

## 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:

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

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**

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.

## **Supplier Survey and Annual Supplier Ratings**

In 2015, PPG issued a self-assessment questionnaire to its top 100 suppliers globally (based on PPG's 2014 spend). In 2016, the results of the self-assessment were used to identify which key areas of PPG's supply chain should be audited to assess (among other things) the risk of the existence of human trafficking and slavery.

At the end of each year, PPG's most significant suppliers (based on factors such as spend, sole supplier status, etc.) undergo a ratings assessment. The ratings are shared with the supplier, and an action plan is devised if necessary. The ratings are also used to determine which suppliers are to be the subject of an annual supplier audit.

## **Annual Supplier Audits**

Supplier audits follow a series of questions set out in an audit checklist. The audit questions are extensive and cover all aspects of a supplier's business and include certain ethical questions, including employees' working conditions and their health and safety at work; compliance with local labor laws; and the existence of policies prohibiting child and forced labor. In 2016, 87 suppliers were audited globally, including suppliers of raw materials, packaging and services, with action plans being put in place to improve performance.

## **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.

### **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>.

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