



BUILDING A CULTURE OF BELONGING

OUR JOURNEY



2021

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DIVERSITY, INCLUSION, BELONGING

For almost 120 years, USG has been in the business of buildings, improving the world around us and creating outstanding spaces where people live, work, and play.

We're proud to be part of some of the world's most iconic buildings as we work toward a safer and more sustainable world. Structures with USG products are found across the globe and in a wide range of designs and purposes.

LIKE THE BUILDINGS WE HELP CREATE AND THE COMMUNITIES WE SERVE, WE ARE COMMITTED TO MAKING USG STRONGER THROUGH DIVERSITY.

This third edition of our Diversity, Inclusion, and Belonging report shares the progress we've made in more than 20 years since we made diversity a core value, and the commitments we're making for the future.

When we cultivate a work environment rich in diversity of background, experiences, cultures and perspectives, that's what makes USG a great workplace for employees, a preferred supplier around the globe, and a valued member of local communities.

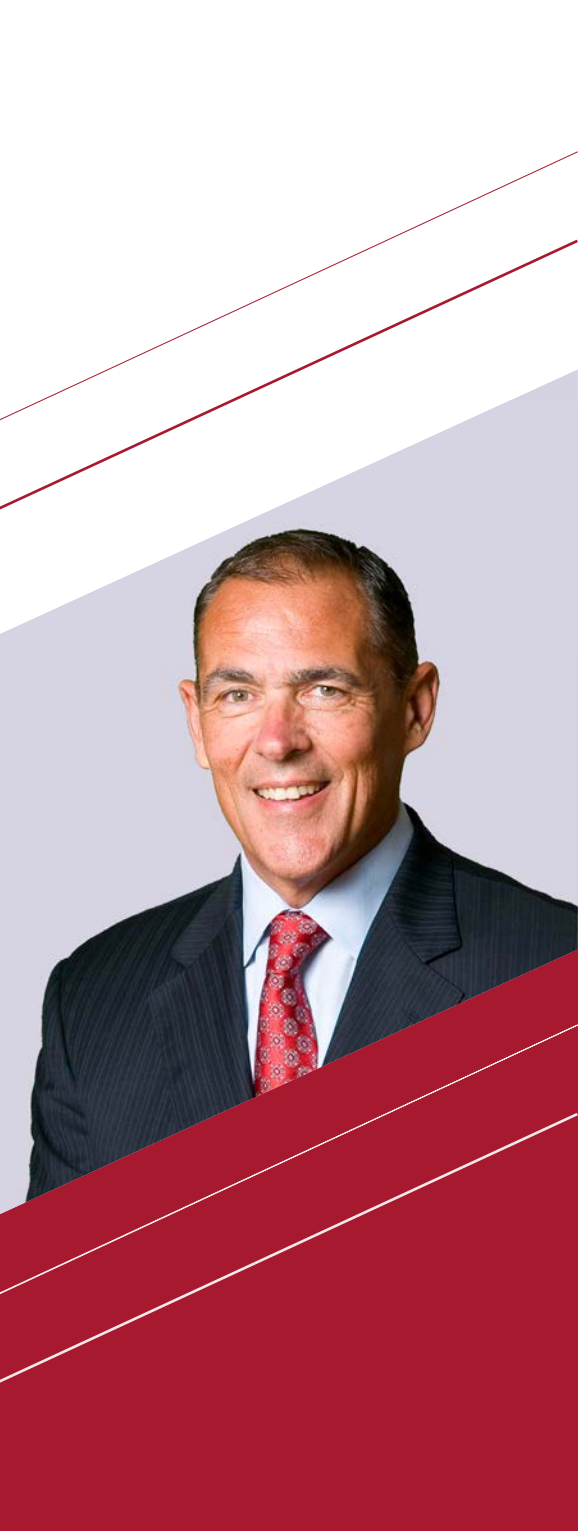
Embracing diversity and inclusion makes USG a more successful business. It allows us to have talented and diverse teams and approach our business in a holistic manner. This allows us to better understand and better serve our diverse customers.

