



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 23, 2025

Mary L. Garceau
The Sherwin-Williams Company

Re: The Sherwin-Williams Company (the "Company")
Incoming letter dated December 16, 2024

Dear Mary L. Garceau:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by John Chevedden for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests a report, updated annually, disclosing the Company's policy and procedures governing direct and indirect lobbying and grassroots lobbying communications; payments used for direct or indirect lobbying or grassroots lobbying communications, in each case including the recipient and the amount of the payment; the Company's membership in and payments to any tax-exempt organization that writes and endorses model legislation; and a description of management's decision-making process and the board's oversight for making the aforementioned payments.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfm/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: John Chevedden



SHERWIN-WILLIAMS.

Mary L. Garceau
Senior Vice President -
Chief Legal Officer and Secretary

December 16, 2024

VIA ELECTRONIC SUBMISSION (www.sec.gov/forms/shareholder-proposal)

U.S. Securities and Exchange Commission
The Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: The Sherwin-Williams Company
Omission of Shareholder Proposal of John Chevedden
Rule 14a-8 under the Securities Exchange Act of 1934, as amended

Ladies and Gentlemen:

This letter is to inform you that The Sherwin-Williams Company (the “**Company**” or “**Sherwin-Williams**”) intends to omit from its proxy statement and form of proxy for its 2025 Annual Meeting of Shareholders (collectively, the “**2025 Proxy Materials**”) a shareholder proposal and statement in support thereof (the “**Proposal**”) received by the Company from John Chevedden (the “**Proponent**”). We respectfully request confirmation that the staff of the Division of Corporation Finance (the “**Staff**”) will not recommend to the Securities and Exchange Commission (the “**Commission**”) that enforcement action be taken if the Company omits the Proposal from its 2025 Proxy Materials for the reasons discussed below.

We are submitting this letter and its attachments to the Staff via its online Shareholder Proposal Form in lieu of filing six paper copies of this request, as otherwise specified in Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than 80 calendar days before the date that the Company intends to file its definitive 2025 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

This letter informs the Proponent of the Company’s intention to omit the Proposal from its 2025 Proxy Materials. Rule 14a-8(k) under the Exchange Act and Section E of Staff Legal Bulletin No. 14D (November 7, 2008) (“**SLB 14D**”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of such correspondence should be furnished concurrently to the undersigned, on behalf of the Company, pursuant to Rule 14a-8(k) under the Exchange Act and SLB 14D.

THE PROPOSAL

On October 31, 2024, the Company received the Proposal via email from the Proponent (see [Exhibit A](#)). The Proposal is set forth below.

Proposal 4 - Transparency in Lobbying

Resolved, shareholders of Sherwin-Williams request the preparation of a report, updated annually, disclosing:

- 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.*
- 2. Payments by Sherwin-Williams used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.*
- 3. Sherwin-Williams' membership in and payments to any tax-exempt organization that writes and endorses model legislation;*
- 4. Description of management's decision-making process and the Board's oversight for making payments described above.*

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Sherwin-Williams is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Sherwin-Williams' website.

Supporting Statement

Full disclosure of Sherwin-Williams' lobbying activities and expenditures is needed to assess whether its lobbying is consistent with its expressed goals and shareholder interests. Sherwin-Williams spent \$2.9 on federal lobbying from 2020 - 2023. Sherwin-Williams also lobbies at the state level, spending \$1.2 million on lobbying in California in 2018 in an attempt to reduce its liability for lead paint in California buildings.¹ Sherwin-Williams also lobbies abroad, spending between €100,000 - 199,999 on lobbying in Europe for 2023.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity. These groups may be spending "at least double what's publicly reported."² Sherwin-Williams fails to disclose its memberships in or payments to trade associations and social welfare groups (SWGs), or the amounts used for lobbying, to shareholders. Sherwin-Williams serves on the board of the National Association of Manufacturers (NAM), which has spent over \$225 million on federal lobbying since 1998. And Sherwin-Williams has been previously identified as a member of the Plastics Industry Association.³

Sherwin-Williams' lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Sherwin-Williams publicly supports addressing climate

change, yet NAM leverages its “influence to obstruct climate policy progress in the U.S. at the federal, state and local levels.”⁴ And while Sherwin-Williams does not belong to the controversial American Legislative Exchange Council, which has pushed preemption legislation to deny municipalities the right to access courts,⁵ it was represented by NAM, which previously sat on its Private Enterprise Advisory Council.⁶

Reputational damage stemming from these misalignments could harm shareholder value. Thus it will be a best practice for Sherwin-Williams Company to expand its lobbying disclosure.

