



SHERWIN-WILLIAMS.

**SHERWIN-WILLIAMS UK LIMITED
GENDER PAY GAP REPORT APRIL 2023**

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1. Overview of Gender Pay Gap Regulations

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (“Regulations”) came into force in April 2017, which requires employers in the UK (United Kingdom) with 250 employees or more to publish their gender pay gap each year. The gender pay gap data below has been prepared in accordance with the Regulations.

The figures/data below are taken from April 2023 payroll data as a snapshot on 5th April 2023.

Employers are required to report:

- the difference in the mean pay of males and females, expressed as a percentage.
- the difference in the median pay of males and females, expressed as a percentage.
- the difference in mean bonuses paid to males and females, expressed as a percentage.
- the difference in median bonuses paid to males and females, expressed as a percentage.
- the proportion of males and females who received a bonus; and
- the proportion of males and females in each of the four quartiles pay bands.

2. Company Overview

The Sherwin-Williams Company (“**Sherwin-Williams**”) was founded by Henry Sherwin and Edward Williams in 1866. Sherwin-Williams is a global leader in the manufacture, development, distribution and sale of paint, coatings, and related products to professional, industrial, and commercial customers globally. In the UK, Sherwin-Williams is focused on professional coatings for companies and industries. With the full breadth of innovative liquid and powder technologies, Sherwin-Williams provides high-performance coatings for all substrates, including metal, wood, plastics, and composites.

Sherwin-Williams UK Limited (“**SWUKL**”) is part of the Sherwin-Williams group (“**Group**”). On the snapshot date of 5th April 2023, SWUKL employed a population of 1004 employees in the UK. The Group completed a legal entity rationalization in 2021 in which the employment of 655 employees, previously employed by different UK legal entities, transferred to SWUKL. Due to these changes, the Gender Pay Gap report from 2022 was consolidated to cover SWUKL as a whole entity and the results for 2022 presented a new data set. The 2022 report has been used as a comparison for the 2023 results.

The company operates several businesses and is comprised of industrial coatings for wood and general industrial applications, automotive refinish, protective and marine coatings, packaging coatings, and consumer products. Below is a summary description of each business area:

Protective & Marine

Delivers unparalleled asset protection in specification-driven markets such as infrastructure, oil, and gas, and marine. The division serves a wide array of markets including Bridge & Highway, Fire Protection, Flooring, Food & Beverage, Marine, Oil & Gas, Power, Rail, Steel Fabrication, and Water & Wastewater.

Packaging

Provides coatings that protect metal, glass, and plastic containers. The product line comprises of coatings for interior and exterior use in metal packaging containers such as food containers and beverage cans, product coatings for aerosol and paint cans, bottle crowns for glass and plastic packaging, and glass bottle closures.

Consumer Brands

Manufacturers architectural paint in over 2000 readymade colours, and colour matching technology allows this business to colour-match over two million colours. There are several household brands within the consumer product portfolio, including Valspar, Ronseal, Thompson's, Purdy and Geocel.

Automotive Refinishes

Manufactures and distributes a complete line of paint and coating systems for automotive and commercial refinishing industries providing high-performance interior and exterior coatings, along with associated products.

Industrial Wood

Manufacturers and finishers coatings for cabinetry, furniture, flooring and building products with exquisite finishes and colour expertise.

Coil

A portfolio of time-tested coil coatings engineered for best-in-class performance and colour. Our coatings protect some of the world's most innovative and distinctive metal building products in the world. We offer an extensive coil portfolio of coating solutions for building products ranging from metal roofs, wall panels, gutters, rainware, windows and curtain walls.

General Industrial

Offers innovative liquid, powder, and electrocoat technologies for OEMs, tier suppliers, industrial designers, and applicators, supporting customers involved in with Energy, Heavy Equipment, Transportation, Building Products, Electronics, Defence, Energy, General Finishing, and Industrial Design coatings operations.

3. How the Gender Pay Gap is Calculated

3.1 Mean (the average) Hourly Pay

The mean pay gap is the difference between the hourly pay of all male and female employees, when added up separately and divided by the total number of males and females in the workforce.

