



2012 PPG CORPORATE SUSTAINABILITY REPORT



Bringing innovation
to the surface.™

LETTER FROM THE CHAIRMAN

This year marks PPG's 130th in business. Since our earliest days, sustainable business practices have been embedded in our culture and strategy. Today, our global growth and expansion continue to be supported by a belief that these practices are not only the right things to do, but that they also give PPG and our customers competitive advantages.

During the last decade, PPG has transformed itself from a diversified, multibusiness manufacturer to being the world's leading coatings and specialty products company. In early 2013, PPG completed two strategic actions first announced in 2012 that have significantly accelerated our transformation. First, we finalized the separation of our former commodity chemicals business and its subsequent merger with Georgia Gulf to create Axial Corporation. Second, we expanded our architectural coatings portfolio with the acquisition of AkzoNobel's North American architectural coatings business.

Our 2012 financial results capped off an exceptional year for the company, driven by excellent operating performance. We grew our sales and earnings despite moderate overall economic conditions that varied by region and end-use market. You can read more about our financial accomplishments in PPG's 2012 Annual Report and Form 10-K.

Also in 2012, we continued our legacy of innovating sustainable technologies and solutions for our customers, and we began implementing our community engagement framework at sites around the world. In addition, we again deployed an employee engagement survey and took action on results from our 2011 survey. Among our other accomplishments highlighted in this report, I consider the establishment of our new sustainability vision, values and goals as a significant step forward. These principles deepen our

commitment and provide our global employees with the framework to continue to drive environmental stewardship at PPG facilities. They also further empower our employees to create safer and healthier workplaces.

The launch of our new sustainability vision, values and goals follows more than a year of in-depth internal and external analysis to determine what is most meaningful and impactful to PPG and our stakeholders. These tenets are directly linked to PPG's core vision and values, thereby supporting the sustainability of our enterprise. In 2013, we intend to expand and enhance the ways in which we engage employees in innovative programs to achieve our goals.

Metrics in this report include data from our former commodity chemicals business. With the separation of this business and the addition of AkzoNobel's North American architectural coatings business, we will include updated data in our 2013 report, which will be issued in early 2014. We are offering this year's report—the company's third full report—in both a print and online format. We encourage you to visit www.ppg.com/sustainability to view all reporting details and learn more about our progress.

Regards,



Charles E. Bunch
PPG Chairman and CEO



Cover photos, from top: Thirty PPG employee volunteers joined groups of children from the Shanghai Children's Welfare Institute on a special tour of the Shanghai Zoo (see story on page 25).

A group of cyclists, decked out in riding gear highlighting Envirobase® High Performance coatings by PPG, took part in the 117-kilometer "Fruit Loop Ride for Charity" in Shepparton, Victoria, Australia. The team, led by a local collision repair shop owner, included seven PPG Clayton, Victoria, Australia, employees.

Children enjoy the Pittsburgh Zoo and PPG Aquarium interactive educational wall sponsored by PPG Industries.

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SUSTAINABILITY: VISION, VALUES AND GOALS

VISION

To continue being the world's leading coatings and specialty products company with a focus on sustainability to ensure the success and lasting presence of our company for the benefit of our customers, our employees, our shareholders, our neighbors and our suppliers. We will act in a way that helps to ensure the longevity and resilience of our environment, our economies and our society.

VALUES

- Demonstrate operational and environmental, health and safety excellence, minimizing our environmental impact.
- Partner with employees and their families to improve their health and well-being.
- Create an engaging and inclusive workplace.
- Conduct business and operations in an ethical and compliant manner.
- Deliver innovative and sustainable products and services to our customers.
- Enhance value-creating relationships with suppliers and customers.
- Deliver positive change to society and to the communities where we operate.
- Deliver a superior return on investment to our shareholders.

GOALS: 2012 - 2020

Reduce Environmental Impact



- Reduce spills and releases 10 percent per year.
- Reduce hazardous waste to landfill by 20 percent by 2020.
- Reduce non-hazardous waste to landfill by 10 percent by 2020.
- Reduce energy intensity 1.5 percent per year.
- Reduce greenhouse gas emission intensity 1.5 percent per year.
- Achieve 30 percent of sales from sustainable products by 2020.

Improve Employees' Safety, Health and Well-Being



- Reduce PPG illness and injury rate by 5 percent per year.
- Implement wellness programs at 100 percent of PPG facilities globally.

Encourage and Report Charitable Donations and Volunteerism



- Implement community engagement requirements globally.
- Publish annual Sustainability Report and benchmark performance.

As PPG strives to continually improve its sustainable business practices, engaging in open communication and cooperation with its stakeholders is critical at all levels. PPG seeks to establish and maintain productive relationships with all of its key stakeholders, among them employees, customers, suppliers, government officials, investors and residents of communities where PPG operates.

Each PPG business and function is committed to effectively engaging the company's stakeholders using various tools to identify their perspectives on the company's business activities. PPG gathers specific feedback from internal sources to better understand how the company interacts with key stakeholders. Input is secured from departments such as sales and marketing within each business, as well as plant managers and corporate functions for environment, health and safety; purchasing and logistics; investor relations; government affairs; and corporate communications.

ENGAGING STAKEHOLDERS

While this analysis is conducted on an ongoing basis throughout the company, the matrix presented here provides a snapshot of our stakeholder engagement practices. While it is not inclusive of all stakeholder engagement activities, it captures the core elements of how PPG engages stakeholder groups on topics of interest and the value each group's input provides to PPG's business practices.



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	How PPG engages	How PPG engages
Employees	Investors/ analysts	<ul style="list-style-type: none"> Quarterly earnings announcements, conference calls and presentation materials News releases and U.S. SEC filings Annual Report and overview presentations Annual Meeting of Shareholders Capital Markets Day Presentations by PPG executives at financial/industry conferences One-on-one meetings Investor Center on www.ppg.com
		<ul style="list-style-type: none"> Visits to elected officials and agencies PPG employee political action committee Government Affairs website Industry and trade association involvement Plant tours, site visits for government officials Grassroots advocacy
		<ul style="list-style-type: none"> PPG Industries Foundation Corporate charitable contributions, including dinners and events Employee giving programs Corporate Global Charitable Contributions Program (Asia Pacific, EMEA and Latin America) China corporate social responsibility (CSR) committee and program Canadian charitable contributions and employee programs Disaster response One-on-one meetings and site visits Sponsorships News releases and publicity Family programs
Customers	Government	Philanthropies and nonprofits
Suppliers	Residents of communities where PPG operates	<ul style="list-style-type: none"> Charitable giving programs Site visits by community emergency services Local sponsorships Public education support and interaction Community boards Open houses/days Community meetings and events Community volunteerism Community steering committees Local media relations Industrial park membership Community Advisory Panel (CAP) Hazardous waste collection Chamber of commerce membership State or city industrial association membership Permit hearings

MATERIALITY ASSESSMENT

Environmental Operations	
Climate strategy	Very High - 4
Energy use / air emissions	High - 3
Carbon emissions	High - 3
Water use / quality	High - 3
Waste	Very High - 4
Chemicals	Medium - 2
Land use	Medium - 2
Product	
Product safety	Very High - 4
Emerging requirements	Medium - 2
Lifecycle impacts minimization	Very High - 4
Raw materials / upstream	Very High - 4
Recyclability / end of life	Very High - 4
Packaging	Very High - 4
Other	
Supplier environmental compliance	Medium - 2
Supplier compliance (other)	Very High - 4
Social Sustainability	
Occupational health safety	Medium - 2
Wellness / health / training	Medium - 2
Diversity	Medium - 2
Human rights	Medium - 2
Community relations	Very High - 4
Ethics / governance	Very High - 4
Materiality Key	
	Very High - 4
	High - 3
	Medium - 2
	Low - 1

Beginning in 2010, PPG conducted a materiality assessment focused on sustainability to understand the main topics of interest to stakeholders and the main topics that were important to the business.

The company catalogued topics by themes and aspects, gathering information from socially responsible investors (SRI) questionnaires, internal interviews from various business units, supplier interviews, industry certifications, policies, government official feedback, online research and media research/analysis. PPG attempted to be as inclusive as possible, including 70 themes and aspects in the framework. Then, the company evaluated whether each was also important to the business. Once identified and categorized, the themes and aspects were evaluated on a global scale by PPG's various business units. Because the company's business units have different priorities and concerns, it was important to get the feedback directly from the business units to help define the overall materiality for the company.

Themes and aspects were prioritized based on PPG's historical performance and gaps in performance—materiality helped PPG define the areas of improvement for the business units as well.

This materiality assessment played a key role in the development of the company's sustainability vision, values and 2020 goals, which were launched in 2012. PPG intends to continue to engage internal and external stakeholders as it executes sustainability programs.

*Materiality (weighted) is calculated by giving equal weight to PPG business, Trucost and Carbon Disclosure Project and double weight to Sustainable Asset Management and Stakeholder Assessment as these are two critical elements and influential to the business.

ETHICS AND COMPLIANCE

For 130 years, PPG's reputation has been rooted in a steadfast commitment to the highest standards of ethics and rigorous compliance to ethical principles. PPG's commitment to perform with integrity is instilled in employees as an expectation of behavior guided by the PPG Global Code of Ethics, *Leadership Through Integrity – A Guide to Corporate Conduct* (the "Code of Ethics"). PPG's Code of Ethics is available in both print and digital formats in 22 languages.

Code of Ethics Update

The Global Ethics and Compliance Committee routinely revises and reinforces the Code of Ethics to ensure that it is consistent with evolving global standards.

