

SHERWIN-WILLIAMS



Building on the Good



2022 SUSTAINABILITY REPORT



The Sherwin-Williams 2022 Sustainability Report reflects the continued progress on our sustainability journey and provides an overview of our enterprise-wide approach to sustainability, environmental, health and safety, product stewardship, corporate social responsibility, inclusion, diversity and equity, employee engagement, and related governance topics relevant to the Company (collectively, “sustainability” or “ESG”). We share the commitments, goals and aspirations we have for ***Building on the Good*** for our stakeholders – our employees, customers, shareholders and the communities where we operate.

In preparing this report, we referenced certain sustainability and ESG reporting frameworks, ratings and rankings, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD), which are also included in the [Appendix](#) of this report. You can view additional sustainability materials at sustainability.sherwin-williams.com.

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To Our Stakeholders

Since our founding in 1866, Sherwin-Williams has been committed to doing what is right for our employees, customers, communities, shareholders and other stakeholders. It is this enduring commitment that guides us on our ESG and sustainability journey. Our 2022 Sustainability Report highlights our continued progress of **Building on the Good** in alignment with our values and initiatives.

2022 Progress

In 2022, we created positive impact by advancing signature initiatives across our three ESG pillars – **Environmental Footprint**, **Product Blueprint** and **Social Imprint** – which are centered on a strong foundation of **Governance and Ethics**. We are particularly focused on implementing measures to help achieve our environmental and social goals and refining our signature Sustainability by Design program.

We believe being good stewards of the environment requires a comprehensive approach to measuring and managing our Environmental Footprint in order to achieve our 2030 goals. We identified and executed near-term projects to drive energy efficiency and reduce waste. Our efforts included prioritizing technology enhancements such as smart thermostats and LED lighting at our facilities, and piloting electric and hybrid vehicles with a goal to enhance our fleets. We remain committed to evaluating renewable energy opportunities, such as our U.S.-based solar installation pilot project, which broke ground at our Orlando, Florida, paint manufacturing facility.

To support our Product Blueprint philosophy, we continued to advance our Sustainability by Design program, which embeds life cycle thinking into the earliest stages of our product innovation and development processes. This program enables us to evolve our products and processes to deliver and grow our “sustainably advantaged products” offering.

Under our Social Imprint pillar, we remain dedicated to fostering a culture built on people, safe workplaces, inclusion and employee engagement. Our inclusion, diversity and equity (ID&E) and integrated talent management strategies enable us to attract, retain and cultivate the best talent in the industry. At the same time, making a difference in the communities where we live and work continues to be an important part of our Company legacy. The Sherwin-Williams Foundation amplifies and supports causes that are important to our employees and seeks to make a sustainable impact in the following focus areas: access to safe and healthy housing; advancing a skilled workforce that sustains inclusive, vibrant communities; and beautifying and preserving assets around the world.



Standing Strong Against Global Challenges

The Sherwin-Williams team demonstrated strength and resiliency despite significant global challenges in 2022. Although we encountered relentless inflation, less-than-optimal raw material availability, an armed conflict in Europe, emerging recessionary concerns and other challenges, we continued to grow our business while advancing on our sustainability journey. Despite challenges, we continue to believe we have an opportunity and responsibility to contribute to a more sustainable future through our ESG focus and **Building on the Good**.

We Appreciate You Joining Us on This Journey

Thank you for your interest in our 2022 Sustainability Report. The progress on our sustainability efforts would not be possible without the remarkable efforts of our 64,000+ employees around the world and the support of our stakeholders. We look forward to continuing to share our progress on this journey.

A handwritten signature in black ink that reads "John G. Morikis".

John G. Morikis
Chairman and Chief Executive Officer

About the Company

Founded in 1866 by Henry Sherwin and Edward Williams, The Sherwin-Williams Company (NYSE: SHW) has spent more than 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 paint, coatings and related products to professional, industrial, commercial and retail customers.

Every day, our 64,000+ 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 5,000 Company-operated stores and branches, while our other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors. 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. 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.

HOW WE DO IT "THE RIGHT EXPERIENCE"



Customer Focus



Value-Added Service & Expertise



Industry-Leading Innovation



Differentiated Distribution

WHO WE BENEFIT "OUR KEY STAKEHOLDERS"



Customers



Employees



Shareholders



Communities

HOW WE ACT "OUR VALUES"



Innovation



Performance



Integrity



Growth



People



Service



Quality

HOW WE MEASURE "OUR KEY METRICS"



Grow Sales



Improve ROS*



Drive RONAE**



Drive Cash Generation



Drive Sustainability



Drive Inclusion, Diversity & Equity



Support Communities

* ROS = Return on Sales

** RONAE = Return on Net Assets Employed

Our Business Segments

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

> Paint Stores Group

operates the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering in the United States, Canada and the Caribbean region. The Group services the needs of architectural and industrial paint contractors and do-it-yourself homeowners through marketing and selling architectural paint and coatings, protective and marine products, OEM product finishes and related products.

> Consumer Brands Group

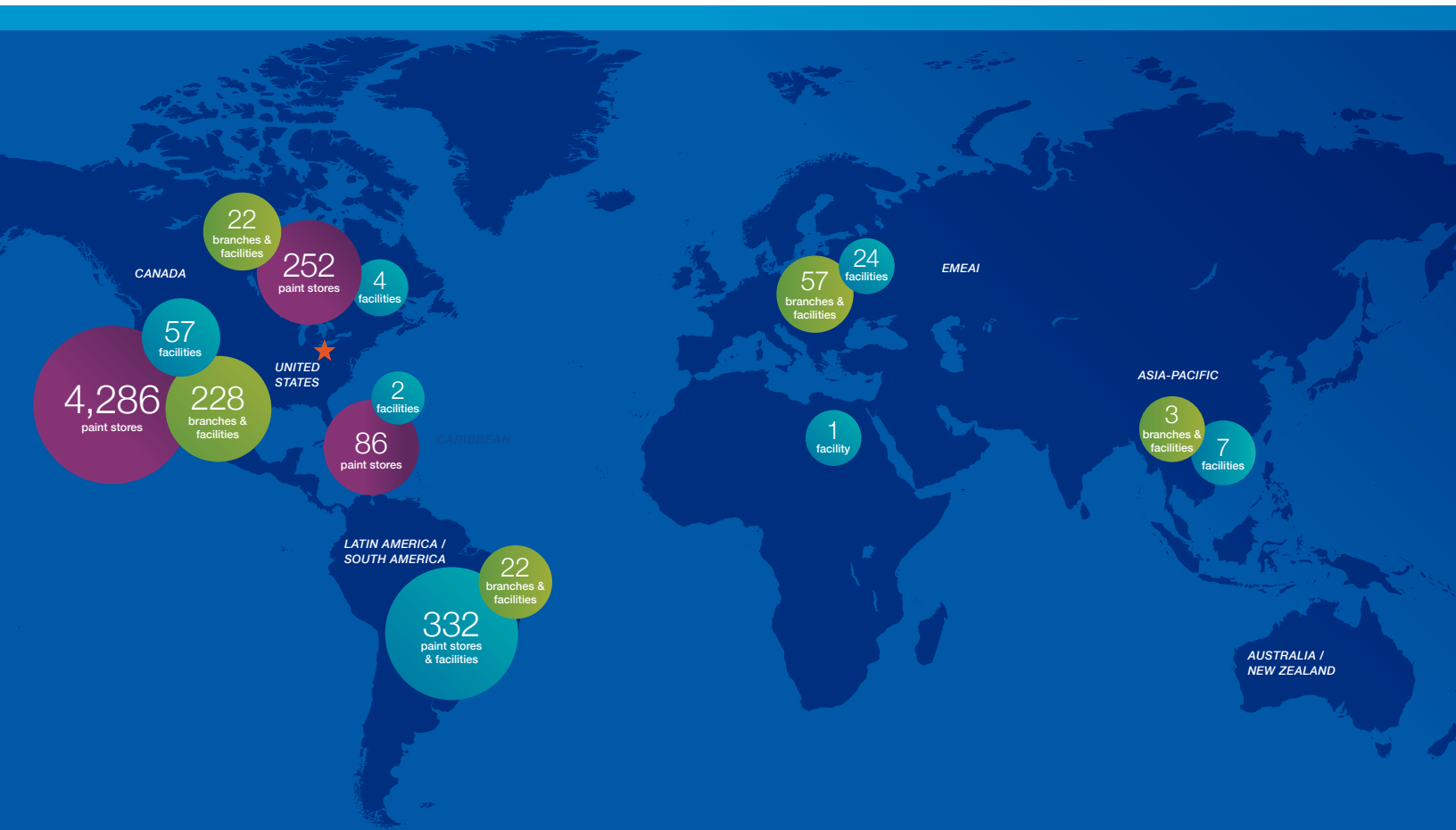
sells one of the industry's most recognized portfolios of branded and private-label architectural paint, stains, varnishes, industrial products, wood finishes products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulks and adhesives through retailers and distributors in North America, Europe and China. The Group also sells architectural paints, industrial coatings and related products in Latin America through Company-owned stores, dedicated dealers and selected retailers, and operates a highly efficient global supply chain for paint, coatings and related products.

> Performance Coatings Group

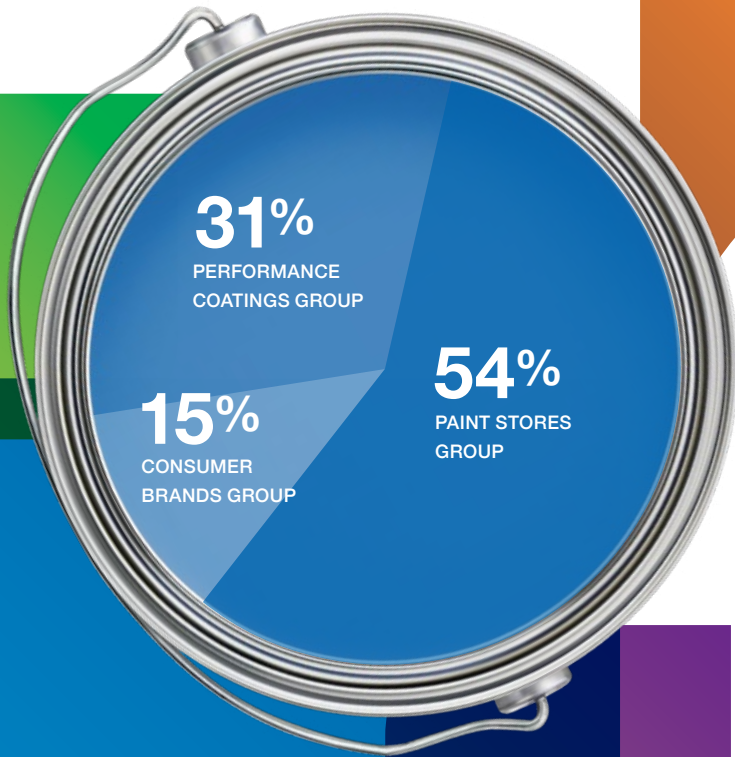
sells a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive refinish, packaging and coil customers in more than 120 countries.

Our Global Reach

● Paint Stores Group ● Consumer Brands Group ● Performance Coatings Group ★ Corporate Headquarters



2022 REVENUES **\$22.15 billion**




NUMBER OF EMPLOYEES **64,000+**



120+  COUNTRIES

136  MANUFACTURING & DISTRIBUTION FACILITIES

5,000+  STORES & BRANCHES

Sherwin-Williams is proud of our Company culture. In 2022, we received a variety of honors that reflect how sustainability is deeply rooted within our organization.

At the forefront of the paint and coatings industry, Sherwin-Williams is a forward-thinking partner and community leader.

Awards and Accolades in 2022

Product Blueprint

- EcoVadis™: Silver Sustainability Rating – European division
- Fill it Forward: Top 25 Changemakers of 2022
- Global Good Awards: Best Product of the Year, Joint Silver – valPure® V70
- Pipeline & Gas Journal® Awards: Finalist, Best Corrosion Technology – PipeClad® 2060
- SEAL Awards®: Sustainable Innovation Award – valPure® V70

Governance and Ethics

- British Coatings Federation: Customer Service Award, Consumer Brands Group
- MSCI®: ESG Rating 'A'
- Newsweek®: America's Most Responsible Companies 2022
- The Wall Street Journal®: Best Managed Companies 2022
- Transport Topics®: 100 Largest Private Carriers in North America

Social Imprint

- Forbes®: America's Best Employers for Women
- Forbes®: America's Best Employers for New Graduates
- Forbes®: America's Best-In-State Employers
- Forbes®: America's Best Large Employers
- Forbes®: Global 2000
- Forbes®: World's Best Employers
- Forbes®: World's Top Female-Friendly Companies
- Human Rights Campaign®: Best Places to Work for LGBTQ+ Equality 2022
- The American Opportunity Index: Top 50 Overall
- The Cleveland Plain Dealer®: Northeast Ohio Top Workplaces



Our Sustainability Strategy



At Sherwin-Williams, we operate in alignment with our values to serve our customers, create and maximize value for our shareholders and advance the well-being of our communities. Today, our Sustainability Strategy is embedded throughout our business – including product sourcing, development and delivery – as we prioritize an enterprise-wide approach to reaching our objectives.

We previously conducted a robust materiality assessment and identified the following top-tier focus areas that have been incorporated into our ESG framework – Climate and Carbon; Product Stewardship; Life Cycle Assessment; Occupational Health and Safety; and Talent Acquisition and Employee Engagement. We refresh our materiality assessment on a periodic basis as part of our ongoing work to drive alignment between our sustainability efforts and the expectations of both internal and external stakeholders. Learn more at sustainability.sherwin-williams.com.

Our three ESG pillars – **Environmental Footprint**, **Product Blueprint** and **Social Imprint** – encompass the commitments, areas of focus, and goals and metrics that are most important to Sherwin-Williams. These pillars are centered on a foundation of **Governance and Ethics**, designed to ensure broad engagement and appropriate oversight for sustainability and ESG initiatives throughout the Company.



Our ESG Pillars



Environmental Footprint

Doing Our Part for the Planet

We apply a continuous improvement approach to reducing our carbon emissions, energy consumption and waste generation while expanding our renewable energy use and decreasing the amount of waste generated by our operations.



Product Blueprint

Driving Sustainability Through Innovation

We remain focused on enriching our Product Blueprint. Our Sustainability by Design program is a signature effort to intentionally consider sustainability attributes and life cycle thinking in our product innovation and development processes. This program enables us to evolve our products and processes to deliver and grow our “sustainably advantaged products” offering.



Social Imprint

Elevating a Culture of Safety, Inclusion and Community

We are committed to advancing a culture of excellence that values people, inclusion and community. Our commitment is reflected in our unwavering efforts to promote the safety, health and well-being of our people; foster a culture of inclusion, diversity and equity where individual differences are celebrated; and support those in the communities where we live and work.

Our Goals and Highlights

Our 2030 Environmental Footprint Goals

Compared to 2019 baseline



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



Increase electricity from renewable sources to **50%** of total electricity usage



Increase operational energy efficiency by **20%**



Reduce waste disposal intensity by **25%**

Our 2022 Product Blueprint Highlights



Established the Sustainability by Design Stage-Gate Process as a standard part of the product innovation and development processes



Enhanced the supplier engagement component of our Product Blueprint strategy



Refined our definition of “sustainably advantaged products” to be clearer and more verifiable – with the Sherwin-Williams definition as “products that achieve a level of third-party green chemistry, ecolabel or similar recognition”



Enhanced our culture of internal engagement to further embed sustainability into the business and into our products

Our Social Imprint Goals and Aspirations



Reduce recordable case rate to **0.8** by 2025



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 underrepresented 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 global employee engagement survey



Foster economic inclusion for underrepresented suppliers



Governance and Ethics

A strong foundation of governance and ethics supports our ESG framework. Our ESG governance structure is designed to enable broad engagement and appropriate oversight across our Company.

IN THIS SECTION:

- ESG Governance
- Board Oversight
- Board Composition and Diversity
- Sound Corporate Governance Practices
- Ethics, Integrity and Compliance
- EHS Management

FOR MORE INFORMATION

Additional information about our board, board committees and other governance information in this section can be found in our governance documents, 2023 Proxy Statement and other materials available at investors.sherwin.com.

ESG Governance

Our ESG strategies and initiatives are monitored at various levels within the Company. Our ESG Council consists of subject matter experts from business and corporate functions and representatives of cross-functional workgroups focused on topics across our ESG framework, including climate and footprint, occupational health and safety, engagement and inclusion, product stewardship, and ESG reporting. The ESG Council oversees the development, implementation and monitoring of the Company's key ESG metrics, targets, goals, strategies, policies and practices, as well as the assessing and addressing of trends, risks and opportunities with respect to ESG topics most significant to the Company and its stakeholders. Members of the ESG Council provide periodic updates to the ESG Steering Committee.

Our ESG Steering Committee supports alignment across the organization in overseeing the work of the ESG Council. The ESG Steering Committee is composed of members of senior management and other senior leaders across the organization, including those within the areas of global operations, legal, finance, human resources, investor relations and corporate communications, global supply chain, sustainability, environmental, health and safety, and our reportable business segments. Members of the ESG Steering Committee provide periodic updates to the Chief Executive Officer (CEO), our Board of Directors and our board committees.

Board Oversight

We believe effective board oversight is critical to the long-term success of Sherwin-Williams and maximizing value for our shareholders and other stakeholders.

Company Oversight

While our management and their teams are responsible for managing the Company's business, day-to-day affairs and exposure to various risks, our Board of Directors has oversight responsibility of management. In addition to its general oversight of management, the board is responsible for overseeing the following key areas:

- Management Succession Planning
- Strategic Plans
- Financial Objectives, Plans and Reporting
- Compliance Processes and Procedures
- Risk Exposures
- Corporate Governance
- Public Policy and Engagement



Risk Oversight

Overseeing the assessment and management of the Company's exposure to various risks is a key responsibility for the board. We have an enterprise risk management (ERM) program that includes the processes used to identify, assess and manage our most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. These risks are identified, measured, monitored and managed across the following key risk categories:

- **Strategic:** including acquisition, business disruption, reputational and ESG risks
- **Operational:** including cybersecurity, information technology, supply chain and sourcing, and talent attraction, retention and development risks
- **Financial and macroeconomic:** including economic condition, geopolitical and financial control risks
- **Compliance:** including litigation, regulatory, tax and intellectual property risks

Our Chief Financial Officer (CFO), who reports to our CEO, facilitates the ERM program, which includes a formal assessment of the Company’s risk environment at least once per year. The ERM program facilitates the incorporation of risk assessment and evaluation into the strategic planning process and the provision of regular reports to senior management, including the CEO, regarding the actions, strategies, processes, controls and procedures specific to managing, mitigating and anticipating significant risks.

The CFO reviews the ERM program with the board at least once per year, including the methodology and approach used to identify, assess and manage risks, enhancements to the ERM program during the preceding year, and existing risks and significant emerging risks across the Company’s key risk categories.

The CEO, CFO and other senior management may review specific risks in greater detail or on a more frequent basis with the board throughout the year, as necessary and appropriate, including as a result of the Lead Director or the board requesting more frequent updates or information about specific risks.

To assist the board in overseeing the Company’s exposure to various risks, the board has delegated specific risk areas to each board committee. Members of our management team review these delegated risks with each committee, and the committees provide regular reports to the full board. Our board committees are composed entirely of independent directors and include the Nominating and Corporate Governance Committee (Nominating Committee), Compensation and Management Development Committee (Compensation Committee) and Audit Committee.

Board and Committee Risk Oversight



Source: 2023 Proxy Statement

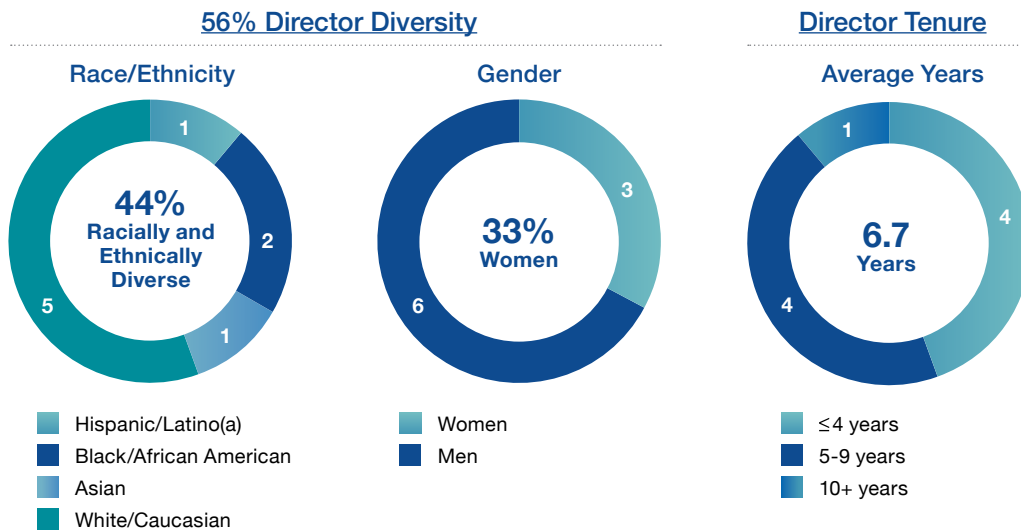
Board Composition and Diversity

Our Board of Directors 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. The board utilizes a thoughtful approach to board composition to balance the addition of new directors who bring fresh and diverse perspectives and the stability of the board as a whole. Our directors reflect the board's efforts in achieving diversity among its membership, including diversity with respect to gender, race and ethnicity, and the need for periodic refreshment

to maintain an appropriate balance. It is also the board's policy to include, and to request that any search firm it engages include, women and racially or ethnically diverse persons in the pool of candidates from which director nominees are chosen.

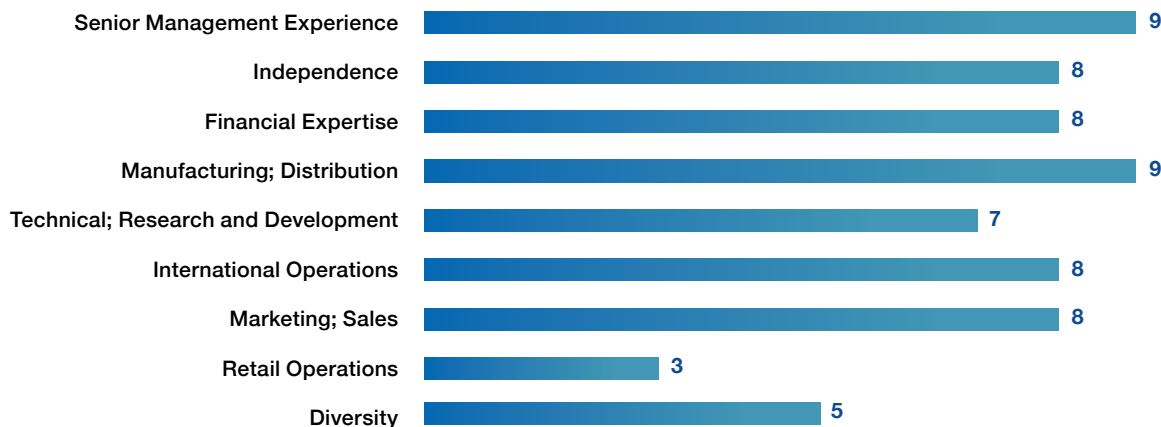
We highlight below the diversity of our Board of Directors, including 56% director diversity in gender, race and ethnicity, and the mix of experiences, qualifications, attributes and skills of our directors.

Board Composition and Skills Summary



Source: 2023 Proxy Statement

Balanced Mix of Skills and Experience



Source: 2023 Proxy Statement

Sound Corporate Governance Practices

Our corporate governance practices are designed to enable our Board of Directors to set objectives, and monitor performance and strengthen the accountability of the board and management. We actively monitor our corporate governance practices to confirm 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.

