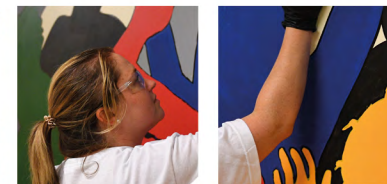


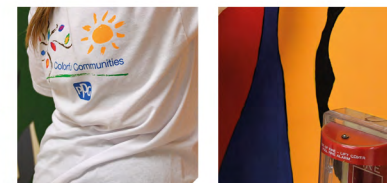
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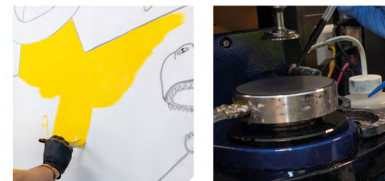
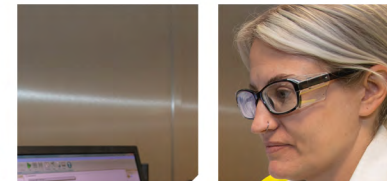
2022 ESG Report

Executive Summary

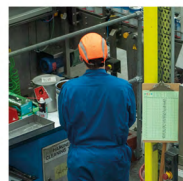
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Pollination
PPG1215-7



Brainstorm
PPG1030-1



Curious
PPG1219-3

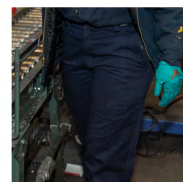
Intrigue
PPG1019-7



Visionary
PPG1210-3



Acceleration
PPG10-21



We protect and
beautify the world®

To our valued stakeholders

In 2022, PPG remained resilient and committed to delivering on our purpose, creating value for our customers, meeting the needs of our people and supporting the communities where we operate.

While sustainability has been a critical component of our strategy for over a decade, we're continuously looking to the future. As part of our promise to deliver on our purpose – We Protect and Beautify the World – we've set new, ambitious 2030 environmental, social and governance (ESG) goals that will guide our continued efforts.

Throughout the report, you will see countless examples of PPG's products that are making tangible contributions to a more sustainable tomorrow – extending the useable lifespan of bridges and buildings; reducing energy use and greenhouse gas emissions by eliminating curing stages for our automotive coatings and sealants; enabling aluminum food and beverage packaging to be infinitely recyclable; and even improving the fuel efficiency of airplanes and cargo ships. As we go forward, we will continue to focus on developing innovative solutions to help our customers achieve their sustainability aspirations, and remain a reliable, collaborative partner along the value chain.

These innovations don't happen without the dedication of PPG People. That's why we continue to invest in people strategies that enable our more than 50,000 PPG People to deliver exceptional performance.

I encourage you to learn more about PPG's progress in our 2022 ESG Report. Thank you for your continued collaboration, partnership and interest in PPG.



Tim Knavish
PPG president and
chief executive officer

In 2022, we continued to make strong progress against our ESG strategy. We delivered continued improvement against our 2025 sustainability and diversity, equity and inclusion (DE&I) targets, furthered our work to understand our value chain emissions footprint, and confirmed our priority emissions reduction pathways.

Our new, ambitious 2030 sustainability targets extend our decarbonization ambition and challenge us in the areas that are most impactful to our business and our stakeholders. Our 2030 objectives include scope 1, 2, and 3 greenhouse gas emissions targets, which have been validated by the Science Based Targets initiative (SBTi).

Our efforts to reduce greenhouse gas emissions across our value chain will include evaluating more circular and renewable raw materials, collaborating with suppliers to lower their emissions footprint, and innovating new lower carbon solutions for our customers.

To support our enterprise growth strategy and commitments, we have continued to integrate ESG throughout PPG. In 2022, we assembled a global sustainability organization that is embedded within our businesses and functions in order to educate, motivate and activate the organization to deliver on our sustainability ambitions. We are also further integrating ESG into our business strategies and objectives. By placing emphasis on sustainability in our core business strategy planning, we are able to be better informed of our customer priorities, and use them as a guide to reach our 2030 targets.

Thank you for reading our 2022 ESG Report. We look forward to sharing additional progress and welcome your feedback and collaboration.



Diane Kappas
PPG vice president,
global sustainability

2022 at a glance

As a leader in ESG, we've earned the following recognitions and awards, acknowledging our efforts and informing how we can enhance our approach as expectations evolve.

