



Building in the Good





CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This 2020 Sustainability Report contains certain “forward-looking statements,” as defined under U.S. federal securities laws. These statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “project,” “could,” “plan,” “goal,” “target,” “potential,” “seek,” “intend,” “aspire” or “anticipate” or the negative thereof or comparable terminology. These forward-looking statements are based upon current expectations, predictions, 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 performance 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.



Thank you for your interest in the Sherwin-Williams 2020 Sustainability Report. This report marks a special time, as we announce our goals for the next phase of our sustainability journey. It reflects an acceleration of our journey, with the introduction of our new 2030 sustainability goals and aspirations under a redefined framework: Environmental Footprint, Product Blueprint and Social Imprint. It provides our holistic view of an enterprise-wide approach to sustainability and the commitments we are making for reducing our environmental footprint and ***Building in the Good*** for our employees, customers, communities, shareholders and other stakeholders. This report covers the 2020 calendar year, except where noted, and provides a comprehensive view of our environmental stewardship and social responsibility approach, programs and initiatives.

In preparing this report, we have relied on the results of our 2019 Materiality Assessment to help ensure we are addressing issues that are most significant to our Company and stakeholders. We have also referenced established sustainability and environmental, social and governance (ESG) reporting frameworks, ratings and rankings – such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) frameworks. Our SASB Sustainability Report Index and Investor ESG Summary are included later in this report and you can view all our sustainability materials at sustainability.sherwin-williams.com.

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To Our Stakeholders

At Sherwin-Williams, sustainability is ingrained in our values and how we conduct business. We are enhancing our sustainability initiatives by ***Building in the Good*** while delivering value to our employees, customers, communities, shareholders and other stakeholders.

Introducing Our New Sustainability Goals and Integrated Framework

Our 2020 Sustainability Report represents a decisive moment in our environmental, social and governance (ESG) journey. We are announcing an integrated framework for our sustainability strategy and committing to new sustainability goals – all designed to accelerate our internal progress and expand our positive impact on the world around us.

Building in the Good connects all three pillars of our sustainability framework – **Environmental Footprint, Product Blueprint and Social Imprint**. Our commitment to strong corporate governance and ethics helps ensure that we have the oversight and accountability in place to manage our framework and follow through on our commitments.

Our new goals address global issues of critical importance, including doing our part to address climate change by reducing our greenhouse gas emissions, increasing energy efficiency and use of renewable energy, minimizing our waste and accelerating development of “sustainably advantaged products.” We are also building additional momentum by enhancing our culture of inclusion, diversity and equity; continuously improving our occupational health and safety metrics; and strengthening our engagement with communities where we operate around the world.

More information on this framework and our new goals can be found throughout this report, starting on page 8.

Responding to 2020’s Challenges with Empathy and Resilience

I am extremely proud of how our Sherwin-Williams family responded to the unprecedented challenges of the past year, from the global health crisis to social and racial justice movements.

In response to the COVID-19 pandemic, our global teams showed tremendous resilience in supporting Company operations, while



protecting one another, our customers and our communities. We remain focused on protecting the health and well-being of our employees, meeting the needs of our customers and supporting our communities.

To support social justice and racial equality in our communities, we launched our *We Stand Together* initiative to encourage the authentic sharing of personal experiences in a safe environment and to foster candid, empathetic conversations about race, social justice, inclusion and mutual respect. Through our annual CEO Forums on Inclusion, which we have been doing for three years, I have appreciated the opportunity to personally engage with employees across our organization about how we, as a global company and as individuals, can serve as catalysts for positive change in the workplace and our communities.

The Journey Continues

Thank you for your continued trust, support and engagement. As we continue on our sustainability journey, we are energized to create even greater value for our stakeholders. We are committed to ***Building in the Good***, and we look forward to sharing our progress with you.

A handwritten signature in black ink, reading "John G. Morikis".

John G. Morikis
Chairman, President and Chief Executive Officer

About the Company

Founded in 1866 by Henry Sherwin and Edward Williams, The Sherwin-Williams Company (NYSE: SHW) has spent the last 155 years creating a legacy of growth, creativity and innovation to meet the needs of our growing customer base and dedicated workforce.



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.

Every day, our 61,000+ employees provide the energy and experience to build on our track record of success – enabling us to innovate and grow in new and exciting ways. With our people as the foundation of our Company, we offer industry-leading innovation, value-added service and expertise, and differentiated distribution.

With global headquarters in Cleveland, Ohio, Sherwin-Williams® branded products are sold exclusively through a chain of more than 4,900 company-operated stores and facilities in the United States, Canada, the Caribbean and Latin America. Additional brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors across North America and in parts of Europe, China, Australia and New Zealand. We also supply a broad range of highly engineered solutions for the construction, industrial, packaging and transportation markets in more than 120 countries around the world.

Corporate Purpose

We inspire and improve the world by coloring and protecting what matters.

At The Sherwin-Williams Company, we fulfill our purpose through the development, manufacture, distribution and sale of innovative paint and coatings products, striving to deliver benefits for all major stakeholders. **Employees** participate in an inclusive and diverse environment that provides extensive opportunities for professional development and personal wealth-building. **Customers** benefit from a solutions-driven approach emphasizing application-specific expertise, industry-leading innovation, value-added service and differentiated distribution. **Communities** where we operate prosper through job creation, direct financial support, in-kind gifts, employee volunteerism and civic engagement. **Shareholders** can expect a deep and experienced management team focused on long-term value creation through sales growth, return on sales, return on net assets employed and cash generation. Sustainability is embedded within our corporate purpose, with a focus on our environmental footprint, our product blueprint and our social imprint. Our integrated approach to the stakeholders we serve seeks to inspire and improve society as a whole.

Our Values



Integrity



People



Service



Quality



Performance



Innovation



Growth

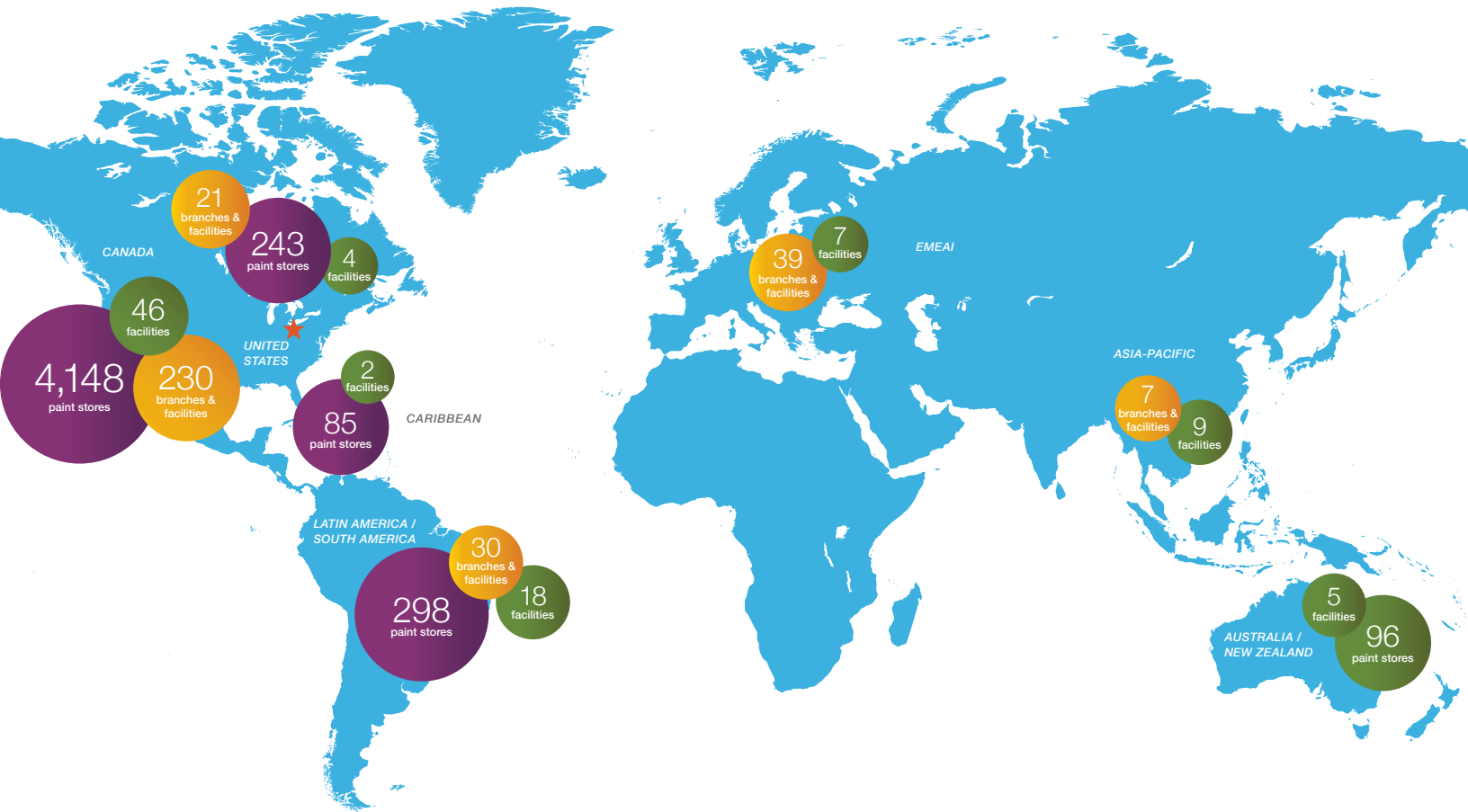
Our Business Segments

Sherwin-Williams is comprised of three reportable segments, which provide customers with innovative solutions to ensure their success:

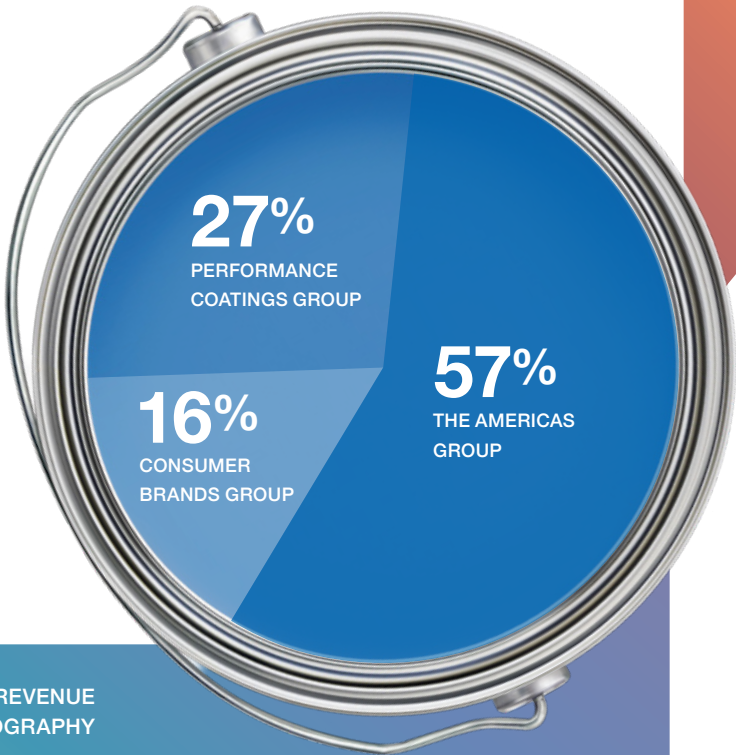
- › **The Americas Group** operates the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering in the United States, Canada and the Caribbean. The Group also manufactures and sells architectural paints, industrial coatings and related products in Latin America through Company stores, dedicated dealers and selected retailers.
- › **Consumer Brands Group** offers one of the industry's most recognized portfolios of branded and private-label products through retailers across North America and in parts of Europe and China. The Group also operates a highly efficient global supply chain for paint, coatings and related products.
- › **Performance Coatings Group** provides a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive refinish, packaging and coil and extrusion customers in more than 120 countries.

Our Global Reach

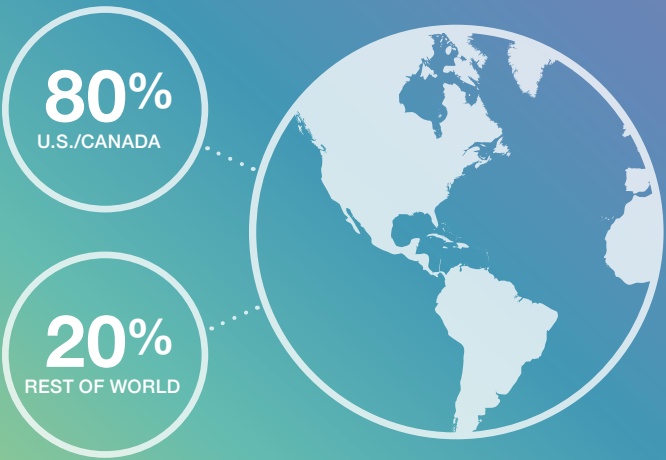
● The Americas Group ● Consumer Brands Group ● Performance Coatings Group ★ Corporate headquarters



2020 REVENUES **\$18.36 billion**



2020 REVENUE BY GEOGRAPHY



NUMBER OF EMPLOYEES

61,000+



120+ COUNTRIES



137 MANUFACTURING & DISTRIBUTION FACILITIES



4,700+ COMPANY-OPERATED STORES

Awards and Accolades in 2020

Sherwin-Williams is continually humbled by earning accolades, and 2020 was no exception. Year after year, the Company continues to be recognized for global leadership in a variety of sectors.

The Company values ensure that sustainability is not just an area of focus, but it is ingrained in the Sherwin-Williams culture. The Sherwin-Williams Company is proud to be a supportive, forward-thinking partner not just in the paint and coatings industry, but also in the communities we serve.

Product Blueprint

- The Architect's Newspaper: 2020 Best of Products Awards – Emerald® Designer Edition™ Interior Latex
- Buildings: Buildings Product Innovations – Merit Award Winner for Emerald® Rain Refresh® Exterior Latex
- Facilities Net: Vision Award Winner – Exteriors, Emerald® Rain Refresh® Exterior Latex
- Fast Company®: World Changing Ideas – Consumer Products
- House Beautiful®: The Best New DIY and Renovation Products – Emerald® Designer Edition™ Interior Latex
- Lowe's Companies Inc. 2020 Innovation Partner of the Year – Minwax
- American Business Awards®: Gold Stevie® Award – PR Campaign of the Year – B2B Marketing with valPure V70 packaging coatings
- American Business Awards®: Bronze Stevie® Award – New Product or Service Launch for valPure V70 packaging coatings

Governance and Ethics

- The Cleveland Plain Dealer®: Northeast Ohio Top Workplaces
- Forbes®: America's Best Employers for New Graduates
- Forbes®: America's Best-In-State Employers
- Independent Commodity Intelligence Services: Company of the Year
- KPMG®: U.S. Customer Experience Top 100
- Newsweek® America's Most Responsible Companies

Social Imprint

- Fast Company®: World Changing Ideas – Corporate Social Responsibility
- Forbes®: America's Best Employers for Diversity
- Forbes®: America's Best Employers for Women
- Forbes®: America's Best Employers for Veterans





Our Sustainability Strategy



The Sherwin-Williams culture is built on trust, respect, execution and inclusion, which guide our commitment to take care of our customers, respect our employees and the environment, and support the communities in which we live and work. Sustainability is rooted in our values and our way of doing business. We embrace a holistic view of sustainability – it is integrated into our business operations worldwide, and is embedded in our product innovation process and in product delivery to our valued customers.

As we reflect on the progress so far on our sustainability journey, our next steps are even more significant. In 2020, we took a comprehensive review of our approach to sustainability and the Company's long-term goals and aspirations. With that review as one of several critical inputs, we have enhanced our strategy with a strong focus on three pillars: **Environmental Footprint**, **Product Blueprint** and **Social Imprint**. These pillars sit on a foundation of **Governance and Ethics**, which is designed to ensure appropriate oversight and accountability for sustainability and ESG initiatives throughout the Company. In addition, with the sunseting of our previous sustainability goals in 2020, we have set new, ambitious and meaningful goals and aspirations within all three of our pillars.

Environmental Footprint

Our 2030 Goals for *Building in the Good*

Doing Our Part for the Planet: Sherwin-Williams is committed to reducing the environmental footprint of our global operations. We take a continuous improvement approach to reducing our carbon emissions, energy use and waste, while expanding our renewable energy use and recycling methods.