Updates to the Code of Ethics in 2011 included new segments regarding PPG's trade compliance policy and anti-corruption policy:

Trade Compliance Policy: PPG's trade compliance policy addresses the export of the company's products, services, technology and technical data around the globe. It also addresses PPG's obligation to comply with all trade and customs restrictions, laws and regulations and internal requirements relating to the import of materials and services.

Anti-Corruption Policy: PPG's anti-corruption policy applies to all transactions between PPG and any other party. The policy prohibits bribery and corruption of any kind in PPG business dealings in every country; Moreover, it underlines the stringent prohibitions that apply to any effort to improperly influence government officials. U.S and other laws and PPG policy prohibit PPG employees from making or offering bribes, payments or anything of value to obtain or retain business or any other business advantage.

Ethics and Compliance Training

As part of PPG's extensive, customized ethics and compliance training program, an estimated 18,000 employees worldwide participate in the company's ethics training program every year, accounting for approximately 9,050 hours of training. In addition:

- In 2012, PPG trained more than 2,700 employees in live sessions on ethics and compliance.
- Approximately 14,500 employees also participated in training on export control in 2012. Other training topics have included anti-corruption, workplace harassment and competition rules.
- In 2012, approximately 19,800 employees participated in anti-corruption training.

Photos, from top: Charlotte Rein, color lab technician, programs the automated color-matching system used at PPG's automotive refinish coatings plant in Cleveland, Ohio.

The refinish technology team in the PPG Asian Paints lab in Bhandup, Mumbai, India.

Fábio da Silva, operator, fills a pallet with product at the refinish coatings plant in Sumaré, Brazil.





As part of PPG's comprehensive ethics and compliance initiatives in 2012, the entire leadership team in PPG's Asia Pacific region participated in a compliance workshop led by the region's president. The day-long event provided a review of PPG's internal controls; key company policies, including those outlined in PPG's Global Code of Ethics; recent compliance issues; internal audit findings; and PPG's Blueprint of its culture and values.

In 2012, PPG launched a series of ethics and values workshops for employees of newly-acquired companies. These workshops are designed to educate employees about PPG's Global Code of Ethics, Blueprint values and commitment to ethical behavior. With senior executive support and attendance, the day-long training sessions were led by the chief compliance officer and director of corporate audit services. The first series of workshops were conducted in Medellin, Colombia, for about 50 employees from both the former Colpisa Colombiana de Pinturas organization and PPG's protective and marine coatings business in Colombia. PPG also hosted a workshop in Mumbai, India, for employees of two joint ventures, Asian PPG Industries (APPG) and Asian Paints PPG Limited (APPPG), formed by PPG and Asian Paints. More than 120 employees participated in the Mumbai workshop. A workshop on the topic also took place in Copenhagen, Denmark, with employees of the former Dyrup A/S, which PPG acquired in 2012.

PPG Ethics Hotline and Ask the Experts Forum

The PPG Ethics Hotline provides an anonymous way to report a concern about unethical, illegal or questionable business activity. In the 14 years since its institution, the PPG Ethics Hotline has received more than 1,700 calls from employees. While more than 80 percent of these calls are related to issues other than ethics, PPG management investigates and responds to every call.

PPG encourages employees to ask legal or ethics-related questions through the "Ask the Experts" feature on the company's ethics intranet site. PPG has committed to providing a response to these questions within two business days. Since its inception in 2006, PPG has answered more than 120 questions. More recent initiatives requesting notification of potential ethics issues have resulted in an additional 40 communications.

ETHICS AND COMPLIANCE (CONTINUED)

Compliance Performance

- **Customer privacy:** There were no substantiated complaints regarding breaches of customer privacy and losses of customer data in 2012.
- **Human rights:** No incidents of violations involving rights of indigenous people were reported in 2012.
- **Environmental noncompliance:** In 2012, PPG reported in its U.S. Securities and Exchange Commission filings fines of \$400,000 and the agreement to perform two beneficial environmental projects of at least \$220,000 associated with environmental noncompliance for air emissions events that occurred at the PPG commodity chemicals business Lake Charles, La., site from 1999-2009.

U.S. Federal Trade Commission Settlement on Volatile Organic Compounds

In an October 2012 settlement with the U.S. Federal Trade Commission (FTC), PPG Architectural Finishes, Inc., agreed to more specific disclosures on volatile organic compounds (VOCs) on product labels and in marketing materials. PPG has been working with the FTC to increase clarity regarding the marketing of low or “zero-VOC” paints, and PPG intends to comply fully with the consent order.



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PPG's roots in ethical business are demonstrated by being one of the first major companies to provide a public accounting of business practices and financial records.



REDUCING ENVIRONMENTAL IMPACT



Achieving excellence in environmental, health and safety (EHS) performance across operations is ingrained in PPG's culture and stated sustainability values. To help realize its sustainability vision, the company developed the following goals in 2012. In future reports progress against these goals will be measured using 2012 as the baseline through 2020.

GOALS AND MANAGEMENT APPROACH

- Reduce spills and releases 10 percent per year.
- Reduce hazardous waste to landfill 20 percent by 2020.
- Reduce non-hazardous waste to landfill 10 percent by 2020.
- Reduce energy intensity 1.5 percent per year.
- Reduce greenhouse gas emission intensity 1.5 percent per year.
- Achieve 30 percent of sales from sustainable products by 2020.

To manage these goals, PPG uses its EHS Management System, a global system that ensures consistent execution of EHS goals and strategies across all businesses worldwide. The company also relies on its EHS Policy to provide the guidelines

under which PPG markets, distributes and manufactures products globally in a responsible manner that protects employees, neighbors, customers and the environment.

Please note that the environmental metrics and data presented in this report include PPG's former commodity chemicals business, which was separated from PPG in January 2013. Future reports will be adjusted accordingly.

To learn more, visit www.ppg.com/sustainability.

SPILLS AND RELEASES

PPG's significant spill and release rate calculates the number of spills and releases per 1,000 employees. PPG's 2012-2020 goal is to reduce the significant spill and release rate 10 percent per year. In 2012, the average rate of significant spills and releases was 0.37, which was higher than the previous year's performance. In 2013, PPG will re-emphasize prevention planning and improved management systems.

SIGNIFICANT SPILL & RELEASE RATE (per 1,000 employees)



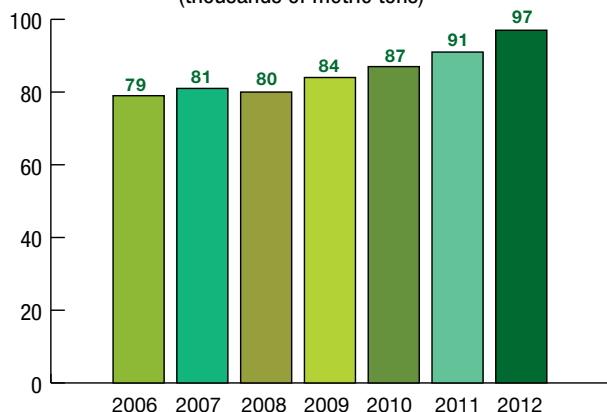


WASTE

Hazardous Waste

PPG's goal is to reduce hazardous waste to landfill 20 percent by 2020. In 2012, hazardous waste increased to 97,000 metric tons compared with 91,000 metric tons in 2011 due to moderate increases in production from several of PPG's larger businesses.

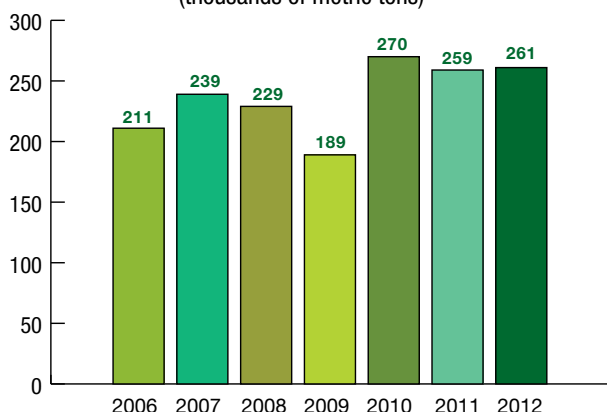
TOTAL HAZARDOUS WASTE DISPOSED
(thousands of metric tons)



Non-Hazardous Waste

PPG's goal is to reduce non-hazardous waste to landfill 10 percent by 2020. In 2012, non-hazardous waste increased slightly to 261,000 metric tons compared with the 2011 level of 259,000 metric tons.

TOTAL NON-HAZARDOUS WASTE DISPOSED
(thousands of metric tons)

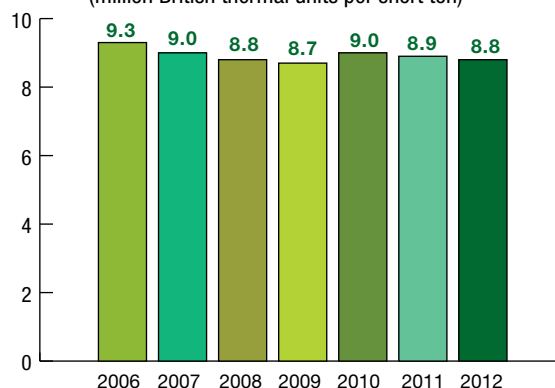


ENERGY

Energy Intensity

One of the primary ways that PPG tracks energy use is through energy intensity, or the number of million British thermal units (BTUs) of energy used per short ton of product manufactured. PPG's goal is to reduce energy intensity 1.5 percent per year. In 2012, PPG's energy intensity was 8.8, showing a decline in energy intensity over the prior year.

