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EXECUTIVE MESSAGE

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

As a global leader in the design, manufacture and distribution of branded home improvement and building products, we, at Masco, believe in and continuously strive to deliver better living possibilities—for our homes, our environment and our community. Founded over 90 years ago, we are proud of our heritage and that it continues to drive our commitment to enhance our consumers’ lives, create long-term value for our shareholders and improve the world around us.

Motivated by the prospect of a better world, we strive to maintain high standards of excellence, accountability and leadership. We are pleased to provide you with our comprehensive 2020 Corporate Sustainability Report and share our track record in Environmental, Social and Governance (ESG) responsibility.

During 2020, as a result of the global pandemic, a critical priority was to sustain the health, safety, skills and potential of our workforce. On page 23, you can read more about how we built on our strong health and safety and human resources foundations to protect our employees across our organization.

Events of the prior year also put greater attention on corporate Diversity, Equity and Inclusion (DE&I) culture and efforts. You can read more about how we have enhanced our DE&I efforts in the “Investing in Our Employees” section, including how we have increased our DE&I transparency by publishing our consolidated EEO-1 data, provided more detail around our employee engagement results and, for the first time, established DE&I representation goals in our leadership positions. We are working every day to ensure that our employees feel a sense of inclusion, belonging and support.

In a year of unparalleled change, our team remained committed to maintaining our strong reputation for ethical business practices, mindful of our environmental impact, and dedicated to robust stakeholder engagement. In addition, we continued to make a difference in our communities, specifically providing support for both the short- and long-term recovery of those most affected by the pandemic through food, shelter, health and human services and financial assistance programs.

I hope you will take the time to read more about Masco and how long-term sustainability influences the way we run our business, operate our facilities and contribute to the community.

Keith J. Allman
President and Chief Executive Officer
CORPORATE SUSTAINABILITY

Over 90 years ago, our founder, Alex Manoogian, started Masco Screw Products Company to serve the needs of Detroit’s growing auto industry. Little did he know that it would grow into Masco Corporation and find its place among the most successful manufacturing companies in the United States, thrive as a publicly-traded company on the New York Stock Exchange, and produce an array of branded home improvement products that would become staples in the American household.

With nearly a century of experience guiding our strategy and operations, Masco is committed to maintaining a sustainable business model for our consumers, shareholders, employees and communities. For us, this means continuing to create innovative products that customers trust, demonstrating strong financial responsibility to serve those who invest in our Company, maintaining our reputation as an employer of choice in a diverse job market, and being a catalyst for good in each neighborhood in which we operate. With these goals guiding our vision, Masco is poised to deliver better living possibilities for generations to come.

PROFILE

Headquartered in Livonia, Michigan, Masco Corporation is a publicly-traded company incorporated in the state of Delaware. Our common stock is traded on the New York Stock Exchange (NYSE) under the symbol MAS.

Masco is a global company with the majority of our facilities located in North America. Some of our business units operate in other countries. Our international facilities are principally located in China, Germany and the United Kingdom.
BRANDS, PRODUCTS AND MARKETS

Masco Corporation is a global leader in the design, manufacture and distribution of branded home improvement and building products. Our portfolio of products enhances the way consumers all over the world experience and enjoy their living spaces.

Plumbing Products

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

Decorative Architectural Products

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

Significant Changes

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

Additionally, in 2020 we completed the acquisitions of Kraus USA Inc., Work Tools International Inc. and Elder & Jenks, LLC, and SmarTap A.Y Ltd. In early 2021, we purchased a majority stake in Easy Sanitary Solutions B.V.
Operations
In 2020, we operated 81 principal properties worldwide. We had significant operations in North America, China, Germany and the United Kingdom.

Most of our facilities range from single warehouse buildings (26 in North America and 16 internationally) to complex manufacturing facilities (29 in North America and 10 internationally). We lease our corporate headquarters in Livonia, Michigan and we own a building in Taylor, Michigan that is used by our Masco Technical Services (research and development) department. We continue to lease an office facility in Luxembourg, which serves as a headquarters for most of our foreign operations.

Workforce
In 2020, Masco employed approximately 18,000 employees in 32 countries. Of these employees, approximately 64 percent worked in the United States.

Collective Bargaining
In 2020, approximately 2 percent of our workforce in the U.S. was covered by a collective bargaining agreement. Outside of the U.S., that number is higher. For example, at Hansgrohe 58 percent of our workforce is covered by a collective bargaining agreement.

Supply Chain
We partner with a global supply base to manufacture and distribute products to our customers and channel partners. Our more than 16,000 global suppliers provide us with raw materials, components, sub-assemblies, manufacturing services, finished goods, and indirect goods and services. Many of the suppliers upon whom we rely are located in foreign countries. The differences in business practices, shipping and delivery requirements, and laws and regulations have increased the complexity of our supply chain logistics and the potential for interruptions in our production scheduling. Therefore, we have continued to seek and realize supply chain efficiencies through strategic sourcing. We also have agreements with certain significant suppliers to help ensure continued availability.

SCALE

18,000+ Employees Worldwide

29 Manufacturing Facilities in North America

10 International Manufacturing Facilities

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The Masco Operating System

The Masco Operating System (MOS) is our enterprise approach to continuous improvement and value creation for our shareholders. While Masco operates through a decentralized business model and our business units vary in their product offerings and customers, MOS is embedded across the organization. As the collective approach to running our business, MOS is a virtuous cycle—one that enables our employees to speak a common language, share best practices and succeed through continuous improvement.

With MOS, Masco strives to deliver results through:

- A culture of continuous improvement where we get better each day.
- A set of standardized tools that improve our processes, products and people.
- A relentless pursuit of improvement in critical areas of the business that have the highest impact.

By focusing on culture, tools and impact, we continuously elevate our enterprise and create more cost-effective, innovative solutions for our customers.

Memberships

Masco is involved with various associations and national or international advocacy organizations, whether through memberships, governance, participation in projects or committees, funding beyond routine dues, or other strategic forms of involvement. We are active members in a number of organizations that work to drive sustainability in the building products sector. These memberships include:

### U.S. AND INTERNATIONAL

- AiliaRSE (promoting Mexican business ethics and environmental responsibility)
- American Chemical Society
- American Coatings Association
- American Lighting Association
- American Society of Safety Engineers
- American Supply Association
- Board of Certified Safety Professionals (BCSP)
- Canadian Paint and Coatings Association
- Conflict-Free Sourcing Initiative
- Equal Employment Action Committee
- Green Chemistry and Commerce Council
- Human Resource Policy Association
- Manufacturers Alliance for Productivity and Innovation (MAPI)
- National Association of Manufacturers
- National Safety Council
- Plumbing Manufacturers International
- Pool & Hot Tub Alliance
- Society for Human Resource Management
- U.S. Green Building Council

### EUROPE

- Alliance for Sustainability (Allianz pro Nachhaltigkeit)
- Association for Occupational Safety (VSW)
- Association for Solar Energy (DGNB)
- Bathroom Manufacturers Association
- German Sustainable Building Council
- Institute for Building and Environment (IBU)
- Institute for Environmental Management and Assessment (IEMA)
- Institute of Occupational Health and Safety (IOSH)
ECONOMIC PERFORMANCE

Core Financials
Masco’s net sales for 2019 and 2020 were approximately $6.7 billion and $7.1 billion, respectively. Additional information about our financial performance can be found in our Annual Report (which includes our Form 10-K), available at http://investor.masco.com/investor-relations/financial-information/annual-reports/.

Revenue from Sustainable Products
Masco believes in creating products that our customers trust to deliver better living possibilities for their homes and our shared environment. With this goal in mind, a number of our companies track the percentage of revenue generated from the sale of sustainable products. In 2020, our sustainable products included paints that meet the GREENGUARD certification or MPI Green Performance Standard®, taps and mixer products that meet water flow rates in standards such as WaterSense® and the European Water Label and Building Research Establishment Environmental Assessment Method, and lighting fixtures that use LED and/or reclaimed wood products.