Corporate Governance Practices and Policies

Annual election of all directors	Board and committee oversight of key ESG risks, policies and strategies
Majority voting standard and resignation policy for directors in uncontested elections	Mandatory retirement age of 72 for directors
Director overboarding policy	Orientation program for new directors
Proxy access rights available to 3-year ownership, 3% shareholders, for up to 20% of the board	Annual board and committee self-assessments
8 of 9 directors are independent	Directors have complete access to management
Robust independent lead director role and governance responsibilities	Prohibition on hedging and pledging of our securities
Board committees are entirely composed of independent directors	Significant director and executive stock ownership guidelines
Executive sessions of non-management directors are held in connection with each regularly scheduled board meeting	Policy to include women and racially or ethnically diverse persons in the pool of candidates from which director nominees are chosen
Board and committee oversight of risk exposures	

Source: 2023 Proxy Statement

Ethics, Integrity and Compliance

Sherwin-Williams is dedicated to high standards of business ethics and integrity and believes in aligning our business activities with our guiding values to maintain our foundation for continued growth as a leading global paint and coatings company. Our collective actions impact our reputation and credibility with our stakeholders, including employees, customers, suppliers, communities and shareholders. We are committed to promoting work-related activities that reflect high standards of integrity, loyalty, concern for others and accountability.

The Sherwin-Williams [Code of Conduct](#) serves as a guide for ethical decision-making and upholding high ethical behavior at all levels of the Company, including adhering to the following 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 global compliance training with our employees to help ensure that integrity guides our business every day and in every decision we make. In addition, our [Supplier Code of Conduct](#), applicable to all suppliers globally, requires that our business partners operate in a manner that is consistent with our values.

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 of persons, forced labor or 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 our [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.

EHS Management

We promote shared responsibility and collaboration across our operations for our Environmental, Health and Safety (EHS) initiatives and continuous improvement. We have a well-defined EHS management structure designed to align our business operations with these objectives.

Our EHS Policies and Certifications

Our operations are covered by EHS policies that define the expectations of Sherwin-Williams employees, and those with whom we conduct business, in order to operate according to our Company standards. Essential among these is our [Global Environmental, Health and Safety Policy](#), which sets forth the Company’s commitment to global leadership and excellence in EHS.

Our EHS policy includes Sherwin-Williams commitments to:

- Provide our employees with a safe and healthy workplace;
- Comply with all applicable EHS legal requirements and supplement that compliance with our own standards; and
- Develop, manufacture, distribute and sell our products in a way that preserves resources, prevents pollution and minimizes environmental impacts from our activities.

We actively manage EHS for the benefit of our employees and the communities in which we operate, while reducing environmental impacts. We provide EHS training opportunities for our employees to fulfill our objectives as a responsible Company. Additionally, we are committed to meeting applicable EHS requirements. We continuously track and assess the impact of new regulations and adjust our systems to comply effectively. We are committed to continually improving our EHS and sustainability performance – building on a strong record of regulatory compliance, risk management and adherence to our internal standards.

Our EHS Management System Across Sherwin-Williams

In 2022, we continued to unify our EHS efforts by rolling out our updated EHS Management System (EHSMS) across our Global Supply Chain (GSC) division. We are adding new tools and functionality to our EHSMS throughout 2023 and beyond to give our people the resources they need to succeed.

The EHSMS is divided into the essential components of Culture, Planning, Implementation and Operations, Verifications and Process Accountability, and Action Management and Continuous Improvement to help facilitate improvement within these select areas. The EHSMS contains a suite of processes and tools, including site plan templates, checklists and worksheets – which are adaptable for all parts of the organization. The ability to customize these resources as needed offers employees the flexibility to create EHS safety programs that reflect the unique needs of their respective facilities.

All manufacturing and distribution sites and technical centers must conform to our EHSMS, which is in strong alignment with third-party certifications, such as the ISO 14001 voluntary standard for environmental management and the Occupational Safety and Health Administration (OSHA) Voluntary Protection Programs (VPP), and other best practices. In addition to our EHSMS, approximately 36% of our manufacturing and distribution facilities are ISO 14001-certified and 38% have achieved OSHA’s VPP Star rating or ISO 45001 voluntary standard for occupational health and safety management systems.



Environmental Footprint

Under our Environmental Footprint pillar, we strive to continuously improve our performance by reducing our environmental impact and maintaining responsible production and consumption practices.

We demonstrate this commitment by setting meaningful goals, measuring and reporting on our efforts, and driving engagement and accountability into our business practices. Our goals are focused on reducing carbon emissions, energy consumption and waste generation, while simultaneously working to expand our use of renewable energy. We know that this is a journey, and we have a defined roadmap to chart our path forward.

Every year, we are proud to share the progress we have made and the new initiatives we are undertaking to highlight Sherwin-Williams as a company dedicated to responsible environmental stewardship.

IN THIS SECTION:

Climate and Carbon

Energy Efficiency

Waste Reduction

Environmental Performance Data



This pillar is composed of the following areas of focus: Climate and Carbon, Energy Efficiency and Waste Reduction. In 2022, we developed a strategic roadmap across these areas to help prioritize projects and initiatives to reach our 2030 Environmental Footprint goals. These goals – designed to align with science-based, realistic and achievable targets – provide quantitative metrics to help us track our progress in *Building on the Good* throughout the organization.

Our 2030 Environmental Footprint Reduction Goals

Sherwin-Williams 2030 Environmental Footprint goals are based on operational improvements in the following focus areas. Beginning with this report, the Company more closely aligned its reporting – including baseline and historical data – with the World Resources Institute (WRI) Greenhouse Gas Protocol. This realignment is intended to promote consistency across our carbon and energy focus areas in the methodology and inputs used to measure, manage and report our progress and reflect changes to our business, such as due to acquisitions or divestitures. We remain committed to the following goals for 2030:



Greenhouse Gas Emissions

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



Renewable Energy

Increase electricity from renewable sources to **50%** of total electricity usage



Energy Efficiency

Increase operational energy efficiency by **20%**



Waste Reduction

Reduce waste disposal intensity by **25%**

Compared to 2019 baseline

Climate and Carbon

Advancing Our Climate Strategy

We strive to lower our carbon footprint by identifying ways to reduce our greenhouse gas (GHG) emissions throughout our operations. Our comprehensive approach includes how we manufacture and go to market with our paints and coatings, how we source our raw materials and energy, how we transport our products and how our products are used.

Our climate strategy reflects a science-based approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius. Our 2030 goal of reducing our absolute Scope 1 and Scope 2 emissions by 30% compared with a 2019 baseline was developed on this basis. We track and measure our absolute GHG emissions, rather than our emissions intensity, in recognition of the need to reduce the physical amount of GHGs emitted into the atmosphere.

We employ a multifaceted approach – which includes but is not limited to – prioritizing energy efficiency improvements across our operations, introducing electric and hybrid vehicles into our fleet,

pursuing power purchase agreements (PPAs) and virtual power purchase agreements (VPPAs), and selectively deploying on-site solar power and other renewable energy sources.

In 2022, we published our first disclosures in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our updated TCFD disclosures, which are included in the [Appendix](#) of this report and posted on our website at sustainability.sherwin-williams.com, help us and our stakeholders further evaluate and understand our climate-related risks and opportunities.

In addition, for more than 15 years, Sherwin-Williams has voluntarily participated in CDP’s Climate Change reporting initiative, which catalogs our climate change-related risks, opportunities, governance and communications. Our [CDP report](#) includes our Scope 3 emissions for reporting year 2021.

Tracking and Forecasting Our Climate Performance

We continue to develop protocols and invest in technology that allow us to track our carbon emissions more efficiently at the site level and collectively as a Company. Our ESG Data Integrity Process is aligned with the Greenhouse Gas Protocol’s Corporate Accounting and Reporting Standard, as a more consistent and transparent approach in accounting for our emissions. For more information, visit <https://ghgprotocol.org/corporate-standard>.

We invested in new software to enhance the tracking of our enterprise-wide sustainability performance. This cloud-based software, which will replace our legacy reporting system, will be used throughout Company locations to track and report on a variety of sustainability measures. It is expected to be fully implemented in 2023. The software will also streamline our capacity to analyze and track our GHG emissions.

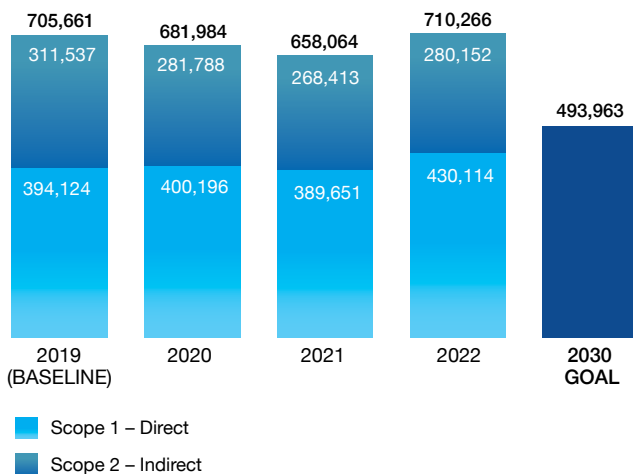
Additionally, we have systems to forecast the potential sustainability impacts of various capital projects we are considering. We formally introduced our updated continuous improvement database software in early 2023. Historically, we used this software to predict potential financial savings associated with prospective improvement projects and facility investments. This latest iteration of the software also enables us to quantify the carbon, energy and waste impacts of a given project.

Carbon Emissions Performance

The chart below presents total Scope 1 and Scope 2 carbon emissions for our global footprint. Scope 1 direct emissions increased from 2021 to 2022 primarily due to expansions in our trucking fleet and drivers, increased production and increased sales to meet customer demand. Scope 2 indirect emissions increased primarily due to changing energy sourcing from the overall energy grid, which delivered less renewable energy in 2022 compared with 2021. We continue to seek and identify new opportunities – including efficiency improvements and various renewable energy projects – that are expected to help us reduce our absolute Scope 1 and 2 greenhouse gas emissions and meet our 2030 30% reduction goal.

Total CO₂e Emissions

metric tons, all global locations



Energy Efficiency

Our continuous improvement approach is reflected in how we manage our energy usage across our manufacturing facilities, distribution locations and fleet operations. We actively seek ways to improve our energy efficiency by reducing the amount we use while identifying more sustainable sources of energy, such as renewables. Our goal is to increase our operational energy efficiency by 20% by 2030 compared with the 2019 baseline.

Every Sherwin-Williams production facility is expected to undertake annual sustainability projects, with a particular focus on reducing energy consumption. We prioritize energy-related investments that have the highest potential for impact, and we compare the new energy data with both the status quo and our improvement expectations.

In 2022, we prioritized filling our pipeline with projects that reflect our 2030 energy goals. For example, some of our main areas of investment within Paint Stores Group (PSG) included retrofitting our stores with a variety of LED lighting improvements such as overhead lighting and exterior signage, as well as adding more stores to our centrally managed and programmable smart thermostats. Focus areas within Global Supply Chain (GSC) included implementing compressed air optimization systems and air leak elimination technology in our manufacturing locations, and continuing to install LED lighting in our facilities to lower our energy consumption.

Other ongoing energy-saving initiatives include:

- Adopting energy-efficient building construction specifications
- Scheduling equipment idle and controlled shutdowns
- Improving packaging to eliminate unnecessary weight and volume of material being shipped
- Participating as a U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner as a shipper/carrier
- Participating in the U.S. Department of Energy’s Better Plants Challenge Program
- Participating in the U.S. Department of Energy’s Better Climate Challenge Program
- Pursuing LEED® (Leadership in Energy and Environmental Design™) certification for new builds, including our headquarters building in Cleveland and Global Research and Development Center in Brecksville, Ohio – both currently under construction
- Upgrading fleets to higher-miles-per-gallon vehicles
- Upgrading equipment with higher-efficiency units
- Using hybrid and electric vehicles in the fleet
- Utilizing sophisticated planning software to determine the most efficient distribution routes

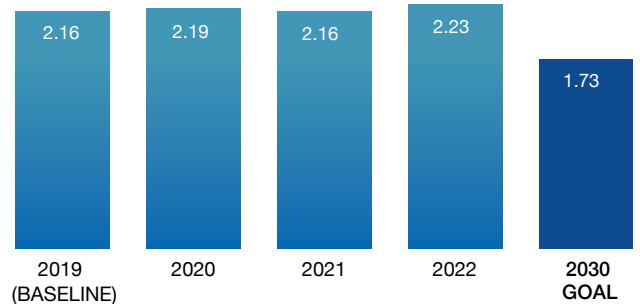
Energy Consumption

The charts below present total energy intensity and total energy consumption for the Sherwin-Williams global footprint. We are presenting both sets of data for consistency and comparison reasons. Both metrics increased from 2021 to 2022 primarily due to increased internal production volumes and the resulting expansion of our trucking fleet and drivers. Higher production volumes to support growth in customer demand and the 72 net new stores opened in 2022 also contributed to the increase in our total energy consumption.

The energy efficiency goal for 2030 represents a 20% increase in operational energy efficiency compared with the baseline year of 2019.

Total Energy Performance (Intensity)

gigajoules per metric ton of production, all global locations

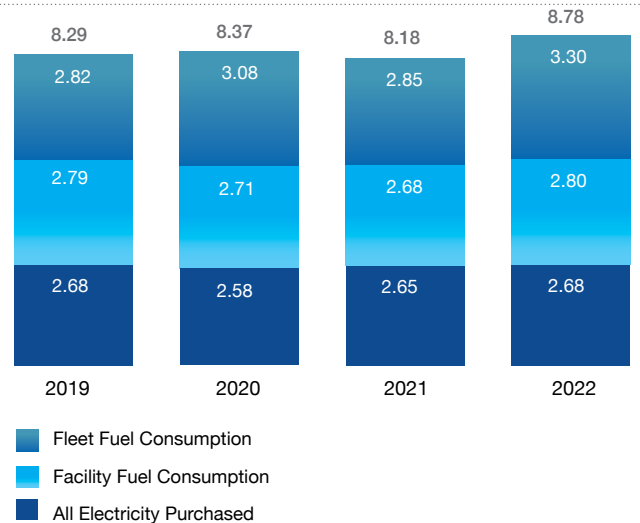


The renewable energy goal for 2030 represents an increase in electricity from renewable energy sources to 50% of total electricity usage compared with the baseline year of 2019.

Our total energy consumption numbers currently include a small amount of renewable energy. We are actively working on renewable energy projects that are expected to become a significant part of our energy portfolio in the future and will be reflected in this data set when implemented.

Total Energy Consumption

million gigajoules, all global locations



FEATURE STORY

Our Fleet Improvements: Going the Extra Mile

We continue to invest in innovative fleet technology to address our environmental footprint.

Electric Vehicle Fleet Test

After introducing electric vehicles (EV) into our fleet in 2020, we have built practical knowledge on how EV technology can drive further results for the Company. Specifically, we have prioritized building out our EV infrastructure to better integrate these vehicles into our fleet. We continue to invest in charging stations at select Sherwin-Williams stores, and our drivers are adjusting to managing battery range so we can continue delivering to our customers reliably.

In order to monitor ongoing developments in EV technology, we maintain a presence on advisory boards and engage with leading manufacturers. “People rely on us and ask for our feedback on our electric vehicle test,” said Joseph Lukacs, Sherwin-Williams Global Fleet Director, Operations. “They are using our footprint as a model for their own initiatives.”

Miles-Per-Gallon Improvements

In addition to our investments in EVs, we continue to pursue fuel efficiency improvements in our traditional fleet vehicles. While our vehicle replacement cycles have been interrupted recently by worldwide new-car supply-chain challenges, we are working to navigate these market conditions.

“We aim to be at the forefront of technology with respect to new endeavors of all kinds,” said Lukacs. “We’re more than a coatings company; we’re business innovators.”

As a transport partner, Sherwin-Williams participates in the U.S. Environmental Protection Agency (EPA) SmartWay program as a shipper/carrier. The program helps to measure, benchmark and improve logistics operations in an effort to assist in the reduction of our environmental footprint. The Company continues to be recognized by EPA, and we were named a SmartWay High Performer in 2022.



SMART THERMOSTATS DRIVE ENERGY EFFICIENCY IMPROVEMENTS AT OUR STORES

Efforts to reduce our energy footprint include our continued investment in smart thermostats for stores across Paint Stores Group (PSG). Since 2019, PSG has prioritized replacing traditional thermostats with more efficient and modern alternatives. Smart thermostats can be centrally monitored and controlled based on a store’s operational hours to maximize energy savings. The installation of these units typically results in a 15% reduction in energy consumption per store. We continue to evaluate our stores to look for additional ways to bolster energy efficiency.

Investing in Renewable Energy

We are committed to identifying opportunities to utilize renewable energy to lower our reliance on fossil fuels. Our goal is to increase electricity from renewable sources to 50% of total electricity usage by 2030. Our strategies for reaching this goal include pursuing on-site renewable energy generation projects at select Company locations, Virtual Power Purchase Agreements (VPPAs) and Power Purchase Agreements (PPAs).

In recent years, we have advanced several notable on-site renewable energy projects, including at our Orlando, Florida, plant (see feature story below). This follows similar successful solar installation projects at our plants in Dresden, Germany;

Minerbio, Italy; and Debica, Poland. In 2023, we are continuing to work toward procuring PPAs and VPPAs in the United States and Europe that will be instrumental in moving us closer to our energy and carbon goals. We are still assessing our renewable energy options and VPPAs in other markets as we prioritize initiatives that we believe have the greatest potential to deliver results that move us closer to our environmental objectives.

FEATURE STORY

Solar Energy Program Supports Carbon-Neutral Expansion of Orlando Plant

As part of our Environmental Footprint goal to increase our electricity from renewable sources to 50% of our total electricity usage by 2030, Sherwin-Williams utilizes solar panels to help offset additional electrical consumption needs.

We chose our Orlando, Florida, facility to serve as the initial U.S. location for this pilot program. Having completed a plant expansion in 2021, the Orlando facility serves as an ideal candidate for a renewable energy installation.

“This project holds a lot of potential,” said Chad Snodgrass, Sherwin-Williams Senior Process Engineer. “Not only does it show a commitment to continuous improvement at the site, but it utilizes one of Florida’s greatest resources – the sun – to create a positive impact on the environment.”

During the year, Snodgrass and his team worked on the engineering design process for the solar panel initiative. The critical engineering design for this project ensures safety is built into every part of the process. For example, the team designed the panel racking to withstand winds up to 165 miles per hour.

Since the Orlando facility expansion and the new equipment installation, the site has consumed 1.6 million kilowatt-hours in added electrical consumption. Solar panel installation began in March 2023, and once the project is complete and functioning in summer 2023, the panels alone will provide nearly 1.73 million kilowatt-hours annually in consumable energy – making the expansion a potential carbon-neutral venture.

“This project is just one example of the proactive measures Sherwin-Williams takes to address important environmental matters,” Snodgrass concluded. “We are investing in our future by reducing our carbon footprint and committing to design programs that move us closer to reaching our goals.”



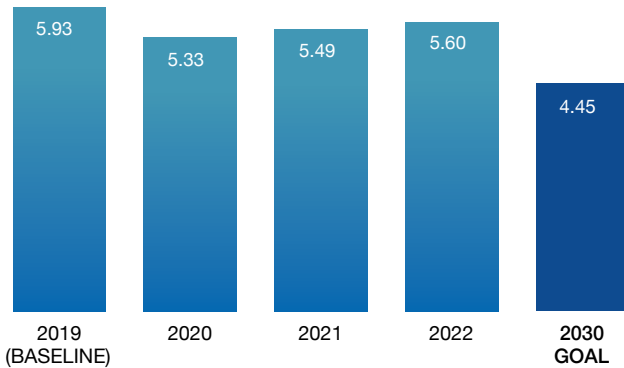


Waste Reduction Performance

The chart and table below present the total intensity of waste treated and disposed for Sherwin-Williams. 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 our operations to reduce waste generation through continuous improvement projects, maximizing reuse of manufacturing byproducts – such as wash water – and increasing recycling. In 2022, the total intensity of waste treated and disposed was higher compared to the prior year primarily due to manufacturing facility closures and changes in production processes, reduced availability of recycling outlets for our waste, increases in the number of store locations and higher production volumes to meet customer demand.

Waste Disposal Intensity

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



Waste and Recycling Summary

Total nonhazardous and hazardous waste generated, recycled, and treated and disposed

Year	Generated (thousand metric tons)	Recycled ¹ (thousand metric tons)	Recycled ¹ (percent)	Treated and Disposed ² (thousand metric tons)	Total Waste Performance (metric tons per 100 metric tons of production)
TOTAL WASTE					
2020	354.2	150.2	42.4%	204.0	5.3
2021	340.0	132.4	38.9%	207.7	5.5
2022	360.3	139.1	38.6%	221.2	5.6
NONHAZARDOUS WASTE					
2020	288.8	122.5	42.4%	166.3	
2021	270.0	104.6	38.7%	165.4	
2022	295.2	114.0	38.6%	181.2	
HAZARDOUS WASTE³					
2020	65.4	27.7	42.3%	37.7	
2021	70.0	27.7	39.6%	42.3	
2022	65.1	25.2	38.7%	39.9	

¹ "Recycled" includes recycling and reuse of materials

² "Treated and Disposed" includes incineration and energy recovery

³ "Hazardous Waste" is defined by the country of generation

* Waste data includes all locations globally

Waste Reduction

Our approach to responsible resource use is predicated on reducing the amount of waste we generate and finding useful outlets for materials that can be reused or recycled.

All Sherwin-Williams manufacturing facilities have specific waste reduction targets and protocols for achieving these targets. Our waste reduction initiatives are focused on effectively managing raw materials, observing quality control best practices, reducing the number of distressed batches of our product and managing finished product inventory.

Our Global Supply Chain division utilizes a value stream mapping methodology to assign energy consumption and waste generation values to each stage of the manufacturing and distribution processes. This internal lean continuous improvement tool is used to measure, benchmark and improve logistics operations. The methodology helps to identify areas for improvement and prioritize projects with the greatest potential for reducing waste disposal intensity.

Along with the environmental data published in this section, additional Sherwin-Williams environmental performance data can be found in the GRI Index starting on page 56 of this report, SASB Index starting on page 64, in our Investor ESG Summary Report starting on page 76, and on our website at sustainability.sherwin-williams.com.

In addition to reducing the amount of waste generated, Sherwin-Williams has long emphasized recycling and reuse in our operations. This includes the reprocessing of products and materials used in our production so they can be reused rather than disposed. In addition to recycling and reusing production materials, we have recycling programs in place at our facilities that allow us to divert materials such as cardboard, paper, plastic and metal from the waste stream. Sherwin-Williams provides all stores in the United States and Canada with in-store recycling containers to maximize and encourage the recovery of single-stream materials. We also have provided hundreds of large recycling bins to facilities that previously did not have dedicated containers to further encourage recycling.

We track recycling rates at all our large manufacturing, distribution, administration and laboratory facilities globally through our internal environmental database. Waste that is unable to be recycled or reused is managed in accordance with applicable regulations and Company guidelines. In 2022, the Company recycled approximately 38.7% of total waste generated.

Additional notable waste reduction projects in 2022 included:

- In several of our European facilities, we have adopted a new approach to cleaning and disinfecting waste container surfaces at the end of their useful life, which has enhanced our ability to recycle these containers. Previously, the containers could not be recycled due to the presence of residual chemicals that required them to be classified as hazardous material and incinerated. With the new cleaning method, the containers can be shredded, and the resulting scrap sold to recyclers.
- More than 50 PSG stores began utilizing waste monitoring devices as part of a pilot program. The monitors include sonar-like devices that help detect waste levels. This reduces transportation emissions from waste pickups because the containers are serviced only when needed rather than a predetermined service schedule.



DRIVING EMPLOYEE ENGAGEMENT THROUGH THE SUSTAINABILITY SQUAD

When considering Company-wide EHS initiatives, employee engagement is at the forefront of the conversation. One example of this is the Sustainability Squad, a team to conceptualize and share ideas that drive energy and waste reduction at several manufacturing and distribution sites. Jennifer Olsson, Sherwin-Williams Global Supply Chain Engineering Director, shared that “the team is composed of individuals across the different regions of our business, and includes individuals from the site, region and division that are passionate about sustainability.”

“We meet monthly to find ways to drive sustainability at our sites through employee engagement and program development,” she continued. “The Sustainability Squad is a great resource for the Company. It provides an outlet for employees who are passionate about sustainability to share ideas on energy and waste reduction and help build excitement around sustainability.”

Employee engagement projects – like the Sustainability Squad – are an opportunity to connect to and educate the communities in which we live and work to foster collaboration, trust and innovation. “This is embedded in who we are and what we do,” said Jessica Slomka, Sherwin-Williams Global Director of Sustainability. “Additionally, we are exploring the expansion of employee engagement by implementing sustainability ambassadors and employee resource groups in 2023 and beyond,” Slomka concluded.

