



Investor CDP 2013 Information Request Masco Corporation

Module: Introduction

Page: Introduction

0.1 Introduction Please give a general description and introduction to your organization

Masco Corporation is one of the world's leading manufacturers of home improvement and building products, as well as a leading provider of services that include the installation of insulation and other building products.

As of December 31, 2012, the company had approximately 30,000 employees and approximately 70 manufacturing facilities.

0.2 Reporting Year Please state the start and end date of the year for which you are reporting data. The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first. We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year. Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3 Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Canada
China
Germany
Denmark
Mexico
Spain
Turkey
Luxembourg
United Kingdom
United States of America
France
Netherlands

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

0.6**Modules**

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Module: Management**Page: 1. Governance****1.1**

Where is the highest level of direct responsibility for climate change within your company?

Senior Manager/Officer

1.1a

Please identify the position of the individual or name of the committee with this responsibility

Corporate sustainability performance, including climate change, is overseen and led by the company's Vice President – Chief Technology and Sustainability Officer, Timothy J. Monteith, reporting to President and Chief Executive Officer, Timothy Wadhams. Masco has a dedicated Environmental Affairs Department and experts with local operational responsibilities are employed in our operating companies.

The company's President and Chief Executive Officer, Timothy Wadhams, reviews the Company's progress and status regarding climate change in connection with his oversight of the preparation and publication of the Company's Corporate Sustainability Report.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Other: Masco's various Business Units	Monetary reward	Masco has invested millions of dollars since 2004 in the development and improvement of products that support/enhance sustainable practices, including climate change, through Masco Innovation Grants. Examples include Delta's conversion to PEX waterways instead of brass (less embodied energy), Watkin's recyclable polymeric substructure, Masco Bath's conversion to polyurethane reinforced products to reduce VOC emissions during manufacturing and Behr's green chemistry initiative that resulted in low VOC paint.

2.1**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

2.1a**Please provide further details**

Masco has a formal Enterprise Risk Management process that addresses various risks that may affect the Company, including general economic conditions impacting residential construction, our reliance on key customers, competition in our principal markets, cost and availability of raw materials, supply chain performance, international political, monetary, economic, and social developments, product liability, and environmental and health & safety concerns. The most relevant of these risks are more fully discussed in Item 1A of the 10-K contained in our 2011 Annual Report and attached below.

2.2**Is climate change integrated into your business strategy?**

Yes

2.2a**Please describe the process and outcomes**

Masco has an enterprise-wide global sustainability program that challenges all Masco business units to make sustainability part of their overall business strategy, and integrates a number of established Masco sustainability elements. Green Champions from business units, led by the Vice President – Chief Technology and Sustainability Officer, serve as liaisons and advocates for sustainability-related activities and initiatives and form the Company's Green Champion Council, a forum for collaboration and best-practice sharing among Masco's businesses. This Council supports activities that help the Company meet its goals of new value creation, cost reduction, environmental footprint reduction and continuously improving Masco's position as an environmentally responsible corporation.

Through our Masco Business System (MBS) we have integrated leadership practices, processes, tools and capabilities that enable the effective and consistent execution of our strategies and operating plans. The MBS focuses on five core capabilities, including lean practices. We use Kaizen and Six Sigma® principles for problem solving and are driving lean thinking and practices throughout the entire enterprise. Efficiently using energy and water has been integrated into our Kaizen and Six Sigma® programs. Teams conduct Kaizens and projects focused on the elimination of wasted energy and water at Masco facilities through a formal Lean process we call EcoValuation .

The benefits of EcoValuation are being tracked through monitoring of our CO2 emissions intensity reduction goal (10% reduction in CO2 emission intensity by 2015, baseline 2007).

Most Masco companies that have Environmental Management Systems (EMSs) certified to the ISO 14001 standard have annual objectives and targets dealing with energy (and associated emissions) reductions. The benefits of these objectives and targets are tracked through monitoring of our CO2 emissions intensity reduction goal (10% reduction in CO2 emission intensity by 2015, baseline 2007). CO2 emissions reductions goals are included in our Long-Range Planning (LRP) process.

