

KraftMaid[®] IT BECOMES YOU.™



Masco Retail Cabinet Group

Overview

MASCO

Business Overview

Cabinets & Related Products

We believe we are the largest U.S. manufacturer of kitchen and bath cabinetry

Plumbing Products

We believe we are world leaders in the manufacture of plumbing products, including: faucets, fittings and valves, showerheads, bathtubs and shower enclosures and spas

Decorative Architectural Products

We believe we are the world's largest manufacturer of DIY architectural coatings including paints, specialty paint products, stains, varnishes and waterproofing products

Major Big Box bathroom accessory, cabinet and other builder hardware supplier

Other Specialty Products

We believe we are the largest window manufacturing company in the Western United States and one of the largest vertically integrated window manufacturers in the U.K.

A leading manufacturer of fasteners; manufacturer of residential hydronic radiators and heat convectors

Installation & Other Services

We believe we are the largest integrated new home construction installed solutions provider in the U.S., providing a unique combination of products, logistical capabilities, job-site delivery and installation services

Selected Brands

KraftMaid

Merillat.

Tvilum-Scanbirk

MILLS PRIDE
Quality Cabinets Made Easy

QualityCabinets.

Common name. Uncommon values.

DELTA.

hangrohe

AMER | FINLAND

PEERLESS



BRISTAN

GROUP

HotSpring
Portable Spas

BEHR
GOOD. BETTER. BEHR.™

KILZ

LIBERTY
HARDWARE
MANUFACTURING CORPORATION

GINGER

NEWPORT BRASS.

Milgard Windows
MM

Arrow

Griffin Windows

VASCO®

BrassCraft.

