



2008 Corporate Sustainability Report



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Conservation, Education and *Wings of Wonder*

Each year, monarch butterflies make the journey from Canada and the United States to Mexico, where they spend the winter months. This remarkable annual migration has presented PPG Industries and the communities in which it operates with a unique opportunity to help safeguard natural habitats and, at the same time, provide young students with a hands-on educational experience.

Since 1994, 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. Through the *Wings of Wonder* program of the WHC, 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., USA, Chemicals Center and its 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.



A Message from the Chairman

For more than 125 years, PPG Industries has grown and thrived by making sound business decisions. With the intent of ensuring the company's long-term viability and success, these decisions have also been made with the best interests of people, profitability and the planet in mind.

Now, with the publication of PPG's first corporate sustainability report, it is our intention to paint a clear picture of who we are, what we believe, and how we conduct our business. And while this is our first report, I think you'll see that PPG is no stranger to the concepts of sustainable business practices. In fact, I would submit to you that sustainability has been an underlying principle for all of PPG's actions since its founding in 1883. More importantly, I believe that this report will demonstrate just how strongly the company's ethics and values influence the smart choices PPG makes every day.

So, what is PPG's approach to sustainability? For us, it has two elements. Sustainability is first and foremost about being a successful business. We do what we do in order to ensure the success and lasting presence of our company for the benefit of our customers, our suppliers, our shareholders, our employees and our neighbors. But, we also act in a way that not coincidentally helps to ensure the life and resilience of our economies, our environment and our society. We believe that these two views of sustainability – sustaining PPG and sustaining the world – are not mutually exclusive, but are very compatible.

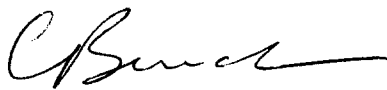
In this report, you'll read about the steps we've taken to transform our company from a North American-centric commodity materials manufacturer to the leading global coatings and specialty products provider. This extends beyond just making products. You'll see how PPG's innovations are helping to address some of the world's most pressing problems related to energy, the environment, security and other issues. You'll read about our performance with regard to the environment and energy, some of the ambitious goals we've set, and our progress toward meeting them. Lastly, you'll read about our commitment to society and the people who make it so diverse and vibrant. And, you'll learn how PPG is giving back to our communities.

It is our intent to issue this report every two years. And, it is my personal hope that this report serves not as a static document, but as an invitation to a dialogue:

- A dialogue with customers about innovation and partnership,
- A dialogue with employees and potential employees about the opportunities that exist in working at PPG,
- A dialogue with shareholders about the continued strength of our business performance,
- And a dialogue with residents of communities where we have operations about ways that PPG can continue to be an employer and neighbor of choice.

Ultimately, if we are successful in establishing and maintaining these exchanges of ideas, it will be not only PPG, but all of us, that benefit.

Sincerely,



Charles E. Bunch

Chairman of the Board and Chief Executive Officer



Company Profile

About Us

PPG Industries, Inc., headquartered in Pittsburgh, Pa., USA, is a global supplier of paints, coatings, optical products, specialty materials, chemicals, glass and fiber glass. Sales in 2008 were \$15.8 billion. The company has more than 140 manufacturing facilities and equity affiliates and operates in more than 60 countries around the globe. At the end of 2008, PPG employed more than 42,800 people across the world. PPG employees and retirees own about 8 percent of the firm's outstanding stock. As owner-operators, PPG's people share a deep sense of pride and a firm commitment to their company. PPG is a publicly owned company, with shares traded on the New York Stock Exchange (symbol: PPG).

PPG's Reportable Segments

PERFORMANCE COATINGS

AEROSPACE. Leading supplier of sealants, coatings, maintenance chemicals, transparencies and application systems, serving original equipment manufacturers and maintenance providers for the commercial, military, regional jet and general aviation industries, and transparent armor for military land vehicles.

ARCHITECTURAL COATINGS – AMERICAS AND ASIA/PACIFIC.

Produces paints, stains and specialty coatings for the commercial, maintenance and residential markets under brands such as *Pittsburgh*, *Olympic*, *Taubmans* and *Ivy*.

AUTOMOTIVE REFINISH. Produces and markets 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. Also manages premier *CertifiedFirst* collision-shop alliance.

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.

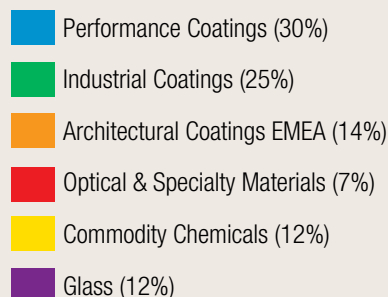
INDUSTRIAL COATINGS

AUTOMOTIVE COATINGS. Supplier of automotive coatings and services to auto and truck manufacturers. Products include electrocoats, primer surfacers, base coats, clearcoats, bedliners, 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, kitchen cabinets and other finished products.

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

2008 Segment Net Sales



NOTE: Glass figures include Automotive Glass & Services business through Sept. 30, 2008.

ARCHITECTURAL COATINGS – EMEA

ARCHITECTURAL COATINGS – EMEA

(Europe, Middle East and Africa). Supplier of market-leading paint brands such as *Sigma Coatings*, *Seigneurie*, *Johnstone's*, *Trilak*, *Primalex* and *Dekorol* for the trade and retail markets.

OPTICAL AND SPECIALTY MATERIALS

OPTICAL PRODUCTS. Produces optical monomers, including *CR-39* and *Trivex* lens materials, photochromic dyes, *Transitions* photochromic ophthalmic plastic lenses, *NXT* high-performance sunlenses and polarized film.

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

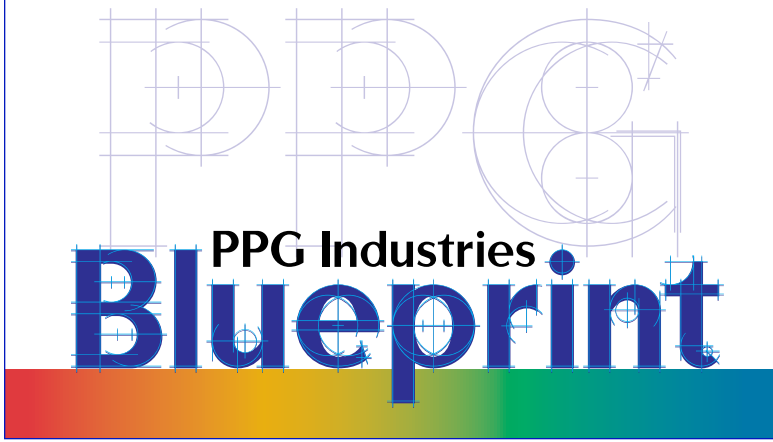
COMMODITY CHEMICALS

CHLOR-ALKALI AND DERIVATIVES. Producer of chlorine, caustic soda and related chemicals for use in chemical manufacturing, pulp and paper production, water treatment, plastics production, agricultural products and many other applications.

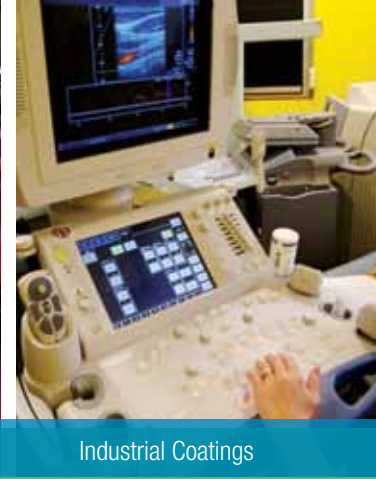
GLASS

FIBER GLASS. Manufacturer of fiber glass reinforcement materials for thermoset and thermoplastic composite applications, serving markets such as wind energy, energy infrastructure and transportation. Produces fiber glass yarns for electronic printed circuit boards and other specialty applications.

PERFORMANCE GLAZINGS. Produces glass that is fabricated into products primarily for commercial construction and residential markets, as well as solar photovoltaic panels and concentrated solar panels.



Performance Coatings



Industrial Coatings

Our Vision

- To continue to be the leading coatings and specialty products company
- To be true to our values and ethics
- To grow by being an integrated, market oriented enterprise
- To achieve consistent sales and earnings growth
- To provide superior shareholder returns

Our Values

Fundamental to who we are is an unwavering commitment to high ethical standards and integrity. We implement our strategies across all levels of the organization in an uncompromising, ethical manner.

- **Dedication to the customer** - We are in business to serve customers. We focus on our markets and dedicate ourselves to meeting the products and services needs of our customers.
- **Respect for the dignity, rights and contributions of employees** - We operate safe, healthful and harassment-free workplaces that value diversity, promote teamwork and reward performance. We develop our people through continuous learning, creating an environment where opinions are expressed and respected.
- **Recognition of the concerns and needs of society** - PPG recognizes its responsibility to preserve and protect the global environment in which the company operates. To this end, we run our businesses using sound environment, health, safety and product stewardship practices while providing product solutions that reduce energy consumption and minimize environmental impact. We communicate with the public, participate in governmental processes, and support local communities.
- **Value of supply chain relationships** - We leverage supplier competencies and develop relationships that focus on mutual, continuous improvement and a shared responsibility to meet our customer requirements.
- **Responsibility to shareholders** - We are a performance-focused company committed to the stewardship of the corporation and to delivering returns to PPG's owners.

Our Objectives

Fundamental to our success is our ability to implement breakthrough initiatives to solve problems, achieve operational excellence and maintain the lowest cost position in the supply chain.

- Be the top-ranked supplier to our customers
- Grow our earnings per share by 10% per year
- Achieve an average return on capital (ROC) of 15%
- Attain 30% of sales from products that are 4 years old or less
- Increase output per employee by at least 5% per year



Mark Smith, a welder from PPG's Lake Charles, La., USA, chemical plant is the company's first winner of the PPG Environmental Health and Safety (EHS) Gold Award. Smith was on the PPG team that developed procedures for "hot tapping" chlorine tank cars involved in accidents, so their contents can be safely offloaded before they vaporize into the air.