2.3**Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)**

Trade associations

2.3b**Are you on the Board of any trade associations or provide funding beyond membership?**

No

2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Attachments

[https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/Item 1A pages from Annual Report2012.pdf](https://www.cdproject.net/sites/2013/11/11411/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/Item%201A%20pages%20from%20Annual%20Report2012.pdf)

Page: 3. Targets and Initiatives**3.1**

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Intensity target

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
MAS01	Scope 1+2	100%	10%	metric tonnes CO2e per unit revenue	2007		2015	

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
MAS01	Decrease	30			

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
MAS01	63%	100%	

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

Milgard Windows & Doors offers an extensive range of ENERGY STAR® compliant windows and in 2010 more than 60 percent of its window sales met the program's standards.

The Duragreen™ system, available on select windows manufactured by Masco's U.K. Window Group, can reduce home energy costs by 20 percent.

Masco's Environments For Living® program assists builders in constructing homes that are more energy efficient, more

comfortable and more durable than conventional code-built homes. Software simulations developed by a respected third party indicate that a program-built home can produce CO2 savings in the range of 2.7 to 9.0 metric tonnes per year. There are over 200,000 homes built under the Environments For Living program in the United States today.

The Company's goal is to reduce, by 2015, four million metric tonnes of CO2 emissions during the use phase from new homes built to Environments for Living standards.

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Other	In 2008, Masco started the EcoValuationSM program, an initiative that looks at our facilities' operational energy, water consumption and waste generation. The approach applies tools that are based on lean concepts and targets wasted resources, unnecessary consumption and poor waste management. Masco companies continued using the EcoValuation process in 2012. While we do not track the cost those companies are incurring or the monetary savings the companies have achieved, the benefits are being tracked through monitoring of our CO2 emissions intensity reduction goal (10% reduction in CO2 emission intensity by 2015, baseline 2007). Most Masco companies that have Environmental Management Systems (EMSs) certified to the ISO 14001 standard have annual objectives and targets dealing with energy (and associated emissions) reductions.				

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment

Dedicated budget for energy efficiency	Masco has invested millions of dollars in new product development, creating innovative offerings that customers want and that also meet our sustainability goals. Among Masco's products and services that reduce energy use are energy-efficient Milgard® windows and patio doors, low-flow faucets and showerheads that reduce the energy needed to heat hot water, and residential insulation and weatherization solutions in the new construction and retrofit industries.
Employee engagement	Masco companies that have Environmental Management Systems (EMSs) certified to the ISO 14001 standard have annual objectives and targets dealing with energy (and associated emissions) reductions. Employees at these companies are engaged to assist with achievement of energy objectives and targets. Masco also communicates sustainability information through our internal MNet website (see attachment) and discusses sustainability on the Masco Corporation Facebook page. By 2015, our goal is to engage our employees in educational programs and other corporate communications about living and working in a more sustainable manner.

Attachments

[https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/Masco Employee Engagement CDP10.pdf](https://www.cdproject.net/sites/2013/11/11411/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/Masco%20Employee%20Engagement%20CDP10.pdf)

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	Page 13 Section 1A	https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Page 13 of Annual Report 2012.pdf
In voluntary communications (complete)	various	https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/2009-2010-coporate-sustainability-report.pdf

Module: Risks and Opportunities

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		We are subject to U.S. and foreign government regulations pertaining to health and safety (including protection of employees and consumers), climate disruption and environmental issues. In addition to complying with current requirements and requirements that will become effective at a future date, even more stringent requirements could be					

Uncertainty surrounding new regulation	imposed on our industries in the future. Additionally, some of our products must be certified by industry organizations. Compliance with these regulations and industry standards may require us to alter our manufacturing and installation processes and our sourcing, which could adversely impact our competitive position. Further, if we do not effectively and timely comply with such regulations and industry standards, our operating results could be negatively affected.	Increased operational cost	1-5 years	Direct	About as likely as not	Unknown
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5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

Compliance with changes in regulations and industry standards may require us to alter our manufacturing and installation processes and our sourcing, which could adversely impact our competitive position. Further, if we do not effectively and timely comply with such regulations and industry standards, our operating results could be negatively affected.