We strive for a sense of belonging at USG, where everyone can bring their true selves to work and feel welcome, safe and accepted. We are committed to being a workplace where people are respected, differences are embraced, and opinions are valued. Together, we are building a stronger USG.

“ WE HAVE BECOME A BEAUTIFUL MOSAIC, DIFFERENT PEOPLE, DIFFERENT BELIEFS, DIFFERENT YEARNINGS, DIFFERENT HOPES, AND DIFFERENT DREAMS. ”

Konjit Dandridge, Customer Service Accounting, Chicago office, Member of the African American Employee Resource Group





OUR COMMITMENT

USG’s strength is built on our different backgrounds, geographies, abilities, knowledge, and experiences. We know that embracing diversity in every form has been one of the keys to our success since we started in 1902, and it continues today.

Our 2021 Diversity and Inclusion report comes at such an extraordinary time in our lives, marked by the situation with COVID-19, racial injustices, and inequities in our communities around the world. This is part of why it is incredibly important to analyze the ways that diversity and inclusion are integrated into our business and our commitments to our people, our communities, and our customers.

This report highlights the ways we work together to make USG a stronger, more diverse, and more inclusive company—where employees truly feel they belong. Our focus enables us to create stronger relationships with our employees and customers, create higher quality products, and drive better business results. That’s why we are committed to hiring and promoting diverse employees, conducting training to raise awareness, and developing community partnerships to help foster an environment where all employees can thrive.

This commitment is ongoing, and more important today than ever before. We are proud of the strides we have made, and yet, we know there is still more that we can do—and we are working on it.

Thank you for taking the time to learn about our efforts. We invite you to join us in our ongoing commitment to these values.

Sincerely,

Christopher R. Griffin
President and CEO

“ WE KNOW THAT WHEN EMPLOYEES ARE IN AN INCLUSIVE WORK ENVIRONMENT, THEY DO GREAT WORK. ”

THE FOUNDATION

FOUNDATIONS ARE FUNDAMENTAL TO EVERYTHING CONSTRUCTED ON TOP OF THEM.

At USG, the foundation of inclusion is our commitment to attract, retain, and develop a diverse workforce.

Our 7,000 North American employees represent different countries of origin, speak different languages, observe different cultures and bring unique and valuable ideas to the table. We cultivate diversity throughout the hiring process. Our managers actively seek out and interview diverse candidates, and hire the best person for the role, regardless of background.

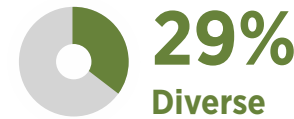


DIVERSITY AMONG OUR EMPLOYEES

Across our Manufacturing Plants:



Percent of Management



(all department managers, plant managers, and vice presidents)

