



# California Transparency In Supply Chains Act Disclosure Statement

Effective January 2019

Axalta Coating Systems, LLC (“Axalta”) is committed to responsible sourcing and specifically the eradication of human trafficking and slavery in our supply chain. Axalta abhors and condemns human rights abuses, including child labor, forced labor and slave labor. We expect our direct suppliers of Axalta’s tangible goods for sale (“supplier” or “suppliers”) to adopt sound human rights practices, to treat workers fairly, with dignity and respect and in all cases to eliminate human trafficking and slavery in their workplace.

- **Verification:** Axalta’s standard supplier contract, currently in place with many of its suppliers, requires the supplier to warrant that it “shall meet or exceed the International Labor Organization minimum age standards or applicable national law, whichever is higher, and Supplier is prohibited from using forced labor. Supplier shall comply with all applicable laws, codes, rules, regulations, orders and ordinances, including those relating to environmental protection, energy, and labor (including anti-discrimination, minimum age of employment, forced labor, and working conditions), and all applicable industry codes and standards.” The current standard supplier contract also requires suppliers to comply with “all policies and procedures of general application of Axalta.” This includes Axalta’s Code of Business Conduct and Ethics that requires all Axalta employees and third parties working with Axalta, including suppliers, to comply with all applicable laws regarding the use of forced or involuntary labor, human trafficking, and child labor. In 2016, Axalta introduced our Supplier Code of Conduct, which outlines the expectations Axalta has of our suppliers. Item 5 in the Axalta Supplier Code of Conduct requires suppliers to respect fundamental human rights: “Suppliers shall ensure that the products and materials they sell to Axalta are not created with child labor, forced labor or through the victims of human trafficking and shall take reasonable steps to eliminate such practices in their supply chains.” Additionally, Axalta has developed a Supplier Sustainability Risk Management Program that screens suppliers on the expectations in the Axalta Supplier Code of Conduct.
- **Audits:** Axalta’s standard supplier contract as well as Axalta’s Supplier Code of Conduct expressly reserve the right to conduct on-site audits of its suppliers. These audits may evaluate the supplier’s compliance with laws and the expectations in the Supplier Code of Conduct, including eradication of human trafficking and slavery. Axalta anticipates that it may conduct such audits through its own personnel or through a third-party independent auditor, on an announced or unannounced basis. Axalta may also initiate an audit based on findings from Axalta’s Supplier Sustainability Risk Management Program, which screens prospective and current suppliers on the expectations outlined in the Supplier Code of Conduct. Over the past few years, Axalta has conducted independent third-party audits of several supplier facilities to ensure compliance with Axalta’s Supplier Code of Conduct and confirm there is no modern slavery in its supply chain.



- **Certifications:** Axalta's Code of Business Conduct and Ethics requires all Axalta employees and third parties working with Axalta, including suppliers, to comply with all labor laws in the jurisdictions where it operates. Violation of the Code of Business Conduct and Ethics may result in termination of a supplier or employee. Axalta's Supplier Code of Conduct also outlines the expectations Axalta has of our suppliers. We communicate the expectations in our Supplier Code of Conduct through direct communication for our key suppliers, and through our standard contract terms and conditions for all suppliers. Key suppliers have also been asked to certify their adherence to the expectations in Axalta's Supplier Code of Conduct.
- **Accountability:** As noted above, Axalta currently has a written Code of Business Conduct and Ethics and a Supplier Code of Conduct that both address human trafficking and forced or involuntary labor. Specifically, the Code of Business Conduct and Ethics requires all Axalta employees and third parties working with Axalta, including suppliers, to comply with all applicable laws regarding the use of forced or involuntary labor, human trafficking, and child labor. Violation of the Code of Business Conduct and Ethics or the Supplier Code of Conduct may result in termination of a supplier or employee.
- **Training:** Axalta provides training to our global procurement staff that work directly with our supply chain partners. This training focuses on the identification of supply chain risks and the methodology of our Supplier Sustainability Risk Management Program.

As we expand our business activities and work with suppliers domestically and globally to meet customers' needs, Axalta remains committed to human rights and safety in our supply chain.