Reduce absolute Scope 1 and 2 greenhouse gas emissions by **30%** by 2030



Increase renewable energy to **50%** of total electricity usage by 2030

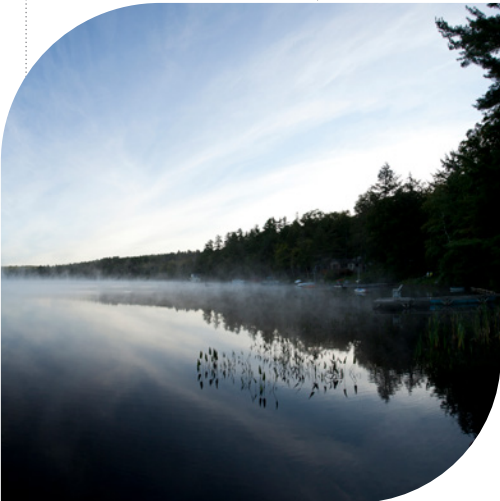


Increase operational energy efficiency by **20%** by 2030



Reduce waste disposal intensity by **25%** by 2030

(% reductions compared with 2019 baseline)



Product Blueprint

Our Product Development Framework for *Building in the Good*

Driving Sustainability Through Innovation: Under the Sustainability by Design™ initiative, we are formalizing our approach to integrating sustainability into our innovation and product development process. We are also working to further define and extend our portfolio of “sustainably advantaged products.” Through life cycle thinking and a strong commitment to product stewardship, we continue to provide world-class products in a safe and responsible manner.



Implement Sustainability by Design™ process across the enterprise in 2021



Establish baseline for “sustainably advantaged products” in 2021 and develop plan for expanding this product portfolio in the future



Develop consistent process in 2021 for measuring and assessing Scope 3 emissions





Social Imprint

Our Commitment to *Building in the Good* for People

Elevating a Culture of Safety, Inclusion and Community:

The safety of our global employee base is a top priority. We strive to create a culture of inclusion, diversity and equity where differences are welcomed, celebrated and appreciated, and everyone has a chance to succeed. We also care deeply about supporting and being active in the communities in which we live and work.



Reduce recordable case rate to **0.8** by 2025, compared with **1.06** in 2020



Reduce ergonomic injuries by implementing two ergonomic interventions per year in each manufacturing site



Increase women in management roles to **30%** by 2025, compared with **26%** in 2020



Increase under-represented racial/ethnic groups in U.S. management roles to **30%** by 2025, compared with **26%** in 2020



Achieve and improve upon a favorable score on the Sherwin-Williams Inclusion Index, based on results of our annual employee engagement survey



“We have put dedicated resources into further formalizing and extending what sustainability means for Sherwin-Williams, placing it at the forefront of everything we do, including the product development process. We are challenging ourselves with ambitious goals that align with the next evolution of our sustainability journey and positively impact our employees, customers, communities and the planet.”



Robert Israel
Sherwin-Williams Vice President,
Global Sustainability
Member, SASB Standards Advisory Group

**Comprehensive Materiality Assessment
Spotlights Focus Areas**

Addressing issues that are most significant to our Company and stakeholders is a key component of our sustainability strategy. Working with a leading global provider of sustainability services in 2019, we conducted a robust materiality assessment 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 across our divisions and global teams
- External stakeholder interviews with investors, customers, suppliers and nongovernmental organizations
- Written source review for both internal and external evidence
- Validation workshop with the Sustainability Steering Committee and other members of our executive team
- Presentation of results to the Nominating and Corporate Governance Committee and full Board of Directors

Our 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.

Our top-tier focus areas:



Climate and Carbon



**Product Stewardship
Life Cycle Assessment**



**Occupational Health and Safety
Talent Acquisition and
Employee Engagement**

Our Perspective on 2020

The unprecedented nature of 2020 presented many challenges for all of us. Sherwin-Williams remained resilient and stepped up to protect and engage our employees and fulfill our commitments to health and safety, social and racial justice and support for our employees, customers and communities.



In response to the **COVID-19 pandemic**, Sherwin-Williams has taken numerous measures to protect the health and well-being of our employees and customers. This included implementing appropriate safety protocols such as enhanced cleaning, face coverings and social distancing. We provided premium pay for certain front-line employees and implemented remote, alternate and flexible work arrangements where possible. We also enhanced certain employee benefits, such as telehealth, paid sick time, family leave and voluntary leave of absence policies and programs.

These efforts enabled the Company to continue supplying critical products to our customers who support healthcare facilities, manufacturing plants and other essential infrastructure and medical equipment. In March 2020, we temporarily reduced store hours and closed the sales floors at our paint stores to the general public, requiring customers to order products online or via phone and use curbside pickup and delivery to access their products.

Also in 2020, in response to the heightened **social and racial justice movement**, Sherwin-Williams expanded and reinforced our commitments to inclusion, diversity and equity (ID&E) with our *We Stand Together* initiative. Our Chairman, President and Chief Executive Officer, John Morikis held special CEO Forums on Inclusion to engage our employees – across all divisions – in a dialogue about the tragic events and ongoing challenges. We have been listening and learning to understand and acknowledge what our employees are feeling and experiencing, while reinforcing our allyship.

We also **strengthened our commitment to the Northeast Ohio region** by announcing plans for a new global headquarters in downtown Cleveland and a new global Research & Development center in Brecksville, a suburb of Cleveland. This commitment builds on our 155-year legacy as one of the region's top employers and drivers of economic activity, and it provides the opportunity for Sherwin-Williams to continue serving our customers and attracting talent to the region, while investing in Northeast Ohio's future. The new workplace environments will further ignite creativity and industry-leading innovation.



FEATURE STORY

COVID-19: Supporting our Employees, Customers and Communities in 2020

Now more than ever, our Company continues to meet customers' needs and support the communities in which we live and work, while ensuring a safe work environment for our employees. Challenges remain as the world continues to navigate the COVID-19 pandemic.

More than a year into this global health crisis, Sherwin-Williams continues to follow safety protocols it developed based on guidance from the Centers for Disease Control and Prevention (CDC), World Health Organization (WHO) and other public health agencies, and that were designed to protect our valued employees. These include, but are not limited to, protocols for social distancing, face coverings and enhanced cleaning. To protect our employees, we also instituted additional measures at various locations, as appropriate, such as temperature screenings and flexible work arrangements. All non-critical business travel was indefinitely postponed, and when possible, events were hosted virtually.

We manufacture and supply products that are essential to customers who support healthcare facilities, manufacturing plants and other essential infrastructure and medical equipment. Our employees worked diligently to safely continue to serve customers throughout the pandemic.

Our Company continuously looks for opportunities to assist those in need, especially during this difficult time. We provided additional support to the communities we serve through combined donations of more than 250,000 masks, gloves and other personal protective equipment.

Hand sanitizer is an important tool in protecting against the virus. When hand sanitizer was in short supply and generally unavailable, our plants in Garland, Texas and South Holland, Illinois, sprang into action, and other Sherwin-Williams facilities around the world soon followed.

Manufacturing and shipping thousands of gallons of hand sanitizer is no simple task. Priorities shifted to launching a new product and filling batches in less than 100 hours – a process that normally takes several months.

"The entire operation came together so quickly and smoothly thanks to the teams we have in these locations," says **Leah Christakes**, Sherwin-Williams Area Director of Operations for Coil and Packaging in North America. "It really is an amazing example of our Company culture in action."

The finished product was made for use by our Company as well as donated to healthcare facilities and government organizations. In addition to our efforts in the U.S., international hand sanitizer manufacturing occurred at Company facilities in Bellö, Sweden; Minerbio, Italy; Texcoco, Mexico; and Sumaré, Brazil.

Today, there is reason for optimism with the increase in vaccine availability throughout the world. When a more than 20-year customer was tasked by the U.S. government via Operation Warp Speed to prioritize production of supplies and materials for COVID-19 vaccines, our Sprayon® MR311 coating was an important resource. The manufacturing team at our Holland, Michigan plant made internal changes that allowed shipment of the vaccine-related product directly to the customer.

"We are – and always have been – a part of the well-being of our communities," says **Fred Abraham**, Sherwin-Williams Senior Product Manager, whose product team helped orchestrate the Company's support of a customer and vaccine-related efforts. "I love working for a company like Sherwin-Williams that has such a vast portfolio of products, allowing us to provide timely solutions."

While none of us anticipated the severity of the year's challenges, our people responded with extraordinary effort, determination and resilience. It is yet another example of the Company's commitment to supporting our employees, customers and communities.





Governance and Ethics



Our approach to sustainability and environmental, social and governance (ESG) performance is managed within a governance structure that enables broad engagement across the organization, while providing appropriate oversight and accountability throughout the Company.

IN THIS SECTION:

Board Structure and Oversight
Risk Management
Board Composition and Diversity
Responsible Executive Compensation
Ethics, Integrity and Compliance

FOR MORE INFORMATION

Additional information about our board and committees can be found in our Corporate Governance documents and Committee Charters, 2021 Proxy Statement and other materials at investors.sherwin-williams.com.

Board of Directors and Corporate Governance Structure

We believe our collective actions impact our reputation and credibility with our employees, customers, suppliers, communities, shareholders and other stakeholders. We remain steadfast in our commitment to ensuring work-related activities reflect standards of honesty, loyalty, concern for others and accountability.

Sound Corporate Governance Practices

Our corporate governance practices are designed to enable the board to set objectives and monitor performance and to strengthen the accountability of the board and management. We actively monitor our corporate governance practices to ensure we continue to manage our business in accordance with high standards of ethics, business integrity and corporate governance.

The following table highlights some of our corporate governance practices and policies:

Annual election of all directors	Mandatory retirement age of 72 for directors
Majority voting standard and resignation policy for directors in uncontested elections	Orientation program for new directors
Director overboarding policy	Annual board and committee self-assessments
Proxy access rights available to 3 year, 3% shareholders, for up to 20% of board	Executive sessions of independent directors are held with each regularly scheduled board meeting
9 of 10 director nominees are independent	Directors have complete access to management
Independent lead director has significant governance responsibilities	Prohibition on hedging and pledging of our securities
Board committees are composed entirely of independent directors	Significant director and executive stock ownership guidelines
Board oversight of risk management	NEW in 2021 – Director matrix that includes consideration of self-identified diversity characteristics, such as gender, race and ethnicity
Board and Nominating and Corporate Governance Committee oversight of environmental, safety, sustainability and corporate social responsibility policies, objectives and practices	NEW in 2021 – Policy to include women and racially/ethnically diverse persons in the pool of candidates from which director nominees are chosen

Source: 2021 Proxy Statement

Risk Management and Oversight

While management is responsible for assessing and managing the Company's exposure to various risks, the Board of Directors has overall risk management oversight responsibility. Our board committees assist the board with this oversight responsibility by reviewing specific risk areas, as highlighted below:

Board and Committee Responsibilities

	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING COMMITTEE	FULL BOARD OF DIRECTORS
Enterprise Risk Management	●			●
Cybersecurity	●			●
Financial	●			●
COVID-19 Response	●	●		●
Compensation Policies and Practices		●		●
Management Development and Succession		●		●
Board Succession			●	●
Corporate Governance			●	●
Environmental (including the impacts of climate change)			●	●
Safety			●	●
Sustainability			●	●
Corporate Social Responsibility			●	●

Source: 2021 Proxy Statement

				
Annual Compliance Training	Global Ethics Hotline	Annual ERM Risk Assessment	Internal Audit and Loss Prevention Functions	Regional Corporate Ethics Committees
Code of Conduct, Anti-Bribery, Anti-Corruption and other policies to minimize risk	Continuous Monitoring	Incorporated into Strategic Planning Process	Professionals Worldwide	Regular, Quarterly Meetings

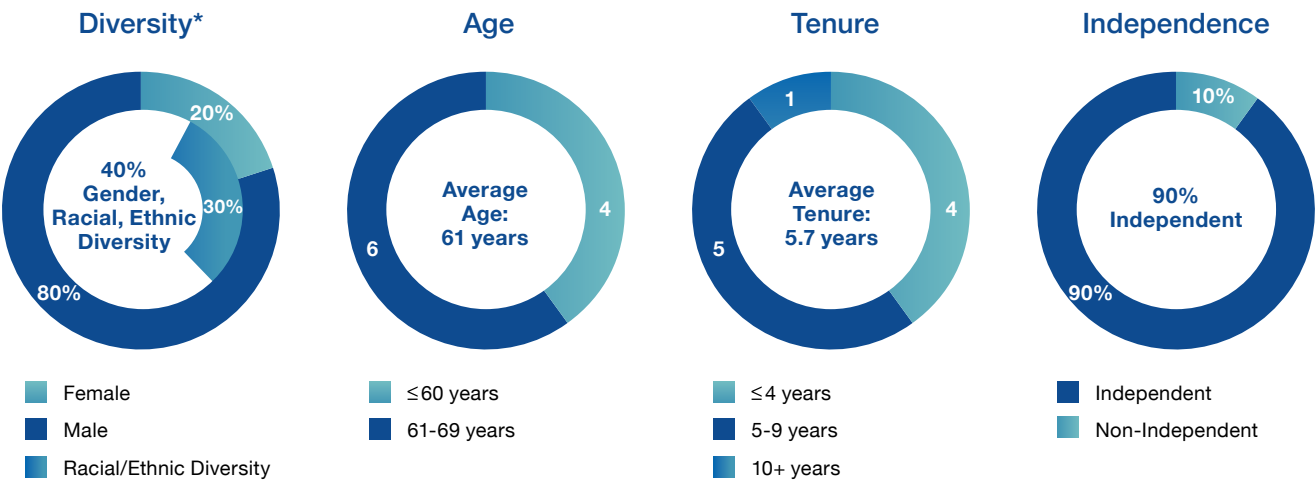


Board Composition and Diversity

Our board believes our directors should have a diverse mix of experiences, qualifications, attributes and skills that enables the board to provide effective oversight of our management and business. Sherwin-Williams uses a thoughtful approach to board composition to ensure a proper balance between the addition of new directors who bring fresh and diverse perspectives and the stability of the board as a whole. Recently, the board adopted a

policy to include, and to request that any search firm it engages include, a diverse pool of qualified candidates, including women and racially/ethnically diverse persons, from which potential directors are chosen. Our current directors reflect the board’s efforts and commitment to achieving diversity, including with respect to age, gender, race and ethnicity, and the need for periodic refreshment to maintain this commitment.

Board Composition Summary



* Based on directors’ self-identified diversity characteristics

Source: 2021 Proxy Statement



Our Responsible Compensation Practices

We design and manage our company-wide compensation programs to align with our overall business strategy and to focus our employees on delivering sustained financial and operating results. We believe it is important that our compensation programs: (a) be competitive; (b) maintain a performance and achievement-oriented culture; and (c) align the interests of our executives with those of our shareholders.

Our compensation programs, practices and policies demonstrate our commitment to responsible pay and governance principles. We review and evaluate our compensation programs, practices

and policies on an ongoing basis, and we modify them to address evolving best practices and changing regulatory requirements, as well as significant events, such as the COVID-19 pandemic. The following table highlights some of the more significant best practices we have adopted, and the practices we have avoided, to maintain our commitment.

Responsible Executive Compensation Practices

 WHAT WE DO	 WHAT WE DON'T DO
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• No Employment Agreements• No Dividend Equivalents for Unvested Performance-Based Restricted Stock Unit 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

Source: 2021 Proxy Statement

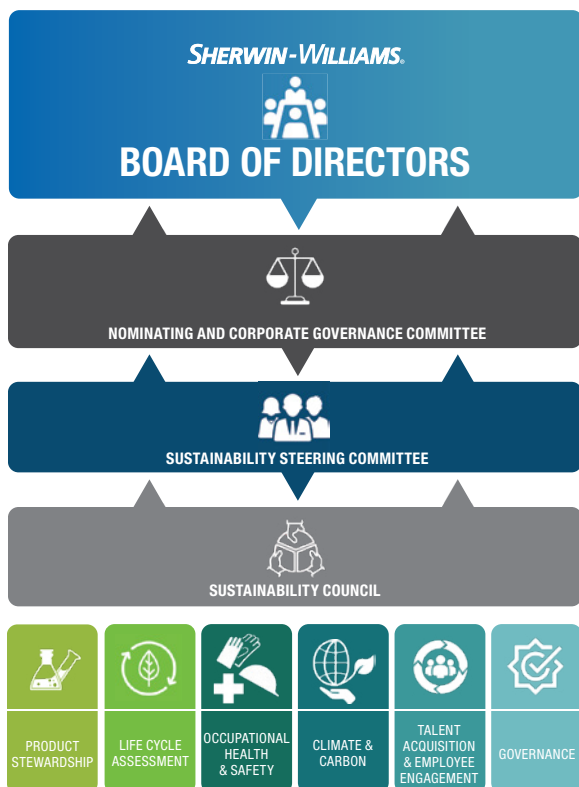
Board Oversight of ESG and Sustainability

The Nominating and Corporate Governance Committee assists the board in reviewing risks relating to the Company's environmental, safety, sustainability and corporate social responsibility policies, objectives and practices. Management periodically reviews our efforts and progress in these areas with the Committee as well as the full board.

