Corporate responsibility has long been embedded in our values and our business. We are committed to protecting, preserving and enhancing the lives of our employees, customers and communities worldwide. From the plants where our products are manufactured to our sales floors, Sherwin-Williams invests in sustainability initiatives to help grow our business with care, differentiate us in the marketplace and make a positive impact on the world around us.

This year’s Corporate Social Responsibility Report captures the progress we made in 2019 and demonstrates our ongoing commitment to meeting our Environmental, Social and Governance (ESG) goals. Perhaps most importantly, this report illustrates the journey we are traveling as we strive to improve results, develop innovative solutions and support our communities. We are proud of our track record, but consistent with our continuous improvement culture, we always seek to be better.

We follow our Company’s guiding principles regarding the safe use of chemicals in our formulations and manufacturing processes. We recognize and address the potential impacts of our products throughout their life cycle. We assess each ingredient in a product formulation in terms of human health, environmental impact, physical and chemical properties, and other information reflecting current best practices.

From a social perspective, we give back to the community through The Sherwin-Williams Foundation and extensive employee volunteerism. Our National Painting Week program supports thousands of neighborhoods across the U.S. and Canada. We are pleased to highlight that in 2019 Forbes named us among America’s Best Employers for Diversity, Best Employers for Women and Best Employers for New Graduates.

Continuous Improvement – 2019 Progress

Given the changes to our global business and our commitment to continuous improvement, we initiated a comprehensive materiality assessment in 2019 (see page 5). The process was reviewed and the results shared with the Nominating and Corporate Governance (NCG) Committee and the Board of Directors. Informed by shareholders, employees, customers and suppliers, the assessment will guide our ESG priorities and goals in the years ahead.

Also, in 2019, the Company strengthened its commitment to corporate responsibility by naming Bob Israel as our first Vice President of Global Sustainability responsible for guiding and progressing our efforts. In addition, we enhanced our governance structure with the creation of a cross-functional Sustainability Council and an executive-level Sustainability Steering Committee (see page 6). The Board has management oversight responsibility for actions taken by both the Council and the Committee.

COVID-19 Response

As we entered 2020, the world was dealing with the COVID-19 health crisis. As is our nature, Sherwin-Williams quickly adjusted our business operations to protect the health and well-being of our employees and support our communities, while still meeting the needs of our customers. Although this ongoing crisis has been like no other, our Company has weathered significant challenges over the course of our 154-year history and we have come out of these situations a stronger company. I am confident that this crisis will be no different.

We have worked diligently to supply critical products to customers who support healthcare facilities, manufacturing plants and other infrastructure and medical equipment, as well as those creating and maintaining clean and healthy work environments.

During these challenging times we enhanced our support of the communities in which we operate. This includes donating masks, gloves and other personal protective equipment, as well as hand sanitizer we began manufacturing at our plants. We would not be in such a strong position to help without the tremendous ongoing efforts and commitment of our global employees.

The Journey Continues

Founded on our values and guiding principles, protecting the world in which we live and striving to continuously improve our sustainability programs are at our core. Our process is rooted in evaluating current actions and challenging ourselves to develop innovative solutions, while achieving strong business performance. I am excited by all we have accomplished along our ESG journey and I look forward to our future successes.

John G. Morikis
Chairman and Chief Executive Officer
We believe it’s important to participate in healthy discussions — and create action plans — with input from those around us. That is why we are actively engaged with these government agencies, industry organizations and non-government organizations that value sustainable practices as much as we do.

- American Coating Association℠
- British Coatings Federation
- Canadian Paints and Coatings Association (CPCA)
- CLEARCorps USA
- ECOLABEL – European Union
- EcoVadis
- EPA SmartWay® Fuel Efficient Transportation Program
- GC3
- GREENGUARD Certification from UL Environment
- Household & Commercial Products Association
- National Association of Home Builders (NAHB)
- National Green Building Program™
- NSF International
- PaintCare® Program
- UL Environment®
- Sustainability Accounting Standards Board (SASB)
- The Carbon Disclosure Project™
- The Coatings Care® Program
- The U.S. Green Building Council® (USGBC) LEED® Program
- Water Disclosure Project

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Sherwin-Williams remains committed to continuous improvement, including addressing material issues that we believe are critical to our vitality and success. Working with a leading global provider of sustainability services we conducted a robust materiality assessment in 2019 to identify, prioritize and validate the Company’s most significant Environmental, Social and Governance (ESG) topics. Our process included:

- Background research from key sources across our industry peers, customers, investors and other stakeholders;
- Impact mapping of our value chain to identify key stakeholders and topic boundaries;
- Internal stakeholder interviews with executives and business unit leaders spanning across our divisions and global teams;
- External stakeholder interviews with investors, customers, suppliers and non-governmental organizations;
- Written source review for both internal and external evidence;
- Validation workshop with the Sustainability Steering Committee and other members of our executive team; and
- Presentation of results to the Nominating and Corporate Governance Committee (NCG) and full Board of Directors.

The Company’s approach ensured a wide-ranging set of contributions, synthesized through the lens of our most significant impacts and the influence on our stakeholders. Our Board, members of our executive team and subject-matter experts supported the completion of this process and the implementation of further action based upon the assessment results.

This Corporate Social Responsibility (CSR) Report reflects the material topics derived from our assessment. We will continue to demonstrate our commitment to managing these themes through our reporting over time. Our top tier material areas of focus include:

- Product Stewardship
- Talent Acquisition and Employee Engagement
- Climate and Footprint
- Occupational Health and Safety
- Life Cycle Assessment

Each of the above categories contain items from the top two tiers in the matrix. Certain topics were considered integral to Sherwin-Williams and its commitment to these topics extends to all areas of business. They include Business Ethics (Anti-Corruption, Anti-Bribery and Regulatory Compliance), Financial Performance, Innovation and Corporate Culture. As of the writing of this report, we are focused on developing targets and goals based on the materiality assessment and plan to report these prior to the release of our 2020 report.
Governance at Sherwin-Williams

At Sherwin-Williams, our approach to corporate social responsibility is grounded in our commitment to creating and maintaining sustainable value for our customers, our employees, our shareholders and the communities in which we live and work. This commitment is managed within a governance structure that supports broad engagement across the organization, while providing appropriate oversight and accountability at the highest levels of the Company.

Board of Directors

While management is responsible for assessing and managing our exposure to various risks, the Board of Directors has responsibility for the oversight of risk management. Our Board committees assist the Board with its overall risk management oversight responsibility by reviewing specific risk areas, such as Environmental, Social and Governance (ESG) risks.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee (NCG) consists of independent directors and has specific oversight responsibility for risks related to our environmental, safety, sustainability and corporate social responsibility policies, objectives and practices. Management periodically reviews our policies, objectives and practices concerning these risks with the Committee. Over the past year, these reviews included updates from management regarding the progress and results of our recently completed materiality assessment — which identified, prioritized and validated the ESG topics most significant to the Company. For more information on the materiality assessment, please see the previous page in this report.

Sustainability Steering Committee

Because sustainability is integral to Sherwin-Williams business and stakeholders, our Sustainability Steering Committee is comprised of members of our executive team and other senior leaders across the organization, including those within the areas of Environmental, Health, and Safety and Regulatory Affairs, Legal, Investor Relations, Corporate Communications, Human Resources, Global Supply Chain, Global Sustainability and Global Operations. The Sustainability Steering Committee periodically receives updates regarding progress and initiatives of the Sustainability Council and drives alignment across the organization to address emerging ESG risks and opportunities.

Sustainability Council

Our Sustainability Council consists of six working groups formed to address the five most prominent topics identified in our materiality assessment plus governance structure and processes. The Sustainability Council is focused on deeper integration of sustainability and other ESG initiatives throughout Sherwin-Williams and the proactive identification of emerging ESG trends and opportunities across the organization. It is also tasked with driving the development, recommendation and implementation of Company-wide ESG targets and goals.
Governance at Sherwin-Williams (continued)

Our Board committees review other specific risk areas to assist the Board with its overall risk management oversight responsibility.

Additional information about our Board and Committees can be found in our Corporate Governance Guidelines, Committee Charters, 2020 Proxy Statement and other materials made available through our Investor Relations website: investors.sherwin-williams.com.

At the Board and management level and throughout the Company, we recognize our collective actions impact our reputation and credibility with our customers, suppliers, communities and other stakeholders. We are committed to ensuring work-related activities reflect standards of honesty, loyalty, concern for others and accountability. Our global compliance efforts help us to uphold this commitment.
Founded in 1866, The Sherwin-Williams Company is a global leader in the manufacture, development, distribution, and sale of paints, coatings and related products to professional, industrial, commercial and retail customers in North and South America, with additional operations in the Caribbean region, Europe, Asia and Australia. With global headquarters in Cleveland, Ohio, Sherwin-Williams branded products are sold exclusively through a chain of company-operated stores and facilities, while the Company’s other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors. The Sherwin-Williams Performance Coatings Group supplies a broad range of highly-engineered solutions for the construction, industrial, packaging and transportation markets around the world.
Who is Sherwin-Williams?