In 2008, Masco started the EcoValuationSM program, an initiative that looks at our facilities' operational energy, water consumption and waste generation. The approach applies tools that are based on lean concepts and targets wasted resources, unnecessary consumption and poor waste management.

Masco companies have continued using the EcoValuation process in 2012. While we do not track the cost those companies are incurring, the benefits are being tracked through monitoring of our CO2 emissions intensity reduction goal (10% reduction in CO2 emission intensity by 2015, baseline 2007).

Most Masco companies that have Environmental Management Systems (EMSs) certified to the ISO 14001 standard have annual objectives and targets dealing with energy (and associated emissions) reductions.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	Other drivers	We may be subject to risks posed by climate change in our businesses worldwide (U.S., Canada, Mexico, Denmark, Germany, Spain, Turkey, United Kingdom, and China) throughout 2013-2014. Many of our raw materials are obtained from renewable resources (Cabinets - wood) or recycled materials (Plumbing – brass; Windows - vinyl, glass; Insulation - paper). Legislation enacted in California, Vermont, and Maryland mandates new standards for acceptable lead content in plumbing products sold in those states. Federal legislation mandating a national standard for lead content in plumbing products will become effective in January 2014. Faucet and water supply valve manufacturers, including our plumbing product companies, will be required to obtain adequate supplies of lead-free brass or suitable alternative materials for continued production of faucets and certain of our plumbing products. Titanium dioxide is a major ingredient in the manufacture of paint.	Increased operational cost	1-5 years	Direct	About as likely as not	Unknown

Resource scarcity (lead free brass, titanium dioxide, etc.), resulting from climate change and corresponding price increases could adversely affect our plumbing products and decorative architectural products segments production costs.
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5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

Legislation enacted in California, Vermont, and Maryland mandates new standards for acceptable lead content in plumbing products sold in those states. Federal legislation mandating a national standard for lead content in plumbing products will become effective in January 2014. Faucet and water supply valve manufacturers, including our plumbing product companies, will be required to obtain adequate supplies of lead-free brass or suitable alternative materials for continued production of faucets and certain of our plumbing products. Titanium dioxide is a major ingredient in the manufacture of paint. Resource scarcity (lead free brass, titanium dioxide, etc.), resulting from climate change and corresponding price increases could adversely affect our plumbing products and decorative architectural products segments production costs.

Delta Faucet introduced a new water delivery system in 2008 known as DIAMOND™ Seal Technology to satisfy the legislation enacted in California, Vermont, and Maryland regulating the acceptable lead-content in plumbing products. The costs of the introduction of the DIAMOND™ Seal Technology are confidential. However, Masco has invested substantially in environmentally responsible technology development and other internal green growth investments.

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

Masco does not expect physical risks from climate change (droughts, floods, storms and hurricanes, rising sea levels) to unduly impact our operations in the future. We are conscious of the need to monitor these risks; for example, we have a practice of not locating new facilities within floodplains susceptible to 100 year or more frequent flooding. We rely heavily or exclusively on outside suppliers for certain of our products or key components. If there were an interruption in these sources of supply, we might experience difficulty or delay in substituting alternatives and our businesses might be disrupted.