#1 on Coatings World's Top 100 Companies list

#4 in the Chemicals Industry on the 2023 Fortune World's Most Admired Companies list, our 15th consecutive year on the list

AA rating by MSCI for environmental, social and governance practices for the third consecutive year

100% score from the Human Rights Campaign's 2022 Corporate Equality Index

Gallup **Exceptional Workplace** Award 2023

Product

39% of sales are from sustainably advantaged products

170,000+ products evaluated against our sustainably advantaged product methodology in 2022

147 products have been certified with Environmental Product Declarations (EPDs)

Environmental

13% reduction in waste disposal intensity from a 2017 baseline

20% reduction in spill and release rate from a 2017 baseline

6% reduction in greenhouse gas emissions intensity from a 2017 baseline

12% reduction in total water withdrawal from a 2017 baseline

23% of purchased electricity came from renewable sources in 2022

48% decrease in transportation incidents compared to 2021

Social

Our people

7,500 members in our eight Employee Resource Networks

87% participation in Gallup Employee Voice survey, our highest yet

3x faster engagement growth than comparable companies

54,655 total learning courses available to PPG employees

Our communities

\$16.2MM giving by PPG and the PPG Foundation in 2022

25,000+ employee volunteer hours in 2022

2.6MM+ students reached by education programs in 2022

Vision, values and approach

Our sustainability vision, values and approach ladder up to our greater purpose: We Protect and Beautify the World.

Vision

To fulfill our purpose to Protect and Beautify the World, we are committed to delivering lasting value for all stakeholders. As One PPG, we operate with integrity, work safely, protect the environment for current and future generations, create a diverse, equitable and inclusive workplace, and engage and support the communities where we operate.



Values

- Operate safe, healthful workplaces, promote teamwork and reward performance by trusting our people every day in every way
- Cultivate a sense of belonging for all of our employees and harness the power of diversity to ignite innovation and performance
- Conduct business and operations in an ethical and compliant manner
- Minimize the impact of our operations on the environment
- Deliver innovative products and solutions, and partner with our customers to create mutual value that enables them to maximize the performance of their assets and preserve and protect the environment
- Partner with suppliers and customers to create value
- Deliver positive change in the communities where we operate and conduct business

Sustainability approach

PPG takes a broad approach to sustainability. Our sustainability organization is responsible for developing and advancing environmental, social and governance (ESG) goals, policies, programs and procedures throughout our company and value chain.

Our dedicated sustainability organization works alongside internal and external stakeholders to understand the environmental and social impacts of our business, and seeks opportunities to have a positive impact with our people, products and processes.

Updated prioritization assessment

Our formal prioritization assessment identifies the ESG risks, opportunities and impacts that are essential considerations for developing PPG's strategy and reporting.

We updated our assessment in 2022 and identified the priority issues below. We also started work on a new ESG roadmap and strategy, which has been informed by the priority topics identified by this assessment. This work also informed our new 2030 ESG targets.

ESG issue (in no particular order)

- Addressing chemical-related social and environmental impacts, real and perceived
- Upholding human rights in PPG's supply chain
- Fostering a diverse, equitable and inclusive workforce
- Managing interactions with water as a shared resource
- Ensuring safe work environments and promoting employee well-being
- Maintaining positive community relationships
- Decarbonizing PPG operations, supply chain and customer emissions
- Using circular economy principles to reduce impacts from materials and waste
- Providing ESG training and career progression pathways for our people
- Effectively prioritizing and deploying technological improvements
- Attracting and retaining talent in a post-COVID world
- Building climate change resilience in physical assets
- Understanding and communicating the financial importance of ESG to PPG and how PPG contributes to economic, social, and environmental outcomes

Goals and progress

Issue area	2025 goals	2022 progress	Updated targets (all goals are by 2030 with a 2019 baseline, unless otherwise noted)
Sustainably advantaged products	40% of sales from sustainably advantaged products by 2025	39% of sales from sustainably advantaged products	50% of sales from sustainably advantaged products
Waste	25% reduction in total waste disposal intensity by 2025 from a 2017 baseline	13% reduction in total waste disposal intensity	25% reduction in waste intensity
	Achieve zero landfill status from process waste at 35% of PPG manufacturing and research and development locations by 2025	32% of PPG manufacturing and research and development locations have achieved zero landfill status	Drive to 100% process waste to reuse, recycle and recovery.
	On our path to eliminating spills, ensure that we achieve at least a 65% improvement in our spills and releases rate by 2025 from a 2017 baseline	20% improvement in our spills and release rate	5% annual improvement in spills and releases at our facilities
Water	20% reduction in water consumption intensity by 2025 from a 2017 baseline	0.7% increase in water consumption intensity	15% reduction in water intensity at priority sites in water scarce communities
Energy and GHG emissions	Reduce energy consumption intensity by 15% by 2025 from a 2017 baseline	3% increase in energy consumption intensity	
	Increase renewable energy to 25% of total electricity usage exclusive of greenhouse gas (GHG) reductions by 2025	23% of total electricity usage from renewable sources	
	Reduce GHG emissions intensity by 15% measured in total tons discharged by 2025 from a 2017 baseline	6% reduction in GHG emissions intensity	<p>50% reduction in GHG emissions from our own operations (scope 1 and 2 emissions), validated by SBTi and aligned with the emissions reductions required for a 1.5 degrees C future.</p> <p>30% reduction in GHG emissions in our value chain (scope 3 emissions), validated by SBTi and aligned with the emissions reductions required for a well below 2 degrees C future.</p>