GLOBAL ENERGY INTENSITY
(million British thermal units per short ton)



Direct and Indirect Energy Consumption

In addition to energy intensity, PPG measures its direct and indirect energy consumption. Direct energy consumption is the amount of primary energy combusted on site by PPG. Direct energy sources employed by PPG may include coal, natural gas, fuel distilled from crude oil, propane, biofuels, ethanol and hydrogen. In 2012, PPG reported direct energy consumption of 71 trillion BTUs, compared with 67 trillion BTUs in 2011.

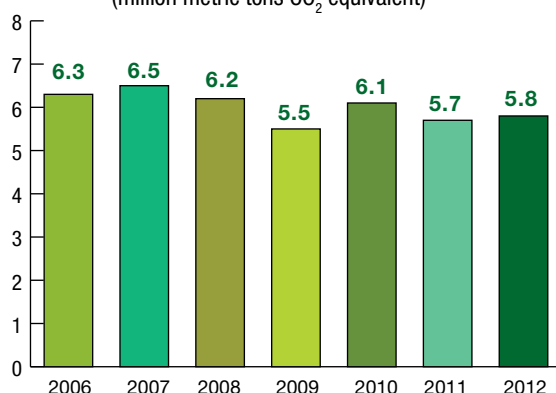
Indirect energy refers to the energy consumed by PPG that is generated by, and purchased from, external suppliers. PPG consumes indirect energy through electricity, heat, steam and electricity generated from renewable energy sources such as solar and wind. In 2012, PPG reported indirect energy consumption of 7.5 trillion BTUs, compared with 11.1 trillion BTUs in 2011.



GREENHOUSE GAS EMISSIONS

PPG's goal is to reduce greenhouse gas emission (GHG) intensity 1.5 percent per year from 2012 to 2020. In 2012, PPG's total GHG emissions were 5.8 million metric tons CO₂ equivalent, an increase from 5.7 million metric tons CO₂ equivalent in 2011. There is no single cause for this increase; however, as the company's production increased so did GHG emissions. Of the total GHG emissions, 4.0 million metric tons CO₂ equivalent were direct, and 1.8 million metric tons CO₂ equivalent were indirect.

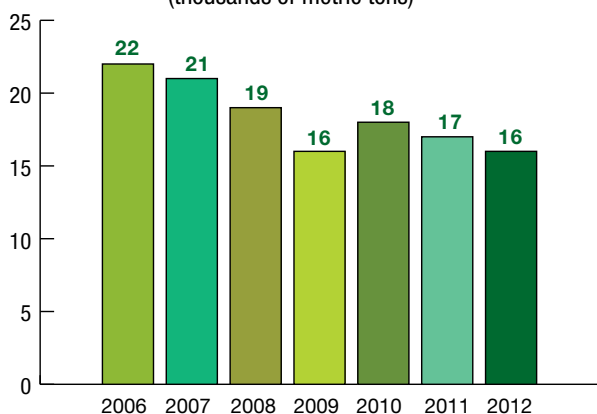
PPG GLOBAL GHG EMISSIONS
(million metric tons CO₂ equivalent)



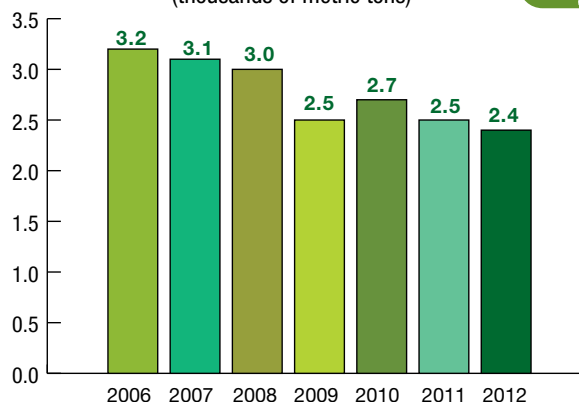
AIR EMISSIONS

Since 2006, overall air emissions displayed a downward trend. Particulate matter levels for 2010 and 2011 were overstated in previous reports and have been restated in this report.

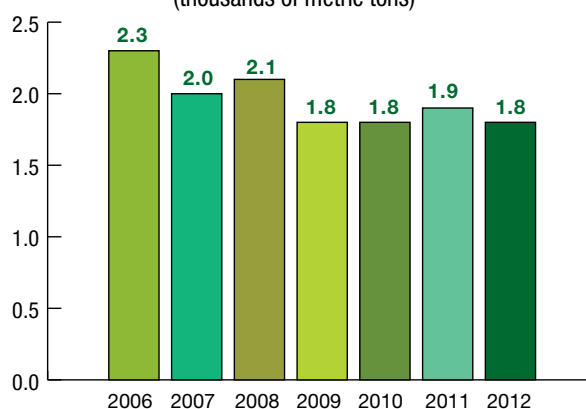
NITROGEN OXIDE
(thousands of metric tons)



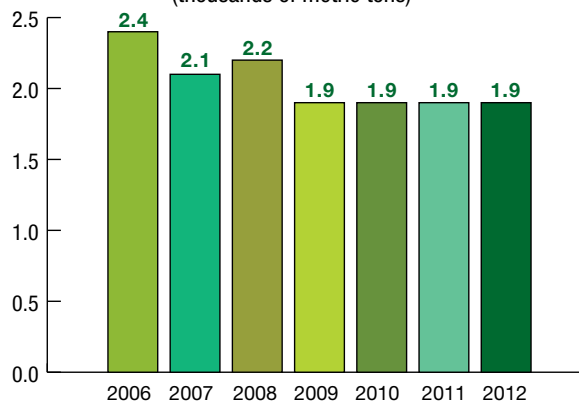
VOLATILE-ORGANIC COMPOUNDS
(thousands of metric tons)



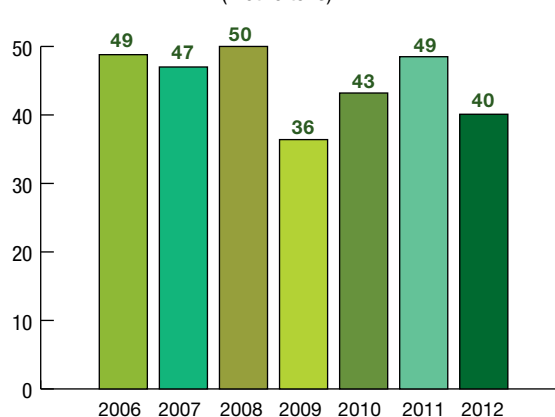
SULFUR DIOXIDE
(thousands of metric tons)



PARTICULATE MATTER
(thousands of metric tons)



OZONE-DEPLETING COMPOUNDS
(metric tons)





Global Product Stewardship Compliance Management System

PPG announced in 2012 that its Global Product Stewardship (GPS) compliance management system was fully operational. The system provides employees with quick access to documents ranging from product labels and material safety data sheets to raw material, chemical inventory, transportation of dangerous goods and regulatory compliance data. The primary benefits of the system are reduced risk by supporting regulatory compliance, improved responsiveness to new market opportunities, and lower costs by replacing a patchwork of legacy systems for managing regulatory documentation.

Energy Management in Valencia, Spain

At PPG's Valencia, Spain, facility, the company has established an energy management program modeled after ISO 50001 protocol that involves an in-depth study of the production process to understand whether energy is used efficiently. Using energy efficiency indicators (EFI), employees at the plant research whether the energy used has added value for the final product, measuring the efficiency of equipment, installations and processes. If energy is not needed to add value to the final product, this program identifies where energy use can be eliminated. Between 2010 and 2012, the program has helped reduce electricity and gas use by 13 percent at the facility. As part of this program, the facility adopted an energy policy that takes into account the use of renewable energy sources whenever possible.

Recognition and Energy Savings in Lexington, N.C., USA

PPG installed an energy management system to control existing chillers, boilers and air washers at its Lexington, N.C., facility. As a result of this project, the facility estimated reducing energy use by 11,526 MMBTUs. As part of this project, PPG received a \$500,000 grant from the North Carolina Energy Office and another \$90,000 from Duke Energy.



Wings of Wonder

Through the Wildlife Habitat Council's Wings of Wonder program, PPG employees have devoted hundreds of volunteer hours to construct butterfly gardens and teach school children about butterfly ecology, migration, and the importance of pollination to agricultural development and conservation. PPG's Monroeville, Pa., Chemicals Center and San Juan del Rio, Mexico, automotive coatings plant both involve local schools in the study of butterflies' life cycles. Teachers from the Monroeville area have visited the monarch butterfly reserves in Mexico and explored the biodiversity of pollinators such as moths, bees, hummingbirds and even fruit bats. Educators have met with PPG employees in San Juan del Rio to share their experience in creating and preserving the butterflies' habitat. The PPG volunteers have in turn helped local teachers create a meadow at the company's facility to serve as an outdoor classroom and research venue.

Today, PPG's participation in the Wings of Wonder program serves as a link between students in both countries. Students communicate regularly as they share their observations and discoveries. PPG's efforts have helped establish and maintain a valuable outdoor classroom integrated into the educational curriculum in both communities.