50% of our enterprise revenue in 2020 came from the sale of sustainable products.

Products Meeting VOC Emissions and Content Standards
Revenue from the sale of products meeting Volatile Organic Compounds (VOC) emissions and content standards was only material for Behr Paint Company. All of Behr’s products are compliant with the applicable VOC emissions and content standards.

WaterSense® is a registered trademark of the Environmental Protection Agency. UL GREENGUARD is a registered trademark of UL LLC. MPI Green Performance Standard® is a registered trademark of Master Painters Institute Inc.

BEHR® Simple Pour Lid
In 2019, Behr Paint Company introduced a 100 percent recycled plastic material paint can with a redesigned lid that makes painting easier than ever. Each can comes with an attachable spout that helps remove the Simple Pour cap and then twists on to help the user pour paint without splatters. Once a painting project is complete, the user reseals the paint can by replacing the twist cap, helping the paint remain fresher longer. Plus, the eco-friendly can and lid are recyclable, making it a greener choice from start to finish.
In late 2019, hansgrohe introduced the Aquno™ Select M81, its most water-efficient faucet to date. The Aquno offers multiple spray types and functions, including a unique flat beam that comes from the integrated base unit to act as a “shower” and gently but effectively washes delicate fruits and vegetables.

The hansgrohe Aquno Select M81 kitchen faucet also brought home the Golden Award in the Kitchen Innovation of the Year® 2020, an internationally recognized awards series for products that are especially consumer friendly.

INNOVATION

Vitality
New product innovation has been a hallmark of our success and continues to drive our growth, with approximately 30 percent of our sales in 2020 coming from new products introduced in the prior three years.

Intellectual Property
Protecting our intellectual property is important to our growth and innovation efforts. We own a number of patents, trade names, brand names and other forms of intellectual property in our products and manufacturing processes throughout the world. In 2020, approximately 1,400 patents and trademark registrations were granted to Masco worldwide.

The total number of patent and trademark applications that we filed during 2020 was approximately 1,750. Foreign grants and filings accounted for 84 percent and 75 percent, respectively, of the total grants and filings.
At Masco, we have a high-performance ethical culture and foster a mindset of continuous improvement that enables the
growth of our employees, both personally and professionally. Whether it's product, people or process, we strive to make
everything we touch better. This everyday focus on continuous improvement translates to a genuine human impact—
creating better living spaces, better work environments and better communities.

Our high-performance ethical culture reflects our values:

**Cultivate High Performance Teams**
We value teamwork and trust. We foster openness and
candor, supporting courageous conversations. We assume
positive intentions and believe there is a shared desire for
the best Masco outcome.

**Respect The Individual**
We appreciate that the basis of our advantage is people;
we respect individuals, encourage self-awareness and
foster continuous improvement.

**Focus On The Customer**
We are committed to our customers (internal and
external) — understanding them and exceeding their
expectations. We listen actively and let their needs drive
our organizational solutions which are timely, high quality
and add value.

**Drive For Results**
We bring energy to our work as we drive results for the
Company. We do what we say we are going to do and hold
ourselves accountable. We steadfastly push ourselves and
others for results.

**Continuously Improve**
We challenge the status quo and take intelligent risks…
always learning from our mistakes. We continuously
improve and never stop learning.
Ethics and Compliance Program
Maintaining the highest standard of ethics in the conduct of our business is our corporate policy and is the foundation of our Company’s culture. We have built a strong reputation for ethical business practices and this reputation is one of our most valued assets.

Masco’s Ethics and Compliance Program supports our culture of integrity and consists of a number of elements designed to help our directors, officers and employees understand our commitment to ethical business practices.

- Our Board of Directors is committed to maintaining our high standards of ethical business conduct and corporate governance principles and practices.
- Our Company’s management is responsible for creating a positive workplace culture that encourages and demonstrates ethical leadership and our values.
- Our employees around the world learn about our ethical culture through multiple channels and in multiple languages and are expected to live by our Code of Ethics every day.

Our Code of Ethics
Our Code of Ethics requires that all Masco employees, officers and directors comply with our Company policies and procedures and follow the laws that apply where we do business. We communicate to all our employees the channels through which our Code of Ethics is available and provide our Code of Ethics to all new employees as part of our onboarding process. Annually, our salaried employees are trained on our Code of Ethics and are required to provide certification of compliance with our Code of Ethics. Our Code of Ethics is publicly available on our website at www.masco.com/about/corporate-governance/.

Our Policies
We have formal written policies that address bribery and corruption, antitrust and fair competition, conflicts of interest and gifts and entertainment, health and safety, financial reporting, insider trading, data privacy, discrimination and other key areas. We periodically train our employees on these and other governance topics, including cybersecurity.

Reporting
Our employees are encouraged to report activity they believe to be illegal or unethical. We have communicated through our Code of Ethics and through our training program how our employees can report concerns. We provide multiple ways that employees can report concerns, including through our Ethics Hotline, which provides a confidential reporting option.
OUR BOARD AT A GLANCE
As of May 2021

89%
of our directors are independent

100%
of members of our Audit, Compensation, and Governance Committees are independent

RANGE OF DIRECTOR TENURE
The balanced tenure of our Board provides us with both fresh perspectives and deep Company and industry knowledge.

2 | 0-4 YEARS
6 | 5-9 YEARS
1 | 10+ YEARS

BOARD STRUCTURE
Following the retirement of J. Michael Losh in May 2021, Lisa A. Payne was named the Chair of Masco’s Board of Directors. Currently, our Chair and CEO roles are separate; Keith J. Allman serves as our CEO.

The standing committees of our Board are our Audit Committee, our Organization and Compensation Committee and our Corporate Governance and Nominating Committee, and each functions pursuant to a written charter adopted by our Board. The members of these three committees qualify under the independence and experience requirements applicable to us, including requirements of the New York Stock Exchange.
Following is information about each committee, subject to any changes that our Board may make from time to time:

**Audit Committee**
All members are independent and financially literate. Our Audit Committee’s responsibilities include assisting our Board in its oversight of:

- the integrity of our financial statements;
- the effectiveness of our internal controls over financial reporting;
- the qualifications, independence and performance of our independent auditors;
- the performance of our internal audit function; and
- our compliance with legal and regulatory requirements, including our employees’ compliance with our Code of Ethics.

Additionally, our Audit Committee reviews and discusses with management certain financial and non-financial risks.

**Organization and Compensation Committee**
All members are independent. Our Organization and Compensation Committee is responsible for:

- the oversight of our executive compensation programs;
- determining the goals and objectives applicable to the compensation of our CEO and evaluating our CEO’s performance in light of those goals;
- reviewing our executive succession plan, including periodically reviewing our CEO’s evaluation and recommendation of a potential successor;
- determining and administering equity awards granted under our stock incentive plan;
- administering our annual and long-term performance compensation programs; and
- reviewing and establishing our peer group.

In addition, our Organization and Compensation Committee evaluates risks arising from our compensation policies and practices and has determined that such risks are not reasonably likely to have a material adverse effect on us. Our executive officers and other members of management report to the Organization and Compensation Committee on executive compensation programs at our business units to assess whether these programs or practices expose us to excessive risk.

**Corporate Governance and Nominating Committee**
All members are independent. Our Corporate Governance and Nominating Committee is responsible for:

- advising our Board on the governance structure and conduct of our Board;
- developing and recommending to our Board appropriate corporate governance guidelines and policies;
- Board succession planning, including reviewing our Board’s structure and composition and the tenure of our directors;
- reviewing the independence of our directors;
- identifying and recommending qualified individuals for nomination and re-nomination to our Board;
- recommending directors for appointment and re-appointment to Board committees; and
- reviewing and recommending to the Board our director compensation.

