ENVIRONMENTAL, SOCIAL AND GOVERNANCE UPDATE

SHERWIN-WILLIAMS

July 2020
This presentation may contain certain "forward-looking statements," as defined under U.S. federal securities laws. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements and from the Company's historical results and experience. These risks, uncertainties and other factors include such things as: general business and economic conditions; the Company's ability to successfully integrate past and future acquisitions into its existing operations, as well as the performance of the businesses acquired; strengths of retail and manufacturing economies and the growth in the coatings industry; changes in the Company's relationships with customers and suppliers; changes in raw material availability and pricing; adverse weather conditions or impacts of climate change, natural disasters and public health crises, including the COVID-19 pandemic; the duration, severity and scope of the COVID-19 pandemic and the actions implemented by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, which may exacerbate one or more of the aforementioned and/or other risks, uncertainties and factors more fully described in the Company's reports filed with the Securities and Exchange Commission (SEC); and other risks, uncertainties and factors described from time to time in the Company's reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.
Executive Summary

Company Overview

- Committed to building long-term, sustainable shareholder value

Corporate Governance

- Experienced Board comprised of diverse thought and business leaders
- 9 of 10 directors are independent

Executive Compensation

- Program designed to create “pay-for-performance” culture that rewards leadership for delivering sustained financial and operating results that drive long-term, superior shareholder returns

Environmental & Social Responsibility

- Core values embedded in Sherwin-Williams’ culture and business practices
Why SHW?

- GROWTH OPPORTUNITIES
- INDUSTRY-LEADING BRAND PORTFOLIO
- DISTRIBUTION & SERVICE
- WORLD CLASS SUPPLY CHAIN
- INNOVATIVE PRODUCTS
- BALANCE SHEET & CASH GENERATION
- ATTRACTIVE RETURNS
- SUCCESSFUL ACQUISITIONS
- EXPERIENCED MGMT & TALENT PIPELINE
- RESPONSIBLE CORPORATE CITIZEN
ABOUT US

SHERWIN-WILLIAMS

61,000+
EMPLOYEES

1866
FOUNDED IN

120+
COUNTRIES

4,750+
STORES

147
MANUFACTURING & DISTRIBUTION FACILITIES

2019 REVENUES

$17.9 billion

SALES BY GEOGRAPHY

80%
US / CANADA

20%
REST OF WORLD (ROW)

INDUSTRY-LEADING PORTFOLIO OF BRANDS

THE AMERICAS GROUP

PERFORMANCE COATINGS GROUP

CONSUMER BRANDS GROUP

57%

28%

15%

157%
Sells a highly most recognized portfolio of branded and private-label products through retailers across North America and parts of Europe, China, Australia and New Zealand. Also operates our highly efficient global supply chain.

Operates the exclusive outlets for Sherwin-Williams® branded paints, stains and supplies in the United States, Canada and the Caribbean. Also sells across Latin America through Company-operated stores, dedicated dealers and selected retailers.

Sells a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive, packaging and coil customers in 120+ countries.
# Financial Highlights

<table>
<thead>
<tr>
<th>Sales</th>
<th>Adjusted EBITDA</th>
<th>Adjusted EPS</th>
<th>Net Operating Cash</th>
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<tr>
<td>$ in billions</td>
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<tr>
<td>14</td>
<td>$11.1</td>
<td>$8.78</td>
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<td>15</td>
<td>$11.3</td>
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<td>16</td>
<td>$11.9</td>
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<td>17</td>
<td>$15.0</td>
<td>$15.07</td>
<td>$1,884</td>
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<td>18</td>
<td>$17.5</td>
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<td>19</td>
<td>$17.9</td>
<td>$21.12</td>
<td>$2,321</td>
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- **5-Year CAGR = 10.0%**
- **5-Year CAGR = 15.0%**
- **5-Year CAGR = 19.2%**
- **5-Year CAGR = 16.5%**
CONSISTENT CAPITAL ALLOCATION PHILOSOPHY:
WE WILL NOT HOLD CASH