FEATURE STORY

With Canned Water, We CAN Make a Difference

We are replacing single-use plastic water bottles with canned beverage alternatives at select locations within our headquarters building. Individual teams are also starting to replace bottled water with canned water.

The potential benefits of this change are numerous. Aluminum cans are recycled at a greater rate than single-use plastic bottles, which enhances the circularity of aluminum cans, improves energy savings and supports the recycling system. Additionally, aluminum is infinitely recyclable, which means that unlike most plastics, aluminum will not degrade even after repeated recycling.

Though switching to canned water sounds simple in concept, we knew we needed collective buy-in to facilitate a successful rollout. Ahead of the initiative's launch, leaders from our Performance Coatings Group (PCG) Packaging Coatings division collaborated with team members responsible for purchasing decisions at the headquarters facility, as well as with the sustainability, environmental affairs and facilities teams. These individuals formed a working group to support the smooth transition to canned water.

Building awareness was the key to success. "Sustainability has been at the core of the Packaging division's processes for years. It's exciting to expand this core competency into other areas of Sherwin-Williams," said Kellie Wareham, Sherwin-Williams Global Beverage Marketing Manager. "The infinitely recyclable aluminum can helps us reach our Company-wide sustainability goals and contributes to a circular economy. This initiative aligns with who we are at Sherwin-Williams."

"I'm really proud of our team, and frankly, I'm proud of our Company," added Joseph Campagna, Sherwin-Williams Vice President of Marketing, Global Packaging. "I feel like Sherwin-Williams is playing a central role in the broader story that's about growth and sustainability and the value that brings to the economy and the world. And the canned water initiative demonstrates that we're supporting the industry, not only as suppliers, but also as consumers who are making the right choices."



FEATURE STORIES

Taboão da Serra Plant Hosts Annual Education Week Dedicated to EHS

Each year, our Taboão da Serra plant in Brazil hosts Semana Interna de Prevenção de Acidentes no Trabalho e Meio Ambiente (SIPATMA), which translates to “Internal Week for the Prevention of Accidents at Work and the Environment.” This weeklong educational event encourages employees to gather daily for lectures and activities geared toward continuously improving environmental and safety performance at the site.

To comply with Brazilian Regulatory Standards, companies must create a Comissão Interna de Prevenção de Acidentes (CIPA), which translates to “Internal Commission for Accident Prevention.” The CIPA at our Taboão da Serra plant aids in the prevention of work-related accidents and contributes to the preservation of workers’ safety and well-being. The committee is led by Mario Estrela, Sherwin-Williams Research and Development Group Leader. Estrela, and the other employees on the committee are integral in planning SIPATMA each year.

Once the committee has chosen a date, the team works on developing an overarching theme that is topical for the year. The 2022 SIPATMA focused specifically on sustainability. During

the event, the plant held three EHS-inspired lectures, an electronics recycling drive, a raffle with prizes and a variety of interactive learning opportunities.

“Everyone at the site looks forward to this event, as it is a favored tradition,” said Marco Costa, Sherwin-Williams EHS Director. “We discussed many topics, including food waste and our Lean workplace organization system. The goal is to change employees’ habits in the workplace, which hopefully translates to their home lives as well.”

In total, the most recent event hosted approximately 400 attendees, both in person and virtually. According to Adilson Trautmann, Sherwin-Williams Site Manager at the Taboão da Serra plant, employees felt that 2022 was the most successful SIPATMA to date. “The feedback was incredible. Everyone really felt like they were part of the event, and many said that it was the best SIPATMA of all time.”



Singapore Team Wins Corporate Sustainability Award

Two years ago, Sherwin-Williams kicked off our Next Generation of Sustainability initiative to align with our 2030 Environmental Footprint goals. As part of the initiative, the Sustainability Award was created to recognize teams taking the lead in engaging their employees to drive improvements in waste and energy reduction.

“The award honors a site that stands out for projects that tie back to our corporate sustainability goals,” said Jennifer Olsson, Sherwin-Williams Global Supply Chain Engineering Director. “We’re showcasing sustainable improvements and celebrating the progress we’re making as a Company.”

We had an impressive number of submissions in 2022, with dozens of sites sharing their sustainability stories. The sites pursued a variety of innovative and forward-thinking projects such as LED lighting installations, waste-reduction actions and air leak detection and correction.

This year’s winner, the Singapore team, engaged employees in several departments to participate in multiple sustainability projects. One such project focused on saving energy by optimizing cooling water consumption. Composed of engineering,

operations and EHS employees, the team saved more than 500,000 kilowatt-hours per year by rebalancing the cooling water demand on the site’s condenser unit.

“The simplicity and creativity of their energy reduction project could potentially be done at other sites with a cooling tower,” said Olsson. Other notable projects from the site included tank wash recycling and used pallet recycling, as well as health and wellness initiatives.

“Singapore is building sustainability into their culture and getting people excited about it,” said Olsson. “They’re not just doing what’s required of them. There’s a real passion at this site and they put in a lot of team effort.”

United behind the cause, the Singapore team’s submission included the motto: “Making Mother Earth sustainable – it starts from me.” Their efforts are a true testament to their dedication to this philosophy.





Product Blueprint



Enhancing our Product Blueprint is one of the most compelling ways that Sherwin-Williams is *Building on the Good* for our stakeholders. Our Sustainability by Design program is a signature effort to intentionally consider sustainability attributes and life cycle thinking in our product innovation and development processes. This program enables 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



We remain focused on enriching our Product Blueprint. Our Sustainability by Design program builds on our longstanding commitment to product stewardship as well as operations and compliance excellence. We provide world-class products that can be manufactured and used in a safe manner.

Paint and coatings provide protection, durability and longevity to the surfaces to which they are applied. We are further expanding our portfolio of “sustainably advantaged products” to benefit our business, our customers and other stakeholders. We are proud of all that our product solutions offer as we continue **Building on the Good**.

Our Product Blueprint Philosophy and 2022 Highlights

With our Sustainability by Design program fully integrated into our product innovation and development processes, 2022 was focused on program refinements and expanding stakeholder engagement to deliver better sustainability outcomes. Our 2022 highlights included the following:



Established the Sustainability by Design Stage-Gate Process as a standard part of the product innovation and development processes



Enhanced the supplier engagement component of our Product Blueprint strategy



Refined our definition of “sustainably advantaged products” to be clearer and more verifiable – with the Sherwin-Williams definition as “products that achieve a level of third-party green chemistry, ecolabel or similar recognition”



Enhanced our culture of internal engagement to further embed sustainability into the business and into our products

Sustainability by Design

Essential to our product innovation and development processes, product conception and optimization are the foundation of our Sustainability by Design program. The program embeds life cycle thinking, which considers impacts throughout our value chain, into the earliest stages of our product innovation and development processes. As we develop and enhance products, sustainability remains top of mind.

From initial concept through commercialization, we identify ways to make our products more sustainable and better-performing by evaluating health and safety considerations, chemical formulations, resource conservation, circularity and product performance, among other areas. Aligning the Sustainability by Design program with our Stage-Gate process clarifies and streamlines our approach for business implementation. This process also provides flexibility to evolve with the needs of each of our businesses.

We also apply the Sustainability by Design mindset to evaluate existing product portfolios. In 2022, we reviewed more than 150 product development projects for opportunities to address sustainability criteria. This effort may enable some existing products to obtain their first third-party sustainability certification or expand their number of third-party certifications. We expect the continued application of the Sustainability by Design process to accelerate the expansion of our portfolio of “sustainably advantaged products.”

We continue to train our product designers, formulators and applicators on the Sustainability by Design Stage-Gate process, sustainability attributes and certification program requirements. In addition to targeted training, we have developed a digital tool that enables our teams to better identify and create more sustainable solutions. The tool facilitates goal setting, the categorization of products with specific sustainability attributes and enhances employee understanding of our Sustainability by Design program.

Sustainability by Design Stage-Gate Process



Examples of Sherwin-Williams Sustainability Attributes

Sherwin-Williams focuses on the following sustainability attributes in product innovation and development:

Air Quality	Formula Stewardship	Resource Conservation	Circularity	Performance
<ul style="list-style-type: none"> Reduction of VOCs Air purifying technology 	<ul style="list-style-type: none"> Hazard / risk Alternative substances Bio-based content Ecolabel certification Life cycle assessment / environmental product declaration 	<ul style="list-style-type: none"> Resource reduction Waste reduction Environmental footprint 	<ul style="list-style-type: none"> Recycled content / recyclability Sustainable packaging 	<ul style="list-style-type: none"> Improved durability Application efficiency / reduced labor

Product Leadership: Our ‘Sustainably Advantaged Products’ Portfolio

Sherwin-Williams has a long and distinguished history of producing products with sustainability attributes. By aligning with industry-leading guidelines and third-party certifications, we are committed to continuing to expand this portfolio under the category of “sustainably advantaged products.”

Many of our architectural products fit the criteria for “sustainably advantaged products” because they meet or exceed sustainability-related conditions set by leading third-party organizations, programs, standards and codes such as:

- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- Collaborative for High Performance Schools® (CHPS)
- Cradle to Cradle Products Innovation Institute
- EU Ecolabel
- Forest Stewardship Council® (FSC®)
- Green Globes®
- GREENGUARD Environmental Institute (GEI) and UL GREENGUARD
- International Green Construction Code®
- Leadership in Energy and Environmental Design™ (LEED®)
- Nordic Swan Ecolabel
- The Master Painters Institute®
- USDA BioPreferred® Program
- WELL Building Standard®

For more information on our certifications and regulatory obligations for our architectural products, see the specification resources on our website at [sherwin-williams.com/architects-specifiers-designers/specifications](https://www.sherwin-williams.com/architects-specifiers-designers/specifications).

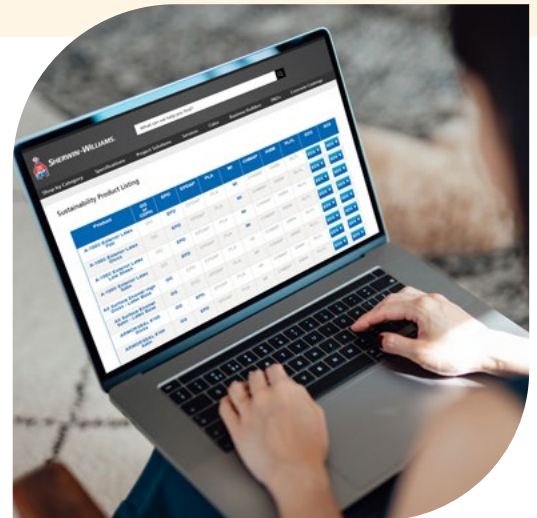
SHERWIN-WILLIAMS LAUNCHES WEBSITE DEDICATED TO PRODUCTS WITH SUSTAINABILITY ATTRIBUTES

Transparency for our customers is a critical component of our Sustainability by Design program. In 2022, we developed and launched an external platform to help Paint Stores Group (PSG) customers understand the sustainability attributes of our products. The platform includes an array of regulatory and product sustainability documents, including GREENGUARD certifications, Environmental Product Declarations (EPDs), building material analyses, and environmental and safety data sheets.

In addition to supporting sustainability initiatives at the Company, this site also reinforces efforts around transparency. “The challenge is documentation, as well as proof of certification. There are a ton of them,” said Katie Ragle, Sherwin-Williams Director of Strategy and Marketing, PSG. “From a customer standpoint, they’d prefer minimal clicks to get their information. If a firm or an owner thinks to themselves, ‘I wonder if they have products with sustainability attributes,’ and we have a site they can quickly visit to find certifications, then that’s a great thing.”

By accessing this page, visitors can learn about the sustainability certifications of products offered by the Company. “It can be a challenge to our field employees and customers to have to go find this proof from many different websites, pull it together and then submit that in order to get our products approved for any given job,” explained Alexandra Sinclair, Sherwin-Williams Director of Product Innovation. “This is really a single source of truth of consistent information for both our employees and customers.”

Learn more by visiting the [Sustainability Product Listing page](#) on our website.



FEATURE STORY

Sherwin-Williams Bio-Sourced Wood Coatings Contribute to Customers' Carbon Footprint Reduction

Our Performance Coatings (PCG) Industrial Wood Coatings division launched a range of partially plant-based wood coatings in the European market in June 2022 available for furniture, kitchen cabinets, and interior and exterior building products.

Launching this product line was an opportunity for the division to expand its range of sustainable projects on a global scale, while playing a part in our journey to achieving Company sustainability goals. These waterborne coatings contain up to 40% plant-based material while providing similar performance characteristics to equivalent fossil fuel-based products.

“Sherwin-Williams is moving our business toward a sustainable future by using more plant-based coatings,” said Kenth Eriksson, Sherwin-Williams Vice President and General Manager, Industrial Wood Coatings, EMEA. “We are confident that our plant-based offerings can inspire our customers to move toward a less carbon-intensive industry, and we will support them on that journey.”

Learn more at plantbased-woodcoatings.com.



SHERSPEC® TOOL AUTOMATES LEED® DOCUMENTATION AND REDUCES PAPER WASTE

Sherspec® is an online tool that helps employees create submissions for our customers once they receive coatings specifications for a painting project. In 2022, we modernized this platform to improve functionality and efficiency, including automating LEED® documentation.

Through Sherspec, LEED documentation – typically an extra submittal process – will now automatically populate with data and links to documents such as the EPD, UL GREENGUARD certification and more. Instead of printing and sending out potentially hundreds of pages containing various declarations, the customer can now click through to find the most up-to-date version of these documents digitally without wasting paper.

Our sales representatives and store managers can now easily access the information they need from their mobile devices without wasting paper, ultimately making LEED documentation easier to manage through all stages of the process.



FEATURE STORY

General Industrial Coatings Division Teams Up with Toyota Forklift

Our General Industrial Coatings division partnered with Toyota Industry (Kunshan) Co., Ltd. and successfully launched a coating product line for high-solidity, low-viscosity and reduced-VOC coatings. This makes Sherwin-Williams the first non-Japanese qualified coating supplier of Toyota Forklift in Asia-Pacific.

“We are very honored to work with one of the top three players in the heavy equipment segment. Following our partnership in the North America market, our General Industrial Coatings team has collaborated with Toyota Forklift in Asia-Pacific, indicating that we have become one of the global partners of their company,” said Julie Zhu, General Manager of Sherwin-Williams General Industrial Coatings Asia-Pacific. “As always, we will work with our customers on innovation and bring more value for our customers through differentiated and customized solutions.”

Toyota Forklift expanded its business footprint to multiple countries, including the U.S., China, Japan and European countries, and has maintained its global leadership position in sales for many years. Toyota Forklift is particular when it comes to selecting coatings suppliers. Last year, after learning that Toyota Forklift wanted to upgrade its painting product line, Zhu set up a special cross-functional team to address their needs.

This team consisted of representatives from research and development (R&D), product marketing, business development and technical service to closely track test results and on-site response – and to provide multiple product and technological solutions to help the customer achieve its goal. Creating the team was a success;

Sherwin-Williams won the recognition of Toyota Forklift, which placed an official production order with the Company midyear.

The team chose Duraspar® high-solid-content coatings to use on Toyota Forklift products. Our solutions can be used in the wet-on-wet operation, which, together with the reduced volatile organic compound (VOC) emissions, can effectively meet environmental requirements while reducing power consumption at the site. Moreover, its outstanding leveling and appearance performance can significantly reduce coating porosity, and the product’s excellent protective performance can also prevent external damage to its appealing appearance.

While developing solutions, the team also tried to minimize the resources needed by the customer for this upgrade. Duraspar can be used in the existing product line without major transformation, further reducing the customer’s costs. The product’s high solidity and low viscosity make it easy for in-process repair, which, together with the excellent corrosion resistance, weatherability and adhesion, prolong the product’s service life.

“Responsibility is the tenet of the Sherwin-Williams project team for Toyota Forklift,” said Zhu. “We all know breakthroughs only come from constant changes, innovation and hard work. Continuous efforts, reliable products, high-quality expertise and strong collaborations will bring outstanding performance and breakthroughs and take us to the next level,” she concluded.

Assessing Sustainability Impacts Through Life Cycle Assessments

At Sherwin-Williams, we provide solutions that protect our customers' assets and our communities. Our paint and coatings help preserve the structures and products to which they are applied, resulting in reduced life cycle impacts and costs for our customers. We have a rigorous life cycle assessment (LCA) program, which plays an important role in measuring the potential environmental impacts of our existing products and developing additional "sustainably advantaged products."

Our process starts with deciding how a particular product will be evaluated and how its sustainability attributes will be studied. The LCA evaluates factors such as raw material consumption, distribution to retail centers, customer travel to purchase and apply the coating, usage considerations and packaging. Subsequently, we develop an Environmental Product Declaration (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.

Life cycle thinking enables us to consider and quantify impacts throughout our value chain – from raw material extraction to product disposal at end-use. We consider what improvements we can make on our own and what might be possible by collaborating with our suppliers, distributors and customers. Life cycle thinking helps us better understand the systems and variables that impact our products and the environments in which they are produced and used.

PURDY TEAM ON PATH TO PLASTIC WASTE REDUCTION IN ROLLER COVERS

During the second half of 2022, the Sherwin-Williams Purdy team began an initiative to reduce the amount of plastic used in its paint roller covers. "We have determined that many of our customers who use the 14-inch roller covers do not need the plastic end caps that are inserted into the sides," explained Connie McKinney, Sherwin-Williams Senior Product Manager, Applicators. In the spirit of continuous improvement and waste reduction, and after gathering use data from customers, the team plans to eliminate some of this plastic altogether. "By the end of 2023, we will be eliminating nearly 670,000 end caps," McKinney said. By discontinuing these pieces, the team estimates a 13.5% reduction of plastic per roller cover – a benefit for both waste reduction and production efficiency.

BUILDING ON THE GOOD WITH SUPPLIERS

We regularly engage with our suppliers to maintain a supply chain in which continuous improvement and sustainability principles are at the forefront. During 2022, we enhanced our collaboration with our network of suppliers. As a result, we have capitalized on opportunities to improve product sustainability attributes, such as using renewable feedstocks and more sustainable transportation. For example, Sherwin-Williams is participating in a pilot program with a logistics provider in China to test more sustainable road transportation, including electric, hydrogen fuel cell-powered and biodiesel trucks.





Social Imprint

Our Social Imprint encompasses our commitment to advance a culture of excellence that values people, inclusion and community. This commitment is reflected in our unwavering efforts to promote the safety, health and well-being of our people; foster a culture of inclusion, diversity and equity where individual differences are celebrated; and support those 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



At Sherwin-Williams, we have defined goals and aspirations that demonstrate our commitment to the employees who drive our success and the communities in which we operate. Striving to provide safe and healthy working environments for our employees is a core value. We support employee well-being with robust benefits, meaningful career opportunities and an inclusive culture. We are also committed to engagement efforts across our global footprint to help communities thrive and grow.

Our Goals and Aspirations for Our People and Our Communities



Reduce recordable case rate to **0.8** by 2025



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 underrepresented 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 global employee engagement survey



Foster economic inclusion for underrepresented suppliers

Elevating Our People-Centric Culture

We continue to invest in our employees – empowering them to reach their full potential, while embracing and celebrating differences. We believe this people-centric culture is a driving force in our Company’s recognition as a leading employer of choice.

Sherwin-Williams is committed to the fair, consistent and equitable treatment of our employees in relation to working conditions, wages, benefits, policies and procedures. The policies and programs we have in place are designed

to respond to the needs of our employees in a manner that provides a safe, professional, efficient and rewarding workplace.

As part of our proud Company legacy, we empower our people – as a team and as individuals – to give back. We care deeply about supporting and being active in the communities in which we live and work.



Occupational Health and Safety

Our Safety Culture: S-W Cares

The safety of our employees and customers isn’t just a priority – it’s a foundational value recognized at the highest levels of our organization and at every facility in which we operate. *S-W Cares* is our safety culture initiative that serves as a roadmap for achieving health and safety excellence across the Company. We continue to allocate resources, develop policies and institute governance measures in alignment with our *S-W Cares* program to drive progress toward delivery of our commitments.

Each letter in “cares” defines an expectation for our workforce to sustain and improve our safety performance. To embody *S-W Cares*, our leaders and teams must:

- C**hampion Lead by example
- A**ct Find, own, fix and report issues
- R**ecognize Reward individual and team efforts
- E**mpower Allow people the time to support a safe and healthy work environment
- S**hare Share successes and best practices

Our *S-W Cares* initiative is backed by formal systems and programs – like the *TLC Stay Safe Out There* initiative – to encourage employees to proactively “find, own, fix and report” workplace hazards before they lead to an incident.



Each employee is empowered to routinely review their workspace to identify and report potential safety hazards and to continually coach peers on behaviors so that corrective action can be taken as needed. We believe that safety is something that employees commit to every day, which is why we have continued to prioritize messaging and actions that reinforce our culture of safety across the organization.

Additionally, every manufacturing site has a safety tactical plan and monthly training requirements that are specific to its operations. We monitor performance at all our facilities, and routinely review this information locally and at the highest levels of our organization to facilitate continuous improvement. We believe that access to safety data is critical to our operations, which is why we continue to invest in solutions that offer us a greater understanding of our performance and help us identify opportunities to improve.

In 2023, we are launching our new data management system to further enhance our reporting and oversight capabilities. This program will enhance our ability to find, own, fix and report health and safety issues. Within the software, there will also be dedicated learning and training modules and other easily accessible resources to help drive continued learning while promoting the safety and well-being of our employees.

FEATURE STORY

Portland Purdy Plant Excels Within OSHA VPP

The United States Occupational Safety and Health Administration (OSHA) Voluntary Protection Programs (VPP) were developed in 1982 to encourage companies to work alongside the government toward the common goal of improving health and safety in the workforce. According to OSHA, “The average VPP worksite has a Days Away Restricted or Transferred (DART) case rate of 52% below the average for its industry.” This discrepancy in safety incidents between VPP and non-VPP sites can be attributed to the continuous improvement processes embedded in the program.

At the Sherwin-Williams Purdy plant in Portland, Oregon, Sherwin-Williams Environmental, Health and Safety (EHS) Manager Joe Sypal is a strong advocate for VPP. The Portland facility has been VPP-certified since 2008 and reapplies every four years to maintain this certification. Depending on the state, VPP recertifications take place every three to five years.

“The program is all about worksite safety and health and finding ways to improve upon that. VPP has to do with relationships and how our hourly employees and managers work together to implement new tools, initiatives and processes,” Sypal explained. The site has also achieved VPP Star status, the highest level of VPP recognition awarded to participants with programs that go above and beyond the standards set by OSHA.

Underscoring these achievements, Sypal was invited by OSHA to speak at the 2022 VPP Participants’ Association Safety+ Symposium. “To maintain Star status, each site must complete an Annual Self-Evaluation (ASE),” Sypal said. “OSHA asked that we share our method for tackling the ASE at the 2022 symposium due to our standout approach with the process.” The presentation centered on the team’s divide-and-conquer approach and highlighted the importance of employee-led committees and feedback when completing the ASE. “I truly cannot overstate the importance of getting employees involved in this process,” Sypal emphasized.

The team at the Portland facility continues to plan other ways to keep employees engaged, and in 2022, the site planned events surrounding OSHA’s VPP Safe + Sound Week. This annual event gives VPP participants a chance to recognize their workplace health and safety successes and encourages these sites to engage employees through meaningful activities.

Safe + Sound week events at the Portland facility included a video showcasing employee photos of safety in action, a “Why I Work Safe” quiz and an on-site shaved ice truck to celebrate employees’ commitment to progress.

“Our employees here have a lot of pride in what they do. I believe this aligns well with the idea behind VPP, and our team continues to keep safety an integral part of the culture here at the Portland facility,” Sypal concluded.



EMPLOYEES CELEBRATE SUCCESSES AT 2022 OSHA VPPA SAFETY+ SYMPOSIUM

North America Global Supply Chain (GSC) sites participating in OSHA VPP attended the annual VPP Participants’ Association (VPPPA) Safety+ Symposium in Washington, D.C. This annual event encourages engagement between employees from VPP-certified sites across the country with an objective of improving safety, growing professionally and sharing ideas. Nearly 70 Sherwin-Williams employees, including EHS managers, specialists, brush makers, paint batch makers and fillers from 22 sites, attended the symposium.

Employees were chosen to attend based on their vital roles in supporting VPP at their respective sites, such as participating on committees, supporting EHS daily initiatives and guiding VPP recertification. Sherwin-Williams employees led symposium workshops and presented a booth at the expo hall showcasing our EHS approach. Our participation in the 2022 Safety+ Symposium highlights the importance of VPP to our Company, and the program continues to inspire our team members to achieve excellence in health and safety daily.

