

# Sustainability at PPG

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Manager, Global Operational Sustainability  
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We protect and beautify the world™



## Today's agenda

Introduction to PPG

PPG's Culture of Sustainability

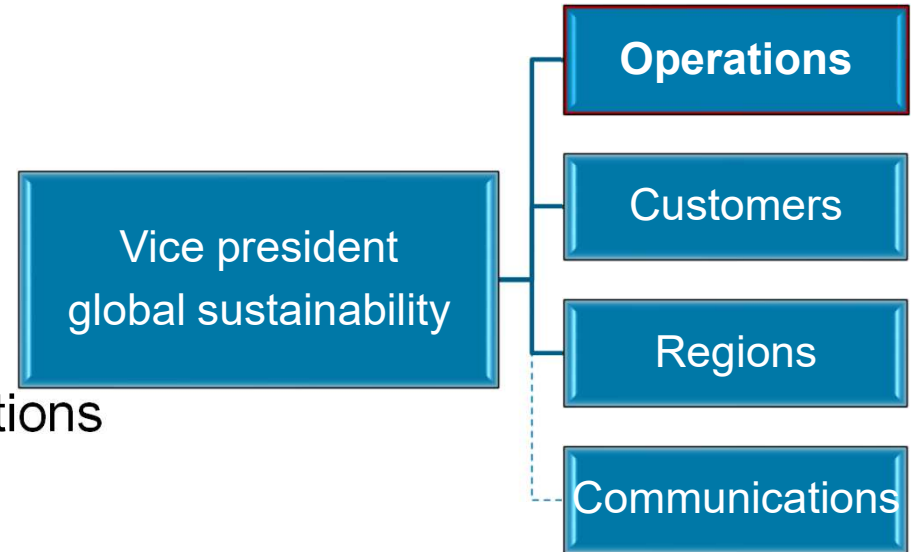
PPG's Sustainability Commitment

Key initiatives

What's next

# Introduction

- Michael Corcoran
- Penn State Chemical Engineer
- 35 years with PPG
- Global Manager, Operational Sustainability
- Approximately 200 locations
- Reduce the environmental footprint of operations
  - Energy / GHG Emissions
  - Waste
  - Water
- Manage external ratings and rankings
  - CDP, MSCI, Sustainalytics, EcoVadis, ISS, etc.





PPG is a global maker of paints, coatings and specialty materials



Founded in 1883



Headquarters in Pittsburgh, PA



Operations in 75+ countries



Ranked 220 on the Fortune 500



# PPG paints, coatings and specialty materials are used to protect and enhance some of the world's best-known products and brands



World-renowned landmarks



Devices and screens all around you



The planes we fly in – from the windows to the exteriors



Passports and licenses



Cars we drive and the infrastructure to get where we're going



The homes we live in



The offices we work in



The cans we drink from



# PPG's portfolio reporting through two segments that drive our \$17.7 B business



**Performance Coatings**

**~60%**



- Aerospace Coatings
- Architectural Coatings\*
- Automotive Refinish Coatings
- Protective & Marine Coatings
- Traffic Solutions



**Industrial Coatings**

**~40%**



- Automotive OEM Coatings
- Industrial Coatings
- Packaging Coatings
- Specialty Coatings & Materials

**PPG's business portfolio is diverse and well positioned for growth**

\* Includes Architectural Coatings (Americas and Asia Pacific) and Architectural Coatings (Europe, Middle East and Africa)