These seven guiding values are the foundation of the Sherwin-Williams Culture of Excellence. They are an expression of who we are as an organization. They are principles and beliefs that guide how we behave as employees. Like a compass, they set a direction for how we carry out our responsibilities to one another, to our customers, to the communities we are a part of, to our shareholders and to our other stakeholders. We believe that the pursuit of excellence is an ongoing commitment and a vital part of our culture that is reflected in this report.

Integrity is at the heart of who we are. We were established as a principled, ethical enterprise. Today, integrity is reflected in our people, our products, our business practices and relationships. We keep our promises to one another, to our customers, to our shareholders and to our other stakeholders.

People represent the foundation and future of our success. We are committed to providing our people safe and healthy working environments with opportunities to learn, grow, and to be recognized for their achievements. We are also committed to valuing the diversity of individuals, and improving the quality of life in the communities we serve.

Service that is exemplary, personal and professional, accompanied by the strongest product knowledge and supply chain in our industry, provides our customers with confidence in our products and coatings solutions.

Quality was an early element in our company’s success. Our founders insisted upon products, processes, and people of the highest quality. With a strong commitment to continuous improvement, we challenge ourselves to set the industry standard of excellence in colors, products and coatings.

Performance that achieves desired results and that sets an example for others is encouraged, recognized and rewarded. Our people and products deliver exceptional results. We set high expectations for — and take care to measure and reward — the achievement of challenging goals.

Innovation ensures that our customers will be the first to benefit from pioneering advancements in our products, coatings and their applications. At Sherwin-Williams, expansive thinking and innovation is encouraged through challenging assumptions and by leveraging our collective ingenuity and imagination.

Growth tempered by discipline is a hallmark of our organization. “To grow in knowledge and character as well as in size,” was an early principle of our Company. We remain faithful to that principle as we continue to expand our global footprint. We are committed to growth that is sustainable, and that benefits our shareholders, customers and our employees.
The Sherwin-Williams Company was founded by Henry Sherwin and Edward Williams in 1866. Today, we are a global leader in the development, manufacture, distribution and sale of paints, coatings and related products to professional, industrial, commercial and retail customers.

**The Americas Group**
The Americas Group operates specialty stores that serve as the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering with more than 4,400 stores in the United States, Canada and Caribbean servicing the needs of architectural and industrial painting contractors and do-it-yourself homeowners. The group also manufactures and sells a wide range of architectural paints, industrial coatings and related products across Latin America through company-operated stores, dedicated dealers and select retailers.

**Consumer Brands Group**
The Consumer Brands Group sells one of the industry’s most recognized portfolios of branded and private-label and licensed brand paints, stains, varnishes, industrial products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulks and adhesives through retailers across North America, parts of Europe, China, Australia and New Zealand. The Group’s product portfolio is sold to do-it-yourselfers, professional painting contractors, retailers and a wide array of other trades around the globe. The Group also operates a highly efficient and productive global supply chain for paints, coatings and related products.

**Performance Coatings Group**
The Performance Coatings Group is comprised of several divisions that sell a broad range of coatings and finishing solutions through nearly 300 branches to general industrial, industrial wood, automotive, protective and marine, packaging, and coil and extrusion customers in more than 120 countries.

**Global Supply Chain**
Global Supply Chain manufactures and distributes Sherwin-Williams branded and private-label products. With more than 120 manufacturing and distribution centers around the world, Global Supply Chain manages raw material procurement, the development and manufacturing of products and the distribution of those products to Sherwin-Williams stores and customer facilities.
Number of Employees

Data is as of December 31, 2019 and includes all Company-operated stores and branches in all reportable segments.

Note: Reporting methodology and numbers have been updated from previous annual Corporate Social Responsibility reports to maintain organizational consistency. See Sherwin-Williams Investor ESG Summary (www.sustainability.sherwin.com) for additional data on Full-Time Equivalent Employees.

* Sherwin-Williams acquired Valspar on June 1, 2017.

Note: Co-located Manufacturing/Distribution sites are counted as one site.
Ask Sherwin-Williams — the premier global leader in the paint and coatings industry. No matter where you are in the world or what surfaces you’re coating, we provide innovative and sustainable solutions that ensure your success.
Sherwin-Williams has always been a company that cares for our employees, our workplace and our communities. Protecting our people is a core value that has been with us since our beginnings. Today, we are creating Environmental, Health and Safety (EHS) excellence across the company and striving for incident-free workplaces — continuously assessing the programs that are in place to keep our employees safe. Our employees are driving the continued healthy growth of our business by working collaboratively to develop our inclusive, diverse workforce and network of suppliers, essential to the culture of Sherwin-Williams.
New Safety Campaign Emphasizes Taking Action

**Find it, own it, fix it or report it.**

*Mo*rnings are busy in Sherwin-Williams stores, distribution centers and manufacturing facilities. As people go about their work with purpose — stocking shelves, preparing shipments, loading trucks, operating machinery and serving customers — the Company wanted to emphasize areas that result in the highest number of injuries and improve our already solid safety rates. Developed in 2019, the *Trips-Lifts-Cuts (TLC) Stay Safe Out There* initiative aims to ensure safety is a continued focus.

*TLC Stay Safe Out There* is a Company-wide initiative to reduce incidents of trips, lifts and cuts, which make up 85% of employee reported injuries. It also draws attention to the risk of fires and spills in the Sherwin-Williams global manufacturing facilities.

**Joel Baxter.** Sherwin-Williams Global Supply Chain (GSC) President and General Manager says, “Sherwin-Williams has always been good at shining a light on opportunities for improvement.” By setting goals and “holding ourselves accountable,” accidents can be drastically reduced. Equally important is keeping the message simple. **Brian Beck,** Sherwin-Williams Director of Safety for The Americas Group (TAG) says, “Our store employees have many things demanding their attention, so we want to keep safety simple, flexible and sustainable.”

“Every day, as we go about our jobs, we get used to our surroundings,” says **Thomas Johnson,** Sherwin-Williams Environmental Health & Safety Manager, Chicago plant, “but initiatives like *TLC Stay Safe Out There* place a new focus on things.”

To keep the emphasis on safety, posters were created in the Fall of 2019 and distributed throughout all Sherwin-Williams stores, manufacturing plants and distribution centers. The colorful graphics illustrate safe ways to lift and how to keep pathways clear, avoid cuts, prevent spills and be alert to potential fire hazards. Other visual aids — such as adding bright yellow lines in stores and warehouses — remind employees to keep pathways clear of trip hazards.

“Safety should be intertwined with what you do already,” says Brian, “not something you have to take additional time to do.”

Monthly calls with Environmental, Health and Safety (EHS) managers around the globe in 2019 kept everyone updated on the training and resources available and encouraged the sharing of best practices. These updates are ongoing and continue to keep employees informed as the *TLC Stay Safe Out There* initiative evolves.

To support the efforts, employees are encouraged to report risk factors and identify opportunities for improvement in their own workplace. “It’s part of our open feedback loop,” adds Joel. “The keys to success are leadership, discipline and teamwork. Any project that reduces injury doesn’t happen because of one person, it’s the result of a team coming together.”

**TLC STAY SAFE OUT THERE**

*Trips, lifts, cuts, spills and fires are the leading causes of incidents at Sherwin-Williams.*

The goal is to ensure all employees on the shop floor and store floor are: (1) aware of the risk of trips, lifts, cuts, spills and fires — and, (2) actively look to find them, own them, fix them or report them — EVERY TIME.
At Sherwin-Williams, we are committed to fostering a culture of conscious inclusion — one where differences are welcomed, appreciated and celebrated to drive innovation, performance and employee engagement.

We define diversity as the differences that exist among people such as age, gender, race/ethnicity, thoughts, values and other characteristics that make us unique. “Diversity is who we are — it’s about being different, together,” says Yentil Rawlinson, Sherwin-Williams Director of Inclusion & Diversity. “Inclusion, on the other hand, is about what we do to leverage those differences. It’s how we embrace those differences in order to win, together.”

We deliberately placed inclusion ahead of diversity to focus on culture-building and engagement. Inclusion is embracing differences and similarities to foster the full engagement and development of all employees. Inclusion allows us to serve, understand and reflect the customers and communities we serve around the world.

“Focusing on inclusion and diversity is more than just the right thing to do,” says John Morikis, Chairman and Chief Executive Officer. “It is crucial for us to grow as an employer, supplier, steward and business. It impacts everything we do.”

This commitment is a key component of our Guiding Values and our key differentiator — our people. Leveraging an integrated talent management model, we have designed building blocks to shape our strategy and approach to advancing the Company’s inclusion and diversity efforts and set the foundation for sustainable growth across the organization.