For additional details regarding Masco’s governance structure, go to www.masco.com/about/corporate-governance/.
**Board Oversight**

Each year our Board holds a strategy session in which our management and directors engage in a discussion of the execution of our current strategic objectives and the development of our long-term strategy. These sessions have included discussions with the General Managers of our business units as well as presentations from external industry experts.

We have a formal Enterprise Risk Management (ERM) process to anticipate and manage corporate risk and, where possible, to convert potential risks into business opportunities. This process is supported by risk mitigation activities with ownership and action plans, allowing us to better manage potential risks. Our Board performs an annual review and discussion of a comprehensive analysis prepared by management on material strategic, financial, operational, legal, regulatory, ethics and compliance risks facing the Company and related mitigating activities.

We formed a cross-functional steering committee in 2015 to ensure alignment and coordination of our ESG efforts, disclosure and communications. Through ongoing monitoring of trends and annual assessment of our ESG performance and profile, our ESG committee identifies areas for continuous improvement in the ESG space.

Our Board also reviews our ESG strategy and initiatives and ESG-related corporate risks. Our Board and its Committees focus particular attention on key ESG activities and risks, including environmental, health and safety matters and climate change risk; product safety and compliance; cybersecurity; our ethics and compliance program; human capital management and DE&I; political contributions; and our corporate governance practices. Our Board and its Committees receive regular updates on our ESG initiatives, focus areas and activities throughout the year. In addition, our Board reviews and discusses with management this Corporate Sustainability Report prior to its publication.

**Data Protection**

Masco and all its subsidiaries are committed to privacy and security of our own information and of the information of our employees, suppliers, customers and consumers. Masco complies with applicable domestic and international data protection legal requirements, including the EU General Data Protection Regulations (GDPR). We continuously monitor our information technology systems and our cybersecurity and data privacy responsibility for Data Protection Compliance.
Supplier Business Practices Policy

Masco prides itself on our reputation for honesty, integrity and excellence in everything that we do. We therefore expect and require that goods produced on our behalf or on behalf of any of the brands in the Masco family be made in facilities that meet specific criteria for human rights, working conditions and protection of the environment.

Our selection and continued use of our suppliers is based on the following requirements with respect to all goods that we purchase:

• Comply with all applicable laws and regulations
• Protect against the use of workers younger than the minimum age required by law
• Protect against the use of forced labor (including slavery and human trafficking)
• Provide appropriate wages and benefits as required by law
• Protect against excessive working hours that exceed local laws or business customs
• Protect against physical and mental punishment of workers
• Protect against unlawful discrimination against workers and encourage employment based on ability
• Respect workers’ rights to associate freely
• Maintain safe and clean workplaces, including any residential facilities, in compliance with the law
• Protect our confidential and proprietary information
• Provide us all requested information regarding Conflict Minerals (see page 17)

Masco audits our supply base to ensure compliance with our Supplier Business Practices Policy. We use a risk-based approach to determine which suppliers will be audited in any given year, and then conduct audits using dedicated staff personnel and third-party resources. We conduct approximately 125 audits per year and execute corrective action plans, as appropriate, following the completion of each audit.

Conflict Minerals Rule
In accordance with the SEC's Conflict Minerals Rule, we have implemented processes to identify whether tin, tantalum, tungsten and gold ("Conflict Minerals") are contained in our products, and, if so, whether the Conflict Minerals may originate from sources that directly or indirectly finance or benefit armed groups operating in the Democratic Republic of the Congo and surrounding countries. We expect our suppliers to source Conflict Minerals from suppliers who meet our Supplier Business Practices Policy requirements, to implement traceability measures for Conflict Minerals and to provide us with all requested information, including information about all suppliers in their supply chains, so that we can comply with the SEC's Conflict Minerals Rule.

We are not discouraging our suppliers from sourcing Conflict Minerals from the Covered Countries. Rather, we are encouraging our suppliers to source these minerals from smelters and refiners verified as compliant with the Conflict-Free Sourcing Program (CFSP), or a similar program whether or not in a Covered Country. We continue to support responsible in-region mineral sourcing from the DRC and adjoining countries.

We will not knowingly work with suppliers that do not respect these standards and those of our customers. We periodically assess our suppliers’ compliance with these standards and those of our customers. Any reported non-compliance will be investigated, and appropriate action will be taken. These standards apply whether the supplier is a Masco company, an affiliate or a third party.
ENVIRONMENTAL SUSTAINABILITY

As a world leader in the manufacture of home improvement products, we are focused on improving the quality of people’s lives. We are committed to conducting business in a manner that is mindful of our environmental impact and promotes and sustains the health, safety, skills and potential of our workforce. From developing environmentally-friendly products to reducing water and energy usage, we are dedicated to conserving natural resources and complying with the laws and regulations that protect our planet.

Our environmental professionals regularly conduct compliance audits at our facilities across the globe and we utilize a Company-wide environmental reporting system that enables us to gather, track and report information. From these results, we find ways to continuously improve. Additionally, 31 percent of our sites conform to the ISO14001 Environmental Management System.

ENERGY

Energy Consumption

Our total energy consumption reported in 2020 was 1.62 million gigajoules (GJ). Of that, 51 percent was electricity; 46 percent was natural gas; and the remaining 3 percent was from diesel, propane and gasoline. Also in 2020, 99 percent of electricity consumed was purchased from the grid and 1 percent of electricity consumed was self-generated via combustion of natural gas.
Carbon Emissions

In 2020, Masco’s absolute Scope 1 and Scope 2 carbon emissions totaled about 180,000 metric tons. We report on our carbon emissions in detail through the CDP.

**TOTAL CARBON DIOXIDE EMISSIONS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>66</td>
<td>114</td>
</tr>
<tr>
<td>2019</td>
<td>78</td>
<td>174</td>
</tr>
<tr>
<td>2018</td>
<td>106</td>
<td>211</td>
</tr>
</tbody>
</table>

*SCOPE 1* *SCOPE 2*

Data includes existing operations during each reporting period. Reduction, in part, reflects the changes in the portfolio, including divestitures.

**CARBON INTENSITY**

Metric tons per net sales USD, (x10^3)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.28</td>
</tr>
<tr>
<td>2019</td>
<td>2.04</td>
</tr>
<tr>
<td>2018</td>
<td>2.12</td>
</tr>
</tbody>
</table>

Intensity figures exclude discontinued operations for periods presented.

**CO₂e Intensity**

We define our CO₂e intensity as metric tons of CO₂e per unit of net sales in U.S. dollars. In computing CO₂e, we include our consumption of electricity, natural gas, propane and heating fuel (oil), as well as fuel use (gasoline, diesel and propane). Standard conversion factors are used to compute CO₂e emissions from energy use.
WATER

Water Use
In 2020, 78 percent of our water consumed came from municipal sources, with the remaining 22 percent from onsite well sources.

Water Use in Stressed Locations
In 2020, 18 percent of Masco’s total water consumption was by our businesses who reported the use of water in areas the World Resource Institute defines as having high or extremely high baseline water stress.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SITES WITH WATER CONSUMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>20</td>
</tr>
<tr>
<td>2019</td>
<td>23</td>
</tr>
<tr>
<td>2018</td>
<td>33</td>
</tr>
</tbody>
</table>

Data includes existing operations during each reporting period. Reduction, in part, reflects the changes in the portfolio, including divestitures.

TOTAL WATER USE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MILLION CUBIC METERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1.14</td>
</tr>
<tr>
<td>2019</td>
<td>1.18</td>
</tr>
<tr>
<td>2018</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Data includes existing operations during each reporting period. Reduction, in part, reflects the changes in the portfolio, including divestitures.