CAPEX Investment
Modest Requirements

Dividend
Target 30% of PY GAAP Earnings

Strategic M&A
Clearly Defined Criteria

Share Repurchase
Absent Strategic M&A

<2.0%
TARGET AS % OF SALES

41
CONSECUTIVE YEARS OF INCREASES

14
ACQUISITIONS IN LAST DECADE

32
MILLION SHARES PURCHASED IN LAST DECADE
Comparison of Cumulative Five-Year Total Return

Assumes $100 invested on December 31, 2014 and reinvestment of dividends

The Sherwin-Williams Company
S&P 500 Index
Peer Group

CORPORATE GOVERNANCE
SHERWIN-WILLIAMS.
**Sound Corporate Governance**

**HIGH ETHICAL STANDARDS IN THE BEST INTEREST OF OUR SHAREHOLDERS**

<table>
<thead>
<tr>
<th>✔️ Annual election of all directors</th>
<th>✔️ Executive sessions of independent directors are held at each regular Board meeting</th>
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<tbody>
<tr>
<td>✔️ Majority voting standard and resignation policy for directors in uncontested elections</td>
<td>✔️ Directors have complete access to management</td>
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<tr>
<td>✔️ Independent lead director has significant governance responsibilities</td>
<td>✔️ Stringent restrictions on pledging and hedging of our stock</td>
</tr>
<tr>
<td>✔️ 9 of 10 directors are independent</td>
<td>✔️ Significant director and executive stock ownership guidelines</td>
</tr>
<tr>
<td>✔️ Board Committees are comprised entirely of independent directors</td>
<td>✔️ Board oversight of risk management</td>
</tr>
<tr>
<td>✔️ Mandatory retirement age of 72 for directors</td>
<td>✔️ Proxy access rights available to 3-year, 3% shareholders for up to 20% of Board</td>
</tr>
<tr>
<td>✔️ Annual Board and Committee self-assessment evaluations (Conducted by an independent third-party advisor in 2018)</td>
<td>✔️ Director overboarding policy</td>
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</table>
Board of Directors:
Diverse group providing valuable insight and effective oversight

KERRII B. ANDERSON
Retired, Former CEO & President
Wendy's International, Inc.
Director of Sherwin-Williams since 2019

ARTHUR F. ANTON
Retired, Former Chairman & CEO
Swagelok Company
Director of Sherwin-Williams since 2006

JEFF M. FETTIG
Retired, Former Chairman of the Board & CEO
Whirlpool Corporation
Director of Sherwin-Williams since 2019

RICHARD J. KRAMER
Chairman of the Board, CEO & President
The Goodyear Tire & Rubber Company
Director of Sherwin-Williams since 2012

SUSAN J. KROPF
Retired, Former President & COO
Avon Products, Inc.
Director of Sherwin-Williams since 2003

JOHN G. MORIKIS
Chairman & CEO
Sherwin-Williams
Director of Sherwin-Williams since 2015

CHRISTINE A. POON
Executive in Residence, The Max M. Fisher College of Business - The Ohio State University
Director of Sherwin-Williams since 2014

MICHAEL H. THAMAN
Chief Executive Officer
UBQ Materials Inc.
Director of Sherwin-Williams since 2017

MATTHEW THORNTON III
Retired, Former Exec.Vice President & COO,
FedEx Freight - FedEx Corporation
Director of Sherwin-Williams since 2014

STEVEN H. WUNNING - Lead Director since 2019
Retired, Former Group President
Caterpillar Inc.
Director of Sherwin-Williams since 2015

COMMITTEES

- COMPENSATION & MANAGEMENT DEVELOPMENT
- AUDIT
- NOMINATING & CORPORATE GOVERNANCE

9 of 10 Directors are Independent
<table>
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<tr>
<th>Category</th>
<th>Directors</th>
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<tr>
<td><strong>SENIOR MANAGEMENT EXPERIENCE</strong></td>
<td>10</td>
</tr>
<tr>
<td>INDEPENDENCE</td>
<td>9</td>
</tr>
<tr>
<td><strong>FINANCIAL EXPERTISE</strong></td>
<td>8</td>
</tr>
<tr>
<td>MANUFACTURING; DISTRIBUTION</td>
<td>10</td>
</tr>
<tr>
<td>TECHNICAL; RESEARCH &amp; DEVELOPMENT</td>
<td>9</td>
</tr>
<tr>
<td>INTERNATIONAL OPERATIONS</td>
<td>10</td>
</tr>
<tr>
<td>MARKETING; SALES</td>
<td>10</td>
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<tr>
<td>RETAIL OPERATIONS</td>
<td>3</td>
</tr>
<tr>
<td>GENDER &amp; ETHNIC DIVERSITY</td>
<td>4</td>
</tr>
</tbody>
</table>
Risk Management and Oversight