¹ <https://www.vcstar.com/story/news/2018/08/05/who-tops-california-spending-list-lobbying/887038002/>.

² <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

³ <https://www.asyousow.org/blog/sustainable-companies-support-plastic-bag-lobbyists>.

⁴ <https://www.greenbiz.com/article/dont-play-both-sides-take-3-steps-now-fix-your-trade-group-gap>.

⁵ <https://climateintegrity.org/news/view/new-report-documents-the-corporate-campaign-to-deny-municipalities-access-to-the-courts>.

⁶ <https://www.exposedbycmd.org/2023/02/03/alec-expands-private-board-of-directors-with-woke-capitalism-fighters/>.

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Company may properly exclude the Proposal from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) under the Exchange Act (“**Rule 14a-8(i)(7)**”), because the Proposal deals with a matter relating to the Company’s ordinary business operations and impermissibly seeks to micromanage the Company.

ANALYSIS

Rule 14a-8(i)(7)—The Proposal Deals with a Matter Relating to the Company’s Ordinary Business Operations and Impermissibly Seeks to Micromanage the Company

A. Background on Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company’s “ordinary business” operations. According to the Commission’s release accompanying the 1998 amendments to Rule 14a-8, the term “ordinary business” “refers to matters that are not necessarily ‘ordinary’ in the common meaning of the word,” but instead the term “is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company’s business and operations.” *See Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”)*.

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. The first consideration relates to the subject matter of the proposal, recognizing that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” (except for proposals that “raise policy issues so significant that it would be appropriate for a shareholder vote”). The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id. (citing Exchange Act Release No. 12999 (Nov. 22, 1976))*. The 1998 Release further states that “[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” The Proposal implicates both of these considerations and does not focus on a sufficiently significant social policy issue that would be appropriate for a shareholder vote.

Separately, the Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the proposed report is within the ordinary business of the issuer. *See Exchange Act Release No. 20091 (Aug. 16, 1983)*. In addition, the Staff has stated that “[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).” *Johnson Controls, Inc. (Oct. 26, 1999)*. *See also Netflix, Inc. (Mar. 14, 2016)* (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other Indigenous Peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making, noting that the proposal related to the ordinary business matter of the “nature, presentation and content of programming and film production”).

Finally, Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“**SLB 14E**”) provides that, when analyzing a proposal to determine its underlying subject matter, the Staff looks not only to the resolved clause, but to the supporting statement and the proposal in its entirety. This position is also expressed in Staff Legal Bulletin No. 14C (June 28, 2005), which states that the Staff will consider both the resolved clause and the supporting statement as a whole when analyzing a proposal for which exclusion is sought under Rule 14a-8(i)(7).

B. Analysis

1. The Proposal Seeks to Micro-Manage the Company by Probing Too Deeply Into Complex Matters and Aspects of the Company’s Business and Operations

The Commission and Staff have long recognized that a proposal that seeks to micromanage a company is excludable under Rule 14a-8(i)(7). In a recent decision, the Staff determined that a proposal submitted by John Chevedden to Air Products and Chemicals, Inc. (“**Air Products**”)—which proposal is nearly identical to the Proposal submitted by the same Proponent, John Chevedden, to Sherwin-Williams—was excludable under Rule 14a-8(i)(7) because it sought to micromanage Air Products. *See Air Products and Chemicals, Inc. (Nov. 29, 2024)*.

The Commission has stated that the exclusion of a proposal under Rule 14a-8(i)(7) on micromanagement grounds “may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” *1998 Release*. The Staff has determined that proposals that seek to impermissibly micromanage the Company “by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment” are excludable under Rule 14a-8(i)(7). *Id.* More recently, in Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“**SLB 14L**”), the Staff clarified that not all “proposals seeking detail or seeking to promote timeframes” constitute micromanagement, and that going forward the Staff would “focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” As described above, the Staff has repeatedly confirmed (including in the case of *Air Products*) that the micromanagement basis of exclusion also applies to proposals that call for a study or report and, therefore, a proposal that seeks an intricately detailed study or report may be excluded on micromanagement grounds. To that end, the Staff has stated that this “approach is consistent with the Commission’s views on the ordinary business exclusion, *which is designed to preserve management’s discretion on ordinary business matters* but not prevent shareholders from providing high-level direction on large strategic corporate matters” (emphasis added). *SLB 14L*.

