



## **California Transparency in Supply Chains Act of 2010**

The Pittsburgh Paints Co. ("Pittsburgh Paints Co.") recognizes the importance of conducting business in an ethical manner that respects human rights. The California Transparency in Supply Chains Act of 2010 requires certain companies to publish a statement describing the steps they have taken to ensure that there is no slavery, coerced labor or human trafficking in their own businesses or in their supply chains.

This statement relates to the actions and activities that Pittsburgh Paints Co. has taken in this regard.

### **Global Code of Ethics**

Pittsburgh Paints Co. is committed to conduct business in an ethical manner that respects human rights. In particular, the Pittsburgh Paints Co. Global Code of Ethics requires compliance with all laws prohibiting forced, compulsory or child labor, human trafficking and employment discrimination. All employees of Pittsburgh Paints Co. and its subsidiaries are required to comply with the Global Code of Ethics. We regard observing local law to be the minimum acceptable level of conduct. In addition, Pittsburgh Paints Co.'s own standards of conduct frequently oblige us to go beyond the legal minimum of a locality and to conduct our affairs according to our own higher standard.

The Pittsburgh Paints Co. will investigate any violation of its Global Code of Ethics by an employee, and this may result in disciplinary action up to and including termination (in accordance with the relevant Human Resources policy and local law).

### **Global Supplier Code of Conduct**

Pittsburgh Paints Co. expects our valued suppliers to operate their business practices in accordance with Pittsburgh Paints Co.'s ethics and integrity expectations. As such, Pittsburgh Paints Co. has implemented a Global Supplier Code of Conduct. The Global Supplier Code of Conduct imposes minimum compliance standards with respect to business integrity, labor practices, health and safety, and environmental management. It is intended to complement the Global Code of Ethics. The Global Supplier Code of Conduct covers a wide range of standards, but those specific to working conditions and minimum employment standards are set out in the table below:

<b>Forced or compulsory labor</b>	Suppliers must: <ul style="list-style-type: none"><li>• Prohibit all forms of forced or compulsory labor</li><li>• Maintain and promote fundamental human rights</li></ul>
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<b>Child labor</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Prohibit the use of child labor</li> <li>• Adhere to the minimum employment age limit defined by national law or regulation</li> <li>• Comply with relevant International Labor Organization (ILO) standards</li> </ul>
<b>Discrimination</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Provide a workplace free from discrimination, harassment or any other form of abuse</li> <li>• Create a work environment in which employees and business partners feel valued and respected for their contributions</li> </ul>
<b>Health and safety</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Provide safe and healthy working conditions</li> <li>• Proactively manage health and safety risks with the goal of providing an incident-free environment where occupational injuries and illnesses are prevented</li> <li>• Implement management systems and controls that identify hazards and assess and control risk related to their specific industry</li> </ul>
<b>Freedom of association</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Respect employees' right to freedom of association and collective bargaining, consistent with local laws</li> <li>• Respect employees' rights to join or refrain from joining associations and worker organizations</li> </ul>
<b>Wages, hours and benefits</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Treat employees fairly, including with respect to wages, working hours and benefits</li> <li>• Comply with all applicable legal and regulatory requirements and apply sound employee relations practices</li> </ul>

The Global Supplier Code of Conduct applies to anyone providing goods and services to Pittsburgh Paints Co., including suppliers and contractors. Ultimate responsibility for enforcement of the Global Supplier Code of Conduct is Pittsburgh Paints Co.'s Global procurement function. Pittsburgh Paints Co. procurement function investigates any suspected violations of the Global Supplier Code of Conduct by a supplier and stipulates appropriate actions that the supplier must take to remedy the breach. These will range from allowing the supplier to rectify the violation by corrective and preventative action to termination of applicable contracts and reporting the violation to the proper authorities (in cases where the supplier is involved in slavery and human trafficking).



## **On-boarding New Suppliers**

Prior to a company becoming a Pittsburgh Paints Co. supplier in any region of the world, we perform an assessment that evaluates ethical and regulatory performance in addition to financial solvency, business stability and operational capability.

The process of on-boarding a new supplier has two stages:

- the supplier must sign up to the Global Supplier Code of Conduct; and
- Pittsburgh Paints Co.'s procurement function follows a supplier qualification checklist and completes a series of checks forms (including a New Supplier Qualification Form) to assess and vet the supplier's credentials.

The Supplier Qualification Form includes questions about child and forced labor, human rights violations, workplace safety violations, and conflict minerals origin.

Pittsburgh Paints Co. has implemented ePro, a unique single global solution for managing supplier relationships. Some of the efficiencies and benefits that the ePro tool delivers are: improved organization, management and visibility of supplier data; digital on-boarding of new suppliers; a central repository of the information previously required by the New Supplier Qualification Form; and electronic acceptance of the Global Supplier Code of Conduct and its requirements. ePro also has functionality to update vendor profiles in the case of new supplier requirements by Pittsburgh Paints Co. or by regulation. For these reasons, ePro is a key IT solution that will help drive Pittsburgh Paints Co.'s ongoing compliance.

## **Reporting Violations**

Employees are expected to report ethics and compliance concerns related to the Global Code of Ethics to the appropriate levels of management, including the Law and Compliance Department, and employees are required to report all violations of the Global Code of Ethics or the law which may result in significant corrective or disciplinary action to Pittsburgh Paints Co.'s Law and Compliance Department. Pittsburgh Paints Co. offers several reporting options, including the Pittsburgh Paints Co. Ethics Helpline which is a confidential, free phone and online reporting service maintained by a third party. Any retaliation – whether direct or indirect – against any employee who raises a good faith concern is grounds for discipline up to and including termination.

Under the Global Supplier Code of Conduct, suppliers are required to report immediately suspected violations of the Global Supplier Code of Conduct to the Chief Procurement Officer, Pittsburgh Paints Co.'s Ethics Helpline or Pittsburgh Paints Co.'s Chief Legal Officer if a violation of the Global Supplier Code of Conduct is ever in question. In the event that a supplier recognizes any non-compliant activity or violation of the Global Supplier Code of Conduct, the supplier must provide a detailed corrective action plan to address such deficiency.