MASCO
Contractor
Services

SERVICE
partners



MASCO
Retail **Cabinet** Group

KraftMaid

venicia™
by KraftMaid

CROSSCREEK
by KraftMaid

ascentia
by KraftMaid

KraftLine
Pro Series

DISTINCTIONS

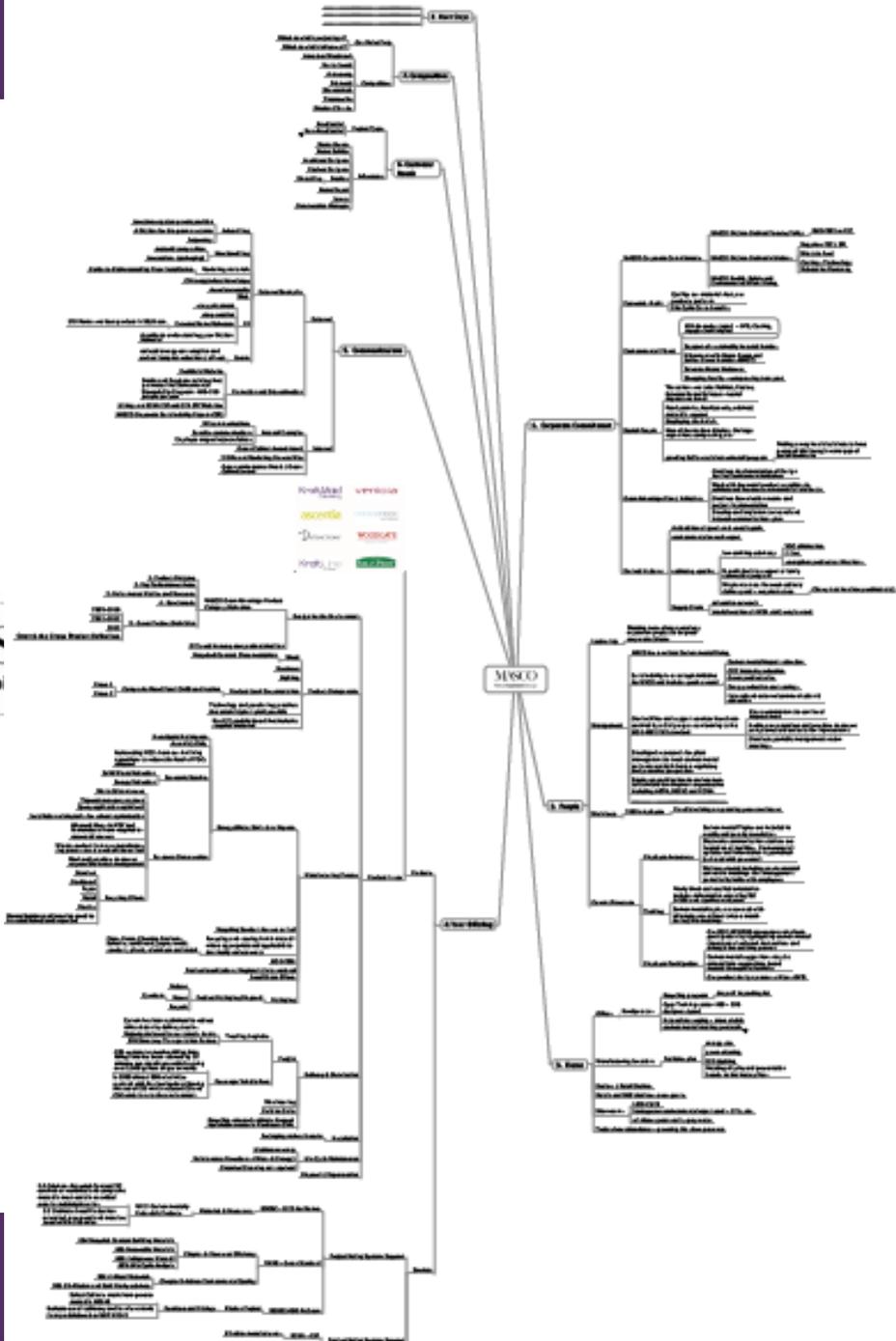
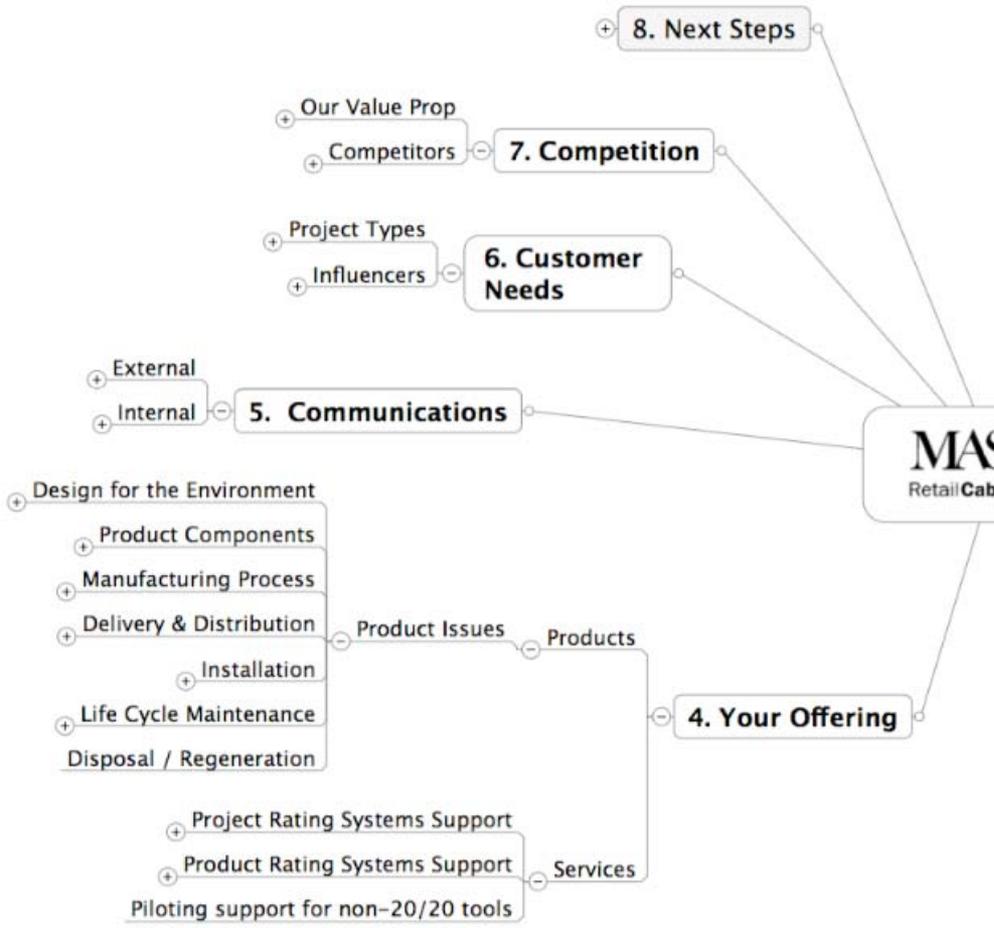
WOODGATE™
CABINETRY