**We are a recognized leader in:**



**Innovation**



**Sustainability**



**Color**



# Why Sustainability?

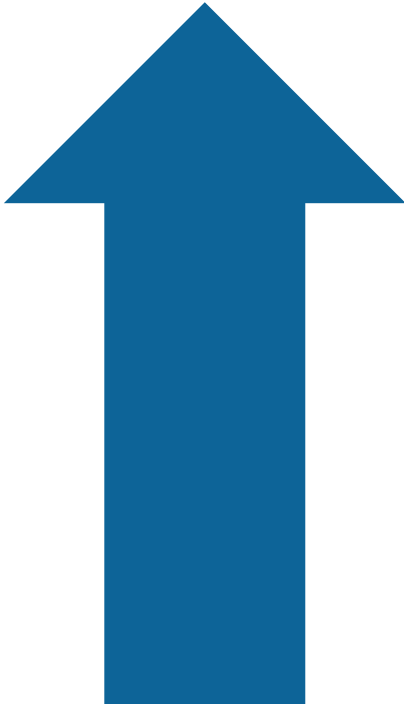


Handprint / Footprint





# Increasing importance of ESG to all PPG Stakeholders



# PPG is committed to being a leader in ESG

## Our ESG 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.

## Awards and recognition



"Significant Positive Impact"  
on ISS SDG Impact Report



#11 in the Materials and Chemical category on Newsweek's America's Most Responsible Companies list

**Forbes 2021** Best Employers for Women

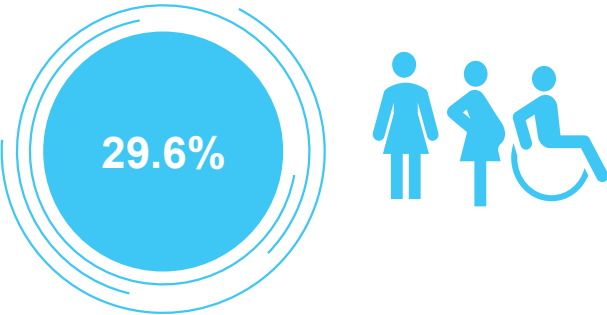
**Forbes 2022** America's Best Employers



# PPG published inaugural Diversity, Equity & Inclusion (DE&I) report on March 1, 2022

Achieve **34% to 36%** representation of non-frontline, global **female professionals** by 2025

Achieved:



As of December 31, 2021

Increase headcount of **Black, Latinx and Asian employees** by **45% to 55%** across non-frontline, U.S.-based employee population by 2025 (using January 1, 2021, as our baseline)

Increases achieved:



As of December 31, 2021

Achieve total global employee resource network and DE&I capability-building **participation** of **50%** by 2025

Achieved:



As of December 31, 2021



# We continue to Invest in our Communities



**386**

Community projects in total



**38,000+**

Gallons of PPG paint products (143,000 liters)



**\$8.8MM+**

in PPG funding



**18,000+**

Employee and community volunteers



**120,000+**

Volunteer hours



**7.4MM+**

People in 42 countries impacted

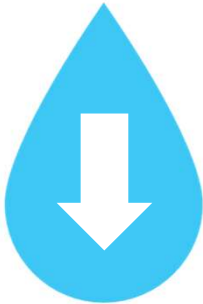


# PPG focus on climate impact reductions: 2025 goals



15% ↓

reduction in green-house gas emissions



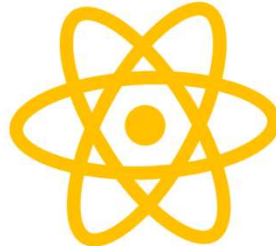
20% ↓

reduction in water consumption



25% ↓

reduction in waste



15% ↓

reduction in energy consumption



25% ↑

increase in renewable energy usage

**40%** Sales from products & processes that have improved sustainability over products being replaced by 2025  
2021 PROGRESS: 38%



# Continued sustainability progress

[Learn more at sustainability.ppg.com](https://sustainability.ppg.com)



**40%** Of manufacturing and R&D locations with zero waste to landfill

**16%** Reduction in greenhouse gas emissions since 2017

**38%** Reduction in waste disposal intensity from 2017 baseline

**38%** of our total sales came from sustainably advantaged products and processes

**8%** Reduction in global energy usage from 2017 baseline

**12%** Reduction in water withdrawn from 2017 baseline

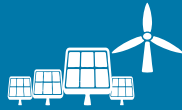
# PPG committed to reducing greenhouse gas emissions across the value chain

