



Report for Canadian Forced Labour in Supply Chains Act

Fiscal Year Ended December 31, 2023

IDENTIFYING INFORMATION

- **Reporting entity's legal name:** Axalta Coating Systems Canada Company and U-POL Canada Limited
- **Financial reporting year:** Fiscal year ending December 31, 2023
- **Business number(s), if applicable:** 1) Axalta Coating Systems Canada Company - 81952 2707 RC0001 2) U-POL Canada Limited - 76740 4718 RC0001
- **Identification of reporting obligations in other jurisdictions:**
 - California Transparency in Supply Chain Act of 2010 (United States)
 - United States Tariff Act of 1930
 - Uyghur Forced Labor Prevention Act (United States)
 - Australian Commonwealth's Modern Slavery Act of 2018
 - German Supply Chain Diligence Act
 - UK Modern Slavery Law
 - French Corporate Duty of Vigilance Law
- **Entity categorization according to the Act:** Entity (*non-government institution*)
- **Sector/industry:** Manufacturing
- **Locations:**

Axalta Coating Systems Canada Company
1915 Second Street W
Cornwall ON K6H 5R6

U-POL Canada Limited
1212 - 1175 Douglas Street
Victoria, BC V8W 2E1

I. INTRODUCTION

This joint report is submitted on behalf of Axalta Coating Systems Canada Company ("Axalta Canada") and U-POL Canada Limited ("U-POL") (collectively for purposes of this report, "Axalta"). Axalta is committed to responsible sourcing. Axalta abhors and condemns human rights abuses including child labor, forced labor, and slave labor. Axalta requires its suppliers to do business ethically and adopt sound human rights practices, to treat workers fairly, with

dignity and respect, to eliminate human trafficking and slavery risks, and to provide their workers with a safe and healthy workplace.

Axalta also requires its suppliers to comply with applicable environmental laws, regulations, and permits. Our suppliers are expected to support Axalta's efforts to operate sustainably by developing, implementing, and maintaining environmental best practices to reduce and minimize air emissions, wastewater discharges, waste generation, biodiversity loss, and ensure operations do not adversely impact the communities where they operate.

II. AXALTA'S STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Axalta consists of two business segments: Performance Coatings and Mobility Coatings. The Performance segment sells products into both the vehicle refinish end market and the industrial end market (including general industrial, architectural, transportation, and building product coatings). The Mobility segment sells products into the light and commercial vehicle coating original equipment manufacturer end market. Axalta sources from approximately 14,000 suppliers in 35 countries and has approximately 45 manufacturing facilities (including 3 JV sites) worldwide. One of these manufacturing facilities is located in Cornwall, Ontario, Canada. Axalta also has 4 major technology centers and 48 customer training centers globally. Of these customer training centers, Axalta Refinish Academies are located in Vaughan, Ontario, Pointe-Claire, Quebec, and Vancouver, British Columbia, Canada.

III. AXALTA'S POLICIES AND DUE DILIGENCE PROCESSES RELATED TO FORCED/CHILD LABOR

Axalta's Supplier Code of Conduct (first adopted in 2016 and most recently revised on January 4, 2022) was in effect throughout FY2023. All Axalta suppliers are required to be familiar with the Supplier Code of Conduct (the "Code"), and are similarly required to take appropriate steps to ensure compliance with the Code. The Code generally requires Axalta's suppliers to act in compliance with all applicable laws, do business ethically, and provide a workplace free from discrimination and harassment. More specifically, the Code prohibits suppliers from using child labor, forced labor, or any form of modern slavery, requires suppliers to pay fair wages, and requires suppliers to provide a safe work environment.

Axalta's standard supplier contract requires suppliers to warrant their compliance with, inter alia, applicable laws including minimum age, wage, and hour standards. Historically, all Axalta suppliers have gone through an onboarding process that includes an initial supplier assessment. Suppliers are subsequently further assessed for numerous risks. Axalta's Supplier Sustainability Risk Management Program screens suppliers on the expectations in the Code.

Suppliers that provide us raw materials that contain certain minerals that may present higher risk of modern slavery, including "conflict minerals", mica, and cobalt, are required to trace their supply chains, provide mineral reporting templates annually, and demonstrate the minerals in the materials provided to us were sourced free of human rights abuses. Axalta also actively

supports and participates in the Responsible Minerals Initiative, which works to advance responsible sourcing practices and eradicate modern slavery in mineral supply chains.