Goals and progress

Issue area	2025 goals	2022 progress	Updated targets (all goals are by 2030 with a 2019 baseline, unless otherwise noted)
Supplier sustainability			100% of key suppliers are assessed to sustainability and social responsibility criteria
Diversity, equity and inclusion	Invest \$20MM by 2025 to advance racial equity in the U.S. by funding educational pathways for Black communities and people of color	70% toward \$20MM goal to advance racial equity in the U.S.	Invest \$20MM by 2025 to advance racial equity in the U.S. by funding educational pathways for Black communities and people of color
	34-36% representation of non-frontline, global female professionals by 2025	31% representation of non-frontline, global female professionals	34-36% representation of non-frontline, global female professionals by 2025
	45-55% increase in headcount of Black, Latino and Asian employees across non-frontline, U.S.-based employee population by 2025	Achieved a 19% increase of our non-frontline headcount for Black employees, 16% increase in non-frontline Latino employees and 8% increase in non-frontline Asian employees	45-55% increase in headcount of Black, Latino and Asian employees across non-frontline, U.S.-based employee population by 2025
	50% global employee resource network and DE&I capability-building participation by 2025	34% global employee resource network and DE&I capability-building participation	50% global employee resource network and DE&I capability-building participation by 2025
Safety and health	Zero injuries. On our path to zero injuries, ensure that we achieve an improvement of at least 5% per year in our injury and illness rate	Achieved an annual I&I reduction rate of 0.7% compared to the 2017 baseline	100% of employees go home safely each day. On our way, drive at least 5% annual improvement in injury and illness rate
Wellness	Active wellness programs at 100% of PPG facilities globally by 2025	61% of our sites have active wellness programs	
Communities	Invest at least \$10 million by 2025 through the COLORFUL COMMUNITIES® initiative	\$11.2 million invested through the <i>Colorful Communities</i> initiative	\$5 million additional commitment to <i>Colorful Communities</i> projects globally, with all projects incorporating an element of sustainability, making the total investment \$15 million since 2015
	Implement the community engagement framework globally by 2025	70% of facilities met requirements of the Community Engagement Framework in 2022	

Products

2022 Highlights

39%

of sales from sustainably advantaged products

170,000+

products evaluated against sustainably advantaged product methodology in 2022

22,302

training courses completed on product stewardship topics through our professional development system

We develop industry-leading sustainable innovations that support our customers' sustainability ambitions. Our approach to developing safe and sustainably advantaged products is built upon more than a century of expertise. The result is a broad portfolio of paints, coatings and specialty materials that transform everything from the places we work to the vehicles we drive.

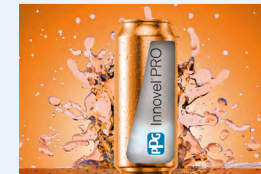
Sustainably advantaged products

Product sustainability is an integral part of our enterprise sustainability strategy. We aim to invest in sustainable solutions to solve our customers' greatest challenges through new and existing innovations.

We have a comprehensive methodology, informed by the United Nations Sustainable Development Goals (UNSDGs) and industry best practices, to designate which of our product lines are considered sustainably advantaged, which we finalized in 2021. Since that time, we have expanded the application of this methodology to 87% of all PPG products, and 100% of our paint and coatings products. Evaluating more of our products helps us understand the full scope of our sales from sustainably advantaged products, and enables us to further highlight the benefits of our sustainable product offerings to customers.

In 2022, 39% of our total sales came from sustainably advantaged products. We are constantly innovating new products and intend to continue expanding our sales of sustainably advantaged products in line with our ambitious 2030 target. We have worked throughout the year to incorporate sustainability into our research and development (R&D) innovation pipeline. Evaluating the benefits of our products at earlier stages in the R&D process helps us invest resources in those products that we feel will have the greatest impact for our sustainability goals and our customers' goals.

Supporting customer use of recycled materials



In 2022, we launched PPG INNOVEL® PRO, a non-bisphenol/non-BPA coating that provides improved application properties for recyclable aluminum beverage cans. Our coatings ensure minimal spoilage and protect both the can and beverage integrity. In addition to its improved performance, the coating helps our customers fulfill evolving regulations to remove bisphenols from food contact coatings, and enables the continued use of recyclable cans.

Research partnerships

We partner with customers, academic institutions and other public and private entities to advance sustainable initiatives and technologies. External research partnerships help us develop more effective and sustainable products to protect and beautify the world.

Learn about our ongoing partnerships and progress over the last year in our [full report](#).