Generational Distribution

- 3% Generation Z**
- 32% Millennials**
- 54% Generation X**
- 11% Baby Boomer**

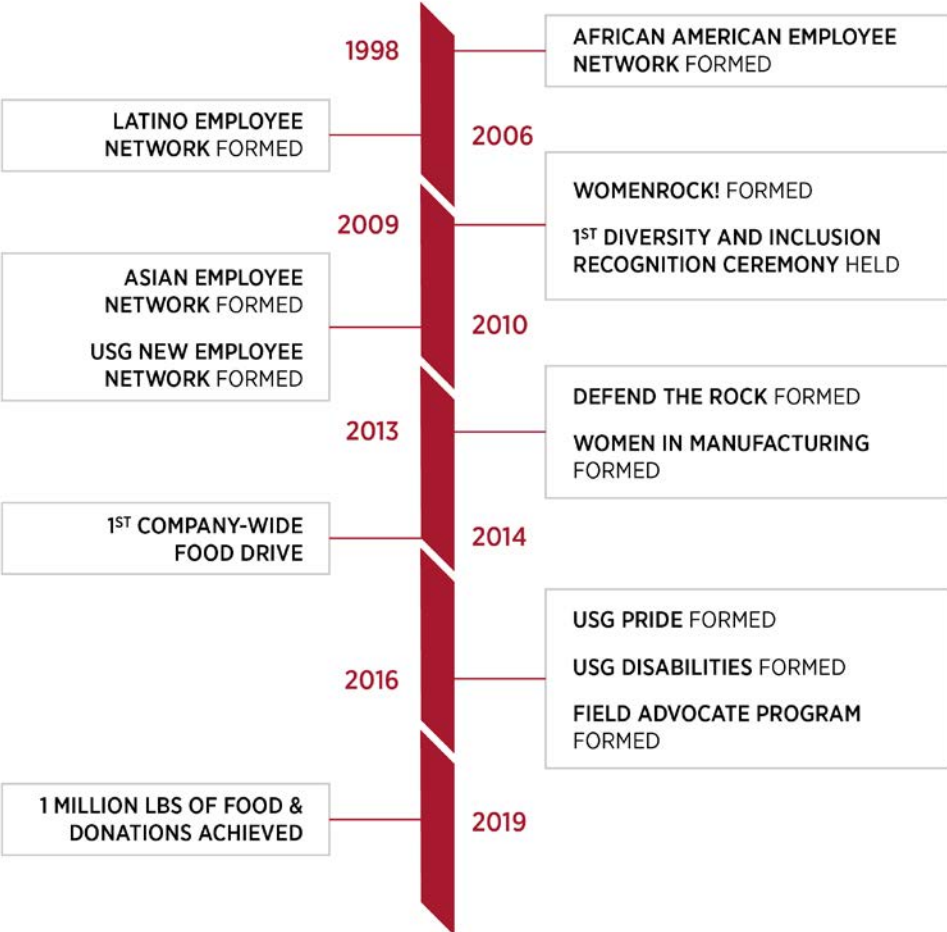
Within our Chicago Headquarters:



Generational Distribution

- 8% Generation Z**
- 28% Millennials**
- 54% Generation X**
- 10% Baby Boomer**

OUR DIVERSITY JOURNEY



AT OUR CORPORATE INNOVATION CENTER:



4,600+
Patents Issued
since 2007



1200+
Years of Cumulative
Experience

THE FOUNDATION (CONTINUED)

We know it's not enough to have the right people—we must constantly educate, connect and encourage important discussions on being inclusive in our fast-changing world. We are committed to a learning and development journey focused on inclusion and belonging that starts with onboarding and continues throughout our employees career with USG. **From the longest-tenured employees to the newest hires, we train our employees on:**

- **Inclusive Leadership**
- **Unconscious Bias**
- **Engagement**
- **Communication Styles**
- **Generational Differences**
- **Coaching**

USG Directions

The USG Directions program is an all-employee foundational development program fostering an interactive experience with a focus on “connection.” Directions enables employees to improve their communication, empathy, and coaching skills while promoting leadership and engagement at every level.



ALLYSHIP IN ACTION

USG's dedication to creating an inclusive culture is demonstrated through the progress we've made as an organization over the years. There has never been a more important time for our leadership team to learn and grow together. The Allyship in Action Challenge put our leaders' thoughts and perspectives to the test regarding what it means to be an ally.

An ally is someone who actively promotes and aspires to advance the culture of inclusion and belonging through intentional, positive, conscious efforts that benefit people as a whole.

Participants in this challenge viewed over 1,974 online videos over three weeks to learn about the importance of lifting each other up by advocating, sharing opportunities, realizing the impact of micro-aggressions, listening, supporting each other, apologizing, being vulnerable, self-reflecting and changing.

The mindset shift of our leaders throughout this challenge was inspiring! This challenge is one of many examples of the strength of our leadership team to continue moving forward on our diversity, inclusion, and belonging journey.