Founded on a strong leadership commitment, our building blocks consist of the following:

- **Educate & Communicate the Business Case**: Building awareness of inclusive leadership behaviors to leverage the unique contribution of each employee to drive business results
- **Fill the Pipeline**: Attracting the best talent by strengthening our brand as an employer of choice
- **Develop & Engage Talent**: Investing in our people by providing cross-divisional networking and learning opportunities to drive employee engagement
- **Progress Talent**: Integrating inclusion and diversity practices, processes, tools and resources into talent review and succession planning

Inclusion and Diversity — Reinforcing Our Culture
In 2019, we focused our efforts on leveraging the voice of the employee, business and customer to build a Company-wide strategy. Below are snapshots of various efforts and activities that were continued in 2019 around the globe:

**CEO Action for Diversity & Inclusion™:**
In 2018, our Company joined the coalition of more than 700 CEOs agreeing to take action to cultivate environments where diverse experiences and perspectives are welcomed and where employees feel comfortable and encouraged to discuss diversity and inclusion.

**CEO Forums on Inclusion:**
In 2019, the second year of hosting CEO Forums on Inclusion, John Morikis and members of his executive team visited four U.S. cities. The goal of the forums is to encourage dialogue and obtain feedback from employees on what we are doing well and understand what we could be doing differently to drive our inclusion and diversity strategy.

“The forums are a great way for us to listen and learn,” says Aaron Erter, Sherwin-Williams President, Performance Coatings Group, who participated in the St. Louis, Missouri forum. “We’re driving inclusion and diversity equally. Both are important to our success. These conversations really help us better understand how our employees feel and how we can improve.”

**Conscious Inclusion Education & Training:**
In 2019, we held Conscious Inclusion sessions designed to help leaders and allies be continually mindful of unconscious biases and provide them with practical actions they can take to create and lead more inclusive cultures. 97% of our senior leadership has completed the training.

**Employee Resource Groups:**
In 2019, we expanded our employee-led networks and programs that advance our commitment to attract, develop, engage and progress talent within Sherwin-Williams through networking, professional development, community involvement and alignment with business objectives. Groups throughout the Company include:
- African-American Network
- Hispanic/Latinx Resource Group
- Pride Works – LGBT+ Network
- Military/Veterans Resource Group
- Multicultural Resource Group
- Global Women’s Network

**Supplier Diversity:**
We recognize that our operations have an impact on the development of the communities in which we live and work. By engaging with strategic external partners, our goal is to create a supplier base that exemplifies inclusion and represents the diversity of our employees, customers and communities.
The Company delivered another outstanding year in 2019. In addition to record sales and financial performance, the Company earned numerous awards, recognizing our commitment towards corporate social responsibility.

Corporate social responsibility has long been embedded in our values and our business, and we continue to improve in this area. The many awards we received are acknowledgements towards our efforts to protect and develop our greatest assets—our Company, our employees, the communities in which we live and work, and the world around us.

**As a Company**
- Forbes®: The World’s Top Regarded Companies
- IndustryWeek®: 50 Best U.S. Manufacturers
- Coatings World: Top Manufacturer of Paints, Coatings, Adhesives and Sealants
- IR Magazine®: Best in Sector: Materials

**As an Employer**
- Forbes®: World’s Best Employers
- Forbes®: America’s Best Employers for New Graduates
- Forbes®: America’s Best Employers for Women
- Forbes®: The Best Employers for Diversity
- Forbes®: America’s Best Employers by State
- Indeed®: Top-Rated Workplaces: Best Retailers
- Cleveland Plain Dealer®: Northeast Ohio Top Workplaces
- Minnesota Safety Council: Outstanding Award in Occupational Safety

**As a Steward**
- U.S. Environmental Protection Agency (EPA): SmartWay Excellence Award
- The Society for Protective Coatings: SSPC Structure Awards; Eric S. Kline Award
- The Society for Protective Coatings: SSPC Structure Awards; Military Coatings Award
- The Society for Protective Coatings: SSPC Structure Awards; Charles G. Munger Award
- PaintSquare®: PaintSquare Press Prestige Awards; Top Innovation – Coatings Category
- PaintSquare®: PaintSquare Press Prestige Awards; Top Product – Coatings Category

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Enterprise-wide EHS Excellence

At Sherwin-Williams, our Product Stewardship Program is built on continuous improvement and driven by guiding principles regarding the safe use of chemicals in our formulations and manufacturing processes. We employ a dedicated global product stewardship team to recognize and address the potential impacts of our products throughout their life cycle.

S-W Cares is an enterprise-wide initiative to communicate our global approach and expectations — and a roadmap for achieving environmental, health and safety (EHS) excellence across the Company for both our products and our operations. It provides a leadership governance structure, a common language, and tools and measures for continuously improving efforts to ensure safe workplaces, protect the environment, and meet or exceed regulatory requirements.

The principles of S-W Cares are straightforward, yet meaningful:

- Safe Employees
- Healthy Planet
- Responsible Operations

Launched in 2017, S-W Cares grew out of a desire to build stronger partnerships among Sherwin-Williams divisions and unite EHS & Regulatory Affairs/Global Product Stewardship programs and processes. A shared vision also helps integrate acquired companies into a global culture of safety. The program was developed by a large cross-functional team drawn from the Company’s multiple divisions to reduce overall risk and create global synergy.

“S-W Cares is an enterprise-wide initiative reflecting how the Company manages safety for our more than 61,000 employees, stewardship towards the environment and engagement with the communities in which we operate,” said Mark Mazanec, Sherwin-Williams Senior Vice President of Environmental, Health, Safety and Regulatory Affairs/Global Product Stewardship. “I am proud to lead a dedicated team that is launching global programs throughout Sherwin-Williams under the umbrella of S-W Cares to improve our products and operations for the benefit of our customers, communities and employees.”

S-W Cares is an enterprise-wide initiative to communicate our global approach and expectations — and a roadmap for achieving environmental, health and safety (EHS) excellence across the Company for both our products and our operations.
Safety a Priority at Innovative Distribution Center

When the new 615,000-square-foot Sherwin-Williams distribution service center (DSC) opened in Waco, Texas, employees stepped into a brand-new world of safety compared to the 27-year-old DSC 15 miles away. The fresh new layout and state-of-the-art automation maximizes efficiency and enhances personnel safety for the site’s 326 employees.

“We know this move will take us forward,” says Michael Hunt, Sherwin-Williams Maintenance Technician at the Waco DSC since 2005. “It means a lot to our team that the Company chose to stay in Waco.” Retaining the existing team was a top concern as decision-makers considered sites for construction of the new facility, says Rick Lankford, Sherwin-Williams Continuous Improvement Manager.

“There is so much knowledge here and it’s not just about having people stay; it’s about giving them opportunities to build careers here,” he explains. “You can only do heavy physical labor for so long. The automation is helping the DSC team develop technical skills they can use into the future.”

The major components of the new automation are robotic systems that do a lot of the heavy, repetitive lifting integral to DSC operations.

Scott Runde, Sherwin-Williams Operations Manager, explains, “clamps lift two five-gallon pails at a time, while the vacuum system lifts cartons holding four one-gallon cans. This technology, combined with other process improvements, has enabled us to automate lifting for 85 percent of all products heavier than 40 pounds. This means that only 15 percent of that weight is on employees’ backs. Our goal is to reduce that by another 5 percent. For the ‘pickers,’ whose primary responsibility is lifting paint, the robots have cut the daily pick weight from an average of 40,000 pounds to about 18,000.”

But automation isn’t the only factor helping to keep employees safe. Enhancing safety factored into the site design as well. At main intersections, stoplights help control traffic and mirrors help manage blind spots. Dock locks prevent drivers from pulling away while operators are driving into or out of a trailer. Enormous fans maintain optimal temperatures and air flow. And LED motion-sensor lighting keeps workspaces safely lit.

The LED lighting also reduces energy consumption, supporting the Company’s commitment to sustainability. Additionally, the DSC recycles 86 percent of its materials — plastic wrap, wooden pallets, cardboard and scrap metal — and, to reduce drive time and save fuel, sends many trucks out at night or early in the morning while traffic is light.

“The Waco DSC is a safe and great place to work,” says Michael. “New employees coming in as order pickers may not recognize the benefits of the automation like those of us who did that job manually. I tell them, ‘Those machines will help you make a career in this place,’” he says. “That’s something we can all appreciate.”

From left: Scott Runde, Rick Lankford, & Michael Hunt

Enhancing safety factored into the site design for the 615,000-square foot Waco DSC.
Safety Recordable Rate

67 GSC Sites Achieved Zero Recordables in 2019

The Safety Means Awareness Responsibility Teamwork (SMART) program was created in the early 1990s to establish fundamental safety principles for a safe Sherwin-Williams work environment. As a result of the employee involvement and heightened communication that this program generated, Global Supply Chain (GSC) has seen continuous safety improvement throughout the past decades. Today’s S-W Cares platform builds upon the SMART program foundation.

