



We protect and
beautify the world





PPG Global Supplier Webinars

Melanie Barth – Global Quality Director

October 14th 2021



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Agenda



Global Procurement Key Messages

Christine Camsuzou – Global Procurement Director

Marketing OEM Expectations

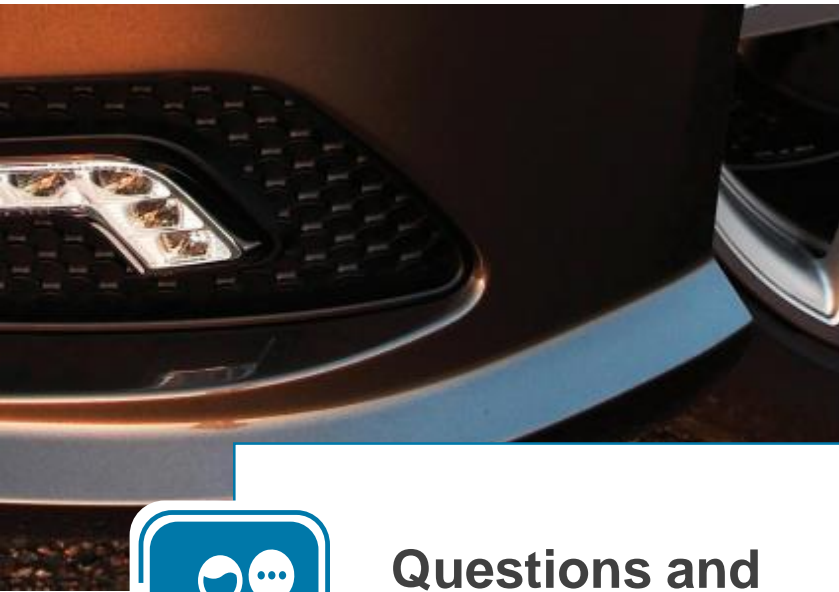
Luis Aragon – Global Account Director PSA & Renault

PPG Quality Expectations

Davide Bariona – Quality Director EMEA

Q&A

Expected Outcomes for this Webinar



Questions and Answers

Questions and answers collected from Slido were integrated to the current presentations. You can raise further questions via chat or new Slido link.



Key Messages for you

You will hear important messages and expectations from the PPG leadership team in procurement, marketing and quality.



Growth Partnership

In this very complex and dynamic environment we need to work together to build a sustainable and resilient supply chain.



PPG Global Procurement

Christine Camsuzou – Global Procurement Director

October 14th 2021



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How we behave, work and operate to achieve success

The PPG Way

Every single day at PPG:



We partner with customers to create mutual value.

We are insightful, dedicated and proactive. We have intimate knowledge of the market and our customers. We focus on practical solutions that make a difference.



We are “One PPG” to the world.

We are better and stronger together. We leverage our scale to reach new markets and introduce innovative technologies as we differentiate and disrupt our markets.



We trust our people every day, in every way.

We enable and empower our people to make the right decisions. We are inclusive, transparent and respectful. Our feedback is clear and actionable.



We make it happen.

We have a passion for winning. We achieve. We deliver with discipline and integrity. We bring our best energy to our work. We decide and act intelligently and quickly.



We run it like we own it.

We respect one another by being responsible and accountable. We always act in the best interest of our company, customers, shareholders and our communities.

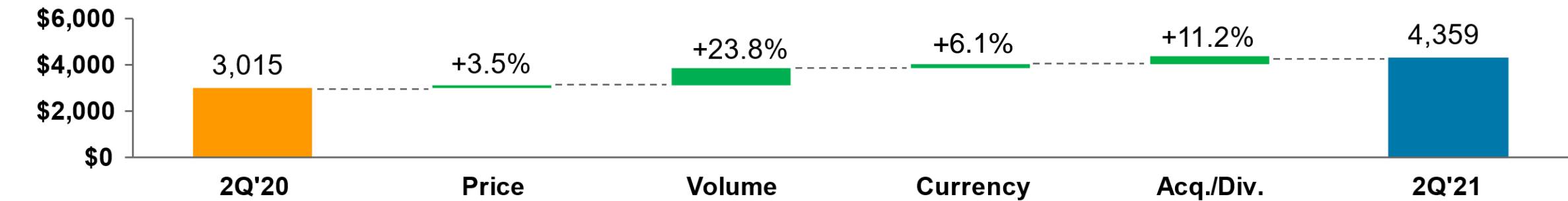


We do better today than yesterday – every day.