3.2 Median (the middle) Hourly Pay

The median pay gap is the difference between the pay of the males and females in the middle of the pay distribution, when all the male employees and female employees are listed from highest to the lowest paid.

3.3 Mean (the average) Bonus Pay

The mean bonus gap is the difference between the bonus pay of all male and female employees, when added up separately and divided by the total number of males and females in the workforce with bonus plan.

3.4 Median (the middle) Bonus Pay

The median bonus gap is the difference between the bonus pay of the males and females in the middle of the pay distribution, when all the male employees and female employees are listed from highest to the lowest bonus payout.

4. Gender Pay Gap Report for SWUKL

Here is a summary of the gender pay gap position for SWUKL as of 5th April 2023:

4.1 Mean Gender Pay Gap

The SWUKL mean gender pay gap in 2023 is 6.99%, which shows that the average hourly rate of pay for the male population was slightly higher than for the female population. This represents an overall decrease compared to figures reported in 2022 (9.31%).

The mean figure is lower than the national average (according to the 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE), which is 13.2%.

The Mean hourly rate for male employees has increased by £0.59, and the mean hourly rate for female employees by £1.03 compared to 2022. In 2023 the overall mean hourly difference in pay was £1.51 in favour of male employees.

Mean Gender Pay Gap	2022	2023
Sherwin-Williams UK Ltd	9.31%	6.99%

4.2 Median Gender Pay Gap

SWUKL median gender pay gap in 2023 is -3.21% (2022 - 0.74%). The figure is significantly lower than the national median (according to the 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE)), which is 14.3%. The percentage shows that the females in the middle of the female employee hourly pay distribution was paid higher hourly rate pay than the male in the middle of the male employee hourly pay distribution when all the employees were listed from those receiving the highest hourly pay to those receiving the lowest hourly pay.

The Median hourly rate for male employees has increased by £0.11, and the median hourly rate for female employees by £0.76 compared to 2022. In 2023 the median hourly rate difference in was +£0.53 in favour of female employees.

Median Gender Pay Gap	2022	2023
Sherwin-Williams UK Ltd	0.74%	-3.21%

4.3 Mean Gender Bonus Gap

The SWUKL 2023 mean gender bonus gap is 27%, a significant increase when compared with 2022 reporting (5.90%).

The mean gender bonus gap percentage indicates that in 2023, on average, male employees were paid a higher bonus than female employees; however, the overall percentage is significantly impacted by a small number of exceptional outliers in the data set. When such outliers are removed from the data set, the total mean gender bonus gap is closer aligned to the total mean gender bonus gap reported in 2022.

Mean Gender Bonus Gap	2022	2023
Sherwin-Williams UK Ltd	5.90%	27%

4.4 Median Gender Bonus Gap

SWUKL median gender bonus gap is 3.4%, an increase when compared to 2022 reporting (-5.10%).

This median gender bonus gap indicates that, when all the employees were listed from those receiving the highest bonus to those receiving the lowest bonus, males in the middle of male employee bonus distribution were paid a slightly higher bonus than females in the middle of female employee bonus

distribution; however, the median gender bonus gap is significantly impacted by a small number of exceptional outliers in the data set. When such outliers are removed from the data set, the median gender bonus gap is closer aligned to the median gender bonus gap reported in 2022.

Median Gender Bonus Gap	2022	2023
Sherwin-Williams UK Ltd	-5.10%	3.4%

4.5 Proportion of Bonus Pay

The proportion of males eligible for a bonus payment in the 12 months up to 5 April 2023 was 82.5% (2022 – 82.9%), while for females this was 64.01% (2022 – 61.30%).

In 2023 the number of employees with bonus plans has not significantly altered from 2022 as below:

Proportion of Bonus Pay	2022	2023
Females	198	201
Males	580	570

SWUKL is confident that its gender pay gap for bonus pay does not arise from paying male and female employees differently for the same or equivalent work. Its gender pay gap is the result of the roles in which males and females work within the organisation and the compensation that these roles attract.