Since the issuance of SLB 14L, the Staff has granted relief on micromanagement grounds with respect to numerous proposals requiring reporting of information that is significantly less complex than the information demanded by the Proposal and the Air Products proposal. *See, e.g., Delta Air Lines, Inc. (Apr. 24, 2024)* (permitting exclusion of a proposal requiring a report regarding “union suppression expenditures,” including internal and external expenses); *Paramount Global (Apr. 19, 2024)* (permitting exclusion of a proposal requesting disclosure of the recipients of corporate charitable contributions of \$5,000 or more); *Walmart Inc. (Apr. 18, 2024)* (permitting exclusion of a proposal submitted by Green Century Capital Management requiring a breakdown of greenhouse gas emissions for different categories of products in a manner inconsistent with existing reporting frameworks); *Amazon.com, Inc. (Apr. 1, 2024)* (permitting exclusion of a proposal calling for a highly detailed living wage

report); *Amazon.com, Inc.* (Apr. 7, 2023) (permitting exclusion of a proposal requesting the company measure and disclose scope 3 greenhouse gas emissions from the company's full value chain by imposing a specific method for implementing a complex policy without affording discretion to management); *Chubb Limited* (Mar. 27, 2023) (permitting exclusion of a proposal requesting the board adopt and disclose a policy related to risks associated with new fossil fuel exploration and development projects); *Phillips 66* (Mar. 20, 2023) (permitting exclusion of a proposal requesting an audited report describing the undiscounted expected value to settle obligations for the company's asset retirement obligations with indeterminate settlement dates); *Valero Energy Corporation* (Mar. 20, 2023) (same); *Verizon Communications Inc.* (Mar. 17, 2022) (permitting exclusion of a proposal requesting publication of employee-training materials); *Coca-Cola Co.* (Feb. 16, 2022) (permitting exclusion of a proposal requiring the company to submit any proposed political statement to the next shareholder meeting for approval prior to issuing the statement publicly); *Deere & Co.* (Jan. 3, 2022) (permitting exclusion of a proposal requesting publication of employee-training materials).

Like the recent and nearly identical Air Products proposal, the Proposal seeks to micromanage the Company by requesting a highly prescriptive and detailed report that requires dozens of distinct pieces of information. In particular, the Proposal requests an annual report on the Company's lobbying activities and payments covering four specific categories of information with multiple sub-parts. The first item requests disclosure of the Company's "policy and procedures governing" both "direct and indirect lobbying" and "grassroots lobbying communications." The Proposal defines the term "grassroots lobbying communications" as a "communication directed to the general public," which must satisfy a three-pronged test. Additionally, the Proposal defines "direct and indirect lobbying" and "grassroots lobbying communications" to include efforts at the local, state and federal levels. The second category of information requested by the report is focused on the Company's payments used for direct or indirect lobbying or grassroots lobbying communications, "in each case including the amount of the payment and the recipient." The third category of information requested by the report would require disclosure of the Company's "membership in and payments to any tax-exempt organization that writes and endorses model legislation." The fourth category of information requested by the report would include disclosure of management's "decision-making process" and the board of directors' "oversight" of payments described in the second and third categories. Finally, the Proposal prescribes the manner in which the report would be reviewed by the board of directors and disclosed to the public ("The report shall be presented to the Audit Committee and posted on Sherwin-Williams' website"). A chart illustrating the dozens of discrete pieces of information required by the Proposal is attached hereto as Exhibit B.

The highly prescriptive nature of the Proposal would significantly micromanage the manner in which the Company could provide information regarding its lobbying initiatives. In addition, the Proposal would require the Company to collect and report a significant amount of information from third parties with respect to their activities. If adopted, the Proposal would place substantial restrictions on the Company's ability to engage in and report on government relations initiatives. The disclosures prescribed by the Proposal are not otherwise required by the rules of the Commission and do not follow any established framework for reporting lobbying activities (unlike frameworks that exist for providing disclosure on many other complex topics, including political contributions). The prescribed disclosures are also significantly more detailed than the disclosures provided by the Company's peers and other public companies and the information required by the report is more detailed and granular than the information required by the micromanagement precedents listed above.

If adopted, the Proposal would be unduly burdensome by requiring the Company to provide granular disclosure of prescribed lobbying activities without regard to their significance to the Company's operations, or even with respect to their significance to the Company's overall government relations activities. Importantly, the disclosures specified in the Proposal are without any limiting principle—any association with or contribution to a covered organization would be required to be disclosed, even if the Company's involvement is tangential or immaterial, if the amount contributed is de minimis, or if management determines that disclosure is not otherwise required and could be detrimental to the Company's interests. The level of detail requested by the Proposal is misaligned with the level of detail that the Company provides with respect to any of its other business activities or categories of operating expenditures. Furthermore, the Proposal ignores the fact that lobbying activities are highly complex and based on a range of considerations related to the day-to-day operations of the business, and also that

such activities are already subject to disclosure under the Lobbying Disclosure Act and similar state and foreign requirements, and for which the Company already files publicly accessible reports as prescribed by law.