Architectural Coatings – EMEA



Optical and Specialty Materials



Commodity Chemicals



Glass

Engaging Stakeholders

As PPG strives to continually improve its sustainable practices, open communication and cooperation with its stakeholders is critical at all levels. While the company does not maintain a formal process for identifying stakeholders, PPG determines those entities involved and affected by its operations through the normal course of its business. PPG engages its stakeholders, which include customers, prospects, the communities and governments in which it operates, shareholders, financial analysts, and employees in a variety of ways.

Individual business units coordinate engagement with their customers and prospects. PPG's businesses provide extensive information about their products, including safe handling practices outlined in safety data sheets and labels. The company also provides training, where appropriate, and various systems to address questions and concerns.

Business units also coordinate dialogue with citizens of communities where PPG has operations. The company communicates with relevant government officials through managers at each local facility in addition to other levels of the company including PPG's leadership team and CEO.

Shareholders, investors and financial analysts are engaged through PPG's Proxy Statements, Annual Reports, other filings and news releases. Shareholders can communicate with the company's directors and senior management about any issues regarding PPG and the conduct of its business at PPG's annual meetings, or they may also send communications to the board or the independent directors individually or as a group.

To engage PPG employees, supervisors and managers encourage their teams to raise issues and ask questions. PPG's CEO holds employee meetings and webcasts twice a year, and quarterly employee meetings are encouraged throughout the company. PPG also operates a Global Ethics Hotline by which employees can communicate concerns, ask questions, offer suggestions and share insights.

As PPG works to continually improve its processes for engaging stakeholders, it is committed to exploring new ways of gathering input and facilitating an open dialogue on issues of interest.



Twice a year, PPG's management holds a meeting and webcast to keep employees informed about the company's performance.



Ethics and Compliance

Since its founding in 1883, one of PPG's most valuable assets has been its reputation for being an honest, fair and capable company with which to do business. Over the course of its history, the company has demonstrated its ability to operate in a clear, open and accountable manner by establishing policies that ensure integrity and fair business practices.

PPG's Global Code of Ethics

In 1989, PPG established the Global Ethics and Compliance Committee. Headed by the chairman and CEO, the committee was formed to set and review ethics-related policies and practices within PPG. Soon after its formation, the committee issued the PPG Global Code of Ethics, A Guide to Corporate Conduct, which sets forth the principles that apply to all PPG people, everywhere and in every circumstance.

While the committee and the code have both evolved over time, the PPG Global Code of Ethics provides a clear unwavering set of standards for business conduct, underpinned by the following commitments:

- To furnish goods and services that meet our customers' and society's needs
- To provide employees with a safe, healthy and fulfilling work environment
- To afford our shareholders a superior return on investment
- To contribute as a good corporate citizen to each nation and community in which we operate

Each new PPG employee, no matter where in the world he or she works, receives a copy of the PPG Global Code of Ethics. Currently published in 19 different languages, and available both in printed form and on the Web, it provides an ethical framework upon which to base everyday decisions. Its four categories encompass the firm's breadth of activities:

- Relationships with customers, suppliers and competitors
- Protection of corporate assets and preparing accurate financial statements
- Responsibilities to the public, public officials and the environment
- As a global organization, respect for local customs and laws



A Daily Focus on Ethics

Ethics at PPG go well beyond the text of the code alone; they are a constant part of the conversation and culture within the company. To stay current, PPG invests considerable time and resources developing its own customized ethics training program. Every employee at manager level or above is required to complete ethics and compliance training, as is every employee involved in purchasing, law or finance. Training for current and potential corporate leaders often includes practice scenarios for tackling key ethical dilemmas. Each year, an estimated 14,500 PPG employees from around the world participate in the company's online ethics training program.

In addition, PPG encourages employees to ask legal or ethics-related questions, in any language, through its "Ask the Experts" feature on the company's ethics intranet sites. PPG has committed to providing a response to these questions within two business days.

The PPG Ethics Hotline provides an important, toll-free vehicle by which employees can report unethical, illegal, or questionable business activity. The hotline is managed by independent, third-party firms whose representatives are trained to listen carefully, ask questions, and document the situation accurately – while maintaining the employee's anonymity. Each call is investigated and brought to appropriate resolution. In the 10 years since its institution, the Ethics Hotline has received more than 1,000 calls from employees.

As a global company, PPG expects its employees to follow local laws while demonstrating the highest level of ethical compliance at all times. Ethics compliance is also an immediate focal point in integrating employees from newly acquired companies. For example, upon the completion of PPG's acquisition of SigmaKalon, a worldwide coatings producer previously based in Uithoorn, Netherlands, with manufacturing operations in Europe and other countries around the world, all employees received information on the company's Code of Ethics within days of joining PPG.



Each year, an estimated 14,500 PPG employees from around the world participate in the company's online ethics training program.

Code of Ethics for Senior Financial Officers

PPG puts a special emphasis on promoting transparency in its reporting and ethical conduct in financial management. The company requires the principal executive officer, principal financial officer, principal accounting officer or controller, and/or other officials performing similar functions in every location to adhere to a specific and additional Code of Ethics for Senior Financial Officers. This code emphasizes compliance with regulations of the U.S. Securities and Exchange Commission; federal, state and local government laws applicable to PPG; and the rules of other regulatory agencies. PPG prides itself on its leadership in the area of financial ethics, as evidenced when there were no substantial changes required to comply with the U.S. Sarbanes-Oxley Act of 2002, since the company already had similar financial reporting controls and procedures in place.

Corporate Governance

PPG Industries is governed by a 10-member Board of Directors, nine of whom are not employees of the company. Charles E. Bunch is both the chairman of the board of directors and chief executive officer of PPG. The company's Corporate Governance Guidelines, which are published and available online, outline the structure of governance at the company.

PPG's Board of Directors maintains four standing committees, each comprised of independent, non-employee members of the board:

- **The Audit Committee** ensures the integrity of the company's financial statements and compliance with legal and regulatory requirements, and it manages PPG's internal and external auditors.
- **The Nominating and Governance Committee** oversees the composition of PPG's Board of Directors by regularly reviewing membership and nominating prospective members.
- **The Officers-Directors Compensation Committee** oversees compensation for executive officers and directors, and sets objectives for incentive-based compensation for executive officers.
- **The Technology and Environment Committee** assesses the company's science and technology capabilities and reviews environment, health, safety, and product stewardship policies, programs, and practices.



Board of Directors

Standing, from left to right:

Hugh Grant

Chairman, President and Chief Executive Officer, Monsanto Company

Nominating and Governance Committee; Technology and Environment Committee

Robert Ripp

Chairman, Lightpath Technologies, and former Chairman and CEO, AMP Inc.

Audit Committee; Officers-Directors Compensation Committee

Charles E. Bunch

Chairman and Chief Executive Officer, PPG Industries

Thomas J. Usher

Non-executive Chairman of the Board, Marathon Oil Corporation
Officers-Directors Compensation Committee; Technology and Environment Committee

James G. Berges

Partner, Clayton, Dubilier & Rice, and retired President, Emerson Electric Co.

Audit Committee; Nominating and Governance Committee

Martin H. Richenhagen

Chairman, President and Chief Executive Officer, AGCO Corporation

Audit Committee; Technology and Environment Committee

Michele J. Hooper

Managing Partner, The Directors' Council
Audit Committee; Nominating and Governance Committee

Seated, from left to right:

Victoria F. Haynes

President and Chief Executive Officer, RTI International

Nominating and Governance Committee; Technology and Environment Committee

Robert Mehrabian

Chairman, President and CEO, Teledyne Technologies Incorporated

Officers-Directors Compensation Committee; Technology and Environment Committee

David R. Whitwam

Retired Chairman and CEO, Whirlpool Corporation

Nominating and Governance Committee; Officers-Directors Compensation Committee

Operating Committee

PPG's senior management structure is separated into two functional groups:

- **PPG's Executive Committee** is comprised of Charles E. Bunch, chairman of the board of directors and chief executive officer; James C. Diggs, senior vice president, general counsel and secretary; and William H. Hernandez, senior vice president, finance and chief financial officer.
- **PPG's Operating Committee** is comprised of the three members of the Executive Committee and 11 other executive leaders representing corporate staff functions and various business segments across the company.



J. Rich Alexander
Sr. Vice President,
Performance Coatings

Victoria M. Holt
Sr. Vice President,
Glass and Fiber Glass

David B. Navikas
Vice President
and Controller

William H. Hernandez
Sr. Vice President, Finance,
and Chief Financial Officer

Charles W. Wise
Vice President,
Human Resources

James C. Diggs
Sr. Vice President,
General Counsel and Secretary

William A. Wulfsohn
Sr. Vice President,
Industrial Coatings



Charles E. Bunch
Chairman and
Chief Executive Officer

Charles F. Kahle
Chief Technology Officer,
and Vice President, Research
& Development, Coatings

Richard C. Elias
Sr. Vice President,
Optical and Specialty Materials

Kathleen A. McGuire
Vice President,
Purchasing and Distribution

Pierre-Marie De Leener
Sr. Vice President, Architectural
Coatings EMEA, and
President, PPG Europe

Michael H. McGarry
Sr. Vice President,
Commodity Chemicals

Aziz S. Giga
Vice President, Strategic Planning
and Treasurer

Business Performance

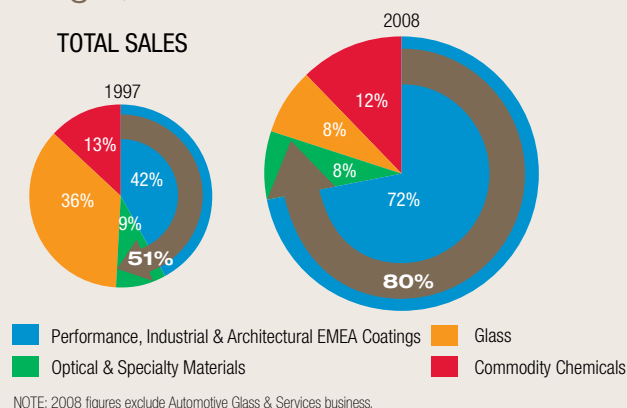
Since 1883, when PPG was founded as the Pittsburgh Plate Glass Co., the company has grown steadily. From what began as a company with one location, one product line and a few hundred employees, PPG today is a global enterprise with operations in every part of the world, producing thousands of diverse products and employing thousands of people. Financial discipline and flexibility have long been PPG hallmarks. The fact that PPG has rewarded its shareholders with uninterrupted annual dividends since 1899 is testament to the company's successful business performance.