THE STATS



“ THANK YOU FOR THE ALLYSHIP IN ACTION LEARNING CHALLENGE. IT WAS VERY HELPFUL AND INFORMATIVE FOR MY MANAGEMENT TEAM AND ME. WE HAVE HAD SEVERAL GOOD TEAM DISCUSSIONS IN OUR LEADERSHIP TEAM MEETINGS AND ARE NOW GOING TO LEVERAGE SOME OF THE LESSONS WITH THE REMAINDER OF OUR TEAM. ”

*Al Zucco, Vice President
Sustainable Supply Chain, Chicago office*



INCLUSION: OUR GUIDING PATH

Creating an inclusive workplace is everyone's responsibility. USG's cross-functional Diversity and Inclusion Strategy Council (DISC) was established in 1998 to oversee our inclusion commitment and goals, promoting not just diversity of people but of thoughts, ideas, and perspectives.

DISC helps craft the strategy, priorities and programs that enable inclusion at a variety of levels:

- **USG Employee Resource and Networking Groups** promote learning, partnerships, and community outreach.
- **USG Field Advocate Program** promotes inclusive activities within our plants and sales territories.
- **Company-Wide Diversity events**, like the annual food and donation drive and Patriot Day Walk, engage our team.
- **Annual Diversity and Inclusion Recognition Ceremony** is a celebration of employees, customers, and vendors who help to further our mission. On an annual basis, we honor employees who go above-and-beyond to create a more inclusive workplace by donating time to worthwhile non-profit causes, assisting an Employee Resource Group, or leading by example as an Inclusive Leader. We celebrated more than 20 of our top Diversity Leaders in 2020 and named Waste Management as our Supplier of the Year and Park Avenue Building and Roofing Supplies, LLC as our Customer of the Year.





FIELD ADVOCATES: OUR WINDOWS TO THE WORLD

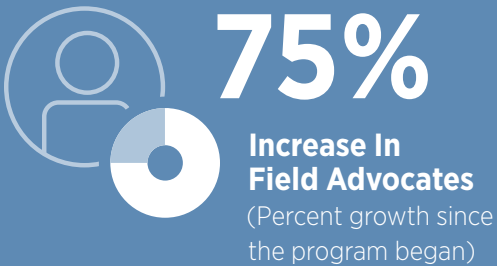
WINDOWS HELP US SEE THE WORLD AROUND US. THEY ALSO LET IN THE LIGHT.

USG is a member of communities large and small across North America, and we're proud to reflect those communities within our employees. One way we ensure that is through our Diversity & Inclusion Field Advocate program. This voluntary program enables people from our manufacturing plants and sales teams to serve as ambassadors and orchestrators of diversity events, guest speakers, and training programs on diversity, inclusion, and belonging in the locations where they work.

Field Advocates are critical partners in ensuring 360-degree communication with our employees—sharing corporate initiatives at the local level, but also giving voice to the thoughts, feelings and needs of our employees. They are our windows to the world.

Field Advocates actively lead and plan events at their respective locations to bring employees together, drive engagement, and expand connections within our communities. Some of the activities our Field Advocates lead include:

- Food and Donation Drive
- Patriot Day Walk
- Habitat for Humanity
- Clothing Drives
- Blood Drives
- Car Shows
- Truck Driver Appreciation Week
- Community Events and Donations
- United Way Grape Stomp
- Heritage Spotlight



“ THE FIELD ADVOCATE PROGRAM GIVES US AN OPPORTUNITY TO SHARE AND SEE WHAT THE OTHER PLANTS ARE DOING, ALLOWING US TO GROW IN OUR COMMITMENT TO EMPLOYEES AND TO MODEL OUR VALUE OF DIVERSITY AND INCLUSION AT USG. ”

*Marcie Malaney, Shared Service Administrator,
Washingtonville Plant Field Advocate*

“ THE CONTRIBUTIONS OF OUR DIVERSITY AND INCLUSION TEAMS POSITIVELY AFFECT THE CULTURE AT USG IN SUCH A WAY THAT I TRUST IT’S OKAY TO BRING MY WHOLE AUTHENTIC SELF TO THE WORKPLACE. IT’S MORE THAN OKAY; IT’S ENCOURAGED. THIS HAS ALLOWED ME TO FORGE MEANINGFUL CONNECTIONS WITH MY COWORKERS, TO LEARN ABOUT OTHERS, AND TO FEEL SAFE IN THESE INTERACTIONS. ”

*Susan McGee, Distributor Sales, Midwest Region,
Member of Pride Employee Resource Group*



FRAMING THE ORGANIZATION: GENDER EQUALITY

The framework of a building gives shape to the living spaces where our lives happen.