AUDIT COMMITTEE
- Enterprise risk management process
- Integrity of financial statements
- Effectiveness of internal controls over financial reporting
- Matters relating to independent auditor and internal audit function
- Cybersecurity
- Compliance with legal and regulatory requirements

COMPENSATION & MANAGEMENT DEVELOPMENT
- Management and nonemployee director compensation
- Annual CEO evaluation, goals, and objectives
- Management succession planning
- Stock and stock-based plans
- Pension and welfare benefit plans, practices, and arrangements
- Annual risk assessment of compensation policies and practices

NOMINATING & CORPORATE GOVERNANCE COMMITTEE
- Director candidate review and recommendation
- Board and committee composition
- Corporate governance guidelines and other corporate governance matters
- Annual Board and committee self-assessment process
- Environmental, safety, sustainability, and corporate social responsibility

Annual Compliance Training
Global Ethics Hotline
Annual ERM Risk Assessment
Internal Audit and Loss Prevention Function
Regional Corporate Ethics Committees

Code of Conduct, Anti-Bribery, Anti-Corruption & other policies to minimize risk
Continuous Monitoring
Incorporated into Strategic Planning Process
Professionals Worldwide
Regular, Quarterly Meetings
EXECUTIVE COMPENSATION

SHERWIN-WILLIAMS.
Responsible Executive Compensation Practices

**WHAT WE DO**
- Performance-Based Pay
- Independent Compensation Committee
- Independent Compensation Consultant
- Balanced Compensation Structure
- Target Median
- Responsibly Administered Incentive Compensation Programs
- Clawback and Recapture Policy
- Double-Trigger Change in Control
- Significant Stock Ownership Requirement
- Annual Say on Pay Vote

**WHAT WE DON’T DO**
- No Employment Agreements
- No Dividend Equivalents for Unvested RSU Awards
- No Repricing or Replacing of Underwater Stock Options
- No Hedging
- No Pledging
- No Speculative Trading
- No Excessive Perquisites
- No Excessive Risk-Taking
- No Above-Market Earnings on Deferred Compensation
Compensation Components Foster Pay-For-Performance Culture

**Component**

**Base Salary**
- Provides base compensation for day-to-day performance of job responsibilities.

**Annual Cash Incentive Compensation**
- Rewards performance based on the achievement of annual performance goals.
- Based on performance metrics including Net Sales, Adjusted EPS, Free Cash Flow and Business Unit specific targets.

**Long-Term Equity Incentive Compensation**
- Encourages improvement in the long-term performance of our company.
- Aligns the financial interests of our executives and our shareholders.
- Serves as an executive retention tool.
- Stock Options (40% allocation).
- Performance-based RSUs – Adjusted EPS metric (40%).
- Performance-based RSUs – Adjusted RONAE metric (20%).

- The Compensation Committee utilizes a peer group of companies to assess whether our executive compensation program is competitive relative to the market.
- Our peer group now consists of the following 23 companies:
  - Air Products and Chemicals, Inc.
  - Akzo Nobel N.V.
  - Ball Corporation
  - Colgate-Palmolive Company
  - Cummins Inc.
  - Deere & Company
  - Eastman Chemical Company
  - Eaton Corporation plc
  - Ecolab Inc.
  - Honeywell International Inc.
  - Huntsman Corporation
  - Illinois Tool Works Inc.
  - Johnson Controls International plc
  - Kimberly-Clark Corporation
  - Linde plc
  - LyondellBasell Industries N.V.
  - Masco Corporation
  - Mohawk Industries, Inc.
  - Newell Brands Inc.
  - PPG Industries, Inc.
  - Stanley Black & Decker, Inc.
  - 3M Company
  - Whirlpool Corporation

**CHIEF EXECUTIVE OFFICER (2019)**
- BASE SALARY
- ANNUAL CASH INCENTIVE COMPENSATION
- LONG-TERM EQUITY INCENTIVE COMPENSATION

**AVG. OF OTHER NAMED EXECUTIVES (2019)**
- BASE SALARY
- ANNUAL CASH INCENTIVE COMPENSATION
- LONG-TERM EQUITY INCENTIVE COMPENSATION
ENVIRONMENTAL & SOCIAL RESPONSIBILITY

SHERWIN-WILLIAMS.
Active engagement with 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

Awards and recognition for our commitment to corporate social responsibility.