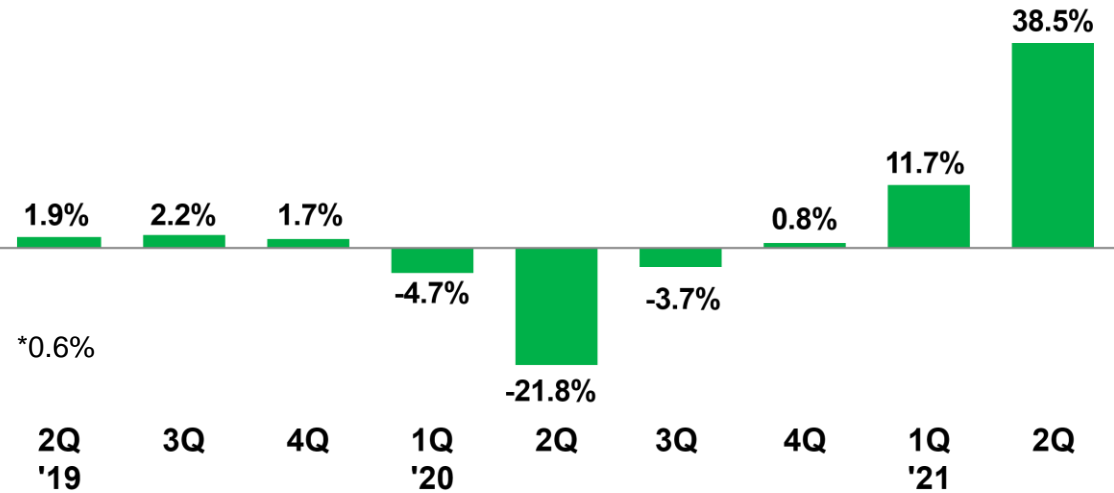
We continuously learn. We develop our people to grow our businesses.

PPG is the most active market consolidator

(\$ in millions)

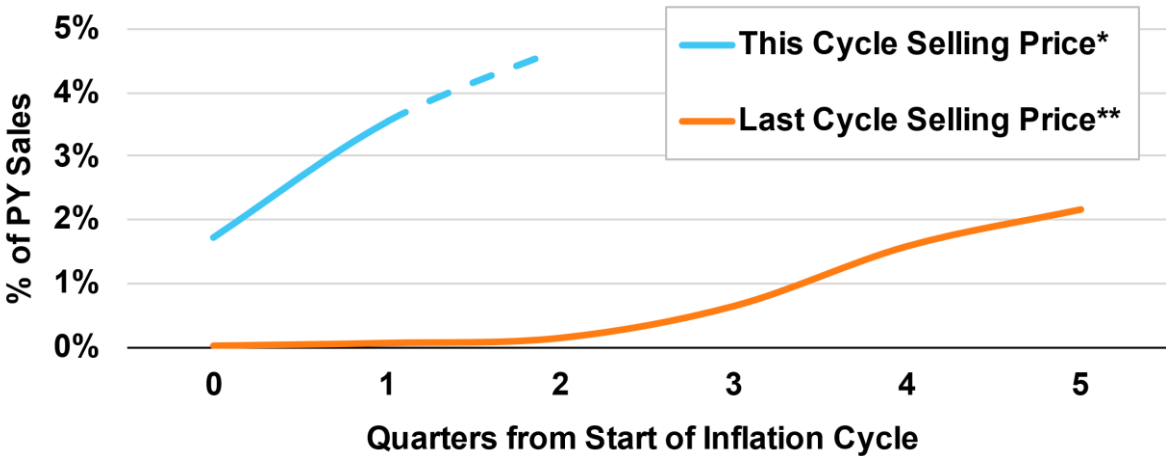


PPG Y-O-Y Net Sales Trend
(excluding currency impacts)



2Q21: Volume recovery continues

Selling Price Increase Progression
vs Last Inflation Cycle



Pricing realization ahead of prior inflation cycle



8 * Including customer assortment changes.

* This Cycle = Q1 2021 – Q3 2021 forecast

** Last Cycle = Q1 2017 – Q2 2018

PPG is well positioned to sustain growth

PPG volume performance by major coatings vertical vs. prior year and end-use market demand

	 U.S. and Canada	 Europe / Middle East / Africa	 Asia-Pacific		 Latin America	
Aerospace	Above Market	At Market	At Market		Above Market	
Automotive Refinish	Above Market	Above Market	At Market		At Market	
Architectural	At Market	Above Market	Australia At Mkt	China At Market	Mexico Above Market	Brazil Above Mkt
Protective	At Market	Above Market	Above Market		At Market	
Marine	At Market	Below Market	At Market		N/A	
Automotive OEM	At Market	Above Market	Above Market		Below Market	
General Industrial	At Market	At Market	Above Market		Above Market	
Packaging	Below Market	Above Market	At Market		Above Market	
Specialty Coatings	At Market	At Market	At Market		N/A	

Legend:

PPG compared to expected industry end-use market demand:
 Above Market At Market Below Market

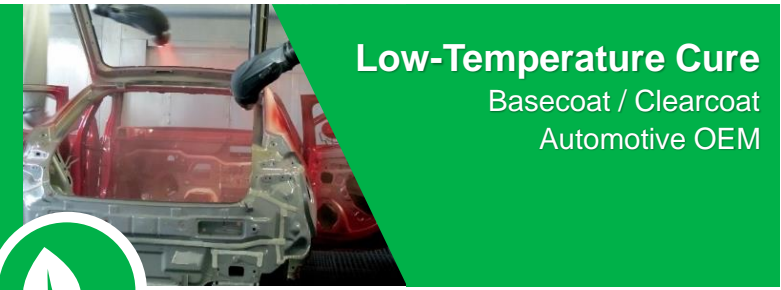
Year-over-year PPG volume:
 Contraction ● ● ● ● ● Expansion



Key highlights of PPG's ESG Focus and Progress

We protect and beautify the world through our Environmental, Social and Governance initiatives.