Product stewardship

We take a multifaceted approach to product stewardship that covers each stage of the product lifecycle: product development, manufacturing, distribution and customer use and disposal. In 2022, we continued to enhance our product stewardship processes and systems. Highlights include:

- Realigned our Environmental Health & Safety - Product Stewardship Management System
- Created 17 additional Substance of Interest Scorecards, which track hazards and regulatory requirements. By the end of 2022, we had a total of 180 scorecards tracking 253 substances.
- 15 new substances added to the Restricted Substances List (RSL). The RSL now includes 1,147 substances that are restricted for all uses, and 390 substances that are restricted for specific uses.
- Increased accessibility of product specific carbon footprint information to enable our business teams to collaborate with customers on ways in which PPG can innovate lower carbon solutions for our customers.
- Initiated supplier collaborations to assemble lower carbon raw material information to introduce new formulations that are designed according to sustainability principles.



Environment



2022 Highlights

SBTi

validated scope 1, 2, and 3 targets



Expanded climate-related risks and opportunities assessment

48%

reduction in transportation incidents from 2022

17%

reduction in absolute direct and indirect GHG emissions from a 2017 baseline

12%

reduction in total water withdrawal from a 2017 baseline

23%

of purchased electricity came from renewable sources in 2022

13%

reduction in waste intensity from a 2017 baseline

We continue to strengthen our efforts across all areas of our footprint, including water, waste, energy and emissions. Beyond our own operations, we take responsibility for minimizing the environmental impact of our entire value chain. We work throughout our value chain to drive sustainability initiatives, and offer sustainable solutions to help our customers meet their goals.

Waste

PPG recognizes the importance of moving toward a circular economy. We work to reduce waste and its associated impacts from our products and processes – from product design through to end-of-life. We use raw materials as efficiently as possible, minimize our waste generated from operations and promote reuse and recycling throughout our value chain. Beyond the environmental benefits, reducing waste helps lower our costs.

Given the range of our operations and production processes, we empower management at each of our sites to implement waste reduction measures as they see fit. Over the past year, we have implemented new processes to:

- Reduce packaging waste associated with transporting raw materials and finished products
- Reduce production waste by finding new uses for byproducts of our manufacturing processes
- Reduce raw material use by incorporating recycled materials in products and packaging
- Take back and repurpose unused products from customers
- Reformulate products to enable reuse and recycling at their end of life



Water

We optimize water use and reduce our environmental impact through conservation and reuse.

We recognize that water is a finite, shared resource and minimize water withdrawal in our facilities through conservation, innovation and reuse. We consider our impacts on the entire water basin, and take into account the local environmental, regulatory and socioeconomic context of each of our sites.

In 2022, our water intensity was 4.24 cubic meters per metric ton of production, an increase of 0.7% from our 2017 baseline. We withdrew 17.73 million cubic meters of water during the year, a 12% reduction compared to the 2017 baseline.

In 2022, we continued to improve our cleaning and production processes to reuse water without sacrificing the quality of our finished products. Our water reduction measures are closely tied to our efforts to reduce waste. We have continued to reduce both waste production and water usage through resource efficiency improvements, including replacing fresh water with wash water in production runs where appropriate. PPG's Zero Discharge Project has continued to expand in the United States, Canada and Mexico, and has led to water reuse or reduction projects at eight sites.

Energy

PPG is committed to reducing the environmental impact of our operations. We work to reduce our energy usage, improve energy efficiency across our operations and increase the energy that we source from renewable power generation. These efforts minimize our greenhouse gas (GHG) emissions, lower operating costs and maximize resource efficiency.

We consumed 12.71 million gigajoules of energy in 2022, which was a 10% decrease from 2021. Despite our focus on reducing our overall energy use, our energy intensity increased 3% due to a change in product mix driven by changing customer demand. Our energy intensity was 3.04 gigajoules per metric ton of production – a 3% increase over the prior year. Our direct energy intensity increased 4%, and our indirect energy intensity increased 2% since 2017.

We completed the rollout of an energy management assessment at the majority of our large facilities in 2022. This evaluation supports our goal to improve energy efficiency across our operations. We will continue to improve the accessibility and usability of these evaluations to ensure that our facility managers benefit from them.

We also expanded our renewable energy sourcing efforts over the past year. In 2022, 6% of our total energy consumed came from renewable sources. Of the electricity that we purchased, 23% was generated by renewable sources in 2022. We continued to work with partners to evaluate on-site renewable opportunities and to secure renewable energy through power purchase agreements (PPAs). PPAs guarantee renewable energy supplies for years in the future, and help us lock in a fixed rate for electricity.

As we prepare for the next phase of our decarbonization journey, we will be partnering with clean energy solutions providers to define a comprehensive global strategy for renewable and clean energy sources to our network of facilities around the world.