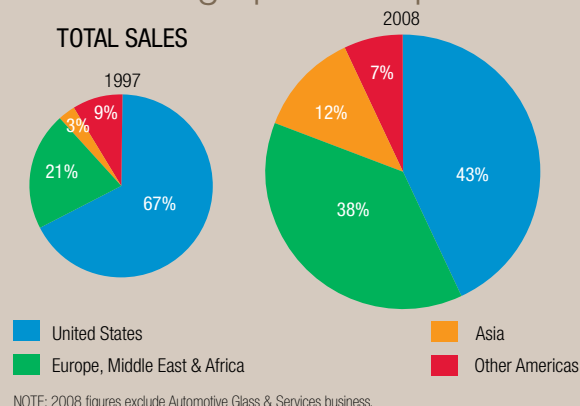
Since the late 1990s, PPG has embarked on a transformation from a North American-centric, chemical, coatings and glass company to the leading global coatings and specialty products company. Driven by organic growth, targeted acquisitions and divestitures, operational excellence, and a relentless pursuit of innovation, PPG has more recently accelerated this reshaping, which in turn has fueled its growth.

In 2008, PPG leveraged its global capabilities to generate solid earnings despite rapidly rising energy and raw material costs and substantial demand declines brought on by the global economic downturn in the latter part of the year. This strong financial performance under intensely difficult market conditions demonstrates the strength of PPG's business portfolio and the success of its strategic direction.

A Stronger, More Focused Portfolio



A Broader Geographic Footprint



Focusing on Coatings

In 1997, about 51 percent of PPG's sales were attributable to the coatings and optical and specialty materials segments of the company. Today, those segments represent about 80 percent of the company's portfolio.

In recent years, this shift has been accelerated by a series of acquisitions culminating in the 2008 acquisition of SigmaKalon, a worldwide coatings producer previously based in Uithoorn, Netherlands. This acquisition – PPG's largest – extends the company's presence in various end-use markets, and sharply increases the proportion of sales coming from coatings. What's more, the acquisition was complementary to PPG's existing coatings businesses in Europe. Put simply, SigmaKalon was strong where PPG was not, and vice versa. Together, these businesses provide PPG with a strong platform for future growth in coatings.

Another driver is the 2008 divestiture of a majority interest in PPG's predominantly North American automotive glass and services business to a new company. PPG holds a minority ownership in the new company, Pittsburgh Glass Works LLC.

In addition, several smaller strategic acquisitions have helped PPG become well-positioned to sustain its performance despite individual end-use market weaknesses. In 2008, PPG made various small yet strategic acquisitions, including Vanex, Inc.,

Bonny Refinish Coatings, and BASF's North American coil and extrusion coatings business.

PPG's Strategy

Accelerate profitable growth

- Focus on coatings and specialty products
- Drive innovation and new technologies
- Expand presence in emerging regions and new markets
- Strengthen our portfolio of businesses

Enhance operational excellence

- Strive for margin leadership
- Leverage global capabilities
- Selectively invest for renewal

Former SigmaKalon headquarters

Growing Globally

In 1997, two thirds of the company's \$7.4 billion in sales came from the United States; now the United States accounts for about 43 percent of PPG's more than \$15 billion in sales.

Over that same time, the emerging region of Asia has grown from 3 percent of the company to about 12 percent.

In Europe, the company has dramatically increased its presence and market share by acquiring SigmaKalon, which brought to PPG strong architectural paint, protective and marine coatings and industrial coatings businesses, as well as a solid presence in Western Europe and growing positions in emerging regions such as Eastern Europe, Asia and Africa.


Investing in Assets

PPG continues to make investments that extend its product lines, expand capacity, maintain operations, enhance efficiency, reduce energy consumption, lower costs, and protect the environment.

In 2008, the company opened an architectural coatings facility in Reno, Nev., USA, and an automotive coatings facility in Wuhu, China. PPG also purchased land in Russia and announced plans to construct a new coatings facility in Suriname, a new fiber glass furnace at an affiliate operation in Kunshan, China, and a new optical line in Thailand.

PPG is also refurbishing a glass furnace in Carlisle, Pa., USA, and it is investing in facility upgrades at several coatings facilities.

Overall, PPG has a broad-based, geographically diverse business mix and an emphasis on operational excellence in order to increase productivity, reduce costs, improve margins, and generate cash – all of which should help make the company more resilient.



As a major employer, PPG's presence enhances the tax revenue of the nations and communities where it operates. In 2008, PPG paid \$300 million in taxes globally.

2008 Financial Highlights

NET SALES (millions of dollars)		DIVIDENDS PER SHARE (dollars)	
04	9,417	04	1.79
05	10,126	05	1.86
06	10,938	06	1.91
07	12,220	07	2.04
08	15,849	08	2.09

PPG Segment Income

(\$ millions)	2008	2007
Performance Coatings	\$ 582	\$563
Industrial Coatings	212	370
Architectural Coatings – EMEA	141	—
Optical and Specialty Materials	244	235
Commodity Chemicals	340	243
Glass	70	138

NOTE: Glass figures include Automotive Glass & Services business through 3Q 2008.

For more information on PPG's financial performance, refer to our Annual Reports available at www.ppg.com.



PPG celebrated the opening of a new automotive coatings plant in Wuhu, China, in August 2008. PPG CEO Chuck Bunch is flanked by Yang Liangwen, director of the Wuhu Economic & Development Administration Committee (left), and Yu Yong, director-general of the Commerce Bureau of Anhui Province, during the grand opening ceremonies.

Continuing to Innovate

PPG's history of innovation includes coatings that protect cars from rust, chemicals that strengthen rubber and protect water supplies, paints that resist mildew and contain no volatile organic compounds (VOCs), optical products that lighten and darken automatically, military applications for transparent armor, and fiber glass for alternative energy applications.

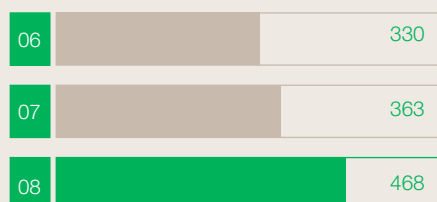


Today, the company continues to focus on making products that help solve some of the world's most pressing problems. Some examples include:

- **Innovative Automotive Coatings** – Preferred by car makers across Europe for reducing solvent vapors and providing a healthier work environment, PPG Waterborne Basecoat Systems are successfully expanding their distribution to North America and beyond. In addition, *CeramiClear* clearcoat by PPG was the first clearcoat to use nanoparticle technology to achieve a previously unattained level of scratch, mar and etch resistance.
- **Transitions Optical** – A joint venture of PPG and Essilor International, Transitions Optical was the first to successfully commercialize a plastic photochromic lens in 1990. Transitions continues to improve what is the most advanced photochromic technology available today across all major lens materials and designs. In 2008, the company launched Gen VI, its newest-generation product, with even faster darkening and lightening capabilities.
- **Teslin Synthetic Printing Sheet** – *Teslin* provides extraordinary durability, ease of printing and excellent aesthetics for menus, driver's licenses and graphic labels. It is also a preferred material in technology-focused applications, such as e-Passports and radio frequency identification (RFID) cards and labels.
- **Fiber Glass and Coatings for Wind Turbine Blades** – With the number of wind turbine installations around the world expected to grow, PPG continues to develop proprietary solutions in fiber glass and coatings that enable OEMs in Europe, Asia and North America to produce larger and more powerful turbines.
- **Electrochromic Airplane Windows** – Passengers aboard the Boeing 787 Dreamliner will be able to darken or lighten their windows at the touch of a button with electrochromic window systems by PPG and Gentex Corporation.

RESEARCH & DEVELOPMENT EXPENDITURES

(millions of dollars)



Energy and the Environment

PPG is committed to operating in a manner that is protective of people and the environment. Through its business and manufacturing practices as well as its innovative products, the company is focused on stewardship and conservation, which not only helps protect the environment, but also gives PPG a competitive advantage in the marketplace.



The solar canopy on the California Academy of Sciences, San Francisco, Calif., USA, features 700 solar panels made with *Starphire* glass by PPG, generating 213,000 kilowatt-hours of energy per year and providing 10 percent of the museum's energy needs.

Central to PPG's focus on energy and the environment is PPG's Environment, Health and Safety (EHS) Policy. The EHS Policy is implemented using PPG's EHS Management System, the elements of which form the cornerstone for global operation of the company's facilities. The system is implemented under the direction of PPG's EHS Committee which consists of business, operations and EHS executives appointed by the Board of Directors. Reporting to the EHS Committee are three subcommittees:

1. The EHS Requirements Sub-Committee develops global EHS operating standards.
2. The Energy Security and Climate Change Steering Sub-Committee directs this companywide initiative.
3. The Nanotechnology EHS Steering Sub-Committee oversees the EHS aspects of this evolving technology.

In addition, PPG's EHS Management system incorporates the ISO 14001:2004 global standard as well as globally recognized initiatives such as *Coatings Care* and *Responsible Care*.



