

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

Axalta is a leading global company focused 100% on coatings, Axalta provides customers with innovative, colorful, beautiful and sustainable solutions. From cars and heavy duty vehicles to electric motors, buildings and pipelines, our coatings prevent corrosion, increase productivity and enable the materials we coat to last longer. With 150 years of experience in the coatings industry, the nearly 13,000 people of Axalta continue to find ways to serve our more than 100,000 customers better every day with the finest coatings, application systems and technology.

Sustainability is central to Axalta's business. When we refer to sustainability, we mean a wide range of environmental, social and economic responsibilities that can arise from our operations. Being a good neighbor and an engaged business partner are fundamental to our growth and success.

We manage our facilities in ways that are intended to minimize the impact of our operations across our 48 manufacturing centers (wholly owned and joint ventures) with sophisticated environment, health and safety protocols. Our coatings are designed to serve the sustainability goals of our customers, helping their products last longer, enabling their operations to run more efficiently, and providing ways to save energy, reduce waste and be more productive. Axalta's low-VOC, waterborne and powder products produce fewer targeted hazardous emissions.

Our Environment, Health, Safety and Security (EHS&S) policy provides the foundation under which we develop, market, manufacture and distributes products and processes globally. This policy is implemented through Axalta's EHS&S Management System, our global program designed to ensure compliance with applicable laws and regulations, internal standards for operations, management of potential environmental risks and continuous improvement. Axalta's latest sustainability report is available at www.axaltacs.com/axaltasustainability

Headquartered in Philadelphia, Axalta manages its business in four regions servicing North America, Latin America (including Mexico), Asia-Pacific, and Europe, Middle East and Africa.

CC0.2**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3**Country list configuration**

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Belgium
Australia
Brazil
Austria
Canada
China
Colombia

Select country
France
Germany
India
Malaysia
Indonesia
Mexico
Sweden
Switzerland
Thailand
Turkey
United Kingdom
United States of America
Venezuela

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

There is an Environment, Health, Safety and Sustainability Committee of the Board of Directors. The Axalta Sustainability Council which is comprised of members of the Axalta Leadership Team who, reports to the Chairman of the Board and CEO, on a variety of matters related to sustainability.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Facility managers	Recognition (non-monetary)	Emissions reduction target Energy reduction target Efficiency target Other: Behaviour change related indicator	To acknowledge exceptional performance in the area of Environmental, Health and Safety at an operating facility, a comprehensive base of recognition criteria has been established. All manufacturing facilities are eligible, but only 1-3 sites may win on an annual basis. The entire facility is recognized and that includes facility employees, The annual award is the Chairman's Environmental, Health and Safety Award for Excellence in Action.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Senior manager/officer	Countries where we operate	3 to 6 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

At the company level, Axalta's Board of Directors Committee on Environment, Health, Safety and Sustainability provides risk oversight. The Committee oversees management's monitoring and enforcement of the Company's policies to protect the health and safety of employees, contractors, customers, the public and the environment.

At the asset level, our data collection system includes risk management systems, leading and lagging performance metrics and risk management information to make operating decisions on the basis of high quality information. The practice of systematically selecting cost-effective approaches for minimizing the effect of threat to the organization.

CC2.1c

How do you prioritize the risks and opportunities identified?

By review of key leading & lagging indicators on at least a semi-annual basis and review of those with poor or sporadic improvement. For example, if reduction of energy usage is a key indicator of progress toward a climate-change related goal, and our metrics indicate a potential or real significant increase due to a new acquisition or proposed process expansion, Axalta would move this effort up in priority for focus by the organization to either reevaluate our goals or by review of alternatives to use more energy efficient equipment or use of renewable resources.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

The primary processes used to assure climate change is integrated into our business strategy is our use of process safety management elements. Management of change technology, process hazard analysis, mechanical integrity and new project review are the most important of these elements. By including EHS considerations in all of these elements of our operations, we assure that potential environmental impact is always taken into consideration. We have a long history of developing and using these systems and the knowledge and leveraging of these processes are ingrained in our culture.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price on carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