A sampling of sustainable PPG products



Low-Temperature Cure
Basecoat / Clearcoat
Automotive OEM



Environmental

35% of sales generated from more sustainable products and processes

2025 goal: 40% of sales

Continuously innovating to reduce resource consumption, waste generation, and GHG emissions

2022 goal: sustainability goals certified to **science-based targets**



SIGMAGLIDE 1290
Premium Hull Coating Solution
PMC



Social

Launched first-ever global **DE&I strategy** and funded 8 Employee Resource Groups

Committed to investing **\$20M** by 2025 to advance racial equity

350+ **Colorful Communities** projects completed to date

2021 plan: complete **over 50** additional Colorful Communities projects



PR-1776MB
Low Weight Fuel
Tank Sealant
Aerospace



Governance

Appointed 2 new independent board members

7 of 13 board members add gender, ethnic, or cultural **diversity**

Q2 Highlight:
Appointed PPG's 1st
VP of Global Sustainability

PPG collaborates with customers to achieve sustainable advantages



PPG sustainability goals 2021

35%

of sales from sustainably advantaged products and processes

34%

of manufacturing and research and development locations with zero process waste to landfill

42%

reduction in quantity of waste disposed from the 2017 baseline

34%

reduction in waste disposal intensity from the 2017 baseline

33%

reduction in spill and release rate from the 2017 baseline

24%

reduction in greenhouse gas emissions from the 2017 baseline

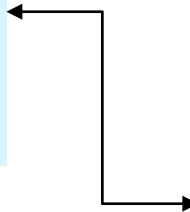


PPG needs Quality



AREAS OF CONCERN

- **Supply chain disruption**
- **Personnel changes**
- **Replacement solutions**



SUPPORT NEEDED

- **Consistent materials**
- **Back up facilities with similar quality systems**
- **Dedication to training**



PPG Automotive OEM Coatings

Luis Aragon – Global Account Director PSA & Renault

October 14th 2021



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PPG Automotive Customers

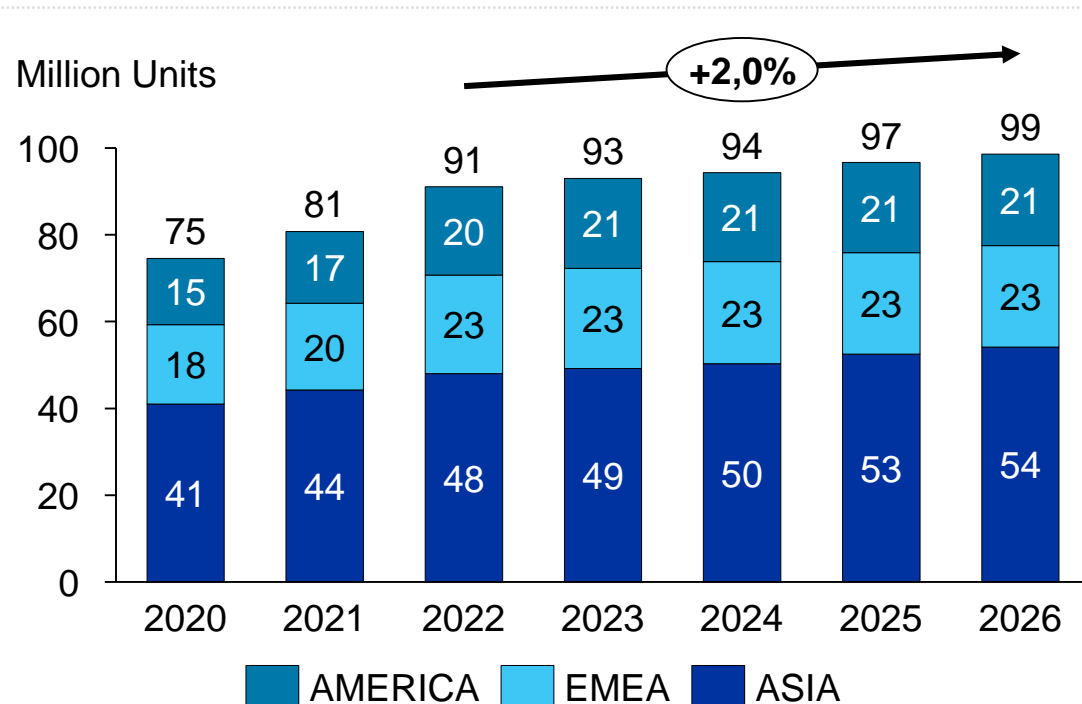


PPG provides coatings solutions for major OEMs and sub suppliers



Automotive Market

Production Trend



Source: IHS Aug 2021

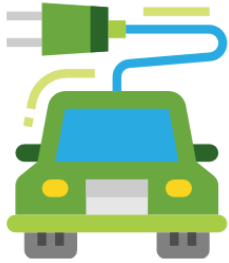
About a car plant

- Production volume **340.000 cars/year**
- Car length **4,23 m**
- **Lining up all cars** built last year in this one plant would make a line **1.438 km long**
This would cover the distance from Madrid (Spain) to Geneva (Switzerland)
- **1440 cars per day = 1 car per minute**
- Thousands of components delivered **JIT**
- **>1.000 microchips per car** made of **semiconductor** material
- **Thousands of workers**

