
|---|--|--------------|--|
| <b>Workforce Health &amp; Safety</b>    | Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks | RT-CH-320a.2 | <p>Fortune Brands has identified 15 Critical Elements, or safety components, that have the most potential for severe injury in our manufacturing and distribution operations. Each business focuses on the Critical Elements most relevant to its operations. The Critical Elements we are focused on are: 1) hazardous energy control (lockout-tagout), 2) working safely within confined spaces, 3) machine safeguarding, 4) proper materials storage and dock safety, 5) fall protection, 6) electrical safety and arc flash, 7) contractor management, 8) powered industrial vehicles, 9) industrial hygiene, 10) overhead doors, 11) physical security, 12) combustible dust, 13) fire prevention, 14) integrated emergency response and 15) pre-startup safety reviews &amp; management of change.</p> <p>Customized auditing protocols score progress around each Critical Elements program component. In addition, we flag and capture specific incident data to better understand 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&amp;S Leadership Council and senior management.</p> <p>We track health and safety metrics for full-time, part-time and contract or temporary workers at each of our businesses using our organization-wide EH&amp;S management system. We report on health and safety metrics annually to the Nominating, Environmental, Social and Governance Committee of our Board of Directors. Additionally, each year one of our business segments presents a deeper review of health, safety and human capital initiatives.</p> |
| ACTIVITY METRIC                         |  | CODE         | FBHS RESPONSE  |
| <b>Annual production</b>                |  | CG-BF-000.A  | Fortune Brands believes “annual production” is not a meaningful data point for a large, diversified company that produces a variety of products.   |
| <b>Annual sales</b>                     |  | CG-BF-250a.1 | <p>\$7,660,000,000 total 2021 sales.</p> <p>Fortune Brands uses sales to normalize environmental metrics.</p>  |
| <b>Area of manufacturing facilities</b> |  | CG-BF-000.B  | Approximately 1,585,000 square meters.   |



# Task Force on Climate-related Financial Disclosures (TCFD) Index

## GOVERNANCE

## FORTUNE BRANDS DISCLOSURE

### Disclose the organization’s governance around climate-related risks and opportunities.

#### Board oversight of climate-related risks and opportunities

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.

#### Management’s role in assessing and managing climate-related risks and opportunities

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.

## STRATEGY

## FORTUNE BRANDS DISCLOSURE

### 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.

#### Climate-related risks and opportunities

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.

#### Physical Risks

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.

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. Additionally, we have included climate-related considerations into our capital expense request process.

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.



## GOVERNANCE

## FORTUNE BRANDS DISCLOSURE

*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. Products like Nebia by Moen and the Moen Smart Water Network 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 PE composite decking and cladding that is certified for containing a minimum 94% mixed recycled wood fiber and plastic content. 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.
  - Complete door systems from Therma-Tru that are built to help protect against energy loss, keeping heat and air conditioning sealed inside the home. 85% of Therma-Tru doors are ENERGY STAR® qualified. Therma-Tru Thrive is the brand's commitment to make safe and sustainable products, support the communities where Therma-Tru associates live and work, and leave a positive, lasting impact on the environment. Therma-Tru's energy-conserving doors are part of this brand commitment.
  - 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.



GOVERNANCE

FORTUNE BRANDS DISCLOSURE

*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, increase our investors through ESG outreach, leverage ESG publicity opportunities, and attract and retain talent.

To date, the Company has not undertaken climate change scenario planning.

RISK MANAGEMENT

FORTUNE BRANDS DISCLOSURE

**Disclose how the organization identifies, assesses, and manages climate-related risks.**

**Our processes for identifying and assessing climate-related risks**

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.

**Our processes for managing climate-related risks**

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.

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.

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.

**Integration into overall risk management**

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.



**METRICS & TARGETS** **FORTUNE BRANDS DISCLOSURE**

**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

**Greenhouse gas (GHG) emission metrics**

Currently, the primary metrics Fortune Brands uses to measure climate-related risks and performance are Scope 1 and Scope 2 carbon emissions.

**2021 Global Carbon Emissions from Energy Used**

Scope 1: 70,923 metric tons CO<sub>2</sub>  
Scope 2: 220,103 metric tons CO<sub>2</sub>  
Total Scope 1+2: 291,026 metric tons CO<sub>2</sub>

**2021 U.S. Carbon Emissions from Energy Used**

Scope 1: 55,978 metric tons CO<sub>2</sub>  
Scope 2: 166,483 metric tons CO<sub>2</sub>  
Total Scope 1+2: 222,461 metric tons CO<sub>2</sub>

Management uses this data to help evaluate opportunities for using renewable energy and to identify focus areas for energy reduction efforts. Additional information and data for prior years can be viewed in our 2021 ESG Data Sheet and 2021 ESG Report, both at [fbhs.com](https://fbhs.com). At this time, Fortune Brands is not tracking our Scope 3 emissions.

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.

**Targets**

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).



**Fortune Brands**  
A home and security company

520 Lake Cook Road, Suite 300  
Deerfield, IL 60015-5611  
[FBHS.com](http://FBHS.com)

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 2021 *Builder* magazine Brand Use Study.

Fortune Brands Home & Security, Inc. was named to Newsweek's 2022 list of America's Most Responsible Companies.

©2022 Fortune Media IP Limited. All rights reserved. Used under license. Fortune is a registered trademark of Fortune Media IP Limited and is used under license. Fortune and Fortune Media IP Limited are not affiliated with, and does not endorse the products or services of, Fortune Brands Home & Security, Inc.

For questions regarding this report, contact [Investor.Questions@FBHS.com](mailto:Investor.Questions@FBHS.com).

Follow Fortune Brands:

 [Twitter](#)

 [LinkedIn](#)