Looking towards the future, Axalta is enhancing its responsible sourcing efforts to incorporate a refreshed Code. As part of its refreshed Code, Axalta will incorporate new internal “Know Your Supplier” training for Axalta personnel and adopt a list of approximately 50 “High Risk Countries” where the risks of supplier use of forced labor and/or child labor is believed by Axalta to be greater than the risk present in the rest of the world generally. Pursuant to Axalta’s refreshed Code, suppliers in High Risk Countries may be subjected to additional screening including enhanced self-assessment questionnaires, targeted “Know Your Supplier” visits by Axalta personnel, and/or third-party audits of one or more supplier locations within High Risk Countries.

IV. BUSINESS AND SUPPLY CHAIN FORCED/CHILD LABOR RISKS, ASSESSMENT, AND MANAGEMENT

Axalta’s standard supplier contract and its Code both reserve Axalta’s right to conduct on-site audits of its suppliers. These audits may evaluate the compliance with laws and the expectations in the Code, including eradication of human trafficking and slavery. Axalta may conduct such audits through its own personnel (or through a third-party independent auditor) on either 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 Code. Violation of the Code may result in termination of a supplier’s relationship with Axalta.

As mentioned above, as part of its refreshed Code, Axalta is adopting a list of approximately 50 “High Risk Countries” where the risks of supplier use of forced labor and/or child labor is believed by Axalta to be greater than the risk present in the rest of the world generally. Suppliers in these High Risk Countries may be subjected to additional screening including enhanced self-assessment questionnaires, targeted “Know Your Supplier” visits by Axalta personnel, and/or third-party audits.

V. MEASURES TO REMEDIATE ANY FORCED/CHILD LABOR

Not applicable for FY2023.

VI. REMEDIATION OF LOST INCOME RESULTING FROM MEASURES TO ELIMINATE ANY FORCED/CHILD LABOR

Not applicable for FY2023.

VII. SUPPLIER ENVIRONMENTAL, HEALTH, AND SAFETY

Axalta’s suppliers are required to comply with applicable environmental laws and regulations. Suppliers must also comply with all required environmental permits. Suppliers are expected to

support Axalta’s efforts to operate sustainably by developing, implementing, and maintaining environmental best practices to reduce and minimize air emissions, wastewater discharges, waste generation, biodiversity loss, and ensure operations do not adversely impact the communities where they operate.

Axalta’s suppliers are required to comply with all applicable occupational safety and health laws and regulations while ensuring that employees are provided with a safe and healthy workplace. Axalta’s suppliers’ employees are expected to have the right to refuse to work in unsafe conditions and/or to report unsafe or unhealthy working conditions without fear of retribution. Suppliers are expected to provide employees with accessible and clean restroom facilities and clean potable water. If employee housing is provided by a supplier, such housing is required to meet applicable local safety standards.

VIII. EMPLOYEE TRAINING

On an annual basis, all Axalta employees must complete training on the Axalta Code of Business Conduct and Ethics. Axalta’s Legal and Compliance team also conducts targeted training sessions on a variety of compliance topics, including relating to modern slavery.

Axalta currently provides focused 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 part of its refreshed Code, Axalta is developing and implementing enhanced “Know Your Supplier” training to ensure that Axalta personnel (including but not limited to selected supply chain and sourcing personnel) are aware of each of the risk areas covered by the Code. Axalta’s “Know Your Supplier” training will instruct personnel of the various warning signs of human rights abuses, forced labor, child labor, environmental non-compliance and unsafe workplaces which may be observed during visits to supplier facilities. Axalta personnel will also be trained in proper reporting and escalation procedures so that any warning signs that may be observed can be thoroughly investigated and promptly remedied as appropriate.

IX. ASSESSING THE EFFECTIVENESS OF AXALTA’S POLICIES

Beginning in FY2024, Axalta will conduct assessments of the effectiveness of its refreshed Code on an ongoing basis.

X. APPROVAL OF REPORT AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Axalta Coating Systems Canada Company. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. I further attest that the information contained in the report has been approved by the Board of Axalta Coating Systems Canada Company.

Paula McLellan
Board Member, Axalta Coating Systems Canada Company
May 28, 2024

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Signature

I have the authority to bind Axalta Coating Systems Canada Company.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for U-POL Canada Limited. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. I further attest that the information contained in the report has been approved by the Board of U-POL Canada Limited.

Paula McLellan
Board Member, U-POL Canada Limited
May 28, 2024

DocuSigned by:

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Signature

I have the authority to bind U-POL Canada Limited.