Cost generated by stopping a production line
can be in excess of 500 k€ per shift

Automotive Trends

Electrification



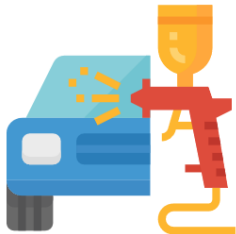
Autonomous driving



Connectivity



Low temperature



Battery pack solutions



Two tone & chromatic colors



We partner with customer to create mutual value



What is MOST important for our Automotive customers?

Customer requirements

- On-time performance
- Robustness
- Quality
- Supply continuity
- Cost efficiency:
 - Commercial: price reductions, rebates, etc
 - Technical TDC: usage reduction, energy savings, manpower reduction, process cost reductions, logistic cost, process improvement (monozukuri), etc
- Reliability

Quality Management System

- Every supply incident is reported in the Quality Portal and is ranked as yellow or red card depending on severity
- Containment action is requested within 24 hours
- Full Root Cause Analysis within 10 days
- If no satisfactory or effective response further restrictions are implemented:
 - Level 1: Additional quality checks imposed
 - Level 2: External company nominated by OEM and paid by supplier is appointed to check 100% of supplier production
- Claim with details of all costs generated by the incident is sent to supplier
- Suppliers are ranked in a Bid List. If minimum score target is not achieved supplier is put on New Business Hold (no chance to compete for new business)

What do WE need from OUR suppliers?

Cost Competitive

Value for the customer created not only with lower prices but providing greater benefits and services



Proposition on innovation

Develop products or services that bring added value and exceed customer expectations



Quality and Delivery

Reliable Quality and Delivery. OTIF and OK



Sustainability

Sustainability improves productivity and increases efficiency



CO₂ protocols

CO2 protocols at no added cost. Legal regulations





PPG Quality Expectations

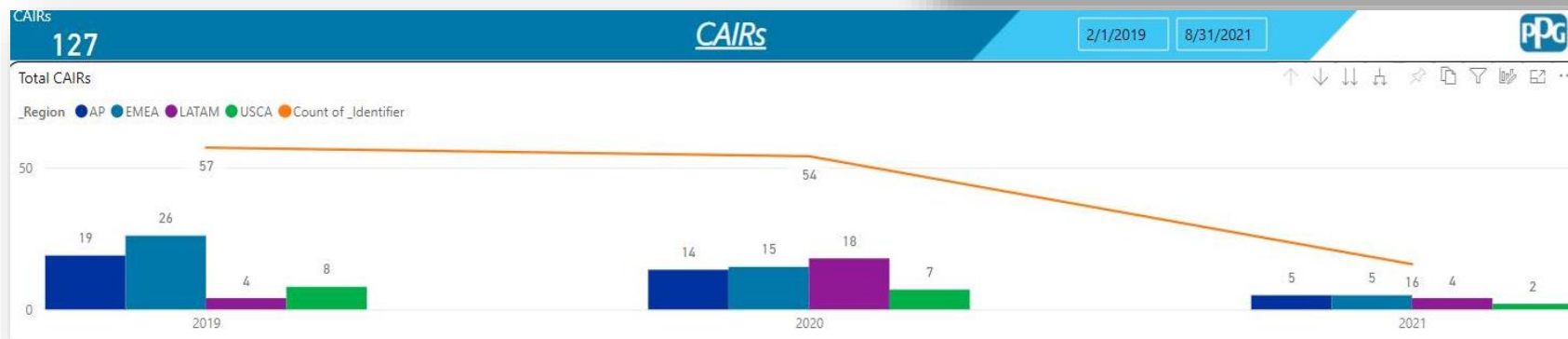
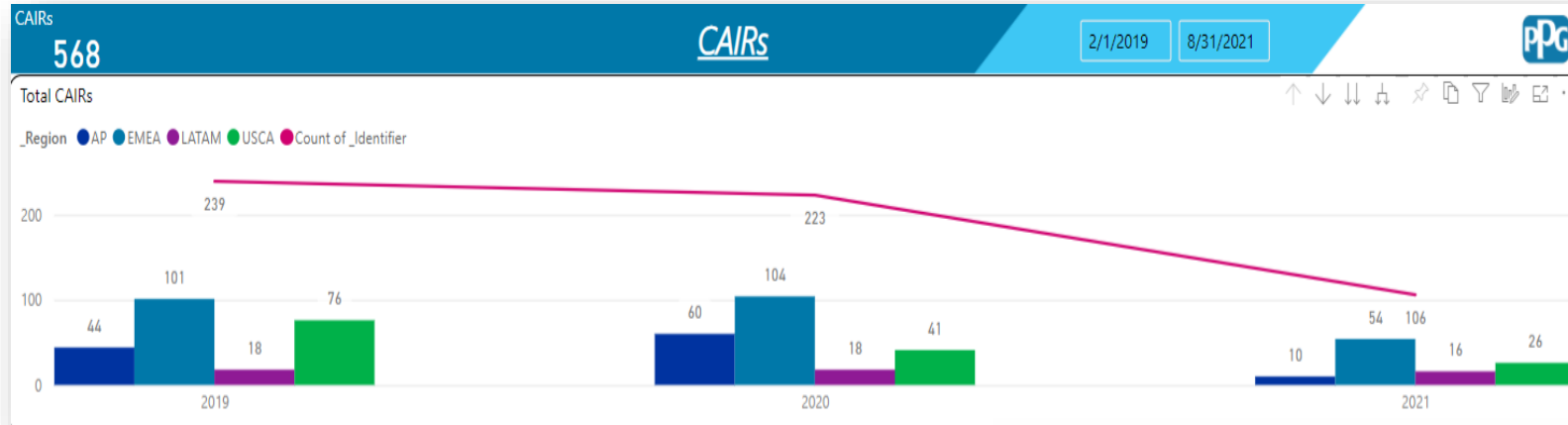
Davide Bariona – Quality Director EMEA