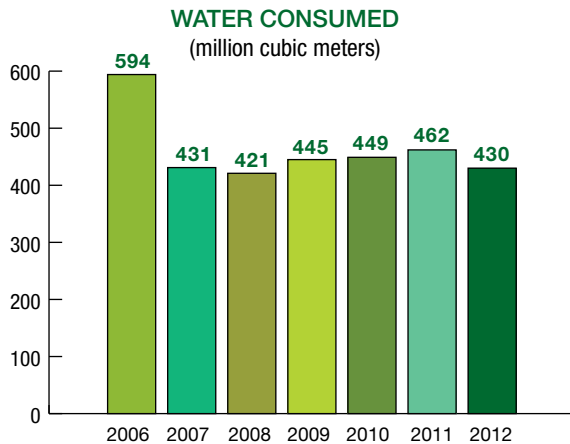


Butterflies start from Monroeville, Pa.
Butterflies arrive in San Juan del Rio, Mexico

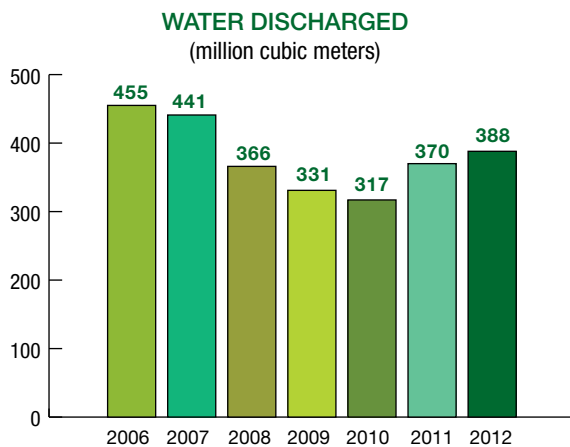


WATER

PPG has collected water consumption and discharge data for several years to better understand its use of this natural resource.



Following a significant consumption decrease in 2007 resulting from the replacement of older power-generating facilities at PPG's Lake Charles, La., chemicals facility with a cogeneration unit, water consumption has remained fairly constant with annual variation within a 10 percent range. Water discharge has also displayed a similar trend since 2007, although with somewhat more variability remaining within a 20 percent range.



Barberton TESLIN® Substrate Recycle Project

In 2012, PPG invested to build a TESLIN® substrate trim recycling system at the Barberton, Ohio, plant. *Teslin* substrate is a microporous synthetic sheet material that helps create products where easy, high-quality printing, unique material science, built-in security and rugged durability are critical, for example: drivers' licenses, loyalty cards, e-Passports and graphic labels.

As part of producing *Teslin* substrate, material commonly referred to as "trim" is generated. Approximately 3 million pounds per year of trim material is sent to a landfill. To change this, the recycle system was designed to significantly reduce the amount of material that is sent to the landfill by allowing PPG to recover approximately 75 percent of trim generated and reintroduce it as a raw material into the production process. Construction of the system is currently in progress, with startup expected in early 2014.

Fresno Energy Efficiency Projects

In 2012, PPG's Fresno, Calif., facility replaced 715 lighting fixtures with new efficient fixtures. In total, PPG estimates reducing energy use 912,760 kwh annually, an annual electricity cost savings of \$87,000.

In addition, PPG replaced the facility's air compressors with new, more efficient air compressors in 2011 and estimates achieving a total energy reduction of 1,616,855 kwh annually. This equates to an annual electricity cost savings of \$164,000.





INNOVATION

Increasing Fuel Performance in South Korean Market

The first SIGMAGLIDE® 990 protective and marine coatings (PMC) application in the South Korean materials and resources (M&R) market has earned praise for helping to increase fuel performance.

The *Sigmaglide* 990 system was applied to *MV Skaubryn*, a 41,666-ton vehicle carrier owned by Doriko Limited of South Korea, during the vessel's dry docking. Captain Vladimir Khehur selected the *Sigmaglide* system to coat the vessel's underwater hull and praised the performance of *Sigmaglide* coating.

"To our surprise, the vessel's speed has improved significantly," the captain said. "We are now registering a speed of 16 knots compared with 13 knots at the same constant power output in the previous service period."



Sustainable Products

ecological
Solutions from PPG™

PPG's focus on reducing environmental impact includes helping its customers improve their environmental performance. The company has long been committed to developing sustainable coating technologies, such as waterborne liquid, chromate-free, powder, low-VOC and high-solids formulations. In 2010, PPG launched EcoLogical Solutions from PPG® on a global scale to spotlight products with beneficial energy, environmental or social attributes. PPG believes that the less energy customers use and the more sustainable their inputs are, the more efficient they can be in conserving natural resources and contributing to the reduction of environmental impact.

In 2012, sales of PPG sustainable products were \$3.05 billion, or approximately 20.2 percent of total company sales. PPG's goal is to achieve 30 percent of its yearly sales from sustainable products by 2020. To that end, the company classifies sustainable products as those that include some of the attributes listed here:

- Energy: products that reduce energy use or create renewable energy sources.
- Natural resources: products that reduce the use of natural resources, or include recycled content.
- Emissions and waste: products that reduce pollution and waste, or are compostable, degradable or recyclable.
- Useful lifetime: products that offer extended life or enhanced durability.
- Welfare—people and planet: products that promote wellness or offer societal improvements.

Energy Efficiency and Sustainable Product Innovation

According to a survey commissioned by PPG and released in June 2012, architects indicated that the use of building-integrated clean energy sources—materials with sustainable benefits that replace conventional building materials in construction projects—is expected to grow. That is one reason why the company focuses on sustainable product innovation—customers are asking for sustainable materials.



Increasing Fuel Efficiency, Reducing Environmental Impact in the Aerospace Industry

PPG's advanced, lightweight aerospace coatings, sealants and transparencies significantly cut the weight of each aircraft for better fuel efficiency. PPG's completely green, chromate-free exterior coatings system reduces environmental impact and lowers aircraft weight, and the electrochromic ALTEOS™ interactive window systems reduce cabin-cooling requirements while enhancing passenger comfort. PPG also supplies eco-friendly paint removal and cleaning products, packaging services, and chemical management services.

PPG has also launched AEROCRON® electrocoat primer, the first e-coat primer application for global airframe manufacturers and subcontractors. Aerocron electrocoat primer reduces component weight while offering environmental benefits.

Environmental Recognition for Glass and Coatings Products

In 2011, three glass products—SOLARBAN® R100 glass, SUNGATE® 400 glass and CLARVISTA™ shower glass—earned CRADLE TO CRADLE® Certification. In general, *Cradle to Cradle* Certified PPG architectural glasses, ENERGY STAR®, qualified DURANAR® ULTRA-COOL® glasses and *Duranar* Vari-Cool™ metal roof and panel coatings, and GREENGUARD®-certified PPG architectural coatings allow PPG products to support current and proposed Leadership in Energy and Environmental Design (LEED®) criteria from the U.S. Green Building Council. *Duranar* Vari-Cool metal roof and panel coatings also have Cool Roof Rating Council registration.

PPG was the first glass manufacturer in the world to have achieved *Cradle to Cradle* Certification for all of its architectural glass products.

An array of PPG glass used in UPMC East Hospital, located near Pittsburgh, Pa., helped the project earn LEED Silver certification.





PARTNERSHIPS: CROSSROADS OF INNOVATION AND ENVIRONMENTAL COMMITMENT

PPG has a robust innovation pipeline. To expand the company's ongoing research and development of sustainable product initiatives, PPG often partners with various government agencies. The following represent a sample of the competitive projects funded in 2011 and 2012 that strive to achieve energy efficiency or environmental benefits.

Environmental Security Technology Certification Program

PPG received \$610,027 in 2012 as part of the Environmental Security Technology Certification Program (ESTCP) to demonstrate for the U.S. Department of Defense high-performance coating technologies that eliminate the need for cadmium or hexavalent chromate coatings on high-strength fasteners. The environmental hazards associated with significant cadmium and hexavalent chromium exposure are well established.

PPG is working with the Army Research Lab and the U.S. Marine Corps, and this project goes through 2015. The award was enabled by a previous grant from the Strategic Environmental Research and Development Program.

U.S. Department of Agriculture, Critical Agricultural Materials Program

In June 2012 PPG kicked off the UV (ultraviolet)-Curable Biobased Wood Flooring Coatings project, funded at \$300,000 by the U.S. Department of Agriculture's Critical Agricultural Materials Program, which seeks to develop biobased coatings, adhesives and sealants and make them available to the military and civilian market. Leveraging initial research funded by PPG, the proposal optimizes and validates the new wood flooring coating with a target of at least 30 percent biobased content with zero to low VOCs. By the end of the project, PPG plans to scale up the formulation and apply it on the manufacturing line at Somerset Hardwood Flooring. The project is expected to be completed by the end of 2013.

U.S. Department of Energy, Vehicle Technologies Office

The U.S. Department of Energy, Vehicle Technologies Office, is funding 50 percent of PPG's costs (up to \$161,000) to develop pretreatment and electrocoat technologies for next-generation magnesium alloys. These alloys help improve automotive fuel economy and are viewed as one of the few practical alternatives to reduce weight of automotive parts and assemblies more than 50 percent compared to steel components. The project is part of the United States Automotive Manufacturing Partnership, which began in 2012 and is expected to be complete in 2015.

PPG was also awarded a project totaling just over \$2 million by the same Department of Energy office to research a materials approach to fuel-efficient tires. The project is focused on developing and validating a modified silica-based tire tread material to reduce rolling resistance and a barrier coating to retain accurate tire pressure. If successfully developed and implemented, this project could reduce the average fuel consumption in the national fleet of passenger vehicles by four percent. PPG is working closely with tire industry experts on this project to ensure the new technology will be accepted by the tire industry. The project began in 2011 and is expected to be complete by the end of 2014.





Strategic Environmental Research and Development Program

As part of the Strategic Environmental Research and Development Program (SERDP), PPG was awarded more than \$1.8 million in 2012 to work with partners, Army Research Laboratory, Naval Air Systems Command (NAVAIR) and the U.S. Marine Corps to develop high-performing exterior topcoats without the use of isocyanates, which could cause respiratory and skin reactions. PPG Coatings Innovation Center researchers in Allison Park, Pa., will work with subject matter experts within the U.S. Department of Defense to develop these coatings to meet relevant military specifications. Further, the technologies developed will be able to be used in commercial markets. The project is expected to continue through 2015.



