

SHERWIN-WILLIAMS

THE SHERWIN-WILLIAMS CO.
Cleveland, Ohio 44101

SOCIAL RESPONSIBILITY

" . . . as a company, we are committed to be responsible for and responsive to the improvement of our society and to the individuals who make up that society."

Walter O. Spencer
President

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THE SHERWIN-WILLIAMS CO.
WALTER O. SPENCER
PRESIDENT

December, 1973

There is a lot of discussion these days as to whether American corporations are fulfilling their obligations in social responsibility matters. The issues at hand are sometimes confused by different interpretations among interested parties as to the definitions and extent of those obligations. The Sherwin-Williams Company is highly visible as a consequence of having plants, offices, wholesale and retail outlets in every state and in most major cities of the United States. This fact tends to make it more likely that inquiries and criticisms from time to time will be directed to the Company. More and more often we are being asked where we stand on one or more critical subjects involving . . . personnel practices . . . operational activities and their effect on the environment . . . our attitude toward the consumer . . . community relations . . . and interaction with the public in general.

That's why we have prepared this document. Through this medium we are spelling out where The Sherwin-Williams Company stands on the major issues of social responsibility and social involvement. The following pages contain capsulized versions of several company policies as well as examples of specific action we are taking.

As a Company we are committed to being responsive to needed improvements in our social order and to the individuals who make up the society in which we all live. Stating our policy positions and making our levels of activity visible by putting them down in writing, provides, we believe, desirable evidence of the sincerity of our commitment.

W O Spencer

President

Social Responsibility As We View it at Sherwin-Williams

In order to be responsible to the changing demands of the society within which it operates, it is necessary for a company to develop and maintain a realistic understanding of what that society's needs and demands are, and are likely to be.

Having identified the circumstances within which it operates, the responsible company creates its own code of conduct . . . and commits to living by that code.

Such a commitment goes beyond merely reacting to the demands of the community and of society . . . it presupposes identifying and aggressively attacking the roots of the problems and actively seeking solutions.

In the longer run, a doctrine of self analysis and discipline is the most effective and the most rewarding approach to effective social responsibility. In keeping with this doctrine is the fact that the company itself must be kept healthy and efficient so that it can contribute to the economic well being of its employees, shareholders, community, and country.

Without financial stability and viable economic control, a business organization cannot accomplish any social good. These are legitimate social aims.

Personnel Practices

EQUAL OPPORTUNITY EMPLOYMENT

"Throughout The Sherwin-Williams Company applicants for employment are recruited, selected, and hired on the basis of individual merit and ability with respect to positions being filled and potential for promotions or transfers which may be expected to develop . . . without discrimination because of race, religion, color, national origin, age or sex."

To date approximately 23% of our total U. S. employment is female. Minority representatives in our employment population account for over 15%. These ratios are given constant attention in order to reach and maintain equitable and desirable proportions.

In addition to working through local State Employment Departments, using the facilities of all established community agencies, The Sherwin-Williams Company recruits on many college campuses, including a number of schools with substantial minority enrollment.

AFFIRMATIVE ACTION PLANS

"We have Affirmative Action Plans for each plant, region, and for our headquarters operations. These plans are results-oriented procedures which are designed to assure that within five years, each of our facilities will be at or near the general population mix of minorities and females of the surrounding work force."

Employees have been made aware of this corporate dedication to recognizing and acting upon this segment of our social responsibilities by means of articles in our corporate publication "Viewpoint", in local publications and in letters to the homes of employees.

Responsible managers are held accountable for meeting the commitments within the framework of their local Affirmative Action Plans, just as they are held accountable for cost, quality, safety and productivity.

TRAINING AND DEVELOPMENT

"... growth and development is the shared responsibility of the employee and his or her supervisor. Managers are responsible for providing opportunities for learning and encouraging employees to develop. The employee must, however, actively pursue such opportunities."

The continuing development of our people at all levels is essential for successful operation and continued growth.

At many Sherwin-Williams locations we have been involved in the employment and training of "hardcore" individuals through programs sponsored by the National Alliance of Businessmen. Our 70% retention rate compares favorably with other industry.

The company believes that progress, whether economic or social, depends upon a steady influx of new knowledge and productive minds. To encourage this, a tuition aid program is available in several segments of the company to employees who wish to further their education. Selection is made primarily upon apparent growth potential. In addition, selected employees are enrolled in business and professional seminars, courses and locally developed training programs.

Operational Activities

EMPLOYEE SAFETY

"The safety of employees is the supervisor's first, and most important responsibility."

A Corporate Safety director has guided employee safety and fire prevention activities for more than 25 years. A comprehensive program of safety engineering, training, inspection and evaluation is carried out at all locations.

Numerous safety, health and welfare programs are enforced throughout the corporation. They include hearing conservation programs, eye protection programs, special purpose protective clothing and equipment, supervisory safety training programs, multimedia First Aid Training programs, fire prevention and evacuation plans and practice.

As part of their indoctrination, all production employees are made thoroughly aware of any and all hazards, the location and use of fire prevention, and personal safety equipment. Trained employee first aid and voluntary fire brigades are maintained to supplement local community organizations.

