



April 16, 2024

James R. Jaye  
Senior Vice President – Investor Relations and Corporate Communications  
Sherwin-Williams Company  
101 W. Prospect Ave.  
Cleveland, OH 44115

**Re: Request a Meeting**

Dear Mr. Jaye,

We would like to begin by thanking Sherwin-Williams' board of directors and leadership team. In our roles as state and municipal treasurers, auditors, comptrollers, and controllers we make investments that can generate sustainable risk-adjusted returns over the long term. It is also important to us to maintain appropriate stewardship of our investments by considering how companies with which we are invested are responsibly allocating their resources. The company's investment in building a new headquarters has been a keen focus of ours, as it requires deft management of both financial and human capital.

We greatly admire the progress that the company has made on the project so far. We especially applaud your commitment to using minority-owned, woman-owned, and small businesses, as well as the economic benefit that it has already brought to the people of Cleveland. However, there is something else that we would like to discuss with you.

Building on the solid foundation it has already laid, now would be a great opportunity to consider how Sherwin-Williams can extend its commendable inclusivity efforts to the contracted workforce it plans to utilize in the new facilities. As we are sure you're aware, the effectiveness of a contractor does not hinge solely on their bidding price. The lowest bidder may be able to get the job done, but they might also cut corners along the way, potentially leading to higher costs down the road. High quality contractors that can deliver optimal performance while also providing higher stability and lower risk are what is necessary. Contractors who treat their workers well, have a solid track record of obeying applicable laws, and are transparent in their business practices generally prove most capable of delivering that high level of performance.

An effective way to ensure that Sherwin-Williams employs the best contractors available is to adopt a Responsible Contractor Policy (RCP). While there is no single accepted format, industry-leading RCPs give preference to contractors that:

- Provide a living wage, health insurance, and retirement benefits to their workers;

- Adhere to all applicable federal and state regulations, including workplace safety codes established by OSHA;
- Support neutrality and non-interference related to labor organizing efforts;
- Deliver timely and transparent reporting of incidents and issues; and
- Ensure that workers have the skills and certifications necessary to complete the required work, including through employer-paid training or apprenticeship programs.

RCPs simultaneously safeguard the health and wellbeing of contracted workers, while also generating long-term, sustainable value for companies. Research has long established a clear link between human capital management and a company's financial performance.<sup>1</sup> RCPs could add tremendous value to companies across sectors in the production and manufacturing space, such as Sherwin-Williams, which rely heavily on human capital as a key input.

Sherwin-Williams has already demonstrated a track record of treating its own employees well, as evidenced by the fact that it was listed as one of the top 100 companies in the American Opportunity Index, as well as being among Forbes' Best Employers for Women. To build on this momentum and recognition, we encourage you to institute an RCP to extend the same level of care to the contracted workers you hire.

We would greatly appreciate your thoughts on the merits and feasibility of adopting a Responsible Contractor Policy, and we would welcome the opportunity to meet with you and other company representatives to discuss this matter in more detail.

To that end, please direct future correspondence to Eric Geber, Deputy Director of Corporate Governance and Sustainable Investment, at [egeber@illinoistreasurer.gov](mailto:egeber@illinoistreasurer.gov) or (217)-557-5985.

We remain excited for the next chapter in the Sherwin-Williams' story, and we look forward to the opportunity to collaborate and make that chapter even better poised for long-term success.

Sincerely,



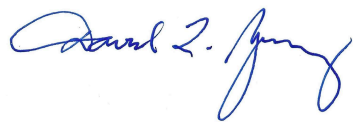
Michael Frerichs  
Illinois State Treasurer



Henry E. M. Beck\*  
Maine State Treasurer

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<sup>1</sup>[https://www.researchgate.net/profile/David-Woehr/publication/49764178\\_Does\\_Human\\_Capital\\_Matter\\_A\\_Meta-Analysis\\_of\\_the\\_Relationship\\_Between\\_Human\\_Capital\\_and\\_Firm\\_Performance/links/00b49524ee4798a1b9000000/Does-Human-Capital-Matter-A-Meta-Analysis-of-the-Relationship-Between-Human-Capital-and-Firm-Performance.pdf](https://www.researchgate.net/profile/David-Woehr/publication/49764178_Does_Human_Capital_Matter_A_Meta-Analysis_of_the_Relationship_Between_Human_Capital_and_Firm_Performance/links/00b49524ee4798a1b9000000/Does-Human-Capital-Matter-A-Meta-Analysis-of-the-Relationship-Between-Human-Capital-and-Firm-Performance.pdf)



David L. Young\*  
Colorado State Treasurer



Brad Lander  
New York City Comptroller



James A. Diossa\*  
Rhode Island General Treasurer

\*Signing as an elected official and not as a fiduciary of any fund

Cc: Heidi Petz, President and Chief Executive Officer  
John Morikis, Executive Chairman