Emissions

We reduce air emissions globally through improved operating practices, product reformulations and, where necessary, emissions control equipment.

In 2022, we achieved a 6% reduction in GHG emissions intensity and a 17% reduction in absolute direct (scope 1) and indirect (scope 2) GHG emissions from the 2017 baseline. Emissions intensity measures the amount of greenhouse gases relative to production levels or economic output, which was adversely impacted in 2022 due to our product mix. Absolute emissions refers to the total quantity of GHG emissions.

In early 2022, we committed to setting near-term company-wide emission reductions targets through the Science Based Targets initiative (SBTi). The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature that defines and promotes best practice in emissions reductions in line with climate science. The SBTi provides companies with independent assessment and validation of GHG emissions reduction targets. Our SBTi-approved targets, which cover our direct (scope 1), indirect (scope 2) and value chain (scope 3) emissions, formed the basis for our new 2030 energy and emissions goals. Moving forward, we will focus on reducing emissions in these categories:

- Direct emissions (scope 1)
- Indirect emissions (scope 2)
- Purchased goods and services, including raw materials and packaging (upstream)
- Customer processing of sold products (downstream)
- End-of-life treatment of sold products

Climate-related risks and opportunities

The effects of climate change are already being felt around the world, and will continue to impact generations to come. Physical changes, such as rising sea levels and changing weather patterns, create significant risks that need to be identified, assessed and mitigated. At the same time, the transition to a low-carbon economy will present both risks and opportunities for PPG.

To advance our approach to managing climate-related risks and opportunities in 2022, we:

- Improved the climate risk modeling used in our risk assessment process
- Completed in-depth analysis of climate risks at key sites
- Continued to expand sales of sustainably advantaged products to capture climate-related opportunities
- Worked with business units to incorporate climate risk into decision making processes
- Developed targets for scope 1, 2 and 3 emissions and submitted the targets to the Science Based Targets initiative (SBTi) for approval



Transportation

Each day, our products are transported by land, sea and air around the world. We work to ensure they arrive at their destination safely and minimize the environmental impact of transportation.

In 2022, there were 288 incidents reported via a U.S. Department of Transportation (DOT) 5800 incident report or PPG transportation incident report – a 48% decrease compared to 2021. Twelve of these required immediate notice to a governmental authority, and were therefore considered significant according to our internal criteria and that of the Sustainability Accounting Standards Board (SASB). Of these 12, seven occurred outside the U.S. and five were within the U.S.

To reduce the emissions associated with moving our products, we integrated language that communicates our efficiency goals into supplier agreements for the first time in 2022. All suppliers are encouraged to quote for “green solutions” which use alternative fuels and release less CO₂ into the atmosphere.

People

2022 Highlights

52,000

PPG employees across more than 70 countries around the world

19%

increase in non-frontline Black employees

16%

increase in non-frontline Latino employees

8%

increase in non-frontline Asian employees

\$20MM

committed to advance racial equity by 2025

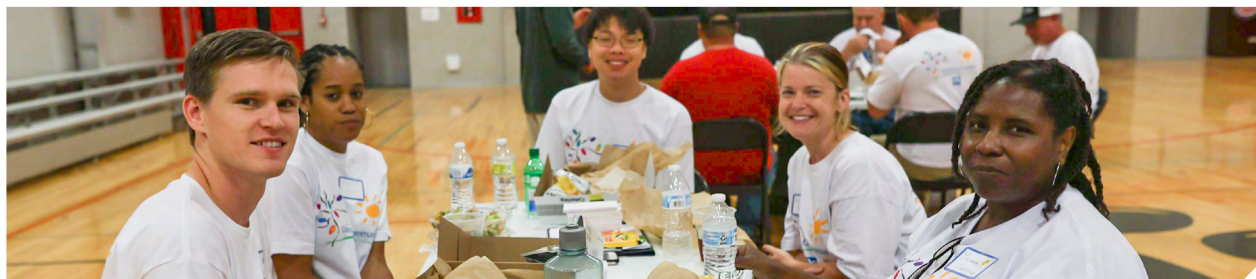
3x

faster engagement growth than comparable companies

54,655

total learning courses available to PPG employees

Our people strategies provide the foundation for our team members to thrive, deliver and grow, enabling them to deliver exceptional performance and live our purpose to protect and beautify the world. We remain committed to being a purpose-driven organization where our entire diverse workforce is engaged and can bring their best self to work.



Diversity, Equity and Inclusion

One of PPG's greatest strengths is the diversity of our people. A diverse workforce and inclusive culture promote employee well-being and are intrinsically linked to stronger company performance. PPG is consistently working to find new ways to amplify the voices of our underrepresented employees and help all of our employees bring their best selves to work. In 2022, we continued to cultivate a sense of belonging for across the company. Our commitments and key highlights from the past year are summarized below (all achievement figures as of December 2022 unless otherwise noted).