MILL'S PRIDE™

DISTINCTIONS
Ready to Assemble

PREMIER™
CABINETRY

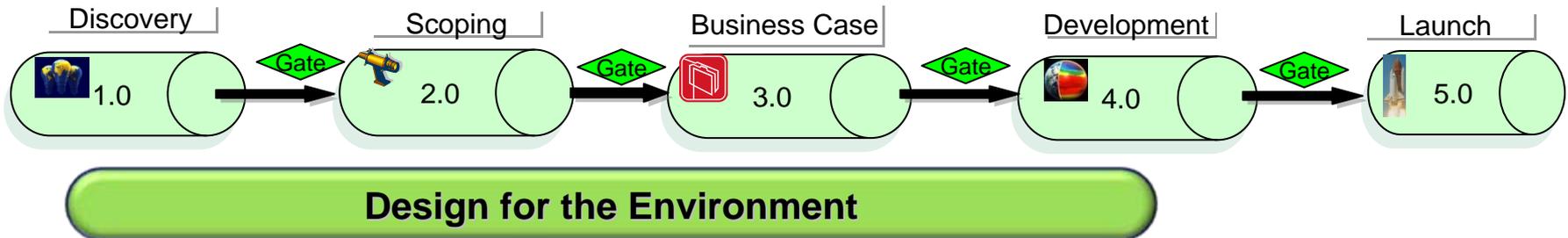
WOODGATE™
select



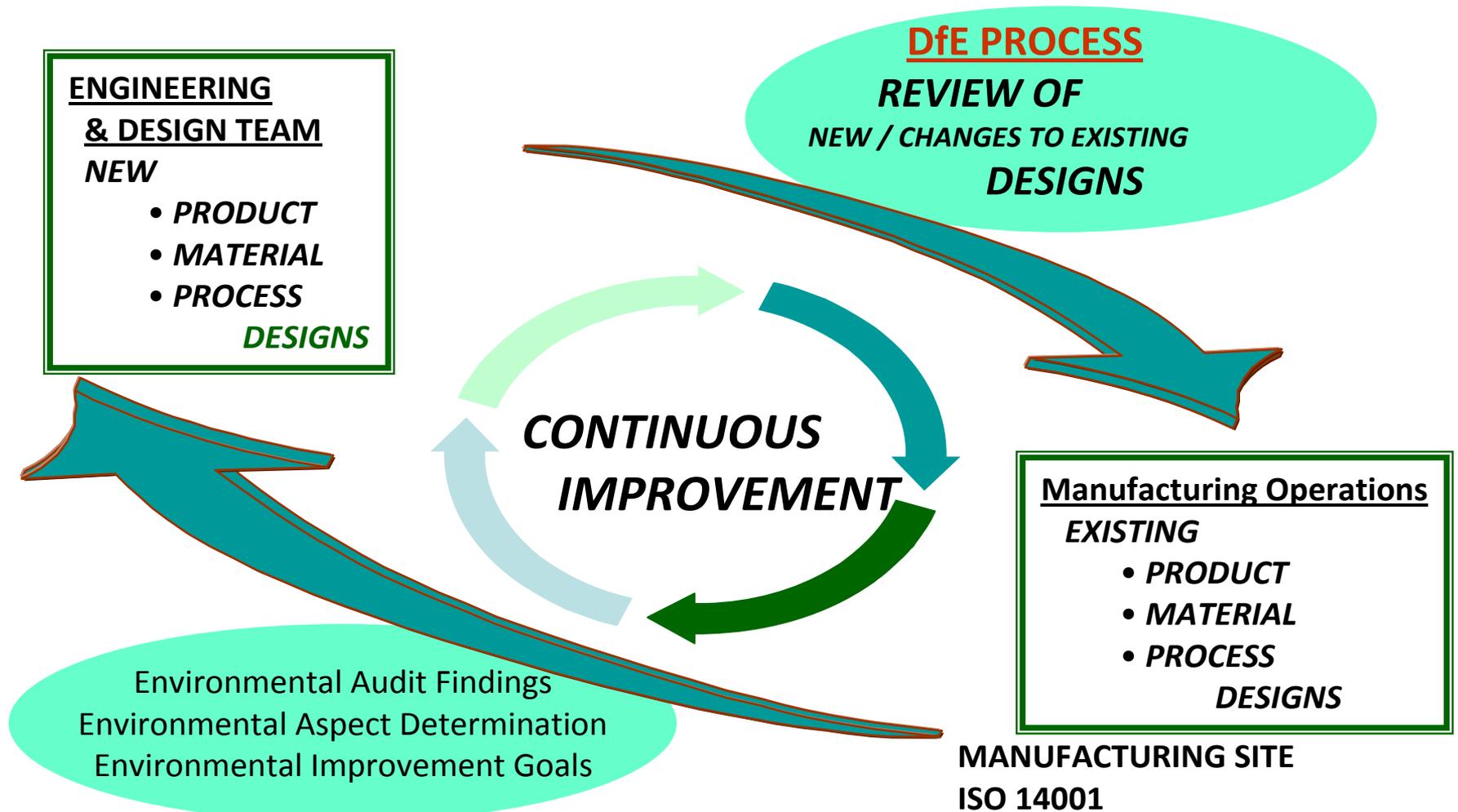
- **What is Design For The Environment ?**
 - **Method of identifying major environmental concerns regarding:**
 - Product Design
 - Manufacturing Processes
 - Direct Productive Materials
 - Indirect Processing Materials