Australia – New Zealand
- Bayswater WA DSC (Australia)
- Blacktown NSW DSC (Australia)
- Kilburn SA (Australia)
- West Footscray VIC (Australia)
- Auckland Avondale (New Zealand)

Asia – Pacific
- Dongguan (China)
- Guangdong (China)
- Jiading Operations (China)
- Nantong (China)
- Shanghai Malu (China)
- Shunde Huarun (China)
- Tianjin (China)
- Pasir Gudang (Malaysia)
- Singapore (Singapore)
- Binh Duong (Vietnam)
- Vietnam DongNai (Vietnam)

Europe – Middle East – Africa
- Pujaut (France)
- Tournus (France)
- Dresden (Germany)
- Eschweiler (Germany)
- Bangalore (India)
- Ballinamore (Ireland)
- Mariano Comense (Italy)
- Orbassano Turin (Italy)
- Ambacht (Netherlands)
- Brodziszewo (Poland)
- Debica (Poland)
- Sady (Poland)
- Durban (South Africa)
- Nassjo (Sweden)
- Grueningen (Switzerland)
- Biggleswade (United Kingdom)
- Deeside (United Kingdom)
- Liverpool (United Kingdom)
- Plymouth (United Kingdom)

Latin America
- Aracariguama (Brazil)
- Igarassu (Brazil)
- Sao Bernardo Campo (Brazil)
- Sumare (Brazil)
- Cienega (Mexico)
- Cuautlalpan (Mexico)
- Monterrey (Mexico)
- Vallejo (Mexico)
- Lima Centro de Distribución (Peru)

North America
- Brantford (Canada)
- Mississauga DSC (Canada)
- Rexdale (Canada)
- Aurora DSC, CO (USA)
- Bowling Green, KY (USA)

Recordable Case Rates
Injury/Illness per 200K Hours Worked
OSHA VPP and OHSAS 18001 Sites

OSHA VPP and Star Rating, USA

The Voluntary Protection Program (VPP) under the Occupational Safety and Health Administration (OSHA) promotes effective worksite-based safety and health. In the VPP, management, employees and OSHA establish cooperative relationships at workplaces that have implemented a comprehensive safety and health management system. Approval into the VPP is OSHA’s official recognition of the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health.

Our OSHA VPP STAR Sites:
- Atlanta, GA
- Baltimore, MD
- Beltsville, MA
- Breen Technology Center, OH
- Charlotte, NC
- Chicago, IL
- Cincinnati, OH
- Columbus, OH
- Crisfield, MD
- Elkhart, IN
- Fernley, NV
- Flora, IL
- Fredericksburg, PA
- Garland, TX
- Greensboro – HS, NC
- Greensboro – SC, NC
- Homewood, IL
- Lawrenceville, GA
- Medina, OH
- Memphis, TN
- Minneaplis, MN
- Moline, IL
- Moreno Valley, CA
- Morrow, GA
- Orlando, FL
- Pittsburgh, PA
- Portland, OR
- Rockford, IL
- Sierra, NV
- South Holland, IL
- Victorville, CA
- Waco, TX

OHSAS 18001 Certification, Global

Occupational Health and Safety Assessment Series (OHSAS) management system standard OHSAS 18001 is designed to help organizations manage and control their health and safety risks, and improve their occupational health and safety performance. It is issued by the British Standards Institute and it has become internationally known and accepted. Certification to OHSAS 18001 is achieved and maintained through independent registrars and requires ongoing demonstration of conformance to the basic requirements of the standard: commitment to prevent injury and ill health, and continual improvement in occupational health and safety management and performance.

Our OHSAS 18001 Sites:
- Chapeltown-Sheffield (UK)
- Fort Erie (Canada)
- Grimsby (Canada)
- Ho Chi Minh (Vietnam)
- Jiading (China)
- Pasir Gudang (Malaysia)
- Quito (Ecuador)
- Ribeirão Pires (Brazil)
- Richmond, KY (USA)
- São Bernardo do Campo (Brazil)
- Singapore (Singapore)
- Sumare (Brazil)
- Taboão da Serra (Brazil)
- Vanta (Finland)
Manufacturing and Distribution Sites Recognized for Safety and Health Management Systems

In 2019, the Company maintained 36% of manufacturing and distribution sites certified to either VPP or OHSAS 18001.
In 2019, Our Global Supply Chain Distribution Fleet recorded 0.58 accidents per million miles.

Data reflects the United States Department of Transportation Reportable Accident Rate

**Industry Benchmark**


*2019 National Private Truck Council data not available at time of production*
Community engagement takes shape in many ways at Sherwin-Williams, often led by employees in our manufacturing facilities, distribution centers, paint stores and offices around the globe. As a company, we look for ways to help the community at every turn, utilizing the skills of our people and the performance of our products. The Company’s commitment to our local communities is a point of pride with a very long legacy. Employees are supported and invited to lend a hand to those organizations that are most meaningful personally, to the Company and to the local community. Committed to children’s health and education, The Sherwin-Williams Foundation provides grants to nonprofits that are providing solutions that lead to economic independence and organizations addressing community needs in innovative ways.
Starting at the end of 2019 and continuing through 2020, the world has faced extraordinary circumstances related to the Coronavirus (COVID-19) pandemic. Sherwin-Williams responded to this global health crisis by adjusting our business operations to protect our employees while continuing to meet our customers’ needs and support the communities in which we live and work.

Sherwin-Williams is taking every reasonable preventative measure to protect the health and safety of our employees. In addition to implementing social distancing policies recommended by the Centers for Disease and Prevention (CDC), we have provided our team with enhanced paid sick and/or family leave and approved temporary leaves of absence, made flexible work arrangements while continuing to abide by enhanced cleaning protocols, and restricted travel. We also temporarily closed the sales floors at our paint stores, allowing customers to order products online or via phone and use curbside pickup and delivery.

We serve an essential role supplying critical products to customers who support health care facilities, manufacturing plants and other infrastructure and medical equipment. We are supporting small business owners and independent contractors who rely on our products and services to create and maintain clean and healthy work environments. Additionally, we are supporting customers involved in important industrial applications such as food and beverage packaging, healthcare equipment manufacturing, water treatment facilities and energy infrastructure.

We have delivered critical coatings products to producers of ventilators, oxygen tanks, hospital bed frames, pharmaceuticals and other applications.

We continuously look for opportunities to help the communities we serve and those in need. This challenging time is no different. We are providing additional support to communities through combined donations of 250,000 masks, gloves and other personal protective equipment.

We also donated hand sanitizer manufactured in our plants. We will continue to look for ways to help. We are proud of our employees who are part of this vital workforce.

We salute the good work being done by the caregivers at home and in healthcare, and our thoughts go out to all of those affected by COVID-19. For 154 years, Sherwin-Williams has stood with the world as it faced tough times. Together, we will weather this crisis, too. We remain committed to supporting our employees, communities and customers as we always have.

In Indianapolis, employees donated 40 gallons of anti-microbial Paint Shield® to be used on multiple floors at Hendricks Regional Hospital in Danville. The floors were being converted to provide space for fighting the COVID-19 pandemic. The team also donated PPE to Eskenazi Health, the public hospital division of the Health & Hospital Corporation of Marion County.

We are fortunate to share our hometown of Cleveland, Ohio with internationally recognized healthcare institutions at the forefront of the COVID-19 pandemic. More than 150,000 gloves and 25,000 N95 masks have been donated to St. Vincent Charity Medical Center, University Hospitals, Cleveland Emergency Medical Services (EMS), and the Cleveland Clinic. We also donated to the Cleveland Foundation’s Greater Cleveland COVID-19 Rapid Response Fund.

In this Together
COVID-19: Supporting our Employees, Customers and Communities

We are proud to have donated 150 gallons of paint to McCormick Place, the Chicago Convention Center that transformed into an alternate care facility. In partnership with Walsh Construction, Brookdale Decorating Inc. and the United States Army Corps of Engineers, we also donated materials needed to paint the facility that served thousands of patients.

In Argentina, we donated products, through Foundation Yeah, to the Dr. Arturo Illia del Sauzalito Rural Hospital to create a special room to respond to COVID-19.

During this critical time of need, Sherwin-Williams General Industrial Coating’s heavy-equipment customer, JCB, retooled operations to manufacture special powder-coated steel housings for a brand new design of ventilator from Dyson. We are in this together.

One of our Protective & Marine customers, HHI Corporation — a military contractor based in Ogden, UT that specializes in chemical and biological containment systems — built Mobile Triage Units to combat COVID-19. The mobile triage units are coated with Sherwin-Williams Macropoxy® 646 and Acrolon™ 218, which were donated to support the effort.