PPG also received a \$1.5 million award from SERDP in the spring of 2012 to develop a chemical-agent-resistant coating (CARC) in powder form for use on military vehicles and support equipment, working with the Army Research Laboratory and U.S. Marines. Powder coatings are environmentally preferable to many liquid alternatives, as they have no emissions of volatile organic compounds (VOCs) or hazardous air pollutants (HAPs). Plus, the ability to reuse overspray yields nearly 100-percent utilization rate, so these coatings generate little or no waste. This project is also expected to run through 2015.

Environmental Security Technology Certification Program: Reducing energy and waste through new ZIRCOBOND®-based technology

Working with the Army Research Lab and the U.S. Marine Corps, PPG was awarded \$737,277 to demonstrate how a pretreatment technology will work in U.S. Department of Defense environments based on its successful ZIRCOBOND® pretreatment technology. *Zircobond* pretreatment was originally developed as a zirconium-based metal pretreatment to pass automotive- and appliance-industry tests for corrosion resistance. Compared to conventional technologies, the zirconium-based pretreatments will reduce waste materials generated during pretreatment and reduce energy costs.

The award was enabled by a previous grant from the Strategic Environmental Research and Development Program that funded the development efforts. This new project was awarded in 2012, and the program will provide funding for the project through 2015.

Illinois Department of Commerce and Economic Opportunity (DCEO)

In addition to research programs, PPG also received funding for sustainable capital improvements. The Illinois DCEO awarded PPG's Mt. Zion, Ill., glass fabrication plant \$1.2 million in American Recovery and Reinvestment Act of 2009 funds that were matched more than one-for-one with PPG internal funding. These funds were used to upgrade the furnace, thin-film coaters and glass cutting systems to enable the Mt. Zion facility to provide coated glass products to the photovoltaic industry. In addition to the manufacturing upgrade, the improvements to the furnace reduced emissions and improved plant efficiency. The project was completed in 2012 and was recognized at that time by the Illinois DCEO as one of its top 10 projects.



FUNDING CONSERVATION AND REMEDIATION PROJECTS

Certified Wildlife Habitats at Five Locations

Since 1995, PPG has partnered with the Wildlife Habitat Council to promote environmental stewardship through habitat conservation and development on company-owned properties. PPG and the council have created Certified Wildlife Habitats at five PPG facilities in the United States, Canada and Mexico.

Barberton, Ohio, USA

PPG continues to transform former impoundment areas or “lime lakes” created by decades of past soda ash production with PPG-developed technology that encourages plants and wildlife to grow. To date, three of these lime lakes, covering more than 300 acres and representing half of the total acreage affected, have been remediated. A fourth lime lake of about 260 acres is currently undergoing reclamation activities, with project completion slated for 2015. All four of the reclaimed lime lakes have received Wildlife Habitat Council Certification.

Jersey City, N.J., USA

In 2012, the largest city-owned park in Jersey City, N.J., moved one step closer to becoming a reality when the Jersey City Redevelopment Agency, using funds provided by PPG, completed the excavation of chromium-impacted soil and debris at two of the company’s cleanup sites.

The Redevelopment Agency has acquired 11 properties for the purpose of building Berry Lane Park, which will increase the city’s open space by nearly 10 percent.

Work at the two sites, which was launched in 2012 and completed in early 2013, was conducted in conjunction with a judicial consent agreement reached in 2009. Signed by PPG, the City of Jersey City and the New Jersey Department of Environmental Protection (NJDEP), the agreement is designed to expedite the cleanup of sites in Hudson County for which PPG is responsible.

Also in 2012, PPG submitted reports for three cleanup sites, which the NJDEP reviewed and determined that no further action was required. Remediation activities are initiated or are planned for seven sites in 2013, including PPG’s former chromium manufacturing location, where approximately 200,000 tons or about one-third of the property’s chromium-impacted material has been excavated and hauled away for safe and proper disposal at a government-regulated disposal site. Work at an eighth site is expected to begin in 2014.

The remaining sites are in various stages of preparation.



Lime lakes before and, above, after



EMPLOYEES: FOUNDATION OF PPG'S SUCCESS

At PPG, the organization's success is tied directly to its people. Creating a safe, healthful and fulfilling workplace for PPG employees across the world is crucial to achieving success today and in the future. PPG understands that by fostering inclusiveness, welcoming diverse perspectives and seeking to empower people, the company becomes more innovative, more productive and more competitive.

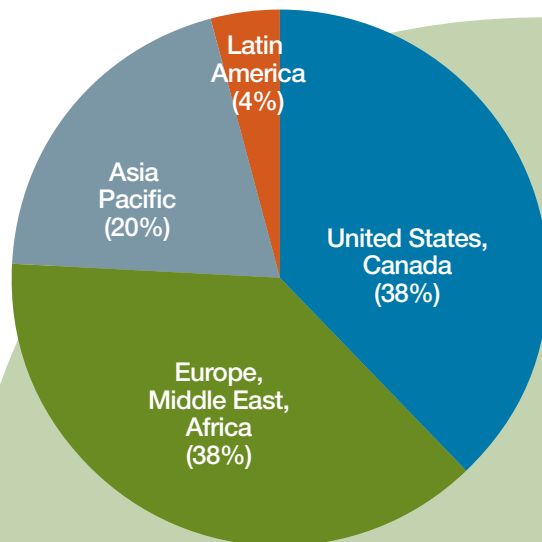
Employee Engagement and Development

PPG provides performance feedback to salaried and plant employees based on specific key performance indicators relevant to their functions. Opportunities for career development guidance are also offered.

About 33 percent of PPG's total global work force is covered by collective bargaining agreements as of the end of 2012.

Photos, from left: Shen Xinhua, shift leader, makes an adjustment to a Suzhou, China, refinish coatings manufacturing cell.

Jutta Bronswyk, chemist for caps and closures, checks the performance of a pickle jar's twist-on lid.



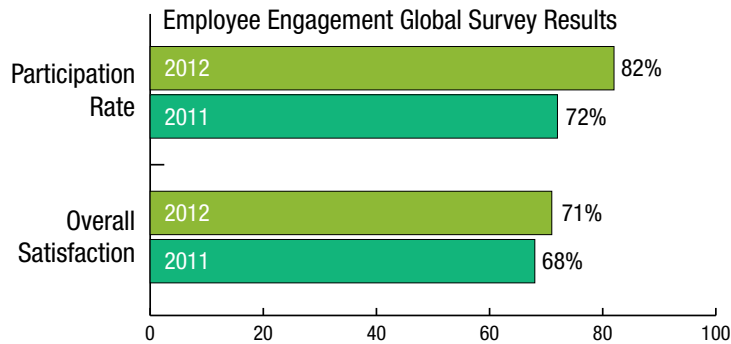
PPG Employees by Region

PPG's average number of employees in 2012 was 39,200.



Driving Employee Engagement

In 2012, PPG continued its global employee engagement survey program. In 2011, more than 20,000 employees participated in the survey, with a response rate of 72 percent. In 2012, PPG again surveyed an employee population with a response rate of 82 percent. The questionnaire asked employees about five key areas: job satisfaction; organization effectiveness; recognition and career advancement; management and supervisory characteristics; and coworker performance and cooperation.



In general, more than 70 percent of PPG employees indicated overall satisfaction with their jobs, which was higher than the 2011 results that showed 68 percent overall satisfaction. In addition, the percentage of employees considered “actively engaged” grew from 2011 to 2012.

As with the 2011 results, PPG employees in 2012 indicated a high level of customer focus. The survey showed that PPG employees genuinely care about the customer. Areas for improvement continued to be employee recognition, enabling employees to contribute to the success of the company, and supervisory encouragement of career growth.

Results of the surveys for both years were shared with managers and supervisors for feedback and to develop action plans to address key items. During 2012, more than half of the employee population that received results indicated that effective action plans were developed.



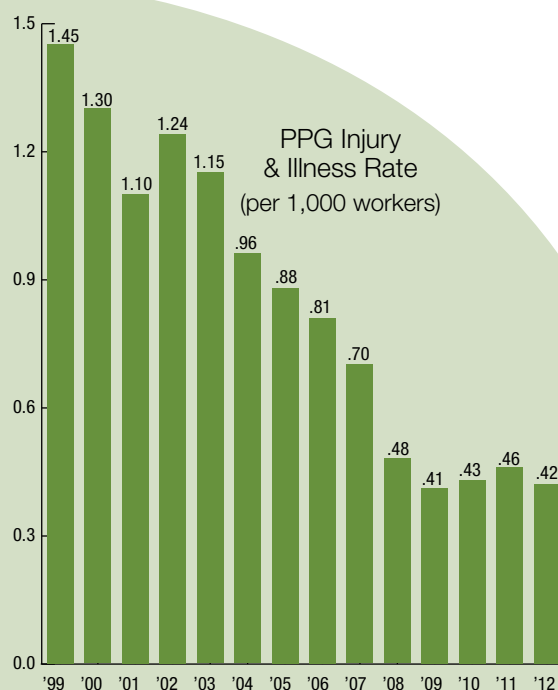
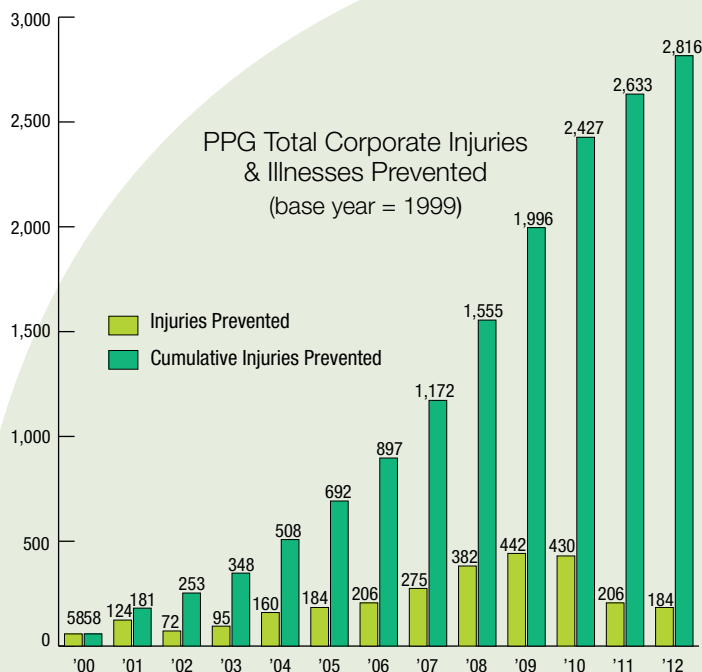
Advancing Asia Pacific Goals Through Team-Building Activities in Thailand