- **Main Drivers:**
 - Product Environmental Regulations
 - Customer Demand
 - Green Product Initiatives

- **Design For The Environment (DfE) Integration in MRCG PDP**

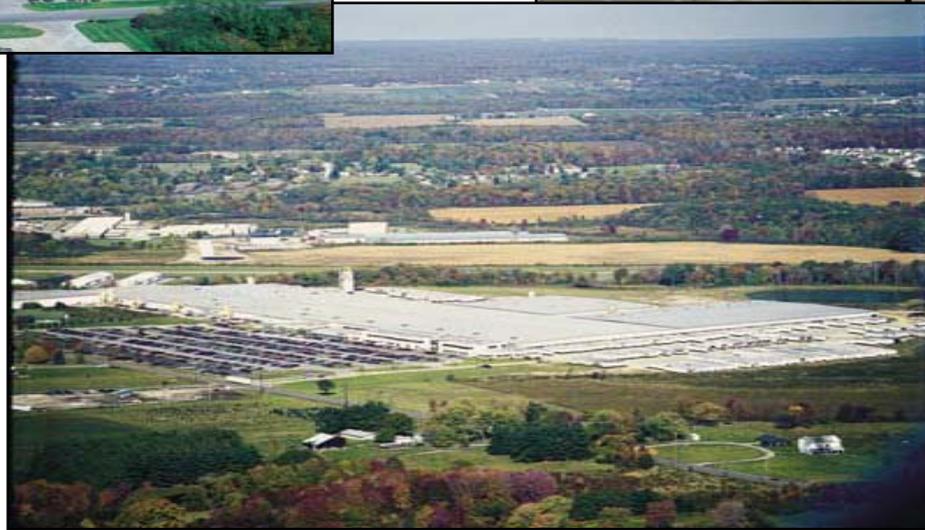


- How Can DFE Ensure Continuous Environmental Improvement?



KraftMaid[®] IT BECOMES YOU.™ MRCG (PPG - Ohio) Manufacturing

Plant 1, 2 & 3 / Corporate HQ
Middlefield & Orwell, OH



Significant Waste Reduction: Yield Improvement , Scrap Reduction, Increased Recycling, Increased Utilization of water based UV finishing, Energy Reduction

Supported by a Comprehensive Operating System

What is it?

The MRCG Manufacturing Management Operating System is a standardized process that spans operations from end to end and top to bottom.

The process is designed to align goals, drive performance, measure compliance and stimulate continuous improvement cross functionally from the shop floor up to and including the executive scorecard / Masco Business System.