2022 Safety Performance Data

In 2022, our Recordable Case Rate increased from the prior year period. This increase was largely attributable to distribution volumes normalizing as industry-wide supply chain issues abated and our teams subsequently returned to routine hours and activities. Material handling of paint pails and paint cartons continues to be a common cause of recordable injuries. Trips, slips, falls and contact injuries are also common types of recordable injuries. The factors contributing to these injuries will be an elevated focus of ours in 2023 through the ongoing *TLC Stay Safe Out There* injury reduction initiative.

1.29

RECORDABLE CASE RATE

52

NUMBER OF MANUFACTURING AND DISTRIBUTION FACILITIES ACHIEVING ZERO RECORDABLES IN 2022

31

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

0.24

REPORTABLE FLEET ACCIDENTS PER MILLION MILES

Boosting Store Safety Performance

We believe in providing actionable resources our employees can use to improve safety awareness and increase safe behaviors at our stores and facilities. In 2022, we expanded, and encouraged adoption of, our tactical Paint Stores Group (PSG) EHS handbook and companion mobile app to make it easier for our employees to remotely access important safety resources on their devices. We developed these resources to be customizable for each site in alignment with our *TLC Stay Safe Out There* initiative to foster greater employee engagement.

OCCUPATIONAL HEALTH AND SAFETY GOALS

Our occupational health and safety goals are in alignment with our mission to achieve zero recordable injuries. These goals include:

Safety & Risk: Reduce recordable case rate to 0.8 by 2025

Occupational Health: Reduce ergonomic injuries by implementing at least two interventions per year in each manufacturing site

We routinely assess the safety performance of our stores through our platform as part of our commitment to drive operational improvements. We categorize in-store safety performance into three levels – bronze, silver and gold – with each level associated with enhanced safety performance.

In 2022, we worked to progress stores from the bronze level to the silver level in alignment with our EHS objectives. We are proud to report that thanks to the diligent efforts of our people, more than 90% of our stores earned the silver classification in 2022, including 100% of our Latin America facilities. In 2023 and beyond, we expect an increasing number of our stores to progress from bronze to silver and, ultimately, to gold.

Enhancing Global Process Safety Management

We continued to enhance process safety management (PSM) across all 65 of our global manufacturing sites included in the program. While regulatory compliance is mandatory for all our facilities, we utilize a four-tier PSM roadmap and scorecard to provide direction and evaluate our sites' progress toward achieving a comprehensive PSM program that goes beyond regulatory compliance. The highest level on the scorecard is reserved for facilities that demonstrate exceptional leadership, engagement, communication and hazard analysis capabilities while also promoting employee engagement and awareness. In 2022, Sherwin-Williams grew our teams of trained PSM auditors and our Process Hazard Assessment (PHA) facilitators to enhance internal PSM competence in our manufacturing sites and regions.

Our commitment to driving continuous improvement remains unchanged for all manufacturing sites. We are pleased to report that in 2022, all of our global PSM sites have robust plans based on the PSM roadmap and are advancing on their PSM continuous improvement journey. This focus will help to make our operations safer and help to minimize the risk of process safety-related incidents.

Prioritizing Ergonomic Interventions at Our Manufacturing Sites

Identifying safety issues at the source is critical for reducing injuries. We have continued to prioritize ergonomic interventions at our manufacturing sites to reduce strains and promote proper posture while performing work. In 2022, we implemented more than 275 ergonomic interventions in keeping with our goal of conducting two interventions per year, per site.

We have focused on identifying and sharing best practices learned through this process between sites as part of our commitment to “not having to fix the same issue twice.” Our ergonomic intervention information is available to all sites electronically via a centralized ergonomic control solutions webpage, and we encourage employees and facility managers to reach out to

representatives at other locations to learn about ways to improve safety performance based on established improvements.

One of the ways we improved the ergonomic safety at our sites in 2022 was through our investment in powered pallet jacks, which make it easier for our employees to move bulky material in our facilities. We also continued to develop engineering solutions to address the repetitive manual handling of 5-gallon pails, which we have identified as a common source of injury within our operations. To reduce the risk of these injuries, we have assembled a continuous improvement team to document all engineering and administrative controls for pail handling, and we have published several training videos on how to properly lift and handle a 5-gallon pail to minimize stress on the body.



FEATURE STORY

Celebrating GSC’s Best of the Best with the Ergonomic Excellence Awards

Maintaining a comfortable routine at home, in the workplace and elsewhere is key to upholding a safe lifestyle and maintaining good health.

Seeking to encourage problem-solving and innovation, the Occupational Health and Safety team is recognizing innovative ideas through the Ergonomic Excellence Award given to those in Global Supply Chain (GSC) for improvements that are designed to overcome ergonomic hurdles at work.

A global corporate award that has received more than 40 different submissions from 30+ sites in the past year alone, the Ergonomic Excellence Award is a culmination of a year’s worth of innovation and risk reduction geared toward benefiting all involved. Jonathan Lutz, Sherwin-Williams Director of Occupational Health, described, “This year, we had several submissions that were innovative and the result of a team effort, with solutions that were developed in-house instead of buying something off the shelf. This demonstrates our strong commitment to innovation and continuous improvement.”

Each of the submissions contains one common theme: innovation. Lutz emphasized that, alongside risk reduction, a common thread through each submission was the goal of taking manual tasks – those that inherently pose ergonomic risks – and decreasing the manual aspects of each task. Because of this, individual sites and Company leadership alike have a notably increased passion for EHS and innovative risk reduction strategies.

Lutz pointed to an example submission that all types of groups, plants and locations at the Company are tasked with: stretch wrapping. When wrapping cans and other containers, “depending on how the pallet is stacked, sometimes we can maintain great neutral posture, but oftentimes it’s either too low or too high, which can increase the risk for injury,” he said. By investing in devices and tools that can be used to make this task – and many others – much safer, Lutz emphasized the genuine value that overcoming a hurdle like this can create.

“Risk reduction efforts continue to be a key component of what we do as a Company to keep people safe and healthy, and we have a number of ways that we do that,” Lutz remarked. “By working to prevent ergonomic injuries, we’re helping to keep our people safe.”

Protecting the Safety of Our Fleet

Each year, Sherwin-Williams drivers traverse millions of miles to bring paint and coatings from our manufacturing and distribution centers to our stores and customers around the world. In 2022, our drivers recorded more than 88.6 million miles on the road, which equates to circling the Earth more than 3,500 times.

We continue to adopt sophisticated fleet technology and training solutions designed to improve our fleet safety performance. The use of onboard cameras and tools in our fleet helps give drivers better visibility and navigational capabilities while operating our vehicles. These tools also help track and record driver behavior and performance for real-time alerts and feedback. This information can then be used to facilitate coaching opportunities to improve performance. The Driver Safety Committee is encouraged to identify the issues and challenges our drivers experience on the job and provide solutions. At least one driver represents each distribution center on the committee to incorporate driver feedback into fleet planning and strategy sessions.

Our safety course titled T.I.M.E. (**T**rack the traffic. **I**nsert a buffer. **C**heck **M**irrors. **E**liminate Distractions.) teaches drivers to keep space in front of their vehicle to allow time for defensive driving and emphasizes the importance of removing all distractions. As our team has grown, we have added new training courses to build out our curriculum.

Other driver safety highlights from 2022 include:

- Teams installed mirror-check stations at multiple distribution service centers (DSCs) to help ensure our drivers' mirrors are correctly adjusted before making deliveries.
- We acquired training trailers for our Fredericksburg, Pennsylvania, and Effingham, Illinois, distribution centers to provide new drivers with hands-on learning opportunities for safely inspecting and operating our equipment. We plan to include more locations in 2023.
- We expanded the number of our SMITH System driver trainers by more than 45% nationally year over year. The SMITH System program aims to educate drivers – both in a classroom and through over-the-road training sessions – to provide space, visibility and time to allow for better defensive driving.
- Sherwin-Williams Contract Transportation Systems (CTS) team was awarded first place as the Regional Operations winner for the 2023 Fleet Safety Awards – recognizing fleet member companies for outstanding 2022 safety performance in achieving excellence in highway safety among peers.

While we provide continuing education for each driver, supporting new team members with personalized instruction and hands-on safety training remains especially critical to our driver safety efforts. We continue to have Driver Training & Support Specialists who onboard new delivery drivers, complete quarterly safety trainings and compliance audits, and participate in annual ride-alongs to help instruct and train our drivers.

In 2022, PSG introduced a new Driver Management structure to provide more one-on-one, hands-on onboarding and safety training experience. As a result of our safety management system improvements, we saw a reduction in preventable motor vehicle accidents across PSG in 2022.



FEATURE STORY

Engaging Hearts and Minds with EHS in Latin America

Using fun, animated communications materials, our Latin America (LATAM) EHS team utilizes employee engagement to think outside the box and send a message that resonates.

“One of the keys for our EHS work is employee engagement,” said Humberto Garza, Sherwin-Williams Regional HR Manager, EHS, in Mexico. “It starts with our leaders connecting with our employees on a personal level.”

A little friendly competition between sites also helps. Running from January through April 2022, the Start Strong initiative raised awareness on the importance of continued EHS oversight for preventing injuries and illnesses. As part of the initiative, the Sherwin-Williams EHS team presented safety best practices to all sites in the LATAM region to emphasize incident prevention and leadership support.

The EHS team created a 15-round, quiz-style tournament. With questions about the *TLC Stay Safe Out There* initiative and corporate standard application definitions, each round became progressively more challenging. Ultimately, the Texcoco, Mexico, team triumphed.

To reinforce the Company’s commitment to EHS, the team spearheaded a midyear EHS challenge. They evaluated sites based on four focus areas – reactive activities, sustainable operations, routine proactive measures and nonroutine proactive undertakings. After a close race, the Texcoco team once again prevailed, providing a positive example for the rest of the region.

These competitions have effectively spurred renewed energy for the topic of EHS in the LATAM region.

“EHS is about showing respect for yourself, your coworkers and the environment,” said Marco Costa, Sherwin-Williams EHS Director. “It is our job to get employees’ minds – and hearts – focused on those safe behaviors.”

“When you care,
you have heroes.”

– Marco Costa, Sherwin-Williams EHS Director



FEATURE STORY

Celebrating Our 2022 S-W Cares EHS Award Winners

Every year, we recognize facilities that have made significant progress in health and safety through our S-W Cares EHS Awards.

Award recipients are selected based on criteria including injury performance, risk assessments, action plan closure, ergonomics improvements, spill performance, employee engagement, leadership, safe processing improvements, perception and culture, and social responsibilities. In 2022, 15 sites submitted presentations for consideration, and two were recognized with the awards:

Argentina Site Wins S-W Cares Excellence in EHS Award

The Sherwin-Williams facility in Argentina earned the 2022 S-W Cares EHS Excellence Award for demonstrating ongoing commitment to safe operations. At the time of the award, the Argentina site had gone more than three years without an injury, had zero reportable spills and completed 24 risk

assessments in 2022, among other risk reduction and EHS-related initiatives. The team showed outstanding EHS leadership and employee engagement.

Honorable mention went to our facility in Taboão da Sarra, Brazil.

Garland, Texas, Site Wins S-W Cares Most Improved Award

The Garland, Texas, Miller Road plant received the 2022 S-W Cares EHS Most Improved Award for their remarkable progress in the identified criteria areas, driven by notable examples of leadership and employee engagement. In 2022, the Garland teams completed significant risk reduction initiatives, including 37 risk assessments – reducing the likelihood for injuries and spills. The site achieved zero recordable injuries in 2022.

Honorable mention went to our facility in Santiago, Chile.



Inclusion, Diversity and Equity

Enriching Our Culture of Inclusion, Diversity and Equity

Our people are the foundation for our success. We believe that our employees deserve to feel valued and appreciated for who they are and the unique perspectives they bring to our workforce and workplace. For more than 155 years, our family-like culture has continued to build on the ingenuity, passions and talents of our team members.

We welcome, appreciate and celebrate differences, and believe that inclusion has a positive impact on our people and business. We believe that fostering an inclusive culture is a moral and business imperative. This is reflected in our policies, including our [Code of Conduct](#), and reinforced through our actions, training and approach to conducting business. We intentionally lead with inclusion to highlight our commitment to embracing and leveraging the diversity of our global workforce.

Throughout 2022, we challenged ourselves, as individuals and as a global enterprise, to advance our culture of inclusion, diversity and equity (ID&E) by focusing on allyship and empathy. Our commitment to ongoing progress is part of our vision to foster a culture of inclusion and belonging for our employees.

Commitment Starts at the Top – Learning and Growing Together

All employees, including our senior leaders, share the responsibility to create a supportive, welcoming environment across our global footprint. Each year, our senior leaders attend an ID&E education and training session. Their engagement and participation help us continue to lead with inclusion and leverage the diversity of our workforce. Similarly, leadership teams across our organization have embraced this responsibility by committing to continuous learning, engaging in open dialogue and serving as visible, vocal champions.

In October, we hosted our annual CEO Forums on Inclusion series with our Chief Executive Officer, John Morikis, and included senior leadership from across our groups and divisions and Chief Operating Officer, Heidi Petz. These sessions gave employees the opportunity to share their stories with Company management to foster greater dialogue, understanding and empathy across the organization in pursuit of advancing a culture of ID&E.

We also hosted over 100 additional ID&E-focused events, including leadership engagement sessions. During these sessions, leaders across the organization had the opportunity to participate in discussions focused on questions such as, “What makes you feel your best at work?” and “How can we best support our leaders?”

In addition to our organic ID&E efforts, knowing what our leaders need to be successful and ensuring that we can help them thrive are important aspects of our commitment to growing as an organization. At Sherwin-Williams, we learn together and grow together – to succeed together.

CONTINUED RECOGNITION OF OUR WELCOMING CULTURE

Forbes® Magazine 2022 Awards

- World's Best Employers (*second time*)
- Best Employers for Women (*fourth time*)
- Best Employers for New Graduates (*fourth time*)
- World's Top Female-Friendly Companies (*first time*)
- America's Best-In-State Employers (*first time*)
- America's Best Large Employers (*first time*)

Newsweek®

- America's Most Responsible Companies 2022

Human Rights Campaign Foundation™

- Best Places to Work for LGBTQ+ Equality 2022



ID&E Strategy: Continuing Our Journey to Sustainable Growth

To help us achieve our ID&E goals, we continue to follow a strategy represented by building blocks designed to shape our approach for sustainable growth across the enterprise. The Office of Inclusion, Diversity and Equity leads our global strategy, drives progress toward our goals and develops initiatives to embed ID&E throughout the Company’s culture and business, with a strong commitment from leadership. Additionally, our groups and divisions support ID&E goals through specific action plans. Through this intentional approach, we continue to sustain and build on existing momentum, and believe that we continue to make progress by advancing our commitment.

Highlights of our continued efforts in striving to achieve our goals include:

- Connecting with more than 150 organizations, including Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs), to attract underrepresented racial/ethnic into the talent pipeline, as well as a wide variety of organizations supporting women, individuals with disabilities and veterans;
- Advancing our ID&E communication plan to celebrate employee stories, recognition days and months, and highlight our culture of inclusion;
- Introducing additional training sessions for leadership teams; and
- Engaging with more than 85 minority-owned, woman-owned and Cleveland-based small businesses as part of the project dedicated to building our new headquarters and R&D center (as of May 2023). This figure will continue to grow as the project progresses.

While we are proud of our continued progress, we recognize that we are on a journey. Our ID&E strategy reflects our long-term commitment to fostering an empowering and welcoming culture. As we continue our ID&E journey, we are focused on achieving our 2025 goals:

- Increasing women in management roles to 30% by 2025, compared with a 26% baseline in 2020;
- Increasing underrepresented racial/ethnic groups in U.S. management roles to 30% by 2025, compared with a 26% baseline in 2020; and
- Achieving and improving upon a favorable Sherwin-Williams Inclusion Index score, based on results of our global employee engagement survey.

Our ID&E Goals



ATTRACT AND RETAIN MORE UNDERREPRESENTED GROUPS INTO THE TALENT PIPELINE



INCREASE THE NUMBER OF UNDERREPRESENTED GROUPS IN LEADERSHIP ROLES



DRIVE EMPLOYEE ENGAGEMENT



FOSTER ECONOMIC INCLUSION AND SUPPLIER DIVERSITY

In 2023, we are intentionally focusing on elevating our culture of inclusion and belonging where differences are welcomed, appreciated and celebrated to positively impact our people and business. We will also continue to track our progress and strive for continued success in our workforce, workplace and community.

Attracting Talent: Opportunities for All

As part of our commitment to progress in ID&E, we maintain a number of partnerships and initiatives to attract diverse candidates into our talent pipeline. We continue to connect with a variety of colleges and universities, including HBCUs and members of the Hispanic Association of Colleges and Universities (HACUs). In 2022, the talent acquisition team and members of the Sherwin-Williams HOLA Employee Resource Group attended an HACU conference and awarded four \$2,500 scholarships to students at HACU schools.

We also connect with organizations like Prospanica and the National Black Master of Business Administration (MBA) Association® to help ensure diverse candidate slates when seeking to fill a director position or above with external talent. 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 seek future opportunities.

To further diversify our candidate pool, one of our priorities is bringing more Spanish-speaking talent into our Company. In recent years, we've offered the option for candidates to complete applications and interview in English or Spanish to help improve candidates' experiences with the application process and attract more Spanish-speaking talent.

Elevating Our Employee Resource Groups

Our ID&E initiatives include fostering our employees' sense of belonging. Our Employee Resource Groups (ERGs) are voluntary, employee-led networks that provide opportunities for individuals to connect across our global footprint. These groups are focused on four pillars of business, talent, culture and community and are organized to support underrepresented groups in the workforce and workplace. Employees from various groups, divisions and functional teams come together to foster more inclusive workplaces and create greater synergy around business objectives. ERGs also serve as a hub for professional development and mentorship opportunities that enable our employees to thrive and find long-term success at Sherwin-Williams.

Our ERGs are as diverse as our people, are open to everyone and represent various groups, including African American, Hispanic, LGBTQ+, active military and veterans, multicultural and women employees.

During 2022, the LATAM Women's Network introduced a mentoring program centered on our ID&E strategy, designed for women in manager-level roles across the region. In its inaugural year, the ERG sponsored The Power of Choice, a cross-divisional training program for women to help them develop and leverage leadership skills. Thirty women completed the program in Spanish sessions, and 30 more women completed the program in Portuguese sessions. The group also developed a Comunicación campaign to raise awareness and foster an inclusive mindset on affinity days and months throughout the year. Finally, the Learning Through Leaders Committee of the LATAM Women's Network hosted online events focused on career development opportunities, and invited women who serve in Sherwin-Williams leadership roles.

In addition to driving engagement and mentorship through our ERGs, we host Company-wide ERG workshops to equip each group with the resources needed to realize its goals, while still preserving its autonomy and localized ownership. Many of our ERGs organize events and give back to their communities through service-based projects and programs, which are highlighted in the Community Impact section of this report. In 2023, one of our ID&E priorities is elevating and strengthening the ERGs and our connectivity between groups to further their impact and reach.

2022 Workforce Diversity Data

Over the last three years, 20% of appointments and promotions at the Vice President level have been of people from underrepresented racial/ethnic groups, and 36% have been women.

Total workforce

36%

UNDERREPRESENTED RACIAL/ETHNIC GROUPS (U.S.)

23%

WOMEN IN WORKFORCE (GLOBAL)

Management level

29%

UNDERREPRESENTED RACIAL/ETHNIC GROUPS IN MANAGEMENT (U.S.)

26%

WOMEN IN MANAGEMENT (GLOBAL)

ERGs Across the Globe

250+

CHAPTER ORGANIZATIONS

100+

FOCUSED ON WOMEN

2,500+

EMPLOYEES PARTICIPATING IN ERGs

4 pillars of focus

BUSINESS, TALENT, CULTURE AND COMMUNITY



Partnering with Suppliers to Foster Economic Inclusion

Our efforts to foster a culture of inclusion extend to our suppliers. We remain committed to providing opportunities for all qualified businesses, including minority-owned, woman-owned, LGBTQ+-owned, veteran-owned and small businesses.

We continue to strengthen our partnerships with the underrepresented populations we serve through our Building Our Future (BOF) project, which includes construction of our new global headquarters in downtown Cleveland and our new Research and Development Center in nearby Brecksville, Ohio. As part of our focus on inclusion, we have committed to \$225 million or meeting/exceeding 30% of construction costs focused on minority-owned,

woman-owned and small businesses. As of May 2023, we have allocated \$173 million toward that target. Visit buildingourfuture.com to learn more.

We are also proud of our ongoing partnership with local organizations such as the Urban League of Greater Cleveland (ULGC) and the Northeast Ohio Hispanic Center for Economic Development (NEOHCED). In 2022, we worked with the ULGC to create a construction accelerator program that will provide minority-owned businesses access to business resources currently unavailable to them. These resources include mentorship, access to capital, education on processes and construction management tools. We also enhanced our longstanding relationship with the NEOHCED to support advancement for the community and economic and business growth for underrepresented suppliers.

FEATURE STORY

Employee-led ID&E Support Grows with Expansion of Diverse ERGs

To continue to build on our commitment, we expanded two ERGs in 2022: HOLA, which supports our Hispanic employees, and Sherwin Heroes, which supports the active military, veteran population and military families at Sherwin-Williams.

HOLA Progresses Talent, Celebrates Culture and Engages Communities

The Hispanic Organization for Leadership & Advancement, or HOLA, expanded in May 2022. The mission of the group is to influence the progression of Hispanic and Latino(a) talent by educating and celebrating these cultures while engaging communities.

“Leaders from every business unit came together to help elevate this group,” said Diego Ascencio, Sherwin-Williams District Sales Manager and Chair of the National Leadership Board for HOLA. The group built momentum throughout the year. “We hosted our first summit during Hispanic Heritage Month,” continued Ascencio. “We had more than 700 participants representing every business unit of the Company. This has been our largest event to date.”

The HOLA board is looking forward to continued growth in 2023. “Our three main objectives are to help attract Spanish-speaking candidates, be involved with our communities and support employee development,” Ascencio said.



Sherwin Heroes Honors and Supports Veteran Employees, Active Military and Their Families

The mission of Sherwin Heroes is to honor, support and empower active military and their families, as well as veteran employees, by leveraging shared experiences to attract military talent, build awareness and drive engagement within our communities.

Weslie Jackson, Sherwin-Williams Human Resources Manager and Chairman of Sherwin Heroes, was an integral part of the ERG’s launch in November 2022. “The official launch of the group was humbling to say the least,” he said. The group started with veteran meetups at division sales meetings, and eventually the conversation grew into official ERG inception with the ID&E team. “There is support in every walk of life, whether the audience is a veteran or a supporter of our veteran community.”

As of February 2023, the group has garnered nearly 500 members. “As we continue to grow this ERG, we will continue to expand our resources, meet on a regular basis to share ideas and do more for our veterans within the Company,” Jackson concluded. “We want to make this group successful and continue to make an impact.”

FEATURE STORY

Sherwin-Williams PrideWorks and African American Network Events Engage and Educate Employees

Throughout 2022, our Sherwin-Williams PrideWorks and African American Network (AAN) ERGs continued to share their missions across the organization through collaborative events, professional development opportunities and letting their colors show throughout the community.

Summer of Pride Focuses on Employee Engagement and Company Wins

Our many PrideWorks chapters were busy in June celebrating Pride Month in myriad ways. Employees participated in multiple Pride parade events across the country and distributed nearly 3,000 Sherwin-Williams coupons at several of these parades including Chicago, Cleveland and Charlotte, North Carolina. With Pride celebrations ranging in attendance from 30,000+ in Cleveland to more than 1 million in Chicago, our PrideWorks members capitalized on an opportunity to engage employees while leaving a positive impression of our Company on participants and spectators.

AAN 'Leading with Your Authentic Self' Panel Inspires and Motivates

AAN planned a variety of programs for Black History Month, including a virtual panel titled "Leading with Your Authentic Self." The one-hour panel was designed to showcase diversity within our leadership team and featured Company Vice Presidents, who provided career guidance and inspiration on how to lead and show up as your authentic self in the workplace.