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		We believe regulatory requirements and changing consumer preferences present opportunities for Masco worldwide (U.S., Canada, Mexico, Denmark, Germany, Spain, Turkey, United Kingdom, and China) during 2013-2014. Masco expects GHG emissions to become					

	Other regulatory drivers	increasingly regulated. We believe builders and consumers will continue to demand more environmentally friendly products and services. As a leading provider of environmentally friendly products (such as paints, windows, faucets) and services (such as Environments for Living, insulation), Masco anticipates that these opportunities could increase demand for our products. However, these opportunities may be offset by potential costs (taxes, capital expenditures) we may incur to comply with climate change regulatory requirements.	Increased demand for existing products/services		About as likely as not	Unknown
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6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

As a leading provider of environmentally friendly products (such as paints, windows, faucets) and services (such as Environments For Living program®, insulation), Masco anticipates that these opportunities could increase demand for our products. However, these opportunities may be offset by potential costs (taxes, capital expenditures) we may incur to comply with climate change regulatory requirements.

Consumers and builders are becoming increasingly environmentally conscious and we believe demand is growing for the environmentally friendly products and services we offer. Masco has responded with a variety of environmentally friendly products and services. These include, among others, the Environments For Living® program, WellHome services, Behr's Premium Plus Ultra interior paint, Delta Faucet Company's Touch2O® Technology, Innovex® Technology and DIAMOND™ Seal Technology, Milgard Windows & Doors' Essence Series™ and 3D® and 3D MAX® energy efficiency package options, and Masco's UK Window Group's Duragreen system. In 2009, Masco became a SmartWaySM Shipper partner in the U.S. EPA certified SmartWay Transport Partnership. Masco has invested substantially in environmentally responsible technology development and other internal green growth investments.

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		We believe physical changes present opportunities for Masco worldwide (U.S., Canada, Mexico, Denmark, Germany, Spain, Turkey, United Kingdom, and China) during 2013-2014. As a building products and services supplier with leading brands in numerous construction sectors, our products may be chosen by consumers and builders to repair or rebuild property impacted by the physical impact of climate change	Increased demand for existing	1-5 years	Direct	About as likely as not	Unknown

	(floods, storms and hurricanes, etc.). Our products and services may also be chosen by builders and consumers to build new energy efficient homes and/or retrofit existing homes with energy efficient products. These opportunities could affect our businesses through increased product demand and sales.	products/services				
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6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

As a building products and services supplier with leading brands in numerous construction sectors, our products may be chosen by consumers and builders to repair or rebuild property impacted by the physical impact of climate change (floods, storms and hurricanes, etc.). Our products and services may also be chosen by builders and consumers to build new energy efficient homes and/or retrofit existing homes with energy efficient products. These opportunities could affect our businesses through increased product demand and sales.

Masco has developed a variety of environmentally friendly products and services. These include, among others, Masco's Environments For Living® program, Masco's WellHome services, Behr's Premium Plus Ultra interior paint, Delta Faucet Company's Touch2O® Technology, Innovex® Technology and DIAMOND™ Seal Technology, Milgard Windows & Doors' Essence Series™ and 3D® and 3D MAX® energy efficiency package options, and Masco's UK Window Group's Duragreen system.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	Changing consumer behaviour	We believe climate change presents other opportunities for Masco worldwide (U.S., Canada, Mexico, Denmark, Germany, Spain, Turkey, United Kingdom, and China) during 2013-2014. Masco is one of the world's largest manufacturers of brand-name home building products and is a leading provider of installation services for the home improvement and new home construction markets. We distribute products through multiple channels, including directly to homebuilders and wholesale and retail channels. As consumer demand for energy efficient products (e.g. plumbing, paints, windows, doors, and insulation) increases, we anticipate that we will continue to respond with environmentally friendly products and services. Therefore, we continue to see climate change bringing commercial opportunities. These opportunities could affect our businesses through increased product demand and sales.					

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

Masco is one of the world's largest manufacturers of brand-name home building products and is a leading provider of installation services for the home improvement and new home construction markets. We distribute products through multiple channels, including directly to homebuilders, wholesale and retail channels. As consumers become more educated in the area of environmental stewardship, and as the awareness for energy efficient products (e.g. plumbing, paints, windows, doors, and insulation) and energy efficient manufacturing facilities increases, we anticipate that we will continue to respond with environmentally friendly products and services, and changes changes in our manufacturing footprint to capture efficiency.