Elements of PPG's EHS Management System

1. Management Leadership, Commitment and Accountability
2. Risk Assessment and Management
3. Facilities Design and Construction
4. Information and Documentation
5. Personnel and Training
6. Operations and Maintenance
7. Management of Change
8. Third-Party Services
9. Incident Investigation and Analysis
10. Community Awareness and Emergency Preparedness
11. Product and Supply Chain Stewardship
12. Assessment and Improvement

Developing Products That Address Energy and Environmental Needs

PPG has introduced a number of innovations to meet the increasing demand for energy-efficient, environmentally responsible products. By continuing to increase the number of “green” products and technologies it offers, PPG is not only practicing socially responsible business, it is leveraging a long-term competitive advantage. In 2008, PPG’s sales from “green” products – products that PPG believes have energy or environmental attributes – were approximately \$3.8 billion, up 24 percent in the past two years.



Environmentally responsible *Pure Performance* paints are easy to apply and contain zero volatile organic compounds (VOCs).

Developing Environmentally Responsible Coatings: PPG has led the way in making environmentally responsible architectural coatings products, drastically reducing volatile organic compounds (VOCs) and odor. In 1999, the company introduced *Pure Performance* paint, the first paint to carry the U.S. Green Seal certification of environmental responsibility. With the 2008 acquisition of SigmaKalon, PPG has further expanded its reputation for low-VOC paints. The company recently launched its *Sherwood* line of low-VOC, water-based wood care products in the South African market, among the first such products available in the region.

Reducing Aircrafts’ Carbon Footprint: PPG’s lightweight sealants and composite cockpit windshields significantly cut aircraft weight, thus reducing fuel usage. The company also offers environmentally responsible chrome-free and solvent-free sealants and coatings as well as electrochromic dimmable cabin windows that reduce interior cooling requirements and enhance passenger comfort.

Helping Produce Energy-Efficient Vehicles: PPG provides lightweight fiber glass composite parts and silicas that reduce rolling resistance in tires, and in so doing, help save fuel. Water Wise Solutions from PPG helps car makers absorb heavy metals and other contaminants from wastewater streams at their facilities for reuse, thereby reducing total water purchase and discharge to save money and minimize the environmental impact.

Facilitating Green Construction: PPG’s solar control low-emissivity (low-E) glass, *Solarban 70XL* glass, enables architects to design buildings with windows that block approximately 70 percent of the sun’s solar heat energy while allowing 64 percent of available visible light to pass through the glass. This allows architects to specify smaller cooling systems, reducing upfront building costs and reducing energy consumption.

Advancing Energy Production: PPG has committed significant research and development funds to create more efficient and economical ways to generate power from renewable as well as traditional energy resources. PPG’s advanced coatings, glass and fiber glass are used to both manufacture and protect equipment in the wind, solar, oil and gas, coal and nuclear industries.

Assessing Chemical Impacts: PPG is participating with the U.S. Environmental Protection Agency (EPA) and the Organisation for Economic Co-Operation and Development (OECD) to sponsor the assessment of potential health and environmental impacts of 25 products in the High Production Volume Initiative. The company has fulfilled its commitment for all but one category of chemicals and expects to complete a revised submission for that category during 2009. PPG is also preparing information for the U.S. EPA on two of its products’ potential health effects, exposure and risk as part of the Voluntary Children’s Chemical Evaluation Program.



Solarphire HVM glass is being installed at the Kimberlina Solar Thermal Energy power plant in Bakersfield, Calif., USA. Adjustable rows of mirrors aim the sun’s rays at pipes containing water. Steam from the pipes drives turbines which, in turn, generate electricity at a power plant.



SigmaGlide coating by PPG, a market-leading fouling release coating, prevents the buildup of barnacles, algae and other organisms on the hulls of tankers without the use of biocides that are toxic to marine life.

Implementing Critical Manufacturing Improvements

Continuous improvement at PPG also drives the re-engineering of manufacturing processes to minimize energy consumption, improve air and water quality, and reduce waste.

Waste Management Programs: Across PPG, facilities employ a wide range of techniques to minimize and reuse waste. As an example, each PPG paint manufacturing plant has an active recycling process that might include the reuse of washwater and solvents from the production process, the re-work of obsolete inventory, and the recycling of raw material containers and packaging. Other packaging materials such as plastic and stretch wrap films, super-sacs, cardboard and pallets are recycled or recovered by suppliers, secondary users and scrap dealers, or through third-party contracts.

Dispense Cell Technology: PPG uses this technology extensively at its coatings manufacturing plants around the world to facilitate the production of smaller batches of liquid coatings. The technology greatly reduces the need for cleaning solvents and reduces hazardous waste and inventories by enabling more accurate order fulfillment.



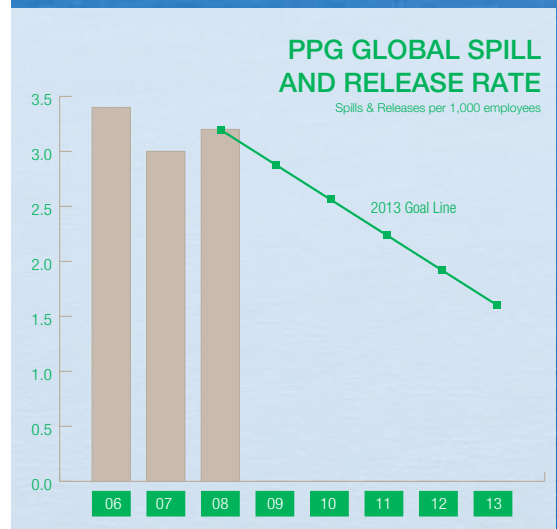
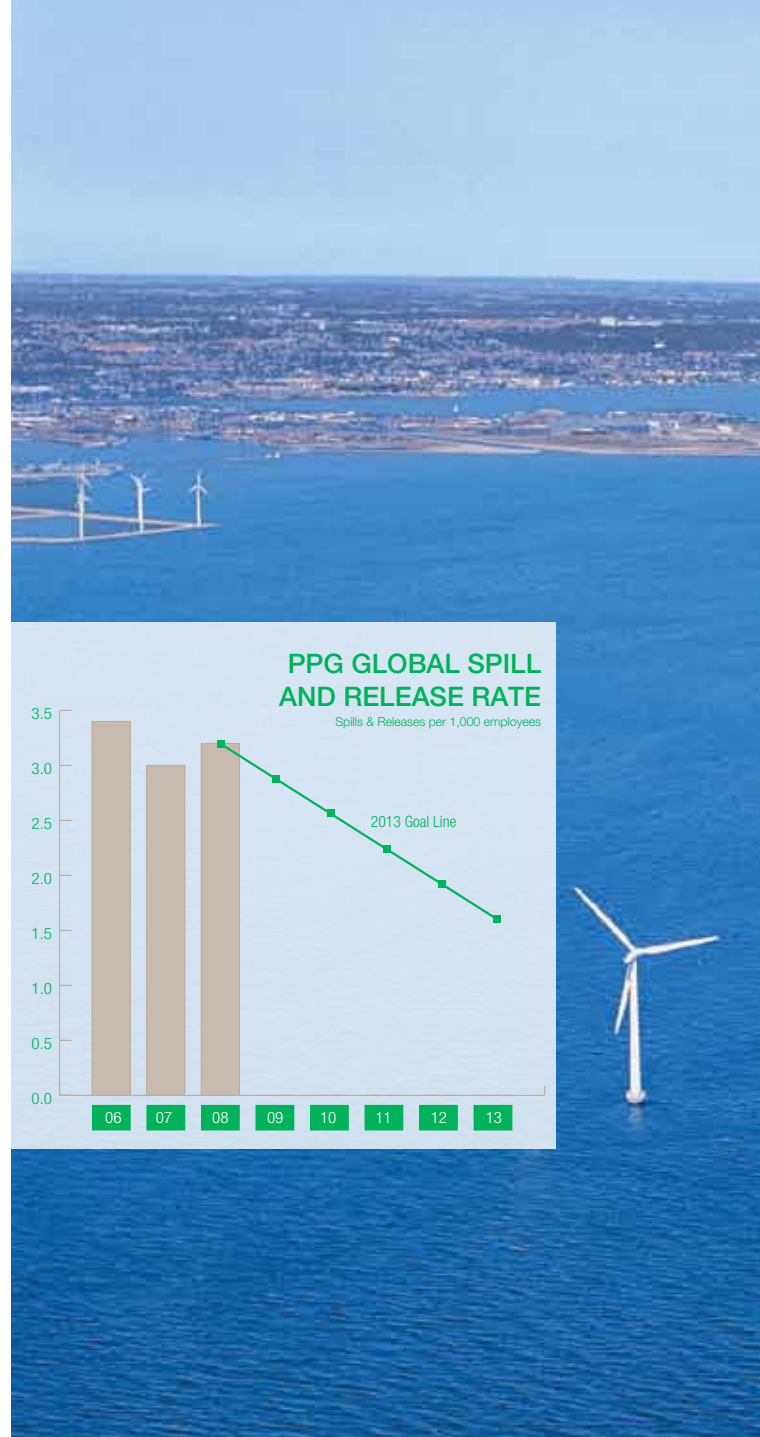
Giuseppe Bianchi, colorist, develops a color formula at PPG's coatings laboratory in Milan, Italy. A new generation of environmentally responsible waterborne automotive basecoats was developed at Milan. The products, which replace solvent-based coatings, are marketed in various countries under the *Envirobase*, *Aquabase* Plus and *Aquamax* brands.

Reusable Shipping Containers: PPG ships liquid coatings in a variety of containers that are reconditioned for use by PPG, its suppliers and its customers. PPG ships many of its glass products on reusable steel racks, which has reduced the amount of disposable packaging that accompanies architectural glass products by 65 percent in one year.

Mercury Emission Reduction: Through the U.S. EPA's National Partnership for Environmental Priorities, PPG has committed to making voluntary reductions in mercury emissions. Since 2004, the company has reduced mercury emissions by more than 72 percent. At PPG's largest chemicals facility in Lake Charles, La., a \$100 million investment in state-of-the-art membrane cell technology eliminates mercury used in chlorine production while consuming about 25 percent less electricity.