Please provide details and examples of how your company uses an internal price on carbon

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
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CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
American Coatings Association	Consistent	<p>The coatings industry has significantly reduced emissions, wastes and energy use over the past few decades and this downward trend will continue because of new regulatory requirements, improved industrial housekeeping and technological advances related to water-borne and low VOC coatings, as well as improvements in the manufacturing process (more service-oriented, providing just in time orders, and smaller batch sizes) and changing consumer preferences. The is trend has continued and is directly due to VOC and HAP regulations on coating products as well as other air quality regulations on coatings manufacturing facilities. The energy usage — and as a result, greenhouse gas emissions — from the paint and coatings sector is very small as compared to other U.S. manufacturing sectors. In 2007, the paint and coatings sector purchased about 1.7 billion kilowatt hours of electricity for heat and power, which represented well under 1% — less than 0.2% — of the total quantity of electricity purchased for heat and power by U.S. manufacturers. The total quantity of electricity purchased and used for heat and power — and as a result, greenhouse gas emissions — from the paint and coatings sector decreased by 17.8 % between 2007 and 2012. Coatings help protect our environment too, in ways you wouldn't imagine, they save energy by keeping buildings cooler, play an integral part in the use of wind energy, contribute to reductions in CO2 emissions, and keep machinery out of landfills. Antifouling coatings carry tremendous eco-efficiency benefits: when applied to tankers, bulk cargo and other vessel types, they can reduce greenhouse gas and other emissions by an average of 9% — no small feat, since shipping counts for an estimated 2-4% of global greenhouse gas emissions. Cool roof coatings not only lower buildings' energy consumption and costs, but also overall temperature and stress on the power grid. This effort could help reduce New York City's greenhouse gas emissions 30% by 2030.</p>	<p>Axalta's Chairman and CEO, Charles W. Shaver, is Chairman of the ACA Board of Directors. Axalta personnel participate on several ACA committees, including the Environmental Management Committee and the Sustainability Committee. As members of the ACA committees, we review and comment on all position statements and comments to regulatory agencies. We also obviously support and contribute to the success that we in the coatings industry have achieved and as stated in their position.</p>

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

CC2.3e

Please provide details of the other engagement activities that you undertake

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We primarily work through the American Coatings Association and American Chemistry Council. These organizations are closely aligned with our activities and common interests and we typically work through them to review and comment on new legislation.

In addition to compliance with local laws and regulatory requirements, our company will pursue the following critical objectives in an effort to advance performance in EHS&S:

- Design and develop products, with full regard for EHS&S aspects, which can be manufactured, transported, stored, used and disposed of safely
- Ensure that all company activities are conducted in a manner which is consistent with our company's Environment, Health, Safety and Security Standards
- Continuously improve how we qualify for use, safely handle, supply, manage, and transform raw materials into competitively superior coatings
- Instill a culture throughout all levels of our organization to continually identify and reduce all safety risks through the commitment of operational discipline

To achieve these objectives, we will:

- Set challenging targets and measure progress through the use of our Process Safety & Risk Management Program
- Design and develop sustainable processes and products which help preserve natural resources and the environment
- Provide appropriate information to and training for our employees, contractors, customers and others who operate our facilities, handle our products or use our technologies
- Routinely audit our facilities for compliance with company and external regulatory standards

- Make continual progress toward the reduction of occupational injuries or potential harm to human health and the environment from our products and operations
- Protect the environment by minimizing our environmental footprint due to our operations and products through the promotion of pollution prevention, waste reduction and conservation of energy resources throughout the life-cycle of our products.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
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CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	100%	7%	Metric tonnes CO2e per metric tonne of product	2013	0.467	2020	No, and we do not anticipate setting one in the next 2 years	We have reassessed and determined that in this global market and because of our manufacturing processes, that using production to normalize our GHG emissions is more indicative of our progress toward reducing GHG emissions. Over the past few years, we have implemented focused initiatives and effective energy management practices to reduce our energy consumption. While production has increased by more than 13 percent since 2013, our energy intensity rate has decreased by 3 percent.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	No change	0	No change	0	

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	50%	61%	Although absolute emissions are up, our direct per product emissions were 4.3% lower in 2017 compared to 2013 despite increases in manufacturing. We continue to anticipate meeting our goal by 2020.