**AS A COMPANY:**
- Forbes®: 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 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; 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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## S-W Cares: Our Corporate Responsibility Philosophy

**The Employer**

**Providing a Safe & Inclusive Work Environment**

- Inclusion and Diversity Culture
- OHSAS 18001 Certified Sites
- OSHA Voluntary Protection Program (VPP) Certified Sites
- Safety Recordable Rate
- Enterprise-Wide EHS Excellence

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**The Citizen**

**Making a Difference in Our Communities**

- Financial Contributions
- Volunteer Hours / Non-Profit Board Service
- National Painting Week Contributions
- COVID-19 Response for Employees and Communities
- Anti-Human Trafficking Policy

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**The Steward**

**Growing Our Business with Care**

- Sustainable Products & Building Solutions
- Carbon Performance (CO₂e)
- Product Stewardship
- Circular Economy
- Hazardous Waste Performance
The Employer: Providing a safe & inclusive work environment

Safety Recordable Rates
Injury/Illness per 200K hours Worked

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.22</td>
</tr>
<tr>
<td>2015</td>
<td>1.97</td>
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<tr>
<td>2016</td>
<td>1.58</td>
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<tr>
<td>2017</td>
<td>1.32</td>
</tr>
<tr>
<td>2018</td>
<td>1.38</td>
</tr>
<tr>
<td>2019</td>
<td>1.30</td>
</tr>
</tbody>
</table>

67 GSC Sites Achieved Zero Recordables in 2019

Manufacturing Sites Recognized for Safety & Health Management Systems
Number of Sites

<table>
<thead>
<tr>
<th>Year</th>
<th>OSHA VPP STAR</th>
<th>OHSAS 18001</th>
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<tbody>
<tr>
<td>2014</td>
<td>12</td>
<td>12</td>
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<tr>
<td>2015</td>
<td>28</td>
<td>29</td>
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<td>2016</td>
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<td>2017</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>2018</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>2019</td>
<td>14</td>
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</table>

Reportable Fleet Accidents per Million Miles
Accidents per Million Miles

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
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<tbody>
<tr>
<td>2014</td>
<td>0.43</td>
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<tr>
<td>2015</td>
<td>0.51</td>
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<tr>
<td>2016</td>
<td>0.49</td>
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<td>2017</td>
<td>0.45</td>
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<tr>
<td>2018</td>
<td>0.55</td>
</tr>
<tr>
<td>2019</td>
<td>0.58</td>
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</table>

Industry Benchmark

Data reflects the United States Department of Transportation Reportable Accident Rate.

*2019 National Private Truck Council data not available at time of production
The Employer: Fostering a diverse and inclusive work environment

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

- Joined CEO Action on Diversity & Inclusion™ in 2018
- Conscious Inclusion Education & Training
- CEO Forums on Inclusion
- Employee Resource Groups & Networks
- Engagement & Inclusion Index
- Supplier Diversity
The Citizen: Making a difference in our communities

Charitable Giving

- Operating Divisions Donations
- Sherwin-Williams Foundation Grants
- Employee Matching Gifts Program Submissions
- Employee Pledge Campaign Donations

In 2019, employees gave to more than 800 nonprofit organizations.
The Citizen: Making a difference in our communities

National Painting Week

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 thousands of gallons of paint and its employees volunteered nearly 26,000 hours of their time to make a colorful impact in their communities.

HomeWork Program

One of our flagship endeavors is the nationally recognized HomeWork Program, started at Sherwin-Williams in 2004 and staffed nationally by a team of S-W retirees. As of December 2018, 7,524 people have been trained and 67.2 percent of those trainees secured employment following completion of the HomeWork Program.