Water Risk Management
We are committed to reducing our impact on water resources Company-wide. Efforts are in place to reduce the amount of water used in product design and manufacturing processes. In addition, we manufacture many plumbing products that meet the criteria for the U.S. EPA WaterSense® program. WaterSense®-labeled products are 20 percent more efficient than average products in that category; are backed by independent, third-party certification; and perform better than the industry standard.

Masco also works to reduce environmental impact by responsibly disposing of water. Masco discharges process water from its manufacturing locations to local, publicly-owned treatment works. We are not aware of any material effect of our discharges on a body of water.
Waste Intensity

We define our waste intensity as metric tons of waste per unit of net sales in U.S. dollars. Total waste consists of hazardous waste, non-hazardous waste and recycled waste. Hazardous waste is primarily disposed through fuels blending, incineration, landfill or recycling. Non-hazardous waste is primarily disposed through landfill and recycling. Some non-hazardous waste is also incinerated or sent to a wastewater treatment facility. Recycled waste is kept out of landfills by changing some of our process and construction waste materials into new products.

### Absolute Waste

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Hazardous</th>
<th>Hazardous</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>2019</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>2018</td>
<td>95%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Data includes existing operations during each reporting period. Reduction, in part, reflects the changes in the portfolio, including divestitures.

### Waste Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Metric tons per net sales USD, (x10⁶)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>5.6</td>
</tr>
<tr>
<td>2019</td>
<td>5.2</td>
</tr>
<tr>
<td>2018</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Intensity figures exclude discontinued operations for periods presented.

Product Lifecycle Management

We are committed to sustainable product design, production, packaging and delivery, which may include product lifecycle evaluation for environmental impacts and product sustainability. We collaborate with many third-party business partners to reduce the environmental impact of our products, such as reducing water use and carbon intensity, as well as using sustainable materials in product development.

In 2020, Delta Faucet Company launched the new Delta Outlet, an innovative way to reduce waste, give back and benefit consumers. The Delta Outlet sells exclusively Delta® Recertified products, unused items which have been returned to retailers in like-new condition, but which may have been repackaged or come in packaging with stickers and minor flaws. Rather than scrapping or disposing of the product, Delta Faucet Company developed a process to inspect every single Delta® Recertified item to meet the quality standards of new Delta Faucet products and sell it at a discounted price for consumers in its original packaging. Delta Faucet Company is also donating a portion of Delta® Recertified products sales to Greater Indy Habitat for Humanity, creating a triple benefit for our consumers, our planet and our neighbors. To learn more about Delta® Recertified products, visit [https://www.deltafaucet.com/outlet](https://www.deltafaucet.com/outlet).
Managing Product Risk
By utilizing various environmental, health and safety (EHS) tools to analyze the hazards of chemicals and ensure their proper handling, labeling, use and waste treatment, we strive to keep our employees and customers safe from potentially harmful chemicals. Our program to mitigate risks to our employees as well as our customers starts when a chemical is first considered for use in our products or processes. Each new chemical must be reviewed and approved, including meeting REACH regulations in Europe, where applicable, before it may be brought on site and used in our products or processes.

For example, at The Bristan Group, all new suppliers are issued a REACH Declaration of Substances of Very High Concern (SVHC) and asked to sign a statement disclosing the presence or absence of SVHCs in their products or packaging and committing to provide relevant updates when necessary.

Managing Emerging Concerns
Masco follows strict regulations through software identification and requests from suppliers to equip employees and customers to deal with emerging chemicals of concern. Before approving suppliers, business units that may use emerging chemicals of concern require suppliers to declare whether their products or packaging contain Substances of Very High Concern (SVHCs). For instance, Behr works closely with coating associations in both the United States and Canada to keep abreast of new regulations regarding chemicals used in its products. The Bristan Group personnel attend technical meetings of the Bathroom Manufacturers Association, where amendments to the SVHC list are often discussed. Hansgrohe uses “REACH Radar” to identify SVHCs. When products or packaging are deemed to contain SVHCs, they are dealt with in a safe manner, according to regulation.

External Initiatives
Masco participates in or endorses several major external charters and initiatives, including:
- CDP
- ENERGY STAR®
- Global Reporting Initiative (GRI)
- ISO14001
- OHSAS18001 / ISO45001
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (UNSDG)
- WaterSense® and European Water Label
INVESTING IN OUR EMPLOYEES

Our people are more than an asset – they make us who we are and enable us to meet our customers’ and consumers’ needs. Keeping them healthy and safe, cultivating a culture where everyone feels they belong, and investing in everyone to help them grow and thrive is vital to our success. This enables us not only to win in the marketplace but extends our impact beyond our four walls to the communities in which we live, work and do business.

OUR RESPONSE TO COVID-19

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

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

Our response was dynamic and comprehensive and included:

- Educating our employees on the signs and symptoms of COVID-19 as well as on precautions to minimize the risk of contracting the virus by:
  - Hosting virtual town halls and small forums
  - Providing a wide array of written communications and illustrations
- Modifying our work environments to protect employees by:
  - Enabling social distancing and installing barriers
  - Providing employees with nonmedical masks
  - Requiring mandatory daily self-screenings for all on-site employees and visitors
  - Requiring on-site employees and visitors to wear face coverings as recommended by the most current CDC guidelines or local regulations
  - Mitigating the risk of contact with high-touch surfaces
  - Sanitizing work areas
  - Limiting business travel to essential only with further protocols in place
- Changing the way we run our facilities by:
  - Creating procedures to mitigate the spread of COVID-19 and monitoring compliance
  - Prohibiting large gatherings and limiting in-person visits from third parties
  - Implementing alternative work arrangements such as working remotely and staggering shifts and breaks
  - Initiating a reporting mechanism to track employees affected by COVID-19
  - Creating return-to-office plans for remote workers that conform to state and local safe workplace guidelines
  - Benchmarking how operational leaders outside of Masco are handling this crisis, bringing more ideas to our leaders
In addition to these measures, we expanded our benefit program to provide financial assistance to employees who are unable to work due to COVID-19 related situations. To further support employees, all in-network provider costs associated with COVID-19 testing and vaccinations are covered at no cost through our Company medical plans. Finally, employees are guaranteed paid time off to receive a vaccine if they choose to be vaccinated, as well as paid time off to recover from any symptoms they may develop in reaction to the vaccine.

EMPLOYEE SAFETY

The safety of our employees is integral to our Company and is handled responsibly and quickly. We encourage a high standard of safety in the workplace, and we identify, assess and investigate incident and injury data centrally, each year setting a goal to improve key safety performance indicators by at least 10 percent. Masco trains, promotes, consults and communicates with our workforce in this process.

Additionally, Masco has had no work-related fatalities in the last 3 years.
EMPLOYEE EXPERIENCE

As we seek to improve each day, it starts with fostering a meaningful, engaging experience for all our employees that helps them learn and grow as people and professionals. We work to achieve this through various initiatives at the enterprise-level and in collaboration with our business units. In alignment with our Enterprise Talent Strategy, each business unit refreshes and improves upon their own Talent Strategy each year that links to and enables their company’s Long-Range Plan (LRP). A series of touchpoints are embedded through the business calendar to assess progress against the talent plan, provide feedback and guidance, and identify and share best practices.

Building a Pipeline of Great Masco Leaders

Knowing that our long-term success is fundamentally tied to our ability to build and sustain a pipeline of great leaders, we use our Leadership Profile to define the capabilities and attributes that, above and beyond our values, guide our leadership assessment selection and development approaches and decisions.

At Masco, we believe everyone is and can be a leader, whether you formally manage people or not. Our leaders are expected to live our profile of behaviors.

We were intentional about linking to externally-benchmarked inclusive leadership behaviors and embedding the behaviors of commitment, courage, cognizance of bias, curiosity, cultural intelligence and collaboration into our profile.

To ensure we have a sustainable pipeline of diverse leaders throughout the enterprise, we have a robust process to support our businesses at proactive talent and succession planning. At the enterprise-level, our Board, CEO and Masco executive team also regularly review our enterprise critical roles and succession plans to identify and mitigate risk.