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	Beyond our factory door, we seek to provide customers with increasingly sustainable products and processes. New formulations of traditional solvent coatings, such as	Avoided emissions	Other:		Less than or equal to 10%	The technology advancements we have made with our products and processes provide clear advantages direct benefits that allow our customers' products to

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	<p>medium and high solids, and water-based coatings are formulated to reduce VOC emissions as well as the number of coating applications required in the manufacture of cars and commercial vehicles. Fewer steps and a more natural drying processes provided by our Harmonized Coating Technologies™ reduce energy consuming “bake steps” required between coating applications when painting and finishing a new vehicle. Other coatings for vehicle OEMs are formulated to perform on lightweight materials such as carbon fiber which are increasingly used by car manufacturers to improve fuel efficiency. Less fuel translates into lower CO2 emissions from vehicles on the road. In refinish shops, low-VOC and water-based coatings are designed to help body shops reduce their environmental footprint from operations while producing superb results. Axalta’s software and color tools such as handheld spectrophotometers help find the right refinish color formulation the first time, reducing waste and improving productivity. Insulated with Axalta’s Voltatex® coatings, components of electrical motors, transformers and generators can operate at higher temperatures, which translates into</p>					<p>last longer, with reduced environmental impacts through more efficient attributes. When our customers’ products last longer, the drain on natural resources to produce replacements is diminished. With these direct benefits come indirect benefits as well — new innovations in our product portfolios are allowing for broader sustainability gains for our customers and society at large.</p>

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	greater efficiency and energy savings. Axalta's Nap-Gard® functional powder coatings resist high temperatures and enable the oil and gas industry to drill deeper and thus fewer wells.					

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	11	

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
To be implemented*	21	2800
Implementation commenced*	8	2100
Implemented*	3	1751
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Our site in Canada reduced an estimated annual consumption of 800,000 cubic meters of natural gas by installing a more efficient boiler system	1544	Scope 1	Voluntary			1-3 years	Ongoing	Implemented and completed in 2016
Energy efficiency: Building services	Several of our manufacturing facilities, most notably, our Mechelen site in Belgium, Jiading site in China and Mt. Clemens site in Michigan, have converted traditional lighting to more energy efficient LED lighting	207	Scope 2 (location-based)	Voluntary			1-3 years	Ongoing	Implemented and completed in 2016

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	across their facilities, saving an average of 300,000 kWh per year.								
Energy efficiency: Processes	The steam boiler at Jiading site was built in 2006 which supply steam to both REF and OEM productions. The fuel used is diesel oil. The designed flue gas NOx emission limit < 400 mg/Nm3, SOx < 300 mg/Nm3 (DB31/387-2007). Currently, NOx emission level is 250~380 mg/Nm3; SOx 93-830 mg/Nm3 in range. Using natural gas can inherently guarantee NOx <30 (plus NOxmatic series burner system), SOx <20 mg/Nm3 with high quality and stable gas fuel source for long-term solution. Furthermore, there will be 294K USD (around 40%) saving per year by using natural gas to replace current diesel fuel. Therefore, we plan to introduce municipal natural gas to site and replace the current boiler burner with NOxmatic series burner system for compliance and cost saving.		Scope 1	Voluntary	294000	710000	1-3 years	Ongoing	