Engagement

The productivity, motivation and engagement of our workforce has direct impact on PPG's financial performance. We know that engaged employees produce better business outcomes and we view employee engagement as an important element that is directly tied to our overall success. Through the guiding principles of The PPG Way, we create a company where everyone can thrive, deliver and grow.

Our 2022 Employee Voice Survey had record participation, with 87% of employees voicing their opinions. Our participation rate was higher than the average Gallup Benchmark. We also achieved our highest ever engagement score, aligning PPG's engagement growth rate with the top 25% of Gallup's clients. As validation of the efforts we have made to measure employee engagement and act on the results, PPG was recognized with the 2023 Gallup Exceptional Workplace Award.

In 2022, we introduced the PPG Way to Lead – our new leadership competency model, which connects our leadership behaviors to our values. The PPG Way to Lead is a science-based model with specific behaviors that employees at all levels can use to become better leaders.

2025 Commitments	2022 Progress
Achieve 34% to 36% representation of non-frontline global female professionals by 2025.	Achieved 31% representation of non-frontline global female professionals.
Increase the headcount of Black, Latino and Asian employees by 45% to 55% across our non-frontline, U.S.-based employee population (using January 1, 2021, as our baseline).	Achieved a 19% increase of our non-frontline headcount for Black employees, 16% increase in non-frontline Latino employees and 8% increase in non-frontline Asian employees.
Reach total global employee resource network and DE&I capability-building participation of 50% by 2025.	Achieved 34% employee participation, including more than 7,500 PPG employees that are members of the global Employee Resource Networks.

Learning and Leadership Development

When we provide opportunities for our people to develop their capabilities and advance their careers, we increase employee engagement and fulfillment with their work. Furthermore, our ability to increase our global footprint, grow organically and create breakthrough innovations is built on the diverse knowledge, skills and commitment of our people living The PPG Way.

We continuously invest in learning and skill development initiatives to ensure our employees are properly trained, productive and engaged at every stage of their careers. Our global learning strategy, built on The PPG Way and The PPG Way to Lead, is focused on delivering training to the right people, at the right place and at the right time. We leverage our Performance Management process to ensure our employees get to discuss with their managers and document their growth goals every year. This allows them to explore new projects, leverage existing programs, tools and resources to develop individual needs and interests, and in turn develop organization-wide capabilities.

Our training and development programs aim to instill The PPG Way throughout our workforce.

We introduced The PPG Way to Lead in 2022, which establishes a consistent understanding of leadership knowledge, skills, and abilities that applies to every PPG employee. We introduced this framework to provide additional clarity and consistent guidance for what great leadership looks like at PPG. The PPG Way to Lead defines six core competencies for all employees and three additional competencies for people leaders. Developing these competencies result in increased retention, stronger engagement, better business performance and helps our employees grow their careers.

Safety and health

The most important PPG core value is the safety and health of all employees. As a result of our continued focus on safety and health, we experienced no fatalities of PPG employees or PPG supervised contractors in 2022.

Despite improvements at individual sites, our overall PPG illness and injury (I&I) rate increased in 2022 from 0.26 to 0.30. The increase was primarily driven by a few legacy sites and our recent acquisitions. These acquisitions include sites with higher injury and illness rates than the PPG average. We begin measuring PPG I&I rates from the date of acquisition, and do not recalculate our baseline to include new sites. As we implement our EHS management system at the recently acquired sites, we expect injury and illness rates to decrease in line with the rest of our business. As an example, following PPG's acquisition of COMEX® in 2014, we saw a 95% reduction in their I&I rate.

In 2022, we had 0.18 Tier I and 0.09 Tier II process safety incidents per one million hours worked. Around 48% of the 2022 incidents were primarily caused by human error, which we resolved by making procedural and system changes. A little over 48% of the incidents resulted from malfunctioning equipment while around 19% of incidents were caused by improperly designed equipment. These incidents were resolved by modifying inspection programs, reviewing equipment design, and repairing or replacing inadequate equipment.

We have expanded our approach to measuring the EHS culture at every PPG site over the past year. We added a safety index to our Gallup pulse surveys in 2022, which measures engagement of our employees in EHS processes. We are using this information, in combination with progress in advancing leading safety indicator performance measured at each of our sites, to create an EHS culture maturity index. Each of our sites will be assigned a score that shows how much progress they have made in implementing the PPG EHS management system and how well they are fostering an EHS culture. We are planning to roll out the index in 2023.

Wellness

We are advancing our vision of creating a global culture of health, enabling our employees and their families to prioritize mental and physical well-being through a range of health and wellness activities.

One of PPG's wellness priorities for 2022 was to better connect PPG as a global team, including EHS, medical and HR representatives from each region globally. This was done by updating the PPG Culture of Health Strategy, which defines our vision, goals, roles and responsibilities, and directives on how to achieve them.