"The goal was to empower employees by having them hear from members of our leadership team who look like them," said Yentil Rawlinson, Sherwin-Williams Vice President of Inclusion, Diversity & Equity. "This event allowed panelists to showcase vulnerability. One of the main themes was centered on how to utilize feedback in order to grow – yet not allowing it to change who you are at your core," Rawlinson added. Participant feedback

across all levels of the organization was positive, and the session continues to garner views through a recording hosted on our internal ID&E resource page.

Sherwin-Williams PrideWorks and AAN Collaborate to Cultivate Inclusion in Covington

Also in June 2022, Sherwin-Williams PrideWorks and AAN members at our Covington, Georgia, plant hosted a joint event for Pride Month and Juneteenth. Trenae Leonard, Sherwin-Williams Human Resources Generalist, and her team planned an engaging event that sparked thoughtful conversation and education. The collaboration included educational games and an open-floor discussion. The team also provided informational flyers as a takeaway for attendees to continue their learning. "Just hearing the discussion on the floor and in the breakroom afterward was proof this event was an opportunity for employees to work together and learn from their peers," Leonard concluded.



Talent Acquisition and Employee Engagement

Making a Difference Through Our Talent Management Strategy

We strive to leverage our integrated talent management strategy to attract, retain, develop and engage a workforce that embraces our inclusive culture, reflects our diversity efforts and is driven to make a difference.

Our talent management strategy connects major milestones in the employee journey, from the first candidate touchpoint through a career path at the Company, and includes the following Centers of Expertise:

- Talent Acquisition
- Onboarding
- Performance Management
- Leadership & Management Development
- Succession & Career Progression
- Workforce Analytics & Engagement

This ecosystem supports our commitment to employee engagement and retention, ID&E, a strong human resources information technology governance structure and purposeful workforce initiatives.

Cultivating Our Talent

We lead our talent management efforts with a focus on engaging and retaining our employees. Our highly involved and connected employees create exceptional experiences for our customers. Our people-centered culture, favorable engagement scores and the continued evolution of our Total Rewards program demonstrate the depth and breadth of our commitment to our employees.

We believe in careers that grow with our employees and spark opportunities – and acknowledge that career growth can take many different forms and timelines. We set high expectations for, and measure and reward, the achievement of challenging goals.



Our diverse career paths are designed to enable all employees to create a career uniquely meaningful to them. Consistent with our dedication to being champions of ID&E, we inspire our employees to “let your colors show.” We encourage employees to share their career aspirations with our talent teams so that we can provide support and guidance as their paths take shape.

2022 Workforce Data

37%

OF MANAGEMENT TRAINEES IDENTIFY AS MEMBERS OF AN UNDERREPRESENTED RACIAL/ETHNIC GROUP

30%

OF MANAGEMENT TRAINEES AND INTERNS IDENTIFY AS WOMEN

~7,000

EMPLOYEES HAVE

20+

YEARS OF EXPERIENCE

Assessing Our Employee Engagement

Influenced by the results of our 2021 global engagement survey, we created a Manager Pulse Survey in 2022 that was sent to a random sampling of manager-level employees. Responses came back as 79% favorable. Managers who completed the pulse survey responded to the following questions by choosing “favorable,” “neutral” or “unfavorable”:

1. I am motivated to go beyond what is normally expected to help Sherwin-Williams be successful.
2. I would recommend Sherwin-Williams as a place to work.
3. I feel a strong sense of commitment to Sherwin-Williams.
4. I would choose to stay with Sherwin-Williams even if offered the same pay and benefits elsewhere.
5. Considering everything, how would you rate your overall satisfaction with Sherwin-Williams at the present time?

Our goal is to continue to listen to the perspectives of our employees and quantify our progress toward creating an inclusive culture that empowers everyone to learn, grow and achieve their career aspirations. We will administer the global engagement survey again in 2023.

Growing Our Company: Our Talent Acquisition Strategy

Being an employer of choice is something we pride ourselves on, and we believe the opportunity to develop a meaningful career is central to our employee value proposition, which is why we invest in the success and growth of our employees from the first day they join our Company.

Our global talent acquisition team maintains an intentional approach to recruitment and supports our Company’s growth strategy by identifying candidates with the experience and unique skills to contribute to our proud legacy. The team continually reviews and benchmarks the job marketplace outside of Sherwin-Williams to support our efforts in remaining innovative and competitive in our methods for attracting applicants. Additionally, we value a service mindset and approach candidates as customers during the application process. This allows us to meet each candidate where they are and position Sherwin-Williams as the best choice for employment.

Our commitment to ID&E is a key aspect of our talent acquisition strategy. We intentionally recruit talent in diverse positions and ranks to better serve the communities in which we operate. For more information, see the [Inclusion, Diversity and Equity section of this report](#).

INVESTING IN OUR FUTURE WORKFORCE

Sherwin-Williams prioritizes its investment in early talent recruitment, and we leverage technology in order to connect with college students before they graduate. Our strategy includes:

- On-campus presence, both digital and in-person
- Attendance at career fairs and networking events
- Email newsletters about Sherwin-Williams and open job opportunities
- Relevant job postings on schools’ digital career platforms
- Retail position recruitment, even for first- and second-year students

Rewarding Our Employees

To demonstrate our commitment to caring about our employees’ well-being, we offer a Total Rewards program that is designed to deliver competitive compensation and comprehensive benefits. Our Total Rewards offerings are tailored to the needs of our diverse global workforce, and include medical insurance, retirement and savings plans, paid time off, an Employee Assistance Program (EAP), an employee recognition program, and other valuable programs to support employees’ growth – both personally and professionally. Through this program, we support the diverse needs and well-being of our employees worldwide, including social, emotional, physical and financial welfare.

We regularly evaluate our Total Rewards benefits to consider enhancements designed to support our global workforce in meaningful ways. In 2022 and early 2023, we updated our Total Rewards packages in the following ways:

- We expanded our EAP for global availability. The EAP provides mental health and well-being, family, career, lifestyle, legal and financial tools, resources and services.
- We added a fitness reimbursement benefit for U.S. employees to be used to offset expenses for fitness center memberships, group exercise classes, virtual fitness subscriptions and apps, and personal training classes.
- We introduced a musculoskeletal support benefit to help U.S.-based employees prevent, manage and recover from joint pain, injuries or surgeries.
- We made a Cancer Concierge Care Program available to U.S. employees to match patients with specialty hospitals and fully cover travel expenses and accommodations.

As part of our commitment to fair compensation for our employees, we began including wage rates in our U.S. job postings in late 2022. We recognize that wage rate visibility is important to job candidates and internal employees seeking transfer and growth opportunities, and our actions to amplify transparency reflect this.

Community Engagement

Helping Our Communities Thrive and Grow

Making a difference in and for our communities is part of the proud Sherwin-Williams legacy. Our community engagement efforts include an intentional focus on supporting causes and charitable organizations important to our employees, communities, customers and stakeholders around the world. We strive to maximize our community engagement impact by committing to causes where we believe we can make the biggest difference for our neighbors.

Led by The Sherwin-Williams Foundation, and supported by our employees, our charitable giving is accomplished through strategic affiliations with key community partners. We prioritize support for efforts that help create sustainable impact in the following focus areas:

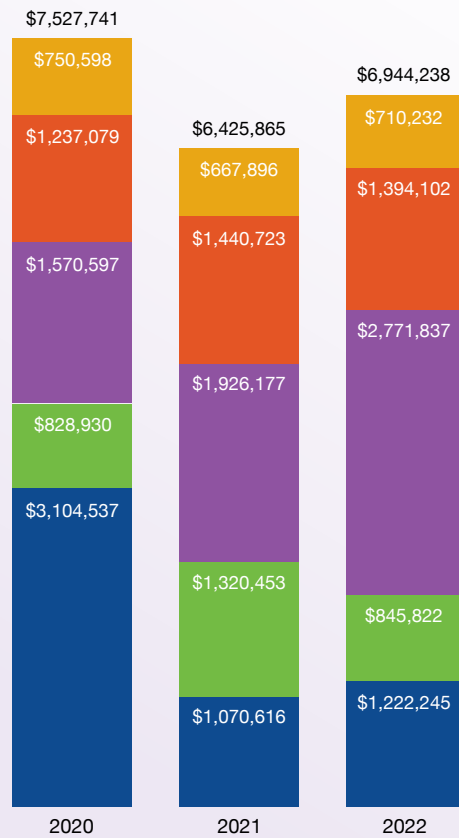
- Access to safe and healthy housing;
- Advancing a skilled workforce that sustains inclusive, vibrant communities; and
- Beautifying and preserving assets around the world.

In addition to the causes we support through our corporate giving, we strive to aid the priority areas most important to our employees. The Foundation is proud to continue to make significant investments in matching gifts to qualifying nonprofit organizations. It amplifies employee giving as well as provides tools to enable employees to more easily connect with and support those causes most important to them. Sherwin-Williams supports employee giving by covering the administrative fees associated with donations made through our online giving platform, ensuring that every donated dollar reaches the intended nonprofit agency.

Each year, the Foundation supports hundreds of organizations that are important to our employees. Throughout the year, more than 1,860 Sherwin-Williams employees donated to more than 1,400 nonprofit organizations.

Our employees also demonstrate their commitment to communities by volunteering their time, talents and energy. As of the end of 2022, 107 Sherwin-Williams employees served on a total of 129 nonprofit boards.

2022 Community Giving Data



- Operating divisions in-kind giving
- Operating divisions cash giving
- The Sherwin-Williams Foundation grants
- Employee matching fund submissions
- Employee pledge campaign



SHERWIN-WILLIAMS EMPLOYEE NAMED 2022 LEUKEMIA & LYMPHOMA SOCIETY WOMAN OF THE YEAR

While fighting non-Hodgkin’s lymphoma, former Sherwin-Williams Director of Marketing Justin Brazie engaged many Sherwin-Williams team members in the battle against blood cancers on his path to being named 2020 Man of the Year by the Cleveland/Akron Chapter of the Leukemia & Lymphoma Society (LLS). In doing so, Brazie solidified his legacy in recruiting others to take a stand and work toward a world without cancer.



One of those team members was Tracey Gairing, Sherwin-Williams Vice President of Procurement. Before his death in 2021, Brazie nominated Gairing to represent Sherwin-Williams in LLS’ 2022 Man and Woman of the Year campaign, which Gairing proudly accepted.

In addition to Gairing’s leadership, the campaign was co-chaired by Brazie and his twin brother, Steve, who is also a Sherwin-Williams employee. Through the 10-week fundraising campaign under the banner “Team JB Strong” – named in honor of Justin – the team received support from dozens of individuals who worked with him or his family members, many of whom are also employees of Sherwin-Williams.

Gairing and “Team JB Strong” raised a record-breaking \$193,000 during the campaign, and Gairing was named the Cleveland/Akron LLS 2022 Woman of the Year.



SHERWIN-WILLIAMS WINS NATIONAL PHILANTHROPY DAY® CORPORATE LEADERSHIP AWARD

On National Philanthropy Day®, Sherwin-Williams was awarded the Corporate Leadership Award at an event hosted by the Association of Fundraising Professionals, Greater Cleveland Chapter. This day of recognition acknowledges charitable contributions to the local Cleveland community, and it is the chapter’s largest annual fundraiser.

Youth Challenge (YC) nominated Sherwin-Williams for this award in recognition of our 36-year partnership with YC. This nonprofit organization brings together young people with physical disabilities and teen volunteers who inspire each other through adapted sports, recreation and social growth activities. In 1986, The Sherwin-Williams Women’s Club (SWWC) made its first donation to YC, and over the following three decades, the partnership has continued to blossom. YC is now the ongoing partner for the annual SWWC 5K Run and 1-Mile Walk & Roll. 2022 was a record year, with more than 1,400 registered participants and net proceeds of more than \$83,000 raised to support the YC organization.

FEATURE STORY

HomeWork Painter Training Program Provides Opportunity, Enriches Lives

The Sherwin-Williams HomeWork painter training program had a successful year in 2022. This program offers individuals, including low-income housing residents, former offenders and the homeless, the opportunity to learn the basic skills necessary for a career in professional painting. In total for the year, our instructors, most of whom are retirees of Sherwin-Williams, taught nearly 30 classes to more than 360 program participants. Of the students who received training through HomeWork last year, 65% – nearly 240 students – found jobs in an applicable field.

“A lot of these students join by word of mouth – we find that once people complete the class, they are a driving force in recruiting students for future classes,” said Carl Scruggs, Sherwin-Williams retiree and HomeWork instructor. Scruggs helped to launch the HomeWork program in 2004. He retired from Sherwin-Williams in 2015 after spending 41 years with the Company. “This is an investment in the community,” Scruggs said. “With the impact that it’s having, I think the program is only going to continue to grow.”

The course curriculum is built to give students a well-rounded experience that fosters success in the painting industry. For the one-week course, day one is focused on classroom time and Painting 101, with day two focusing on students earning a certificate under the U.S. Environmental Protection Agency (EPA) Renovation, Repair and Painting (RRP) program. Days three and four are both hands-on instruction and practice, focused on prep work and painting. On day five, the final day of the program, a graduation ceremony is held for the students with loved ones invited to attend.

A primary driver for the students who sign up for HomeWork is the EPA RRP training that all participants must complete. Individuals must have RRP certification to perform painting work in pre-1978 homes and other buildings.

For Chris Brown, a student who graduated from HomeWork in 2022, enrolling in the program was just as much about gaining skills as it was about getting his certification. “I took advantage of a good opportunity,” Brown said. “For me, getting RRP-certified is a big part of the program. Painting is my passion and this program allows me to go further.”

Jeff Chester, Sherwin-Williams retiree and HomeWork instructor, is passionate about the painting industry and his teaching reflects this. “Your knowledge is really helping to speed up the progress of the rest of the class,” Chester said to Brown, whose prior experience in the painting industry made an impact on the rest of the class. “As the awareness grows, so does the need for contractors who are trained and know how to do the job right and safely. It’s amazing what Sherwin-Williams provides,” Chester concluded.



Community Support Driven by Our People

Across our footprint, local teams are empowered to provide support, along with their time and talent, to help preserve and beautify community assets and support our neighbors.

Our ERGs are a driving force behind many of our community engagement efforts. In 2022, we strategically connected with our ERGs and shared best practices and resources to support our people in aligning their talents to make a positive difference in our communities.

The impactful work of our ERGs included the following highlights:

- Sherwin-Williams PrideWorks Cleveland Chapter and PSG Cleveland District teamed up to refresh the patio furniture at the Cleveland LGBT Community Center. The Company donated paint and supplies for the project, and PrideWorks volunteers primed and painted the chairs and tables on the agency’s terrace.
- Following the tragedy in Uvalde, Texas, in May 2022, members of our newly formed HOLA ERG established a fundraiser through the employee giving portal to support victims and survivors. Within two weeks, our employees raised more than \$7,000 for the Community Foundation of Texas Hill Country, Uvalde Strong Fund.
- The Seattle District Veteran’s Committee assembled and shipped approximately 50 care packages for active service members nominated by employees in the district.
- Members of the Raleigh District African American Network partnered with the Raleigh-Durham chapter of the Leaders of Tomorrow®, a youth mentorship program organized by the National Black MBA Association®, to offer guidance and coaching for members competing in the Business Case Competition Program in Atlanta. Through the course and leadership summit, graduate minority business students compete for scholarships and employment opportunities.



COMPANY COMPUTER DONATION PROGRAM IMPACTFUL FOR COMMUNITY

In 2020, we launched a partnership with PCs for People, a national nonprofit whose mission is to make digital equity a reality. Through the partnership, Sherwin-Williams collects and donates decommissioned laptops to be distributed to low-income families and nonprofit organizations. According to PCs for People, since the beginning of the partnership, Sherwin-Williams has supported 1,627 community members – including 772 children.

Employee-Driven Efforts Provide Support for Our People, Customers and Refugees in Ukraine

Many employees led efforts in the EMEAI region to support and care for our impacted employees, customers and refugees amid the ongoing conflict in Ukraine. Our employees in Poland, France, the Netherlands, the U.K. and beyond worked to help the affected families and communities. All the while, they remained focused on ensuring employee safety and meeting the needs of our customers.

Employees took the initiative to set up food and supply collections, as well as bolster donations to charities through the creation of an in-region assistance committee. Teams focused on ensuring children’s needs were supported, providing school supplies so refugee youth could continue their education. Along with meeting basic needs, going above and beyond to provide the refugee children with sweets and toys was also a priority for our team members.

Together with the local team’s work, the Company made donations to a variety of vetted organizations providing aid to Ukraine refugees. These charities included Global Giving®, The International Rescue Committee®, Save the Children®, Polska Akcja Humanitarna’s initiative for Ukraine, The SOS Children’s Villages™ Association, The Polish Red Cross®, UNICEF and #PomagamUkraine.

As a Company, we are proud of our employees who continue to make a difference around the globe – by truly **Building on the Good** for our global community.

FEATURE STORY

Basketball Legends Join Sherwin-Williams Employees for Food Distribution During NBA All-Star Weekend

Sherwin-Williams team members partnered with the National Basketball Retired Players Association® (NBRPA), Cleveland Metropolitan School District (CMSD) and the Greater Cleveland Food Bank to serve local families during the 2022 NBA All-Star Weekend in Cleveland. The Legends Care® Drive-Through Food Distribution event at CMSD’s East Professional Center welcomed families with children attending CMSD schools and provided them with boxes filled with shelf-stable food items and fresh produce.

Our employees worked alongside NBA and WNBA Legends providing an off-the-court assist in distributing 500 food boxes to CMSD scholars and their families. “It was cold, but our hearts were warm,” said Maria L. Spangler, Sherwin-Williams Director of Community Engagement. “What a wonderful day to be reminded of how great our city and our Sherwin-Williams family truly are.”

“It is extremely important that the NBRPA and our Legends give back to families in each NBA All-Star Game host city through our Legends Care programs,” said Scott Rochelle, NBRPA President and CEO. “We knew that we wanted to make an impact in the fight against hunger, so we assembled a powerful team of partners who are leaders in this space and are advocating for children and families every single day.”

The Greater Cleveland Food Bank seeks to bridge the meal gap, ensuring that Cleveland area residents have the food they need every day, and they were happy to provide a truckload of food items for the Legends Care Drive-Through Food Distribution. “We are proud to be a part of this effort,” said Kristin Warzocha, President and CEO of the Greater Cleveland Food Bank. “We’re so honored to be included in this NBA Legends Care event, where families were able to receive the nutritious food needed to help them in these continued challenging times.”



INVESTMENT IN DOLLY PARTON'S IMAGINATION LIBRARY® SUPPORTS LOCAL LITERACY



2022 was the second year of the Company’s five-year commitment partnering with the Northeast Ohio nonprofit organization The Literacy Cooperative. The Literacy Cooperative supports reading programs, including Dolly Parton’s Imagination Library, for all ages in the local community.

Dolly Parton’s Imagination Library gifts monthly books to children from birth to age five through funding made possible by Dolly Parton and local community partners such as The Literacy Cooperative. Globally, the program has donated more than 197 million books to children since the program was founded in 1995.

Through the Imagination Library program, the Company funds 2,500 books annually for children in Ohio’s Cuyahoga County, where our headquarters is located. By supporting the monthly delivery of these specially selected, age-appropriate books, we hope to improve early literacy, inspire a love of reading and bridge education gaps in our community.



Appendix

IN THIS SECTION:

Forward-Looking Statements

GRI Index

SASB Index

TCFD Report

Investor ESG Summary

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

This 2022 Sustainability Report contains certain “forward-looking statements,” as defined under U.S. federal securities laws. These statements may 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,” “strive” or “anticipate” or the negative thereof or comparable terminology. These forward-looking statements include, but are not limited to, the goals, targets and commitments and underlying assumptions, data, strategies, plans and objectives that are presented, discussed, referenced or otherwise included in this 2022 Sustainability Report, and are based upon current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions at the time of publication. 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, results and experience. With respect to our ability to successfully meet our goals, targets and commitments presented in this 2022 Sustainability Report, including within the expected timeframes, these risks, uncertainties and other factors include, but are not limited to: changes in laws, regulations, prevailing standards or public policy; the alignment of the scientific community on measurement and reporting methodologies and approaches; the complexity of commodity supply chains; the evolution and adoption of new technology, including traceability practices, tools and processes; additional costs and investments in furtherance of complying with new or additional requirements or achieving our goals, targets and commitments; any actual or perceived failure to comply with new or additional requirements or meet stakeholder expectations; and other risks, uncertainties and factors described from time to time in the Company’s reports filed with the Securities and Exchange Commission (SEC). Such other risks, uncertainties and other factors described from time to time in the Company’s reports filed with the SEC that could cause actual results to differ materially include, but are not limited to: general business conditions, strengths of retail and manufacturing economies and growth in the coatings industry; changes in general economic conditions; changes in raw material and energy supplies and pricing; disruptions in the supply chain; adverse weather conditions or natural disasters, including those that may be related to climate change or otherwise, and public health crises; losses of or changes in our relationships with customers and suppliers; competitive factors, including product innovation and quality; our ability to successfully integrate past and future acquisitions into our existing operations, as well as the performance of the businesses acquired; our ability to achieve expected benefits of restructuring and productivity initiatives; weakening of global credit markets and our ability to generate cash to service our indebtedness; risks and uncertainties associated with our expansion into and our operations and achievement of growth in foreign markets; cybersecurity incidents and other disruptions to our information technology systems and operations; our ability to protect or enforce our material trademarks and other intellectual property rights; our ability to attract, retain, develop and progress a qualified global workforce; damage to our business, reputation, image or brands due to negative publicity or otherwise; increasingly stringent domestic and foreign governmental regulations, including those affecting health, safety and the environment; inherent uncertainties involved in assessing our potential liability for environmental-related activities; other changes in governmental policies, laws and regulations; and the nature, cost, quantity and outcome of pending and future litigation and other claims. 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, except as otherwise required by law.

This 2022 Sustainability Report and related information made available on or through our website does not cover all information about our business. The inclusion of information or references in this report, including the use of “materiality” or similar terms, should not be construed as a characterization regarding the materiality of such information to our business or financial results or that such information is necessarily material to investors or other stakeholders for purposes of U.S. federal securities laws.

The goals, targets and commitments presented in this 2022 Sustainability Report or made available on or through our website are aspirational and not guarantees or promises that such goals, targets or commitments will be achieved. In addition, historical, current and forward-looking information included in this 2022 Sustainability Report may be based on standards, methodology and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current and forward-looking information, including goals, targets and commitments and underlying assumptions and data, may be subject to modifications in future reports due to such developing standards, methodology, practices and controls and processes.

Certain sustainability- and ESG-related historical data for dates and periods prior to 2022 presented, discussed, referenced or otherwise included in this 2022 Sustainability Report has been revised to reflect updates made as a result of our internal review processes and developing standards, methodology, practices, and controls and processes. Neither future distribution of this 2022 Sustainability Report nor the continued availability of this 2022 Sustainability Report in archive form or otherwise on our website should be deemed to constitute an update or re-affirmation of this data as of any future date. Any future update will be provided only through a public disclosure indicating that fact.

Any reference to the Company’s support of, work with, or collaboration with a third-party organization within this 2022 Sustainability Report does not constitute or imply an endorsement by the Company of any or all of the positions or activities of such organization.

The Sherwin-Williams Company – 2022 GRI Index

This index is intended to help our valued stakeholders compare the information from our 2022 Sustainability Report and related disclosures with the latest Global Reporting Initiative (GRI) Standards.