The team at Sherwin-Williams Mount Royal donated all of their N95 masks to the Jewish General Hospital in Montreal, Quebec.
Every year, our employees from more than 4,400 neighborhood Sherwin-Williams stores across the U.S. and Canada partner with local organizations to find projects that could use a fresh coat of paint. In 2019, Sherwin-Williams donated 7,000 gallons of paint and its employees volunteered over 26,000 hours of their time. Over the past 8 years, Sherwin-Williams donated 35,780 gallons and its employees volunteered 134,310 hours to make a colorful impact in their communities.

Thousands of Employees Give Back

National Painting Week Projects Support Communities One Brush Stroke at a Time

Employees put their artistic skills to work as they assisted the Southeast Youth and Family Services in Seattle, WA. The organization provides comprehensive early learning and mental health services that are based on the needs and strengths of children, youth and families in the community.

The Children’s Home Society of the Treasure Coast received a face-lift as Sherwin-Williams employees in Vero Beach, FL partnered with the organization that serves Martin, St. Lucie, Okeechobee, and Indian River Counties to end the need for foster care by building bridges for success for children.

Sherwin-Williams employees partnered with the Ottawa Mission in Ottawa, Canada to complete painting projects for the organization that serves the homeless and hungry.

California employees worked together to provide supplies and fresh paint to the Boys and Girls Club of Santa Barbara, which serves over 2,200 local youth and their families each year.

Employees put their artistic skills to work as they assisted the Southeast Youth and Family Services in Seattle, WA. The organization provides comprehensive early learning and mental health services that are based on the needs and strengths of children, youth and families in the community.

Team members were all smiles as they spent time helping Hearts & Hammers in Minneapolis, MN. They donated supplies and their time to the organization that assists local, low income homeowners restore and preserve the exterior of deteriorating homes.
In Cherry Hill, NJ, Sherwin-Williams employees supported a historical battleship memorial. The mission of the Battleship New Jersey Museum and Memorial is to restore, preserve, and exhibit the continuing history of the USS New Jersey and those who worked and served on her so their service will continue to educate and inspire future generations.

A team of workers from Sherwin-Williams stores in Canada joined forces to refresh the Cornerstone Housing for Women facilities in Ottawa — the non-profit provides emergency shelter and safe affordable permanent housing for women at five different residences.

In Kapolei, HI, employees encouraged the Boys and Girls Club of Hawaii to “Be Great” by spending their National Painting Week letting their colors show at the Waianae Clubhouse.

In Knoxville, TN, employees spent time painting at the Restoration House of East Tennessee. The organization supports low-income, single-parent families — helping them break harmful cycles and regain hope through supporting transitional housing, ally teams, family advocacy, and youth development.

Employees partnered with the J. Richard Martin Community Center in Biddeford, ME to provide fresh paint to the building, which houses a gymnasium and recreation facilities, a senior center, a Meals on Wheels kitchen, adult education classrooms, and more.

In Cherry Hill, NJ, Sherwin-Williams employees supported a historical battleship memorial. The mission of the Battleship New Jersey Museum and Memorial is to restore, preserve, and exhibit the continuing history of the USS New Jersey and those who worked and served on her so their service will continue to educate and inspire future generations.
2019 Color a Brighter Tomorrow Grant Program

The Sherwin-Williams Foundation Color a Brighter Tomorrow Grant Program provided a $20,000 award to a nonprofit organization that offers innovative community solutions in the areas of early childhood health and education, or education for economic independence. This highly competitive grant program was funded by The Sherwin-Williams Foundation.

Mount Pleasant Technical Education Center Awarded 2019 Color a Brighter Tomorrow Grant

Mount Pleasant Public Schools Gratiot-Isabella Technical Education Center in Mount Pleasant, Michigan, was awarded the 2019 Color a Brighter Tomorrow Grant. The Center provides state-approved career technical education programs for high school students.

Enrollment at the Center is at a six-year high. The center serves 30% of the total population in the two counties it covers. The Grand Rapids District and the Technical Education Center have partnered together for many years.

“We have been involved with the Technical Education Center for more than 20 years. We regularly have tutorials with the construction and design classes on tools, paint sprayers, painting techniques, trends, color, and other industry disciplines,” said Mount Pleasant Store Manager, Eric Goecker. “Students regularly attend our contractor Pro Show, which is held annually in mid-May.”

Established in 1967, the Technical Education Center offers 20 programs with career paths that lead to skills and employment in the region. Many of the programs offer certification opportunities that open doors for entry-level jobs in the local community.

“The Technical Education Center combines the school and our community in working together to inspire students with educational opportunities to become engaged citizens. This parallels with The Sherwin-Williams Company mission,” Eric notes. “The foundation of both our entities aligns with our shared commitment to inspire people, cultivate partnerships, and provide opportunities for growth and success.”

According to Eric, the Technical Education Center has increased enrollment within the Isabella and Gratiot areas to approximately 35% of the overall student population to date. Programs offered at the Center include construction trades, interior design, cosmetology, automotive tech, radio and TV production, accounting, nursing and other programs that prepare students to be career ready.

“It's quite a special program they have at the Center and we are really excited and proud to be a part of supporting it,” Eric concludes.
Charitable Giving

Through its Matching Gifts Program, The Sherwin-Williams Foundation will match contributions made by eligible employees to qualifying nonprofit organizations and educational institutions with tax-exempt affiliates. Each year The Sherwin-Williams Foundation supports hundreds of organizations that are most important to our employees.

Supporting the communities where we live and work has always been an important part of how we do business, and it is particularly important to our employees. Across the U.S., employees help to strengthen their communities by serving on more than 120 nonprofit boards.

In 2019, employees gave to more than 800 nonprofit organizations.

### Charitable Giving

- **Operating Divisions Donations**
  - 2014: $3,391,800
  - 2015: $3,004,540
  - 2016: $4,758,669
  - 2017: $3,900,186
  - 2018: $4,554,893
  - 2019: $4,252,711

- **Employee Matching Gifts Program Submissions**
  - 2014: $439,813
  - 2015: $512,584
  - 2016: $1,506,070
  - 2017: $1,338,012
  - 2018: $1,650,057
  - 2019: $1,314,108

- **Sherwin-Williams Foundation Grants**
  - 2014: $1,063,320
  - 2015: $1,044,060
  - 2016: $4,758,669
  - 2017: $3,900,186
  - 2018: $4,554,893
  - 2019: $4,252,711

- **Employee Pledge Campaign Donations**
  - 2014: $4,758,669
  - 2015: $679,643
  - 2016: $706,398
  - 2017: $1,338,012
  - 2018: $1,650,057
  - 2019: $1,314,108
Sustainability is a guiding factor in our commitment to environmental stewardship and social responsibility, as well as our governance and leadership practices. Sherwin-Williams has demonstrated successful corporate sustainability for more than 150 years from our early beginnings in Northeast Ohio to the present day as an industry leader on a global stage. Through innovation processes and life-cycle thinking, we provide world class products that are among the best in the industry. And, we do this in a safe and responsible manner.

**Definitions and Explanations of Data in this Section**

- **Sales/Admin** represent data from all stores, branches, administrative facilities and laboratories.
- **Supply Chain** represents all manufacturing and distribution sites. Sustainability graphs include data for facilities that were operational during 2019.
- **Global Locations** represent all available data for global supply chain and sales/admin.
- **Per Hundred Pounds Produced.** All CO₂, electricity, waste, reuse and recycle metrics are reported per hundred pounds produced. As a growing business, our total numbers will rise. Our efforts will be focused on our ability to increase efficiency.
- In 2019, overall CO₂ emissions reduction goals were met.
- The 2020 waste and energy reduction goals were based on reductions from newly established 2017 baselines which includes Valspar data.
Our Commitment to Stewardship and the Safe Use of Chemicals

At Sherwin-Williams, we are committed to delivering world-class products that are safe and effective when used as directed. To accomplish this, we follow a set of guiding principles regarding the safe use of chemicals in our formulations and manufacturing processes. These principles guide all phases of our product development and they are supported by a product stewardship strategy rooted in continuous improvement.

This means recognizing and addressing the potential impacts of our products throughout their life cycle — from design and development, through use and disposal and all steps in between. Product stewardship is essential to our continuous improvement and go-to market strategies. Our stewardship teams are the bridge between our businesses, our development teams and our customers.

Our strategy rests on the following pillars:

**Life-Cycle Thinking**
- At Sherwin-Williams, we strive to produce the best performing paint and coatings brands in all the markets we serve — in order to protect the appearance and longevity of the buildings and products to which they are applied; resulting in reduced life-cycle impacts and costs for our customers.
- We have a rigorous and science-based Life Cycle Assessment program (LCA), which is the foundation for an expanding number of Environmental Product Declarations (EPDs) on our architectural and industrial product lines.
- We provide our customers with information to meet their own compliance responsibilities, as well as producing the products they need to qualify for LEED® and other green-building programs.