Employees in Thailand took an active and creative approach to team building in September 2012. Employees of PPG Solarlens Optical, Thailand, and the PPG coatings manufacturing facility in Bangplee played a soccer game together near the Solarlens Bang-Pa-In plant as a first step to help connect the workers at the two facilities. Other activities included discussions on the environment, health and safety, and regulations and labor topics within and between different countries. PPG based activities on the “PPG One” concept, which encompasses sites across the Asia Pacific region and reinforces the idea that employees work for a unified PPG.



Fostering Employee Health and Safety

PPG is committed to fostering a healthy and safe workplace for its employees globally—it is a top priority within the company. To continue to drive injury reductions, PPG is focused on improved training and risk awareness, disciplined use of the EHS management system and improved employee engagement.



Susan Schmid, engineer, enjoys playing disc golf on the Shelby, N.C., manufacturing plant's front lawn.





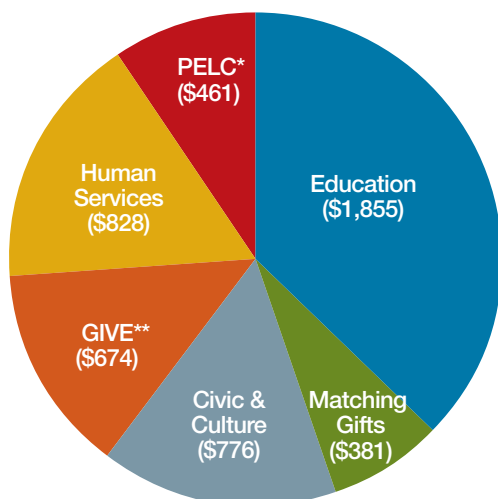
Photos, from left: A group of 15 employees from PPG's Shelby, N.C., fiber glass plant has taken upon themselves to plow, irrigate and plant a two-acre garden with potatoes, tomatoes, corn, zucchini, okra and other vegetables. Two seasonal harvests from the minifarm provide thousands of pounds of vegetables for hospices, children's centers and other special-needs organizations throughout the county.

Johnstone's Decorating Centre in Carrickfergus, Ireland, donated coatings and materials needed to paint a metal fence surrounding a local school.

ENHANCING AND ENGAGING OUR COMMUNITIES

PPG seeks to enhance the quality of life wherever the company has a presence through the PPG Industries Foundation, the company's Global Charitable Contributions Program, and a wide range of local giving and volunteer programs.

PPG Industries Foundation
2012 Actual Expenditures (thousands of dollars)
\$4,975



*PELC: Public Education Leadership Community Grants

**GIVE: Grant Incentives for Volunteerism by PPG Employees and Retirees

Involvement from the Board Room to the Front Line

As part of its mission to engage with the communities where its employees live and work, PPG encourages employees' volunteerism, including executives' involvement, with nonprofit organizations.

In 2012, members of PPG's Operating Committee, including the CEO, served on more than 20 nonprofit boards throughout the United States. These included the boards of Carnegie Science Center, Kettering University, Reading Is FUNDamental Pittsburgh, Prevent Blindness America and the Extra Mile Foundation. Numerous other PPG employees serve on boards of regional chapters of organizations, such as United Way and Junior Achievement, and they volunteer their time and energy in support of projects that benefit their communities.

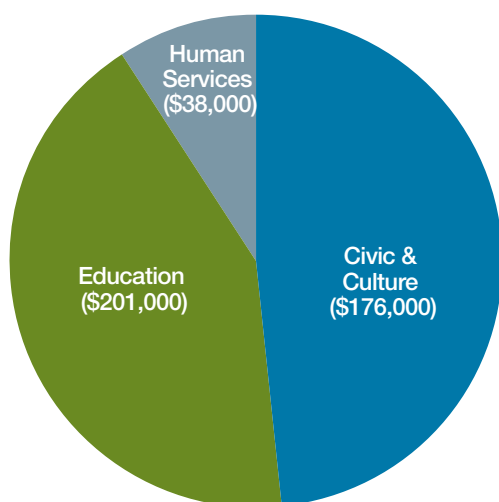
PPG Industries Foundation Three-Year Summary of Total Grants Paid

2012	\$4,975,000
2011	\$4,481,000
2010	\$4,493,000

Global Charitable Contributions Program

2012 Actual Expenditures

\$415,000



In 2011, the kickoff year for its Global Charitable Contributions Program activities, PPG provided approximately \$212,000 in grants to charitable organizations in Asia Pacific and Europe, Middle East and Africa (EMEA) regions in support of 40 projects involving education, human services, culture/arts, civic and community affairs programs in the communities near PPG facilities. In 2012, these efforts were extended to support projects in Latin America.

In 2012, PPG continued its commitment to the company's charitable contributions' global reach and geographic participation by committing \$550,000 to support projects in the Asia Pacific, Europe, EMEA and Latin America regions.

PPG continued to expand its global charitable programming in 2012 to support regional projects and provided approximately \$415,000 in grants.

Community Engagement



In 2011, PPG developed a community engagement framework to help define the actions that company locations must take to develop and maintain strong two-way communications with key community constituents, governmental agencies and non-governmental organizations (NGOs). While PPG believes that community engagement and strong communications are important within all PPG communities, some facilities have increased engagement opportunities due to their size, types of operations and potential impacts.

The table below describes the expectations of 123 PPG locations under the community engagement framework. PPG sites were assigned to one of the categories on a progressive scale of level 1, 2, 3 or 4 based on their impact to the community. Based on level, locations have been asked to implement the types of programs listed as examples below. PPG completed an initial assessment in 2012 to evaluate the implementation process. Results show that 60 percent of collective initiatives across the 123 sites have been completed and 35 percent of facilities have met the requirements of the framework by the end of 2012.

Level 1	Level 2
<ul style="list-style-type: none"> Encourage community service among employees Joint planning with community emergency services 	<p>Level 1 actions and ...</p> <ul style="list-style-type: none"> Site leadership must be active in local community organizations
Level 3	Level 4
<p>Level 1 and 2 actions and ...</p> <ul style="list-style-type: none"> Community engagement responsibilities assigned PPG Friends employee volunteer team formed to support community projects Relationship established with local government officials 	<p>Level 1 – 3 actions and ...</p> <ul style="list-style-type: none"> Community Advisory Panel formed Survey completed of community needs that could be met by PPG Develop report to community Relationship established with officials of regional/national governments and key NGOs

Asia Pacific and U.S. Employees Donate to Disaster Relief

PPG has a variety of employee charitable programs. In 2011 and 2012, PPG donated funds to help disaster relief in regions ranging from southeastern United States to Japan.

- Tsunami and earthquake relief in Japan: To help victims of the devastating 8.9-magnitude earthquake and tsunami that struck Japan in March 2011, PPG donated approximately \$70,000. This donation included contributions from employees in the Asia Pacific region, employees in the United States and some matching funds from both PPG's Corporate Global Charitable Contribution Program and the PPG Industries Foundation.
- Tornado relief in the United States: PPG's U.S. employees donated nearly \$5,000, matched by the PPG Industries Foundation, to the American Red Cross Disaster Relief Fund to help victims of the April 2012 tornadoes in southeastern United States. PPG also approved allocation of funds to the United Way of Madison County, Inc. for the Unmet Need Disaster Relief Fund in support of the tornado victims, many of whom live near PPG's Huntsville, Ala., aerospace products manufacturing plant.





Addressing the Needs of Communities

PPG recognizes the concerns and needs of society. Here are examples of recent community initiatives.

PPG Partners with Paint a Smile Foundation

PPG has established a partnership with the Geneva, Switzerland-based Paint a Smile Foundation to help support and promote the nonprofit organization's work of painting colorful murals that brighten hospitals and other care facilities.

PPG worked with Paint a Smile to help accomplish the foundation's mission to reduce patient anxiety and make hospitals and other care facilities more friendly places by turning "cold and impersonal environments into colorful and welcoming worlds." In 2012, the company provided funding to a school in Cieszyn, Poland, for children and young people with disabilities. PPG employees and teams of professional "Smile Painters" collaborated with facility personnel to create appropriate themes and transformed bare environments into soothing, playful and interactive ones.

PPG Helps Children Realize Their "Dream Day" at Shanghai Zoo

In June 2012, PPG participated in "Dream Day at the Zoo," an event organized by the Shanghai Charity Foundation, Shanghai Zoo and American Chamber of Commerce in Shanghai (AmCham Shanghai). Thirty PPG employee volunteers joined groups of children from the Shanghai Children's Welfare Institute on a special tour of the Shanghai Zoo. "Dream Day at the Zoo" is a global charity program aimed at helping disadvantaged children enjoy a fun recreational event. Partner organizations in 37 countries around the globe arrange a variety of annual charity events for disadvantaged children. The events encourage participating children to feel like they are part of a larger community and to develop confidence. This was the first time that PPG, a member of the American Chamber of Commerce in Shanghai, participated in the event.