Leadership Commitment to ESG and Sustainability

The **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, Finance, Corporate Communications, Human Resources, Global Supply Chain, Global Sustainability and Global Operations. The committee seeks to ensure a holistic approach to developing and progressing our ESG and sustainability strategies and initiatives and drive alignment across the organization to address emerging ESG risks and opportunities.

Our **Sustainability Council** consists of subject matter experts responsible for day-to-day management and coordination of various aspects of our ESG and sustainability initiatives, policies and programs. The council has six working groups to address the five most prominent topics identified in our materiality assessment,



plus our governance and ethics policies and practices that form the foundation of our enterprise-wide approach to sustainability. The council is focused on deeper integration of sustainability and other ESG initiatives throughout the Company and the proactive identification of emerging ESG and sustainability trends and opportunities across the organization. It also has a lead role in the implementation of the Company's sustainability goals and aspirations. Members of the council periodically report on progress to the Sustainability Steering Committee, and members of the Steering Committee provide periodic updates to the Nominating and Corporate Governance Committee and the full board.

Ethics, Integrity and Compliance

We believe in aligning our guiding values with our business activities to solidify a foundation for our continued growth as a leading global coatings company. We are dedicated to the highest standards of integrity at all levels of the Company. Our [Code of Conduct](#) is our guide to ethical decision-making across Sherwin-Williams and provides guidance to ensure we uphold the highest ethical behavior, including adhering to these tenets:

- Maintain high standards of integrity
- Win on our merits
- Be loyal to our Company and fellow employees
- Take responsibility
- Grow in character
- Treat others as you would like to be treated

Each year, we conduct annual global compliance training with our employees to ensure integrity guides our business every day, and in every decision we make. In addition, our Supplier Code of Conduct requires our business partners to operate in a manner that is consistent with our values and is applicable to all suppliers globally.

Sherwin-Williams values and respects the human rights of all people, including our employees and persons engaged with us – such as suppliers, vendors, subcontractors at all tiers and their employees. We are committed to working with our suppliers to ensure that human rights are respected and that no trafficking in persons, forced labor and child labor exists at any level in our supply chain. More information on our commitment is available in our [Human Trafficking Policy](#).

As outlined in the Sherwin-Williams Code of Conduct, we encourage employees to report potential policy or ethics violations and any type of harassment, threats or safety concerns to management or the Loss Prevention team, or anonymously using our EthicsPoint Reporting System. EthicsPoint is an independent, third-party incident management reporting provider that administers our ethics helpline and web portal.



Environmental Footprint



At Sherwin-Williams, we recognize the global significance of climate change and responsible consumption and production, and our role in addressing our stakeholders' interest in these issues. Throughout our history, we have been working to address our environmental footprint and are proud of the progress we have made. We also know there is more to be done, with further opportunities to reduce our footprint and help our customers and other stakeholders do the same. This is a continuous improvement journey, but we cannot just be satisfied with recent successes and the current pace. We are advancing our efforts with forward thinking, additional tools and new goals that provide the framework for a decade of significant progress.

IN THIS SECTION:

- Our 2030 Goals
- Our Climate Strategy
- Energy Efficiency
- Waste Reduction
- Environmental Performance Data



Environmental Footprint

As determined by our materiality assessment, our Environmental Footprint is comprised of the following areas of focus: Climate and Carbon, Energy Efficiency and Waste Reduction. Despite the many challenges of 2020, we remained dedicated to reducing our footprint in the near term, while enhancing our longer-term environmental footprint reduction strategy and setting new 2030 goals.

Our 2030 Environmental Footprint Reduction Goals

Sherwin-Williams has set new 2030 goals that span the priority areas of our Environmental Footprint. The new goals, which were rolled out in early 2021 and benchmark against a 2019 baseline, build on our past progress and demonstrate a significant evolution in our sustainability strategy and approach. We are committed to the following goals for 2030:



Greenhouse Gas Emissions

Reduce absolute Scope 1 and 2 greenhouse gas emissions by **30%**



Renewable Energy

Increase renewable energy to **50%** of total electricity usage



Energy Efficiency

Increase operational energy efficiency by **20%**



Waste Reduction

Reduce waste disposal intensity by **25%**



Climate and Carbon

Our Climate Strategy

Climate change is a global challenge that can have a material impact on any business – from sourcing materials and manufacturing products, to managing energy in facilities and utilizing resources across the value chain.

Sherwin-Williams has voluntarily participated in the Carbon Disclosure Project's (CDP) Climate Change reporting since 2006 (2005 reporting year), which includes details about our greenhouse gas (GHG)-related risks and opportunities, corporate governance and climate change communications.

From 2009 to 2020, our climate strategy focused on reducing our GHG emissions intensity – the rate of GHG per 100 pounds of product produced – with a 2020 goal to reduce our GHG emissions intensity to 19 pounds of CO₂e per 100 pounds of total production, compared with a 2017 baseline of 20.2 pounds of CO₂e per 100 pounds of production. We included emissions from our operations (Scope 1) and from the generation of purchased energy (Scope 2), and, in 2019, we added emissions data related to our upstream and downstream value chain (Scope 3).

In 2020, we aligned our climate strategy to reflect a science-based target approach, influenced by global efforts to limit global warming to well-below 2.0 degrees Celsius. We have adopted a new approach to better reflect and align with certain global efforts, including setting new GHG emissions reduction targets. Our goal is to reduce our absolute Scope 1 and Scope 2 emissions by 30% by 2030, compared with a 2019 baseline. In our view, the benefit of setting an absolute goal, rather than an intensity goal, is that it aligns best with what the planet needs – an absolute reduction of GHG emissions. Starting in 2021, we plan to further evaluate our climate-related risks and opportunities and report our findings in our first disclosures using the Task Force on Climate-related Financial Disclosures (TCFD) framework.

FOCUSING ON RENEWABLE ENERGY

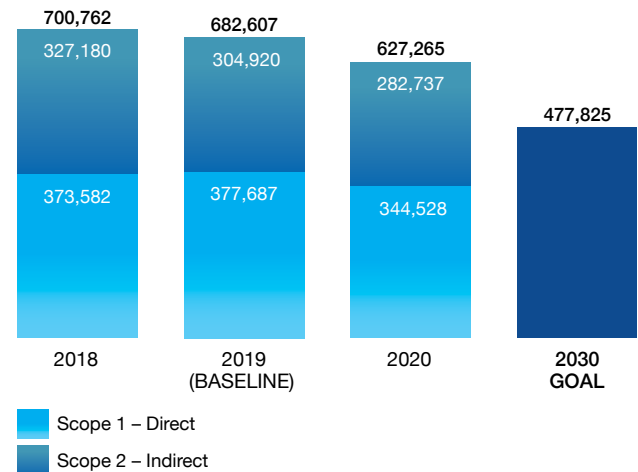
Sherwin-Williams has established a goal to increase renewable energy to 50% of total electricity usage by 2030. To help us achieve this goal and our other 2030 carbon and climate goals, we will be exploring a variety of renewable energy mechanisms and tools. Our options may include, but will not be limited to, onsite renewable energy generation at some Company locations, power purchase agreements (PPAs) and renewable energy credits (RECs).

Carbon Emissions Performance

The charts below present total carbon emissions and total carbon emissions performance (intensity) for our global footprint. We are presenting both sets of data for consistency and comparison reasons. Using 2017 (the year we acquired Valspar) as a baseline, we set a goal of a 2% reduction in our carbon intensity each year. We outperformed the goal in 2018, 2019 and 2020. After learning more about the sources of our emissions and ways to reduce them, we are introducing our total emissions goal for 2030. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and available on our website at sustainability.sherwin-williams.com.

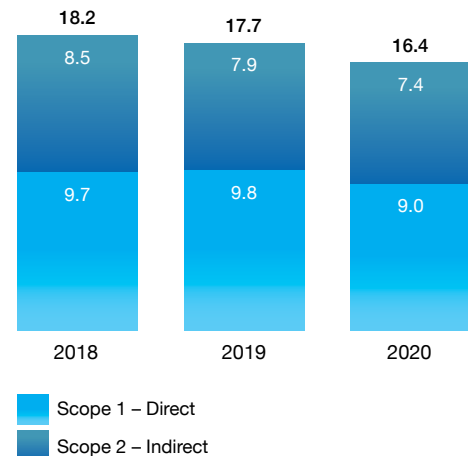
Total CO₂e Emissions

metric tons, all global locations



Total CO₂e Performance (Intensity)*

metric tons per 100 metric tons of production, all global locations



* 2020 will be our final year of intensity-based reporting



Energy Efficiency

Sherwin-Williams is committed to the efficient use of energy throughout our operations, with a focus on reducing energy use, as well as expanding our use of renewable energy.

Each year, we evaluate opportunities to improve our energy efficiency by evaluating new technology, optimizing current processes and implementing programs that focus on improvements in safety, quality, people, service and cost.

Some of our energy-saving initiatives include:

- Participation in the U.S. Department of Energy’s Save Energy Now Program and Better Plants Challenge
- Lighting replacements and control
- Upgrading equipment with higher-efficiency units
- Compressed air optimization system and air leak elimination
- Equipment idle scheduling and controlled shutdown
- Participating as a U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner as a shipper/carrier
- Utilizing sophisticated planning software to determine the most efficient distribution routes
- Routine upgrade of fleet vehicles to higher miles per gallon
- Use of hybrid and electric vehicles in the fleet
- Improved packaging to eliminate unnecessary weight and volume of material being shipped
- Energy-efficient building construction specification
- Centrally managed and programmable HVAC systems

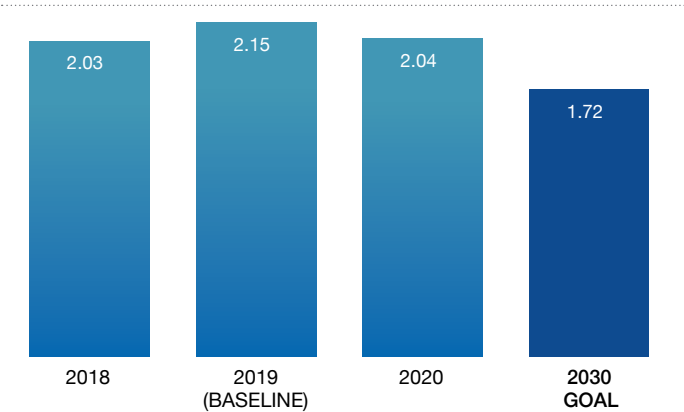
Our divisions also conduct site-specific energy efficiency assessments as part of our continuous improvement efforts. For example, since 2017, our facility in Orlando, Florida reduced its annual energy performance (kWh/metric ton produced) by 12.3%, by switching out traditional light fixtures for LED lighting and other energy efficiency projects. This represents a carbon reduction of about 197 metric tons per year. In 2021, we plan to formalize and expand our ability to conduct site-specific energy efficiency assessments, using this information to develop new energy-saving projects that leverage best practices across the organization and geographies.

Energy Consumption

The charts below present total energy performance (intensity) and total energy consumption for our global footprint. We are presenting both sets of data for consistency and comparison reasons. Our 2018, 2019 and 2020 energy consumption numbers include a very small amount of renewable energy that is not yet impactful enough to show up in the data. However, we do expect it to become a significant part of our energy portfolio in the years ahead, and when it does, we will reflect it in this data set. The total energy performance goal for 2030 represents a 20% increase in energy efficiency compared with the baseline year of 2019. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and available on our website at sustainability.sherwin-williams.com.

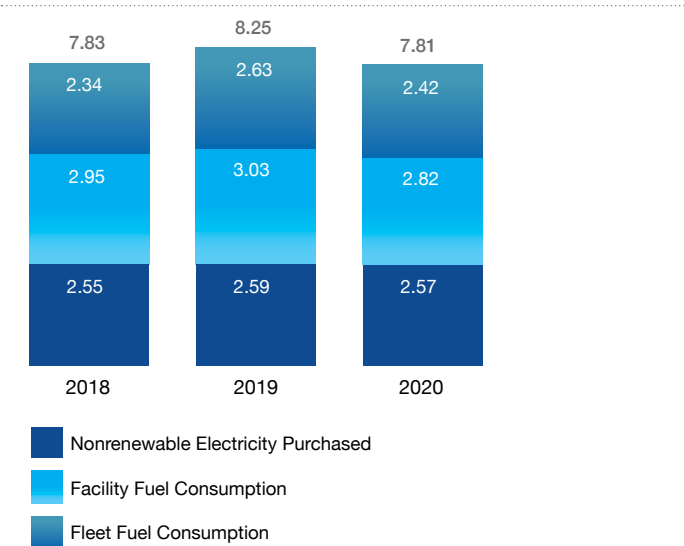
Total Energy Performance (Intensity)

gigajoules per metric ton of production, all global locations



Total Energy Consumption

million gigajoules, all global locations





FEATURE STORY

Continuous Improvements Boost Productivity, Reduce Power Usage and Waste

Sherwin-Williams remains committed to continuous improvement throughout all of our businesses. Year after year, we challenge ourselves to optimize processes that reduce power usage and waste generation and disposal.

Realizing Significant Energy Savings in The Americas Group

Last year, The Americas Group (TAG) implemented various changes across our paint stores in the U.S., Canada and the Caribbean that contributed to reductions in electricity and gas consumption. Energy reduction projects at Company stores included updating thermostats and replacing or retrofitting store lighting with more energy-efficient light-emitting diode (LED) lighting. “Ninety-seven percent of stores are illuminated with LED lights,” says **Joe Fitch**, Sherwin-Williams Operations Manager. “We continue to replace or retrofit lighting with LED lights. On average, LED retrofits decrease our kilowatt-hour in total energy consumption by 20%.”

Energy-saving online thermostats have also helped TAG operations use less power. “Ninety-nine percent of stores have centrally controlled thermostats,” says Fitch. “These thermostats allow us to control in-store temperatures during open and closed hours to reduce energy consumption. The hardware and software provide us valuable heating ventilation and air conditioning (HVAC) performance readings, allowing us to repair or replace poor-performing units proactively. We generally reduce our energy consumption by 15% utilizing this technology,” Fitch concludes.

Small Changes Contribute to Higher Productivity at Chicago Emulsion Plant (CEP)

In 2020, the Sherwin-Williams Chicago Emulsion Plant (CEP) enhanced mixing efficiency by eliminating waste in the process. The facility reduced its average mixing time by almost 20%, and correspondingly its energy consumption, with a straightforward improvement to their mixing process. CEP achieved impressive continuous improvement and manufacturing efficiency results, without investing in expensive capital equipment.

Production equipment such as high-speed dispersers (HSD) consume energy to mix and grind liquid additives and pigments in the manufacturing process. But at the Chicago plant, they were able to significantly improve delivery time to the dispersers by implementing an uncomplicated and straightforward change in adding a pump cart. Reducing HSD machine hours led to higher productivity and advanced the plant's electricity performance. “In 2020, CEP produced 6% more gallons, while reducing HSD machine hours by 28%,” says **Jennifer Olsson**, Sherwin-Williams Process and Sustainability Engineering Manager.

“Ninety-seven percent of stores are illuminated with LED lights. We continue to replace or retrofit lighting with LED lights. On average, LED retrofits decrease our kilowatt-hour in total energy consumption by 20%.”

Joe Fitch
Sherwin-Williams Operations Manager

Waste Reduction

Sherwin-Williams continuously strives to reduce waste in our operations. Our waste reduction efforts focus on two primary levers: 1) reducing the amount of waste that we generate, and 2) increasing our reuse and recycling.

Reducing Waste at the Source

Every Sherwin-Williams manufacturing facility has waste reduction goals and associated projects and programs to meet those goals. Continuous improvement processes have been implemented to address quality control, reduce distressed batches and manage raw materials and finished product inventory, thereby eliminating the waste before it is generated.

Other waste reduction efforts include: the reuse and recycling of cleaning solvents; reworking paint into new batches; and recycling cardboard, paper, plastic and metal. Our EcoMet database is used to track recycling rates from all large facilities (manufacturing facilities, distribution, administration and laboratory) globally. Materials that become waste are managed in accordance with applicable regulations and corporate guidelines.

PaintCare® Program and Sherwin-Williams

A key component of our product stewardship strategy is our participation in the PaintCare® paint recycling program, which we have been involved with since its inception in 2009. The nonprofit program, which is currently available in 10 states and the District of Columbia, is managed by the American Coatings Association (ACA). PaintCare is a program to recycle and properly manage post-consumer paint. More than 425 Sherwin-Williams stores currently participate in these paint recycling efforts, serving as retail drop-off sites for customers and local communities. Visit paintcare.org to learn more.

