

PPG Fast. Forward. End-to-End Digital Key Messages

To deliver sustained, top-quartile organic growth and performance, we must begin to leverage end-to-end digital solutions that transform customer experiences and support new ways of working. Our future at PPG will be fueled by end-to-end digital deployment, which will allow PPG to move Fast. Forward.

- We all see and recognize how digital is transforming customer experiences and business operations all around us. Customers demand easy, seamless digital interactions from companies.
- Advances in connectivity, automation, and artificial intelligence have transformed how businesses drive their operations.
- We will optimize our innovation by further leveraging a more connected PPG through data and analytics, and shifting from localized data to universal, PPG-wide data. Human efforts will be supplemented with the predictive power of industry-leading artificial intelligence and data-based innovation. Over time, PPG will be transformed – end-to-end – digitally.

This digital customer platform will create a higher performing PPG by optimizing innovation across R&D, IT and digital teams with modeling, artificial intelligence and data-based innovation.

- These new ways of deploying digital solutions will define PPG as a forward thinking paint manufacturer while simplifying and creating consistent processes across the company.

In our initial phase, we have identified five lighthouse efforts to support our end-to-end digital aspirations.

1) Customer Digital Platform

- a. The customer digital platform will offer a world-class omnichannel experience across all PPG SBUs, providing PPG's customers a way to digitally interact with PPG across their journey. The initial focus will be on key needs such as account management, invoice management, payments, placing orders, delivery notifications and other shared needs that can be scaled across PPG SBUs. Additional focus will be on creating specific customer segment related capabilities.
- b. Currently, we have hundreds of individual, disjointed websites throughout PPG, resulting in a sub-optimal customer experience. The new PPG.com ecosystem of websites and mobile apps will be driven by artificial intelligence, offering a personalized and mobile first experience, while also streamlining many of PPG's processes.
- c. Through one unified platform, customers will have the ability to quickly and easily access all of the account management tools they need, including the ability to search for products and pricing, process and manage orders, payments and

deliveries, request and manage quotes, and more. This will make it easier to do business with PPG – no matter who you are and where you are in the world.

2) Customer Color Matching

- a. Currently, the process through which customers request specific colors through the sales or service is time consuming and costly. In the future, PPG customers, sales and service staff will have access to a seamless, digital process to request a color match.
- b. Today, nearly 50 percent of PPG's research and development work is spent on color matching.
- c. With the implementation of new digital tools and artificial intelligence algorithms, PPG's color matching processes will be more efficient, accurate and consistent. As a result, we will reduce costs and accelerate our response time to customers – creating a new competitive advantage for PPG.

3) Inventory Optimization AI

- a. Inventory optimization is an area of opportunity for PPG, with challenges ranging from unpredictable demand and complex product portfolios, to variation in batch production time.
- b. AI will help predict demand and optimize production time to reduce stock levels while meeting customer demands.
- c. With AI's dynamic nature, we will be able to adjust inventory levels to evolving market conditions.
- d. This future state will enable inventory in the right place, at the right time, in order to capture the sale. And optimal inventory levels will help us strengthen cash management, enabling PPG to invest in growth.

4) Batch Quality AI (Manufacturing)

- a. At PPG, quality is a required customer expectation. To ensure a manufacturing production batch meets the customer's quality standards, it usually requires at least one adjustment (or "hit") in the post production quality inspection. These "hits" increase cycle time and cost, create holdups, and prevent the smooth travel of products through our plants.
- b. With the understanding that ~2/3 of manufacturing efforts at PPG are spent in correcting batch qualities – the goal of the Batch Quality AI effort is to build algorithms that predict batch quality allowing PPG to optimize throughput and time to market.
- c. By predicting the critical quality test results before a batch is started, the PPG manufacturing team can make adjustments to improve the odds of producing a batch that will meet specifications the first time. Additionally, if a correction is needed, the data will inform the lowest number of batch adjustments or "hits" necessary.
- d. More predictable and repeatable batch quality processes will help to increase capacity, decongest our plants and reduce costs.
- e. As we scale globally, it will support optimization of PPG's global manufacturing footprint and enable an end-to-end digital supply chain with our customers.

5) Formulation AI (R&D)

- a. At PPG, we formulate hundreds of products each day. Multiple tests are required to ensure that a formula will meet certain output requirements and quality levels. Formulation AI will help us in identifying new raw materials and predicting formula output characteristics, so that we can reduce the number of tests required.
- b. This will result in faster creation of formulations, driving quicker delivery to customers and cost savings for PPG.

30-second messaging

Now more than ever, customers are demanding easy, seamless digital interactions from companies. And advances in connectivity, automation, and artificial intelligence have transformed how businesses drive their operations.

At PPG, we have great opportunity to position ourselves to accelerate organic growth and win in the marketplace. Enabling end-to-end digital across PPG is the backbone of that growth opportunity.

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