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
GRI 2: General Disclosures 2021		
Organization and Reporting Practices		
2-1	Organizational details	2022 Sustainability Report: "About the Company," pages 2, 6
2-2	Entities included in the organization's sustainability reporting	2022 Sustainability Report: "About the Company," page 2
2-3	Reporting period, frequency and contact point	Calendar year 2022; annually; sustainability.sherwin.com
2-4	Restatements of information	Sherwin-Williams 2030 Environmental Footprint goals are focused on reducing our carbon emissions, energy use and waste, while expanding our renewable energy use and recycling methods. Beginning with this report, the Company more closely aligned its reporting, including baseline and historical data, with the World Resources Institute (WRI), Greenhouse Gas Protocol. This realignment is intended to promote consistency across our carbon and energy focus areas in the methodology and inputs used to measure, manage and report our progress and reflect changes to our business, such as due to acquisitions or divestitures.
2-5	External assurance	To date, Sherwin-Williams has not sought external assurance for this report. We have been recognized for our sustainability efforts by a variety of third-party recognitions, which are detailed throughout our 2022 Sustainability Report. See the following sections: 2022 Sustainability Report: "Awards and Accolades in 2022," page 6 ; "Sustainability by Design," page 28 ; "Product Leadership: Our 'Sustainability Advantaged Products' Portfolio," page 29 ; and "Continued Recognition of Our Welcoming Culture," page 42 .
Activities and Workers		
2-6	Activities, value chain and other business relationships	2022 Sustainability Report: "Corporate Purpose," page 3 ; "Our Business Segments," page 4
2-7	Employees	64,366 employees worldwide as of 12/31/22. For more information on our employees, please see our Investor ESG Summary and 2022 Annual Report .
2-8	Workers who are not employees	Please see our Investor ESG Summary and 2022 Annual Report for additional information on our workforce.
Governance		
2-9	Governance structure and composition	2022 Sustainability Report: "ESG Governance" and "Board Oversight," page 11 . Additional information regarding the Sherwin-Williams Board of Directors and Board Committees may be found in the Governance section of our Investor Relations website, investors.sherwin.com , and in the 2023 Proxy Statement .
2-10	Nomination and selection of the highest governance body	2022 Sustainability Report: "Board Oversight," page 11 . For more information, see the Governance section of our Investor Relations website, investors.sherwin.com , and the 2023 Proxy Statement .
2-11	Chair of the highest governance body	Our Corporate Governance Guidelines provide that the same person should hold the positions of Chairman of the Board (Chairman) and CEO, except in unusual circumstances such as during a period of transition in the office of the CEO. The board believes this structure provides the most efficient and effective leadership model for the Company and clear insight and direction of business strategies and plans to both the board and management. The board also believes we can most effectively execute our business strategies and plans if our Chairman is a member of our management team, providing unified leadership and focus. Our Corporate Governance Guidelines also provide that, if the Chairman is not an independent director, the independent directors of the board, after considering the recommendation of the Nominating and Corporate Governance Committee, annually will elect an independent director who has served as a member of the board for at least one year to serve as Lead Director. Although annually elected, the Lead Director is generally expected to serve for more than one year. The board believes a Lead Director improves the board's overall performance by enhancing the efficiency of the board's oversight and governance responsibilities and by supporting the relationship between the Chairman and CEO and the independent directors.

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
2-12	Role of the highest governance body in overseeing the management of impacts	2022 Sustainability Report: “Board Oversight,” page 11 , and “Board and Committee Risk Oversight,” page 12
2-13	Delegation of responsibility for managing impacts	2022 Sustainability Report: “Board Oversight,” page 11 , and “Board and Committee Risk Oversight,” page 12
2-14	Role of the highest governance body in sustainability reporting	2022 Sustainability Report: “Board Oversight,” page 11 , and “Board and Committee Risk Oversight,” page 12
2-15	Conflicts of interest	2022 Sustainability Report: “Ethics, Integrity and Compliance,” page 14 As part of the Sherwin-Williams Code of Conduct, directors and employees are expected to make business decisions and take actions based upon the best interests of Sherwin-Williams and not based upon personal relationships or benefits. The Sherwin-Williams Code of Conduct may be found at investors.sherwin.com . For information regarding the Board of Directors’ process for identifying and evaluating conflicts of interest in connection with the Sherwin-Williams Related Person Transactions Policy, please refer to the 2023 Proxy Statement .
2-16	Communication of critical concerns	2022 Sustainability Report: “Board Oversight,” page 11
2-17	Collective knowledge of the highest governance body	2022 Sustainability Report: “Board Composition and Skills Summary,” page 13
2-18	Evaluation of the performance of the highest governance body	2022 Sustainability Report: “Corporate Governance Practices and Policies,” page 14 2023 Proxy Statement
2-19	Remuneration policies	2023 Proxy Statement
2-20	Process to determine remuneration	2023 Proxy Statement
2-21	Annual total compensation ratio	2023 Proxy Statement
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	2022 Sustainability Report: “Our Sustainability Strategy,” page 7
2-23	Policy commitments	Please refer to Sherwin-Williams governance documents, available at investors.sherwin.com ; available documents include the Sherwin-Williams Code of Conduct and Code of Ethics for Senior Management.
2-24	Embedding policy commitments	Please refer to Sherwin-Williams governance documents, available at investors.sherwin.com ; available documents include the Sherwin-Williams Code of Conduct and Code of Ethics for Senior Management.
2-25	Processes to remediate negative impacts	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15 ; “Our Safety Culture: S-W Cares,” page 35
2-26	Mechanisms for seeking advice and raising concerns	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15 ; “Our Safety Culture: S-W Cares,” page 35
2-27	Compliance with laws and regulations	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15
2-28	Membership associations	Sherwin-Williams participates in various regional and industry trade associations such as the American Coatings Association (ACA); the European Council of the Paint, Printing Ink and Artists’ Colours Industry (CEPE); the Retail Industry Leaders Association (RILA); the National Association of Manufacturers (NAM); and groups such as the U.S. Green Building Council (USGBC).
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Stakeholder engagement is part of our ongoing work to drive alignment between our sustainability efforts and the expectations of both our internal and external stakeholders. Our 2022 Sustainability Report highlights some of the ways in which we engaged with our key stakeholders and others on sustainability topics during 2022, as well as stakeholder engagement in connection with our 2019 materiality assessment. We describe our shareholder engagement efforts on page 9 of our 2023 Proxy Statement .
2-30	Collective bargaining agreements	Sherwin-Williams prioritizes the fair, consistent and equitable treatment of our employees in relation to working conditions, wages, benefits, policies and procedures. The Company’s policies and programs are designed to respond to the needs of our employees in a manner that provides a safe, professional, efficient and rewarding workplace.

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	2022 Sustainability Report: "Our Sustainability Strategy," page 7
3-2	List of material topics	<p>Based on the results of our materiality assessment, our top tier areas of focus are:</p> <ul style="list-style-type: none"> - Product Stewardship - Talent Acquisition and Employee Engagement - Climate and Carbon - Occupational Health and Safety - Life Cycle Assessment <p>We refresh our materiality assessment on a periodic basis to support alignment between our sustainability efforts and stakeholder needs and emerging trends.</p> <p>2022 Sustainability Report: "Our Sustainability Strategy," page 7</p>
3-3	Management of material topics	2022 Sustainability Report: "Our Sustainability Strategy," page 7 ; "ESG Governance," page 11
Material Topics		
3-3	Product Stewardship	<p>As a part of our Product Blueprint pillar, product stewardship principles guide the phases of our product development and is rooted in continuous improvement. It prioritizes recognizing and addressing the potential impacts of our products throughout their life cycle, from design and development through use and disposal and steps in between. We assess ingredients in a product formulation in terms of human health, product safety, environmental impact, and physical and chemical properties.</p> <p>Our legacy of product stewardship is the foundation that enables us to pursue our Sustainability by Design program across the enterprise, serving as our proactive, foundational process to aid the growth of our "sustainably advantaged products" portfolio. For more information on that signature program and our "sustainably advantaged products" portfolio, please see 2022 Sustainability Report: "Product Blueprint," pages 26-32.</p>
3-3	Talent Acquisition and Employee Engagement	<p>We strive to leverage our integrated talent management strategy to attract, retain, develop and engage a workforce that embraces our inclusive culture, reflects our diversity efforts and is driven to make a difference. Our goals and aspirations for our people include:</p> <ul style="list-style-type: none"> - Increase women in management roles to 30% by 2025, compared with 26% in 2020 - Increase underrepresented 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 global employee engagement survey <p>For more information on our signature talent acquisition and employee engagement programs and efforts, please see 2022 Sustainability Report: "Social Imprint," page 33; "Inclusion, Diversity and Equity," pages 42-46; and "Talent Acquisition and Employee Engagement," pages 47-48.</p>
3-3	Climate and Carbon	<p>As part of our Environmental Footprint pillar, Climate and Carbon includes areas such as energy consumption, renewable energy, carbon and other air emissions, recycling and waste. We are committed to the following goals for 2030, compared to a 2019 baseline:</p> <ul style="list-style-type: none"> - Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% - Increase electricity from renewable energy sources to 50% of total electricity usage - Increase operational energy efficiency by 20% - Reduce waste disposal intensity by 25% <p>For more information on our Climate and Carbon efforts, please see 2022 Sustainability Report: "Climate and Carbon," pages 18-21.</p>
3-3	Occupational Health and Safety	<p>The safety of our employees and customers is a foundational value recognized at the highest levels of our organization and at every facility we operate. <i>S-W Cares</i> is our safety culture initiative that serves as a roadmap for achieving health and safety excellence across the Company.</p> <p>As we continually strive to achieve zero recordable injuries, we have set meaningful occupational health and safety goals for 2025:</p> <ul style="list-style-type: none"> - Achieve a recordable cases rate (RCR) of 0.8, compared to 1.06 in 2020 - Reduce the number of ergonomic injuries by implementing at least two interventions per year at each manufacturing site <p>For more information on our health and safety efforts, please see 2022 Sustainability Report: "Occupational Health and Safety," pages 35-41.</p>

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
3-3	Life Cycle Assessment	<p>We have a rigorous life cycle assessment (LCA) program, which plays an important role in measuring the potential environmental impacts of our existing products and developing additional “sustainably advantaged products.” We regularly engage with our suppliers to maintain a supply chain in which continuous improvement and sustainability principles are at the forefront. During 2022, we enhanced our collaboration with our network of suppliers. As a result, we have been able to capitalize on opportunities to improve product sustainability attributes, such as using renewable feedstocks and more sustainable transportation.</p> <p>For more information on our efforts, please see 2022 Sustainability Report: “Assessing Sustainability Impacts Through Life Cycle Assessments,” page 32.</p>

Topic Standards

Economic Topics

201 Economic Performance 2016

201-1	Direct economic value generated and distributed	2022 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	2022 Annual Report and TCFD Report
201-3	Defined benefit plan obligations and other retirement plans	2022 Annual Report

205 Anti-Corruption 2016

205-1	Operations assessed for risks related to corruption	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15
205-2	Communication and training about anti-corruption policies and procedures	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15
205-3	Confirmed incidents of corruption and actions taken	2022 Sustainability Report: “Ethics, Integrity and Compliance,” pages 14-15

Environmental Topics

301 Materials 2016

301-1	Materials used by weight or volume	Given the proprietary nature of our formulations and many raw materials acquired from our suppliers, this is not a metric that Sherwin-Williams is able to disclose publicly. However, general information pertaining to our production metrics can be found in our 2022 Annual Report .
301-2	Recycled input materials used	Sherwin-Williams has a long history of reusing and recycling byproducts of our production processes and incorporating excess raw materials, off-specification paint and wash water back into production in the manufacture of new batches. In addition, Sherwin-Williams offers Powdura® ECO, which is a powder coating containing a significant amount of post-consumer recycled PET. Additional information about Powdura ECO is available here .
301-3	Reclaimed products and their packaging materials	As part of our product stewardship initiatives, Sherwin-Williams supports the recycling of post-consumer paint through our participation in the PaintCare® paint recycling program. The nonprofit program, which is currently available in 10 states and the District of Columbia, is managed by the American Coatings Association and helps keep unused and discarded paint out of residential waste streams. PaintCare attempts to reuse and recycle the leftover paint and containers before properly disposing of any remainder.

302 Energy 2016

302-1	Energy consumption within the organization	8.78 million gigajoules
302-2	Energy consumption outside of the organization	Please see our 2022 CDP Climate response via www.cdp.net . Our 2023 CDP Climate response will be published in late summer of 2023.
302-3	Energy intensity	2.23 gigajoules per metric ton of production
302-4	Reduction of energy consumption	<p>Our continuous improvement approach is reflected in how we manage our energy usage across our manufacturing facilities, distribution locations and fleet operations. We actively seek ways to improve our energy efficiency by reducing the amount we use while identifying more sustainable sources of energy, such as renewables. Our goal is to increase our operational energy efficiency by 20% by 2030 compared with the 2019 baseline.</p> <p>For more information on our efforts and progress against our goals, please see 2022 Sustainability Report: “Energy Efficiency,” pages 19-21.</p>

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
302-5	Reductions in energy requirements of products and services	<p>We are pursuing growth opportunities by developing new products and services to further preserve existing assets and create products designed to facilitate energy savings. Innovations in coatings technology have led to coatings that require less energy to apply and cure, including:</p> <ul style="list-style-type: none"> - Coatings that once required high-temperature bake cycles in the past can now cure at room temperatures because of innovative technology. These coatings reduce energy requirements by eliminating the need for high-temperature bake cycles. - The development of high-transfer-efficiency powder coatings not only reduces spray time and the energy associated with the spray application process, but also reduces product loss, which further reduces energy use and preserves natural resources. - Heat- and sun-reflective roof coatings and infrared-reflecting concrete coatings reduce the urban heat island effect and can reduce cooling needs in warmer climates. - Powder coatings and other types of coating systems that deliver high performance in just one layer rather than competing coatings that may require multiple layers, which requires more energy and material to achieve similar performance. <p>Transparency for our customers is a critical component of our Sustainability by Design program. In 2022, we developed and launched an external platform to help Paint Stores Group customers understand the sustainability attributes of our products.</p> <p>For more information on our efforts and our products and services that address energy issues, please see 2022 Sustainability Report: "Sustainability by Design," pages 28-32; and the following pages on our website: "Solar: Coatings for Green Energy Generation," "Sustainability Product Listing," "Coil-Coated Metal Roofing," and "Powdura® ECO Powder Coatings."</p>
303	Water and Effluents 2018	
303-1	Interactions with water as a shared resource	<p>As Sherwin-Williams has moved toward water-based coatings (versus solvent-based), water is a key resource used in many of our products. This water is temporarily held in the wet coating until it is cured. During curing, water is released back to the atmosphere.</p> <p>Generally, the coatings industry is evolving from solvent-based formulations to water-based formulations. This evolution is being driven by customer preference and regulatory changes. However, it is also increasing the demand on local freshwater sources. Although not always possible, we attempt to locate manufacturing in areas with ample water supply.</p> <p>In addition, our facilities, operations and offices all require water for staff, sanitation and consumption.</p>
303-2	Management of water discharge-related impacts	<p>Sherwin-Williams has a Global Standard for Water and Soil Protection (the Standard) in place. The Standard describes the minimum water and soil protection and management criteria for Sherwin-Williams facilities. It is intended to promote water conservation and to minimize the discharge of contaminants to water or soil that could cause harm to human health or the environment. The Standard supplements national, regional and/or local laws, regulations, policies and standards, all of which, to the extent applicable to a facility, must be followed.</p> <p>The Standard requires that process water discharge stream(s) be analyzed for contaminants based upon knowledge of the process that generated the water. This information is used to determine if volume and contaminant levels are acceptable to discharge based upon laws, permits or best professional judgment. The assessment should establish the need for treatment, treatment options and/or disposal options. The Standard also requires periodic analysis of process discharges to be conducted as required by permits or to ensure the discharge has not changed. As part of the Standard, employees are instructed to promote water conservation and to minimize the discharge of contaminated water that could cause harm to human health or the environment. Facilities have been trained on the Standard regarding water, and audits are conducted to ensure proper procedures are being followed.</p> <p>Water that is used to clean process equipment and other process wastewater is managed through permitted discharges to wastewater treatment facilities, transported to licensed water treatment facilities, treated on-site or reused as a raw material.</p>
303-3	Water withdrawal	<p>Total: 3,950,158 m3</p> <p>Intensity: 1.00 m3/metric ton of production</p> <p>Sherwin-Williams reports water withdrawal through the CDP. Data is available through the CDP website.</p>

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
303-4	Water discharge	2,062,739 m3 Sherwin-Williams reports water discharge through the CDP. Data is available through the CDP website .
303-5	Water consumption	1,456,780 m3 (in production facilities) Sherwin-Williams reports water consumption through the CDP. Data is available through the CDP website .
305	Emissions 2016	
305-1	Direct (Scope 1) GHG emissions	430,114 metric tons CO ₂ e
305-2	Energy indirect (Scope 2) GHG emissions	280,152 metric tons CO ₂ e
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 emissions data has been reported since 2019 through CDP via www.cdp.net . Our 2023 CDP Climate response will be published in late summer of 2023.
305-4	GHG emissions intensity	17.99 metric tons CO ₂ e/metric tons produced
305-5	Reduction of GHG emissions	2022 Sustainability Report: "Climate and Carbon," page 18 ; "Energy Efficiency," page 19
305-6	Emissions of ozone-depleting substances (ODS)	These substances are insignificant given our supply chain and products.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Sherwin-Williams operations do not produce a significant quantity of NOx and SOx emissions. However, values for these air emissions (as well as others) are reported in our Investor ESG Summary .
306	Waste 2020	
306-1	Waste generation and significant waste-related impacts	360.3 thousand metric tons of generated waste 2022 Sustainability Report: "Waste Reduction," page 22
306-2	Management of significant waste-related impacts	2022 Sustainability Report: "Waste Reduction," page 22
Social Topics		
401	Employment	
401-1	New employee hires and employee turnover	2022 Voluntary-Regrettable Turnover (for full-time only) was 13.10%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sherwin-Williams provides a wide range of competitive benefits to support the diverse needs and well-being of our 64,000+ employees worldwide. Through our robust Total Rewards package, we offer competitive compensation, comprehensive benefits and other programs to support employees' growth, both personally and professionally. Some programs and benefits may differ internationally due to market practice, and applicable local laws and regulations. In the U.S., both full-time and part-time employees are eligible to participate in a Company-sponsored 401(k) plan and all employees who work at least 1,000 hours in a year receive a pension plan contribution. For more information, please see 2022 Sustainability Report: "Rewarding Our Employees," page 48 .
403	Occupational Health & Safety 2018	
403-1	Occupational health and safety management system	2022 Sustainability Report: "EHS Management," page 15 ; and "Occupational Health and Safety," page 35
403-2	Hazard identification, risk assessment and incident investigation	2022 Sustainability Report: "Occupational Health and Safety," page 35 ; and "Prioritizing Ergonomic Interventions at Our Manufacturing Sites," page 38
403-3	Occupational health services	2022 Sustainability Report: "Occupational Health and Safety," pages 35, 37-39
403-4	Worker participation, consultation and communication on occupational health and safety	2022 Sustainability Report: "Occupational Health and Safety," pages 35, 37-39 ; "Portland Purdy Plant Excels within OSHA VPP," page 36 ; "Engaging Hearts and Minds with EHS in Latin America," page 40
403-5	Worker training on occupational health and safety	2022 Sustainability Report: "Occupational Health and Safety," pages 35, 37-39
403-6	Promotion of worker health	2022 Sustainability Report: "Occupational Health and Safety," pages 35-41 . For more information, please see our EHSMS policy documentation .
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2022 Sustainability Report: "Occupational Health and Safety," pages 35-41 . For more information, please see our EHSMS policy documentation .

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
403-8	Workers covered by an occupational health and safety management system	2022 Sustainability Report: "Occupational Health and Safety," pages 35-41 . For more information, please see our EHSMS policy documentation .
403-9	Work-related injuries	2022 Sustainability Report: "2022 Safety Performance Data," page 37
403-10	Work-related ill health	2022 Sustainability Report: "2022 Safety Performance Data," page 37
404	Training & Education 2016	
404-1	Average hours of training per year per employee	We invest in our people by providing learning and employee networking opportunities, including through our employee resource groups, to drive retention, development and engagement and help employees excel in their current and future roles. During 2022, our employees completed thousands of hours of online and instructor-led courses across a broad range of categories, including leadership, inclusion, diversity and equity, professional skills, technical and compliance.
404-2	Programs for upgrading employee skills and transition assistance programs	2022 Sustainability Report: "Cultivating Our Talent," page 47
404-3	Percentage of employees receiving regular performance and career development reviews	Subject to limited exception for employees with short tenure during the year, 100% of employees are eligible to receive performance reviews.
405	Diversity & Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees	2022 Sustainability Report: "Board Composition and Skills Summary," page 13 ; "2022 Workforce Diversity Data," page 44
405-2	Ratio of basic salary and remuneration of women to men	Our compensation programs are designed to attract, retain and motivate talented and high-performing people at all levels of our Company around the world. We structure our compensation programs to be competitive with programs of companies of similar size and business, while maintaining a performance- and achievement-oriented culture and alignment with the interests of our shareholders.
408	Child Labor 2016	
408-1	Operations and suppliers at significant risk for incidents of child labor	As part of our Code of Conduct, Sherwin-Williams precludes the following activities, among others: engaging in trafficking in persons; using forced labor; using child labor; and using any individual held in slavery or servitude. We require all employees, in all countries in which we operate, to support the human rights of others and to abide by the Sherwin-Williams Human Trafficking Policy. We are also committed to working with our suppliers to ensure that human rights are respected at all levels of our supply chain and that no trafficking in persons, forced labor and child labor exists in it. For additional information, please refer to the Sherwin-Williams Code of Conduct , Human Trafficking Policy and Supplier Code of Conduct .
409	Forced or Compulsory Labor 2016	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	As part of our Code of Conduct, Sherwin-Williams precludes the following activities, among others: engaging in trafficking in persons; using forced labor; using child labor; and using any individual held in slavery or servitude. We require all employees, in all countries in which we operate, to support the human rights of others and to abide by the Sherwin-Williams Human Trafficking Policy. We are also committed to working with our suppliers to ensure that human rights are respected at all levels of our supply chain and that no trafficking in persons, forced labor and child labor exists in it. For additional information, please refer to the Sherwin-Williams Code of Conduct , Human Trafficking Policy and Supplier Code of Conduct .
413	Local Communities 2016	
413-1	Operations with local community engagement, impact assessments and development programs	2022 Sustainability Report: "Community Engagement," pages 49-53
413-2	Operations with significant actual and potential negative impacts on local communities	Please refer to the 2022 Annual Report for more information about our operations.

The Sherwin-Williams Company – 2022 GRI Index, continued

GRI STANDARD	GRI DISCLOSURE	REPORTED VALUE AND/OR REPORT LOCATION
415	Public Policy 2016	
415-1	Political contributions	<p>Sherwin-Williams does not have a political action committee and does not use corporate funds to contribute to any federal, state, or local candidates, political parties or other political committees. 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. The Sherwin-Williams Code of Conduct, including our Anti-Bribery and Anti-Corruption Policy, also prohibits employees, and any other individuals acting on on behalf of Sherwin-Williams, from directly or indirectly using gifts, bribes, payments of any kind or other corrupt practices in conducting business to influence any person in any country (including federal, state or local government employees). This prohibition includes giving or offering to give anything of value, any payment, gift, entertainment or service to government officials, their employees, political parties, public international organizations and any other person, for the purpose of obtaining or retaining business or securing an improper advantage.</p> <p>Our Government Affairs team facilitates Sherwin-Williams global participation in the public policy-making process, including with respect to issues that affect our employees, customers and business operations and objectives, as well as the paint and coatings industry in general. This team is led by our Senior Vice President, General Counsel and Secretary, who provides regular reports to our Board of Directors regarding the Company's key public policy activities and advocacy efforts.</p>
416	Customer Health & Safety 2016	
416-1	Assessment of the health and safety impacts of product and service categories	2022 Sustainability Report: "Product Blueprint," pages 26-32
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>Please refer to the 2022 Annual Report for information regarding Sherwin-Williams compliance with applicable laws and regulations.</p> <p>Please refer to Sherwin-Williams 2022 Sustainability Report and Global Environmental, Health and Safety Policy for information regarding the Company's commitment to global leadership and environmental, health and safety excellence through Sherwin-Williams operations, business and products.</p>

The Sherwin-Williams Company – 2022 SASB Index

Accounting Metric

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	RT-CH-110a.1	Scope 1 emissions were 430,114 metric tons of CO ₂ -e in 2022. Currently, no portion (0%) of our emissions is under emissions limiting regulations. For further information about our emissions calculations and performance over time, please see page 18 of our 2022 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	Discussion and Analysis	N/A	RT-CH-110a.2	Please see page 18 of our 2022 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)	Quantitative	Metric tons (t)	RT-CH-120a.1	(1) In 2022, we emitted 4,180 metric tons of NOx. (2) In 2022, we emitted 255 metric tons of SOx. (3) Across our manufacturing and blending facilities, 1,723 metric tons of VOCs were emitted in 2022. (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	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	(1) In 2022, our total direct energy was 6.10 million gigajoules, our total indirect energy was 2.68 million gigajoules and total energy was 8.78 million gigajoules. (2) 30.5% of our total energy consumption came from the electricity grid. (3) and (4) We do not currently use significant renewable or self-generated energy sources; however, we have a goal to increase electricity from renewable sources to 50% of total electricity usage by 2030. For further information, please see pages 19-21 of our 2022 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	Quantitative	Thousand cubic meters (m ³), Percentage (%)	RT-CH-140a.1	2022 water data will be published in our CDP Water Response in the late summer of 2023. In 2022: (1) Total water withdrawn: 3,950,158 cubic meters; (2) Water Consumption (On-site in Process or Product): 1,806,818 cubic meters; 1.00 cubic meters per metric ton of production; percentage of water sourced from regions with High or Extremely High Baseline Water Stress: 20.77%.
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CH-140a.2	The Company has thousands of locations globally and, like other multi-national corporations, experiences occasional allegations of non-compliance with water discharge regulations and permits. In those cases, the Company works with applicable authorities to resolve any allegations of non-compliance to the mutual satisfaction of the parties. We had two (2) documented incidents of non-compliance associated with water quality permits, standards and regulations initiated in 2022. These issues were addressed and corrected with the agency.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.23	Please see our latest CDP Water Response via www.cdp.net . 2022 water data will be published in our CDP Water Response in the late summer of 2023.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CH-150a.1	We generated 65,100 metric tons of hazardous waste in 2022. Of that, 38.7% was recycled or reused. For further information, please see pages 22-23 of our 2022 Sustainability Report.