## Scopes 1 and 2 Emission Reduction Roadmap



### Energy efficiency

- Energy management system implementation
- Energy audits at priority sites
- Incorporate into CAPEX process
- Projects in operations that improve energy efficiency via digitalization



### Renewable energy sourcing

- Direct Investment – on-site
- Power Purchase Agreements
- Renewable Energy Certificates
- Energy sourcing partners



### Asset electrification

- Conversion of technologies that use fossil fuels (coal, oil, and natural gas) with technologies that use electricity



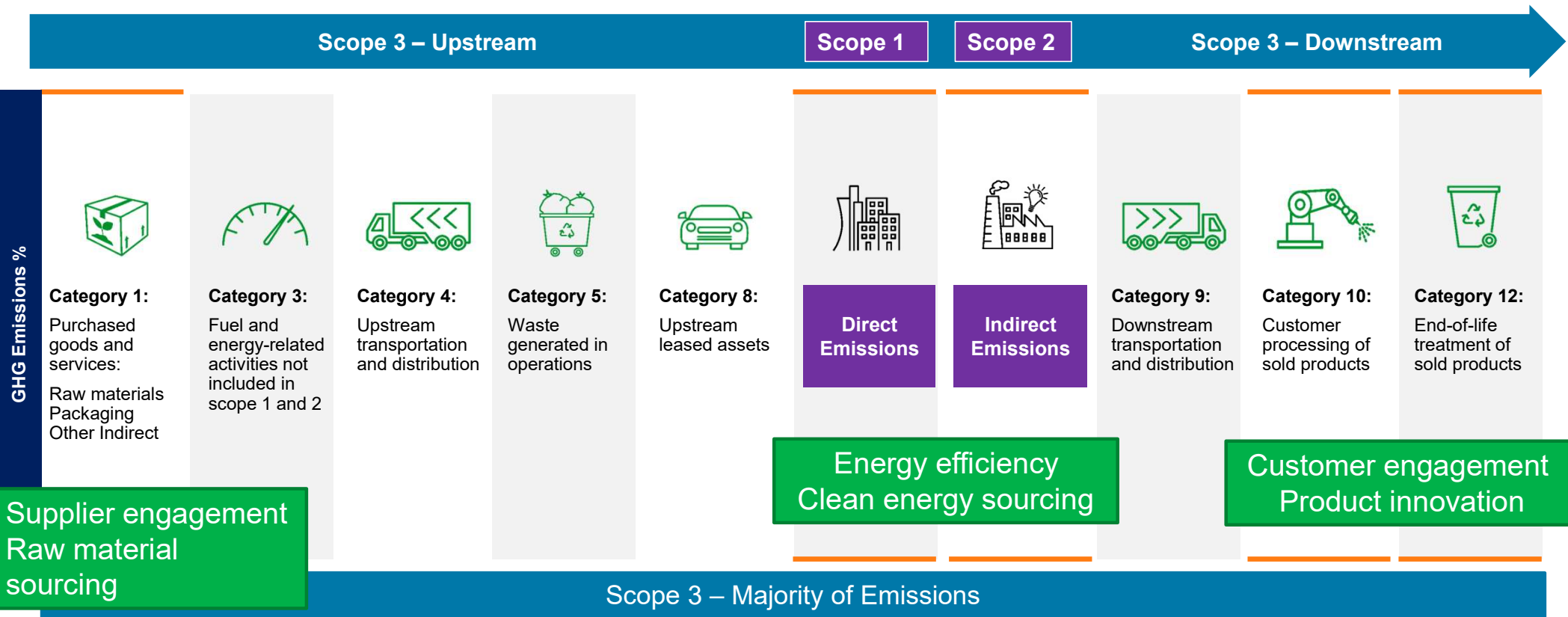
SCIENCE  
BASED  
TARGETS

**PPG committed to SBTi in May 2022**  
**Will announce new 2030 goals to include Scope 3 emissions over coming months.**

# In 2002, PPG Committed to Science Based Targets

— Reduction focus

SBT Targets: Scope 1 & 2 and Scope 3





# PPG Corporate Sustainability – What are we working on now.....

- **New 2030 Goals**
- **Strategy development**
- Communication
- Operations
  - **Focus on priority sites**
  - Operational excellence
- **Accountability**
  - Businesses
  - Operations
  - Management
- Training / Education
- **Data Systems**
  - Tracking
  - Reporting – internal and external
  - Decision making tools
- Emerging Issues
- **Customer Engagement**
- **Supplier Engagement**
  - Ratings and Ranking
  - Regulatory Tracking

What's Next?