We believe demographics support strong and sustainable long-term demand for home ownership. Over 40 percent of the single-family homes in the U.S. are more than 25 years old. We believe kitchens will continue to be remodeled, rooms painted and baths updated. We believe consumers will increasingly demand more energy-efficient products and that our current strategic focus on new initiatives and innovation should position us to increase our sales and improve customer satisfaction.

Masco has developed a variety of environmentally friendly products and services. The U.S. Environmental Protection Agency (EPA) named our Environments For Living® program as a 2010 ENERGY STAR® for Homes Partner of the Year. Prior to this award, the program received Outstanding Achievement Awards from the EPA in 2003, 2004 and 2005. The Environments For Living program provides builders with a complete solution for high-performance building, including plan review, field-testing, training, certification, and powerful marketing tools. And because the program is performance and not product-based, any product, system or strategy – not just those from Masco – may be used as long as it meets Environments For Living® program requirements, allowing builders maximum flexibility. More than 200,000 homes have already been built under the Environments For Living® program.

Behr's Premium Plus Ultra interior paint product provides an extra-durable finish that resists moisture, stains, scuffs, and dirt. In addition to providing the consumer with a high quality, low VOC product, this paint and primer in one eliminates the need to prime, covers in fewer coats and saves time.

Delta Faucet Company's Touch2O® technology allows the user to start or stop the flow of water with a simple touch anywhere on the faucet. In 2010, Delta introduced the next generation in responsive hands-free functionality - its Proximity™ Sensing Technology. Delta has continued to incorporate DIAMOND™ Seal Technology, which keeps water in the faucet from coming into contact with potential metal contaminants, into most of its faucets. Faucets with DIAMOND™ Seal Technology last up to 10 times longer than the industry standard. Delta Faucet was also named a 2011 WaterSense® Manufacturer Partner of the Year by the U.S. Environmental Protection Agency.

Milgard Windows & Doors offers an extensive range of ENERGY STAR® compliant windows. In 2010, more than 60 percent of its window sales met the program's standards. In 2010, Milgard launched its Essence Series™ windows, an energy-efficient window that combines wood interiors with the strength and durability of a fiberglass exterior.

Masco's UK Window Group has introduced the Duragreen™ system. Duragreen windows can reduce home energy spend by 20 percent and condensation by 80 percent. The Duragreen system also can save up to 750 kg of CO2 per dwelling, per year. The Duragreen system is rated "A" by the British Fenestration Rating Council (BFRC).

Masco continued as a SmartWaySM Shipper partner in the U.S. EPA certified SmartWay Transport Partnership in 2012. Masco has committed to ship at least 50 percent of its goods using SmartWay Transport Carriers.

Newsweek ranked Masco at 133 in its 2012 green rankings of the S&P 500®, recognizing continued reductions in our environmental footprint. This is an improvement from 237 in 2011.

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: 7. Emissions Methodology

7.1 Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Mon 01 Jan 2007 - Mon 31 Dec 2007	315722	487009

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

7.2a

If you have selected "Other", please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
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7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	53.06	Other: : kg CO2 per MMBTU fuel	The Climate Registry
Motor gasoline	19.56	lb CO2 per gallon	GHG Protocol
Diesel/Gas oil	22.38	lb CO2 per gallon	GHG Protocol
Propane	12.67	lb CO2 per gallon	GHG Protocol
Jet kerosene	21.10	lb CO2e per gallon	GHG Protocol
Distillate fuel oil No 2	22.38	lb CO2 per gallon	GHG Protocol
Wood or wood waste	1747.20	Other: kg CO2 per metric tonne fuel	GHG Protocol

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

86679

8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

297364

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
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Less than or equal to 2%	Data Gaps	More than 2% but less than or equal to 5%	Data Gaps
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8.6**Please indicate the verification/assurance status that applies to your Scope 1 emissions**