SOLVENT RECYCLING

Sherwin-Williams has a long history of recycling cleaning solvents in our operations. Recycling solvents enables the byproduct to be reused for cleaning or to go into other products, such as primer. In 2020, our facilities recycled more than 3.9 million gallons of solvent, which, if not recycled or reused, would become hazardous waste. We are proud of these efforts and continue to encourage our facilities to maximize this activity.

FEATURE STORY

■ Reducing Waste and Driving Efficiency

True to our continuous improvement culture, our teams are focused on optimizing efficiency within our operations and reducing our environmental footprint. Our employees play an essential role in driving these improvements, including the following 2020 achievements:

- **Ennis, Texas:** This team designed a proprietary new wash ring for mixing tanks that allows for uniform rinsing of solvent along the tank walls, which reduces our use of virgin acetone; reduces employee exposure from manual cleaning; and reduces overall cleaning costs. In 2021, the Ennis plant will add these new wash rings to more tanks, and we intend to leverage the design idea to benefit other sites.
- **Effingham, Illinois:** This Distribution Service Center developed a way to streamline pallet usage. By setting up a dedicated pallet accumulation area and scheduling full truckload deliveries to our East Moline, Illinois plant, the Effingham team reduced the amount of 48x48 pallets for disposal by 2,544 pallets.
- **Rockford, Illinois:** Our Rockford plant installed a wastewater treatment system to manage industrial wastewater more efficiently. The ALAR System, which became operational in late 2019, reduced the Rockford plant's wastewater disposal by approximately 525,000 gallons in 2020.

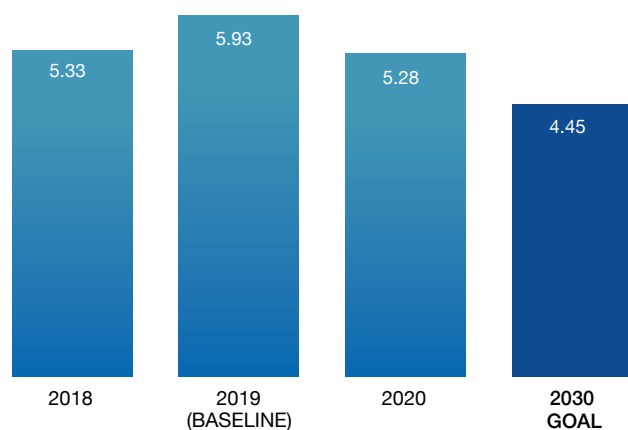


Waste Reduction Performance

The chart and table below present the total waste treated and disposed performance and the breakdown of total waste, hazardous waste and nonhazardous waste for our global footprint. We are presenting both sets of data for consistency and comparison reasons. The goal for 2030 represents a 25% reduction in waste disposal intensity (all waste streams) compared with the baseline year of 2019. We expect this reduction will be achieved by focusing on operations that can reach zero solid waste to landfill and by reusing more than 90% of manufacturing wash water on-site. For more information on our environmental data, see the Sherwin-Williams Investor ESG Summary in the appendix of this report and available on our website at sustainability.sherwin-williams.com.

Waste Treated and Disposed

metric tons per 100 metrics of production, all global locations



CONVERTING PACKAGING TO ENHANCE SUSTAINABILITY

Our Rockford, Illinois plant is reducing waste through the conversion of high-density polyethylene (HDPE) gallon containers to lightweight polyethylene terephthalate (PET) bottles to be filled with our colorants. The new bottles weigh 50% less than the original HDPE containers, which reduces packaging weight by approximately 175,000 pounds per year. The PET bottles are made from 50% post-consumer recycled materials; help customers get more colorant out of the bottles; and reduce diesel fuel demands on inbound freight. This all adds up to eliminating 350,000 pounds per year of synthetic materials from the supply chain and reducing diesel fuel usage by approximately 30,000 pounds per year.

Along with the environmental data published in this section, additional Sherwin-Williams environmental performance data can be found in the SASB Index starting on page 54 of this report, in our Investor ESG Summary Report starting on page 56 of this report, and on our website at sustainability.sherwin-williams.com.

Waste Performance

Year	Generated (thousand metric tons)	Recycled (thousand metric tons)	Recycled (percent)	Treated and disposed ¹ (thousand metric tons)
TOTAL WASTE				
2018	339.4	134.1	39.5%	205.3
2019	380.7	152.8	40.1%	227.8
2020	352.1	150.1	42.6%	202.0
NONHAZARDOUS WASTE				
2018	273.9	106.9	39.0%	167.0
2019	312.9	126.4	40.4%	186.5
2020	287.3	122.5	42.7%	164.7
HAZARDOUS WASTE ²				
2018	65.5	27.3	41.6%	38.2
2019	67.8	26.5	39.1%	41.3
2020	64.8	27.6	42.5%	37.3

¹ "Treated and Disposed" includes incineration and energy recovery

² "Hazardous Waste" is defined by the country of generation

EHS Governance and Strategy

Our approach to managing our environmental footprint is grounded in our Environmental, Health & Safety (EHS) and sustainability governance and strategy. At the highest level of the Company, the Board of Directors oversees various risks, with the Nominating and Corporate Governance Committee (Nominating Committee) assisting the board in reviewing risks relating to our EHS and sustainability policies, objectives and practices.

As discussed in further detail in the Governance and Ethics section of this report, we have an executive-level Sustainability Steering Committee. Members of the Steering Committee provide periodic reports to the board and Nominating Committee, and the Steering Committee is responsible for ensuring a holistic approach to developing and progressing our overall sustainability strategies. The Steering Committee oversees a Sustainability Council, which consists of subject matter experts. This sustainability structure was established in 2019 and continues to be a driver in integrating sustainability programs and initiatives across our business.

Our EHS Council, consisting of environmental and safety subject matter experts, has been in place since 2015 and reports monthly to senior management. The EHS Council is responsible for implementation of our EHS strategy and commitments. This includes ensuring the consistent application of best practices and managing investments in environmental, health and safety projects. Division leadership implements these strategic initiatives across our businesses and operations. Environmental performance is captured in an internal EHS scorecard, which is published monthly.

Environmental, Health and Safety Management

The Company has a [Global Environmental, Health and Safety Policy](#), which sets forth the Company's commitment to global leadership and excellence in EHS through our operations, business and products. Our EHS policy includes the Sherwin-Williams commitment to:

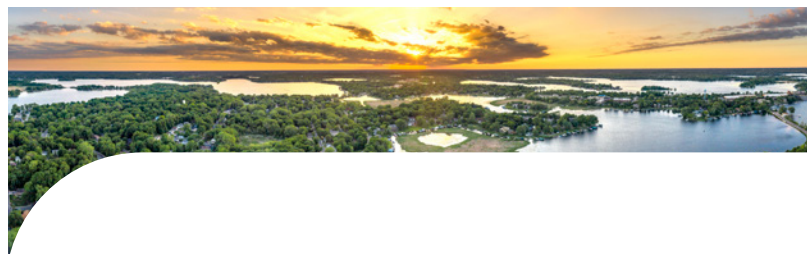
- Provide our employees with a safe and healthful workplace;
- Conserve resources and prevent pollution; and
- Comply with all applicable environmental, health and safety legal requirements and supplement that compliance with our own environmental, health and safety standards.

We are also committed to continually improving our EHS and sustainability performance.

We have a strong record of regulatory compliance, risk management and adherence to our internal standards, which combined provide a foundation for our EHS management program.

We actively manage EHS to provide operations that are safe for our employees and the communities in which we operate. All employees are trained on safety and regulatory compliance matters. In addition, all our products must meet applicable requirements for hazard communication, chemical inventories, volatile organic compounds (VOCs) and other relevant regulations in the areas in which they are sold. We continuously track and assess the impact of new regulations and adjust our systems to effectively comply. We ensure that proper hazard communication documents are distributed to our customers and are also available online.

All manufacturing and distribution sites must conform to our EHS management system, which is based on guidelines from third-party certifications (such as the ISO 14001 voluntary standard for environmental management) and other best practices. Whether a facility is third-party-certified or not, it is required to conform to our EHS management system and the core principles of compliance with legal requirements, prevention of pollution and continual improvement.



The Journey Continues: Sustainability and Continuous Improvement

Continuous improvement is an essential mechanism for driving sustainability progress across our businesses and throughout our Company. Continuous improvement and sustainability are inevitably linked – each one is a journey. They are often on parallel paths, but also with many opportunities for intersection. We implement numerous projects every year to drive operational efficiencies that also reduce carbon emissions, energy usage or waste. The footprint benefits go together with the operational efficiency gains achieved by these projects.

In recent years, our continuous improvement initiatives for sustainability have centered around energy efficiency. Looking ahead in 2021, we intend to expand our site-specific energy efficiency assessments to enable us to identify more energy efficiency improvement opportunities across the organization. We will also be including a sustainability benefit requirement in future continuous improvement project proposals.



Product Blueprint



Enhancing our Product Blueprint is one of the most compelling ways that Sherwin-Williams is ***Building in the Good*** for our stakeholders.

Our Sustainability by Design™ initiative is a signature effort to formally incorporate sustainability attributes such as life cycle thinking throughout our innovation and product development process. In the spirit of continuous improvement, this program will enable us to evolve our products and processes to deliver and grow our “sustainably advantaged products” offering.

IN THIS SECTION:

Sustainability by Design™

‘Sustainably Advantaged Products’

Life Cycle Assessment

Product Stewardship

Sustainable Product
Success Stories



Product Blueprint

The enterprise-wide focus on our Product Blueprint and the Sustainability by Design™ process reflects a strategic evolution and enhancement of our long-standing commitments to product stewardship, chemical management and compliance excellence. We are committed to providing world-class products that can be manufactured and used in a safe manner.

We are proud of all the good that our paints and coatings do – adding durability, longevity, aesthetic appeal and other positive impacts to architectural and industrial applications. By committing to continue **Building in the Good**, Sherwin-Williams will further expand our portfolio of “sustainably advantaged products” to benefit our business, our customers and all stakeholders.

Our Product Blueprint Goals: How We're **Building in the Good**

Sherwin-Williams is formalizing and fully integrating the Sustainability by Design™ program into our innovation and product development process. This program will embed life cycle thinking into the process and will enable us to expand our portfolio of “sustainably advantaged products.” 2021 is an important year for driving progress, as demonstrated by these new goals:



Implement Sustainability by Design™ process across the enterprise in 2021



Establish baseline for “sustainably advantaged products” in 2021 and develop plan for expanding this product portfolio in the future



Develop consistent process in 2021 for measuring and assessing Scope 3 emissions

Our Sustainability by Design™ Journey

Innovation and continuous improvement are foundational in our product development process. We have always included consideration for making our products perform better while being more sustainable. Continuous improvement often requires baby steps and bold action. Our focus has led us to formalize and expand our Sustainability by Design™ program, which ensures that we consider sustainable attributes in every new innovation and product improvement process. From initial concept through commercialization, we consider ways to make our products more sustainable and better performing by looking at chemical formulations, product performance, manufacturing processes, health and safety, and packaging, among other areas.

Many of our businesses already make extensive use of sustainability criteria in their product development, and several are taking the lead in further embedding the Sustainability by Design initiative in their processes.

OUR COMMITMENT TO PRODUCT STEWARDSHIP EXCELLENCE

Our legacy of product stewardship is the foundation that enables us to pursue our Sustainability by Design™ and “sustainably advantaged products” programs. We are committed to delivering world-class products that are safe and effective when used as directed.

We have a proactive product stewardship strategy that guides all phases of our product development and is 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. We assess each ingredient in a product formulation along with the combination of all ingredients in terms of human health, product safety, environmental impact, physical and chemical properties, and other information reflecting current best practices.

We stay abreast of new scientific reports and data to ensure our products best support the needs of our customers.

PACKAGING COATINGS ADOPTS INTEGRATED SUSTAINABILITY BY DESIGN™ INITIATIVE

The Packaging Coatings business within our Performance Coatings Group is taking a lead role in implementing a formalized approach to the Sustainability by Design™ initiative, which fully integrates a sustainability mindset into key steps in our innovation and product development process.

“While sustainability has long been a factor in our new product development, this comprehensive approach to Sustainability by Design makes it a core consideration from the beginning, in a systematic way,” said **Chris Piazza**, Sherwin-Williams R&D Director for the Performance Coatings Group. “We are going to drive sustainable innovation by providing more tools and including new perspectives from within the business and across the Company.”

The Performance Coatings Group is a natural fit for the Sustainability by Design process because of its success in recent years with its *Safety by Design* program, which focuses on designing out health and safety risks rather than trying to mitigate them after a product or process design is completed.

The Packaging Coatings team expects to make the most impact in the early stages of the product development and design process. This effort will be enabled by providing additional tools, such as enhanced life cycle assessment capabilities and key questions, criteria and milestones to guide decision-making.

This is an interdepartmental effort, with sustainability team members working alongside their colleagues in technical, operations, supply chain, sales, marketing and finance. The team expects to identify significant opportunities to make sustainability improvements in raw material usage, formulations, durability of products, differentiation in the marketplace and other areas. The intention is that Packaging Coatings will be able to increase its portfolio of “sustainably advantaged products.”



Expanding Our Portfolio of 'Sustainably Advantaged Products'

Sherwin-Williams has a long and distinguished history of producing “sustainably advantaged products” by aligning with industry-leading guidelines and third-party certifications. “Sustainably advantaged products” are products that achieve a level of third-party green chemistry, ecolabel recognition or can be shown to be more sustainable than what is currently the norm for the industry. These products incorporate green chemistry solutions and substitutions, have reduced impact on human health and the environment, meet stringent leadership criteria or improve customer sustainability in a defined and measurable way.

Every year, we introduce new products and certifications to expand our “sustainably advantaged products” portfolio. In 2020, examples of these innovations included:

- Launching Emerald® Rain Refresh® Self-Cleaning Exterior Coating, which sheds dirt upon contact with rain or water, eliminating the need for abrasive cleaning agents. The formulation’s ultraviolet- and weather-resistant qualities, as well as its self-priming application, increase its lifespan and lower the resources used.
- Expanding our high-performance Pro Industrial™ line of high-performance coatings with Pre-Catalyzed Waterbased Urethane, a single-component coating that provides comparable performance to two-part urethane coatings. This product reduces potential waste from onsite measuring and mixing of two-part solutions and brings together the ease of use of a waterborne coating with the performance of a traditional oil-based enamel.

Currently, we estimate that 30% of our portfolio is comprised of “sustainably advantaged products.”

We look to set even higher goals for the future.



LEADERSHIP IN SUSTAINABLE ARCHITECTURAL PRODUCTS

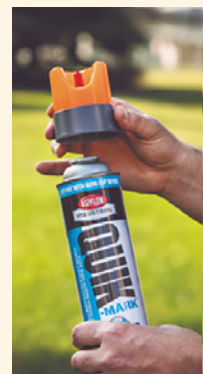
By virtue of where our products are sold and our leadership in “sustainably advantaged products,” a large number of our architectural products meet or exceed sustainability criteria set by leading third-party organizations, programs, standards and codes such as:

- Leadership in Energy and Environmental Design (LEED®)
- Green Globes®
- GREENGUARD Environmental Institute (GEI) and UL GREENGUARD
- Collaborative for High Performance Schools® (CHPS)
- The Master Painters Institute®
- WELL Building Standard®
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- International Green Construction Code®
- Various international and state regulations and codes, including the California Air Resources Board (CARB), CALGreen, Environment Canada, state governments across the U.S., the Ozone Transport Commission (OTC) and the South Coast Air Quality Management District (SCAQMD)

For more information on our certifications and regulatory obligations for our architectural products, see the [product reference guide](#) on our website.

QUIK-TAP® REUSABLE SPRAY DEVICE REDUCES HAZARDOUS WASTE DISPOSAL

Krylon Industrial’s QUIK-TAP® Reusable Spray Device is a classic example of a “sustainably advantaged product.” With a few easy twists to attach to a spray can for Krylon® QUIK-MARK® paint, the QUIK-TAP device allows the customer to get more paint out of each can as compared to traditional Krylon Industrial Marking Paints, with easy disposal of empty cans in any recycling or waste bin. The can was designed in a manner so as to promote more flexible disposal options. The QUIK-TAP device lasts for up to 130 cans.



FEATURE STORY

■ Developing Solutions for a Sustainable Future

Sherwin-Williams is an industry leader in product technology and development that meet and often exceed standardized criteria for sustainable building credits. As demand for environmentally sustainable construction grows, the importance of credits from third-party governing bodies is evolving into an essential requirement for many commercial projects.

Certifications from third parties utilize benchmarking standards (scoring) set by governing partners, such as Leadership in Energy and Environmental Design (LEED®) and Underwriters Laboratories (UL) through its UL GREENGUARD Certification Program, to meet standardized criteria. Third-party validation is considered more credible with customers because these organizations are regarded as more impartial compared to self-disclosed sustainability claims.