Focus on Science and Education

To help plant the seeds of innovation, PPG supports programs that broaden access to education and strengthen skills in science, technology, engineering and mathematics (STEM). The following is an example of PPG's education and STEM initiatives.

PPG Provides \$25,000 Grants for University of Akron

The PPG Industries Foundation pledged a total of \$25,000 in 2012 to benefit three student-focused initiatives of The University of Akron, continuing the long-standing relationship between PPG's Barberton, Ohio, chemicals plant, the corporate science-and-technology function, and the university. The university's Corrosion and Reliability Engineering Program, housed in the College of Engineering, received \$10,000 for its Corrosion Squad program, which provides students with hands-on research experience. A separate \$10,000 grant supports the university's undergraduate corrosion engineering program, the only such bachelor's degree program in the nation. The university's Women in Engineering Program, which provides programs and services that aim to recruit and retain women in engineering fields, received \$5,000.

Key Policy Issues

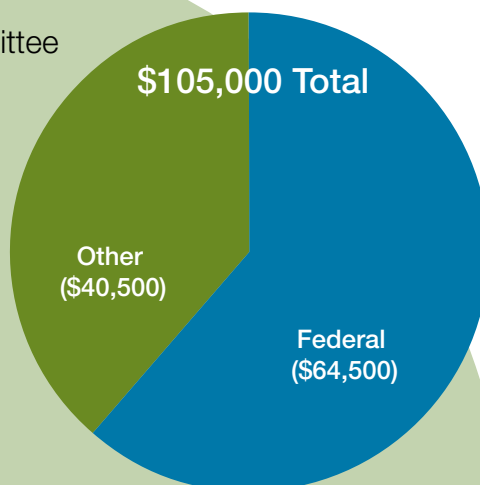
In 2010, PPG executives identified the top advocacy priorities for the 2011-2012 legislative cycle. These are:

- Environmental Issues
- Energy Security and Sustainability
- Health Care Costs
- Federal Tax Policy and Other Competitiveness Issues
- Legal Reform

PPG leaders recognize that these core topics and the issues associated with them represent the legislative and regulatory matters that have the potential for the most far-reaching impact to PPG's future competitiveness. For more information on each of PPG's top five issues, visit www.ppg.com/governmentaffairs.

PPG's commitment also includes participating in the political process, from engaging government officials to educating PPG employees. PPG's federal lobbying expenditures for 2012 were \$866,704.

PPG Political Action Committee Contributions



In addition, a political action committee (PAC) is funded solely by voluntary contributions from PPG employees in the United States. In 2012, the PPG Better Government Team (BGT) distributed \$105,000 to various political candidates and parties as approved by a committee of PPG executives.

Students visit PPG's Barberton, Ohio, chemicals plant as part of the Corrosion Squad initiative developed by the University of Akron's Corrosion and Reliability Engineering Program.



Bringing innovation to the surface.™

AWARDS AND RECOGNITION

Following are examples of awards and recognition received by PPG since the publication of its 2010 Sustainability Report.

PPG Ranked Among FORTUNE's World's Most Admired Companies

For the fourth year in a row, PPG was ranked among the chemical industry's leading companies in FORTUNE magazine's 2012 listing of "The World's Most Admired Companies." The Hay Group determined the ranking based on criteria listed on the FORTUNE website.

PPG Gains Recognition for Corporate Social Responsibility in China for Third Consecutive Year

PPG received the "CSR Award - Special Prize" for the third consecutive year and was named one of the top 100 Corporate Social Responsibility companies in China at the 2012 China Social Responsibility Annual Forum in Beijing. The award recognized PPG's social responsibility practices as exemplary among more than 3,000 candidates. It is presented by the China Association of Enterprises with Foreign Investment (CAEFI).



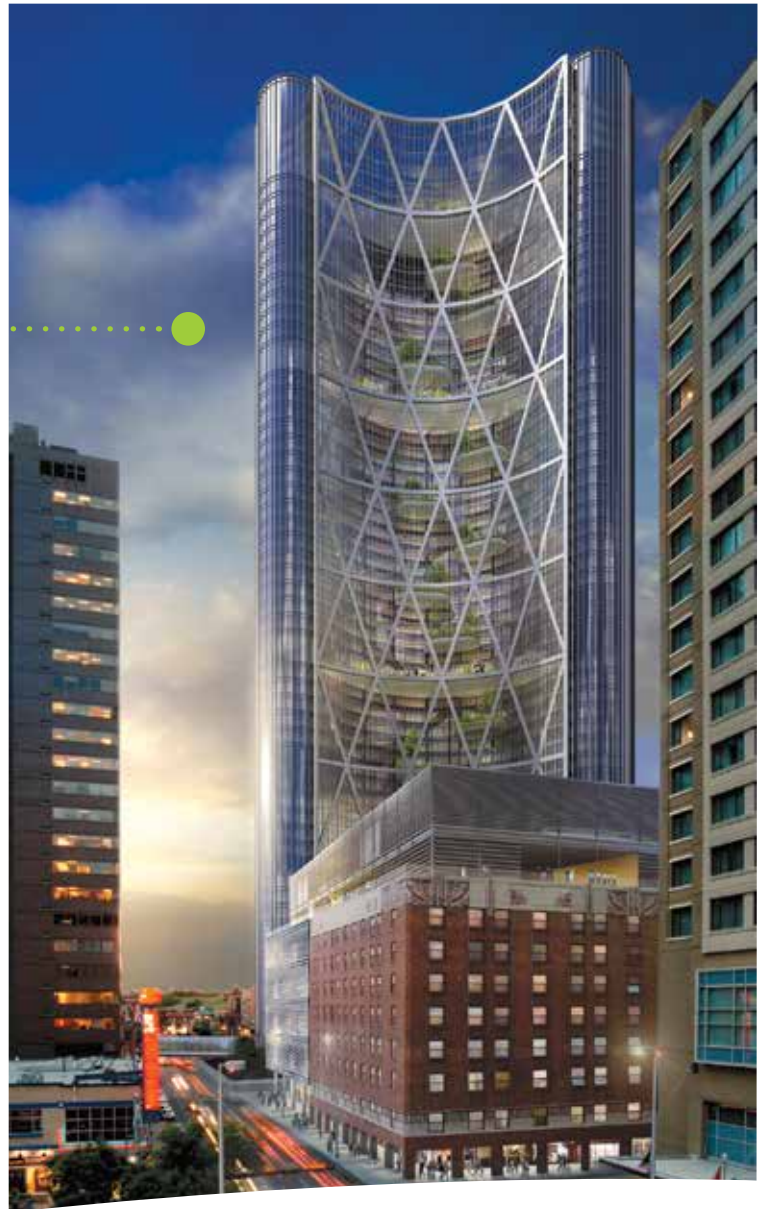
Two Projects with PPG Glass Earn *Glass Magazine* Awards

The 2012 *Glass Magazine* awards recognized two projects featuring PPG glass. The awards recognize the best products and glass applications in 18 categories in the commercial, retail and fabrication markets as voted by a panel of judges.

- The Bow, EnCana Corp. headquarters located in Calgary, Alberta, Canada, earned the 2012 *Glass Magazine* Award for “most innovative energy efficient glass project.” SOLARBAN® z50 glass by PPG Industries is one of many features expected to help the 58-story building use 30 percent less energy than a typical office building of its size.
- The Henry M. Jackson Federal Office Building in Seattle, Wash., earned the 2012 *Glass Magazine* Award for “most innovative protective glazing project.” To make the building more secure and energy efficient, one-quarter-inch monolithic (single-pane) glass windows were replaced with double-pane insulating glass units pairing *Solarban* 70XL solar-control, low-emissivity glass by PPG Industries with blast-resistant glass on lower floors and conventional clear glass on higher floors.

***Solarban* 60 Glass by PPG Brightens Watsonville Water Resource Center**

The Watsonville Water Resource Center in California, which earned LEED® Platinum certification from the U.S. Green Building Council, uses *Solarban* 60 glass by PPG as part of a comprehensive bioclimatic energy management system. The 16,000 square foot building houses three different city and county water departments serving California’s Pajaro Valley and supports a large water recycling project that helps meet the area’s extensive agricultural needs.





Automotive Refinish Named "Repairers' Choice Paint Brand of the Year"

The NEXA AUTOCOLOR® automotive refinish coatings brand in the United Kingdom was named the "Paint Brand of the Year" for the third consecutive year as part of the Auto Body Professionals (ABP) Club's "Repairers' Choice Awards" for 2012. The "Repairers' Choice Awards," unique to the United Kingdom's collision repair industry, are made based on supplier ratings provided by more than 400 body shops.



PPG Glass Featured in Tennessee's First LEED®-Certified Building

The Upper Cumberland Regional Health Facility in Cookeville, Tenn., became the first building in the state to be LEED®-certified to the Platinum level under the LEED® for New Construction & Major Renovations™ rating system, in part because of its use of SOLARBAN® 70XL and *Solarban* 60 solar control, low-emissivity (low-e) glasses by PPG. *Solarban* 70XL glass remains the industry's highest performing solar control, low-e glass. *Solarban* 60 glass also remains among the industry's highest performers. The 51,000 square foot building was designed to provide a healthy, low-maintenance work environment while minimizing energy consumption and the use of potable water.



Upper Cumberland Regional Health Facility photo:
Photo Credit: ©Creative Sources Photography/Rion Rizzo
Design Credit: Architect: Thomas, Miller & Partners, PLLC/Upland Design Group, Inc., JV.