Primary Categories / Integrated Systems

Health & Safety (HSMS)

Environmental (EMS: ISO14001)

Quality (QMS: ISO Model)

Performance

- Labor Productivity
- Utilization

Schedule Attainment

Continuous Improvement

(Total Employee Involvement, Lean Manufacturing, Structured Problem Solving (6 Sigma))



Elements

- **Supported by Web based software tool**
- **Structured Reporting / Goal Alignment**
 - Goal Alignment
 - Dept. / Shift / Plant / Company Rollup
 - Automated Reports & Scorecards
- **Standardized (Red / Yellow / Green System)**
 - Highly Visual
- **On the shop floor:**
 - Operational Improvement Team Process (OIT)



(OIT) Operational Improvement Team Process

Total Employee Involvement

- Standardized Supervisor led shift start-up meeting process
- Scorecard Review (Boards) – Updated at start of every shift
- Meeting structure designed to draw out assignable causes for favorable and unfavorable performance
- Process is audited for:
 - Meeting Compliance / Effectiveness
 - Board Maintenance and Presentation
 - Continuous Improvement Ideas Generated
 - Improvement events held
- Action Item → Continuous Improvement Process
- Rolls-up to a Plant Visual Summary Board Weekly

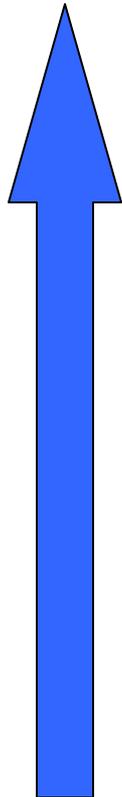


- Continuous Improvement Process / Action Item Tracking
 - Action Items by area of opportunity
 - Safety, Quality, Environmental, Performance, Schedule etc
- Tracking (Action Item Assignment and Status Notification)
- Automated Continuous Improvement Metric Summary

Issue Number	Assigned To	Date Due	Status	Issue
071106-Qual-008	Debbi Morocco	01/10/2008	Closed	Run a test on paint out colors on regular door program in the new staining ovens.
071130-Qual-009	Debbi Morocco	01/11/2008	Closed	See if we can have more frequent and specific quality meetings for sanding specific issues.
080118-Labo-045	Jim Deel	01/25/2008	Active	If replacing orbital pads or Platton , recover old ones. There were 2 full used sets of orbital pad...
071128-Qual-002	Jim Deel	01/25/2008	Closed	Better lighting for flipping areas.
071213-Qual-005	Jim Deel	01/25/2008	Closed	Lower lights on Sanding Line 1 so they are the same as Line 2 and so you can see w/w better. Do awa...
071219-Labo-009	Eric Schulze	01/25/2008	Closed	Ask staining to please bring repairs as they pull them or before every break.
071114-Qual-005	Jim Deel	01/25/2008	Closed	Replace bad orbitals.
080121-Qual-006	Chris Lewis	01/28/2008	Active	All shifts need to know where the new colors are supposed to go (WO, CA, ON, etc.).
080110-Qual-017	Debbi Morocco	01/31/2008	Active	Paperwork needs to be completed with correct color and number of parts when sent to each dept. (ie. ...
080118-Safe-006	Debbi Morocco	02/18/2008	Active	Have cement repaired on trolley run area.
080118-Labo-007	Debbi Morocco	02/18/2008	Active	All repairs and all shifts need to have all supplies ready for the next shift on all tables. Sander...

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Monthly
Business
Review



OIT

Masco - Monthly Business Review		
Operations Review Meeting	Vice President of Operations / Directors	Monthly
Manufacturing Operations Meeting	Director of Manufacturing / Plant Managers	Weekly
Manufacturing Operations Meeting Shift Transfer	Managers / Supervisors / Plant Manager	Shift Transfer
Operational Improvement Team Meetings (OIT)	Supervisors lead with department employees	Beginning of every shift

Score
cards

Initial Elements being integrated into MOS

- Environmental Action Item Type
- Environmental Metric Scorecards
- HS&E Audits include EMS audit elements
 - » MATERIALS BEING RECYCLED (CARDBOARD, PLASTIC, ALUMINUM, PAPER) ARE IN THEIR PROPER LOCATIONS
 - » EMPLOYEES KNOW THE LOCATION OF THE MASCO ENVIRONMENTAL POLICY POSTING
 - » EMPLOYEES CAN NAME THE 3 OBJECTIVES OF ISO 14001
- Integration of Environmental metrics into scorecards
 - Municipal Waste
 - Hazardous Waste