OSHA

"The Occupational Safety and Health Act, which became effective in 1971, places shared responsibility for safe facilities and practices on employees as well as management."

All locations throughout The Sherwin-Williams Company have been advised of the full intent and requirements of these new Federal Regulations.

Using the OSHA requirements as a guide, the Corporate Safety Department has been conducting thorough inspections of facilities to make certain we are in compliance, and that we are living up to the spirit as well as the letter of the law.

Where OSHA requirements go beyond accepted industry practices and safeguards, which we have helped to develop, we are taking immediate steps to make certain our facilities are modified accordingly. In the past twelve months, substantial capital has been invested in this manner.

ENVIRONMENTAL CONTROLS

"As a responsible corporate citizen, Sherwin-Williams is vitally concerned about the quality of the environment and is taking positive steps to improve it."

We are underwriting this attitude with cash. A large percentage of all the money we invest in our plants goes into pollution control equipment and devices. We are committed to having controls as good as or better than the best in the industry. During the past two fiscal years alone, The Sherwin-Williams Company has directed substantial fixed capital into several types of environmental improvement and pollution control projects. Some of these projects are small, others are large; they range from plant modifications to completely new installations.

Operating these installations is increasingly costly as we continue our capital investments in environmental improvement programs.

This is a never-ending process. The design parameters for all new facilities includes in every case current and anticipated environmental improvement features.

We're Involved . . . Consumer Relations

PRODUCT QUALITY AND INTEGRITY
"It has always been our aim to win on our merits . . . by making products of the highest quality."

That precept was established by the founder of The Sherwin-Williams Company more than 100 years ago. Each succeeding generation of employees and managers has continued to use it as its guide.

We are aggressively and imaginatively working at developing and producing and marketing an even wider range of products as we pursue our goal of becoming the best and most successful company in our industry.

By their very nature, our products are designed to improve, not degrade man's environment. We are the first major coatings company to move seriously into Powder Coatings. Totally involved, including basic research and application methods, we have developed powders and systems that eliminate pollutant emissions from plants of coatings users. Just as importantly, independent studies show that powder coatings require up to 50% less energy than conventional industrial finishes, thereby aiding our society's fight against diminishing energy sources.

We have not only met, but have surpassed FDA regulations concerning the content of lead in coatings for household use. Mercury and mercury compounds have been removed as additives in all of the many coating products we make which may have contained these ingredients.

Comments from dissatisfied customers are directed as quickly as possible to the appropriate department or division of the Company. The top managers become personally involved and settlements are formalized in writing.

Community Relations — The Public In General

COMMUNITY RELATIONS
"These responsibilities go beyond paying taxes and complying with numerous laws and regulations. They call for active involvement, leadership and real contribution toward solving community problems wherever it is practical and realistic for our Company to participate."

Examples of Sherwin-Williams cooperation and employee participation in community-oriented projects and activities cover a wide range of involvement. They go beyond corporate and individual donations to United Funds and other community service and health and welfare agencies.

In most plant or region office locations, as well as branch store communities, Company representatives from every level of employment are involved in community affairs as individuals as well as representatives of The Sherwin-Williams Company. As a result of being tuned in to local activities they have been able to take effective action where it counts, in the schools and on the streets, and at the same time bring to the attention of corporate management the specific needs that exist in the local community.

In Cleveland, for example, a Sherwin-Williams executive was mainly responsible for the success of the T.I.P. Program (Turn in a Pusher) designed to attack the drug abuse problem . . . "The World's Largest Painting" was created in Philadelphia with donated Sherwin-Williams paints . . . Students using our paints brighten up schools, and public buildings in Dayton, Ohio and Bayamon, Puerto Rico.

Progress Plaza, one of the few completely Black oriented shopping centers in the country, located in Philadelphia, boasts a new Sherwin-Williams outlet, completely staffed with Black personnel trained in modern marketing techniques.

The Sherwin-Williams Good Government Program encourages individual support and participation by all of our employees on a purely voluntary basis.

Major financial contributions are made annually in support of the United Fund programs in the area of all of our facilities. In addition, contributions of professional skills and talents in the form of volunteer work on boards and budget review committees provide the best business practices for community organizations. The full-time services of qualified executive personnel are made available to the United Fund "loaned executive" programs.

A corporate financial support program provides contributions in several major areas including higher education, health and social services and civic and cultural programs.

Recognizing the need to increase resources and strengthen the lending capacity of minority owned banks and financial institutions, constant interest exists in aiding and furthering the development of these organizations. To date, relationships have been established with banks in two states and several others are under review.

The Purchasing Department headquarters staff is actively analyzing sources for products and services provided by minority owned companies. Where product, cost and service meet our specifications, such companies are included on our approved supplier list.

To encourage rehabilitation of inmates of state correctional institutions, overstock paints and enamels are donated. These are used in vocational training programs.

The Company views corporate social involvement as sound business practice. We are involved—we intend to continue and increase our posture in this respect.

Questions ?

If you have any questions concerning the content of this document, or any of the company's practices or activities, you are invited to write to:

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8997 12/73 PRINTED IN U.S.A.