Spills and Releases: PPG's measurement standard is designed to capture more incidents than national reporting obligations require worldwide. The current five-year target is a 50 percent reduction in spills per 1,000 employees, from 3.2 in 2008 to 1.6 for 2013. PPG has also focused on investigating the causes of its spills to ensure proper corrective actions are in place.

Supplier Efficiency: A companywide initiative known as Supplier Added Value Effort (\$AVE) evaluates supplier partnerships based not just on cost savings but also on energy efficiency, packaging optimization and recycling, and the vendors' own environmental, *Responsible Care* and sustainability policies.



The \$100 million membrane cell unit for the production of chlorine and caustic soda at PPG's Lake Charles, La., USA, chemicals complex yields about the same capacity as the previous mercury cell technology, but uses 25 percent less electricity.



Waste Water Treatment Unit at PPG Industrial do Brasil – Tintas e Vernizes Ltda.

Addressing Energy Security and Climate Change

Beyond this wide range of initiatives focused on specific products and manufacturing processes, PPG recognizes its responsibility to address broader energy security and climate change issues. In 2007, PPG formed a multidisciplinary Energy Security and Climate Change Committee, led by senior business and technology executives, to address these two critical issues. To this end, PPG is committed:

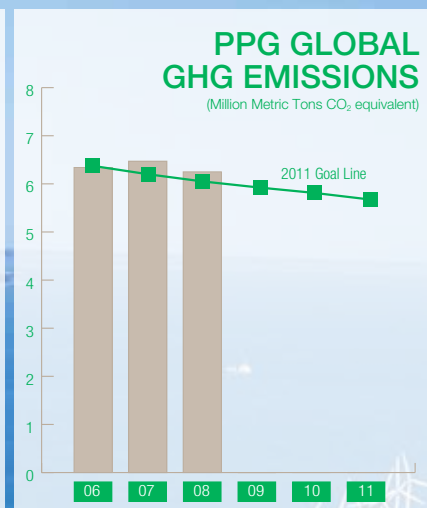
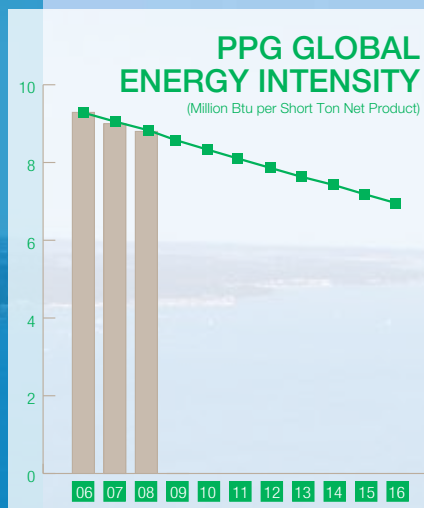
- To continue to conserve energy and increase its use of renewable energy and raw materials
- To continue to implement greenhouse gas (GHG) emissions reduction programs throughout its global operations, while setting more challenging goals to further limit these emissions
- To work with other interested parties to develop effective international policies regarding energy security and climate change
- To advocate a market-based price of carbon and credits for benefits derived from energy-saving products and from renewable resources
- To continue to develop and market leading-edge products that benefit the environment and conserve energy

PPG is applying the following measures to track its progress in these areas:

Greenhouse Gas (GHG) Emissions Reduction: In 2002, PPG committed under the Business Roundtable's U.S. Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts) initiative to reduce its GHG emission intensity (measured as metric tons of CO₂ equivalents per million dollars of revenue) from sources in the United States by 18 percent by 2012 starting from the 2002 baseline. By the end of 2006, PPG had reduced its emissions to 1,017 metric tons per million dollars of revenue – fulfilling its target six years early.

In 2007, PPG set a demanding new corporate goal of a 10 percent absolute reduction in CO₂ equivalents from 2006 to 2011. Through 2008, PPG has reduced its absolute GHG emissions by 1.4 percent from the 2006 baseline. This progress has been made despite a 45 percent growth in revenues and very dynamic business and energy markets. To address these increased challenges the company has formed a team of manufacturing leaders to place further emphasis on reaching this objective.

Reducing Energy Intensity: Also in 2007, PPG set a corporate target to reduce overall energy use intensity by 25 percent from 2006 to 2016. Energy intensity is the number of million Btu per short ton of product manufactured. PPG is currently on track to meet this intensity goal, and in fact, reduced its absolute global energy usage by 5 percent in 2008.



- A \$242 million, 425-megawatt cogeneration power plant at PPG's Lake Charles, La., USA, chemicals complex makes the plant twice as fuel efficient as similar-sized facilities operated by electric utilities.
- PPG was one of the first companies to install oxygen-fuel furnace technology on float glass and fiber glass production lines in North America and Europe. Today, this technology, which PPG now licenses to glass manufacturers around the world, reduces fuel consumption by 15 percent and carbon dioxide emissions by 10 percent. Emissions of nitrogen oxides have been lowered by half at these facilities.
- A key element of PPG's government affairs efforts is advocacy for legislation that promotes wind, solar and green building, and energy conservation. This includes educating and engaging employees to reach out to government officials on these issues.
- In the United Kingdom and Ireland, PPG's Architectural Coatings – EMEA business operates its own fleet of delivery vehicles. Since 2007, all new vehicles are Euro V emission-compliant, producing less CO₂.
- In 2008, PPG became the first architectural coatings supplier in the United States to initiate a recovery program for five-gallon plastic pails used for water-based products. Empty and dry pails, including those of competitors, are returned to PPG-owned stores, consolidated, and sent to distribution centers for shredding and recycling.
- An upgrade in 2008 of the industrial wastewater treatment system at the Gravatai, Brazil, facility has resulted in a 25 percent reduction in groundwater extraction. The improved efficiency of the treatment system has eliminated the use of biocides required in the process.
- PPG converts hazardous waste into a sludge-like fuel that powers an energy recovery unit at PPG's facility in Circleville, Ohio, USA.

Funding Innovative Conservation and Remediation Projects

Since 1994, 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.

PPG is also working through remediation projects to protect human health and the environment; comply with all applicable standards; resolve environmental liabilities; and return sites to productive and beneficial use.

Barberton, Ohio, USA: When PPG's Barberton plant was built in 1899, the impact of industrial wastes, including lime from making soda ash for the production of glass, was not understood. Lime slurry was pumped into six man-made ponds spanning 600 acres, rendering them incapable of supporting vegetation. Recently, PPG discovered a way to reclaim these lakes by mixing municipal sewage sludge with the lime to create an artificial soil transforming the barren lakes into a haven for native plants and wildlife. Through this award-winning technology, PPG has already returned about 300 acres to nature and expects to complete this project in 2015.

Jersey City, N.J., USA: PPG briefly operated, and then closed in the early 1960s, a chromium manufacturing plant located in Jersey City. PPG has been diligently addressing legacy issues created by chromium manufacturing and has successfully helped to return many properties to beneficial and productive reuse including areas such as Lafayette Village and the Liberty National Golf Course. PPG, the New Jersey Department of Environmental Protection and the City of Jersey City have reached an agreement in principle on an innovative method to streamline the process for the complete and final remediation of PPG's remaining chrome sites in the city.

Bovisa, Italy: Successful cleanup and beneficial reuse of a century-old paint manufacturing facility near Milan, Italy, was accomplished through partnerships developed by PPG with both Politecnico di Milano, the largest technical university in Italy, and Mario Negri Istituto di Ricerche Farmacologiche. Today the site houses the Bovisa Campus of the university and a new research facility for Mario Negri devoted to pharmacogenic research.

Calcasieu River Estuary, La., USA: PPG is working cooperatively with other companies and state and federal agencies including the Louisiana Department of Environmental Protection and the U. S. EPA Region 6 to investigate and remediate contaminated sediments in the Bayou d'Inde area of the Calcasieu Estuary (photo at left). The agencies are currently reviewing remedial approaches proposed by the companies.

Reducing Environmental Impacts and Emissions

PPG is committed to minimizing its impact on the environment. In 2006 PPG expanded its reporting of environmental measures using the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. The Environmental Performance Indicators on the following page represent PPG's global operations. By reducing emissions, the company can both help preserve the environment and eliminate waste. In 2007, PPG:

- Reduced nitrogen dioxide emissions by nearly 5 percent
- Reduced particulate emissions by nearly 6 percent
- Lowered volatile organic compound (VOC) emissions by more than 30 percent
- Reduced the amount of hazardous waste disposed of by 6 percent
- Did not increase its level of sulfur dioxide emissions
- Experienced an increase in ozone-depleting air emissions of approximately 12 percent

Engaging in Green Partnerships

PPG is actively engaged in advocacy for legislation that promotes wind and solar energy, green building initiatives, and energy conservation. PPG is also committed to working with outside organizations to promote renewable energy, conservation and green building practices. The company's partners include:



Alliance to Save Energy



The Climate Registry



ENERGY STAR



U.S. Green Building Council

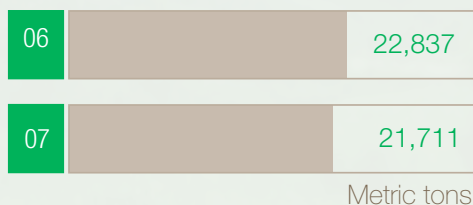


U.S. EPA Climate Leaders

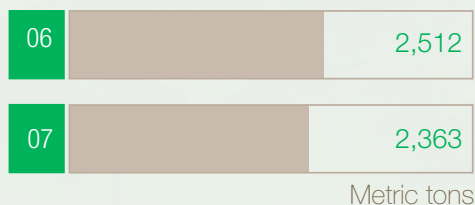
For the past two decades, an innovative remediation project at PPG's Barberton, Ohio, facility has been transforming 600 acres of barren lime lakes into rolling hills and meadows that are now home to a wide array of plant and animal life. The return of vegetation has spawned an influx of wildlife. Deer, coyote, fox, turkey, hawks, owls, waterfowl and numerous other animals now call this former industrial site home. This page shows the land before reclamation; the photo at right and on the following page show the restored land. In addition to attracting and supporting abundant wildlife, the plants also absorb rainwater and greatly reduces chlorides from the lime waste from entering groundwater or nearby surface water.