MASCO LEADERSHIP PROFILE

- **BUILD GREAT TEAMS & ORGANIZATIONS**
  - Do It in a Way that People Follow You

- **EXECUTE WITH URGENCY**
  - Use the Masco Operating System to Drive Results

- **CREATE WINNING STRATEGIES**
  - Balance the Short- and the Long-Term

- **GET OUTSIDE YOUR COMFORT ZONE**
  - Drive Change

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Enabling High Performance and Continuous Development
At Masco, we know that creating and sustaining a culture of high performance that allows everyone to find their path to success requires all of us, each day, to support and challenge each other to get better.

Our team leaders, managers and executives play an important role in modeling a continuous learning culture by participating in experiences centered around practicing vulnerability, public learning and building trust by being transparent about their personal and professional strengths and challenges.

Agile Talent Management
To further support a workplace where people stay engaged and perform to their peak level, we have developed and embedded various frameworks, tools and resources. Our talent management framework focuses on enabling our people to have the right types of ongoing conversations throughout the year that facilitate open dialogue, opportunities for coaching and self-reflection. Our managers also receive direct feedback through our Team Feedback Survey on how they can better support their team.

AGILE TALENT MANAGEMENT FRAMEWORK

**Agile Goal Planning**
Collaborative conversation to set meaningful and challenging goals linked to organization priorities

**1-1 Check-Ins**
Informal conversations to connect, align and support

**Career & Progress Checkpoints**
Structured conversations for performance coaching, goal refresh, career planning and well-being

**Peer-Team-Network**
Peer coaching, recognition and bottom-up feedback to improve team performance and agility

**Talent Planning**
Talent capability and readiness assessment, calibration and action planning

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Approach to Accelerating our Growth

Accelerated Development
We support employee growth and development through various tools, resources and programs. Our approach centers around helping people have access to challenging “heat” assignments on the job, leveraging a diverse and supportive network, and having forums and time to reflect and capture learnings.

Across our companies, we also provide specific development to our top talent and leaders with potential to ensure they are prepared to transition into greater levels of responsibility. One way we do this is through an enterprise-wide program consisting of a 6-month experience involving self-reflection, access to a dedicated expert coach, specialty coaches, networking experiences, 360-degree feedback, curated resources and more.

Our family of companies leverage our enterprise-wide philosophy, frameworks and tools and embed them in development programs that align with their culture and meet the unique needs of their people. Examples of programs across our business units include:

- Launch into Leadership, which focuses on foundational management skills for first time and early career managers. Our Corporate Office, BrassCraft Manufacturing Company and Masco Canada managers have leveraged this program.
- Behr Paint Company’s Multipliers program, which helps leaders ignite everyone’s intelligence, and Drive program, which is open to all employees and supports navigating career development.
- Delta Faucet Company’s Leader as Coach program, which helps leaders build their coaching and feedback skills and create a team coaching culture where feedback is shared up, down and across.
- Watkins Wellness’ Leadership Academy program, which focuses on early or first-time managers and leadership fundamentals, while the Watkins Leadership Challenge program helps elevate leadership behaviors among mid-level and senior leaders.
- Hansgrohe’s physical and virtual Campus platform, which seeks to enable a culture of continuous learning through a series of experiences and tools.

LinkedIn Learning
LinkedIn Learning is a leading training platform with a digital library of over 16,000 courses taught by experts covering a wide range of technical, business, software and creative topics. This on-demand learning solution helps employees gain new skills, as well as develop skills in their current role. Our business units provide employees access to these resources as well as curated content related to areas such as Diversity, Equity and Inclusion; goal setting; coaching; and tips for remote working and leading remote teams.
Supporting Holistic Well-being

Employee wellness and well-being is a foundational priority for Masco’s family of companies. The events of 2020 heightened and brought to the forefront the need to implement expanded and creative solutions to support well-being and enable a thriving workplace.

We provide our employees with various tools and resources that link to our well-being framework. We also provide a comprehensive set of mental health support tools, including:

- Video therapy visits
- In-person counseling and resources
- Digital mental health support
- Specialized second opinion support

We continue to recognize the need to focus on and build our capability around well-being and the impact it has on organizational performance and our employees’ experience. In 2021, we are piloting a series of Workplace Well-being Workshops for managers and employees to help reduce stigma and increase awareness around having open and honest conversations about our well-being and individual needs. We are also researching and piloting new on-demand mental health coaching and support tools for employees and their families.
Providing Competitive Benefits and Compensation

We are committed to providing market-competitive and performance-driven compensation and benefits to attract, retain and motivate great talent across our business units. Our compensation and benefits programs help our team members lead healthy lives, develop personally, enhance their careers and prepare for a future filled with possibilities.

Below are programs offered to our U.S.-based employees:

- Competitive salary/base pay with regular merit increases based on performance
- Bonus based on Company/individual performance*
- Paid time off for rest and life events
- Broad set of health plan options, with comprehensive coverage and support tools
- Life, disability and voluntary income protection
- 401(k) savings plan with match* and profit sharing*
- Career opportunities across business units
- Leader and individual development opportunities
- Tuition reimbursement*
- 1:1 Matching Gift Program
- Community volunteer opportunities
- Employee product discount program

* Specific eligibility may depend on business unit, location and/or position.

Our compensation program seeks to pay our employees fairly, balancing factors such as:

- Internal equity for employees in similar roles at similar levels
- External competitiveness
- Strong links between pay and performance
- Critical skills and capabilities to support business strategies

We also seek to make consistent compensation decisions that are understood by all employees. We utilize an annual merit increase review process to recognize performance and adjust pay within the pay range. All employees are paid above the established minimum wage for their assigned work location.

Total cash compensation includes an annual cash bonus plan. The cash bonus amount is determined by enterprise, applicable business unit and individual performance. Employees not covered by the annual cash bonus plan typically participate in a local site-specific plan or a commission plan for sales employees. The individual performance factor for executive officers and other key executives includes assessing their contribution to Diversity, Equity & Inclusion initiatives.

Equal pay is an essential element of Diversity, Equity and Inclusion. Our approach to equal pay is comprehensive, including reviewing policies and practices, analyzing equal pay analysis to understand controlled and uncontrolled pay gaps, determining an action plan at an individual employee level or policy level, and driving lasting change.
Engaging and Retaining by Continuously Listening and Improving

Our goal to have a best-in-class workplace starts with listening to our employees, understanding their perspectives, needs and ideas. Our family of companies has a strong history of seeking our employees’ input through various channels, including:

- Our annual leadership conference with leaders from across the business units
- Regular town hall meetings
- Quarterly open forums
- Cross-business unit learning and connection forums
- Intranet sharing sites
- Focus groups
- Stay and exit interviews
- Employee surveys

Since 2019, we’ve been evolving to a more common approach for conducting employee surveys and measuring critical elements. We saw a notable improvement in our year-on-year U.S. employee engagement scores in 2020. While our overall response rates are well above representative benchmarks, we are continuing to look at ways to tailor our survey listening approach for our production workforce.

**Turnover**

We remain focused on understanding and ensuring we are retaining our talent. In 2020, our rate of voluntary turnover in the U.S. was approximately 11 percent.

Our average 2020 U.S. workforce tenure was 9.7 years, with our salaried workforce averaging 10.8 years and our hourly workforce averaging 8.9 years of tenure.