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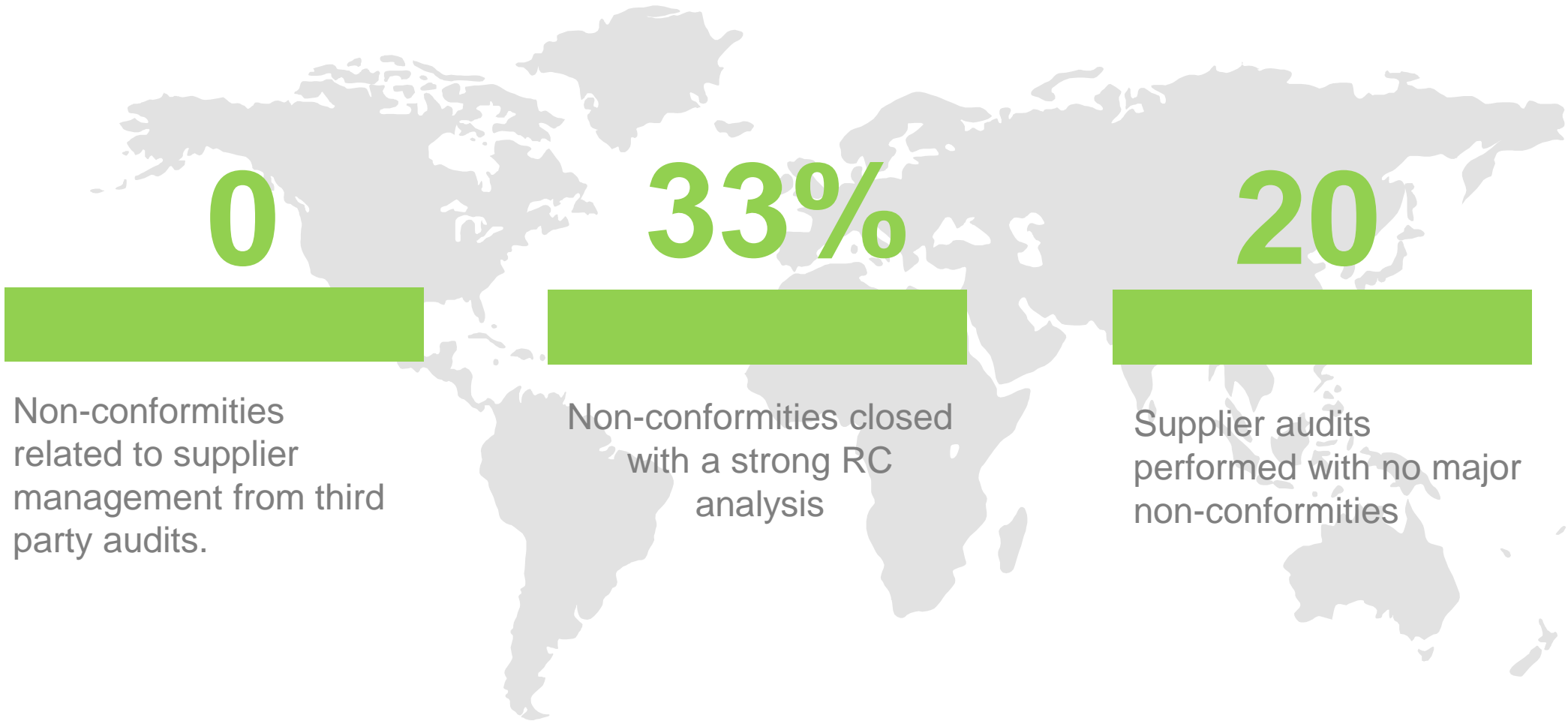
Where we are...