In short, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature in seeking disclosure of the intricate details of the manner in which the Company reports on lobbying activities, without providing the Company with any discretion to choose the form, substance or manner of its disclosure. Moreover, the Proposal even mandates the governance process through which the board of directors would oversee this reporting, as the Proposal would dictate that the report be provided to the Audit Committee rather than the full board of directors or another committee. Furthermore, the Proposal seeks to indirectly influence management's decisions and assessments of how best to support the execution of the Company's projects and engage with community, regulatory and legislative stakeholders for such projects. These decisions fall squarely within the purview of the Company's management and its board of directors. It would neither be appropriate nor realistic for shareholders to direct such decisions at an annual meeting. Accordingly, the Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company with respect to its lobbying activities and related disclosures.

2. The Proposal Would Hinder Management's Fundamental Ability to Run the Company's Day-to-Day Operations

a. The Proposal Targets the Company's Association with Specific Organizations and Types of Organizations that Espouse Pro-Business Viewpoints

The Proposal requests, among other details, that the Company report on its (i) membership in and payments to any tax-exempt organization that writes and endorses model legislation and (ii) payments to trade associations and other organizations. Although the resolved clause included in the Proposal is facially neutral, the text of the supporting statement, including the websites referenced in its footnotes, makes clear that the Proposal as a whole is in fact narrowly focused on the National Association of Manufacturers ("*NAM*")¹ and, derivatively, *NAM*'s involvement with the American Legislative Exchange Council ("*ALEC*"),² the Plastics Industry Association,³ and more generally on possible involvement with organizations espousing a pro-business viewpoint. In addition, footnotes two, three, four, five, and six to the supporting statement contain references to websites that are explicitly critical of *NAM*, *ALEC*, the Plastics Industry Association, other trade associations and, more generally, pro-business groups.

The Staff has consistently permitted the exclusion of facially neutral proposals under Rule 14a-8(i)(7) as relating to a company's ordinary business operations if the supporting statement (including any accompanying footnotes) indicates that the proposal relates to the company's association, or potential association, with specific organizations or types of organizations. *See, e.g., Air Products and Chemicals, Inc. (Nov. 29, 2024)* (permitting exclusion under Rule 14a-8(i)(7) of a facially neutral proposal submitted by John Chevedden requesting a report regarding the company's lobbying activities—which proposal is nearly identical to the Proposal submitted by the same Proponent, John Chevedden, to Sherwin-Williams). *See also Walmart Inc. (Apr. 18, 2024)* (permitting exclusion under Rule 14a-8(i)(7) of a facially neutral proposal submitted by the National Legal and Policy Center requesting a study, and "[i]deally . . . a public report," of associations with "external organizations" when the supporting statement exclusively referenced associations with and donations to groups supporting LGBTQ+ rights); *Johnson & Johnson (Mar. 2, 2023)* (permitting exclusion of a facially neutral proposal submitted by the National Legal and Policy Center seeking a report explaining the business rationale for participation in corporate and executive membership organizations and requesting disclosure of itemized costs paid by the company for

¹ *NAM* reports that it represents over 14,000 member companies from across the country, in every industrial sector, including 79% of Fortune 100 manufacturers and 54% of Fortune 500 manufacturers. *See National Association of Manufacturers, About the NAM*, at www.nam.org/about/.

² *ALEC* reports that it is a nonpartisan membership organization comprised of state legislators and stakeholders from across the policy spectrum. *See American Legislative Exchange Council, About ALEC*, at www.alec.org/about/.