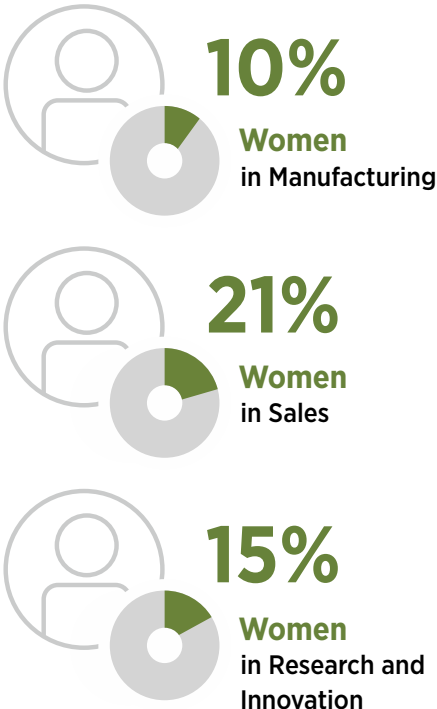
Historically, the construction and manufacturing industries weren't always places of gender equity—and they still lag the broader economy. But that's changing: From 2014 to 2019, the U.S. saw a 27% increase in women working in the construction industry, and female ownership of construction firms grew 64%*.

We are committed to continuing this trend, as we seek to reduce barriers for women within USG.

WE ACTIVELY RECRUIT, DEVELOP AND PROMOTE WOMEN INTO POSITIONS THAT MATTER IN ALL AREAS OF THE COMPANY INCLUDING LEADERSHIP ROLES, MANUFACTURING, TECHNICAL SERVICES, INNOVATION, AND SALES.

These positions and the women who fill them help us stay competitive, supporting future growth in our business.

USG sponsors networking groups that connect women in key areas of our business. These employee-led groups provide a central hub for new and existing employees to share challenges and find support.



USG NETWORKING GROUPS



Women in Manufacturing creates a welcoming environment for women in our plants to feel respected and supported while balancing career and personal lives.



Women in Sales connects our sales representatives across North America to encourage professional development, industry presence, and personal growth.



Women in Innovation engages and supports women on our research and innovation teams who play an essential part in developing our industry-leading products.