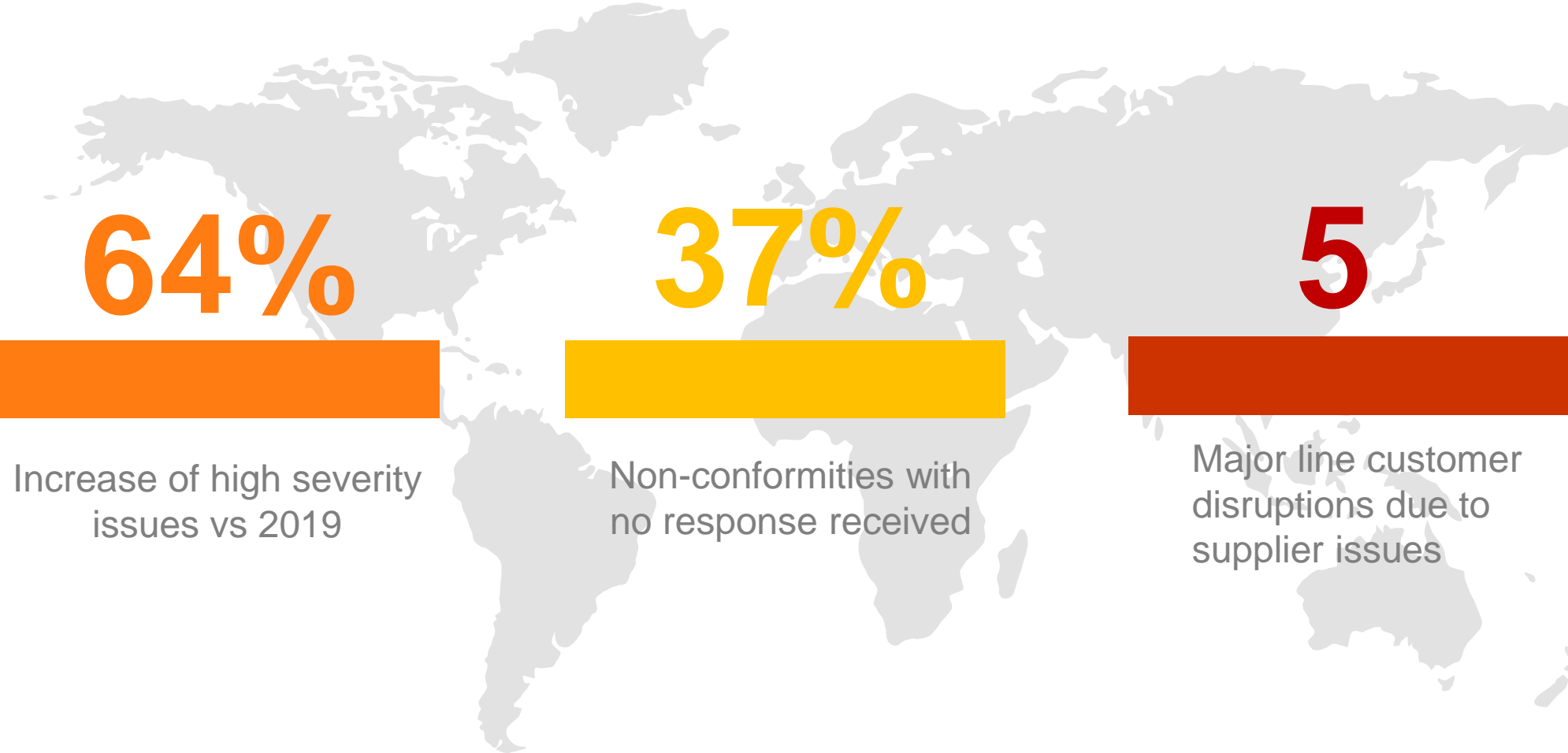
PPG Quality Policy

PPG will provide products and services to our interested parties that fully meet their requirements. We are dedicated to continuous improvements in every area of our business and to doing the job right the first time, so as to achieve total satisfaction to our interested parties.

2020-2021 Results: What went well?