The Sherwin-Williams Company – 2022 SASB Index, continued

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	N/A	RT-CH-210a.1	Please see our GRI content index disclosure 2-29 in the Appendix and pages 11-12 and 42-53 of our 2022 Sustainability Report.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	2022: 1.29 recordable case rate (total number of employees with recordable incidents per 200,000 hours worked); zero (0) fatalities for direct employees and contract employees. For further information, please see page 37 of our 2022 Sustainability Report.
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	N/A	RT-CH-320a.2	Please see the information regarding our global EHS management system here .
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	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. Please see pages 27-31 of our 2022 Sustainability Report for information regarding the "sustainably advantaged products" in our portfolio.
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that 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	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	Please see pages 27-32 of our 2022 Sustainability Report.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	N/A	RT-CH-410b.2	Please see pages 27-32 and page 37 of our 2022 Sustainability Report.
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	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	Discussion and Analysis	N/A	RT-CH-530a.1	Sherwin-Williams does not have a political action committee and does not use corporate funds to contribute to any federal, state or local candidates, political parties or other political committees. Our Government Affairs team facilitates Sherwin-Williams global participation in the public policy-making process, including with respect to issues that affect our employees, customers and business operations and objectives, as well as the paint and coatings industry in general. Please see our GRI content index disclosure 415-1 in the Appendix.
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	RT-CH-540a.1	Please see pages 37-38 of our 2022 Sustainability Report.
	Number of transport incidents	Quantitative	Number	RT-CH-5401.1	Please see pages 37-38 of our 2022 Sustainability Report.

Activity Metric

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODIFIED METRIC CODE	SHERWIN-WILLIAMS RESPONSE
Production by reportable segment	Quantitative	Cubic meters (m ³) and/or metric tons (t)	RT-CH-000.A	Please see pages 6-13 of our 2022 Annual Report for information regarding our reportable segments.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report

Introduction

The Sherwin-Williams Company recognizes the importance of measuring and analyzing our carbon footprint. We actively seek out ways to reduce our greenhouse gas emissions (GHG) and use our products and technologies to help improve energy efficiency and reduce global carbon emissions. The Company has established related aspirational goals, tracks metrics and reports on its progress annually. In early 2021, we established our 2030 Environmental Footprint goals against a 2019 baseline.

We believe a summary of the global scope of our business is important in understanding our climate-related disclosures. Our business consists of three reportable segments:

- **Paint Stores 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 services the needs of architectural and industrial paint contractors and do-it-yourself homeowners through marketing and selling architectural paint and coatings, protective and marine products, OEM product finishes and related products.
- **Consumer Brands Group** sells one of the industry's most recognized portfolios of branded and private-label architectural paint, stains, varnishes, industrial products, wood finishes products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulks and adhesives through retailers in North America, Europe and China. The Group also sells architectural paints, industrial coatings and related products in Latin America through Company-owned stores, dedicated dealers and selected retailers, and operates a highly efficient global supply chain for paint, coatings and related products.
- **Performance Coatings Group** sells a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive refinish, packaging and coil customers in more than 120 countries.

This TCFD report does not cover all information about our business and sustainability and ESG initiatives, including those relating to environmental and climate change-related risks. Please refer to other sections of our 2022 Sustainability Report, including the disclosure regarding forward-looking statements, the risk factor discussions related to climate change in our [2022 Annual Report](#) and other information available on or through our website.

Governance

- Describe the board's oversight of climate-related risks and opportunities.***
- Describe management's role in assessing and managing climate-related risks and opportunities.***

program that includes the processes used to identify, assess and manage our most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. These risks are identified, measured, monitored and managed across the following key risk categories:

Board of Directors' Oversight

Our Board of Directors is responsible for overseeing the assessment and management of the Company's exposure to various risks. We have an enterprise risk management (ERM)

- **Strategic:** including acquisition, business disruption, reputational and ESG risks
- **Operational:** including cybersecurity, information technology, supply chain and sourcing, and talent attraction, retention and development risks

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

- **Financial and macroeconomic:** including economic condition, geopolitical and financial control risks
- **Compliance:** including litigation, regulatory, tax and intellectual property risks

Our Chief Financial Officer (CFO), who reports to our Chief Executive Officer (CEO), facilitates and reviews the ERM program with the board at least once per year, including the methodology and approach used to identify, assess and manage risks, enhancements to the ERM program during the preceding year, and existing risks and significant emerging risks across the Company's key risk categories. The CEO, CFO and other senior management may review specific risks in greater detail or on a more frequent basis with the board throughout the year, as necessary and appropriate, including as a result of the Lead Director or the board requesting more frequent updates or information about specific risks.

Our board committees assist the board in overseeing the Company's exposure to various risks by reviewing specific risk areas that have been delegated by the board to each committee. The Audit Committee's support of the board includes overseeing the Company's ERM process and compliance with legal and regulatory requirements, including those that may be related to environmental and climate-related requirements. The Nominating and Corporate Governance Committee's support includes overseeing the Company's key environmental (including the impacts of climate change), product stewardship, health and safety, sustainability and corporate social responsibility policies and strategies. The Compensation and Management Development Committee's support includes overseeing the Company's key policies and strategies regarding the attraction, retention and development of talent, including inclusion, diversity and equity initiatives, as well as our CEO's annual performance evaluation, which includes a performance assessment category of ESG leadership that encompasses the development, integration and execution of ESG strategy and progress on ESG initiatives as part of the Company's overall business strategy.

Members of senior management review these delegated risks with each committee, and the committees provide regular reports to the full board. Members of senior management and our ESG Steering Committee also periodically provide updates to the board and its committees regarding the Company's key ESG strategies, policies, programs and initiatives (including those relating to climate change) and progress across our ESG framework.

Senior Management's Role

Enterprise Risk Management

While our Board of Directors has oversight responsibility of management and various risks, the Company's management and their teams, under the direction of our CEO, are responsible for managing the business and day-to-day affairs of the Company. As previously mentioned, our CFO facilitates the Company's ERM program, which includes a formal assessment of the Company's risk environment at least once per year. Because risks are considered in conjunction with the Company's operations and strategies, including long-term strategies, risks are identified and evaluated across different timeframes depending on the specific risk. For the most significant risks identified, the ERM program team engages with senior management and other senior leaders in the functional areas and business units specific to the risks to develop and support risk management and mitigation actions, strategies and processes across the short, medium and long term, as necessary and appropriate, and to assist in aligning such actions, strategies and processes with the Company's relevant controls and procedures. Senior management and other senior leaders also may consult with outside advisors and experts in developing risk management and mitigation actions, strategies, processes, controls and procedures and anticipating future threats and trends relating to the most significant risks.

The ERM program also facilitates the incorporation of risk assessment and evaluation into the strategic planning process and the provision of regular reports to senior management, including the CEO, regarding the actions, strategies, processes, controls and procedures specific to managing, mitigating and anticipating significant risks. Members of senior management and other senior leaders are responsible for managing key risks specific to their functional areas.

ESG Governance

Our sustainability and ESG framework is centered on a foundation of governance and ethics, with our governance structure designed to enable broad engagement and appropriate oversight across the organization.

Our ESG Council consists of subject matter experts from business and corporate functions and representatives of cross-functional workgroups focused on topics across our ESG framework, including climate and footprint, occupational health and safety, engagement and inclusion, product stewardship and ESG reporting. The ESG Council oversees the development, implementation and monitoring of the Company's key ESG metrics, targets, goals, strategies, policies and practices, as well as the assessing and addressing of trends, risks and opportunities with respect to ESG topics most significant to the Company and its stakeholders. Members of the ESG Council provide periodic updates to the ESG Steering Committee.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

Our ESG Steering Committee supports alignment across the organization in overseeing the work of the ESG Council. The ESG Steering Committee is composed of members of senior management and other senior leaders across the organization, including those within the areas of global operations, legal, finance, human resources, investor relations and corporate communications, global supply chain, sustainability, environmental, health and safety, and our reportable business segments. Members of the ESG Steering Committee provide periodic updates to the CEO, the board and board committees.

Strategy

- a. *Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.*
- b. *Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.*
- c. *Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*

Sherwin-Williams Climate Strategy

Sherwin-Williams retained the services of a third-party consultant to help assess the risks and opportunities associated with climate change and to help us prepare this report and related disclosures. This was a comprehensive, data-driven assessment that evaluated a wide range of physical and transition risks at the enterprise, business unit, product and individual location level based on 2021 data.

Sherwin-Williams assesses risk factors that may materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. In assessing climate risks in line with the TCFD framework, Sherwin-Williams considers two primary types of climate risks: physical risks and transition risks. We define our time horizons for our assessment in the following manner:

- **Short term:** 0 to 2 years
- **Medium term:** 2 to 5 years
- **Long term:** 5 to 10 years

The following risk and opportunity categories were considered in our climate-related assessment, which focused on our top 1,000 sites:

RISK ASSESSMENT OVERVIEW		
Risk Categories	Major Characteristics/Examples	Time Horizon
Physical Risk Exposure: Acute	Increased frequency of severe or extreme weather events (e.g., heatwaves, drought, floods, hurricanes, wildfire, winter storms and other natural disasters)	Short, medium and long term
Physical Risk Exposure: Chronic	Long-term shifts in physical conditions (e.g., increased average temperature, sea-level rise, melting glaciers)	Long term
Transition Risk Exposure: Policy Risk	Risk of policy action to encourage or require low-carbon transition, water restrictions and land use restrictions in direct operations or upstream supply chain (through carbon taxes, for example)	Short, medium and long term
Transition Risk Exposure: Market Risk	Increased costs for key suppliers to replace certain raw materials	Short, medium and long term
Transition Risk Exposure: Reputation Risk	Increased scrutiny from investors, lenders and insurers	Short, medium and long term
Transition Risk Exposure: Technology Risk	Possible early retirement (voluntary or forced) of existing products or technologies to mitigate climate impacts	Short, medium and long term

OPPORTUNITY ASSESSMENT OVERVIEW		
Risk Categories	Major Characteristics/Examples	Time Horizon
Downstream Impact on Products and Services	Protective coatings that help infrastructure withstand climate extremes and extend the life of physical assets; coatings that are used in solar and wind technologies; coatings that help reduce energy consumption, including reflective coatings; coatings that improve fuel economy; packaging coatings that reduce spoilage and wasted food	Short, medium and long term
Innovation	Sustainability by Design program resulting in an enhanced portfolio of “sustainably advantaged products”	Medium and long term
Consumer Sentiment	Increasing preference for products that have lower environmental impact, including carbon footprint	Short, medium and long term
Geographic and Operational Flexibility	Eliminate redundancies in manufacturing capabilities; highly efficient, integrated global supply chain; strategic location of stores; ability to set up mobile stores in disaster-prone and affected areas.	Short, medium and long term

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

Physical Risks

We leverage the expertise of S&P Global’s Trucost ESG Analytics (Trucost) to assess impacts to our top 1,000 sites. Trucost analyzed the potential physical risks that may impact our operations, considering different scenarios of global warming by 2050.

To evaluate the potential risks of climate change on our business, we considered two distinct climate scenarios that are commonly used in conjunction with the TCFD framework:

SCENARIO	REPRESENTATIVE CONCENTRATION PATHWAY (RCP)	DESCRIPTION
High Climate Change Scenario	RCP 8.5	Continuation of business as usual with emissions worldwide at current rates. This scenario is expected to result in warming in excess of 4°C by 2100.
Moderate Climate Change Scenario	RCP 4.5	Strong mitigation actions to reduce emissions worldwide to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100.

Source: TCFD and Trucost

Our 2030 goal of reducing our absolute Scope 1 and Scope 2 emissions by 30% compared to a 2019 baseline was developed to reflect a science-based approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius.

Our Environmental Footprint reduction goals for 2030, compared to a 2019 baseline, are as follows:

1. **Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030;**
2. **Increase electricity from renewable sources to 50% of total electricity usage by 2030;**
3. **Increase operational energy efficiency by 20% by 2030; and**
4. **Reduce waste disposal intensity by 25% by 2030.**

As for physical risks, the third-party assessment determined that, in the aggregate, we are generally at low risk for adverse impacts resulting from wildfire, coldwave, heatwave, flood, sea level rise and hurricanes.

The assessment identified water stress as a moderate to high physical risk at some of our locations. However, upon further analysis, many of the Sherwin-Williams sites in the highest water stress risk areas are distribution warehouses and offices, where water use is limited (employee-related uses). A modest number of our manufacturing sites are in water-stressed areas, as described by the World Resources Institute, and we are working with these sites to assist in mitigating and monitoring water stress risk effectively.

RISK TYPE: Acute Physical

TIME HORIZON: Short, medium and long term

DESCRIPTION: As noted in the introduction to this disclosure, Sherwin-Williams has a global presence and an integrated network of manufacturing, distribution and sales locations. As our Company grows and we continue expanding our geographic footprint, we may encounter more extremes in water availability and with local climates.

Generally, the coatings industry is evolving from solvent-based formulations to water-based formulations. This evolution is being driven by customer preference and regulatory changes. However, it is also increasing the demand on local freshwater sources. Although not always possible, we understand the importance of locating manufacturing in areas with ample water supply.

From time to time, adverse weather conditions and natural disasters, including those that may be related to climate change or otherwise, have had or may have an adverse effect on our sales, manufacture and distribution of our products. In the event adverse weather conditions or a natural disaster causes significant damage to any one or more of our principal manufacturing or distribution facilities, we may not be able to manufacture the products needed to meet customer demand, which could have an adverse effect on our sales. The impact of these risks to our suppliers also has had or may have an adverse effect on our sales, manufacture and distribution of certain of our products. Adverse weather conditions or natural disasters and their impacts have resulted, and may in the future result, in industry-wide supply chain disruptions, increased raw material and other costs, and our hindered ability to manufacture the products needed to fully meet customer demand.

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In the event of adverse weather conditions and natural disasters, we focus on responding to and mitigating the impacts quickly, including, but not limited to, redistributing resources within our network (people, materials, etc.) and/or providing temporary solutions (opening mobile stores in impacted areas, for example).

RISK TYPE: Chronic Physical

TIME HORIZON: Long term

DESCRIPTION: Severe weather conditions and natural disasters have the potential to disrupt operations at manufacturing, distribution and sales locations within certain regions. Our Global Supply Chain (GSC) consists of a highly efficient manufacturing and distribution system for paint, coatings and related products. GSC is integrated in such a way that the risk created by a particular location being forced out of service may be mitigated, including by shifting production to other locations, if necessary. If climate risks continue to increase, there is the potential for disruption to occur at more than one of our locations simultaneously, and for more severe impacts to our business from each disruption. We will continue to focus on these physical risks for climate strategic planning purposes.

Transition Risks

RISK TYPE: Public Policy

TIME HORIZON: Short, medium and long term

DESCRIPTION: Our operations are subject to various domestic and foreign health, safety and environmental laws, regulations and requirements, including those related to climate change. Increased global focus on climate change may result in the imposition of new or additional regulations or requirements applicable to, and increased financial and transition risks for, our business and industry. A number of government authorities and agencies have introduced, or are contemplating, regulatory changes to address climate change, including the regulation and disclosure of GHG emissions. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in fees or restrictions on certain activities or materials and new or additional requirements, including to fund energy efficiency activities or renewable energy use and to disclose information regarding our GHG emissions performance, renewable energy usage and efficiency, waste generation and recycling rates, climate-related risks, opportunities and oversight and related strategies and initiatives across our global operations. Compliance with these climate change initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, additional investments in renewable

energy use and other initiatives, reduced emission allowances or additional restrictions on production or operations. We may not be able to timely recover the cost of compliance with such new or more stringent laws and regulations, which could adversely affect our results of operations, cash flow or financial condition. Despite our efforts to timely comply with climate change initiatives, implement measures to improve our operations and execute on our related strategies and initiatives, any actual or perceived failure to comply with new or additional requirements or meet stakeholder expectations with respect to the impacts of our operations on the environment and related strategies and initiatives may result in adverse publicity, increased litigation risk, and adversely affect our business and reputation, which could adversely impact our results of operations, cash flow and financial condition.

We expect health, safety and additional environmental laws, regulations and requirements to be increasingly stringent upon our industry in the future. Our costs to comply with these laws, regulations and requirements may increase as they become more stringent in the future, and these increased costs may adversely affect our results of operations, cash flow or financial condition.

As environmental footprinting at the product level becomes increasingly important, the possibility of carbon thresholds for products may occur. We have already seen examples of this for other building materials in various regions around the world. Although our innovation and R&D efforts, combined with our life cycle assessment program, are expected to assist in mitigating the adverse impact of such potential carbon limits, certain product types or product lines could be affected, requiring substantial product reformulations.

Sherwin-Williams participates in various regional and industry trade associations such as the American Coatings Association (ACA); the European Council of the Paint, Printing Ink and Artists' Colours Industry (CEPE); the Retail Industry Leaders Association (RILA); the National Association of Manufacturers (NAM); and groups such as the U.S. Green Building Council (USGBC). This active involvement demonstrates our commitment to collaborate and share ideas within the industry and other groups about the connection points between public policy and our focus on technical innovation. This engagement also informs the development of our strategies for addressing current and emerging trends, risks and opportunities and complying with applicable laws, regulations and requirements relating to the environment and climate change.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

RISK TYPE: Market

TIME HORIZON: Short, medium and long term

DESCRIPTION: As described in prior sections of this report, we believe our primary climate-related market risks are the potential for increased costs, insufficient availability of the raw materials we need to produce our products and any actual or perceived failure to comply with new or additional requirements or meet stakeholder expectations with respect to the impacts of our operations.

As our Company grows and we continue expanding our geographic footprint, we may encounter more difficulties in water availability. Generally, as the coatings industry is evolving from solvent-based formulations to water-based formulations, there may be an increasing demand on local freshwater sources in certain regions. Going forward, we will continue to monitor this closely so that we can fine-tune our consideration of the various assumptions and factors that could impact our view of climate-related market risk.

In addition, our suppliers may continue to have exposure to climate-related risks that may disrupt our ability to acquire raw materials or result in higher costs due to unexpected shortages. Furthermore, risks of shifting consumer behavior and preferences are relevant to our business. Where possible, we strive to find ways to respond to these risks, trends and our customers' needs and requests with respect to the premium products, quality and service that they have come to expect from us, including through the expansion of our portfolio of "sustainably advantaged products," as further described in this report.

Technology, product quality, and product innovation and development, including product sustainability attributes, are among the key competitive factors for our business. As our customers continue to show increased interest in the sustainability attributes of our products and our sustainably advantaged product portfolio, it will be important for us to keep pace with such demand.

RISK TYPE: Reputation

TIME HORIZON: Short, medium and long term

DESCRIPTION: Our reputation, image and recognized brands significantly contribute to our business and success. Our reputation and image are critical to retaining and growing our customer base and our relationships with other stakeholders. Damage to our business, reputation or image, or negative claims (even if inaccurate) or publicity, could adversely affect the demand for some of our products and adversely affect our sales, earnings, cash flow or financial condition.

We work hard to maintain our reputation as an industry leader and continue to be recognized for our efforts and progress on our sustainability and ESG initiatives. The heightened focus on climate change has created opportunities to review our sustainability and ESG strategies and initiatives. Any actual or perceived failure to comply with new or additional laws, regulations or requirements relating to climate change, meet stakeholder expectations with respect to the impacts of our operations, or respond to changes in consumer behaviors and preferences may result in reduced demand for our products and adversely affect our business. We partner and collaborate with non-governmental organizations, customers, suppliers and regulators to foster open lines of communication and aid us in being responsive to stakeholder interests.

RISK TYPE: Technology

TIME HORIZON: Medium and long term

DESCRIPTION: Evaluation of technology is incorporated into our business operations. When selecting equipment, energy efficiency is often considered as part of the selection process. In addition, sustainability attributes, including environmental footprint, have been built into our research and development (R&D) processes across much of the business to consider potential climate impacts of new raw materials, formulation technologies and/or product performance.

To help further our focus on incorporating sustainability attributes into our approach to technology and product development, we implemented our Sustainability by Design program across the enterprise. With our Sustainability by Design program fully integrated into our product innovation and development processes, 2022 was focused on program refinements and expanding stakeholder engagement to deliver better sustainability outcomes. Our 2022 highlights included the following:

- Made the Sustainability by Design Stage-Gate Process a standard part of the product innovation and development processes;
- Enhanced the supplier engagement component of our Product Blueprint strategy;
- Refined our definition of "sustainably advantaged products" to be clearer and more verifiable – with the Sherwin-Williams definition as "products that achieve a level of third-party green chemistry, ecolabel or similar recognition"; and
- Enhanced our culture of internal engagement to further embed sustainability into the business and into our products.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

Essential to our product innovation and development processes, innovation and optimization are the foundation of our Sustainability by Design program. The program embeds life cycle thinking, which considers impacts throughout our value chain, into the earliest stages of our product innovation and development processes. As we develop and enhance products, sustainability remains top of mind.

From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating health and safety considerations, chemical formulations, resource conservation, circularity and product performance, among other areas. Aligning the Sustainability by Design program with our Stage-Gate process clarifies and streamlines our approach to business implementation. This formal process also provides flexibility to evolve with the needs of each of our businesses.

Opportunities

OPPORTUNITY TYPE: Downstream Impact on Products and Services

TIME HORIZON: Short term, medium and long term

DESCRIPTION: The risks and impacts of climate change, and global efforts to combat climate change, have the potential to create opportunities for our business. For example, extreme weather conditions can drive demand for our protective coatings, if assets are destroyed or need repair as a result.

Our coatings are used in a wide variety of asset preservation applications – extending the useful life of bridges, buildings, heavy equipment, appliances, vehicles and boats. Without our coatings, these assets may have a shorter life span and require earlier disposal and replacement with new assets that utilize additional energy and natural resources in their production. As an example, consider the carbon footprint for manufacturing and installing a steel structure such as a bridge. The structure's life expectancy would be severely limited if installed without corrosion protection or using inadequate coating technologies. Using our products extends the life of the bridge, reducing the need to replace it following unabated weathering, corrosion or neglect. Replacement of any structure prematurely may create increased carbon emissions. We believe our ability to provide products that are designed to withstand extreme weather events and extend product lifespan enables us to contribute to carbon and waste reduction in meaningful ways all around the world.

In addition, our coatings help enable assets such as solar panels, wind turbines and marine craft to continue to operate in an efficient manner. We also make reflective coatings that reduce energy consumption and packaging coatings that reduce spoilage and food or beverage waste.

OPPORTUNITY TYPE: Innovation

TIME HORIZON: Medium and long term

DESCRIPTION: Technology, product quality, and product innovation and development, including relating to increased customer interest in the sustainability attributes of products and our related key strategies and initiatives for expanding our product offerings, are among the key competitive factors for our business.

With our Sustainability by Design program fully integrated into our product innovation and development processes, 2022 was focused on program refinements and expanding stakeholder engagement to deliver better sustainability outcomes.