4.6 Pay Band Quartiles

Across the UK a higher share of males is working as managers, directors, and senior officials. Males are also more likely than females to work in skilled trades, as plant or machine operatives. Females are more likely to work in administrative and secretarial occupations, such as sales and customer service. In addition, the briefing reports females are still more likely than men to be working part time across all occupation groups and part-time workers tend to earn less per hour than those working full time. Gender pay gap is also impacted by parenthood, where earnings of females fall sharply when they become parents and then stabilise at a much lower level with little growth. Many females have time off from employment, while many others move from full-time to part-time work. Both effects result in a loss of labour market experience that accumulates over time. Other factors include women being more likely to enter ‘family-friendly’ occupations over high-paying ones and caring responsibilities may also constrain the length of time females can spend travelling to work¹.

The House of Commons Library is a research and information service based in the UK Parliament. The data sources include the Office for National Statistics (ONS) in UK and the Department for Business, Energy, and Industrial Strategy (BEIS) Small Business Survey, released annually.

For SWUKL the proportion of males and females in each of the four quartiles pay bands is as follows:

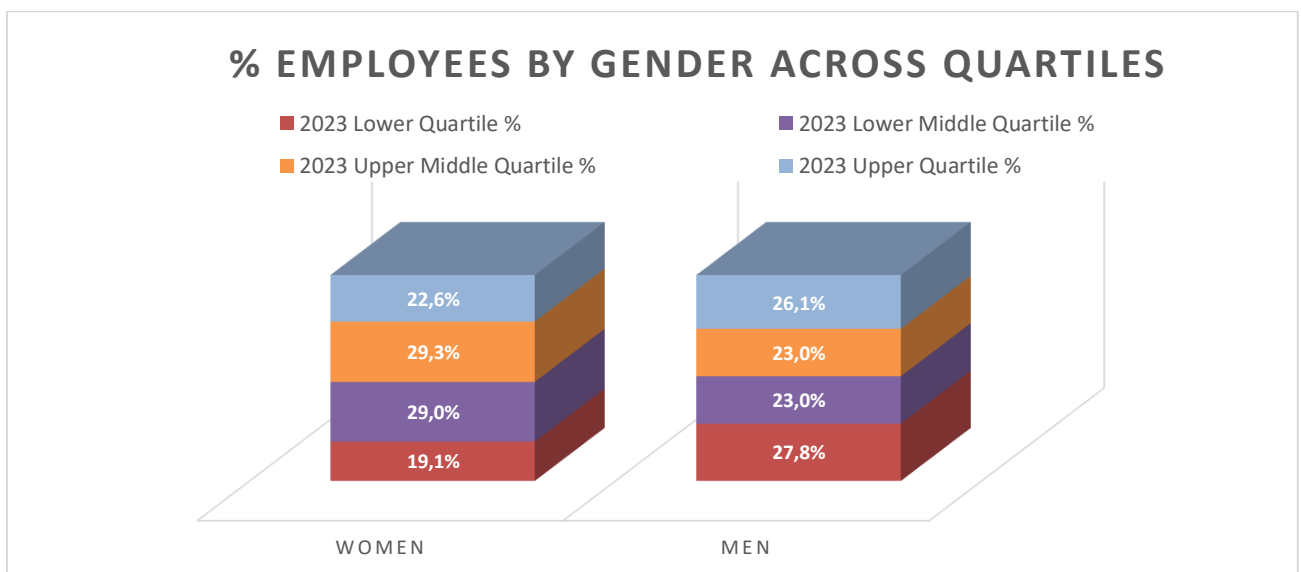
2023						
	Women		Men		Total	
Quartile	No.	%	No.	%	No.	%
Lower Quartile	60	23,8%	192	76,2%	252	25 %
Lower Middle Quartile	91	36,4%	159	63,6%	250	25 %
Upper Middle Quartile	92	36,7%	159	63,3%	251	25 %
Upper Quartile	71	28,3%	180	71,7%	251	25 %
Total Employees	314	31,3%	690	68,7%	1004	100 %

¹ Research Briefing by House of Commons Library “Women and the UK Economy” (2023)

The quartile table shows the SWUKL workforce divided into four groups based on hourly pay rates. Within SWUKL, the size of the UK workforce as of 5 April 2023 was 1004. There is a majority of males employed in the business (690 compared to 314 females).

