

California Transparency in Supply Chains Act of 2010

PPG Industries, Inc. (PPG) recognizes the importance of conducting business in an ethical manner that respects human rights. The California Transparency in Supply Chains Act of 2010 requires certain companies to publish a statement describing the steps they have taken to ensure that there is no slavery, coerced labor or human trafficking in their own businesses or in their supply chains.

This statement relates to the actions and activities that PPG has taken in this regard.

Global Code of Ethics

PPG is committed to conduct business in an ethical manner that respects human rights. In particular, PPG's Global Code of Ethics requires compliance with all laws prohibiting forced, compulsory or child labor, human trafficking and employment discrimination. All employees of PPG and its subsidiaries are required to comply with the Global Code of Ethics. We regard observing local law to be the minimum acceptable level of conduct. In addition, PPG's own standards of conduct frequently oblige us to go beyond the legal minimum of a locality and to conduct our affairs according to our own higher standard. To enforce the importance of the Global Code of Ethics and make sure our employees know what is expected, many of PPG's employees, including those with responsibility over PPG's supply chain, are required to complete, on an annual basis, a Global Code of Ethics online training course which is accompanied by a test which they must pass in order to complete the training. Additionally, PPG periodically trains employees and managers with responsibility for supply chain management with respect to human trafficking and slavery. The Global Code of Ethics is also a key pillar of PPG's Supplier Sustainability Policy with which all suppliers and contractors are expected to comply.

PPG's Compliance Department will investigate any violation of the Global Code of Ethics by an employee, and this may result in disciplinary action up to and including dismissal (in accordance with the relevant Human Resources policy and local law).

Global Supplier Code of Conduct

PPG expects our valued suppliers to operate their business practices in accordance with PPG's ethics and integrity expectations. As such, PPG has implemented a Global Supplier Code of Conduct. PPG's Global Supplier Code of Conduct is a key pillar of PPG's Supplier Sustainability Policy. The Global Supplier Code of Conduct imposes minimum compliance standards with respect to business integrity, labor practices, health and safety, and environmental management. It is intended to complement the Global Code of Ethics. The Global Supplier Code of Conduct covers a wide range of standards, but those specific to working conditions and minimum employment standards are set out in the table below:

Forced or compulsory labor	Suppliers must: <ul style="list-style-type: none">• Prohibit all forms of forced or compulsory labor• Maintain and promote fundamental human rights
-----------------------------------	--

Child labor	Suppliers must: <ul style="list-style-type: none"> • Prohibit the use of child labor • Adhere to the minimum employment age limit defined by national law or regulation • Comply with relevant International Labor Organization (ILO) standards
Diversity and inclusion	Suppliers must: <ul style="list-style-type: none"> • Promote a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse • Create a work environment in which employees and business partners feel valued and respected for their contributions
Health and safety	Suppliers must: <ul style="list-style-type: none"> • Provide safe and healthy working conditions • Proactively manage health and safety risks with the goal of providing an incident-free environment where occupational injuries and illnesses are prevented • Implement management systems and controls that identify hazards and assess and control risk related to their specific industry
Freedom of association	Suppliers must: <ul style="list-style-type: none"> • Respect employees' right to freedom of association and collective bargaining, consistent with local laws • Respect employees' rights to join or refrain from joining associations and worker organizations
Wages, hours and benefits	Suppliers must: <ul style="list-style-type: none"> • Treat employees fairly, including with respect to wages, working hours and benefits • Comply with all applicable legal and regulatory requirements and apply sound employee relations practices

The Global Supplier Code of Conduct applies to any persons providing goods and services to PPG, including suppliers and contractors. Ultimate responsibility for enforcement of the Global Supplier Code of Conduct is PPG's Compliance and Supplier Development Team. The Compliance and Supplier Development Team investigates any suspected violations of the Global Supplier Code of Conduct by a supplier and stipulates appropriate actions that the supplier must take to remedy the breach. These will range from allowing the supplier to rectify the violation by corrective and preventative action to termination of applicable contracts and reporting the violation to the proper authorities (in cases where the supplier is involved in slavery and human trafficking).

On-boarding New Suppliers

Prior to a company becoming a PPG supplier in any region of the world, we perform an assessment that evaluates ethical and regulatory performance in addition to financial solvency, business stability and operational capability.

The process of on-boarding a new supplier has two stages:

- the supplier must sign up to the Global Supplier Code of Conduct; and
- PPG's Global Supplier Management Team follows a supplier qualification checklist and completes a series of forms (including a New Supplier Qualification Form) to assess and vet the supplier's credentials.

In 2017, the New Supplier Qualification Form was updated to include questions on child and forced labor, human rights violations, workplace safety violations, conflict mineral violations, and supplier diversity.

In 2018, we identified a need to carry out a review of our on-boarding process for new suppliers to enable us to gather information on a number of priority areas, including modern slavery, as quickly as possible when engaging with a new supplier. The outcome of our review has led to the development of a new phased process for supplier on-boarding. The new process includes additional information being provided to suppliers at each stage to ensure that they are properly informed about requirements under relevant legislation.