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### U.S. VOLUNTARY TURNOVER

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>11%</td>
</tr>
<tr>
<td>2019</td>
<td>18%</td>
</tr>
<tr>
<td>2018</td>
<td>18%</td>
</tr>
</tbody>
</table>

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### U.S. EMPLOYEE SURVEY DATA

**Employees Self-reporting as Actively Engaged**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>78%</td>
</tr>
<tr>
<td>2019</td>
<td>66%</td>
</tr>
</tbody>
</table>

**Survey Participation Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>77%</td>
</tr>
<tr>
<td>2019</td>
<td>66%</td>
</tr>
</tbody>
</table>

Notes: 2019 includes a total of 3,217 respondents. Behr, Liberty, international business units, and some hourly business unit workforce population were not included. 2020 includes total of 5,846 respondents. International business units and some of our production employees did not participate in this survey due to COVID-19 restrictions and demands on our manufacturing facilities.
DIVERSITY, EQUITY AND INCLUSION

Our commitment to Diversity, Equity and Inclusion (DE&I) is rooted in our values around the need to treat all people with respect. Driven by the prospect of a better world, we strive to push beyond that foundation and cultivate a sense of belonging for all our shareholders, employees, customers, suppliers and community partners.

Our Enterprise DE&I Strategic Framework

In partnership with our family of companies we bring this work to life through our three strategic DE&I pillars: Workplace, Marketplace and Communities. Each pillar has a series of enterprise-wide initiatives associated with it and our businesses have localized plans that align to the Masco framework.

Our approach to DE&I is holistic and infused throughout every part of our culture and our business. We do this by continuously improving everything we do, creating impactful solutions powered by the full spectrum of our unique perspectives and driving a culture of accountability. In the past year, this has included:

- Confirming our strong commitment to DE&I and refreshing our Masco Enterprise DE&I Strategy and initiatives.
- Elevating “Equity” to highlight the importance of ensuring fair access and opportunity for everyone.
- Establishing and broadly communicating measurable goals to assess our progress.
- Updating our expectations and approach to accountability across our family of companies.
- Publicly disclosing our current state workforce demographics, including our EEO-1 report which can be found on our Company website (masco.com).
- Establishing a clearer governance framework across the enterprise that broadly and deeply engages business leaders in driving action.
- Providing more consistent and transparent communications internally and externally on our initiatives, progress and learnings.
- Increasing visible engagement and leadership from all our executives.
- Adjusting our benefit language to be more inclusive.
Established and Communicated Goals

In 2020, we established enterprise-wide aspirational representation goals to keep us accountable (see chart below). In addition, to ensure that everyone feels a sense of inclusion, belonging and support, we’ve established a goal of 80 percent on our DE&I index for all demographic groups by 2025. The index is comprised of six questions within our annual survey that measures employees’ perceptions related to DE&I. In 2020, our DE&I index score was 78 percent across our North American workforce.

Over the last several years, an element of our business units’ incentive compensation has been linked to talent and DE&I. In 2020, we strengthened the linkage and focus for our CEO, each Executive Leadership Team member and each business unit by clearly articulating qualitative and quantitative measures of success.

Inclusive Talent Practices

As an organization, it is crucial that we have inclusive talent practices and mitigate potential biases during the critical moments where they could influence decision-making processes. We are working to tackle biases where and when they could happen by inserting key mitigation strategies and tools across the talent life cycle. Some of these strategies include:

- Using Textio, an integrated augmented writing technology, to ensure our job advertisements and employer branding information are inclusive
- Testing new technologies to reach and increase the diversity of our candidate pools
- Exploring blind resume screening tools and practices
- Striving to have balanced interview candidate slates (more than 50 percent diverse)
- Enabling the use of data and insights to understand areas of opportunity
- Priming decision-makers about potential bias before talent decision-making processes occur

### U.S. REPRESENTATION GOALS

<table>
<thead>
<tr>
<th></th>
<th>2020 State</th>
<th>2025 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Representation in Leadership</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>Racial and Ethnic Representation in Leadership</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>African American or Black Representation in Salaried Workforce</td>
<td>4%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Leadership refers to manager and above levels.
Platforms and Partnerships for Learning and Progress
A key focus of our strategy is to continue to raise the level of awareness and understanding of what DE&I means, why it matters and how we each play a role in driving the impact we want.

We’ve worked with several strategic partners to design and implement enterprise-wide learning experiences. In addition to serving as opportunities for our Masco and business unit senior executives to sponsor and reinforce our collective commitment to DE&I, these voluntary, inspiring and engaging two-way forums facilitate self-reflection, shared learning and mindset shifts.

Supplier Diversity Program
In support of our DE&I Community and Marketplace strategic pillars, we began establishing a formal Supplier Diversity Program in 2020 to better represent our consumers, meet future customer expectations, create positive social impact and drive innovation. Through our program, we’re committed to forming new, diverse business partnerships to build mutually beneficial relationships that reflect all of our consumers and customers. Based on in-depth spend analysis and current state mapping, we are establishing priorities, including which business units and spend categories to focus on initially.

Our U.S. Workforce at a Glance
Leadership includes EEO categories of executive-level, senior-level, first-level and mid-level officials and managers.

Salaried includes EEO categories of leadership, professionals and technicians.

Hourly includes all other EEO categories.

EEO-1 Benchmark is a combination of NAICS 32 and 33.

Partnering to Drive Meaningful Results
The Human Library is an innovative and experiential learning platform that takes a different approach to traditional diversity and inclusion training, connecting thousands of volunteers from around the globe as open “Human Books” with “readers” from companies, local community events and other forums. In 2020, 575 employees across the Masco enterprise participated in virtual dialogues with the Human Library. Masco also invested as a founding partner for a new Human Library online app that will spark interactive conversations around the globe about equality and diversity.
## U.S. Workforce Data

<table>
<thead>
<tr>
<th>Job Type *</th>
<th>2019 Total</th>
<th>2019 Percent</th>
<th>2020 Total</th>
<th>2020 Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>8,110</td>
<td></td>
<td>8,296</td>
<td></td>
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<tr>
<td>Hourly</td>
<td>5,453</td>
<td>67%</td>
<td>5,752</td>
<td>69%</td>
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<tr>
<td>Salaried</td>
<td>2,657</td>
<td>33%</td>
<td>2,544</td>
<td>31%</td>
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<td>Leadership</td>
<td>1,233</td>
<td>15%</td>
<td>1,324</td>
<td>16%</td>
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<tr>
<td>Hourly</td>
<td>5,454</td>
<td>67%</td>
<td>5,752</td>
<td>69%</td>
</tr>
<tr>
<td>Men</td>
<td>3,393</td>
<td>62%</td>
<td>3,614</td>
<td>63%</td>
</tr>
<tr>
<td>Women</td>
<td>2,058</td>
<td>38%</td>
<td>2,135</td>
<td>37%</td>
</tr>
<tr>
<td>Salaried</td>
<td>2,656</td>
<td>33%</td>
<td>2,544</td>
<td>31%</td>
</tr>
<tr>
<td>Men</td>
<td>1,759</td>
<td>66%</td>
<td>1,648</td>
<td>65%</td>
</tr>
<tr>
<td>Women</td>
<td>896</td>
<td>34%</td>
<td>894</td>
<td>35%</td>
</tr>
<tr>
<td>Leadership</td>
<td>1,233</td>
<td>15%</td>
<td>1,324</td>
<td>16%</td>
</tr>
<tr>
<td>Men</td>
<td>858</td>
<td>70%</td>
<td>892</td>
<td>68%</td>
</tr>
<tr>
<td>Women</td>
<td>375</td>
<td>30%</td>
<td>428</td>
<td>32%</td>
</tr>
<tr>
<td>Racially and Ethnically Diverse</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Workforce Overall</td>
<td>3,554</td>
<td>44%</td>
<td>3,669</td>
<td>44%</td>
</tr>
<tr>
<td>Hourly</td>
<td>2,825</td>
<td>52%</td>
<td>2,970</td>
<td>52%</td>
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<tr>
<td>Salaried</td>
<td>729</td>
<td>27%</td>
<td>699</td>
<td>27%</td>
</tr>
<tr>
<td>Leadership</td>
<td>320</td>
<td>26%</td>
<td>326</td>
<td>25%</td>
</tr>
<tr>
<td>Racially and Ethnically Diverse Detail (Overall U.S. Workforce)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American or Black</td>
<td>1,065</td>
<td>13%</td>
<td>1,154</td>
<td>14%</td>
</tr>
<tr>
<td>Asian</td>
<td>428</td>
<td>5%</td>
<td>429</td>
<td>5%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>1,891</td>
<td>23%</td>
<td>1,907</td>
<td>23%</td>
</tr>
<tr>
<td>White</td>
<td>4,467</td>
<td>55%</td>
<td>4,530</td>
<td>55%</td>
</tr>
<tr>
<td>Other**</td>
<td>170</td>
<td>2%</td>
<td>179</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Salaried includes exempt only; Hourly includes hourly and exception hourly; Leadership includes manager and above levels.