**Proactive Stewardship**
- Sherwin-Williams continuously monitors for new and changing chemical legislation and trends that impact our products, our customers and our employees.
- When new information is identified, we conduct assessments and consider a wide range of impacts, including human health and the environment throughout the supply chain.
- Results are shared with affected businesses for collective decision-making. We engage with the impacted businesses and consider a wide range of decisions, such as labeling, instructions, warnings, and consideration for chemical substitution and/or reformulation.
- Our Stewardship and Research & Development teams actively collaborate during the product development process to identify and resolve safety, regulatory and customer requirements and concerns.

**Operational Environmental, Health and Safety (EHS)**
- Sherwin-Williams is committed to global leadership and excellence throughout our manufacturing, distribution and retail operations.
- Our EHS team manages operational hazards and risks to provide workplaces that are safe and healthy for our employees and the communities in which we operate.
- Our operations are tailored to preserve resources, prevent pollution and minimize the environmental impact of our activities.

**Compliance Excellence**
- As a global business, Sherwin-Williams products must meet requirements for hazard communication, chemical inventories, Volatile Organic Compounds (VOCs) and all other relevant regulations in the areas in which they are sold.
- We continuously track and assess the impact of new regulations and design the systems we need to effectively comply.
- Our hazard communication documents are distributed to our customers and are also available online.
Putting Plastic Waste to Work in a Circular Economy

Plastic pollution is a global problem that is growing exponentially due to both an increase in consumerism and an increase in the number of plastics used to manufacture the things we use daily. An estimated 12-million metric tons of plastic waste end up in our oceans each year; this corresponds to the weight of more than 700-billion plastic bottles. As organizations throughout the world step up their sustainability efforts, Sherwin-Williams is making strides as a leader in sustainable innovation.

Each pound of Powdura ECO coatings contains the equivalent of 16 16-ounce recycled plastic bottles.

Powder coatings have long been considered sustainable. They have offered customers numerous advantages such as low-to-no Volatile Organic Compounds (VOCs) or Hazardous Air Pollutants (HAPs), reduced waste through reclaimability and lower transport costs compared to liquid-based coatings.

The powder coatings team from the Sherwin-Williams General Industrial (GI) division is developing innovative product solutions that make powder coatings even more sustainable by using concepts of a circular economy to help reduce plastic pollution, hence using somebody else’s waste and reusing it as one of our raw materials.

In early 2019, the Sherwin-Williams Research & Development teams began developing a line of durable powder coatings, comprised of a polyester resin that contains 25% pre-consumer recycled plastic (rPET) — converting plastic waste into a sustainable, high-performing polyester resin suitable for interior or exterior use.

By the end of 2019, multiple functions from GI’s powder coatings team were preparing to take their new creation to the market.

The new Powdura® ECO product platform leverages technology and innovation to improve the sustainability of Sherwin-Williams powder coating products with an even more meaningful reduction in environmental footprint.

The decrease in its environmental footprint makes this platform an optimal choice for manufacturers of products for eco-conscious consumers.

"Addressing plastic pollution requires innovative thinking, and as manufacturers, it’s our responsibility to develop solutions like Powdura ECO that benefit our customers and their consumers in the crusade to reduce plastic pollution," says Tabitha McLeish, Sherwin-Williams Global Marketing Director of Powder from the Performance Coatings Group.

The use of Powdura ECO will allow applicators and manufacturers to provide products with a reduced environmental footprint, aligning with consumer purchasing trends. By incorporating Powdura ECO into business strategies, companies targeting consumer segments interested in reducing waste and improving the environment can provide their customers another way to differentiate their offerings from their competition.
Packaging Solutions for Everyone's Needs

Non-BPA Epoxy Coating Provides Sustainable Solutions, Increases Consumer Confidence

Following its launch in 2017, Sherwin-Williams valPure® V70 has become a preferred solution for light metal packaging. Developed using the specialized Safety by Design protocol, it is the first non-BPA epoxy packaging coating that answers the global need for choices in the segment — while meeting evolving consumer preferences for alternatives to coatings containing the molecule Bisphenol (BPA).

“In North America, our can-maker customers continue to select valPure V70 formulations as the preferred non-BPA solution and the only non-BPA epoxy technology on the market,” says Tom Mallen, Sherwin-Williams Vice President, Compliance and Technology Marketing. “In Europe, major brands have conducted evaluations and are eager to convert from other technologies as soon as possible.”

“Since the commercialization of V70, there have been approximately 26-billion aluminum beverage cans and bottles coated with V70 technology,” notes Jeff Niederst, Sherwin-Williams Global Marketing Director, Beverage Technologies. “As of December 2019, V70-coated cans were manufactured at a rate of about 3.2-billion cans per month, which is about 100-million beverage cans per day.”

ValPure V70 is approved for global use in food and beverage packaging and in January 2020, it received a Cradle to Cradle™* Platinum Material Health Certification*, The Cradle to Cradle Products Innovation Institute’s most esteemed rating.

“The performance of V70 has allowed major global beverage brands to convert to a non-BPA technology, without incurring any flavor, pack or consumer experience issues,” Jeff adds. “The robust application and can-making efficiency of V70 has enabled can-makers to produce non-BPA cans with a maximum level of productivity and a minimum amount of down time, scrap and lost revenue.”

Despite continued regulatory agency support regarding the safety of BPA for approved uses in food containers, Sherwin-Williams challenged itself to develop the first viable, non-BPA alternative to match the flavor retention and nutrition preservation performance benefits of epoxy coatings.

More than a decade ago, the Company involved several academic groups to perform independent biological activity research on the new bisphenol, along with third-party laboratory testing for regulatory compliance over a 10-year period — published in three peer-reviewed journal articles to achieve complete transparency. “This refreshing position on transparent safety evaluations has been celebrated by consumer health advocates around the world,” says Tom.

ValPure V70 was developed through a focused process called Safety by Design, which was created by Sherwin-Williams. The protocol focuses on the early screening of monomers and polymers to ensure global food contact and environmental agency regulatory compliance, while increasing consumer confidence.

“We have expanded Safety by Design to include evaluations of other polymer chemistries and, more recently, to raw materials for all of our products,” says Tom. “Safety by Design represents an out-of-the-box approach.”

With its extensive regulatory validation, strong beverage pack and flavor performance, and highly efficient can-making capabilities, Sherwin-Williams is anticipating long-term sustainability benefits from the valPure product line.

“We expect valPure to remain a sustainable coating technology for many years to come,” Jeff concludes. “As there is increasing focus on recycling, we have already evaluated the use of V70 for a circular economy, in which V70 cans are infinitely recyclable. The combination of the robust V70 product platform and the infinitely recyclable properties of aluminum are making the coated aluminum beverage can the most preferred package for the future.”

*Cradle to Cradle Certified™ is a globally recognized measure of safer, more sustainable products made for the circular economy. For more information, visit www.c2ccertified.org.
PaintCare® Program
More than One Million Paint Gallons Collected in Recycling Program

Sherwin-Williams has participated in a paint recycling program called PaintCare® since its inception in 2009 — and for the first time in 2019, our stores collected more than one million gallons of paint for recycling. The program is managed by the American Coatings Association (ACA), a nonprofit trade association for the paint and coatings industry and the professionals who work within it. The ACA operates USA-based paint stewardship programs on behalf of paint manufacturers in the states that have passed paint stewardship laws. Currently eight states and the District of Columbia area participate in this program, with more states scheduled to join the program in the future.

“Sherwin-Williams is proud to support and actively participate in this industry program,” says Steve Revnue, Sherwin-Williams Senior Vice President of Marketing, Product Innovation, The Americas Group and current member of the PaintCare Board of Directors. “The states of New York and Washington have recently passed industry-supported paint stewardship laws. As additional states pass these laws, we will continue to support the program and encourage consistency among our sustainability efforts.”

Over 400 Sherwin-Williams stores are currently participating in this paint recycling effort. Our stores function as retail drop-off sites for our customers and local communities.

PaintCare makes it easy to recycle leftover, unwanted paint. The program accepts all brands of house paint and primers, stains, sealers and clear coatings (including shellac and varnish) but does not accept aerosols, solvents, and products intended for industrial or non-architectural use. The program provides paint drop-off locations to increase convenience and provide service to all users. Most locations are paint retailers conveniently open year-round, seven days a week. Once collected, the paint is sorted and managed for reuse, recycling, energy recovery or safe disposal.

In 2019, PaintCare celebrated a decade of providing consumer education and recycling opportunities for households and businesses that purchase paint products for use in their projects and operations. Over the last 10 years, more than 38 million gallons of paint have been collected (80% latex / 20% oil-based). Sixty percent of the total latex paint collected was recycled back into paint.