Third party verification or assurance underway but not yet complete - last years statement available

8.6a**Please indicate the proportion of your Scope 1 emissions that are verified/assured**

More than 90% but less than or equal to 100%

8.6b**Please provide further details of the verification/assurance undertaken, and attach the relevant statements**

Type of verification or assurance	Relevant standard	Attach the document
Moderate assurance	AA1000AS	https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/MASCO Corporation Assurance Statement AA1000-4.pdf

8.7**Please indicate the verification/assurance status that applies to your Scope 2 emissions**

Third party verification or assurance underway but not yet complete - last years statement available

8.7a**Please indicate the proportion of your Scope 2 emissions that are verified/assured**

More than 90% but less than or equal to 100%

8.7b**Please provide further details of the verification/assurance undertaken, and attach the relevant statements**

Type of verification or assurance	Relevant standard	Attach the document
Third party verification/assurance underway	AA1000AS	https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/MASCO Corporation Assurance Statement AA1000-4.pdf

8.8**Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

Yes

8.8a**Please provide the emissions in metric tonnes CO2**

13554

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)**9.1****Do you have Scope 1 emissions sources in more than one country?**

Yes

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
Canada	4
China	0
Germany	0
Denmark	6293
Mexico	20
Spain	0
Turkey	450
Luxembourg	0
United Kingdom	14580
United States of America	64666
Netherlands	0
France	85

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Canada	6807		
China	18709		
Germany	30184		
Denmark	18479		
Mexico	3673		
Spain	0		
Turkey	920		
Luxembourg	0		
United Kingdom	41316		
United States of America	176726		
France	184		
Netherlands	275		

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

Page: 11. Energy

11.1
What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

11.2
Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	736382
Electricity	438137
Heat	
Steam	
Cooling	

11.3
Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	507229
Motor gasoline	101620
Diesel/Gas oil	184120
Propane	12505

11.4
Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
No purchases or generation of low carbon electricity, heat, steam or cooling		

Page: 12. Emissions Performance

12.1
How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

12.1a
Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	21.24	Decrease	
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

12.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
49.6	metric tonnes CO ₂ e	unit total revenue	24.07	Decrease	Increased efficiencies due to various emission reduction activities and consolidation of operations.

12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
12.8	metric tonnes CO ₂ e	FTE employee	18.62	Decrease	Increased efficiencies due to various emission reduction activities and consolidation of operations.

12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
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Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

Page: 14. Scope 3 Emissions

14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO ₂ e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Not evaluated				
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not evaluated				
Upstream transportation and	Not				

distribution	evaluated				
Waste generated in operations	Not evaluated				
Business travel	Relevant, calculated	9502	Total passenger miles times emission factor.	100%	
Employee commuting	Not evaluated				
Upstream leased assets	Not evaluated				
Investments	Not evaluated				
Downstream transportation and distribution	Not evaluated				
Processing of sold products	Not evaluated				
Use of sold products	Not evaluated				
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

14.2**Please indicate the verification/assurance status that applies to your Scope 3 emissions**

Third party verification or assurance underway but not yet complete - last years statement available

14.2a**Please indicate the proportion of your Scope 3 emissions that are verified/assured**

More than 90% but less than or equal to 100%

14.2b**Please provide further details of the verification/assurance undertaken, and attach the relevant statements**

Type of verification or assurance	Relevant standard	Attach the document
Third party verification/assurance underway	AA1000AS	https://www.cdproject.net/sites/2013/11/11411/Investor CDP 2013/Shared Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/MASCO Corporation Assurance Statement AA1000-4.pdf

14.3**Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?**

Yes

14.3a**Please complete the table**

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in methodology	30.6	Increase	2011 data was based on extrapolation of miles traveled in 4th quarter. 2012 data based on full year actual miles traveled.

14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

No, we do not engage

14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Vice President – Chief Technology and Sustainability Officer, Timothy J. Monteith

CDP