**Other combines Native American/Pacific Islander and two or more races.
SUSTAINABLE COMMUNITIES

Masco’s commitment to corporate citizenship began with the generosity of our founder, Alex Manoogian, a refugee of the Armenian genocide. When he arrived in America in 1920 with only $50 to his name, he promised himself that if he found success in this country, he would ensure others had the same opportunities to grow and thrive.

Like Alex Manoogian, Masco’s pursuit of better living opportunities isn’t limited to our employees and our customers. We believe a strong, supportive presence in the communities where we live, work and do business is vital, and we invest our time, talent and millions of dollars in our neighborhoods each year, seeking solutions to the big problems facing our communities.

ADVOCACY

In the wake of urgent national and global conversation about racial inequality in 2020, Masco’s Executive Leadership Team has raised its expectation of our Company’s role in helping to promote a more inclusive society. While we have previously advocated for and financially supported more inclusive practices within our local and regional Chambers of Commerce, our representatives are now engaged in even more direct work with the Michigan Roundtable for Diversity and Inclusion and with local city officials where we operate. In addition, we began to use our social media platforms to raise awareness of human rights causes, making publicly available our internal statements against police brutality and promoting LGBTQ+ rights, supporting our commitment to transparency and publicly living our values.

In 2020 and again in 2021, Masco also contributed to the Fair & Equal Michigan campaign, a grassroots ballot initiative to raise awareness around protections against discrimination based on sexual orientation and gender identity in housing, education, employment, and other areas of public accommodation under Michigan law. By supporting this initiative, we hope to create inclusive communities and workplaces not only for our own employees, but for LGBTQ+ employees across Michigan.
VOLUNTEERISM

Masco and its subsidiaries have a long history of volunteering with housing, education, and food security organizations. After dozens of Company events spread among our corporate headquarters and U.S. business units in 2019, 2020 fundamentally changed the way our employees could volunteer in their communities. While some small groups of employees across the enterprise still found ways to safely work on Habitat for Humanity build sites during the COVID-19 pandemic, the majority of our employees shifted to virtual or remote volunteer opportunities done either individually or with their families. Masco encouraged this individual volunteerism through the creation of our quarterly Masco Cares Volunteer Award. Through this program, Masco donates a $5,000 award to a nonprofit on behalf of an employee who has been nominated by a peer for going above and beyond to serve their community. See our 2020 Volunteer Award recipients listed below.

Furthermore, the need to be able to share virtual volunteer opportunities among our U.S. employees culminated in Masco’s adoption of the YourCause Volunteer platform in spring of 2021, which now allows us to better track and share opportunities around virtual or in-person volunteering that can be tailored to each business unit’s location.
At Masco, we believe a strong, supportive presence in the communities where we live, work and do business is vital. We partner with organizations that are as driven as we are to support the growth of our communities, encourage and enable equity or provide safe, affordable housing for all families. Though the location of our headquarters in southeast Michigan has put the city of Detroit at the heart of our charitable ambitions, Masco leverages the geographic range of our business units to expand our reach from coast to coast.

**Housing**
We believe that safe, decent, affordable homes are fundamental for the growth of family and the community at large. As a global company, Masco strives to create a world where the basic shelter needs of all are met and everyone has the dignity of stable living conditions.

**Community Development**
We support programs and initiatives that foster prosperity, allowing our communities and employees to thrive.

**Diversity, Equity and Inclusion**
Masco is committed to addressing the barriers and biases that affect people’s ability to fully access opportunities or bring their whole selves to work.

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**BEHR PARTNERSHIP SPOTLIGHT: CITY OF HOPE**

Throughout 2020, Behr Paint Company continued its more than 25-year relationship with City of Hope, a national leader in the fight to help patients conquer cancer, diabetes, and other life-threatening diseases by providing outstanding care, conducting innovative research and offering vital education programs focused on eliminating these diseases.

The Behr team has an extensive history of supporting City of Hope, through employee donations, assorted employee fundraisers, blood drives and annual golf events. Behr is also a recurring sponsor of the Survivor’s Pavilion at City of Hope’s annual Walk for Hope event.

Reflecting on the business’ long support for City of Hope, Behr President Jeff Filley said, “In the memory of those we have lost, those who are fighting cancer today, and those yet to be diagnosed, City of Hope continues its fight for better treatments, preventions and cures. Behr supports this effort wholeheartedly.”
In spring of 2020, Masco made the decision to swiftly restructure its corporate giving budget in anticipation of the urgent needs growing across the country due to COVID-19. Recognizing that the effects of the pandemic were being felt disproportionately by people of color, Masco reallocated a portion of our Masco Million Differences budget to serve this same community with a new focus on their immediate needs. As a result of this restructuring, Masco was able to quickly deploy over $1M in emergency funding across the U.S. and Canada.

Throughout 2020, Masco continued to integrate its philanthropy strategy with its Environmental, Social and Governance (ESG) priorities.
• We adopted a nondiscrimination policy to ensure we are not funding organizations that unduly discriminate against employees or clients based on race, ethnicity, gender identity, sexual orientation, or other qualified characteristics, while still ensuring that we could financially support organizations whose mission sought to help specific groups of disenfranchised people based on such characteristics.

• We also launched our Masco Cares online giving platform to our full-time and part-time U.S. employees, allowing us to streamline the user experience and administration of our Company’s Matching Gift Program while simultaneously collecting more thorough data on what causes our employees are passionate about.

For more an in-depth look at our 2020 philanthropic impact, please visit our 2020 Giving Report.
COVID-19 Community Response

Like nearly everything else in March 2020, Masco’s community outreach strategy was quickly flipped upside-down by the spread of COVID-19. In addition to necessitating a shift in our planned 2020 funding allocations to be able to provide emergency funds to hospitals, food pantries and shelter organizations, the pandemic altered our funding guidelines and how our employees around the country engaged with nonprofits.

After careful consideration and discussions with our nonprofit partners, we made the decision to allow our nonprofit partners to use our 2020 restricted donations for general operating support. These unrestricted dollars helped nonprofits prevent staff layoffs, continue paying rent, and, in some cases, cover lost revenue from a sharp decline in admissions. Because of unrestricted funds from Masco and other donors, many organizations who otherwise would have been forced to close their doors for good in 2020 have been able to weather the storm and pivot to virtual offerings until they can resume business as usual. We also saw a significant decrease in product donation requests, as many nonprofits had halted planned construction or capital improvements due to safety concerns.

In the face of this unprecedented challenge, Masco is refocusing our community outreach budget for 2020 and donating $1 million to nonprofit organizations meeting the urgent needs of communities near our business units in the U.S. and Canada. This funding will support both the short- and long-term recovery of those most affected by the pandemic through food, shelter, health and human services, and financial assistance programs... Through these unsettling times, our Company remains committed to the belief that it is our privilege, as well as our duty, to support the communities in which we live, work and do business.

