## 1.0 PURPOSE

**1.1** This manual specifies Quality expectations to Axalta's suppliers who provide direct ingredients, raw material, packaging, and toll-processing/ contract-manufacturing.  The expectations include suppliers having an effective quality management system.

## 2.0 SCOPE

**2.1** This manual applies to all suppliers who provide direct raw materials, such as ingredients, packaging materials, services, as well as tolling or contract-manufacture for Axalta.

## 3.0 RESPONSIBILITIES

**3.1** Supplier Quality – maintain this manual, ensuring requirements are implemented.

**3.2** Procurement Team – communicates this manual, along with Supplier Quality, to Axalta suppliers.

**3.3** Suppliers – suppliers of raw materials, services, and intermediate and finished product providers such as tollers/ contract manufacturers are responsible to implement the requirements laid out in this manual.

## 4.0 MANUAL

### 4.1 QUALITY POLICY, VISION & PRINCIPLES

Axalta commits to achieving superior customer value by providing quality products and services, exceeding expectations through Operational Excellence.

To achieve this Axalta champions our Quality Vision of *One team of engaged, empowered employees with a 'see something – do something' mindset, dedicated to ZERO incidents.*

### 4.2 SUPPLIER QUALITY MANAGEMENT SYSTEM REQUIREMENTS (QMS)

4.2.1 **Supplier Site Requirements**

    4.2.1.1 identify internal and external risks relevant to product quality, affecting the supplier's ability to achieve the QMS's intended result, and,

    4.2.1.2 risks and opportunities applicable to its scope of business and plans to address them.

4.2.2 **Management Commitment**

    4.2.2.1 dedication to quality made at the highest levels of the company by establishing a Quality policy, and communicate it, and,

    4.2.2.2 resources for all QMS elements and make clear their responsibilities and targets to ensure quality goals are realized.

4.2.3 **Risks Assessment**

    4.2.3.1 actions to address those internal/ external topics, and risks/ opportunities identified (section 4.2.1) are planned, monitored, and evaluated, and,

    4.2.3.2 the action plan is documented and updated using a Management of Change process (section 4.2.4), and assessing its effectiveness at Management Review,

    4.2.3.3 implementing a contingency plan to protect quality and delivery to Axalta manufacturing locations.

4.2.4 **Change Management**

    4.2.4.1 a process shall be instituted by supplier, including standard protocol for notifying Axalta,

    4.2.4.2 and risk assessment of the proposed changes to carefully control quality related risks.

4.2.5 **Documented Management**

    4.2.5.1 Supplier shall maintain information in support of their operations by retaining controlled documents to guarantee processes are carried out as planned.

4.2.6 **Skills & Capability**

    4.2.6.1 Supplier shall ensure resources assigned to carry out the QMS have a defined knowledge and skill base for achieving product/ service conformity,

    4.2.6.2  The supplier shall train those QMS impactful resources on the skills and,

4.2.6.3 Regularly assess competency to ensure those influencing product/ service quality are sufficiently capable.

### 4.2.7 Design and Development

4.2.7.1 Supplier shall implement, an integrated cross-functional processes that ensure products/ services meet customer and business requirements.

### 4.2.8 Sub-Supplier and Incoming Material Quality

4.2.8.1 Supplier shall establish a supplier selection, monitoring, evaluation, and development process, and,

4.2.8.2 apply equivalent controls over any outsourced process inside the supplier QMS's scope,

4.2.8.3 reporting internally and to the vendor's sub-suppliers on their performance, subsequently developing sub-suppliers not meeting performance targets.

### 4.2.9 Process Control

4.2.9.1 Supplier shall ensure in-specification product by creating process controls, and monitoring their performance,

4.2.9.2 and establish a process for managing any abnormalities,

4.2.9.3 including process controls for risks identified during design & development,

4.2.9.4 meeting minimum internal, customer and industry process capability targets,

### 4.2.10 Good Housekeeping - 5S

4.2.10.1 Supplier shall deploy standardized housekeeping to facilitate process streamlining, waste reduction, and support continual improvement (CI) programs.

