

Human Rights Disclosure PPG Industries, Inc. – 2020

Whereas: Under the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights within their operations and value chains. This responsibility entails that companies should assess, identify, prevent, mitigate, and remedy adverse human rights impacts.

PPG Industries, Inc. (PPG) is the world's largest paints and coatings manufacturer by revenue. PPG supplies performance and industrial coatings used in automobiles, aircraft and marine equipment, and other industrial and consumer products. The Sustainability Accounting Standards Board (SASB) identifies human rights and community relationships as material for the Chemicals sector, in which PPG is classified.

Paints and coatings may contain minerals or other commodities with well-documented risks of being linked to serious human rights abuses, such as child labor or conflict in the Democratic Republic of Congo. In addition, the manufacturing of these paints and coatings presents risks to human health and the environment, jeopardizing access to clean water and potentially exposing communities and workers to toxic substances.

PPG relies on a complex, multi-tiered, global network of suppliers to manufacture its products. Extended supply chains, which may include business relationships with suppliers or manufacturers in regions with weak rule of law, corruption, or poor working conditions, expose the company to significant human rights risks, while contributing to a lack of transparency and accountability.

One of PPG's salient human rights impacts is child labor in the mica supply chain. Mica from artisanal mines in India and Madagascar has well-documented child labor risks and artisanal mining is considered one of the worst forms of child labor. Children work in mines at risk of collapse, use sharp tools, and are vulnerable to respiratory conditions from mica dust.¹ PPG joined the Responsible Mica Initiative (RMI) after child labor in the mica supply chain was exposed by the media. However, there is no disclosure on how participation in RMI has improved PPG's ability to ensure it is not sourcing mica mined under conditions of child labor or informed human rights risk management.

While PPG commits to respect human rights in its Global Code of Ethics and says suppliers shall maintain and promote fundamental human rights, investors lack the disclosure necessary to assess how PPG's human rights commitment is implemented or the effectiveness of human rights due diligence procedures to assess, identify, prevent, mitigate and remedy adverse human rights impacts across business functions and throughout the value chain.

Resolved: Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on PPG's processes for implementing human rights commitments within company-owned operations and through business relationships.

¹ https://www.somo.nl/wp-content/uploads/2018/03/NL180313_GLOBAL-MICA-MINING-.pdf

Supporting Statement: This report might include information on:

- Board oversight of human rights;
- Systems to embed respect for human rights across business functions;
- The company's salient human rights issues in its operations and value chain; and
- Human rights due diligence processes and where appropriate, access to remedy for human rights impacts.