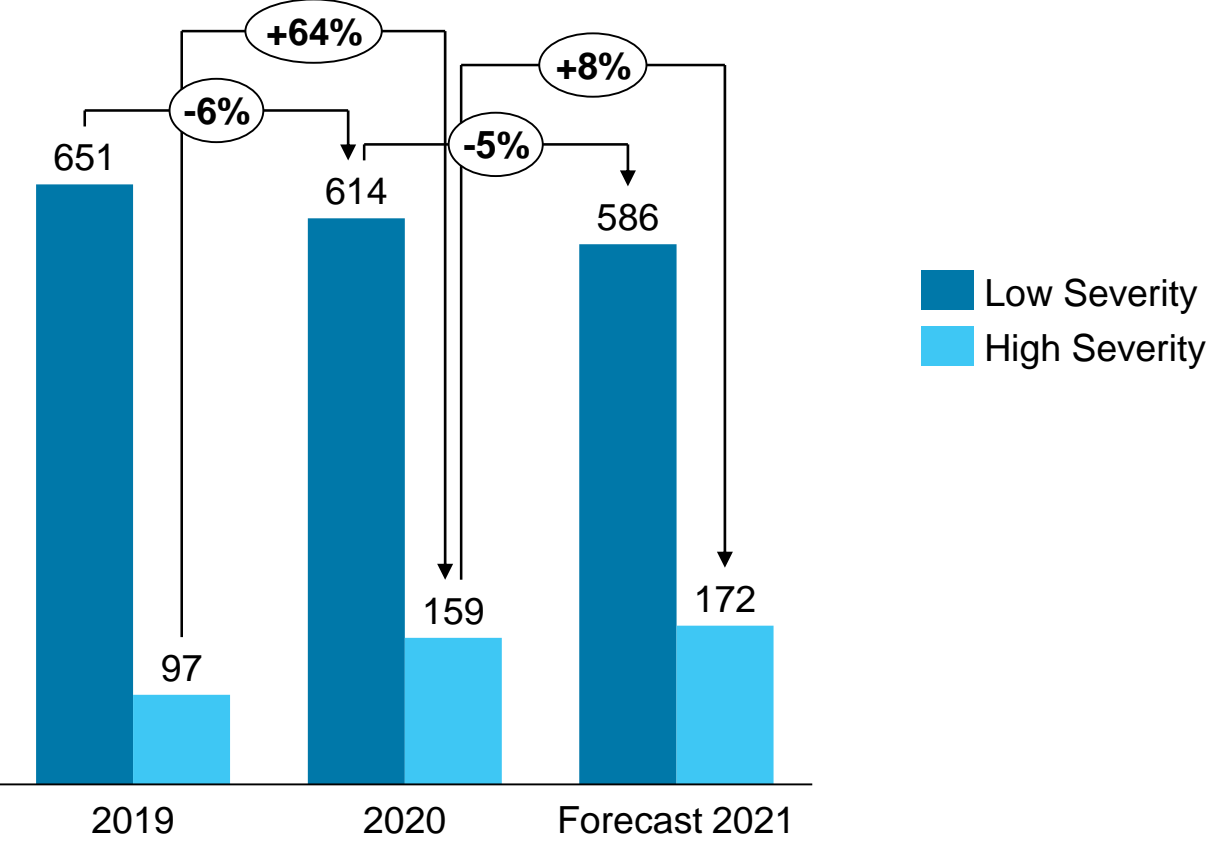


2020-2021 Results: What must improve?

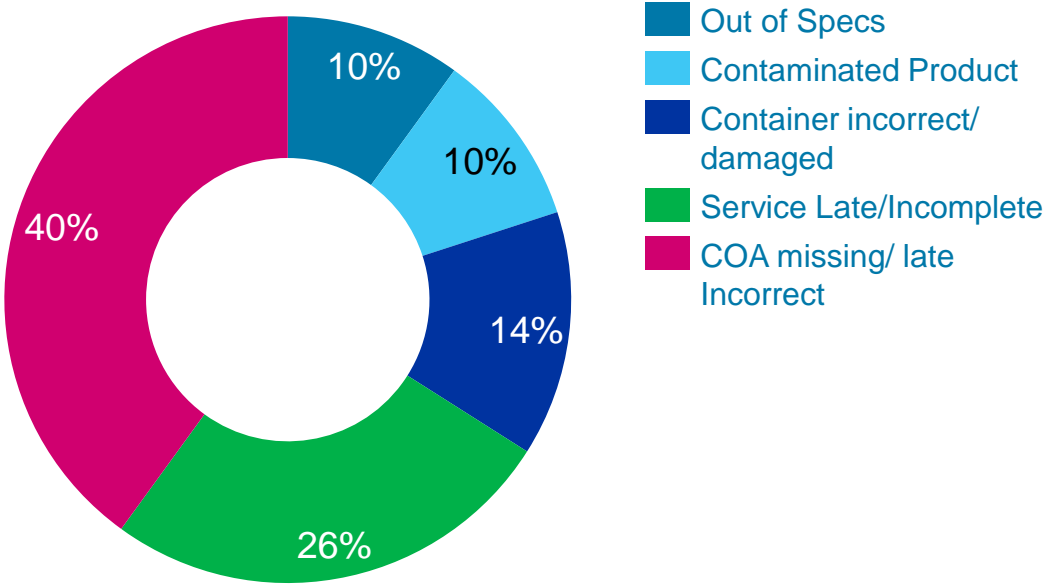


Results: What did we observe?