PPG also worked to ensure that the wellness programs offered meet the unique needs of each individual location. Our larger sites with more than 50 employees continue to be evaluated using our Wellness Scorecard, while our smallest sites, primarily company-owned stores, may have only a small number of employees and require a more customized evaluation.

Community engagement

Our purpose to Protect and Beautify the World guides our actions to serve our communities and neighbors. PPG and the PPG Foundation collaborate with our global colleagues, community partners and other stakeholders to help our communities thrive.

In 2022, our efforts represented a continued focus on advancing education, delivering community sustainability and encouraging PPG employee volunteerism.



Education

PPG has long been committed to supporting education in the communities where we are active. Diversity, equity and inclusion is integrated into all that we do as we aim to accelerate pathways for diversity in science, technology, engineering and math (STEM) fields. Our goal is to build the next generation of diverse and innovative STEM leaders by inspiring learning and cultivating careers for students of all ages. In 2022, we reached more than 2.6 million students across the education programs that we support.

Community Sustainability

As an employer and a community partner, we play a role in protecting the communities of which we are part. PPG helps meet essential needs, deliver disaster relief, support equal opportunities, and brighten community spaces through our *Colorful Communities* program. Our employees completed 87 *Colorful Communities* projects this year, bringing the total number of projects completed to 473 since the program's inception in 2015.

Employee Engagement

We aim to activate the talent and time of our global network of employees to make a difference where they live, work and play. We encourage our employees to support causes that they believe in, and inspire them to improve the lives of others in their communities. In 2022, we provided more than \$825,000 in matching gifts grants, including donations to 19 partner organizations selected by employees to be a part of our Charity Partner Program in EMEA.

Governance



2022 Highlights

25%

of Board members
are diverse by gender

25%

of Board members
are diverse by racial
background

10 of 12

Board members
are independent

33%

of Executive Committee
members are women
(as of May 1, 2023)

At PPG, we hold ourselves to a high standard of integrity and professional conduct. This means not only ensuring compliance with the law, rules and regulations, but also upholding our values, code of ethics and voluntary commitments.

We review and update our policies regularly to ensure they support us in meeting our high standards of integrity and professional conduct. Key policy updates and other governance developments in 2022 include:

- Annual election of board members starting in 2025
- Refreshed Code of Ethics
- Restructured Data privacy policies
- New IP Protection Executive Committee

In 2022, we opened 711 investigations encompassing 1,034 allegations of employee misconduct. Of the allegations closed as of year's end, 62% were substantiated and resulted in 410 disciplinary actions. Half (50%) of the total number of reports came through the PPG Ethics Helpline in the form of phone or internet submissions. We received the remainder through internal sources, including direct communications to the compliance department, human resources and management.

Human Rights

We respect the dignity and human rights of all people. We understand that upholding human rights extends beyond avoiding oppression through issues such as modern slavery or unsafe working conditions, and have a comprehensive strategy to protect human rights throughout our operations.

We expect all of our contractors, suppliers and other business partners to respect and uphold our commitment to human rights in their operations. Our suppliers are a core focus of our human rights due diligence process. We evaluate their commitment and adherence to human rights through our supplier onboarding process, assessments of our high-risk suppliers globally and annual audits of selected suppliers.

As stated in our [Global Code of Ethics](#), we are committed to compliance with all laws pertaining to freedom of association, privacy, collective bargaining, immigration, working time, wages and hours in our operations throughout the world. We also uphold laws prohibiting forced, compulsory and child labor, human trafficking and employment discrimination.

We engage with EcoVadis, a leading business sustainability ratings company, to help understand our supplier performance and approach to managing labor and human rights in their operations. The average score of PPG suppliers in 2022 was above EcoVadis' market average score.



One of our focus areas in 2022 was incorporating suppliers from our 2021 acquisition of Tikkurila into our systems and processes. We have been working to merge Tikkurila's supplier platform with EcoVadis, which helps promote consistency in how we measure and manage supplier performance. At the end of 2022, 60% of rated Tikkurila suppliers had been consolidated into PPG's EcoVadis platform, and we reached 100% in early 2023.

Supplier Sustainability

In addition to our work to improve the efficiency of our own operations, we work to understand the environmental and social impacts of our supply chain and reduce the negative impacts of our suppliers.

In 2022, we spent over \$10 billion with more than 17,000 suppliers globally on raw materials, indirect products and services, and the transportation of goods.

Over the last year, we continued to increase our understanding of suppliers' sustainability performance and capabilities. We continued to expand the use of EcoVadis, a leading third-party ratings organization, to evaluate our suppliers' sustainability practices. As of the end of 2022, over 700 of our suppliers have responded to surveys and been rated by EcoVadis.