Global Environmental Performance

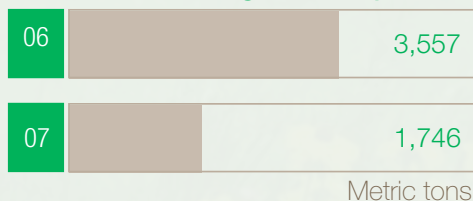
2006 – 2007 AIR EMISSIONS Nitrogen Oxides



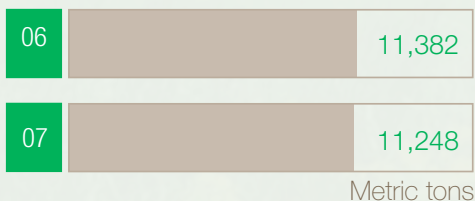
2006 – 2007 AIR EMISSIONS Particulate Matter



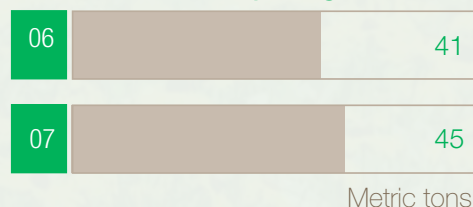
2006 – 2007 AIR EMISSIONS Volatile Organic Compounds



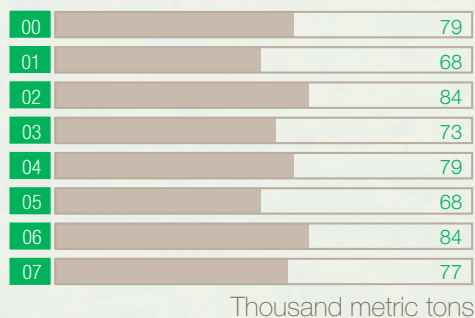
2006 – 2007 AIR EMISSIONS Sulfur Dioxide



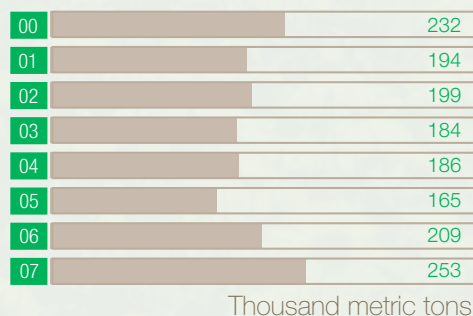
2006 – 2007 AIR EMISSIONS Ozone Depleting Chemicals



2000 – 2007 HAZARDOUS WASTE



2000 – 2007 INDUSTRIAL WASTE



Performance data represent PPG's global operations. PPG continues to collect and expand its environmental performance metrics. 2008 performance data is currently being assembled and will be reported later this year on the PPG Web site at www.ppg.com.

Employees and the Workplace

PPG believes that organizations that embrace diversity are more innovative and productive. It is the spectrum of individuals in a variety of disciplines that ultimately enables the company to maintain its competitive edge. These individuals work at locations around the world – in manufacturing plants, research and development facilities, distribution centers and stores, and corporate offices.

PPG understands that its success is directly linked to its people, and so the company is committed to providing a safe, healthy and fulfilling workplace for employees, creating an environment for continuous learning, and embracing diversity of ideas and people.

One Code, One Company

The PPG Global Code of Ethics and the PPG Blueprint help focus employees on the company's mission and provides them with a clear set of standards. As part of this overall commitment, PPG maintains labor and employment policies and practices that ensure fair treatment of all employees.

PPG's human resources function is designed to maintain a consistent global approach to issues such as governance and compliance, compensation and benefits harmonization, and talent development. At the regional and strategic business unit level, leaders are responsible for aligning with global standards, while also being empowered to respond to the local culture, community needs and competitive landscape.



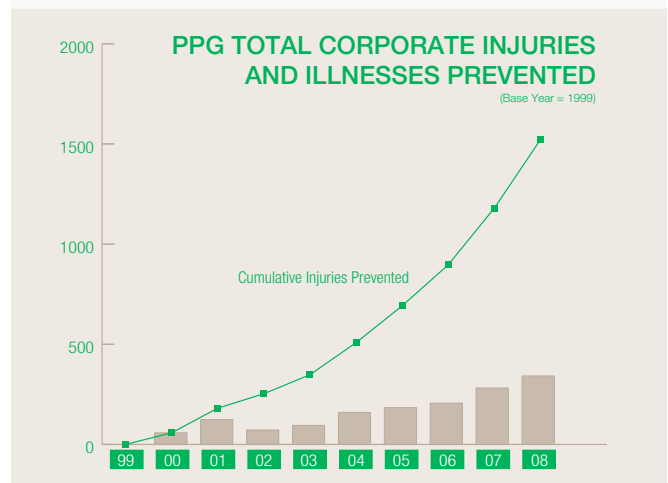
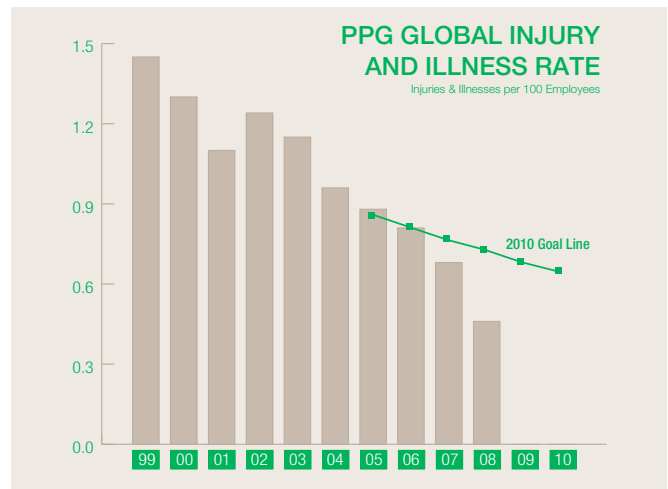
Left: Workers at Sylmar, Calif., USA, manually move 8,000-pound racks into place. The new automated autoclave (below) eliminates the need for employees to push the heavy racks.



Promoting Safety and Health


PPG has seen dramatic safety improvements in recent years as a result of setting ambitious goals and implementing stringent safety practices and procedures. Since 2000, PPG has reduced its injury and illness rate by 68 percent through 2008, far exceeding internal improvement goals. And, based on improvements from the 1999 baseline, PPG estimates that its risk reduction efforts have prevented over 1,500 injury and illness cases globally.

Unfortunately, the company experienced one fatality in 2008, when a 13-year veteran driver for PPG's former automotive glass and services business was killed in a motor vehicle collision in Westmoreland County, Pa., USA.



Ergonomics

Since the mid-1980s, PPG has employed ergonomics-based solutions to reduce the risk of injuries and illness to employees. PPG analyzes existing manufacturing systems and job tasks and implements appropriate design changes and other control measures to reduce the risk of future injuries and to enhance productivity and quality. Through the application of good ergonomic principles, PPG has reduced the number of ergonomically related injuries and illnesses by 78 percent from 0.47 cases per hundred workers in 2002 to only 0.10 cases in 2008.



Exercise is part of the daily agenda for storeroom employees at PPG's Tianjin, China, coatings plant.

Promoting Occupational Health

PPG has a long-standing emphasis on managing a comprehensive occupational health program. This includes identifying potential occupational health hazards in our facilities; monitoring our workplace environments as part of our industrial hygiene process; monitoring our employees' health with appropriate medical examinations; and controlling exposures to recognized hazards through the use of engineering and protective equipment.

Supporting Employee and Family Wellness

In order to keep employees healthy, productive and engaged, the company has set a goal of 80 percent employee participation in its voluntary, confidential online Health Risk Assessment over a three-year period. Through 2008, 30,321 employees – roughly 88.9 percent of the total global workforce – have completed the assessment at least once. PPG continually works to increase awareness among employees and their families of the value in healthy living through weight management, stress reduction and adopting a more active lifestyle.

- For the last five years, *Primalux* coatings business has encouraged employee participation in a European cycling event across the Tatry Mountains from Nizna, Slovakia, to Krakow, Poland. The event attracts nearly a thousand registered bikers and several hundred others to enjoy an invigorating ride and gorgeous natural scenery.
- During 2007 and 2008, 57 PPG locations from around the world submitted 72 projects as part of the company's annual Ergo Cup Competition. In addition to injury prevention, these ergonomic projects will save PPG over \$3 million annually in production efficiencies and labor costs. In 2008, the winner of PPG's 2007 competition from the aerospace transparencies plant in Huntsville, Ala., USA, earned first-place honors at the internationally recognized *Ergo Cup* competition.
- PPG's Delaware, Ohio, USA, coatings plant earned the "Healthy Ohio-Healthy Work Site Silver Award" for its wellness programs, including a "Rainforest Room" with flowers, vines and sounds of the forest to help employees relax as they complete their health-risk assessments.
- To motivate employees to eat healthier lunches, the price of healthy foods in the cafeteria at PPG's Uithoorn, Netherlands, site is being subsidized, while unhealthy items such as fried snacks have become more expensive.
- PPG's Suzhou, China, facility has established a Wellness Team to conduct a monthly "Health Day Activity." Employees participate in activities such as badminton, swimming, walking and first-aid training.
- On November 21, 2008, PPG's Barberton, Ohio, USA, plant was recommended to receive the "STAR" status under the U.S. Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP).





(From left) Tim Okel, researcher and team leader; Mark Geiger, senior research technician; and Holly Cundieff, global market manager, silica products, at PPG's Monroeville, Pa., USA, chemicals center with ingredients used to make better performing tires that save fuel. Okel is holding a beaker of *Agilon* silica, and Cundieff is holding two polymers that enhance rolling resistance and tread wear.

