Comprehensive Materiality Assessment Spotlights ESG Areas of Focus

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

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.