The Sherwin-Williams’ HomeWork Program Provides:

- Professional painter training for low-income housing residents
- Job placement assistance with local contractors & unions
- EPA Renovate, Repair & Painting (RRP) Certification instruction
- Since April 2010, we have sponsored RRP Training and Certified over 43,000 contractors and their workers
- Deeply discounted materials to foster healthy homes & lead-safe property maintenance
We prioritize the health and safety of our employees. In addition to implementing policies recommended by the Centers for Disease and Prevention (CDC) at all our facilities, we have provided enhanced paid sick and/or family leave, flexible work arrangements, premium pay for select front line workers, and other benefits.

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. We have also assisted customers in directing them to relief programs and resources.

During these challenging times Sherwin-Williams has provided support to communities through combined donations of 250,000+ masks, gloves, other personal protective equipment, hand sanitizer manufactured in our plants and we also donated to the Cleveland COVID-19 Rapid Response Fund.
# The Steward: Growing our business with care (selected metrics)

## Electricity Consumption

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<tr>
<td>2014</td>
<td>10.6</td>
<td>5.7</td>
<td>4.9</td>
<td>10.2</td>
<td>5.6</td>
<td>4.6</td>
<td>9.7</td>
<td>5.3</td>
<td>4.4</td>
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## CO₂e Emissions

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<td>Pounds per 100 lbs of Production</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>2014</td>
<td>26.1</td>
<td>13.0</td>
<td>13.1</td>
<td>24.8</td>
<td>12.1</td>
<td>12.7</td>
<td>22.9†</td>
<td>20.2**</td>
<td>18.2</td>
<td>9.7</td>
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## Hazardous Waste: Treatment & Disposal

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<td></td>
<td></td>
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<tr>
<td>2014</td>
<td>0.83</td>
<td>0.81</td>
<td>0.79</td>
<td>1.02*</td>
<td>0.99</td>
<td>1.11</td>
<td>2020 Goal 0.96**</td>
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## Hazardous Waste: Reuse & Recycle

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<tr>
<td>2014</td>
<td>1.27</td>
<td>1.27</td>
<td>1.23</td>
<td>1.06*</td>
<td>1.09</td>
<td>1.09</td>
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</tbody>
</table>
The Steward: 
Growing our business with innovative and sustainable products

Ultra 9K®
Waterborne Basecoat System

EcoSelect®
Zero VOC Interior Latex

ProMar®
400 Zero VOC Primer

Krylon
Quik-Tap™
Reusable Spray Device

AquaGuard®
Coating Solutions Zinc-Free & Water-Based

valPure® V70
Non-BPA Epoxy

Powdura®
ECO Powder Coatings Made from Recycled Plastic

Harmony®
Zero VOC Interior Acrylic Latex

ProMar®
200 HP Zero VOC Interior Latex

SuperDeck®
Waterborne Exterior Solid Color Deck Stain
A Culture of Excellence

The Sherwin-Williams Code of Principles

1. To win on our merits.
2. To be the best and largest concern of the kind in the world.
3. To be broad and liberal as well as aggressive in our policy and methods.
4. To take a pride in our institution.
5. To be loyal to the Company and to each other.
6. To foster good fellowship among ourselves, and to take pleasure as well as profit out of our work.
7. To strive constantly for the improvement and advancement of the business and ourselves.
8. To be considerate, polite and courteous in all our dealings within and without the Company.
9. To be high toned in everything, everywhere.
10. To grow in knowledge and character as well as in size.

Efficiency — Make the most of the business by making the most of yourself.  
Merit begets confidence.  
Confidence begets enthusiasm.  
Enthusiasm conquers the world.
Additional Resources

Investor ESG Summary

2019 Corporate Social Responsibility Report

GRI and SASB Indices
APPENDIX
Management utilizes certain financial measures (including adjusted segment margin, adjusted EBITDA and adjusted diluted net income per share) that are not in accordance with U.S. generally accepted accounting principles (US GAAP) to analyze and manage the performance of the business. The required disclosures for these non-GAAP measures are shown below. The Company provides such non-GAAP information in reporting its financial results to give investors additional data to evaluate the Company's operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with US GAAP.

**Adjusted EBITDA**

EBITDA is a non-GAAP financial measure defined as net income from continuing operations before income taxes and interest, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure that excludes the Valspar acquisition and other adjustments. Management considers Adjusted EBITDA useful in understanding the operating performance of the Company. The reader is cautioned that the Company's Adjusted EBITDA should not be compared to similarly titled measures reported by other companies. Further, Adjusted EBITDA should not be considered an alternative to Net income or Net operating cash as an indicator of operating performance or as a measure of liquidity.