³ The Plastics Industry Association reports that it has 750+ member companies comprising equipment manufacturers and moldmakers, material suppliers, processors and recyclers. *See Plastics Industry Association, Who We Serve*, at www.plasticsindustry.org/.

participation in such organizations); *Johnson & Johnson (Feb. 10, 2014)* (permitting exclusion of a facially neutral proposal requesting a report on contributions that appear incongruent with the company's corporate values because the proposal and supporting statement, when read together, focused on specific political contributions that related to the operation of the company's business); *PepsiCo, Inc. (Mar. 3, 2011)* (permitting exclusion under Rule 14a-8(i)(7) of a facially neutral proposal requesting a report on the company's process for identifying and prioritizing advocacy activities where the supporting statement focused on the company's specific membership in the U.S. Climate Action Partnership and support of cap and trade legislation); see also *Netflix, Inc. (Apr. 9, 2021)* (permitting exclusion of a facially neutral proposal requesting a report on corporate charitable contributions where the supporting statement referenced contributions to organizations that support social justice movements); *AT&T Inc. (Jan. 15, 2021)* (same); *Starbucks Corp. (Dec. 23, 2020)* (same); *The Walt Disney Co. (Dec. 23, 2020)* (same); *JPMorgan Chase & Co. (Feb. 28, 2018)* (permitting exclusion of a proposal requesting an annual report regarding charitable contributions where the supporting statement referred to contributions to specific organizations); *Pfizer Inc. (Feb. 12, 2018)* (permitting exclusion of a facially neutral proposal seeking a report on human rights policies that focused on the company's relationships with specific organizations); *Johnson & Johnson (Jan. 31, 2018)* (permitting exclusion of a facially neutral proposal relating to "pressure campaigns from outside organizations" when the supporting statement referenced a particular organization); *PG&E Corp. (Feb. 4, 2015)* (permitting exclusion of a proposal recommending the formation of a committee to determine the effect of charitable contributions to specific types of organizations); *The Home Depot, Inc. (Mar. 18, 2011)* (permitting exclusion of a facially neutral proposal where the supporting statement made clear that the proposal related to charitable contributions to specific types of organizations).

Although the resolved clause included in the Proposal is facially neutral, the supporting statement and cited websites make it clear that the Proposal as a whole is targeting affiliation with NAM, ALEC, the Plastics Industry Association, and other groups espousing pro-business perspectives more generally. The Staff has consistently permitted the exclusion of proposals as relating to ordinary business when the supporting statement indicates that there is a strong possibility that investors will interpret the proposal as a referendum on the Company's continued participation in an organization (i.e., where, as a practical matter, the proposal is reasonably likely to be interpreted as a request to disassociate from an organization or particular type of organization). Here, the supporting statement is focused on the Company's participation in NAM, NAM's ties to ALEC, and the Plastics Industry Association. Although the supporting statement also contains statements alluding to potential risk of incongruencies between the Company's lobbying activity and its public statements, the information requested by the Proposal relates to membership in and payments to trade associations and other groups while doing nothing to address the positions the Company and such groups might be advocating on any particular issue. Accordingly, if the Proposal is implemented, it would be impossible to determine if there are any "incongruencies" on specific issues. The disconnect between these concepts sheds light on the real purpose of the Proposal, as reflected in the supporting statement and websites referenced in the footnotes to the supporting statement—to target the Company's association with certain organizations and types of organization.

As the Staff recognized in *Air Products (2024)*, *Walmart (2024)*, *Johnson & Johnson (2023)*, *Johnson & Johnson (2014)*, *PepsiCo (2011)*, *Netflix (2021)* and the other precedents referenced above, in circumstances where a facially neutral proposal is used to obscure the actual intent of the proposal, the proposal may be omitted from the company's proxy materials as relating to its ordinary business operations. Although the resolved clause of the Proposal refers generically to lobbying engaged by a "trade association or other organization of which Sherwin-Williams is a member" and "any tax-exempt organization that writes and endorses model legislation," the supporting statement refers exclusively to NAM, ALEC, the Plastics Industry Association, and groups advocating a pro-business standpoint, despite the fact that the Company is from time to time a member of many groups that engage in the legislative process for a wide variety of reasons. Nonetheless, the supporting statement focuses solely on NAM, ALEC, and the Plastics Industry Association while the website references contain widespread criticism of business groups and very limited discussion of other groups. This focus makes the Proposal analogous to the Staff's precedents described above and distinguishes the Proposal from proposals where the Staff concluded that particular organizations or types of organizations were not singled out, resulting in a determination that the proposal was not excludable under Rule 14a-8(i)(7). See, e.g., *Wells Fargo & Co. (Feb. 19, 2010)* (denying relief for a proposal requesting a report on charitable contributions that addressed a broad range of groups with little or no connection to

one another). Because the Proposal is directed at specific organizations and types of organizations, the Proposal relates to the Company's ordinary business operations and is properly excludable under Rule 14a-8(i)(7).

b. The Proposal Relates to Specific Lobbying Activities Related to the Company's Previous Lead Pigment and Lead-Based Paint Litigation