### 4.2.11 Inspection & Testing

4.2.11.1 Supplier shall establish the required qualification checks for incoming materials, intermediates (Work in progress/ WIP) and finished products,

4.2.11.2 a process for handling out-of-specification Inspection & Testing results.

4.2.11.3 a quality certificate (CoA) that shows full product compliance in advance of shipping

    4.2.11.3.1 CoA shall be e-mailed to AXALTA before the arrival of every delivery, and when agreed a printed copy is attached to shipments.

### 4.2.12 Product Identification &Traceability

4.2.12.1 Supplier shall institute a process to identify, segregate, document, and dispose of incoming materials, intermediate/ WIS, and finished products,

4.2.12.2 that makes product status visible in real-time,

4.2.12.3 this identification and traceability process helps determine products/ services or processes affected by (potential) nonconforming outputs throughout the production/ service delivery process.

### 4.2.13 Complaints Management

4.2.13.1 Axalta suppliers shall have a procedure for handling customer/ intercompany complaints,

    4.2.13.1.1 they must ensure timely investigation, and formal responses to customer and intercompany complaints.

4.2.13.2 Responsibilities for complaint management shall be clearly defined, and include a designee for tracking, reporting and escalating complaints.

### 4.2.14 Incident Management

4.2.14.1 Supplier shall put controls in place that ensure timely response on external/ internal incidents,

4.2.14.2 track incident recovery timeliness and effectiveness at a defined frequency,

4.2.14.3 clearly define external/ internal resources responsible to resolve incidents,

4.2.14.4 define how to investigate incidents, and establish countermeasures to resolve them:

    4.2.14.4.1 8-Disciplines (8D) investigation method should be used for Axalta

    4.2.14.4.2 Root Cause Analysis type must be appropriate for the incident severity.

### 4.2.15 Audit Program

4.2.15.1 Supplier shall conduct internal audits of the QMS,

4.2.15.2 the full audit cycle shall be completed at minimum on an annual basis,

4.2.15.3 document audit results, and resolution of non-conformances,

4.2.15.4 having minimum one qualified internal auditor,

4.2.15.5 investigating and applying countermeasures to identified non-conformances,

    4.2.15.5.1    these corrective/ preventive actions have clear responsibilities assigned, and close on time.

4.2.15.6 continual improvement of QMS suitability, adequacy, and effectiveness.

## 4.3 CONTAMINATION PREVENTION

To ensure avoidance of crater causing contaminants, suppliers shall formally put in place:

4.3.1    **Prohibited Substance Management,** that mitigates comingling or contamination of direct materials and indirect products (ex. packaging) going to Axalta by:

    4.3.1.1  preventing Prohibited Substances from contacting products, raw materials, and packaging throughout their manufacturing, handling, and transportation processes,

    4.3.1.2  ensuring their organization is aware of its responsibly for contamination prevention.

## 4.4 SPECIAL CUSTOMER SPECIFIC REQUIREMENTS

4.4.1    When customer specific requirements (CSR's) are necessary, Axalta will provide this in a formal document. Supplier shall ensure CSR's are formally managed in their production process, and final delivered product.

## 5.0 RECORD KEEPING

**5.1** All documents and records shall be retained in accordance with the Axalta Records Retention Policy, local legislation, customer specific requirements, whichever is longer.

## 6.0 TRAINING AND COMMUNICATION

**6.1** Individuals assigned to activities as part of this standard shall have the requisite knowledge and training, and this training shall be documented.

| HISTORY OF REVISIONS | | |
|---|---|---|
| **REVISION** | **EFFECTIVE DATE** | **REASON FOR CHANGE** |
| ORIG. | 10/25/2024 | Original |
| | | |
| **APPROVAL SIGNATURES and DATE** | | |
| **Global Director SQ** | | **Vice President EHSS & Q** |
| Daniel Levine | | Annie Tannhauser |