Creating a Fulfilling Workplace

PPG is committed to being an employer of choice. PPG hires on the basis of individual qualifications and ability relative to job requirements. In doing so, PPG gives equal employment opportunity to, and will not discriminate against, individuals on the basis of any status protected by applicable law.

Numerous opportunities exist for employees to advance their careers within PPG. Professional vacancies are posted electronically worldwide through an intranet available to all employees, any of whom can express their interest provided they meet position- and location-specific requirements. Management Development Committees review talent by functional area, gathering and analyzing employee experience, skill and performance information to provide input for selection, promotion and development opportunities.

Consistent with its commitment to the highest ethical standards, PPG believes in treating every employee with dignity and respect.

PPG will not tolerate unlawful harassment of any kind. PPG encourages direct communication between supervisors/managers and employees to promptly resolve workplace concerns. Should a dispute persist, the company has developed internal procedures to help resolve problems. One example is its U.S. employee dispute resolution system known as the Resolve Process – a four-step process designed to help employees work through problems and disputes.

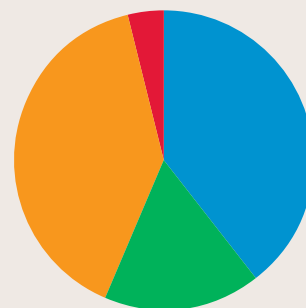


PPG also offers competitive salaries and comprehensive benefits packages to attract and retain the talent necessary to meet its business goals.

PPG WORK FORCE BY REGION

As of 12/31/2008

Total number of PPG employees: 42,821



- United States/Canada (16,878)
- Asia Pacific (7,268)
- Europe/Middle East/Africa (17,069)
- Latin America/Mexico (1,606)

Fostering Continuous Learning

PPG believes that continuous learning is crucial in helping employees effectively meet business goals and providing opportunities to fulfill their potential. Through the Performance and Learning Process, employees and their supervisors work together to reach agreement on the employee's business deliverables for the year – setting goals and then identifying the knowledge and skills necessary to successfully meet them. The company provides ongoing feedback and leadership coaching and support to employees as part of this commitment to continuous learning.

My Learning Connection is a personalized intranet site where employees can track their learning and development progress and stay informed of new opportunities. It includes classroom training programs, self-paced online courses, and reading materials on subjects ranging from business skills to IT professional certifications to personal development programs. PPG also provides an Education Assistance program for those employees who enroll in college courses or other higher education opportunities.

These and other continuous learning initiatives, including mentoring, job shadowing and career development programs, are all designed with one core purpose: to help PPG employees strengthen their performance and realize their full potential.

Valuing and Advancing Diversity

PPG's vision for diversity is to become a stronger, more competitive company by fostering a climate that recognizes the business value of an engaged workforce that reflects the diversity of our global workplace. This vision is more than simply words on a page: PPG has developed metrics that enable it to build a global workforce with careful attention to gender and diversity components, retention of employees and talent management.

To help achieve its diversity vision, the company has instituted three major programs:

- PPG's Diversity Leadership Council champions, directs and engages in initiatives that drive PPG's commitment to diversity.
- The Women's Leadership Council seeks to promote an organizational environment that attracts and retains women and helps them contribute to PPG's business success.
- The Minority Leadership Council focuses on recruitment and retention of minorities through career job fairs, networking events and mentor/protégé programs.



Vivian Waters, engineering manager (right), and Clarnessa Bolden, hardcoat inspector, make a quality-control check on lenses at Transitions Optical's Pinellas Park, Fla., USA, manufacturing plant.

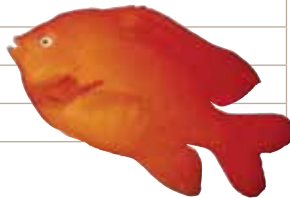
Community Involvement and Social Performance

Through its corporate foundation and a wide range of local giving and volunteer programs, PPG seeks to reflect company interests and values by enhancing the quality of life globally in communities where its employees and their families live and work.

Foundation for the Future

Since 1951, the PPG Industries Foundation has been making a difference in the lives of others with grants, outreach programs, relief funds, charitable efforts, educational programs and volunteerism. The foundation focuses on working with organizations that develop educational opportunities accessible to all members of the community.

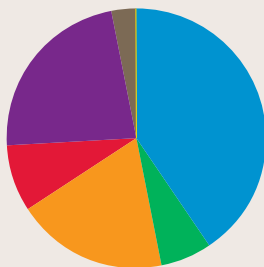
PPG Industries Foundation Five Year Summary of Total Grants Paid
2008 - \$5,242,000
2007 - \$4,699,000
2006 - \$5,284,000
2005 - \$5,228,000
2004 - \$5,466,000



PPG Industries and its foundation work within communities through joint and separate efforts that promote education, address the needs of its community stakeholders and empower employees to make a difference.

2008 ACTUAL EXPENDITURES

345 grants totaling \$5,242,000



- Education (\$2,125,000)
- Human Services (\$1,204,000)
- Matching Gifts (\$332,000)
- PELC (\$157,000)
- Civic & Culture (\$996,000)
- Match 'n More (\$1,000)
- GIVE (\$427,000)

GIVE = Grant Incentives for Volunteerism by PPG Employees and Retirees (see page 29)

PELC = Public Education Leadership Community (see page 28)



Advancing Education on Crucial Global Issues

PPG Aquarium and Polar Express at Pittsburgh Zoo:

Through a 10-year grant, the PPG Industries Foundation and PPG Industries, Inc., are providing funding to help sustain the Pittsburgh Zoo and PPG Aquarium. Pennsylvania's only public aquarium, it features state-of-the-art exhibits such as a crawl-through stingray tunnel, a two-story shark tank, and unique revolving tanks. The newly updated polar bear exhibit includes education about ocean-friendly fish consumption, petrochemicals in the food web, and climate change.



"Pink Lady" Plane Lifts Breast Cancer Awareness

in Australia: PPG's aerospace business created custom coatings for a pink plane flown across Australian skies to help QantasLink promote breast cancer awareness. More than 44 gallons of primer and topcoat, including two shades of pink specially matched to signature colors of Australia's National Breast Cancer Foundation, were provided by PPG Aerospace's Tullamarine application support center.

UK Schools Initiative: PPG's Architectural Coatings – EMEA UK and Ireland region organizes initiatives that allow junior school students in Wales to visit their local PPG Decorating Centres to learn more about paint applications and color, and how coatings can affect the environment. In England, primary school children have visited the Birstall, England, plant to learn more about production processes.

"The trip by Hill Top Primary School pupils to PPG's factory at Birstall was thoroughly enjoyed by everyone. The children found the production processes fascinating and the environmental aspects of paint were of particular interest. Overall the trip provided an excellent and unique learning opportunity. All the children agreed it was one of the best school trips ever..."

— Janice Thornton, Teacher at Hill Top Primary School, Leeds, England

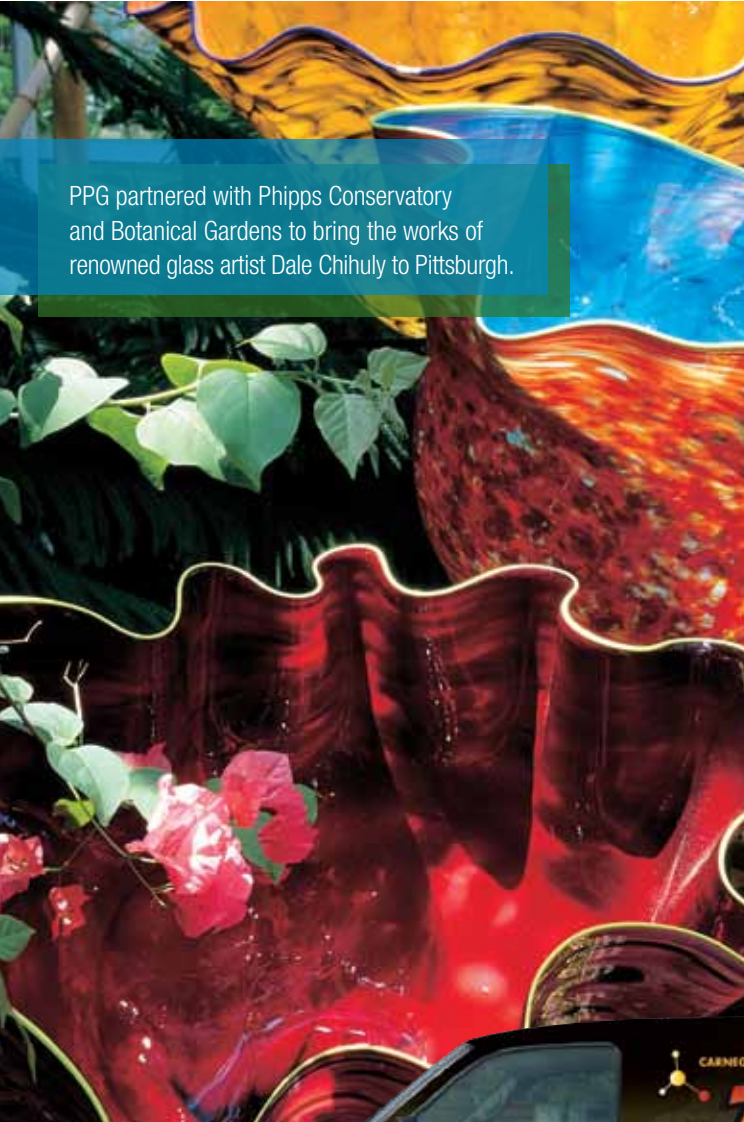


“What I Engineered on My Summer Vacation”: To help expand diversity and open new opportunities in fields where women have traditionally been underrepresented, the PPG Industries Foundation supports Women in Engineering Programs across the United States. As an example, at the University of Akron, the Multiplying Your Options Engineering Summer Camp for Girls encourages young women entering seventh or eighth grade to pursue their interest in science, math, engineering, and technology.



Science education is a priority for the PPG Industries Foundation.

PPG partnered with Phipps Conservatory and Botanical Gardens to bring the works of renowned glass artist Dale Chihuly to Pittsburgh.