Sherwin-Williams was the first manufacturer to certify ingredient and formula risks, even though LEED does not require it, by working with the reputable UL program Product Lens. “It’s an objective, third party coming to conclusions regarding components going in the product and identifying the potential hazards,” explains **Doug Mazeffa**, Sherwin-Williams Global Sustainability Director.

Industrial customers, such as specifiers and applicators, are looking for coatings that meet these third-party requirements, while delivering optimal performance. Sherwin-Williams offers these professional consumers various solutions, while obtaining the sustainable building credits their customers need.

Rick Watson, Sherwin-Williams Director of Product Information and Technical Services, adds that since Sherwin-Williams is “leading from the front” in transparency and credibility for its programs and products, LEED recognizes the Company’s process as 50% more valuable – with each third-party-validated deliverable counting as 1.5 products in the calculation as opposed to one

product each. “We go beyond our promises to customers by adding third-party validation, which addresses any skepticism that can linger from offering only self-disclosure.”

Sherwin-Williams also led the industry as the earliest coatings manufacturer to provide information on products’ environmental impact through Environmental Product Disclosures (EPDs). Mazeffa describes the EPD as “an environmental nutrition label” – with facts about a product’s carbon footprint and energy consumption – needed to achieve certain LEED credits.

“Sherwin-Williams has more EPDs than the rest of the industry,” he adds. “These EPDs are third-party-validated by NSF International. Sherwin-Williams was also the first in the industry to publish LEED-eligible Action Plans to support the Optimization credits for both Environmental Product Declarations and Material Ingredients.”

Sherwin-Williams team members, including Mazeffa, have served on leadership committees with the U.S. Green Building Council, which oversees LEED. “We support employees engaging with such groups to ensure the most credible and consistent standards are utilized from a building product manufacturing perspective,” Mazeffa says.



“Sherwin-Williams has more EPDs than the rest of the industry. These EPDs are third-party-validated by NSF International. Sherwin-Williams was also the first in its industry to publish LEED-eligible Action Plans to support the Optimization credits for both Environmental Product Declarations and Material Ingredients.”

Doug Mazeffa
Sherwin-Williams Global Sustainability Director

Our Approach to Life Cycle Assessment

At Sherwin-Williams, we produce paint and coatings that protect the appearance and longevity of the structures 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 (LCA) program, which is the foundation for an expanding number of Environmental Product Declarations (EPDs) on our architectural and industrial product lines.

Our process starts with deciding how a particular product will be evaluated and the environmental attributes to be studied. The LCA evaluates factors such as raw materials used, distribution to retail centers, customer travel to purchase and apply the coating, usage considerations and packaging. Subsequently, we develop an EPD, which standardizes environmental impact information to provide transparency regarding the product's environmental footprint and eligibility for credit in green building programs such as LEED. EPDs are an important tool to help specifiers and users compare various products.

As we implement our enterprise-wide Sustainability by Design™ initiative, LCA will continue to be a valuable tool for measuring the sustainability impacts of existing products and developing and certifying additional “sustainably advantaged products.”



FEATURE STORY

Waterborne Coatings Innovations Contribute to Bluer Skies in China

Across the globe, countries are enacting environmental policies to curb air pollution and lower carbon emissions. One of these policies is the Blue Sky War, China's three-year environmental action plan to improve air quality.

“This initiative touches many industries, including our industrial coating operations,” said **Jason Bolz**, Sherwin-Williams Vice President of Global Sales and Marketing for the General Industrial Coatings Division. “In its drive toward more waterborne coatings, China decided to aggressively regulate the amount of volatile organic compounds (VOCs) in the coatings used by manufacturers.”

The Sherwin-Williams General Industrial Coatings team began identifying solutions to meet the developing standards. The team focused on the Aquaspar® line of primers and topcoats that are used in the construction equipment, rail, heavy truck and automotive industries.

“The Chinese lab team adapted existing technology to meet the Chinese standards,” said Bolz. “When the initiative went into effect, Sherwin-Williams was ready to support it by selling commercially viable, waterborne technology that met or exceeded the performance needs of the industry.” Ultimately, this gave many local manufacturing companies the ability to continue operations, while being compliant with the new regulations.

While this policy presented a major challenge to the industrial coatings industry in China, **Julie Zhu**, Sherwin-Williams General Industrial Division General Manager for the Asia-Pacific Region, and her team saw it as an opportunity for the Company.

“For Sherwin-Williams, it is the satisfaction of knowing that we proactively contributed to a cleaner planet, while ensuring customer continuity,” Zhu said. Moving forward, the team's goal is to continue to drive innovation in the low-VOC-coatings space.

“When the initiative went into effect, Sherwin-Williams was ready to support it by selling commercially viable, waterborne technology that met or exceeded the performance needs of the industry.”

Jason Bolz

Sherwin-Williams Vice President of Global Sales and Marketing for the General Industrial Coatings Division



FEATURE STORY

■ Circular Economy Partnership with Knoll Drives Innovation and Sustainability

Knoll, Inc. and Sherwin-Williams have come together to create a sustainability partnership to leverage our Powdura® ECO powder coatings, the first powder coating on the market that utilizes recycled plastic. Knoll – known for creating inspiring workplaces – has utilized powder coatings on its office furniture since the 1980s. However, with the advances in modern powder coating technology over the last 10 years, Knoll became increasingly interested in furthering its use of powder products.

“We were intrigued by this technological advancement,” said **Linwood Rohrbach**, Knoll Quality Engineer. “After reviewing a series of trials and environmental upsides of the Powdura ECO product line, there was no question that we would partner with Sherwin-Williams on this initiative.”

“For Sherwin-Williams, Powdura ECO has been a major sustainability win,” says **Tabitha McLeish**, Sherwin-Williams Global Marketing Director – Powder. “We are diverting plastic from landfills and reusing it in our product,” she said. Comprised of 25% pre-consumer recycled plastic, each pound of Powdura ECO polyester TGIC/TGIC-free product contains the equivalent of sixteen, 16-ounce recycled plastic bottles.

Knoll’s commitment to continuous improvement drove it to explore ways to implement new innovations in its processes. “We have a track record of material and process innovation that we incorporate into our product development process,” said **Gary Bockol**, Knoll Senior Director, Procurement & Strategic Sourcing. “We are committed to environmental stewardship and helping our customers meet their sustainability goals.”

The Knoll track record of innovation is something that Sherwin-Williams knew ahead of the partnership, and it was a driving force behind the two companies coming together. With the collaboration in full swing, Sherwin-Williams is eager to continue innovating alongside Knoll. “We knew Knoll had a strong sustainability story, meaning this collaboration would be mutually beneficial in terms of a substantial focus on the environment,” said McLeish.

“For Sherwin-Williams, Powdura ECO has been a major sustainability win. We are diverting plastic from landfills and reusing it in our product.”

Tabitha McLeish
Sherwin-Williams Global Marketing Director – Powder





Social Imprint



The safety of our global employee base is a top priority. We strive to advance a culture of inclusion, diversity and equity where differences are welcomed, celebrated and appreciated, and everyone has a chance to succeed. We care deeply about supporting and being active in the communities where we live and work.

IN THIS SECTION:

Occupational Health and Safety

Inclusion, Diversity and Equity

Talent Acquisition and
Employee Engagement

Community Engagement



Social Imprint

Our commitment to our people, customers and communities is intrinsic to our seven guiding values that lay the foundation for our Culture of Excellence. Our people are central to the Company's success – today and in the future. Our culture and commitment to our employees and communities are important factors in attracting, retaining, developing and progressing the best talent in our industry.

Our Goals and Aspirations for *Building in the Good* for Our People



Reduce recordable case rate to **0.8** by 2025, compared with **1.06** in 2020



Reduce ergonomic injuries by implementing two ergonomic interventions per year in each manufacturing site



Increase women in management roles to **30%** by 2025, compared with **26%** in 2020



Increase under-represented racial/ethnic groups in U.S. management roles to **30%** by 2025, compared with **26%** in 2020



Achieve and improve upon a favorable score on the Sherwin-Williams Inclusion Index, based on results of our annual employee engagement survey



Our People-Centric Culture

We are committed to the fair, consistent and equitable treatment of our employees in relation to working conditions, wages, benefits, policies and procedures. Our policies and programs are designed to respond to the needs of our employees in a manner that provides a safe, professional and rewarding workplace.

Our people-centric culture promotes the unique contributions of our employees – empowering our employees and our Company to reach our full potential, while embracing and celebrating our differences. We have established specific inclusion, diversity and equity goals and aspirations that are reflected in all talent management and employee engagement strategies to ensure our workforce reflects those we serve.

Through the years, Sherwin-Williams has built a legacy of prioritizing the safety, well-being and engagement of our employees. Simultaneously, we empower them – individually and collectively – to make positive contributions in the communities where they live and work around the globe.



Occupational Health and Safety

S-W Cares: Prioritizing Safety while Optimizing Performance

The safety of our employees and customers is a core value. S-W Cares is the Company’s enterprise-wide initiative to communicate our approach to occupational health and safety and serves as a roadmap for achieving environmental, health and safety (EHS) excellence across the Company. It provides a leadership governance structure built around a common language that is supported by tools to continuously track and measure our efforts to ensure safe workplaces, protect the environment and meet or exceed regulatory requirements.



We have formal systems to help employees “find, own, fix and report” workplace EHS hazards before they lead to an incident.

Every manufacturing site has developed a safety action plan, and monthly trainings are conducted to reinforce specific focus areas and ensure the implementation of best practices. Employees then use what they have learned to audit their personal workspace for potential issues. The effort highlights the fact that employees – regardless of role or seniority – can directly impact the safety of their workplace.



FEATURE STORY

Employee Incidents and Injuries Significantly Reduced Following New Safety Campaign

Find It. Own It. Fix It. Report It.

With the launch of the *TLC Stay Safe Out There* campaign in late 2019, the Company continued to focus on reducing the number of injuries attributable to Trips, Lifts and Cuts in our stores and facilities across the globe. These types of hazards typically account for 85% of the Company's employee-reported injuries. The initiative also brings awareness to the risk of fires and spills at manufacturing locations.

According to Sherwin-Williams Safety Director **Paul Chantler**, the Company saw an injury reduction of 18% in 2020 (compared with 2019). With the TLC campaign in place, the Company reduced its recordable case rate (RCR) in one year by the same amount as in the previous three years combined.

"The TLC campaign encourages employees to take a personal stake in the safety of their workplace," Chantler said. "For all of Sherwin-Williams, we saw an RCR reduction from 1.30 to 1.06, with cuts, contacts and lifting injuries seeing the biggest reductions."

For The Americas Group, the RCR fell from 1.84 to 1.34 – a decrease of more than 27%, while Global Supply Chain reduced its RCR by 6% from 1.03 to 0.97. Companywide, trips and falls were reduced by 4%, while lift incidents saw a reduction of 16% and contact injuries were reduced by an impressive 33%.

"This was a great Company consolidated effort, helping to make it fun and foster better relationships with our other facilities," said **Shane Shifflet**, Sherwin-Williams Environmental Health and Safety (EHS) Manager at the Garland, Texas Plant.

Throughout the year, global sites incorporated the messaging into daily and monthly safety meetings and engaged employees in creative ways to spread the word. Employees organized poster contests, designed original safety memes and more throughout the year.

Sherwin-Williams Quito, Ecuador Plant EHS Manager **Santiago Oña** was impressed with how the campaign encouraged employees to "take on the challenge" by providing standards and recommendations in an easily understood manner.

For **Candice Aliasgar-Sankoomar**, Sherwin-Williams EHS Manager in Deeside, United Kingdom, the initiative is just another great example of *S-W Cares* – the Company's enterprise-wide product stewardship and EHS excellence program promoting responsible operations, employee safety and a healthy planet. "Sherwin-Williams is committed to providing a safe working environment for all," Aliasgar-Sankoomar said. "The Company developed a robust global campaign to encourage employees to have that 'find it, own it, fix it and report it' mentality."



"The focus on trips, lifts, cuts, fires and spills was a unique initiative that provided a roadmap with universal tools to raise awareness."

Julie Mauch
Sherwin-Williams EHS Manager
Elkhart, Indiana

"The TLC campaign is a reminder that safety is a core value. I believe it was successful because it was specific and targeted. It narrowed the focus on safety and provided tools to move the needle in a more efficient way."

Matt Blanchard
Sherwin-Williams Area Director of Operations
Elkhart, Indiana



2020: A Record Year for Safety

The *S-W Cares* program, the *TLC Stay Safe Out There* campaign, our EHS Management System, fleet safety efforts and increased collaboration between divisions are instrumental in driving continuous improvement in safety performance at Sherwin-Williams. **In 2020, we achieved a company record, with a recordable case rate of 1.06.** (Recordable case rate is defined as total number of employees with recordable incidents per 200,000 hours worked.)

One EHS Management System Across Sherwin-Williams

Our [EHS Management System](#) covers all Sherwin-Williams facilities. Each of our three operating segments – The Americas Group (TAG), Consumer Brands Group (CBG) and Performance Coatings Group (PCG) – and our Global Supply Chain division within CBG manage EHS through the *S-W Cares* initiative, but tailor their approach to their specific risk profile.

Through the creation of a tactical EHS handbook and companion mobile app personalized for the unique operations of TAG in 2020, we have been able to broadly standardize and communicate our expectations on the sales floor in our company-operated stores. We are enhancing safety leadership by adding an EHS leader to each of our five TAG divisions to support and oversee ongoing efforts. The introduction of the mobile app has improved the efficiency of completing inspections, increased visibility of the results and streamlined EHS data collection.

Currently, multiple management systems exist, each with topic-specific standards. That, however, is expected to change by the end of 2021 with the implementation of a comprehensive, simplified management system that will drive efficiencies and increase transparency. The new system will include known international EHS management system requirements, as well as resources pertaining to all Company initiatives.

Increased Collaboration Between Divisions Drives Continuous Improvement

Our EHS practices and procedures are governed by an executive steering committee that includes representatives from our three segments as well as our Global Supply Chain division. An EHS Council, comprised of representatives from each segment and division, sets and tracks goals that are reported to the Sustainability Council. It also functions as a think tank, allowing divisions to share learnings and leverage improvements. While each business line operates autonomously, collaboration between divisions about EHS topics has dramatically increased and helped drive company-wide improvements.

Aspirational EHS Goals

Our approach to occupational health and safety includes the following three focus areas: Process Safety, Safety & Risk and Occupational Health.

As we continually strive to achieve zero recordable injuries, we have set ambitious aspirational goals we are targeting to accomplish by 2025:

- **Process Safety:** Maintain continued progress along our maturity path by having all 72 global sites achieve the compliance level of the Company’s four-tier blueprint to minimize disruptive fires and spills across the enterprise
- **Safety & Risk:** Achieve a recordable cases rate (RCR) of 0.8
- **Occupational Health:** Reduce the number of ergonomic injuries by implementing two interventions per year in each manufacturing site

2020 Safety Performance Data

1.06

RECORDABLE CASE RATE
A COMPANY RECORD

67

NUMBER OF MANUFACTURING
SITES ACHIEVING ZERO
RECORDABLES IN 2020

38

NUMBER OF SITES WITH OSHA
VPP STAR RATING OR OHSAS
18001 CERTIFICATION

0.30

REPORTABLE
FLEET ACCIDENTS
PER MILLION MILES

FEATURE STORY

Driving Advancements in Fleet Safety

Each year, Sherwin-Williams drivers traverse millions of miles to bring paint and coatings from manufacturing and distribution centers to our stores and, ultimately, to customers. In 2020, our fleet recorded nearly 12 million more miles traveled compared to the previous year (86.5 million total miles for the year), while simultaneously lowering the number of reportable accidents per million miles.

In 2020, our Global Supply Chain (GSC) Distribution Fleet recorded the lowest Department of Transportation (DOT) reportable accidents per million miles in more than five years. The Distribution Fleet reportable accidents per million miles is significantly below the 2020 industry benchmark of 0.54.

Within the GSC division, Company leadership has encouraged the Driver Safety Committee to highlight issues and provide solutions. At least one driver represents each distribution center on the committee.

A key improvement for the Distribution Fleet was the rollout of a wireless camera system, offering drivers additional vantage points. “Eliminating blind spots, whenever possible, is key, and these camera systems have allowed for safer maneuvering,” said **David Phillips**, Sherwin-Williams Senior Director, Logistics & Fleet Operations.

The Americas Group (TAG) also continues to see a downward trend in DOT-reportable accidents. Most recently, our TAG fleet ranked in the 87th percentile for commercial carriers similar in fleet size by the U.S. DOT Federal Motor Carrier Safety Administration. Additionally, TAG’s commercial and non-commercial fleets saw a reduction of preventable accidents in 2020 compared to 2019, resulting in more than \$814,000 in savings.