To learn more or find a PaintCare drop-off site near you, visit paintcare.org or call (855) PAINT09.
Can a metal coating product introduced five decades ago become the go-to choice for architects on the cutting edge of sustainable design? In the case of Sherwin-Williams Fluropon® — the answer is yes.

Fluropon coating was developed in the 1960s. Since then, building panel manufacturers have relied on it to add aesthetics, color, and weather resistance to architectural surfaces such as roofs, wall panels, curtain walls and window and door frames.

Today, the newest version of Fluropon is helping those manufacturers — and the architects and contractors they serve — meet ambitious, new sustainability standards.

In recent years, U.S. construction and architectural professionals have taken a sharp turn toward sustainability. A key promoter of this trend has been the non-profit International Living Future Institute (ILFI), founded in 2009. The institute’s stated goal is “…to build an ecologically-minded, restorative world for all people.”

To this end, ILFI publishes a set of construction criteria called the Living Building Challenge (LBC), which includes a Red List of hazardous chemicals to avoid for all materials used in construction.

“LBC is not regulation,” says Mark Macdonald, Construction Segment Market Manager, Performance Coatings Group (PCG). “But it’s had a powerful effect on the architectural community that has driven us to step up our game with regards to the sustainability of our coatings.”

Over the last decade, the PCG product development team has added colleagues with even deeper expertise in toxicology, chemistry and environmental stewardship. More than ten years ago, they had already begun R&D work on a more sustainable version of Fluropon, giving Sherwin-Williams an advantage in developing a version that complies with LBC requirements: Fluropon® Pure.

“We had customers approach us before the marketing plan for Fluropon Pure was drafted,” says Mark. “In 2016, within just a few months, we went from initial internal discussions to launching and delivering product to several large customers. The R&D work we did more than a decade ago gave us instant credibility in LBC and LEED circles.”
Greener Formulas, Great Service

Located in Shunde, China, the South China Technology Center (SCTC) is a renovated and upgraded R&D complex that the Performance Coatings Group (PCG) opened in July 2018. The SCTC has a new application center that aims to help customers — particularly those in industrial wood and packaging — shift to using more environmentally conscious coatings.

"When customers are visiting us, they often praise our professionalism and how we operate at a world-class standard," says Amy Liu, Sherwin-Williams Associate R&D Director at the SCTC.

Eric Zhou, Senior R&D Director for PCG Industrial Wood, explains "our government has placed a high priority on controlling VOC emissions." By the end of 2019, 57 percent of all coatings products must be environmentally responsible. "It will be a change for the market, as all companies must switch — so, we have a lot of customers asking us to help them do that."

That’s where the new application center comes in, which Eric explains is "designed to build close relationships with customers." At the SCTC, they can replicate factory conditions, from coating methods to temperatures and even humidity levels — all factors that could influence coating performance. When the SCTC works with a customer to develop or modify a coating, it’s in an environment that closely matches the customer’s own production conditions.

“That saves time and improves our efficiency,” says Eric. “We could take basic information from a customer by phone, use our pilot lines to simulate their situation, and possibly find the issues immediately.” Now, he adds, they can often finish a minor adjustment in as little as 24 hours that previously could take up to a week.

“Our customers are satisfied that our pilot lines are fully equipped to simulate live production and conduct testing. They are confident that we can quickly meet their expectations,” says Amy. “They then feel more confident about serving their own customers.”

Those downstream customers matter. "We care about our customer’s customer," declares Alex Xin, PCG Asia R&D Packaging Director.

The SCTC, which holds 21 patents and has another 25 under application, also leverages the pilot lines to support its own R&D efforts. "The pilot lines can help us understand how newly developed coatings perform under different environments and extreme conditions," says Eric — important steps in the Company’s goal to commercialize more sustainable coatings.

Its strong reputation has enabled the SCTC to enter into long-term R&D collaborations with more than 15 leading universities, research centers and core suppliers in Asia. The partners provide additional innovative technology and ideas that support the center, which uses its advanced equipment to validate new breakthroughs.
Sites Certified in Accordance with the ISO Standard 14001

ISO 14001 Definition and Certification Parameters

ISO 14001 is an internationally recognized standard that defines the requirements for an Environmental Management System. The Standard promotes a proactive approach to managing environmental issues and was developed by the International Organization for Standardization, an organization that includes representatives from over 160 countries throughout the world.

All supply chain sites are required to conform to the Sherwin-Williams Environmental, Health and Safety (EHS) Management System. Some sites have chosen to add ISO 14001 certification.

ISO 14001 Certification is achieved and maintained through independent registrars and requires demonstrated conformance to the ISO 14001 core principles: compliance with legal requirements, prevention of pollution and continual improvement.

1 Bologna is an office providing regional office support functions.

* Cleveland, OH is the corporate headquarters. The headquarters ISO 14001 Certification is a support services certificate on which the USA and Canada site certifications are dependent.
What can we do with that extra heat? How can we use it? How can we innovate? According to Victor Medina, Sherwin-Williams Plant Engineer, those questions led the maintenance and engineering team to an innovation at Global Supply Chain’s Engineered Polymer Solutions plant in Hendrik-Ido-Ambacht, Netherlands. A routine equipment upgrade became an opportunity to realize huge savings on gas and electricity.

The team planned to replace an old air compressor system with new machines, but they had to fit in a very small room, which created challenges. “We figured out a way to install them,” says Hans Mulder, Sherwin-Williams Maintenance and Engineering Manager, “but we were concerned that they might overheat in the tight space. The easiest solution was to put in a fan to blow the heat out, but that wasn’t really sustainable.” They didn’t want to waste the heat because the plant requires a lot of it in the production process, where chemical reactions occur at very high temperatures.

The solution began to unfold once they realized there was a steam-heated water tank in the room next door. “There’s a lot of energy going into that tank,” explains Hans. “What if we feed the excess heat from the air compressors into the tank, so that we don’t have to have the boiler heating it?”

Over the course of a year, the team engineered, tested and refined a solution to do just that. They significantly reduced the steam needed to heat the water as well as the gas that generates the steam. Their efforts saved the plant more than 36,000 cubic meters of gas — enough to heat 21 Netherlands households.*

They are conserving electricity as well, thanks to a smart control system that regulates the new air compressors to maximize efficiency and uses less power, which makes a big difference in the plant’s electric bill and helps reduce the site’s carbon footprint. “Generating air is one of your most expensive utility costs,” according to Hans.

“We really had a choice to do it our way — and our way is the sustainable way,” says Hans.

This success has sparked a new sustainability project for the team, adds Hans. “We’re looking at other areas in the production process where excess heat could be recovered and recycled, leading to more savings.”

For Hans, the commitment to sustainability goes beyond work. “I have two beautiful daughters and I want them to have a good place to live. We have to pass it on. It’s good to consider the environment. And if the Company gets a benefit from it, that’s a win-win situation.”

* Data per Energiesite.nl
Across all global locations in 2019, we consumed 8.4 kilowatt hours of electricity per 100 pounds of total production.

The electricity consumption rate is essentially flat year over year. While the Company had projects to reduce energy consumption and increase efficiency, our global footprint and facility count continues to grow. The Company intends to continue to drive improvements with this important metric and its correlation to carbon emissions. (See page 50)

* The 2020 goal is based on a 2.5% annual reduction from the 2017 baseline value.
** Sherwin-Williams acquired Valspar on June 1, 2017.
Across all global locations in 2019, including global supply chain, sales and administrative, we emitted 17.9 pounds of CO₂e per 100 pounds of total production.

An error was discovered with the Scope 1 emissions for the 2017 and 2018 reporting year that overstated carbon emissions. The past data have been corrected and incorporated into this graph including the corresponding goal from 2017 base-line year.

In 2019, we exceeded the 2020 goal that was set in 2017.
Within our Global Supply Chain in 2019, we treated and disposed 0.73 pounds of non-hazardous solid waste per 100 pounds of total production.

The solid non-hazardous waste generation rate is up since the Valspar acquisition. The Company made significant progress in reducing non-hazardous solid waste generation and increasing recycling for many years. Valspar sites have had a different level of recycling and reuse. In addition, the current recycling and reuse markets have experienced a downturn. This has caused an increase in the waste generation and a decrease in recycling and reuse of materials, Company-wide, negatively affecting the Company’s solid waste generation performance.

Our goal is to reduce non-hazardous solid waste to 0.61 pounds per 100 pounds produced through waste elimination, reuse and recycling.

* Sherwin-Williams acquired Valspar on June 1, 2017. Non-Hazardous solid waste data from all GSC facilities were included.

** The 2020 goal is based on a 5% annual reduction from the 2017 baseline value.
Within our Global Supply Chain in 2019, we prevented 1.09 pounds of non-hazardous solid material per 100 pounds of total production from treatment/disposal through recycling and beneficial reuse.