- Keith Allman, April 2020 Leadership Message

St. Mary Mercy Livonia
May 16, 2020 • 43

Thank you to MascoCorp for a generous gift of $20,000 for St. Mary Mercy Livonia’s COVID-19 Response Fund to care for patients and support staff in one of the hardest-hit communities in Michigan. We are grateful for Masco Corporation’s ongoing commitment and for making an impact in this time of profound need. To join in helping, please visit: https://bit.ly/3ya0a3
CRANBROOK CONTINUES SCIENCE EDUCATION SAFELY DURING COVID-19

In 2020, Masco continued our sponsorship of the “Free First Friday” series at the Cranbrook Institute of Science in Bloomfield Hills, Michigan. Masco Free First Fridays have been offered since 2010, allowing nearly 5,000 visitors a year to enjoy the Institute free of charge.

Through Masco’s sponsorship, visitors receive free general admission to the museum the first Friday of each month after 5 pm, with residents of selected underserved communities also receiving free admission to the Institute’s Acheson Planetarium and the changing exhibit hall. Even with the closure of the Institute between March-August 2020 and capacity limits for the remainder of the year, 2,397 visitors still attended a Free First Friday in 2020!

Cranbrook also used the Masco funds to create a comprehensive suite of online experiences, including multiple weekly videos exploring the world around us, and made these resources available for free to the public, particularly children learning from home.

Matching Gift Program

In its inaugural year, our Masco Cares online giving platform significantly increased participation in our Matching Gift Program, which allows full-time and part-time employees at our U.S. business units to request dollar-for-dollar corporate matches to their qualified personal philanthropic donations.

Our employees used the Masco Cares site to donate to 540 unique charities. Over $380,000 was matched through the platform in 2020.

Top Matching Gift Charities (by number of Masco donors)

1. United Way of Central Indiana
2. United Way of West Tennessee
3. Decatur County United Fund
4. Second Harvest Food Bank of Orange County
5. United Way for Southeastern Michigan

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REPORTING

MATERIALITY

Entities
All of Masco’s business units are wholly owned, directly or indirectly, except for Hansgrohe SE, and all are included in both this CSR and financial reports. Masco owns 68 percent of Hansgrohe SE.

Defining Report Content
To prioritize the issues of most importance to our stakeholders, we hired a third-party consultant to assist our Sustainability Steering Committee (SSC) in assessing disclosure topics. Our assessment focused on identifying, prioritizing and validating aspects from the following key sources: Masco’s own documents on its sustainability strategy; feedback from the SSC, SSC Working and Advisory Groups, and employees; feedback directly from our shareholders and other stakeholders; initiatives from recognized industry organizations such as the Sustainability Accounting Standards Board, Global Reporting Initiative, CDP, the United Nations, and the Task Force on Climate-related Financial Disclosures; documentation on the views of our stakeholders, including North American reporting authorities and surveys of U.S. environmental attitudes; and findings from peer benchmarking studies. In addition, specific comments and suggestions from stakeholders regarding our previously published sustainability reports have been influential in determining the structure and content of this report, with a focus on content with available data and without competitive risk. Finally, for each topic, we determined the boundary of applicability. For example, when considering Volatile Organic Compounds (VOCs) in regard to chemicals in our products, our boundary included our relevant business units such as Behr Paint Company.
Material Aspects and Boundaries

Following is a list of topics Masco identified in the process of defining its Corporate Sustainability Report content, organized to align with the categories of the Global Reporting Initiative and other standards:

- **Corporate**: Ethics and Integrity, Governance Structure, Brands, Products and Services, Markets Served, Facilities, Countries of Operation, Workforce, Collective Bargaining, Supply Chain, Stakeholder Engagement, Data Protection
- **Economic**: Economic Performance, Revenue from Sustainable Products, Innovation
- **Environmental**: Energy, Water, Emissions, Waste
- **Social**: Diversity & Equal Opportunity, Local Communities, Occupational Health and Safety, Training and Education, Employment, Non-Discrimination, Child Labor, Forced or Compulsory Labor, Freedom of Association

This report provides a summary of the sustainability performance and practices of Masco and its consolidated operating businesses as of December 31, 2020.

While included in this report, Hansgrohe has also produced its own Sustainability Report covering its facilities. The most recent Hansgrohe Sustainability Report is available in English (www.hansgrohe.com) and German (www.hansgrohe.de).

Significant Changes

While Masco’s organizational profile has changed since the previous report, this report does not contain any significant changes in scope, boundary or measurement methods by comparison to the previous report. This report does not contain a restatement of information relating to Masco’s major financial indicators and environmental data.
STAKEHOLDER ENGAGEMENT

Groups
Our stakeholder groups, as of December 31, 2020, include the following:

- **Employees:** Masco and its business units had approximately 18,000 employees in 32 countries, approximately 64 percent of whom worked in the United States.
- **Investors:** Masco is a publicly-traded company and had approximately 2,900 shareholders of record.
- **Customers:** Our customers include home center retailers, other retailers, dealers, distributors and homebuilders. Our largest customer is The Home Depot, which represented approximately 39 percent of our consolidated 2020 net sales.
- **Consumers:** The ultimate consumers of our goods include builders, contractors, designers, installers and homeowners.
- **Communities:** Masco’s principal North American facilities consist of 29 manufacturing facilities and 26 distribution and warehouse facilities, and its principal facilities outside North America consists of 10 manufacturing facilities and 16 distribution and warehouse facilities.
- **Suppliers:** Masco buys raw materials, parts for its products and finished goods from a wide range of suppliers around the world.

Selection
Masco views its business first and foremost as one that serves its stakeholders. From our shareholders to our customers to our business partners to our employees, we know our financial and corporate sustainability performance depends on establishing good relationships with those we serve and rely on in the communities in which we work and live. We believe in engaging with all of our stakeholders honestly, respectfully and with integrity. Our stakeholder groups have been identified through a number of processes, namely feedback from Masco’s SSC, SSC Working and Advisory Groups and employees, as well as feedback directly from our shareholders and other stakeholders, studies from recognized industry organizations and evaluation of peer benchmark studies.

Approach
We routinely seek input on what we make and sell, and how we operate internally and externally through employee surveys, shareholder meetings, market research and customer satisfaction analyses. The qualitative market research studies we conduct typically include questions related to the importance of sustainability to customer buying decisions.

Our approach has been to respond to various investor, highly-respected non-governmental organization and advocacy group inquiries for information. We also believe that our Corporate Sustainability Report is an effective method for providing meaningful communications with our stakeholders about our sustainability practices. In addition, Masco interfaces regularly with sustainability executives from other companies. This has enabled peer review and learning within a network of trusted professionals. We also engage in sustainability best-practice exchanges with other companies.

Masco’s suppliers are engaged through our enterprise-wide Supplier Business Practices Policy and audit process, and each Masco business unit has one or more managers or groups responsible for ensuring employee engagement in their respective organizations.
Concerns
This report pays special attention to the topics of greatest concern to our principal stakeholders. These topics include innovative and sustainable products, energy usage and social responsibility.

REPORTING PROFILE

Reporting Period
This Corporate Sustainability Report focuses on Masco’s corporate governance, reporting approach, and economic, social and environmental performance during 2019 and 2020.

Date of Previous Report
Our most recent report was for 2018. We released a Corporate Sustainability Brief in 2020 with some information about our 2019 operations and our approach to COVID-19.

External Assurance
External report assurance was not sought for this report.

Report Contact
Masco encourages feedback on its Corporate Sustainability Report. If you would like to comment on the report, please e-mail us at sustainabilityreport@mascohq.com. Additional information about Masco, our business units and brands is available on our website at www.masco.com and in our 2020 Annual Report, which is also available on our website.

Reporting Cycle
This report is planned to be published at least biennially.
Standards Traceability

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines, the Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals, and the Task Force on Climate-related Financial Disclosures. The following table shows the location of each disclosure and metric in this report:

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*Italic indicates a notable achievement.*
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