The overall makeup of the workforce is 68.7% male and 31.3% female. The number of males to females is higher across all quartiles. Analysis in 2023 shows a slight increase in the percentage of female employees in the upper middle and the upper quartiles compared to the figures reported in 2022, and a decrease of females in the lower quartile.

2023										
	Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Women	60	19.1%	91	29.0%	92	29.3%	71	22.6%	314	31%
Men	192	27.8%	159	23.0%	159	23.0%	180	26.1%	690	69%
Total Employees	252	25%	250	25%	251	25%	251	25%	1004	100%



Upon reviewing the distribution of employees by gender across the different quartiles in the table above, it can be noted that the number of males employed in SWUKL is highest in the lower quartile and upper quartile (respectively 27.8% and 26.1%). A total of 58.3% of female employees falls within the lower middle and upper middle quartiles. The difference between the % of female versus male employees within the upper quartile is less than 4%.

5. Gender Pay Gap Report for SWUKL

SWUKL, as referenced in the company overview, is part the Group. As a global company with multiples businesses in the EMEAI region, the Group has a company-wide enterprise initiatives and HR programmes targeted at reducing the gender pay gap and making the company a fair and inclusive place to work.

5.1 Inclusion, Diversity and Equity (“ID&E”)

SWUKL is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. SWUKL has a clear policy on ID&E. SWUKL carries out annual pay and benefits audits and benchmark against industry and UK best practice. SWUKL has a systematic process for evaluating job roles and pay structures to maintain a fair pay structure.

In 2023, SWUKL continued to embed ID&E and provided education to the business concerning the importance of ID&E in the workplace. SWUKL continued to deliver regional-wide initiatives to help educate managers and employees and delivered a series of “Conscious Inclusion” webinars to employees to create an awareness about what ID&E is and how employees can help drive an inclusive culture. The SW Group has in place an “Ambassador Network” whose role is to facilitate and execute action plans in relation to ID&E agreed and sponsored by the Group ID&E Council.

At the end of 2023 Sherwin-Williams launched a employee value proposition – Create Your Possible which focuses on our people being behind the strength and success of our organisation and our commitment to invest and support them in three key areas: Life, Career and Connection.

In October 2023 Sherwin-Williams was awarded the 2023 Diversity and Inclusion award from the British Coatings Federation (BCF). This award is presented to a BCF member company that has demonstrated awareness and consideration of ID&E in its business and recognizes efforts to champion equality and fairness. This recognition is a testament to our ongoing commitment to fostering an inclusive and diverse workplace.

Moreover, in 2023, SWUKL continued to focus its efforts to:

- Attract, hire, and retain diverse candidate pools by focusing on a more inclusive talent sourcing strategy.
- Increase the pipeline of females in leadership roles with an emphasis on an inclusive talent sourcing strategy and developing females through formal programmes and educating business leaders around inclusion and reducing unconscious bias.
- Continuing to have in place “Flexible Working Policy” to widen the talent pool of females.

5.2 Work-life Balance

SWUKL continues to appreciate its employees' diverse needs and try to accommodate a work-life balance, including the accommodation of personal responsibilities while still enjoying the benefits of a fulfilling career. Notable accommodations include:

- In 2022 Sherwin-Williams implemented Global Flexible Working Policy which promotes hybrid working and provides guidelines for function and role dependant home working.
- SWUKL offers a range of flexible working options, including flexible working hours, part-time working, and a holiday purchase scheme.
- SWUKL provides enhanced maternity and adoption benefits over and above the statutory entitlement for employees.
- SWUKL continues to offer employees the option to purchase additional holidays to offer added flexibility at home and work.

5.3 Talent Acquisition

In 2023 SWUKL continued to focus on improving the number of females across the business by focusing on and reporting key metrics on female talent recruitment and promotions in SWUKL’s leadership pipeline. SWUKL increased its female talent in its leadership pipeline to 27.3% (2022 – 26.1%) and in senior leadership pipeline to 21,7% of total leadership positions.

SWUKL’s business practice requires all interview shortlists to include a minimum number of females. Managers have been given training to review only essential qualification requirements for job postings, where it is applicable to do so. Regarding third party suppliers, preference, where possible, is given to recruitment suppliers who are female owned, and all suppliers must show evidence of a commitment to ID&E when partnering with the Talent Acquisition Team.