Across both fleets, offering support to new team members was a focus. There are now 18 Driver Training & Support Specialists (DTSS) who onboard new delivery drivers, complete quarterly safety trainings/compliance audits and participate in annual ride-alongs. Additionally, a new safety course titled T.I.M.E. (**T**rack the traffic. **I**nsert a buffer. Check **M**irrors. **E**liminate Distractions) teaches drivers to insert space in front of their vehicle to create time for defensive driving and emphasizes the importance of removing all distractions.

It is important for newly hired drivers to receive hands-on safety training from the beginning. The DTSS have helped reduce the number of preventable accidents and improve the Company’s DOT CSA safety rating by championing a culture of safety.

GSC lowered the number of accidents among drivers by reassessing the tools and information available to new drivers. Always looking for opportunities to build upon strong safety processes, the team is continuously exploring new systems for logging and gathering insights that allow for positive and coachable feedback to be provided to our drivers.



PRIORITIZING SAFETY, MEETING CUSTOMER NEEDS DURING THE COVID-19 PANDEMIC

From the onset of the COVID-19 pandemic in early 2020, Sherwin-Williams responded swiftly and decisively to protect our employees, customers and partners. Our crisis response team was activated and began producing daily updates and developed COVID-19-specific safety protocols, as well as travel guidelines.

A COVID-19 task force was assembled to establish protocols based on guidance from the Centers for Disease Control and Prevention (CDC), World Health Organization (WHO) and other public health agencies that aligned with national, federal, state, provincial and local public health orders and recommendations. This included, but was not limited to, the use of face coverings, enhanced cleaning and sanitizing procedures and the implementation of social distancing measures. As the supply of hand sanitizer became scarce in supply and generally unavailable, we adapted by manufacturing our own hand sanitizer for distribution to employees.

The task force also developed other protocols that included enhanced employee safety protocols, contact tracing, and work-from-home and return-to-workplace measures. The policies, which were updated as needed to reflect evolving situations, were collaboratively reviewed by EHS, human resources, operations and store leaders to ensure appropriateness and consistency before being communicated to all stakeholders.

In response to the pandemic and actions taken by public health and governmental authorities to prevent the spread of COVID-19, we temporarily reduced store hours and closed the sales floors of our more than 4,700 store locations. To continue meeting customer needs, we quickly and simultaneously pivoted to requiring customers to order product online or via phone and retrieve purchases via curbside pickup or delivery. Curbside service remains available today.

Welcoming customers back inside our stores was another noteworthy collaborative effort, as employees worked together to comply with new safety protocols. Signage, safety partitions, occupancy restrictions and other safety measures were set up at our stores to instill additional confidence in our customers and workforce.



For three years, our annual CEO Forums on Inclusion – held throughout the U.S. – have served as conversation starters between employees at all levels around advancing a culture of inclusion and equity.

Inclusion, Diversity and Equity (ID&E)

Fostering an Inclusive Culture

Our employees always have been the foundation of our success. Our family-like culture is built on the belief that employees should feel valued and accepted for who they are and the unique perspective they bring to the workforce and workplace.

At Sherwin-Williams, we foster a culture where our differences are welcomed, celebrated and appreciated to positively impact our people and business. Reflected in our Code of Conduct and reinforced through our actions, training and attitudes, fostering an inclusive culture is a moral and business imperative.

Our continuous efforts to create a supportive, welcoming environment for everyone across our global footprint is the shared responsibility of all employees. We intentionally lead with inclusion to highlight our commitment to embracing and leveraging the diversity of our workforce. In 2020, we added equity to our focus to better reflect our goals and aspirations and to recognize the role equity plays in supporting inclusion and diversity.

Commitment from the Top

In 2018, our Chairman, President and Chief Executive Officer signed on to the CEO Action on Diversity & Inclusion™ commitment, joining a coalition of more than 1,400 executives pledging to take action to cultivate environments where diverse experiences and perspectives are welcomed, and where employees feel comfortable and encouraged to discuss inclusion, diversity and equity (ID&E). Leadership teams across our organization have embraced this responsibility by committing to continuous learning, engaging in open dialogue and serving as visible, vocal champions.

That momentum continues today through formal programming aimed at educating and amplifying diverse voices that reflect the Company's global workforce. We have hosted Conscious Inclusion Trainings with our leaders to foster ongoing mindfulness of unconscious biases and to encourage practical application of lessons learned. To date, we are proud to report that 100% of our senior leaders have attended an ID&E learning session.

Our annual CEO Forums on Inclusion – held throughout the U.S. – serve as conversation starters between employees at all levels around advancing a culture of inclusion and equity. The forums encourage open and honest discussions about our successes and challenges in driving inclusion, diversity and equity.

Our ID&E Goals and Aspirations

We have set the following goals to ensure we are making good on our promise of advancing a culture of inclusion:

- Attract more under-represented racial/ethnic groups, women and other under-represented groups into our talent pipeline
- Increase the number of under-represented racial/ethnic groups, women and other under-represented groups in leadership roles
- Drive employee engagement to ensure diversity of thought and experience thrives in our culture and positively influences performance

To ensure we are continuously making progress, we have developed the accompanying metrics-driven, aspirational goals to be achieved by 2025:

- Increase percentage of women in management roles to 30% (compared with 26% in 2019)
- Increase percentage of under-represented racial/ethnic groups in management roles to 30% (compared with 26% in 2019)
- Achieve and improve upon a favorable Inclusion Index (to be defined by our employee engagement survey targeted to be implemented at the end of 2021)

2020 Workforce Diversity Data

Total workforce

33%

UNDER-REPRESENTED
RACIAL/ETHNIC GROUPS
(U.S.)

25%

WOMEN (GLOBAL)

Management level

26%

UNDER-REPRESENTED
RACIAL/ETHNIC GROUPS
(U.S.)

26%

WOMEN (GLOBAL)

ID&E Strategy: Building a Strong Foundation for Sustainable Growth

To achieve our ID&E goals, we are following a strategic roadmap represented by building blocks designed to shape our approach and set the foundation for sustainable growth across the Company. While we are advancing each focus area simultaneously, each block builds on another. The entire structure is strengthened by the commitment of leadership.

The building blocks of our ID&E strategy include:

- **Educate and communicate the business case to drive success:** Building awareness of inclusive leadership behaviors to leverage the unique contributions of each employee to positively impact our people and business results
- **Fill the pipeline with the best talent:** Attracting the best talent and strengthening our brand as an employer of choice
- **Develop and engage talent by investing in our people:** Investing in our people by providing cross-divisional networking and learning opportunities to drive retention, progression and engagement
- **Progress talent by integrating equity into planning:** Integrating equity practices, processes, tools and resources into annual talent review and succession planning

The Office of Inclusion, Diversity and Equity partners with our groups, divisions and functions to establish goals and initiatives through division-specific action plans that support and reinforce our company-wide efforts.

“Sherwin-Williams strives to create an environment where we embrace each other’s differences so everyone feels a sense of belonging and respect. Employees are empowered to bring their voice and authentic selves to work. While we have made progress, we recognize we are on a journey and there is more work to do – for the betterment of our customers, our shareholders, our people and the communities we serve.”



Yentil Rawlinson
Sherwin-Williams Vice President,
Inclusion, Diversity and Equity

BUILDING BLOCKS



Challenging the Status Quo through Candid Conversations

The social justice movement in the summer of 2020 highlighted the urgent need to create space for open and honest conversations that build awareness within our teams on sensitive issues of race, including the inequitable treatment under-represented racial/ethnic groups have faced in society. Only by understanding these differences can we work to encourage the full engagement and development of an inclusive culture and diverse workforce.

For us, embracing ID&E means engaging in open, respectful discussions about differences. The *We Stand Together* dialogue sessions were designed to provide a safe space for employees at all levels. Through CEO Forums on Inclusion and similar sessions with other business leaders, employees were invited to share personal experiences in a safe environment and engage in candid conversations about race, social justice, inclusion and mutual respect. The forums served as listening and learning opportunities to better understand what our employees are feeling and to reinforce our unwavering allyship.

While *We Stand Together* began as a campaign in the U.S., it has organically evolved into a platform used by all employees to uplift one another and highlight the exemplary contributions of team members. For this reason, it has been adopted as the brand for all global ID&E initiatives and communications.

Employee Resource Groups – Learning & Growing Together

Our close-knit culture often functions as a supportive family. We succeed together. We learn together. We grow together. This interdependent relationship is best exemplified within our Employee Resource Groups (ERGs). These employee-led networks serve as a hub for communication, professional development and community involvement activities.

Organized around a common interest or purpose, the ERGs bring together employees from various groups, divisions and functional teams to foster more inclusive workplaces and create greater synergy around business objectives. In addition to building connections, employees engaged in one (or more) of the Company's ERGs are exposed to tools and mentorship opportunities that enable them to thrive and find long-term success at Sherwin-Williams.

Our ERGs are as diverse as our people and are open to everyone. ERGs represent various groups, including African American, Hispanic/Latinx, LGBTQ+, active military and veterans, multicultural and women. Many of these company-wide ERGs are supported by location-specific chapters around the world.

PRIDEWORKS ERG INCREASING AWARENESS AND INSPIRING ALLYSHIP THROUGH EDUCATION

PrideWorks, one of the Company's newest ERGs, launched in 2020 to provide members and allies of the LGBTQ+ community the opportunity to be their authentic selves and feel free to be open in the workplace. PrideWorks has focused on educating fellow employees to create awareness and allyship.

In 2020, PrideWorks raised awareness of and celebrated National Coming Out Day by collecting messages from LGBTQ+ employees and their allies in support of the community and individuality. These messages were compiled into a [video](#) used to foster new conversations among employees as well as with their friends and families.



NEWLY CREATED LATAM WOMEN'S NETWORK GROWING

Launched in November 2020, our LATAM (Latin America) Women's Network has already made a positive impact. Initial efforts included the dissemination of a member interest survey and the creation of committees to drive specific initiatives. In early 2021, employees from the Latin America Division of The Americas Group (TAG) began participating in a mentorship program hosted by the newly formed ERG chapter.

ID&E Across Our Footprint



CHAMPIONING ID&E THROUGHOUT EUROPE, THE MIDDLE EAST, AFRICA AND INDIA (EMEI)

Our EMEI ID&E Council and Ambassador Network, which launched in September 2020, serve to inform, champion and embed the Company's inclusion, diversity and equity actions and initiatives across our workforce in Europe, the Middle East, Africa and India. The programs focus on education and awareness programming.

The ID&E Council consists of employees from a variety of business divisions, groups and functions across the region. The Ambassador Network, which continues to expand its membership, is striving to become a unifying force for all Sherwin-Williams EMEI employees.

"Colleagues have expressed a lot of interest and passion, wanting to be engaged in driving our ID&E agenda. Our goal is to reach as many employees as possible, ensuring the message of ID&E is recognized, adopted and understood by all," said **Svenja Brandenburg**, Sherwin-Williams Director, Talent Acquisition in Manchester, United Kingdom.

Diversity in Our Supply Chain

Our efforts to foster inclusion and promote unique backgrounds, experiences and diversity of thought extends to our supply chain and partners. We are committed to providing opportunities for all qualified businesses, including minority-owned, female-owned, veteran-owned and small businesses.

We thoroughly evaluate the suppliers we do business with and take an integrated approach toward helping our supplier network to reflect the communities in which we operate.



"When I joined Sherwin-Williams more than eight years ago, I knew this was a performance-driven, accountable culture. What I didn't realize, and really appreciate, is how globally minded the Company is: being diverse and inclusive enables us to engage on a global scale. At every step, people have bet on me with formal and informal sponsorship and encouraged me to think outside the box. The leadership training is world class and the executive coaching is ongoing. The business continues to benefit from our ability to challenge the status quo."



Nancy Hutchinson
Sherwin-Williams Vice President,
Architectural Strategy
Cleveland, Ohio

"Sherwin-Williams is a dynamic Company that has consistently driven positive change and progress. When I started with the Company, there were few people who looked like me and even fewer in leadership positions. While we still have work to do, I'm proud to be a part of the progress that we're making and the deliberate actions being taken to drive inclusion, diversity and equity. One thing that hasn't changed is how we consistently treat our people, our customers and our communities with honor and respect. Ethical and responsible behavior has been and will always be a big part of our success."



Rudy Worsley
Sherwin-Williams Vice President,
Marketing
Dallas, Texas

Talent Acquisition and Employee Engagement

Engaging and Empowering our Employees

We are committed to providing our people with opportunities to learn, grow and be recognized for their achievements. We also are committed to investing in our people by providing learning and employee networking opportunities to drive retention, progression and engagement and help them excel in their current and future roles.

Attracting and Developing the Best Talent

Our people are a key aspect of what sets us apart and drives our business forward. Without their hard work, integrity and vision for the future, we wouldn't be where we are today. Through our integrated talent management strategy, we strive to attract, retain and support a team that reflects diverse backgrounds and perspectives, embraces our inclusive culture and reflects the customers and communities we serve.

At Sherwin-Williams, we pride ourselves on being an employer of choice and fostering an inclusive, supportive culture. From working in our manufacturing and distribution centers, to experiencing the freedom of the open road as one of our drivers, to serving local customers on the sales floor, our diverse career paths are designed to encourage all employees to create a career uniquely meaningful to them.

Intentionally Infusing Diversity into Our Talent Pipeline

Inclusion, diversity and equity is more than a business initiative – it represents who we are and what we believe in as a global Company with a diverse workforce striving to achieve shared goals.

Sherwin-Williams is partnering with a wide variety of colleges and universities – including Historically Black Colleges and Universities (HBCUs) and members of the Hispanic Association of Colleges and Universities (HACUs) – and professional organizations. These partnerships and our early talent training programs play a critical role in our ability to attract diverse, innovative, passionate and qualified employees with the skills and experience needed to help us today and the desire to grow and tackle future opportunities.

We appreciate the awards and recognition from *Forbes*® Magazine and others for the welcoming workplace we have created for diverse groups, including recent graduates, veterans and women. We recognize more can and will be done to foster inclusivity as we continue our ID&E journey.

INVESTING IN FUTURE LEADERS

Sherwin-Williams management trainee programs offer structured pathways to career advancement opportunities within our stores, in the field and with our retail partners. Our respected sales and management trainee programs empower employees to become experts in our business and build acumen to become leaders.

Consistent with our talent acquisition and retention strategies, we are committed to amplifying diverse voices and viewpoints through the cultivation of our next generation of leaders. We are working to attract women and under-represented racial/ethnic groups into our talent pipeline and help them grow as professionals and leaders. In 2020:

- **40%** of U.S.-based management trainees and **21%** of newly appointed Vice Presidents identified as from under-represented racial/ethnic groups.
- **33%** of U.S.-based management trainees and **58%** of newly appointed Vice Presidents identified as women.

“When I joined Sherwin-Williams in 1997, I never thought I would cross so many different state, and eventually country, lines. Sherwin-Williams has allowed me to learn about other markets and cultures while creating and developing new friends and business partners. I have held many roles in a variety of areas including Texas, Arizona, Mexico and now metro New Jersey. Sherwin-Williams has given me the opportunity to increase diversity, inclusion and equality within my district, no matter the location. Each location I have worked in has shared the same balance of respect and the ability to learn from one another to create a better tomorrow for our employees and customers.”



Jose Serna
Sherwin-Williams District Manager
Warren, New Jersey



To measure our progress in attracting, developing and retaining talent, we track voluntary employee turnover. For 2020, our average annual turnover rate was **8%**, compared with an industry benchmark of **14%**.

RECOGNITION OF OUR WELCOMING WORKPLACE

In 2020, we were honored to be recognized by *Forbes*® Magazine in the following categories:

- America's Best Employers for Diversity
- America's Best Employers for Women
- America's Best Employers for Veterans
- America's Best Employers for New Graduates



Growing and Succeeding Together

We believe in careers that grow with our employees and spark new opportunities. We set high expectations for — and take care to measure and reward — the achievement of challenging goals. This spirit of continuous improvement is supported through formal training programs and informal networking.

In our ongoing effort to ensure our workforce is representative of the customers and communities we serve, we have identified metrics to track and measure our success in promoting qualified employees, including those from under-represented racial/ethnic groups and women. Creating more intentional pathways to leadership opportunities is good for our people and our business.

Rewarding Our Employees

We pride ourselves on being an employer of choice and an attractive destination for employees across the world to work, grow and excel.

Sherwin-Williams cares about all aspects of well-being, including the social, emotional, physical and financial welfare of our employees and their families. Through our robust Total Rewards package, we offer competitive compensation, comprehensive benefits and other programs to support growth — personally and professionally — as a Sherwin-Williams employee. In 2020, we enhanced some of the Company's benefits to support the health and well-being of our employees during the COVID-19 pandemic, including our telehealth, temporary sick leave, family leave and voluntary leave of absence policies and programs.