In addition to being excludable for targeting the Company's involvement with specific organizations and types of organizations, the Proposal also is excludable under Rule 14-8(i)(7) because it relates to specific lobbying activities. The supporting statement (including footnote one) refers specifically to the Company "spending \$1.2 million on lobbying in California in 2018 in an attempt to reduce its liability for lead paint in California buildings." In addition to inappropriately targeting this specific lobbying engagement, the Proponent's supporting statement mischaracterizes the Company's position with respect to this lobbying effort. In California, the Company has opposed government litigation and legislative efforts that would undermine productive housing policy and improperly impose liability on the Company, both in litigation and in the legislature. The Company's lobbying activities are part of its ordinary business activities and are already disclosed as required by law.

The Proposal focuses on lobbying activities related to specific issues or activities, which makes the Proposal subject to exclusion under Rule 14a-8(i)(7) as related to the Company's ordinary business operations. Over time, the Staff has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals that are directed at specific lobbying activities in recognition of the fact that such actions are an inherent part of a company's ordinary business operations that are not an appropriate topic for direct shareholder oversight. *See, e.g., Deere & Company (Dec. 29, 2023)* (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking a report assessing the benefits and drawbacks of opposing "Right to Repair" regulation, as well as the financial and reputational risk associated with such opposition); *Chevron Corporation (Mar. 6, 2020)* (permitting exclusion of a proposal requiring the company "to support legislators and legislation that promote significant climate action"); *The Goldman Sachs Group, Inc. (Feb. 13, 2015)* (permitting exclusion of a proposal that requested that the board adopt a set of public policy advocacy guidelines regarding any laws or regulations relating to corporate governance and accountability); *Bristol-Myers Squibb Company (Jan. 29, 2013, recon. denied Mar. 12, 2013)* (allowing for exclusion of a lobbying proposal related to specific lobbying activities and not general political activities); *PepsiCo, Inc. (Mar. 3, 2011)* (described above); *Bristol-Myers Squibb Company (Feb. 17, 2009)* (permitting exclusion of a proposal requesting a report on the company's lobbying activities concerning its products); *Abbott Laboratories (Feb. 11, 2009)* (permitting exclusion of a proposal on similar grounds).

The Proposal similarly addresses the Company's ordinary business operations, namely lobbying related to the Company's previous lead pigment and lead-based paint litigation, and should therefore be excluded pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations. Decisions regarding lobbying initiatives with respect to these matters require a detailed understanding of the Company's business, operations, and regulatory environment. As the Staff recognized in the precedents cited in the prior paragraph, the decision whether and in what manner to engage with governments and other stakeholders with respect to these projects involves analysis of many complex factors that shareholders are not positioned to make. Such decisions reflect the core day-to-day responsibilities of the Company's management and board of directors and are not susceptible to direct oversight by shareholders. Because the Proposal's focus on lobbying activities is integrally connected to the Company's ordinary business operations and has no bearing on general political activities, the Proposal is subject to exclusion under Rule 14a-8(i)(7).

CONCLUSION

As discussed above, the Company believes, based on the foregoing, including, without limitation, the Staff's recent no-action determination with respect to Air Products' nearly identical proposal, that the Proposal may be excluded from Sherwin-Williams' 2025 Proxy Materials. The Company respectfully requests the Staff's concurrence in the Company's view or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its 2025 Proxy Materials.

U.S. Securities and Exchange Commission
The Division of Corporation Finance
December 16, 2024
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The Company is submitting this request at least 80 days before the estimated March 6, 2025 mailing date for its 2025 Proxy Materials. The Company intends to file a preliminary proxy statement in connection with its 2025 Annual Meeting of Shareholders and anticipates that the 2025 Proxy Materials will be largely finalized on or about February 3, 2025. Accordingly, the Company would appreciate receiving the Staff's response to this no-action request by January 31, 2025.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this matter. Correspondence regarding this letter should be sent to the undersigned at mary.l.garceau@sherwin.com. If you have any questions with respect to the foregoing, please contact the undersigned at (216) 566-2478.

Sincerely,



Mary L. Garceau
Senior Vice President - Chief Legal Officer and Secretary
The Sherwin-Williams Company

Enclosures

Exhibit A
Shareholder Proposal

From: John Chevedden [REDACTED]
Sent: Thursday, October 31, 2024 12:15 PM
To: Mary L Garceau [REDACTED]; Stephen J Perisutti [REDACTED]
Subject: [EXTERNAL] Rule 14a-8 Proposal (SHW)

[Caution] External email. Be sure you trust or verify the sender before entering usernames or passwords when prompted by a link.