SWUKL has continued to train Managers on conscious inclusion and has driven various initiatives to open the talent pools in recruitment practices, e.g., removing gender bias from job descriptions and promoting SWUKL's flexible working policy.

5.4 Learning & Development

SWUKL has continued to provide virtual learning and development options for employees and offers Group wide as well as regional programmes for employees in senior leadership and managerial roles. SWUKL provides a structured approach to improving female's opportunities by identifying those considered as high potential or an emerging leader and proactively work with the global Talent Development function to identify females for enterprise-wide development programmes, which are fundamental in preparing employees for progression into leadership roles. In addition, SWUKL offers virtual and self-paced learning via a HR Cloud Learning Management System. The majority of these online training programmes are available to all employees as part of ongoing learning and development. All employees are encouraged to work with their managers to create their own individual development plan.

5.5 Recruitment Monitoring

SWUKL continues to improve recruitment and selection reporting and monitoring capability, which has helped SWUKL to understand:

- ✓ the proportions of females being appointed.
- ✓ the proportions of females appointed into historically male roles.

We have in place an HR system to track records and report on:

- ✓ the proportions of males and females obtaining promotions and job changes.
- ✓ the proportion of females in leadership roles.
- ✓ the proportions of males and females leaving the organisation.
- ✓ the numbers of males and females in each role and pay band.

6. Our Continued Focus

SWUKL recognises the need to continue to take all the necessary measures to ensure it maintains its efforts to date and to pursue new opportunities to promote gender diversity across its workforce. In 2024, SWUKL will focus to following areas:

- Promote Create Your Possible employee value proposition, which is created from data gathered from engagement research and stakeholder conversations. In the heart of the proposition is our people, and the company supports and invests in:
 - Life with rewards, benefits, and flexibility to enhance employee health and wellbeing.
 - Career with opportunities to learn, develop new skills and unlock employee full potential.
 - Connection, with an inclusive team and commitment to our own and broader communities.
- Continue education of employees on "Conscious Inclusion".

6.1 Talent Development

SWUKL employees have an essential role to play in the success of SWUKL's business, and SWUKL believes that by investing in training and development, SWUKL will be able to provide employees with the knowledge and skills to not only do their job but also to fulfil their potential.

Sherwin-Williams holds a Group wide annual Talent and Diversity Review. The purpose of the review is to identify, assess and develop existing and emerging leadership teams to support current and future business objectives. A vital part of this process is a review of diverse talent, which ensures that SWUKL places focus on the development and progression of diverse talent. An outcome of the talent review is an action plan focusing specifically on recruitment, engagement, and talent development to support SWUKL's diversity and inclusion strategy.

6.2 Women's Networking Forum

Sherwin-Williams launched a EMEA Women's Network (EWN) in 2019 for its EMEA region, providing meaningful leadership and professional networking opportunities across all organisation levels to help develop a world-class team. The EWN is part of a global initiative and fully supported by the Executive Board of Directors.

In 2023, the Women's Network programme continued to help advance the dialogue on gender in the workplace, by focusing on a closer relationship between the network and the Talent Acquisition team. The Women's Network facilitates forums, regional, national and local events, and training including a Building Confidence workshop and Leadership networking sessions to develop a more inclusive culture and greater equity.

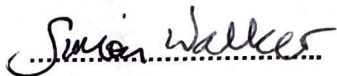
6.3 Talent Acquisition

SWUKL will maintain its efforts on improving gender equity in 2024. SWUKL is currently developing several talent acquisition initiatives with a focus on:

- ✓ a commitment to increase the number of females across all new hires.
- ✓ a commitment to increase the number of female talents in talent pipelines.
- ✓ reviewing job descriptions to drive more diverse talent pools.
- ✓ delivering continuous recruitment training to managers to ensure fair and transparent interview processes to promote enhanced gender balance.
- ✓ continue to advocate for "smarter working."

7. Declaration

I can confirm the gender pay gap calculations contained herein are accurate and have been collated in accordance with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Simon Walker

Director, Sherwin-Williams UK Limited