- **Sustainability by Design:** The program embeds life cycle thinking, which considers impacts throughout our value chain, into the earliest stages of our product innovation and development processes. From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating health and safety considerations, chemical formulations, resource conservation, circularity and product performance, among other areas. Aligning the Sustainability by Design program with our Stage-Gate process clarifies and streamlines our approach for business implementation. We defined five “Sustainability Attributes” of focus for product innovation and development – Air Quality, Formula Stewardship, Resource Conservation, Circularity and Performance.
- **“Sustainably Advantaged Products”:** As we define it, the term “sustainably advantaged product” means a product that achieves a level of third-party green chemistry, ecolabel or similar recognition.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

We are pursuing growth opportunities by developing new products and services to further preserve existing assets and create products designed to facilitate energy savings. Innovations in coatings technology have led to coatings that require less energy to apply and cure, including:

- Wood coating options with partially plant-based formulations, while providing similar performance characteristics to equivalent fossil fuel-based products.
- Coatings that once required high-temperature bake cycles in the past can now cure at room temperatures because of innovative technology. These coatings reduce energy requirements by eliminating the need for high-temperature bake cycles.
- The development of high-transfer-efficiency powder coatings not only reduces spray time and the energy associated with the spray application process, but also reduces product loss, which further reduces energy use and preserves natural resources.
- Heat- and sun-reflective roof coatings and infrared-reflecting concrete coatings reduce the urban heat island effect and can reduce cooling needs in warmer climates.
- Powder coatings and other types of coating systems that deliver high performance in just one layer rather than competing coatings that may require multiple layers, which requires more energy and material to achieve similar performance.

OPPORTUNITY TYPE: Consumer Sentiment

TIME HORIZON: Short, medium and long term

DESCRIPTION: Many consumers and markets are demonstrating an increased preference for products that have lower environmental impact, including a lower carbon footprint. We believe our position to meet those needs is strengthened by our product sustainability initiatives and the transparency of our efforts. In addition, we offer products that are specifically designed to better protect the surfaces they cover, which may result in longer coated product lifespans and reduced waste. Through the preservation of their existing assets and the use of products designed to facilitate energy savings, customers increasingly recognize the beneficial sustainability attributes of Sherwin-Williams products.

We believe we have a good understanding of the environmental footprints of our products because we have invested in industry-leading capabilities in life cycle assessment (LCA) and environmental product declarations (EPDs). We have performed LCAs and drafted EPDs for hundreds of products. Many of these LCAs have been peer-reviewed, published as EPDs and are publicly available.

To help us identify opportunities to improve the sustainability profile of our products, we created our Sustainability by Design program and determined our baseline of “sustainably advantaged products.” Sustainability by Design is a signature effort in our five-step Stage-Gate process to formally incorporate sustainability attributes such as life cycle thinking within our product development processes. This program enables us to evolve our products and processes to deliver and grow our “sustainably advantaged products” offering.

OPPORTUNITY TYPE: Geographic Flexibility

TIME HORIZON: Short, medium and long term

DESCRIPTION: Our Global Supply Chain (GSC) consists of a highly efficient manufacturing and distribution system for paint, coatings and related products. GSC is integrated in such a way that the risk created by a particular location being forced out of service may be mitigated, including by shifting production to other locations, if necessary.

As for the geographic reach of our store locations, we have historically located stores in promising markets that may have exposure to physical risks from climate change. We believe that our experience operating in these environments has made us a reliable and trusted neighbor in these communities that can be counted on to deliver product to expediently assist rebuilding and recovery efforts. Although severe weather events in these areas may adversely impact our own operations, cause disruptions and reduce the demand for our products, such circumstances can be an opportunity to serve the needs of our customers in these high-growth regions. In addition, our store location density and mobile platform have helped enable us to initiate sales quickly following certain natural disasters, even if stores in the region were negatively impacted by a severe weather event.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

Risk Management

- a. *Describe the organization's processes for identifying and assessing climate-related risks*
- b. *Describe the organization's processes for managing climate-related risks.*
- c. *Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.*

How We Identify and Assess Climate-Related Risks

In the Governance section of this report, we describe the Company's ESG governance structure, enterprise risk management (ERM) program, and management, board and board committee oversight of the Company's risk exposures, including relating to the environment, the impacts of climate change and certain other ESG and sustainability risks. The Company's ERM program includes the processes used to identify, assess and manage our most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. The ERM program facilitates the incorporation of risk assessment and evaluation into the strategic planning process and engagement with senior management and other senior leaders in the functional areas and business units specific to the risks to develop and support risk management and mitigation actions, strategies and processes.

Throughout this report, we describe the Company's climate-related risk exposures and other uncertainties and factors that could materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. For additional climate-related risk information, see the risk factor discussions related to climate change in our [2022 Annual Report](#).

In addition, we retain the services of a third-party consultant to help us further assess the risks and opportunities associated with climate change and to help us prepare for this report and related disclosures. This was a comprehensive, data-driven assessment that evaluated a wide range of physical and transition risks at the enterprise, business unit, product and individual location level. The results from that assessment were used to define the risks and opportunities contained in the Strategy section of this TCFD report.

How We Manage Climate-Related Risks

Sherwin-Williams is actively working to mitigate climate-related risks, including through our Scope 1 and Scope 2 GHG emissions reduction goals.

The 2030 Environmental Footprint goals are as follows:

- **Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030**
- **Increase electricity from renewable sources to 50% of total electricity usage by 2030**
- **Increase operational energy efficiency by 20% by 2030**
- **Reduce waste disposal intensity by 25% by 2030**

We have a robust LCA program, with many of our LCAs peer-reviewed and published as EPDs. The data from our LCAs and EPDs estimate that the raw materials in our paints and coating products account for a majority of our total "cradle to grave" carbon footprint and that raw materials are the largest driver of our Scope 3 emissions.

Other efforts to manage and mitigate our climate-related risks include our Scope 1 and Scope 2 GHG emissions reduction goals and our Sustainability by Design program.

We are also actively working with several key suppliers and customers on carbon footprint reduction initiatives. Periodically, we bring in key suppliers for sustainability discussions with senior leaders in the Company. These meetings often include presentations on technical solutions to reduce product carbon footprints. This has been taking place since 2018 and provides an opportunity for key suppliers to discuss product formulation improvements with leadership in R&D and product development. It is also an opportunity for us to share our related sustainability expectations and goals.

The Sherwin-Williams Company – Task Force on Climate-related Financial Disclosures (TCFD) 2022 Report, continued

How We Integrate Climate-related Risks into the Organization’s Overall Risk Management

In the Governance section of this report, we describe the Company’s ESG governance structure, enterprise risk management (ERM) program, and management, board and board committee oversight of the Company’s risk exposures, including relating to the environment, the impacts of climate change and certain other ESG and sustainability risks. The Company’s ERM program includes the processes used to identify, assess and manage our most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. The ERM program facilitates the incorporation of risk assessment and evaluation into the strategic planning process and engagement with senior management and other senior leaders in the functional areas and business units specific to the risks to develop and support risk management and mitigation actions, strategies and processes.

Throughout this report, we describe the Company’s climate-related risk exposures and other uncertainties and factors that could materially and adversely affect our business, results of operations, cash flow, liquidity or financial condition. For additional climate-related risk information, see the risk factor discussions related to climate change in our [2022 Annual Report](#).

Metrics and Targets

- a. *Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.***
- b. *Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.***
- c. *Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.***

Metrics

For this TCFD report, we assessed climate-related risks and opportunities using the following metrics:

- Scope 1 (Direct CO₂) Emissions (metric tons CO₂e)
- Scope 2 (Indirect CO₂) Emissions (metric tons CO₂e)
- Scope 3 Emissions (metric tons CO₂e)
- Total Energy Performance (Intensity) (gigajoules per metric ton of production)
- Total Energy Consumption (million gigajoules)

Targets

Our climate strategy reflects a science-based approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius. Our 2030 goal of reducing our absolute Scope 1 and Scope 2 emissions by 30% compared with a 2019 baseline was developed on this basis. We track our absolute Scope 1 and Scope 2 emissions, rather than our emissions intensity, in recognition of the need to reduce the physical amount of GHG emissions emitted into the atmosphere.

To review our emissions data, see the Environmental Footprint section in our [2022 Sustainability Report](#) and our [2022 Investor ESG Summary](#).

The Sherwin-Williams Company – 2022 Investor ESG Summary

TOPIC	METRIC	2019	2020	2021	2022
Sustainability Reporting					
	2022 Sustainability Report	2022 Sustainability Report			
	2022 SASB Index	2022 SASB Index			
	2022 TCFD Report	2022 TCFD Report			
	2022 GRI Index	2022 GRI Index			
General					
Company	Total Employees	61,111	61,031	61,626	64,366
	Total Employees (Full-Time Equivalent)	54,759	54,727	51,116	53,505
	Net Sales (Millions)	\$17,900.8	\$18,361.7	\$19,944.6	\$22,148.9
	Total Shareholder Return	See page 81 for Shareholder Returns			
	Number of Sites (includes manufacturing/distribution sites and global stores, branches and blending facilities)	5,376	5,288	5,271	5,384
Environmental					
General Environmental	ISO 14001 Certified Sites ¹ – # (%)	43 (33%)	44 (36%)	43 (36%)	44 (36%)
	Environmental Management Policy	Global Environmental, Health and Safety Policy			
Emissions and Climate Change	Scope 1 (Direct CO ₂) GHG Emissions (metric tons CO ₂ e)	394,124	400,196	389,651	430,114
	Scope 2 (Indirect CO ₂) GHG Emissions (metric tons CO ₂ e)	311,537	281,788	268,413	280,152
	Total CO ₂ Emissions (metric tons CO ₂ e)	705,661	681,984	658,064	710,266
	Scope 3 Emissions from Business Travel (metric tons CO ₂ e)	17,479	5,222	6,197	12,972
	Emissions Reduction Goal	N/A, the Company has transitioned to an absolute emissions reduction goal as opposed to an intensity-based goal	Reduce absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030 (2019 baseline)		
	Science-Based Target	No	Our 2030 Scope 1 and 2 emissions reduction goal reflects a science-based approach influenced by the Paris Agreement and its goal to limit global warming to well below 2.0 degrees Celsius		
	VOC Emissions (metric tons)	1,635	1,681	1,879	1,723
	SOx Emissions (metric tons)	221	262	243	255
	NOx Emissions (metric tons)	3,657	4,282	3,992	4,180
	Climate Change Strategy	Yes – see page 68 of our 2022 TCFD Report			
CDP Climate Change Disclosure ²	CDP Climate Change Response				
CDP Climate Change Score ²	D	C	B-	C	

¹This only applies to manufacturing and distribution facilities.²CDP scoring is based on previous year's data.

The Sherwin-Williams Company – 2022 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021	2022
Energy	Total Direct Energy Consumption (Scope 1) (Million Gigajoules)	5.61	5.79	5.53	6.10
	Total Indirect Energy Consumption (Scope 2) (Million Gigajoules)	2.68	2.58	2.65	2.68
	Total Energy Consumption (Million Gigajoules)	8.29	8.37	8.18	8.78
	Total Direct Energy Intensity (Scope 1) (Gigajoules/metric tons produced)	1.46	1.51	1.46	1.55
	Total Indirect Energy Intensity (Scope 2) (Gigajoules/metric tons produced)	0.70	0.68	0.70	0.68
	Total Energy Intensity (Gigajoules/metric tons produced)	2.16	2.19	2.16	2.23
Renewable Energy	Renewable Energy (Million Gigajoules) ³	0.00	0.01	0.00	0.00
	Renewable Energy Percent of Total (%)	0.03%	0.06%	0.06%	0.02%
	Renewable Energy Goal	N/A	Increase electricity from renewable sources to 50% of total electricity usage by 2030 (2019 baseline)		
Water	Water Withdrawn (m ³)	3,451,670	3,785,003	3,755,985	3,950,158
	Water Consumption in Production Facilities (m ³)	1,474,380	1,686,916	1,686,682	1,806,818
	Water Intensity (m ³ /metric ton production)	0.89	0.99	0.99	1.00
	Water Consumed in Production Facilities and Sourced from Regions with High or Extremely High Baseline Water Stress	21.48%	19.50%	20.98%	20.77%
	CDP Water Disclosure ²	CDP Water Response			
	CDP Water Score ²	C	C	C	C
Waste	Wastewater Discharge (m ³)	1,977,290	2,098,087	2,069,303	2,143,340
	Waste Reduction Goal	N/A	Reduce waste disposal intensity by 25% by 2030 (2019 baseline)		
	Waste Reduction Strategy	See page 22 for strategy			
Social					
Workforce	Women in Workforce	24.6%	24.5%	24.5%	23%
	Women in Management	26.3%	26.5%	26.4%	26%
	Women in Management Goal	N/A		Increase women in management roles to 30% by 2025 (2020 baseline)	
	Minorities in Workforce (U.S. Only)	33.3%	34.2%	35.2%	36%
	Minorities in Management (U.S. Only)	25.9%	26.6%	27.7%	29%
	Minorities in Management (U.S. Only) Goal	N/A		Increase underrepresented racial/ethnic groups in U.S. management roles to 30% by 2025 (2020 baseline)	

³ Renewable Energy includes on-site generation and procured renewable energy credits.

The Sherwin-Williams Company – 2022 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021	2022
Workforce	Workforce Age Group 70+	0.8%	0.9%	0.9%	0.92%
	Workforce Age Group 60-69	6.0%	6.4%	6.6%	6.28%
	Workforce Age Group 50-59	15.2%	15.5%	15.7%	15.46%
	Workforce Age Group 40-49	19.4%	19.6%	20.1%	20.01%
	Workforce Age Group 30-39	25.8%	26.4%	26.6%	26.23%
	Workforce Age Group 20-29	30.8%	30.0%	28.8%	29.20%
	Workforce Age Group Under 20	2.0%	1.23%	1.3%	1.90%
	Voluntary-Regrettable Turnover (for Full-Time only)	9.5%	8.0%	12.3%	13.10%
	The Sherwin-Williams Company 401(k) Plan Common Stock Ownership	9.2%	8.2%	7.9%	7.6%
Inclusion, Diversity & Equity	Equal Opportunity Policy	Equal Employment Opportunity Policy			
	2021 Engagement Survey: We collaborated with a third party to conduct our global engagement survey. Our goal was to leverage the voice of our employees and quantify our progress toward creating an inclusive culture that empowers everyone to learn, grow and achieve their career aspirations. We earned a favorable engagement score of 77%, which serves as an affirmation of our existing efforts. The 2021 survey established a baseline for our overall engagement score as well as associated metrics. We are committed to using the results to drive continued progress. Going forward, we will continue our regular cadence of pulse surveys and plan to conduct the global engagement survey every two years.				
	The following results from our 2021 all-employee engagement survey reflect our efforts in fostering an inclusive, supportive culture. <ul style="list-style-type: none"> • “Managers treat our employees with dignity and respect.” – 90% favorable response • “Sherwin-Williams is a safe place to work.” – 85% favorable response • “I can be myself at Sherwin-Williams.” – 80% favorable response • “I’d recommend Sherwin-Williams as a place to work.” – 80% favorable response 				
	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.				
Occupational Health and Safety	Days Away Restricted or Transferred (DART) Rate (Total incidents per 200,000 hours worked)	1.03	0.97	0.58	0.87
	Recordable Case Rate (Total number of employees with recordable incidents per 200,000 hours worked)	1.30	1.06	0.81	1.29
	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			
Community Engagement	Total Corporate Foundation and Other Giving	\$7,221,883	\$6,806,353	\$5,876,673	\$6,655,876
	Community Engagement	Community Engagement			
Products					
Quality and Safety	Research and Development Costs (Millions)	\$103,100.0	\$97,100.0	\$115,900.0	\$119,300.0
Sustainability by Design	<p>Our Sustainability by Design program embeds life cycle thinking, which considers impacts throughout our value chain, into the earliest stages of our product innovation and development processes. From initial concept through commercialization, we identify ways to make our products more sustainable and better performing by evaluating health and safety considerations, chemical formulations, resource conservation, circularity and product performance, among other areas. 2022 was focused on program refinements and expanding stakeholder engagement to deliver better sustainability outcomes. Our 2022 highlights included the following:</p> <ul style="list-style-type: none"> • Established the Sustainability by Design Stage-Gate Process as a standard part of the product innovation and development processes • Enhanced the supplier engagement component of our Product Blueprint strategy • Refined our definition of “sustainably advantaged products” to be clearer and more verifiable – with the Sherwin-Williams definition as “products that achieve a level of third-party green chemistry, ecolabel or similar recognition” • Enhanced our culture of internal engagement to further embed sustainability into the business and into our products <p>For more on our Sustainability by Design program, see our 2022 Sustainability Report beginning on page 26.</p>				

The Sherwin-Williams Company – 2022 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021	2022
Product Sustainability	Sustainability Product Listing				
Supply Chain					
Supply Chain	Supplier Guidelines/Code of Conduct	Supplier Code of Conduct			
Governance					
Ethics	Business Ethics Policy	Code of Conduct			
Board of Directors	Size of the Board	11	10	11	11
	Independent Directors on Board – # (%)	10 (91%)	9 (90%)	10 (91%)	10 (91%)
	Independent Lead Director	Yes	Yes	Yes	Yes
	Gender Diversity – # (%)	3 (27%)	3 (30%)	3 (27%)	3 (27%)
	Racial/Ethnic Diversity – # (%)	2 (18%)	2 (20%)	4 (36%)	4 (36%)
	Board Average Age	62.8	63.0	61.8	62.8
	Board Average Tenure	7	7.2	6.2	6.8
	Mandatory Retirement Age	72	72	72	72
	Board Meetings Held	6	7	6	5
	All Directors Attended ≥ 75% of Meetings	Yes			
	Independent Members on the Audit Committee – # (%)	5 (100%)	4 (100%)	6 (100%)	6 (100%)
	Audit Committee Meetings	6	8	5	6
	Independent Members on the Compensation & Management Development Committee – # (%)	5 (100%)	5 (100%)	4 (100%)	4 (100%)
	Compensation & Management Development Committee Meetings	5	4	4	6
	Independent Members on the Nominating & Corporate Governance Committee – # (%)	4 (100%)	4 (100%)	4 (100%)	4 (100%)
	Nominating & Corporate Governance Committee Meetings	4	2	4	2
	Annual Board and Committee Self-Assessments	Yes			
	Orientation Program for New Directors	Yes			
	Shareholder Practices ⁴	Equal Voting Rights (One Vote per Share)	Yes		
Annual Say on Pay Voting Support		96.9%	96.0%	93.5%	92.4%
Shares Outstanding as of December 31		276,434,517	268,676,631	261,143,805	258,875,999
Equity Reserved as % of Shares Outstanding		9.0%	7.8%	7.3%	6.9%
Options Granted as % of Shares Outstanding		0.54%	0.51%	0.37%	0.39%
Fair Price Provision		Yes			
Mandatory Bid Provision		No			
Majority Voting Standard		Yes			
Classified Board		No			
Proxy Access ⁵		Yes			
Shareholder Rights Plan		No			

⁴ Historical share and per share information has been retroactively adjusted to reflect the Company's three-for-one stock split effected March 31, 2021.

⁵ The Company's Regulations provide proxy access rights to 3 year, 3% shareholders for up to 20% of the board.

The Sherwin-Williams Company – 2022 Investor ESG Summary, continued

TOPIC	METRIC	2019	2020	2021	2022
Public Policy and Political Engagement	Political Action Committee	No			
	Public Policy and Political Engagement Statement	Code of Conduct , 2022 GRI Index			
Compensation	Total Compensation Paid to Named Executives	\$30,706,224	\$31,713,250	\$33,937,998	\$26,559,481
	Total Salaries Paid to Named Executives	\$4,016,760	\$4,109,263	\$4,652,263	\$4,195,773
	All Other Compensation Paid to Named Executives	Summary Compensation Table , Proxy Statement			
	Total Compensation Paid to CEO	\$14,854,731	\$15,323,284	\$15,843,760	\$12,749,910
	Total Salary Paid to CEO	\$1,333,000	\$1,339,000	\$1,368,231	\$1,408,962
	All Other Compensation Paid to CEO	Summary Compensation Table , Proxy Statement			
	Executive Compensation Policies and Practices	Compensation Discussion and Analysis , Proxy Statement			
	Significant Stock Ownership Guidelines ⁶	Yes			
	Double-Trigger Equity Vesting Upon CIC	Yes			
	Anti-Hedging and Anti-Pledging Policy	Yes			
	Clawback Policy	Yes			
Governance	Total Executives	11	11	11	12
	Female Executives – # (%)	2 (18%)	2 (18%)	3 (27%)	3 (25%)
	Sustainability Disclosures Independently Verified/Assured	No			
	UN Global Compact Signatory	No			
	ESG Oversight	Yes, page 11			
	External Auditor	Ernst & Young LLP			
	Audit & Audit-Related Fees Paid to Auditor	\$7,280,000	\$6,276,000	\$6,171,000	\$6,398,000
Non-Audit Fees Paid to Auditor	\$2,286,000	\$949,000	\$1,023,000	\$1,896,000	

⁶Each independent director is required to own shares of common stock equal in value to a minimum of 7x the annual board cash retainer and hold all shares of common stock received upon the vesting of restricted stock units until the minimum share ownership requirement is met. Each executive is required to own shares of common stock equal in value to a multiple of his/her base salary, with 6x for the CEO, 4x for the COO and 3x for other executives.

The Sherwin-Williams Company – 2022 Shareholder Returns

Comparison of Cumulative Five-Year Total Return

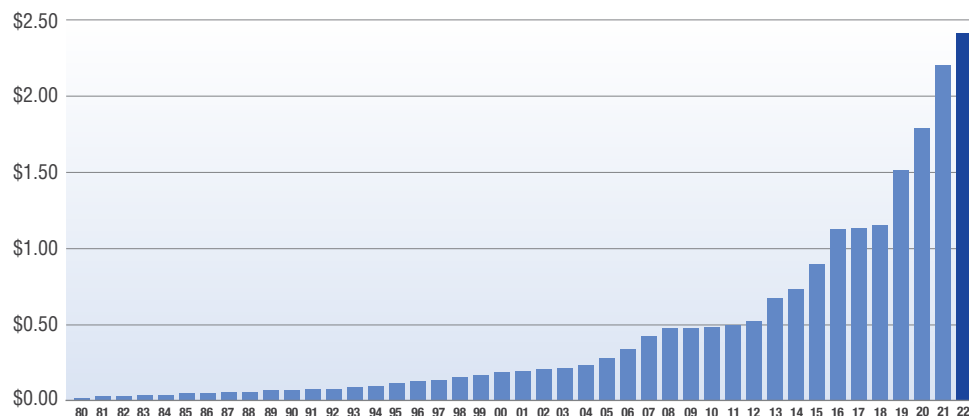


Five-Year Return

The stock performance graph at left assumes \$100 was invested on December 31, 2017 in Sherwin-Williams common stock, the S&P 500 and the peer group 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, 2022.

The 2022 Peer Group of companies is comprised of the following: AkzoNobel N.V., Axalta Coating Systems Ltd., BASF SE, Genuine Parts Company, H.B. Fuller Company, Lowe’s Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc., Stanley Black & Decker, Inc. and The Home Depot, Inc.

Dividends Per Share

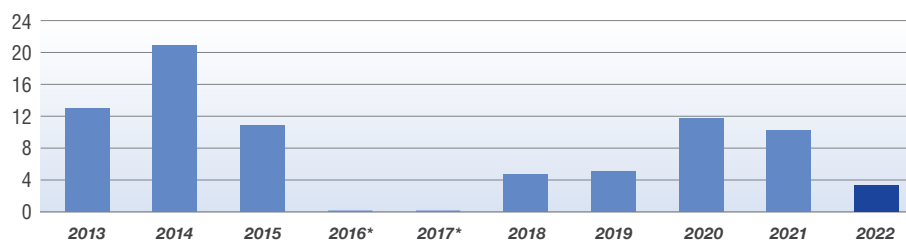


Returning Cash to Shareholders

We have consistently returned a portion of our cash generated from operations to shareholders through cash dividends and share repurchases. In 2022, the Company increased its cash dividend 9.1% to \$2.40 per share, marking the 44th 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 2022, we invested \$883 million to buy 3.35 million shares on the open market. 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.

Stock Repurchase (millions of shares)



* No open market purchases in 2016 and 2017

309.1	296.2	283.6	283.5	284.8	285.0	280.3	275.8	267.1	261.8
Weighted Average Diluted Shares (in millions)									

SHERWIN-WILLIAMS®

“The progress on our sustainability efforts would not be possible without the remarkable efforts of our 64,000+ employees around the world and the support of our stakeholders. We look forward to continuing to share our progress on this journey.”

John G. Morikis
Chairman and Chief Executive Officer

The Sherwin-Williams Company

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