Rule 14a-8 Proposal (SHW)

Dear Ms. Garceau,

Please see the attached rule 14a-8 proposal.

Please confirm that this is the correct email address for rule 14a-8 proposals.

Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."

I so request.

Hard copies of any request related to this proposal are not needed as long as you request that I confirm receipt in the email cover message.

The proponent is available for a telephone meeting on the first Monday and Tuesday after

10-days of the proposal submittal date at noon PT.

Please arrange in advance in a separate email message regarding a meeting if needed.

John Chevedden

JOHN CHEVEDDEN

[REDACTED]

Ms. Mary L. Garceau
Secretary
The Sherwin-Williams Company (SHW)
101 West Prospect Avenue
Cleveland, OH 44115-1075
[REDACTED]

Dear Ms. Garceau,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold the required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders and beyond as is or will be documented in my ownership proof.

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

Please use the title of the proposal in bold in all references to the proposal in the proxy including the table of contents, like Board of Directors proposals, and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message to [REDACTED] it may very well save you from formally requesting a broker letter from me.

Please confirm that this proposal was sent to the correct email address for rule 14a-8 proposals. Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested." I so request.

Sincerely,


John Chevedden

October 31, 2024
Date

cc: Stephen J Perisutti [REDACTED]

Proposal 4 – Transparency in Lobbying

Resolved, shareholders of Sherwin-Williams request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Sherwin-Williams used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Sherwin-Williams' membership in and payments to any tax-exempt organization that writes and endorses model legislation;
4. Description of management's decision-making process and the Board's oversight for making payments described above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Sherwin-Williams is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee and posted on Sherwin-Williams' website.

Supporting Statement

Full disclosure of Sherwin-Williams' lobbying activities and expenditures is needed to assess whether its lobbying is consistent with its expressed goals and shareholder interests. Sherwin-Williams spent \$2.9 on federal lobbying from 2020 – 2023. Sherwin-Williams also lobbies at the state level, spending \$1.2 million on lobbying in California in 2018 in an attempt to reduce its liability for lead paint in California buildings.¹ Sherwin-Williams also lobbies abroad, spending between €100,000 – 199,999 on lobbying in Europe for 2023.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity. These groups may be spending "at least double what's publicly reported."² Sherwin-Williams fails to disclose its memberships in or payments to trade associations and social welfare groups (SWGs), or the amounts used for lobbying, to shareholders. Sherwin-Williams serves on the board of the National Association of Manufacturers (NAM), which has spent over \$225 million on federal lobbying since 1998. And Sherwin-Williams has been previously identified as a member of the Plastics Industry Association.³

Sherwin-Williams' lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Sherwin-Williams publicly supports addressing climate change, yet NAM leverages its "influence to obstruct climate policy progress in the U.S. at the federal, state and local levels."⁴ And while Sherwin-Williams does not belong to the controversial American Legislative Exchange Council, which has pushed preemption legislation to deny municipalities the right to access courts,⁵ it was represented by NAM, which previously sat on its Private Enterprise Advisory Council.⁶

Reputational damage stemming from these misalignments could harm shareholder value. Thus it will be a best practice for Sherwin-Williams Company to expand its lobbying disclosure.

¹ <https://www.vcstar.com/story/news/2018/08/05/who-tops-california-spending-list-lobbying/887038002/>.

² <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

³ <https://www.asyousow.org/blog/sustainable-companies-support-plastic-bag-lobbyists>.

⁴ <https://www.greenbiz.com/article/dont-play-both-sides-take-3-steps-now-fix-your-trade-group-gap>.

⁵ <https://climateintegrity.org/news/view/new-report-documents-the-corporate-campaign-to-deny-municipalities-access-to-the-courts>.

⁶ <https://www.exposedbycmd.org/2023/02/03/alec-expands-private-board-of-directors-with-woke-capitalism-fighters/>.

Notes:

“Proposal 4” stands in for the final proposal number that management will assign.

The proposal number and title at the top of proposal is the number and title intended for publication in the proxy and on the ballot – word for word with no added words or mixture of shareholder words with management words.

It is critically important that the proponent have control of the ballot title with no words added or subtracted from the title because the title of the proposal may be the only words a voting shareholder sees. If management disagrees then it has the option of negotiating now or asking for no action relief.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The proponent is available for a telephone meeting on the first Monday and Tuesday after 10-days of the proposal submittal date at noon PT.

Please arrange in advance in a separate email message regarding a meeting if needed.