**Adjusted EPS**

Management of the Company believes that investors' understanding of the Company's operating performance is enhanced by the disclosure of diluted net income per share excluding Valspar acquisition-related costs and other adjustments. This adjusted earnings per share measurement is not in accordance with US GAAP. It should not be considered a substitute for earnings per share in accordance with US GAAP and may not be comparable to similarly titled measures reported by other companies.
Regulation G Reconciliation
Adjusted EBITDA

<table>
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</thead>
<tbody>
<tr>
<td>Net income from continuing operations</td>
<td>$ 865.9 $</td>
<td>1,053.8 $</td>
<td>1,132.7 $</td>
<td>1,769.5 $</td>
<td>1,108.7 $</td>
<td>1,541.3 $</td>
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<tr>
<td>Interest expense</td>
<td>64.2</td>
<td>61.8</td>
<td>154.1</td>
<td>263.5</td>
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<td>Income taxes</td>
<td>392.3</td>
<td>495.2</td>
<td>462.5</td>
<td>(300.2)</td>
<td>251.0</td>
<td>440.5</td>
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<tr>
<td>Depreciation</td>
<td>169.1</td>
<td>170.3</td>
<td>172.1</td>
<td>285.0</td>
<td>278.2</td>
<td>262.1</td>
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<tr>
<td>Amortization</td>
<td>29.9</td>
<td>28.2</td>
<td>25.4</td>
<td>206.8</td>
<td>318.1</td>
<td>312.8</td>
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<td>EBITDA from continuing operations</td>
<td>$ 1,521.4 $</td>
<td>$ 1,809.3 $</td>
<td>$ 1,946.8 $</td>
<td>$ 2,224.6 $</td>
<td>$ 2,322.7 $</td>
<td>$ 2,906.0 $</td>
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<td>Trademark impairment</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>122.1</td>
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<tr>
<td>Brazil indirect tax credit</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>(50.8)</td>
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<tr>
<td>California litigation expense</td>
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<td>-</td>
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<td>Environmental expense provision</td>
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<td>-</td>
<td>-</td>
<td>167.6</td>
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<tr>
<td>Transaction and integration costs (1)</td>
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<td>60.6</td>
<td>139.0</td>
<td>157.7</td>
<td>81.8</td>
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<td>Inventory accounting change</td>
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<td>-</td>
<td>58.9</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$ 1,521.4 $</td>
<td>$ 1,809.3 $</td>
<td>$ 2,007.4 $</td>
<td>$ 2,422.5 $</td>
<td>$ 2,821.9 $</td>
<td>$ 3,056.8 $</td>
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</table>

(1) Transaction and integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.
Regulation G Reconciliation

### Adjusted EPS

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<tr>
<td>Pre-Tax Tax Effect (1)</td>
<td>Pre-Tax Tax Effect (1)</td>
<td>Pre-Tax Tax Effect (1)</td>
<td>Pre-Tax Tax Effect (1)</td>
<td>Pre-Tax Tax Effect (1)</td>
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<td>Diluted net income per share</td>
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<td>$ 11.15</td>
<td>$ 11.99</td>
<td>$ 18.64</td>
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<tr>
<td>Brazil indirect tax credit</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>California litigation expense</td>
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<tr>
<td>Solar tax credit investment loss</td>
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<td>Pension plan settlement expense</td>
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<td>Environmental expense provision</td>
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<td>One-time benefit from deferred tax benefits</td>
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<td>Total other adjustments</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ 7.04</td>
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<td>Transaction and integration costs (2)</td>
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<td>Acquisition-related amortization expense (3)</td>
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</tr>
<tr>
<td>Total acquisition-related costs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5.15</td>
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<td>Adjusted diluted net income per share</td>
<td>$ 8.77</td>
<td>$ 11.15</td>
<td>$ 12.85</td>
<td>$ 15.07</td>
<td>$ 18.53</td>
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</table>

(1) The tax effect is calculated based on the statutory rate and the nature of the item, unless otherwise noted.

(2) Transaction and integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(3) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.