Beyond the EcoVadis evaluations, we have shifted the focus of our internal supplier evaluations to review our most critical and highest risk suppliers. We identify suppliers for more in-depth review based on country- and industry-specific risks.

Through 2022, we worked with a third party to promote growth in our Supplier Diversity Program in the U.S. Our partner helped us to identify an additional 3% of diverse spend through existing suppliers, and sourcing of potential new suppliers that meet the diverse supplier criteria standards.

Transparency

Multi-year data highlights

Economic					
	2018	2019	2020	2021	2022
Net sales (millions)	\$15,374	\$15,146	\$13,834	\$16,802	\$17,652
Net income from continuing operations (millions)	\$1,323	\$1,243	\$1,056	\$1,420	\$1,028
Adjusted earnings per diluted share from continuing operations ¹	\$5.92	\$6.22	\$6.12	\$6.77	\$6.05
Dividends per share	\$1.86	\$1.98	\$2.10	\$2.26	\$2.42

Environmental ²					
	2018	2019	2020	2021	2022
Percent of sales from sustainably advantaged products	32%	33%	35%	38%	39%
Total waste disposed (thousand metric tons)	144.89	112.49	89.68	90.18	116.70
Waste disposal intensity (metric tons per 100 metric tons of production)	3.02	2.46	2.10	2.05	2.79
Hazardous waste generated (thousand metric tons)	117	113	94	96	88
Recycled or recovered hazardous waste (percent)	50%	47%	52%	54%	53%
Non-hazardous waste generated (thousand metric tons)	116	82	71	74	101
Recycled or recovered non-hazardous waste (percent)	25%	35%	37%	38%	25%
Water withdrawn (million cubic meters)	19.15	18.73	15.28	17.72	17.73
Net water consumption (million cubic meters)	4.58	4.86	1.99	3.35	3.09
Water intensity (cubic meters per metric ton of production)	3.99	4.09	3.57	4.03	4.24

1 Beginning in 2021, the Company reports adjusted earnings per diluted share excluding amortization expense relating to intangible assets from completed acquisitions. Adjusted earnings per diluted share for 2020 has been recast to exclude acquisition-related amortization expense. For detailed information regarding these adjustments, see the Regulation G Reconciliation in Item 7 of our 2022 Form 10-K.

2 Environmental data changes from prior reporting reflect adjustments for acquired and divested locations from the 2017 baseline onward. Energy data also include adjustments for closed locations.

Environmental ²					
	2018	2019	2020	2021	2022
Energy consumption (million gigajoules)	14.24	13.45	11.12	12.92	12.71
Total energy intensity (gigajoules per metric ton of production)	2.96	2.94	2.60	2.94	3.04
Direct energy intensity (gigajoules per metric ton of production)	1.74	1.70	1.48	1.75	1.77
Indirect energy intensity (gigajoules per metric ton of production)	1.22	1.23	1.13	1.19	1.27
Total greenhouse gas emissions (million metric tons of carbon dioxide equivalents)	1.03	0.96	0.80	0.87	0.87
Total greenhouse gas emissions intensity (metric tons of emissions per metric ton of production)	0.21	0.21	0.19	0.20	0.21
Direct (scope 1) greenhouse gas emissions intensity (metric tons of emissions per metric ton of production)	0.09	0.09	0.08	0.09	0.09
Indirect (scope 2) greenhouse gas emissions intensity (metric tons of emissions per metric ton of production)	0.13	0.12	0.11	0.11	0.11
Spills and releases rate (total spills and releases per 1,000 employees)	1.32	1.25	1.24	1.28	1.50

Social					
	2018	2019	2020	2021	2022
Total employees	47,300	47,600	46,900	49,300	52,000
Fatalities	1	0	0	0	0
PPG injury and illness rate	0.27	0.32	0.26	0.26	0.30
Sites implementing a wellness program (percent) (from 2018-2021 we reported percent of sites with 50 or more employees)	58%	70%	70%	90%	61%
Charitable contributions (millions)	\$9.1	\$11.8	\$13.0	\$13.3	\$16.2
Sites implementing the PPG Community Engagement Framework (percent)	70%	65%	80%	80%	70%
Employee volunteer hours ³	24,802	36,000	3,587	11,750	25,000

³ Volunteer hours for 2018 are for our *Colorful Communities* program only. Data for 2019-2022 is for the *Colorful Communities* program and Charity Partner program in Europe, Middle East and Africa.

PPG recognizes the importance of clear, accurate reporting on the ways that we manage sustainability-related risks, act on opportunities and understand the impacts of our business on all of our stakeholders. We aim to consistently advance our disclosure as we improve our approach to managing sustainability-related issues.

We encourage you to provide feedback on this report and our sustainability performance via [email](#), [short online survey](#) or a letter sent to PPG at One PPG Place, Pittsburgh, PA 15272.



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