The proponent intends to continue holding the same required amount of Company shares through the date of the Company’s 2025 Annual Meeting of Stockholders as is or will be documented in his ownership proof.

Please acknowledge this proposal promptly by email [REDACTED]

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the top of the proposal and be center justified with the title.



FOR

***Shareholder
Rights***

Exhibit B

Information Required by the Proposal

Information Required by Shareholder Proposal	
Policies and Procedures Governing:	(1) Direct Lobbying – Local
	(2) Direct Lobbying - State
	(3) Direct Lobbying – Federal
	(4) Direct Lobbying – Foreign
	(5) Indirect Trade Association Lobbying – Local
	(6) Indirect Trade Association Lobbying – State
	(7) Indirect Trade Association Lobbying – Federal
	(8) Indirect Trade Association Lobbying – Foreign
	(9) Indirect Other Organization Lobbying – Local
	(10) Indirect Other Organization Lobbying – State
	(11) Indirect Other Organization Lobbying – Federal
	(12) Indirect Other Organization Lobbying – Foreign
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(16) Grassroots Lobbying – Foreign
Recipient of Payments Used for:	(1) Direct Lobbying – Local
	(2) Direct Lobbying - State
	(3) Direct Lobbying – Federal
	(4) Direct Lobbying - Foreign
	(5) Indirect Trade Association Lobbying – Local
	(6) Indirect Trade Association Lobbying – State
	(7) Indirect Trade Association Lobbying – Federal
	(8) Indirect Trade Association Lobbying – Foreign
	(9) Indirect Other Organization Lobbying – Local
	(10) Indirect Other Organization Lobbying – State
	(11) Indirect Other Organization Lobbying – Federal
	(12) Indirect Other Organization Lobbying – Foreign
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(16) Grassroots Lobbying – Foreign
	(17) Any Tax-Exempt Organization that Writes and Endorses Model Legislation
Amount Paid to Each Recipient Regarding:	(1) Direct Lobbying – Local
	(2) Direct Lobbying - State
	(3) Direct Lobbying – Federal
	(4) Direct Lobbying - Foreign
	(5) Indirect Trade Association Lobbying – Local
	(6) Indirect Trade Association Lobbying – State
	(7) Indirect Trade Association Lobbying – Federal
	(8) Indirect Trade Association Lobbying – Foreign
	(9) Indirect Other Organization Lobbying – Local
	(10) Indirect Other Organization Lobbying – State
	(11) Indirect Other Organization Lobbying – Federal
	(12) Indirect Other Organization Lobbying – Foreign

	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(16) Grassroots Lobbying – Foreign
	(17) Any Tax-Exempt Organization that Writes and Endorses Model Legislation
Membership in:	(1) Any Tax-Exempt Organization that Writes and Endorses Model Legislation
Management’s Decision-Making Process for Making Payments Related To:	(1) Direct Lobbying – Local
	(2) Direct Lobbying - State
	(3) Direct Lobbying – Federal
	(4) Direct Lobbying - Foreign
	(5) Indirect Trade Association Lobbying – Local
	(6) Indirect Trade Association Lobbying – State
	(7) Indirect Trade Association Lobbying – Federal
	(8) Indirect Trade Association Lobbying – Foreign
	(9) Indirect Other Organization Lobbying – Local
	(10) Indirect Other Organization Lobbying – State
	(11) Indirect Other Organization Lobbying – Federal
	(12) Indirect Other Organization Lobbying – Foreign
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(16) Grassroots Lobbying – Foreign
	(17) Any Tax-Exempt Organization that Writes and Endorses Model Legislation
Board Oversight for Making Payments Related to:	(1) Direct Lobbying – Local
	(2) Direct Lobbying - State
	(3) Direct Lobbying – Federal
	(4) Direct Lobbying - Foreign
	(5) Indirect Trade Association Lobbying – Local
	(6) Indirect Trade Association Lobbying – State
	(7) Indirect Trade Association Lobbying – Federal
	(8) Indirect Trade Association Lobbying – Foreign
	(9) Indirect Other Organization Lobbying – Local
	(10) Indirect Other Organization Lobbying – State
	(11) Indirect Other Organization Lobbying – Federal
	(12) Indirect Other Organization Lobbying – Foreign
	(13) Grassroots Lobbying – Local
	(14) Grassroots Lobbying – State
	(15) Grassroots Lobbying – Federal
	(16) Grassroots Lobbying – Foreign
	(17) Any Tax-Exempt Organization that Writes and Endorses Model Legislation