*SOURCE: bigrentz.com & nawic.org

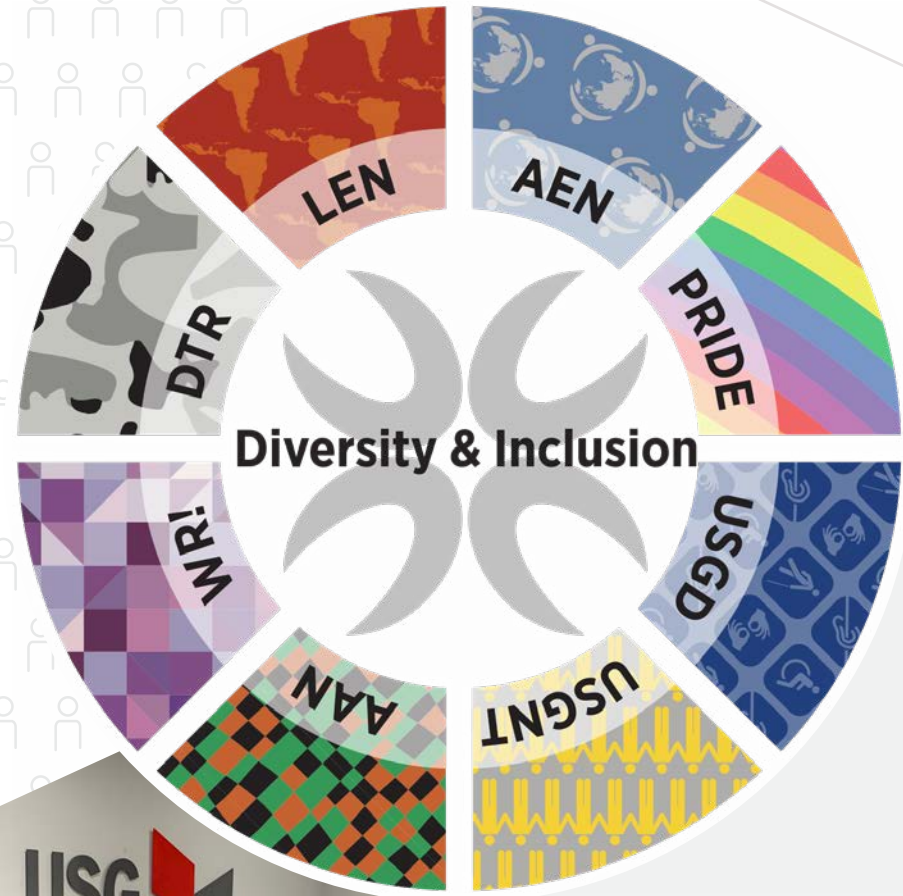


SUPPORTING OUR FOUNDATION: USG EMPLOYEE RESOURCE AND NETWORKING GROUPS

USG celebrates the mix of employees and their differences through our Employee Resource Groups (ERGs). These are eight communities that, while different, share a common goal to foster an inclusive environment among employees who share backgrounds, beliefs or lifestyles. ERGs also share four key priorities to expand their work: education and training, community affairs, recruiting and retention, and broader employee awareness.

Employee Resource Groups start as grassroots initiatives by interested employees. They receive support from the Diversity & Inclusion Strategy Council, guidance from executive and managing sponsors, and access to outside organizations to learn about benchmarking and best practices.

- African American Network
- Asian Employee Network
- Defend the Rock (military veterans)
- Disabilities
- Latino Employee Network
- Pride (LGBTQ+ and allies)
- USG New Talent
- WomenRock!



“ I FEEL LIKE I’M A PART OF SOMETHING SPECIAL—THAT’S BIGGER THAN MY ROLE, MY DEPARTMENT, AND EVEN THE COMPANY. ”

Leah Washburn, Manager, Learning and Development, Chicago office, Chair of WomenRock! Employee Resource Group



UNMASKED

A Quarantine Story



2020

“ WITH 2020 BEING A VERY UNPREDICTABLE YEAR, WE HAVE DONE WHAT WE CAN AS A CORPORATION TO STAY SAFE AND KEEP OUR PEOPLE CONNECTED AND HEARD. IN THE WiS “UNMASKED” SERIES WE SHARE HOW WE ARE EXPERIENCING QUARANTINE AND “ALL THE THINGS” TO MANAGE THE NEW NORMAL PERSONALLY AND PROFESSIONALLY. WE FEATURE WiS MEMBERS IN THEIR DAILY LIVES AS VIRTUAL SALES REPS, MOTHERS, SISTERS, DAUGHTERS, NEIGHBORS AND FRIENDS. ”

Fay Salim, Regional Sales Manager, California Region, Co-Chair of Women in Sales Networking Group

THE NEXT GENERATION OF TALENT

Although our history spans almost 120 years, we are equally dependent on the next generation of manufacturing employees and are committed to fostering a love of manufacturing in today's students.

From partnerships between our plants and K-12 schools, to college internships and safe, meaningful employment for new graduates, we give upcoming and early professionals the hands-on experience to grow their skills.

Tours, development workshops, and learning programs teach young people about the full breadth of careers available in manufacturing.

College recruiting helps us find the brightest talent. We offer both co-ops and internships for current college students and full-time employment for recent grads.