Supplier CAIR Severity Distribution

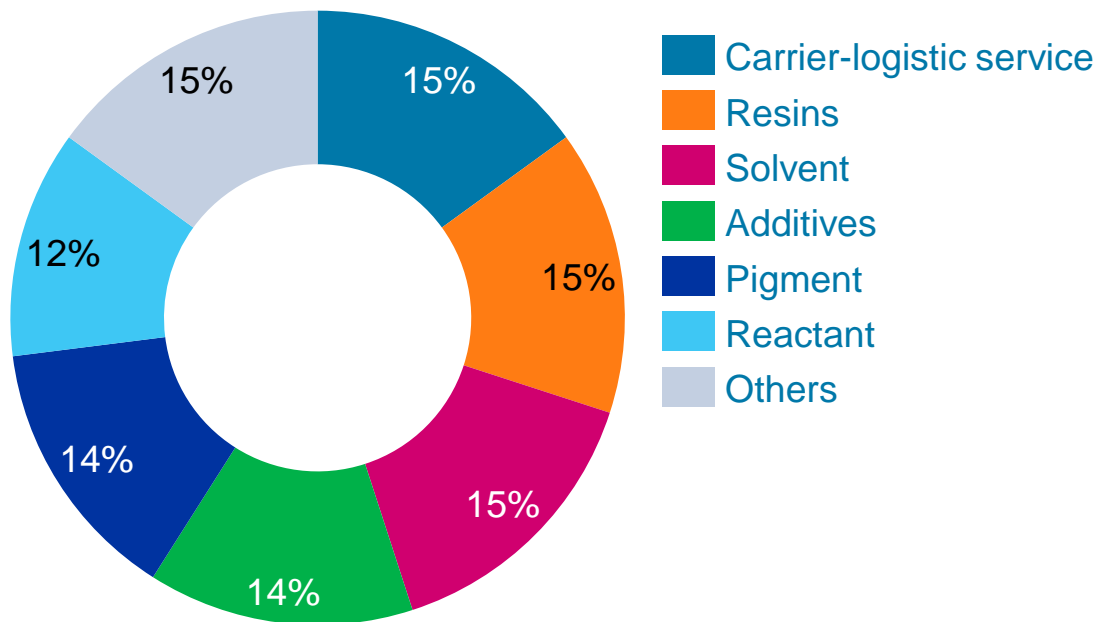


Top Supplier Related Issues 2020-2021

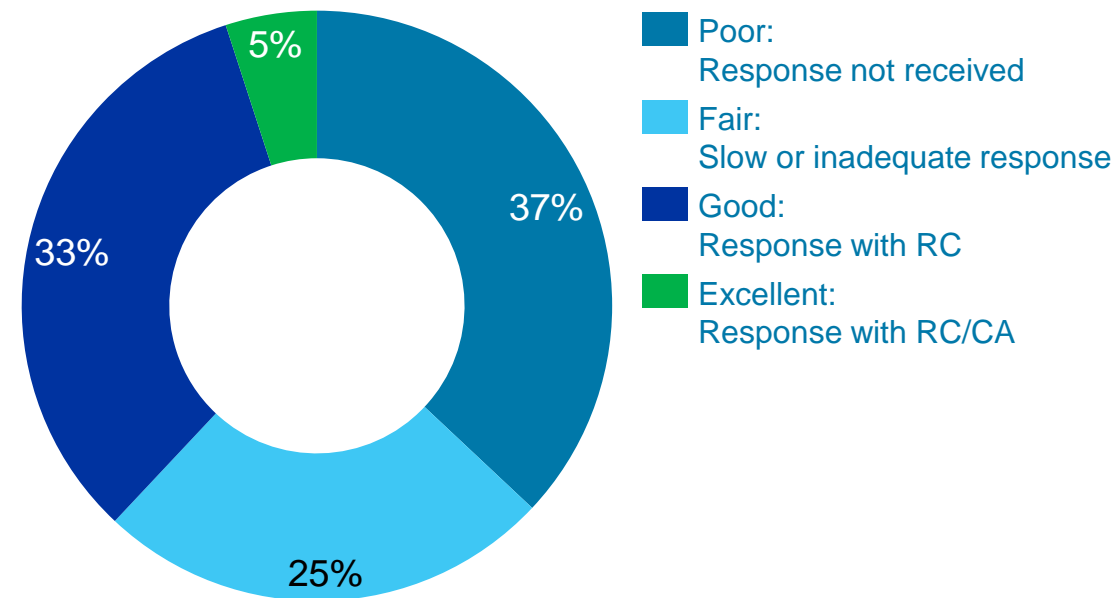


2020-2021 Results: What did we observe?

Top Supplier-Categories with non conformities



Supplier Responsiveness to PPG Issues



PPG Expectations

- **Minimum** ISO9001 Certification
- Adherence to the MAQMSR
- Adherence to the PPG Supplier Quality Requirements
- **Continuous improvement** initiatives

Quality

- **Reduce Cost of Poor Quality** by providing quality products and services
- Provide sustainable solutions to **drive cost reduction** and productivity

Cost

- **Ensure** supplier non-conformities are **addressed and resolved**.
- **Close communication** with the PPG site facing the issue.
- **Take full accountability** of problem resolution from the beginning to the end.

Accountability

- **Proactivity instead of reactivity** – implement lesson learned
- Understand and deploy the PPG Requirements, **review, share and agree on it before the delivery**.
- **Work in partnership with PPG** to find solutions to supply in the current environment.

Risk Management



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