Supplier Surveys and Audits

In 2019, we issued self-assessment questionnaires to 100 high-risk suppliers in our supply chain. Areas evaluated included:

- Policies, including sustainability, code of conduct, anti-corruption and bribery, human rights, conflict minerals, proprietary technology, health and safety and environmental sustainability;
- Criminal violations involving corruption, bribery or antitrust;
- Spills, chemical releases and environmental contamination;
- Significant health and safety incidents and notices of violations;
- Citations or fines related to a breach of labor law;
- Process to educate, train and audit employees regarding company policies; and
- Sustainability review processes to monitor corporate and supply chain performance.

Most of the respondents effectively exhibited strong sustainability controls. The surveys for the remaining respondents required further review and clarification, which we undertook in early 2020. For those high-risk suppliers that did not respond to our survey, we continued to engage with them in early 2020 to obtain their information.

In 2020, we plan to double the number of high-risk suppliers we evaluate to further target and address potential sustainability risks in the supply chain.

Our Europe, Middle East and Africa region evaluates the performance of approximately 180 of its critical raw materials and packaging suppliers each year. The evaluation covers many areas that pertain to sustainability, such as environmental performance, human rights and anti-corruption, as well as performance indicators relating to on-time delivery and quality.

In Asia Pacific, we conducted six onsite audits with existing suppliers and six onsite visits for potential new suppliers during 2019. We select existing suppliers for onsite audits based on an established schedule or when a new product will be produced in a new supplier facility. New suppliers are selected for onsite visits based on their impact to our business, formulations or supply chain. Evaluation criteria for both groups of suppliers include:

- Product review;
- Production process (incoming raw materials, quality control, packaging and shipping);
- Quality system (key controls, inspection/testing, abnormality reporting, continuous improvement and training);
- Environment, health and safety performance; and
- Corporate social responsibility (human rights and regulatory performance).

For the onsite audits, we will stop business or development with suppliers that achieve a score of less than 50 on a 100-point scale. A score between 50 to 64 results in suspension until the supplier meets our requirements by implementing corrective actions. The six suppliers we audited in 2019 scored above 64.

Sustainability requirements will become more engrained in our processes beginning in 2020 with the implementation of an electronic system that will require new and current suppliers to agree to our policies and codes. This builds upon our existing requirement for suppliers within the United States and Canada that accept our terms and conditions to acknowledge all aspects of our Global Code of Ethics.

The new system will enable a more proactive third-party due-diligence screening for supply chain risks on a continuous basis. We are also in the initial stages of compiling a database for product manufacturing sites to help us identify potential disruption in the event of global crisis situations.

Mica Supply Chain

We are a founding and active member of the [Responsible Mica Initiative](#) (RMI), which aims to mobilize the supply chain to eradicate child labor in India's mica mining. We are working with RMI partners to increase traceability, implement fair and sustainable practices along the supply chain, and build a legal framework with associated controls. Initiative partners also hope to establish holistic programs that improve and empower local communities and their

citizens through additional sources of income, access to quality education and health care, and increased access to government programs.

In addition to providing funding and resources to RMI, we have traced the pigment provided by our suppliers to the origin of their mica source. We also performed audits of our suppliers and mines when alerted about the issue in 2017. We have found no child labor being used in our supply chain.

Reporting Violations

Employees are expected to report ethics and compliance concerns related to the Global Code of Ethics to the appropriate levels of management, including the Ethics and Compliance Office, and employees are required to report all violations of the Global Code of Ethics or the law which may result in significant corrective or disciplinary action to PPG's Ethics and Compliance Office. PPG offers several reporting options, including the PPG Ethics Helpline which is a confidential, free phone and online reporting service maintained by a third party. Any retaliation – whether direct or indirect – against any employee who raises a good faith concern is grounds for discipline up to and including dismissal.

Under the Global Supplier Code of Conduct, suppliers are required to report immediately suspected violations of the Global Supplier Code of Conduct to the Vice President, Global Supply Management, PPG's Ethics Helpline or PPG's Chief Compliance Officer if a violation of the Global Supplier Code of Conduct is ever in question. In the event that a supplier recognizes any non-compliant activity or violation of the Global Supplier Code of Conduct, the supplier must provide a detailed corrective action plan to address such deficiency.

Training

Modern slavery-focused e-learning to increase understanding of what modern slavery is and its impact on individuals, help employees know the signs of modern slavery and raise awareness of what to do if they identify a risk of modern slavery occurring in PPG or its supply chains was rolled out to certain employees in the United Kingdom and in our European Procurement organization in 2019. Training will be provided to certain U.S. employees in 2020.

More Information

For more information about PPG's supplier sustainability efforts, Global Supplier Code of Conduct and Global Code of Ethics, please visit our Supplier Sustainability website at <http://corporate.ppg.com/Purchasing/Supplier-Sustainability.aspx> and our Global Code of Ethics website at <http://corporate.ppg.com/Our-Company/Ethics.aspx>.

Updated 04/15/2020