Our commitment to supporting professional development at all levels and to promoting our people offers employees the opportunity to actively pursue their career advancement goals as a valued member of the Sherwin-Williams family.

"I joined Sherwin-Williams 15 years ago, and every day its values and culture show an alignment with my own values, which makes me feel at home. It is great to work for a company that respects people and offers opportunities for professional growth and learning. We give employees the freedom to share ideas and suggestions that have real impact on the business. I take pride in working for Sherwin-Williams, doing my job as I believe to be the best way, and working with transparency and clear objectives."



Cássia Galvão
Sherwin-Williams Executive Vice President
and General Manager
Sao Paulo, Brazil

"I joined Sherwin-Williams more than 16 years ago as part of the Management & Sales Training Program. I knew I wanted to have a progressive career in sales and management, while not compromising the importance of my family and personal life. I have been fortunate to have leaders who have helped me achieve my professional and personal goals while also giving me the space to make decisions and collaborate with others. These leaders took the time to get to know me as a person and are invested in my well-being. I am proud to work for a company that places high emphasis on investing in their employees and provides opportunities for advancement that align with each employee's aspirations and goals."



Laura Liberatore
Sherwin-Williams District Manager
Burnaby, British Columbia, Canada



Community Engagement

Inspiring Positive Change for Our Neighbors

Giving back always has been part of our proud Company legacy. Our community engagement efforts, which include an intentional focus on supporting causes and charitable organizations important to our employees, are targeted where we can have the greatest impact. As a global industry leader, we embrace the opportunity and responsibility to be a positive change agent for under-represented communities, where the challenges are particularly acute.

Led by The Sherwin-Williams Foundation, our charitable giving is accomplished through strategic affiliations with key community

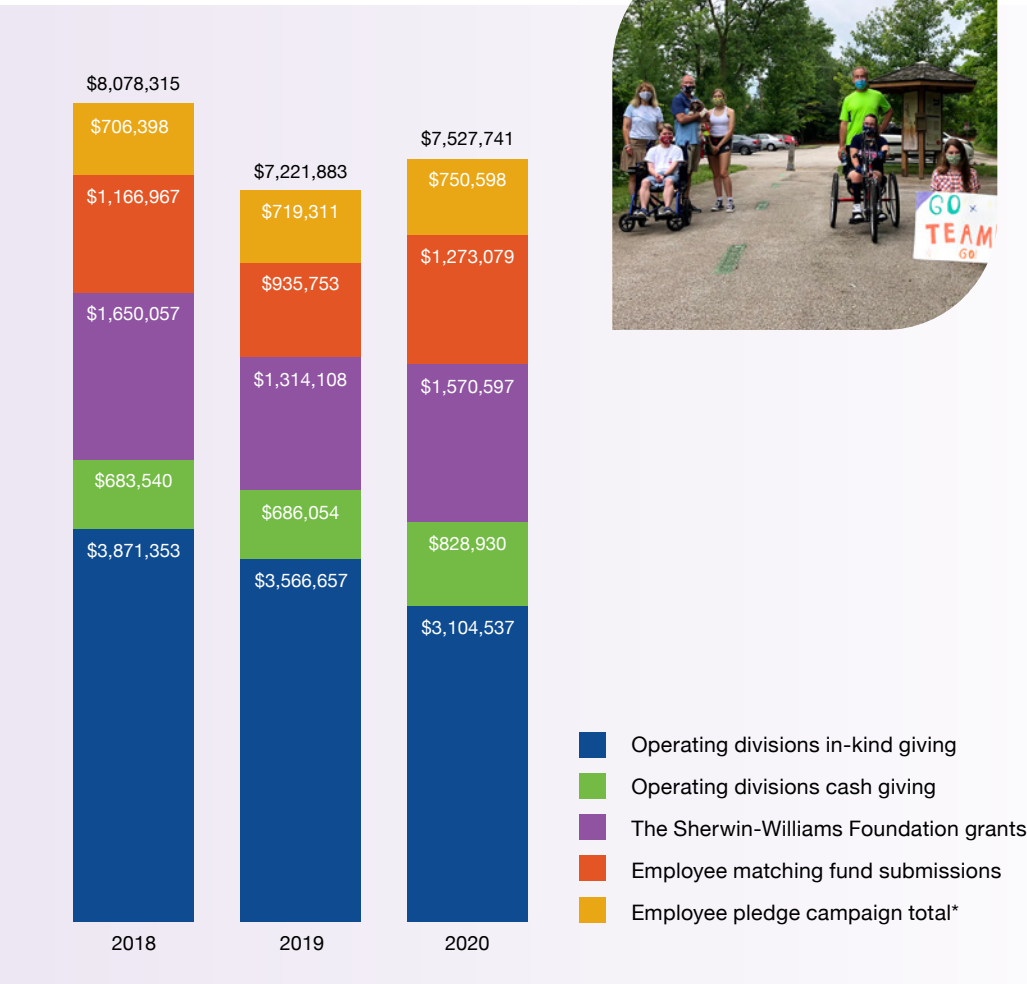
partners. We prioritize support for efforts seeking to create sustainable impact in the following focus areas:

- Access to safe and healthy housing
- Advancing a skilled workforce that sustains inclusive, vibrant communities
- Beautifying and preserving assets around the world

Amplifying the contributions of employees through significant investments in matching gifts and providing tools to ensure they can easily connect with and support those causes most important to them remains a hallmark of our matching gifts program. In addition, Sherwin-Williams supports employee giving by covering all administrative fees associated with donations made through the Company's online giving platform.

2020 Community Giving Data

- 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 strengthen their communities by serving on more than 120 nonprofit boards.
- In 2020, employees gave to more than 875 nonprofit organizations.



**To better reflect employees' calendar-year giving, the employee pledge campaign total now reflects employees' payroll deduction giving actually paid out in 2020, rather than pledges made. We have retroactively adjusted this data for all years reported, and will continue to report in this way going forward.*

Meeting Needs During Unprecedented Times

Our local teams are empowered to provide product and talent to preserve and beautify community assets throughout our footprint. With the year's National Painting Week – our signature event in the U.S. and Canada – canceled due to COVID-19, employees found other ways to support their communities.

Hundreds of thousands of units of personal protective equipment were donated by Sherwin-Williams to organizations in need during the global health crisis. In addition, many stores were able to quickly coordinate meaningful donations as local governments and community organizations responded to urgent needs. For example, in Kings County, Washington, a pallet of Paint Shield® microbicidal paint was donated for a project to transform multiple sites into facilities equipped to isolate patients unable to self-quarantine because of a lack of housing.

Following the social unrest in the summer of 2020, Sherwin-Williams employees contributed to the healing and rebuilding of Minneapolis, Minnesota – our “second home” since our acquisition of Valspar – through product donations and financial support, with an emphasis on helping minority-owned businesses.

Our Employee Resource Groups also found different ways to serve and support our communities. The Chicago African American Resource Group organized a supply drive for the homeless, gathering toiletry donations at each of the region's 109 local stores.



WINGS OF HOPE

Access to specialized medical treatment is critical when battling a life-threatening illness such as cancer. Sherwin-Williams donates the use of our corporate jets to fly cancer patients and their immediate family to and from treatment centers as part of the Corporate Angel Network (CAN). CAN matches empty seats – on both private and corporate planes – with qualified patients who need transportation. In many cases, this is the only way these individuals can quickly receive the care they need from some of the best treatment centers in the U.S. We are proud to partner with CAN in this important mission.

“Sherwin-Williams has been incredible in supporting my community involvement goals. My peers and management team elevate any idea or cause I may have and allow me full freedom to create events that connect with and give back to the community. Sherwin-Williams has allowed me to take this beyond my wildest dreams. In the six years I have led our program, we have collected over \$65,000 worth of toys through our annual drive. When you understand the impact we have in children's lives, it makes the next year even more enjoyable. I'm very fortunate to be surrounded by a network that truly believes in elevating our entire community. We have a goal to collect 10,000 pounds of food for our local food bank, and there is no doubt in my mind we will do it.”

Amir Towheed
Sherwin-Williams Store Manager
Stouffville, Ontario, Canada



FEATURE STORY

The Sherwin-Williams Women's Club Continues Charitable Legacy

The Sherwin-Williams Women's Club, founded in 1911, always has been committed to charitable giving and community engagement. The club's fundraisers date back to 1912 when it hosted a musical performance with all profits donated to charity, followed by a fundraiser for the YMCA in 1918. These early efforts set a precedent for the giving legacy the club is known for today.

With the move to virtual events in 2020 due to the COVID-19 pandemic, The Sherwin-Williams Women's Club had to quickly reconfigure many of its planned fundraisers. One annual club event where planning had to quickly change course was the 5K Race. "With a late-stage conversion to a virtual event, we came up with new and creative ideas to deliver a family-friendly race at a safe distance," said **Dani Neumann**, 2020 5K Event Chair. Despite planning challenges the committee met along the way, the event raised an impressive \$70,000 for Youth Challenge with donations funneling from the more than 800 race registrants globally. The virtual event enabled the Company to have a broader philanthropic reach than with previous in-person events.

Another prominent event that had to quickly pivot was the club's 4th Annual Golf Outing. "Having the event outside certainly helped us implement safety procedures ... we created a sanitation station full of face coverings, gloves and hand sanitizer that golfers could keep with them during the day," said **Hannah Speno**, 2020 Golf Outing Chair. The event raised a record-breaking \$34,000 for the Visiting Nurse Association of Ohio.

"The Sherwin-Williams Women's Club does an incredible job of building operational processes for our events," said 2020 Club President **Chrissy Ingalls**. "Our biggest challenge was we could no longer pick up last year's blueprint and simply repeat. The planning committees were proactive in overcoming a variety of new curveballs," Ingalls said.

The Sherwin-Williams Women's Club is a great example of how many groups had to rework their 2020 plans and get creative to continue giving back to communities in need. "2020 certainly presented challenges," said **Naomi Gerace**, 2020 Club Fundraising Chair. "But really, they were opportunities to expand our thinking."





Since 2018, Jared Huelsman has participated in monthly Sherwin-Williams volunteer nights at the Greater Cleveland Food Bank. When the pandemic hit, the increased needs of the community only intensified Jared's desire to give back. In 2020, Jared logged more than 200 volunteer hours with the Greater Cleveland Food Bank, ranking him in the organization's top 10 in total hours spent volunteering out of 6,500+ individuals.

"It's tough to hear that one in four people who are now receiving food from the food bank didn't need it prior to the pandemic. That just makes me believe that action needs to be taken. Volunteering at the food bank is a way for me to contribute, and I'm proud to work for a company that values giving back and provides these opportunities."

Jared Huelsman
Sherwin-Williams Continuous Improvement Manager
Global Supply Chain
Cleveland, Ohio

NATIONALLY RECOGNIZED PAINTER PROGRAM CHANGING LIVES

Launched in 2004, our nationally recognized HomeWork Program has trained thousands of under-employed and unemployed low-income housing residents from disadvantaged communities to become professional painters, including special training in lead remediation. Program participants have the opportunity to become certified under the Environmental Protection Agency's Renovation, Repair and Painting program.



HomeWork coordinates job placement and facilitates the purchase of deeply discounted materials to foster healthy, beautiful homes. Thanks to strong community partnerships, more than 80% of program participants secured permanent employment as professional painters.

Uplifting Fellow Employees During Crises

When disaster strikes, we respond. Following three hurricanes in the Southeastern United States in 2020, employees from across the country mobilized to support affected colleagues and rebuild communities devastated by the storms. Through the Company's Employee Relief Fund, team members raised thousands of dollars in support of employees and their families, some of whom lost everything in the storms. Similarly, employees from the South Alabama District of The Americas Group (TAG) delivered bottled water and other supplies to TAG Gulf Coast District team members to assist with Hurricane Sally recovery.



Appendix

IN THIS SECTION:

SASB Index

Investor ESG Summary

The Sherwin-Williams Company – 2020 SASB Index

Accounting Metric

TOPIC	ACCOUNTING METRIC	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Scope 1 emissions were 344,528 metric tons of CO ₂ e in 2020. Currently no portion (0%) of our emissions are under emissions-limiting regulations. For further information about our emissions calculations and performance over time, please see page 23 of our 2020 Sustainability Report .
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Please see pages 22-35 of our 2020 Sustainability Report .
Air Quality	Air emissions for the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	(1) In 2020, we emitted 3,646 tons of NOx. (2) In 2020, we emitted 220 tons of SOx. (3) Across our manufacturing and blending facilities, 1,649 tons of VOC were emitted in 2020. (4) Sherwin-Williams is not a significant emitter of HAPs.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, and (4) total self-generated energy	RT-CH-130a.1	(1) In 2020, we consumed 7.82 kWh per 100 lbs. of production and 5.24 million gigajoules of total fuel. (2) 47% of our total fuel consumption came from the electricity grid. (3) and (4) We do not currently use significant renewable or self-generated energy sources. However, we have committed to 50% renewable energy consumption by 2030. For further information about our future planning on this topic, please see pages 22-35 of our 2020 Sustainability Report .
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	2020 Water Data will be published in our CDP Water Response in the late summer of 2021. In 2019: (1) Total water withdrawn: 3,451,670 m ³ ; (2) Total water consumed: 1,474,380 m ³ ; 0.92 m ³ per metric ton of production; percentage of water sourced from regions with High or Extremely High Baseline Water Stress: 21.48%.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	We had zero (0) incidents of non-compliance associated with water quality permits, standards and regulations in 2020.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.23	We had zero (0) incidents of non-compliance associated with water quality permits, standards and regulations in 2020.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	We generated 65,000 metric tons of hazardous waste in 2020. Of that, 28,000 tons was recycled. For further information, please see pages 26-27 of our 2020 Sustainability Report .
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Please see our GRI content index disclosures 102-42, 102-43 and 102-44.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	In 2020: 1.06 Recordable Case Rate (Total number of employees with recordable incidents per 200,000 hours worked). For further information, please see page 40 of our 2020 Sustainability Report .
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Please see the information regarding our global EHS Management System on our website .

The Sherwin-Williams Company – 2020 SASB Index, continued

TOPIC	ACCOUNTING METRIC	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	<p>We do not currently track this quantitative data given that the majority of the environmental impact of our products results from raw material extraction and not the use phase.</p> <p>However, we do calculate and report the number of “sustainably advantaged products” in our portfolio. Please see pages 29-35 of our 2020 Sustainability Report for further information.</p>
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that (1) contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	<p>We are considering these metrics and they may be reported in future disclosures.</p> <p>Please see pages 29-35 of our 2020 Sustainability Report for further information.</p>
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Please see pages 29-35 of our 2020 Sustainability Report for further information.
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	None of our products contain genetically modified organisms (GMOs).
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Sherwin-Williams does not have a political action committee. The Sherwin-Williams Code of Conduct, available at investors.sherwin.com , prohibits employees from making political contributions to any political organization or candidate for political office on behalf of or for the benefit of Sherwin Williams.
Operational Safety, Emergency Preparedness and Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Please see page 40 of our 2020 Sustainability Report for this information.
	Number of transport incidents	RT-CH-5401.1	Please see page 40 of our 2020 Sustainability Report for this information.

Activity Metric

ACTIVITY METRIC	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Production by reportable segment	RT-CH-000.A	Please see pages 6-13 of our 2020 Annual Report for further information.