PPG Automotive Refinish Products Earn Good Housekeeping Seal

ENVIROBASE® High Performance and AQUABASE® Plus waterborne coatings brands from PPG's automotive refinish coatings business have received the Good Housekeeping Seal. *Envirobase* High Performance and *Aquabase* Plus advanced waterborne basecoats are premium-quality refinish coatings that are popular with collision centers throughout the United States and Canada as they shift to low-VOC products. Both *Envirobase* High Performance and *Aquabase* Plus coatings are easy to mix and apply, and they offer consistent and excellent color match. The seal is issued by Good Housekeeping magazine and granted to products that have been evaluated by the Good Housekeeping Research Institute (GHRI).

Transitions Optical Earns Third Consecutive "Gallup Great Workplace Award"

For the third year in a row, Transitions Optical, Inc., was honored with the "Gallup Great Workplace Award," distinction that recognizes the most engaged and productive companies in the world. Transitions Optical is a leading provider of photochromics to optical manufacturers worldwide. The Gallup Great Workplace Award is presented to organizations that pass an annual evaluation by a panel of workplace experts. Transitions Optical is one of only 27 organizations to receive a Gallup Great Workplace Award in 2012.

General Motors Grants PPG Russia "Safe Supplier" Award

The employees of PPG Russia earned a "Safe Supplier" award from General Motors Inc. (GM) in 2012. The safety award illustrates GM's appreciation of suppliers who consistently maintain high safety standards while also seeking environmentally friendly innovation. PPG Russia was selected for the award following an audit by GM safety specialists who examined all aspects of PPG's activities, including storage and usage of hazardous materials, documentation, instructions and training, compliance with GM requirements and compliance with Russian regulations.

Boundary and Scope of Report

This report describes the programs and performance of PPG Industries and its businesses and subsidiaries as they relate to the company's sustainability practices. PPG's 2012 Corporate Sustainability Report includes environmental data from global facilities in nearly 70 countries on six continents. PPG maintains at least 50 percent ownership in all reporting facilities. Joint venture facilities in which PPG owns 50 percent or less are not reflected in data reported. Environmental, health and safety data reports activity of corporate, manufacturing, and research and development facilities. PPG has attempted to be as accurate and as inclusive as possible of all its operations in compiling the metrics reflected in this report. Due to the breadth of the organization, however, some measurements, such as environmental and training metrics, may not reflect the activity of every PPG facility worldwide. All measurements are in English units unless otherwise indicated. Energy intensity is calculated in number of million BTUs per short ton of product manufactured.

Financial information is reported in U.S. dollars. PPG's goal for this report is to provide an accurate account of economic, social and environmental performance in the areas that are most relevant to its business and stakeholders. Using the Global Reporting Initiative's (GRI) G3 Guidelines and based on feedback from stakeholder engagement, we report on indicators that are important to our stakeholders and to our business. In 2012, there were no material changes in reporting entities from the previous full report in 2010 or interim update report in 2011 to note.

PPG self-declares that this report meets GRI G3 Application Level B requirements. The information in this report can also be accessed online at www.ppg.com/sustainability. PPG is scheduled to publish its next report in 2014, which will include performance in 2013. PPG intends to update the online version of the report on an ongoing basis. The company encourages stakeholder feedback to assess the usefulness of this report and to provide suggestions regarding the content of future reports. To provide feedback or request additional information, contact PPG Industries at One PPG Place, Pittsburgh, PA 15272, Attention: Corporate Communications.

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Amercoat, Aquabase, Bondex, Boonstoppel, Brander, Clarvista, CR-39, Dekoral, Duranar, Dyurup, Ecological Solutions from PPG, Envirobase, Freitag, Guittet, Hera, Histor, Ivy, Johnstone's, PPG, PPG Pittsburgh Paints, PPG Porter Paints, Peintures Gauthier, Prominent Paints, Primalex, Leyland, Master's Mark, NXT, Olympic, Rambo, Renner, Ripolin, Seigneure, Sigma Coatings, Sigmaglide, Solarban, Sungenat, Taubmans, Teslin, Tribid, Trivex, Trinat, Ultra-Cool, Vari-Cool, Zircobond.

Transitions is a trademark of Transitions Optical, Inc.

Lucite is a registered trademark of E.I. DuPont de Nemours and Company, used under license.

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COMPANY PROFILE

PPG Industries, Inc., headquartered in Pittsburgh, Pa., USA, is a global supplier of paints, coatings, optical products, specialty materials, glass and fiber glass. Through leadership in innovation, sustainability and color, PPG helps customers in industrial, transportation, consumer products, and construction markets and aftermarkets to enhance more surfaces in more ways than does any other company. The company operates in nearly 70 countries around the globe. As of the end of 2012, PPG employed more than 39,000 people worldwide. PPG employees and retirees own about five percent of the firm's outstanding stock. As owner-operators, PPG's people share a deep sense of pride and a strong commitment to their company. PPG is a publicly owned company, with shares traded on the New York Stock Exchange (symbol: PPG).

Performance Coatings

AEROSPACE. Leading manufacturer of transparencies, sealants, and coatings, and provider of electrochromic window systems, surface solutions, packaging, and chemical management services, delivering new technologies and solutions to airframe manufacturers, airlines and maintenance providers for the commercial, military and general aviation industries globally. Also supplies transparent armor for military vehicles, buildings and rail.

ARCHITECTURAL COATINGS – AMERICAS AND ASIA PACIFIC.

Produces paints, stains and specialty coatings for the commercial, maintenance and residential markets under brands such as PPG®, PPG Pittsburgh Paints™, PPG Porter Paints™, Master's Mark®, Renner®, Lucite®, Olympic®, Taubmans® and Ivy®.

AUTOMOTIVE REFINISH. Produces and markets, primarily through independent distribution, a full line of coatings products and related services for automotive and commercial transport/fleet repair and refurbishing, light industrial coatings and specialty coatings for signs.

PROTECTIVE AND MARINE COATINGS. Leading supplier of corrosion-resistant, appearance-enhancing coatings for the marine, infrastructure, petrochemical, offshore and power industries. Produces the Amercoat®, Freitag®, PPG High Performance Coatings and Sigma Coatings® brands.

Industrial Coatings

AUTOMOTIVE OEM COATINGS. Leading supplier of coatings, specialty products and services to automotive, commercial vehicle, fascia and trim manufacturers. Products include electrocoats, primer surfacers, basecoats, clearcoats, liquid applied sound dampeners, bedliner, pretreatment chemicals, adhesives and sealants.

INDUSTRIAL COATINGS. Produces coatings for appliances, agricultural and construction equipment, consumer products, electronics, automotive parts, residential and commercial construction, wood flooring, joinery (windows and doors) and other finished products.

PACKAGING COATINGS. Global supplier of coatings, inks, compounds, pretreatment chemicals and lubricants for metal and plastic containers for the beverage, food, general line and specialty packaging industries.

Architectural Coatings – EMEA

ARCHITECTURAL COATINGS – EMEA (EUROPE, MIDDLE

EAST AND AFRICA). Supplier of market-leading paint brands for the trade and retail markets such as Sigma Coatings®, Histor®, Dyrup®, Bondex®, Balakryl®, Brander®, Boonstoppe®, Rambo®, Seigneurie®, Peintures Gauthier®, Guittet®, Ripolin®, Johnstone's®, Leyland®, Dekoral®, Trinat®, Hera®, Primalex®, Prominent Paints® and Freitag®.

Optical and Specialty Materials

OPTICAL PRODUCTS. Produces optical monomers and coatings, including CR-39®, Trivex® and Tribid™ lens materials, high performance NXT® sun lenses, optical sheet transparencies, photochromic dyes and Transitions® photochromic eyeglass lenses.

SILICAS. Produces amorphous precipitated silicas for tire, battery separator and other end-use applications and Teslin® substrate used in applications such as radio frequency identification (RFID) tags and labels, e-passports, driver's licenses and identification cards.

Glass

FIBER GLASS. Manufactures fiber glass reinforcement materials for thermoset and thermoplastic composite applications, serving the transportation, energy, infrastructure and consumer markets. Produces fiber glass yarns for electronic printed circuit boards and specialty applications.

FLAT GLASS. Produces flat glass and coated glass that is fabricated into products primarily for commercial construction and residential markets, as well as the solar energy, appliance, mirror and transportation industries.

Details about PPG's operational structure, including subsidiaries and joint ventures, are available at www.ppg.com.

Resin technician Lee Godfree prepares recycled PET (polyethylene terephthalate) plastic for use in the coatings manufacturing process at PPG's Stowmarket, U.K., automotive refinish plant. The PPG-branded DP3000 Enviro Primer Surfacers and Nexa Autocolor branded Eco+ Primer Surfacers are Europe's first-ever "green" refinish products using recycled PET.





Photos, clockwise from top left: Five members of PPG's Moscow, Russia, coatings team made it to the quarterfinals of the first American Chamber of Commerce-Moscow 3-on-3 basketball tournament. They had been playing basketball on a weekly basis as part of PPG's ongoing wellness initiatives.

PPG employees and family members at the WWF annual walkathon in Hong Kong. Funds raised from the walk support the conservation and education work of WWF, the world's leading conservation organization.

From left, employees Bill Schillinger, Jim Wasik and Chris Wylly stand proudly in front of the Rachel Carson Homestead in Pittsburgh, Pa., which was restored with PPG coatings products and the help of PPG volunteers.

For the second consecutive year, PPG Pinturas Renner, based in Montevideo, Uruguay, and its employees, have helped raise money for TELETON Uruguay – a 36-hour telethon to assist children needing physical rehabilitation services.



PPG Industries

Bringing innovation to the surface.™

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Mixed Sources

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