FOSTERING THE NEXT GENERATION OF TALENT

We are a proud partner to the All Stars Development School for Youth program, which transforms lives by providing training to promising young people who live in marginalized communities in Chicago. Our own employees teach participants about professionalism through workshops on resume writing, networking, and public speaking. With those skills, program graduates are placed into USG with six-week paid summer internships where their talents are nurtured further. And it works! The program just marked its tenth year.



49%
Diverse, Full-Time
Co-op Students
hired in the last 3 years (US)



125
Co-op and Intern Students
hired each year (average)



“ DURING MY TIME AS AN INTERN WITH USG I WORKED WITH THE ENERGY AND ENVIRONMENTAL GROUP IN THE CORPORATE OFFICE. THIS ALLOWED ME TO MEET PEOPLE ALL OF OVER THE COMPANY AND EXPLORE THE DIFFERENT CAREER PATHS WITHIN USG. BEING AN INTERN WITH USG PRIOR TO STARTING FULL-TIME ALLOWED ME TO CREATE A NETWORK OF CONTACTS THAT ARE NOW MENTORS AND VALUABLE RESOURCES. ”

Carrie Crawford, Technical and Supply Chain Manager, Phoenix plant



GROWING WITH OUR COMMUNITIES

Communities are an integral part of our extended family. They remind us that the USG family extends far beyond the walls of our facilities.

Each year, the USG Foundation grants more than \$500,000 to community organizations that provide shelter, health and human services, and education. These funds are distributed in many ways, including our three flagship programs:

USG Matching Gift Program: We encourage our employees to participate in the community and support their generosity through our Matching Gift Program. USG matches employee contributions to qualifying non-profit organizations fifty cents on the dollar, up to a maximum of \$2,500.

USG Dollars for Doers: Employees who give their time and energy through volunteer work at a non-profit organization can apply for a \$250 annual grant from the USG Foundation.

USG Give Local Campaign: We care deeply about being a good neighbor and citizen in the communities where we operate and work to provide extra resources where communities need it most. Each plant and sales group can select a local non-profit organization, such as volunteer fire departments and youth sports organizations, to receive a \$5,000 grant each year.

THE STATS (2020)

28 
“Give Local” Grants

\$638,000
Donated in 2020
 to local and national non-profit organizations

235 
Matching Donations

“ THE USG FOUNDATION GRANTS HELP MAKE OUR COMMUNITIES GREAT PLACES TO LIVE AND WORK. TEAMS CHOOSE AN ORGANIZATION THAT IS MEANINGFUL TO THEM, MAKING IT EVEN MORE IMPACTFUL. ”

Noreen Cleary, Senior Vice President, Chief Human Resources Officer, and Director, USG Foundation, Chicago office



“EMPLOYEE RESOURCE GROUPS HELP EMPLOYEES CONNECT AT A DEEPER LEVEL, BUILDING STRONGER TRUST AND UNDERSTANDING. GETTING INVOLVED IN THE ERG AND NETWORKING GROUPS’ ACTIVITIES STRENGTHENS OUR OPEN AND INCLUSIVE CULTURE, MAKING US MORE INNOVATIVE.”

*Claire Yu, Program Manager Ceilings Lab,
Customer Innovation Center,
Chair of Women In Innovation Networking Group
and Asian Employee Resource Group*



THE SKY IS THE LIMIT

We're proud of our century-long legacy, but we know there is no upper limit on what our people can do, how big they can grow, and how much they can contribute to a better-built world.

Inclusion and belonging starts with our beliefs. We believe in inspiring engagement through our head, hands, and heart. Establishing and enhancing a culture of belonging is everyone's responsibility. It comes down to our actions and how we treat each other every day. Our individual behaviors, hidden biases, and habits matter.

As we move ahead, we will continue to leverage our diverse thoughts, experiences, perspectives, and backgrounds to create breakthrough innovations that improve the spaces where we live, work, and play.

Our journey continues...and we are excited to move forward!





This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 related to management's expectations about future conditions. Actual business, market or other conditions may differ materially from management's expectations. Any forward-looking statements represent our views only as of the date of this report and should not be relied upon as representing our views as of any subsequent date, and we undertake no obligation to update any forward looking statement.

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