The Company will continue to seek to reduce solid waste generation by identifying waste avoidance opportunities (such as reusable packaging), recycling-reuse opportunities, and alternative manufacturing and treatment approaches.

* Sherwin-Williams acquired Valspar on June 1, 2017. Non-Hazardous solid material data from all GSC facilities were included.
Non-Hazardous Liquid Waste
Off-Site Treatment & Disposal Rate
Pounds per 100 lbs of Production

Within our Global Supply Chain in 2019, we generated 1.11 pounds of non-hazardous liquid material per 100 pounds of total production.

The trend for liquid non-hazardous waste is up since the acquisition of Valspar. This is attributed to the following factors: changes in reformulation of products that put pressure on the ability to reuse wash water; rapid increase in production with new major customer and reuse or treating systems not keeping pace. The Company was forced to dispose of more wash water and reuse less.

Our goal is to recycle or reuse non-hazardous liquid waste to 0.96 pounds per 100 pounds produced.

* Sherwin-Williams acquired Valspar on June 1, 2017. Non-Hazardous liquid waste data from all GSC facilities were included.

** The 2020 goal is based on a 2.5% annual reduction from the new 2017 baseline value.
Within our Global Supply Chain in 2019, we recycled or reused 1.29 pounds of non-hazardous liquid material per 100 pounds of total production.

The Company will continue to set lower liquid waste generation targets by identifying waste avoidance opportunities (such as efficient cleaning processes), installing additional wash water reuse systems and recycling water-based products.

Sherwin-Williams acquired Valspar on June 1, 2017. Non-Hazardous liquid material data from all GSC facilities were included.
Hazardous Waste

Off-Site Treatment & Disposal Rate

Pounds per 100 lbs of Production

Within our Global Supply Chain in 2019, we generated 1.00 pounds of hazardous waste per 100 pounds of total production.

The hazardous waste generation rate has increased while the recycling and reuse rate has decreased over the last three years. This shift is primarily attributed to changes in the product mix resulting from the Valspar acquisition, optimizing product manufacturing locations, and reductions in the available recycle and beneficial use markets.

Our goal is to reduce hazardous waste to 0.81 pounds per 100 pounds produced through waste elimination, reuse and recycling.

* Sherwin-Williams acquired Valspar on June 1, 2017. Hazardous waste data from all GSC facilities were included.

** The 2020 goal is based on a 2.5% annual reduction from the new 2017 baseline value.
Hazardous Material

Reuse & Recycle Rate

Within our Global Supply Chain in 2019, we recycled or reused 0.66 pounds of hazardous material per 100 pounds of total production. The Company will continue to practice waste minimization by seeking beneficial by-product markets and improved recycling programs. It is also anticipated that hazardous waste generation will decrease through time as products are reformulated to use less hazardous raw materials.

* Sherwin-Williams acquired Valspar on June 1, 2017. Hazardous material data from all GSC facilities were included.
Sustainable Building Solutions that Deliver

Sherwin-Williams is an industry leader when it comes to product technology and development that meets, and often exceeds, standardized criteria for sustainable building credits. As demand for environmentally sustainable construction grows, the importance of sustainable building credits with Leadership in Energy and Environmental Design (LEED®) is evolving into an essential requirement for many commercial projects. LEED is the widely used rating system from the U.S. Green Building Council (USGBC).

Specifiers and applicators are looking for coatings that meet the LEED requirements while delivering optimal performance. And Sherwin-Williams offers a variety of solutions that provide these professional customers with products that can ensure a competitive advantage while obtaining the sustainable building credits their customers need.

“Everything we’re doing for LEED is third-party validated,” says Doug Mazeffa, Sherwin-Williams Global Sustainability Director. “We’re the only company in the industry that can make that claim.” Rick Watson, Sherwin-Williams Director of Product Information and Technical Services, adds that Sherwin-Williams is “leading from the front” in transparency and credibility for its programs and products. “We go beyond our promises to customers by adding third-party validation, which addresses any skepticism that can linger from offering only self-disclosure.”

One example of this leadership is that Sherwin-Williams was the first manufacturer to certify ingredient and formula risks, even though LEED doesn’t require it, by working with the reputable Underwriters Laboratories program, Product Lens. “It’s an objective third party coming to conclusions regarding components going in the product and what are the potential hazards,” explains Doug. Sherwin-Williams also has recently launched third-party validated Manufacturer’s Inventories for a dozen product lines. These were created working with NSF International and are also eligible for LEED credit.

The new Engineering Research Center at Brown University in Providence, Rhode Island, is on track to earn LEED Gold certification, thanks to efforts including the use of Sherwin-Williams ProMar® 200 Zero VOC coatings on most key surfaces. The design by architectural firm KieranTimberlake includes nearly 120 student workstations, 22 research labs and cleanrooms, and a gathering space called the Commons. Photo by Warren Jagger Photography.

In addition, more than 100 products are certified as low emitting for indoor environments through UL’s GREENGUARD Gold emissions testing program, which Sherwin-Williams has used since 2008. “This was several years before it was even a requirement in LEED version 4 and 4.1,” says Rick. “Now, you must have 90 percent and 75 percent respectively of product emissions third party certified.”

Sherwin-Williams employees, including Doug, also serve on leadership committees with the USGBC, which oversees LEED. “We’re actively working with the organization to ensure that coatings are assessed correctly, and everything makes sense from a building product manufacturing perspective.” The Sherwin-Williams inventory of LEED-certified product solutions helps our professional customers achieve the sustainable building requirements desired by their customers.
CSR Performance and Future Strategies

Sherwin-Williams has historically set and achieved sustainability goals for energy, emissions and waste. These reductions have been achieved through a combination of capital investments, business consolidations, increased production and other means. 2020 represents a pivotal year for the Company and its sustainability efforts. Throughout 2020, we will be realigning our global sustainability strategy and focusing on long-term programs, policies and goals, with an emphasis on topics ranking highest in our recently completed materiality assessment. These initiatives will begin being implemented in 2021 and represent a significant increase in breadth and scope. Sherwin-Williams will continue to disclose information on these initiatives through its website, CSR Report, Annual Report and Investor ESG Summary.

Carbon and Energy
The Company is updating its corporate strategy to reduce carbon emission and to move toward carbon neutrality. Using science-based targets, the strategy will consider energy efficiency projects, renewable and alternative energy projects, renewable energy power purchase agreements, carbon emission offsets and credits from renewable sources. It is the Company’s intention to develop this strategy in 2020 and begin implementation in 2021.

Product Sustainability & Stewardship
Sherwin-Williams works across the global enterprise to improve the sustainability profile of its products throughout the entire life cycle in areas such as chemicals management, environmental foot printing, VOC emissions, and meeting or exceeding even the most stringent regulatory requirements. Our goal is to manufacture the most sustainable products in the industry. Exciting new initiatives are in development and additional product-specific programs, policies, metrics and goals will be shared throughout the year. Sherwin-Williams strives to continue to be the industry leader in sustainable product development and green offerings.

Safety
With a keen focus on managing operational risks, Sherwin-Williams provides safe, healthy workplace environments for our employees, visitors, contractors, customers and the communities in which we operate. We ask our employees to take an active role in Environmental, Health and Safety (EHS) risk management. To support them in this request, Sherwin-Williams is committed to offering training and regular communications so employees will have the knowledge and skills needed to work in a safe, responsible manner.

Employee Diversity, Engagement, and Inclusion
Sherwin-Williams commitment to these areas has been recently showcased in a variety of awards it has received regarding worker satisfaction, inclusion and diversity, etc. We will build upon this success and share additional information regarding efforts, metrics and goals in these areas over time.

Waste Streams
The Company will continue to seek to reduce waste generation by identifying waste avoidance opportunities (e.g., reusable packaging), recycling-reuse opportunities, and alternative manufacturing and treatment approaches such as wash water reuse. It is also anticipated that hazardous waste generation will continue to decrease over time as products are reformulated with less hazardous raw materials.
At Sherwin-Williams, we are committed to environmental stewardship and social responsibility. Our plans for the future start by looking at where we are today. With more than 150 years of successful corporate responsibility, protecting the world in which we live is a core value of ours and we are dedicated to continually improving our Environmental, Health and Safety (EHS) Stewardship programs. We evaluate what we do and challenge ourselves to create new and even better solutions, while still delivering solid business results. It starts with the time and talent of our people, and works its way into the products we produce and the processes we use along the way. The results we achieve today are the foundation of our path towards continued success tomorrow.

Visit sustainability.sherwin-williams.com or follow the links below to view the GRI/SASB Sustainability Report Index, Metrics Summary and other sustainability materials.

GRI/SASB Road Map
- GRI/SASB Sustainability Report Index

Metrics Summary
- 2019 Caring in Full Color Metrics Summary