The Sherwin-Williams Company – 2020 Investor ESG Summary

TOPIC	METRIC	2018	2019	2020
Sustainability Reporting				
	2020 Sustainability Report	2020 Sustainability Report		
	2020 SASB Index	2020 SASB Index		
	GRI Index	GRI Index		
General				
Company	Total Employees	59,582	61,111	61,031
	Total Employees (Full-Time Equivalent)	53,368	54,759	54,727
	Net Sales (Thousands)	\$17,534,493	\$17,900,800	\$18,361,700
	Total Shareholder Return	See last page for Shareholder Returns		
	Number of Sites (includes manufacturing/distribution sites and global stores, branches and blending facilities)	5,345	5,376	5,288
Environmental				
General Environmental	ISO 14001 Certified Sites ¹ – # (%)	47 (37%)	43 (33%)	44 (34%)
	Environmental Management Policy	Global Environmental, Health, and Safety Policy		
Air Emissions and Climate Change	Scope 1 (Direct CO ₂) GHG Emissions (metric tons CO ₂ e)	373,582	387,172	344,528
	Scope 1 GHG Emissions Intensity (metric tons CO ₂ e/\$million sales)	9.70	9.84	9.00
	Scope 2 (Indirect CO ₂) GHG Emissions (metric tons CO ₂ e)	327,180	304,920	282,737
	Scope 2 GHG Emissions Intensity per Sales (metric tons CO ₂ e/\$million sales)	8.50	7.94	7.39
	Total CO ₂ Emissions (metric tons CO ₂ e)	700,762	682,607	627,265
	Total GHG Emissions Intensity per Sales (metric tons CO ₂ e/\$million sales)	18.20	17.76	16.39
	Scope 3 Emissions from Business Travel (metric tons CO ₂ e)	16,593	17,479	5,222
	Emission Reduction Targets	Reduce GHG by 5.9% per 100 lb. produced by 2020 (2017 baseline).	Reduce GHG by 5.9% per 100 lb. produced by 2020 (2017 baseline).	30% Absolute Reduction by 2030 (2019 baseline).
	Science-Based Target	No	No	Yes
	VOC Emissions (tons)	Not Available	1,635	1,650
	SOx Emissions (tons)	Not Available	221	220
	NOx Emissions (tons)	Not Available	3,657	3,646
	Climate Change Policy	Yes	Yes	Yes
	CDP Climate Change Disclosure	CDP Climate Change Response		
	CDP Climate Change Score	D	D	C

¹ This only applies to manufacturing and distribution facilities

The Sherwin-Williams Company – 2020 Investor ESG Summary, continued

TOPIC	METRIC	2018	2019	2020
Electricity	Electricity intensity (kWh/metric ton produced)	2.03	2.15	2.04
	Electricity Consumption (GJ)	7.83	8.25	7.82
Water	Water Withdrawn (m³)	3,547,297	3,451,670	Not Yet Available
	Water Consumption (m³)	1,556,000	1,474,380	Not Yet Available
	Water Intensity (m³/metric ton production)	0.92	0.89	Not Yet Available
	Water Sourced from Regions with High or Extremely High Baseline Water Stress	13.68%	21.48%	Not Yet Available
	CDP Water Disclosure	CDP Water Response		
	CDP Water Score	C	C	C
Waste	Wastewater Discharge (m³)	1,736,130	1,977,290	Not Yet Available
	Waste Reduction Targets	2020 Sustainability Report		
	Hazardous Waste Reduction Targets	2020 Sustainability Report		
Social				
	Women in Workforce	24.2%	24.6%	24.5%
	Women in Management	25.9%	26.3%	26.5%
	Minorities in Workforce (U.S. Only)	32.2%	33.3%	34.2%
	Minorities in Management (U.S. Only)	25.1%	25.9%	26.6%
	Workforce Age Group 70+	0.7%	0.8%	0.9%
	Workforce Age Group 60-69	5.6%	6.0%	6.4%
	Workforce Age Group 50-59	15.1%	15.2%	15.5%
	Workforce Age Group 40-49	19.3%	19.4%	19.6%
	Workforce Age Group 30-39	25.9%	25.8%	26.4%
	Workforce Age Group 20-29	31.3%	30.8%	30.0%
	Workforce Age Group Under 20	2.1%	2.0%	1.23%
	Voluntary-Regrettable Turnover	10.1%	9.5%	8.0%
	Savings Plan Common Stock Ownership	10.0%	9.2%	8.2%
Inclusion, Diversity & Equity	Equal Opportunity Policy	Equal Employment Opportunity Policy		
	Annual Survey: Our formal employee engagement survey measures viewpoints on culture, leadership, development, communication, and inclusion and diversity. We measure feelings of respect, value and belonging based on the following questions: <ul style="list-style-type: none">I can be myself working at Sherwin-Williams.Sherwin-Williams provides a supportive environment for every employee.The company is committed to diversity.I feel that my personal beliefs and values are respected in my workplace.			
	Conscious Inclusion Education & Training equips employees with inclusive leadership behaviors and resources to improve performance, drive business growth and enhance customer experience. The sessions and resources are designed to help leaders become mindful of unconscious perspectives and provide them with practical actions they can take to create and lead more inclusive cultures.			

The Sherwin-Williams Company – 2020 Investor ESG Summary, continued

TOPIC	METRIC	2018	2019	2020
Safety and Health	Days Away Restricted or Transferred (DART) Rate (Total incidents per 200,000 hours worked)	0.90	1.03	0.92
	Recordable Case Rate (Total number of employees with recordable incidents per 200,000 hours worked)	1.38	1.30	1.06
	Health and Safety Policy	Global Environmental, Health, and Safety Policy		
Human Rights	Human Rights Policy	Code of Conduct Human Trafficking Policy		
	Conflict Minerals Policy	Conflict Minerals Policy		
	Total Corporate Foundation and Other Giving (\$USD)	6,291,760	7,253,170	7,527,741
	Community Involvement Program	Community and Social Involvement		
Products				
Sustainably Advantaged Products		Not Available	Not Available	30%
Quality and Safety	Total Technical Expenditures (\$USD)	\$254,000,000	\$225,000,000	\$200,000,000

Product Safety Program

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 lifecycle, from design and development through use and disposal and all steps in between. We assess each ingredient in a product formulation in combination with other ingredients in terms of human health, environmental impact, physical and chemical properties, and other information reflecting current best practices. Because science is constantly evolving, we continuously monitor news and scientific literature and update our products to best support the needs of our customers.

Sherwin-Williams Global Product Stewardship organization monitors and tracks chemical trends across the world for regulatory or other external pressures. It engages paint and coatings trade associations and other organizations around the world. It also works within the business on continuously improving its products. Global Product Stewardship periodically provides updates highlighting chemical trends and meets with relevant business units to ensure updates are understood and can be assessed as to their relevance to the business. Through these efforts, the company can be proactive towards proposed legislation, health and environmental data as well as other market pressures regarding chemical issues. Finally, Sherwin-Williams assesses all raw materials used in its formulated products against global regulations for compliance, customer restrictions and our own company policies.

Product Sustainability Reference Guide

Sustainable Programs and VOC Regulated Areas Reference Guide

Supply Chain		
Supply Chain	Supplier Guidelines/Code of Conduct	Supplier Code of Conduct

The Sherwin-Williams Company – 2020 Investor ESG Summary, continued

TOPIC	METRIC	2018	2019	2020
Governance				
Ethics	Business Ethics Policy	Code of Conduct		
	Size of the Board	10	11	10
Board of Directors	Non-Executive Directors on Board – # (%)	9 (90%)	10 (91%)	9 (90%)
	Independent Directors on Board – # (%)	9 (90%)	10 (91%)	9 (90%)
	Independent Lead Director	Yes	Yes	Yes
	Women on Board – # (%)	2 (20%)	3 (27%)	3 (30%)
	Board Average Age	62.8	63.1	62.2
	Board Average Tenure	6.9	7	7.2
	Mandatory Retirement Age	72	72	72
	Board Meetings Held	5	6	7
	All Directors Attended ≥ 75% of Meetings	Yes	Yes	Yes
	Independent Members on the Audit Committee – # (%)	4 (100%)	5 (100%)	4 (100%)
	Audit Committee Meetings	5	6	8
	Independent Members on the Compensation & Management Development Committee – # (%)	5 (100%)	5 (100%)	5 (100%)
	Compensation & Management Development Committee Meetings	5	5	4
	Independent Members on the Nominating & Corporate Governance Committee – # (%)	5 (100%)	4 (100%)	4 (100%)
	Nominating & Corporate Governance Committee Meetings	2	3	2
	Annual Board and Committee Self-Assessments	Yes	Yes	Yes
	Orientation Program for New Directors	Yes	Yes	Yes
Shareholder Practices	Equal Voting Rights (One Vote per Share)	Yes	Yes	Yes
	Annual Say on Pay Voting Support	95.7%	96.9%	96.0%
	Shares Outstanding as of December 31 ²	93,116,762	92,144,839	89,558,877
	Equity Reserved as % of Shares Outstanding	10.4%	9.0%	8.2%
	Options Granted as % of Shares Outstanding	0.60%	0.54%	0.51%
	Fair Price Provision	Yes	Yes	Yes
	Mandatory Bid Provision	No	No	No
	Majority Voting Standard	Yes	Yes	Yes
	Classified Board	No	No	No
	Proxy Access ³	Yes	Yes	Yes
Political Involvement	Shareholder Rights Plan	No	No	No
	Political Action Committee	No	No	No
	Political Involvement Policy	Code of Conduct		

² Share amounts have not been adjusted to reflect the Company's 3-for-1 stock split, effective March 31, 2021.

³ The Company's Regulations provide proxy access rights to 3 year, 3% shareholders for up to 20% of the Board.

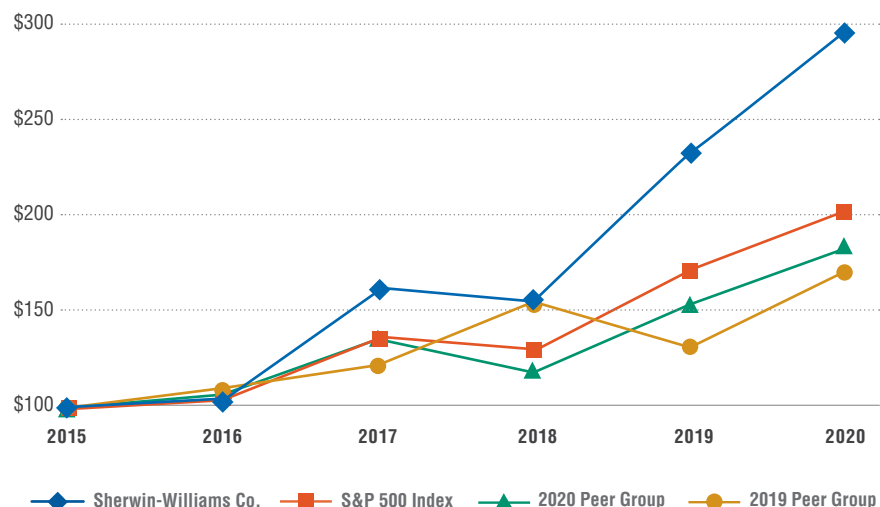
The Sherwin-Williams Company – 2020 Investor ESG Summary, continued

TOPIC	METRIC	2018	2019	2020
Governance – continued				
Compensation	Total Compensation Paid to Named Executives (\$USD)	\$25,488,840	\$30,706,224	\$31,711,047
	Total Salaries and Bonuses Paid to Named Executives (\$USD)	\$3,861,505	\$4,245,560	\$4,109,263
	All Other Compensation Paid to Named Executives (\$USD)	\$21,627,335	\$26,460,664	\$27,601,784
	Total Compensation Paid to CEO (\$USD)	\$13,213,749	\$14,854,731	\$15,323,284
	Total Salaries and Bonuses Paid to CEO (\$USD)	\$1,276,924	\$1,333,000	\$1,339,00
	All Other Compensation Paid to CEO (\$USD)	\$11,936,825	\$13,521,731	\$13,984,284
	Executive Remuneration Policy	Compensation Discussion and Analysis (CD&A) – Page 32		
	Significant Stock Ownership Guidelines ⁴	Yes	Yes	Yes
	Double-Trigger Equity Vesting Upon CIC	Yes	Yes	Yes
	Anti-Hedging and Anti-Pledging Policy	Yes	Yes	Yes
	Clawback Provision for Executive Compensation	Yes	Yes	Yes
Governance	Total Executives	10	11	11
	Female Executives – # (%)	2 (20%)	2 (18%)	2 (18%)
	Sustainability Disclosures Independently Verified/Assured	No	No	No
	UN Global Compact Signatory	No	No	No
	CSR/Sustainability Committee	No	Yes	Yes
	External Auditor	Ernst & Young LLP	Ernst & Young LLP	Ernst & Young LLP
	Audit & Audit-Related Fees Paid to Auditor (\$USD)	\$8,439,000	\$7,280,000	\$6,276,000
	Non-Audit Fees Paid to Auditor (\$USD)	\$4,233,000	\$2,286,000	\$949,000
	Total Auditor Fees (\$USD)	\$12,672,000	\$9,566,000	\$7,225,000

⁴ After serving 5 years in such capacity, directors must own shares of stock equal in value to a minimum of 7x the annual Board cash retainer and executives must own shares equal in value to a multiple of his/her base salary, with 6x for the CEO, 4x for the COO and 3x for other named executives.

Shareholder Returns

Comparison of Cumulative Five-Year Total Return



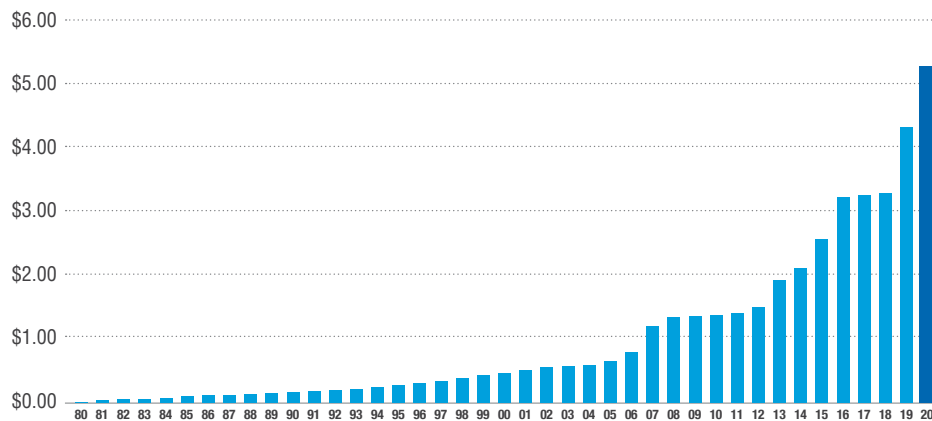
Five-Year Return

The stock performance graph at left assumes \$100 was invested on December 31, 2015 in Sherwin-Williams common stock, the S&P 500 and the peer groups of companies selected on a line-of-business basis. The cumulative five-year total return, including reinvestment of dividends, represents the cumulative value through December 31, 2020. For 2019, Sherwin-Williams utilized a self-selected peer group of 12 companies (the "2019 Peer Group"). For 2020, Sherwin-Williams revised its prior-year peer group to reflect the acquisition of one of its selected peers and the addition of a new peer, maintaining a total of 12 companies ("2020 Peer Group"). The graph presents the total return performance for both of the Peer Group indices.

2020 peer group of companies comprised of the following: Akzo Nobel N.V., Axalta Coating Systems Ltd., BASF SE, Genuine Parts Company, H.B. Fuller Company, The Home Depot, Inc., Lowe's Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc. and Stanley Black & Decker, Inc.

The 2019 Peer Group consisted of the following companies: Akzo Nobel N.V., BASF SE, Genuine Parts Company, H.B. Fuller Company, The Home Depot, Inc., Lowe's Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc., Stanley Black & Decker, Inc. and USG Corporation. For the 2020 Peer Group, we deleted USG Corporation and added Axalta Coating Systems Ltd.

Dividends Per Share



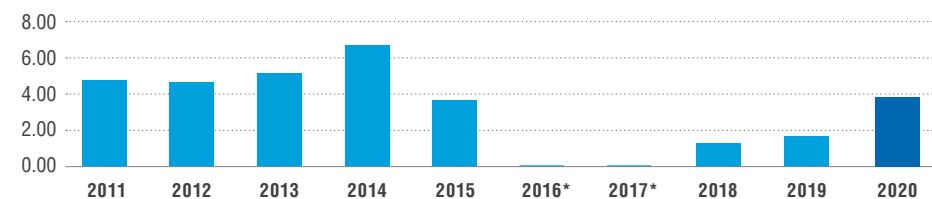
Returning Cash to Shareholders

We have consistently returned a portion of our cash generated from operations to shareholders through cash dividends and share repurchases. In 2020, the Company increased its cash dividend 18.5% to \$5.36 per share, marking the 42nd consecutive year we increased our dividend.

Share repurchases are also an efficient way of returning cash to shareholders in that they return sellers' investment at market value and maximize the value of the remaining shares outstanding. In 2020, we purchased 3.9 million shares on the open market while also reducing debt by \$400 million. We temporarily suspended share repurchases in 2016 and 2017, using cash to reduce total borrowings required to finance the Valspar transaction in 2016 and reducing debt by \$1 billion in 2017.

All share and per share amounts have not been adjusted to reflect the Company's 3-for-1 stock split, effective March 31, 2021.

Stock Repurchase (millions of shares)



* No open market purchases in 2016 and 2017

105.7	103.9	103.0	98.7	94.5	94.5	94.9	95.0	93.4	91.9
Average Common Shares Outstanding (fully diluted, in millions)									



The Sherwin-Williams Company • 101 W. Prospect Avenue • Cleveland, Ohio 44115-1075

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“Our new sustainability goals and aspirations address global issues of critical importance, including doing our part to address climate change by reducing our greenhouse gas emissions, increasing energy efficiency and use of renewable energy, minimizing our waste, and accelerating development of ‘sustainably advantaged products.’ We are also building additional momentum by enhancing our culture of inclusion, diversity and equity; continuously improving our occupational health and safety metrics; and strengthening our engagement with communities where we operate around the world.”

John G. Morikis

Chairman, President and Chief Executive Officer