MRCG Management level – NE Ohio

Environmental									
NOV	0	0	0		0	0	0		
CO2 Emissions (lbs./hr)	23.12	29.17	21.96		32.71	28.75	27.23		
Solid Waste (tons)	267.65	103.00	182.60		3,574.77	2,136.01	2,535.18		
Hazardous Waste (tons)	146.04	98.00	82.40		1,629.65	1,129.27	1,147.75		
Recycling (tons)	2,407.08	1,819.00	1,850.28		29,425.57	25,423.65	25,419.62		
ISO Audit Score	n/a	93.2%	90.00%		88.50%	93.2%	90.00%		
Ecoevaluation Score	DNE	107.40%	85.00%		DNE	78.95%	0.00%		
Ecoevaluation Savings	DNE	\$ 115,193.00	\$ 99,100.65		DNE	\$ 1,237,374.90	\$ 1,137,735.56		

Masco level – all MRCG

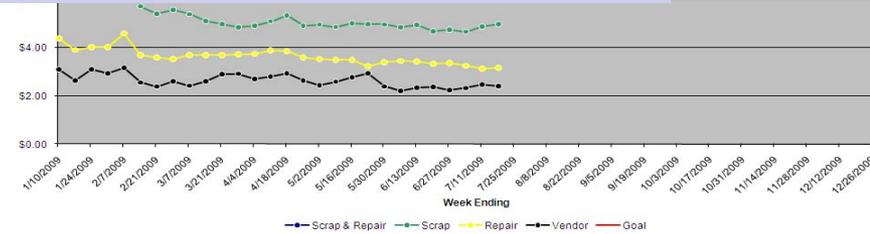
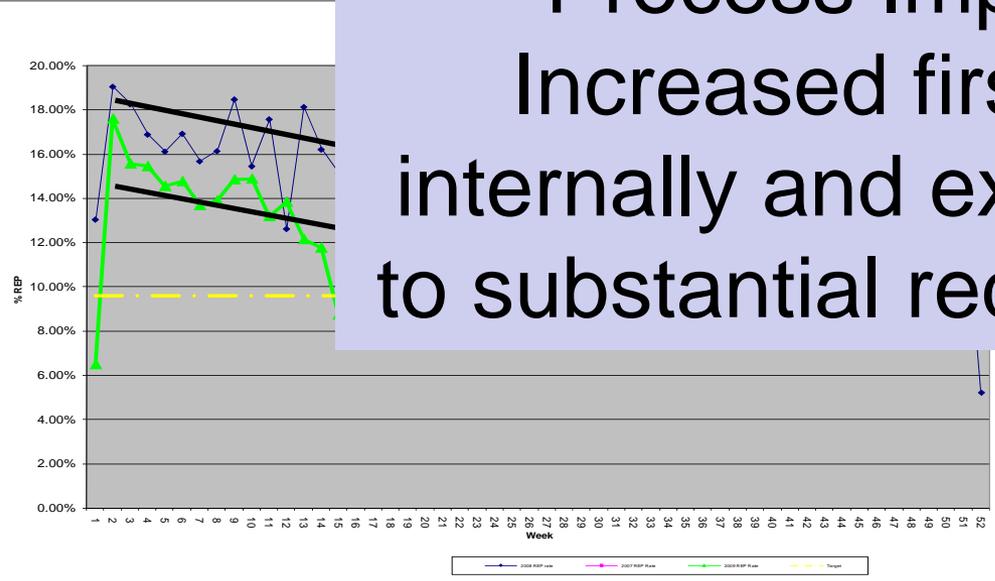
Environmental Measures												
EcoValuation Savings (\$'000's)	Van Valkenburg	x	Winans	\$162K	\$133K	-	\$1,147K	\$885K	-	\$1,867K	\$1,542K	-
ISO Audit Score	Van Valkenburg	x	Winans	95	90	0	88	90	0	89	90	99
CO2 Emissions	Van Valkenburg	x	Winans	29	33	35	32	37	39	33	38	40

Quality:

JD Power & Associates
Ranked 5th in 2007
Ranked 2nd in 2008
Ranked 1st in 2009



Process Improvements – Increased first pass quality internally and externally have led to substantial reductions in waste.



KraftMaid