The Power of Scholarships: The PPG Industries Foundation has provided more than \$1 million in scholarships for underrepresented minorities to study chemistry and chemical engineering in U.S. colleges. PPG's Scholarship Plus Program, in conjunction with The American Chemical Society, provides a four-year, \$2,500 scholarship, as well as mentoring by PPG employees and an opportunity to interview for a summer internship at a PPG facility. In addition, the foundation offers an Employee-Child National Merit Scholarship Program that provides 40 scholarships annually to qualifying children of U.S. PPG employees with a stipend of \$1,500 per year for up to four years or the awarding of their baccalaureate degree.

Making Math and Science Education Fun: PPG is partnering with Pittsburgh's Carnegie Science Center to develop four “Science-on-the-Road” education programs to be offered in a five-state region of the eastern U.S. The lessons, with intriguing names such as “The Great Color Caper,” “Fractured Physics” and “Ion Jones and the Lost Castle of Chemistry,” are presented in classrooms, school assemblies and after-school workshops. They feature PPG scientists demonstrating the company's technologies and eye-catching vans that transport the lesson materials. “The Great Color Caper” also appears at the Discovery Place in Charlotte, N.C., USA, where PPG has several facilities.



Giving Back to PPG Communities

Warming a Child's Winter in South China: When severe snowstorms hit South China in 2008, PPG launched the "Warm a Child's Winter" clothing donation project. Within a week, almost 1,000 pieces of clothing were collected at PPG facilities in Tianjin, Beijing, Shanghai, Suzhou, Guangzhou and other locations in China.

PPG Fights Graffiti in Warsaw, Poland: PPG joined a campaign against graffiti in 2008 by donating products and lending expertise to clean up historic Warsaw buildings that had been defaced. In consultation with the Regional Office for Preservation of Historical Monuments, PPG donated more than 250 litres of silicone paints and joined an effort that included more than 200 volunteers.

A Day for Young Caregivers: In August 2008, PPG associates in the UK hosted an activity day for Northorpe Hall Child and Family Trust in Mirfield, West Yorkshire, a charity that provides support services for children who care for sick or disabled family members. The charity's aim is to allow these young caregivers time away from family chores, giving them some much needed space and a break from caring. PPG sponsored an activity day at Bradley Woods County Scout Camp, where the young caregivers were entertained with air rifle target shooting, archery, a low-ropes assault course and roasting marshmallows on open fires.

Protecting Children's Health in Tianjin, China: Upon opening its new Tianjin manufacturing facility, PPG donated about \$40,000 of environmentally responsible paints to refurbish the interior and exterior walls of the Tianjin Welfare Institute. There, foster children and children recovering from illnesses are now housed and educated in bright new, "green" quarters. PPG plans to extend this effort to children's health institutions in other Chinese cities.

Supporting Earthquake Recovery in China: When a massive 7.8-magnitude earthquake struck the Sichuan, China, region in May 2008, PPG Industries took action. The company donated RMB 500,000 through the Red Cross Society of China to help purchase emergency equipment. PPG U.S. employees also made individual donations (which were matched by the PPG Foundation) and PPG China established a team that fellow employees and their families could call for emotional support and guidance in finding emergency services.

Public Education Leadership Community (PELC) Grants: Public Education Leadership Community (PELC) grants provide financial resources for U.S. employees to present to public schools where they are involved, that are located within their community, or that they are associated with outside their community. Employees may sponsor a request to the Foundation for a grant of up to \$1,000 for a project that meets all of the following criteria:

- Promotes systemic change
- Cannot be paid for with tax dollars
- Directly benefits and engages students
- Demonstrates results that motivate students to learn
- Has a total project budget of no more than \$5,000



PPG employee Jeff Solomon offers "Street Law" lessons to Pittsburgh students.

Partnering in Public Works in Texas: Each summer, the Houston Museum of Fine Art and Houston Parks and Recreation Department collaborate to paint murals in five parks throughout the city. The work brings together local students and builds a spirit of unity among diverse neighborhoods. PPG supports the program through a collaboration of its own: PPG's Architectural Coatings business donates the paint for the project, while the PPG Industries Foundation donates funds for other materials.



Houston Museum of Fine Art and Houston Parks and Recreation Department collaborate to paint murals.

Community Volunteerism

PPG Industries Foundation's ongoing support of United Way agencies, food banks (as seen below), pantries and Meals-on-Wheels programs is making a difference. In 2008, the foundation provided more than \$941,000 in direct grants and \$10,700 through the Grant Incentives for Volunteerism by PPG Employees and Retirees (GIVE) program to 42 United Way agencies and 13 food-based organizations in PPG communities throughout the United States. PPG's involvement extends beyond funding, with employees serving on organization boards, and employees and retirees serving as volunteers at these organizations within their communities. This in turn earns eligible organizations a \$500 GIVE grant if the PPG volunteer applies for one. At the company's coatings plant in Milan, Italy, the plant's caterer supplies leftover meals from the cafeteria each day to an organization that distributes the food to soup kitchens around the city.



Above: Children at the Lidia Orphanage, located in Spinus, northern Romania, where Gert Meijer (electrical supervisor at PPG's fiber glass plant in Hoogezaand, Netherlands) spends vacation time fixing a dilapidated electrical system and making other repairs

Below: Pittsburgh Zoo & PPG Aquarium docent and PPG employee Steve McQuown, development chemist, shares cool information about blue-tongued skink lizards.



Empowering Employee Giving

Perfect Match: U.S. PPG employees and members of the Board of Directors are eligible to participate in the Foundation's Matching Gifts program. Their personal contributions to a wide variety of eligible organizations are matched dollar-for-dollar by the Foundation, with an annual minimum contribution per donor of \$25 up to a maximum of \$10,000.

Grant Incentives for Volunteerism by PPG Employees and Retirees (GIVE) Program: The GIVE Program recognizes personal involvement in volunteerism by active PPG U.S. employees and PPG retirees by providing grants to eligible institutions in the United States. Each PPG employee and retiree may apply once a year for a grant of \$500 to an organization where he or she has an ongoing volunteer relationship. If the PPG participant is on the board of directors of the organization, the grant increases to \$1,000.

PPG Concern, Assistance and Relief for Employees (CARE)

Fund: PPG views as a priority its involvement in helping meet the needs of employees worldwide whose lives have been disrupted by disasters. Through the CARE Fund, PPG and its employees have contributed \$131,000 since 2006 to affected employees and their families.

Awards and Recognition

As a manufacturer of many leading energy-efficient products, PPG is committed to providing its customers with products that reduce environmental impact. PPG has been recognized by the Carbon Disclosure Project (CDP) as one of the leading S&P 500 companies and as the number one company in the chemicals and pharmaceuticals sector in CDP's 2008 Leadership Index. This distinction recognizes PPG's commitment to be a leader in both transparency and emissions management.

Climate Leaders



Climate Leaders is an industry-government partnership established by the U.S. Environmental Protection Agency (EPA) that works with companies to develop comprehensive climate change strategies. In 2002, PPG committed to reducing its global greenhouse gas (GHG) intensity from sources in the U.S. by 18 percent before 2012. The company was able to achieve this mark in 2006 – six years earlier than the projection date. As part of its commitment to sustainable practices, PPG again pledged in 2006 to reduce its total energy intensity by 25 percent by 2016, and its GHG emissions by 10 percent before 2011.

Automotive News PACE Award

As the world's leading manufacturer of transportation coatings, PPG was named a 2008 Automotive News PACE Award winner for *Green Logic* paint detackifier. This marks the sixth time PPG has received the award, which recognizes automotive suppliers for superior innovation, technological advancement and business performance.



The Association of Postconsumer Plastic Recyclers



The Association of Postconsumer Plastic Recyclers recognized PPG for participating in a program to test new bottle compositions with plastics recyclers. *Bairocade* coatings by PPG are applied to the exterior of polyethylene terephthalate (PET) bottles, extending the shelf life and freshness of consumer food products. PET treated with *Bairocade* coatings can be recycled into fiber, strapping, sheet and even food and beverage containers because the coating is removed during the grind-and-wash phases typical of recycling plants.

R&D 100

R&D Magazine awarded PPG two 2008 R&D 100 Awards for its *Green Logic* paint detackifier and *Zircobond* pretreatment technology. The awards recognize the 100 most technologically significant innovations each year.



Zircobond pretreatment is being applied during the car manufacturing process.



Carnegie Science Awards

Drs. Paul Medwick, James Thiel and Andrew Wagner, senior research associates at PPG, were named winners in the Advanced Manufacturing category for the 2008 Carnegie Science Awards. The researchers were recognized for their leadership and research oversight in PPG's development of *Solarban* 70XL solar control low-emissivity (low-e) glass. Carnegie Science Center established the Awards for Excellence program (Carnegie Science Awards) in 1997 to recognize and promote outstanding science and technology achievements in Western Pennsylvania. The Advanced Manufacturing award recognizes accomplishments in the use of automation, innovative processes and technology to achieve extraordinary levels of process control and product quality.



Paul Medwick, James Thiel and Andrew Wagner, senior research associates at PPG's Harmar, Pa., USA, glass technology center, were named winners in the Advanced Manufacturing category for the 2008 Carnegie Science Awards.

British Coatings Federation

PPG's Birstall, England, architectural coatings facility was named a finalist for the 2008 *Coatings Care* Award administered by the British Coatings Federation. The site won the award in 2007. The annual award is presented to the BCF member site that best demonstrates its commitment to the *Coatings Care* program.



Scope of Report

This report describes the programs and performance of PPG Industries and its business units and subsidiaries as they relate to the company's sustainability practices. PPG's goal for this inaugural 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. Financial information is reported in U.S. dollars. Environmental, health and safety data reports activity of corporate, manufacturing and research and development facilities. PPG self-declares this report meets Global Reporting Initiative (GRI) G3 Application Level C requirements. The information in this report can also be accessed online at www.ppg.com/2009CSR. 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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