# Megatrends Impacting Coatings Industry Create Opportunities



**Climate action  
decarbonization**



**Circular economy  
and material  
efficiency**



**Product innovation  
requiring safer and  
more sustainable  
products**



**Supply chain and  
operational  
resiliency**



**Expanding  
regulations**

# How to Lead the ESG Evolution and Support Your Customers

## Environmental Resiliency

Strategy to address climate risks and opportunities

Innovation:  
Decarbonization  
Design for Circular Economy

Reductions:  
Operational footprint  
VOC emissions

## Social Responsibility

Safety and wellbeing of employees

Water reduction/scarcity

Community relationships and proactive outreach

Diversity, equity and inclusion as a business imperative

## Governance

Strong oversight of ESG priorities, strategy, risk management and culture

Transparency, including report integration with TCFD, STBi, SASB, GRI, ISSB and UN SDGs

Coalesce on industry ESG standards



# To Meet the Challenge of Decarbonization...We Need to Adopt a Low Carbon Strategy



**Reduce:** eco-design, material weight reduction, use of virgin materials, energy usage, waste



**Protect:** make last through increasing the performance, extended warranty, etc.



**Substitute:** fossil fuels (manufacturing, transportation, stores) carbonized raw materials



**Contribute:** sales of low emission, energy saving, positive impacting products



**Invent:** new processes and products to create a future business model that enables growth while limiting carbon impact

# QUESTIONS

# The PPG Way

## Every single day at PPG:

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We partner with customers to create mutual value.



We are “One PPG” to the world.



We trust our people every day, in every way.



We make it happen.



We run it like we own it.



We do better today than yesterday – every day.

Impacting the communities around us:  
**COLORFUL COMMUNITIES®**  
initiative



- Committed to investing \$10M over 10 years in local communities
- Projects incorporate our products, employee volunteers and financial contributions
- Completed in partnership with non-profit organizations or government entities
- Strong communications to raise visibility of our projects and brand
- Completed projects in 50 countries since the program launched in 2015



# About PPG

## Our Purpose:

PPG: We protect and beautify the world<sup>®</sup>



~50,000 employees globally



Operations in 75+ countries



Trusted by customers for nearly 140 years



\$17.7 billion in sales in 2022



## Sustainability

### Sustainably Advantaged Products

39%

of sales from products and processes with improved sustainability, allowing customers to reduce their environmental impact.

### Water Withdrawal

↓ 11%

reduction in water withdrawal from our 2017 baseline.



## Our Communities

\$16.2MM

in global giving by PPG and the PPG Foundation in 2022.

8.2MM

people impacted by our *Colorful Communities* projects since 2015.

### Energy Use

↓ 8%

reduction in total energy use from our 2017 baseline.

### Spill and Release Rate

↓ 20%

reduction in our spill and release rate from our 2017 baseline.

473

COLORFUL COMMUNITIES<sup>®</sup> projects completed in 42 countries since 2015.

\$20MM

committed to educational pathways for Black communities and people of color by 2025.

### Waste Efficiency

↓ 21%

reduction in the quantity of waste disposed from our 2017 baseline.

### Greenhouse Gas Emissions

↓ 16%

reduction in greenhouse gas emissions from our 2017 baseline.



## R&D

\$470MM

invested in research and development in 2022, nearly 3% of annual net sales.

30+

R&D<sup>®</sup> 100 Awards received.



# Sustainability

## Minimizing Environmental Impact



Lowering energy consumption



Reducing waste and maintenance



Accommodating lightweighting strategies

Solve scope 3 emission challenges