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	All sites solicit employee engagement to determine energy saving opportunities. It is also an ISO 14001 Business Objective & Target
Internal incentives/recognition programs	Initiated a Chairman's Award for Excellence in Action in 2015 which includes non-monetary incentive's for sites and their employees for ideas related to reducing our environmental footprint.
Compliance with regulatory requirements/standards	Primarily in EMEA and US regions

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	Operations		publishes its Sustainability Report every two years; 2016 information will be included in the 2016-17 report published next summer. Information about our 2015 initiatives, with some mention of future plans in 2016, is available in the attached link. Our report is available electronically at the following link. http://www.axaltacs.com/content/dam/Corporate/Documents/Sustainability/External-Website/index.html

Further Information

Attachments

[https://www.cdp.net/sites/2017/23/51923/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC4.Communication/Sustainability Initiatives _ Axalta - Sustainability Report 2014 – 2015.pdf](https://www.cdp.net/sites/2017/23/51923/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC4.Communication/Sustainability%20Initiatives%20_Axalta%20-%20Sustainability%20Report%202014%20-%202015.pdf)
[https://www.cdp.net/sites/2017/23/51923/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC4.Communication/Our Approach to Operations _ Axalta - Sustainability Report 2014 – 2015.pdf](https://www.cdp.net/sites/2017/23/51923/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC4.Communication/Our%20Approach%20to%20Operations%20_Axalta%20-%20Sustainability%20Report%202014%20-%202015.pdf)
[https://www.cdp.net/sites/2017/23/51923/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC4.Communication/Energy Emissions Axalta Sustainability Report 2014 2015.pdf](https://www.cdp.net/sites/2017/23/51923/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC4.Communication/Energy%20Emissions%20Axalta%20Sustainability%20Report%202014%202015.pdf)

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
 Risks driven by changes in physical climate parameters
 Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	The uncertainty of government-imposed climate change legislation, including cap and trade schemes, could pose a commercial risk to our business. A regulation such as this could pose a financial threat by way of increased operational cost. In certain areas where we operate, such as California and the EU, schemes such as this are already in place while more locations are considering adopting a program	Increased operational cost	1 to 3 years	Direct	Virtually certain	Medium	Using a carbon price range from the US EPA social cost of carbon for 2015 of \$12 (low discount rate) and \$61 (high discount rate) per 74,850 MTCO _{2e} , and applying this to MTCO _{2e} of Scope 1 emissions, could result in additional costs of \$898,200 to \$4,565,850.	Axalta has programs and policies in place to track emerging schemes and engagement of corporate/ facilities to ensure ongoing compliance. This is enhanced by quarterly environmental network calls held in each region so that sites and regional/country resources can discuss impending regulations and what it means to our operations.	The cost of managing potential risks from climate change legislation is already embedded into our business through our risk management and public policy teams.

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Weather conditions may reduce the demand for some of our products and could have a negative effect on our business, financial condition and results of operations.	Reduced demand for goods/services	1 to 3 years	Indirect (Client)	About as likely as not	Medium-high	From time to time, weather conditions have an adverse effect on our sales of coatings and related products. For example, unusually mild weather during winter months may lead to fewer vehicle collisions, reducing market demand for our refinish coatings. Conversely, harsh weather conditions can force our customers to reduce or suspend operations, thereby reducing the amount of products they purchase from us. Any such reductions in customer purchases could have a material adverse effect on our business,	Axalta has programs and policies in place to track emerging schemes and engagement of corporate/ facilities to ensure ongoing compliance. This is enhanced by quarterly environmental network calls held in each region so that sites and regional/country resources can discuss impending regulations and what it means to our operations.	The cost of managing potential risks from climate change legislation is already embedded into our business through our risk management and public policy teams.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							financial condition and results of operations.		

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Our business, financial condition and results of operations could be adversely impacted by business disruptions, security threats and security breaches. Our efforts to minimize business disruptions and security breaches may fail. Such business disruptions and	Reduced demand for goods/services	1 to 3 years	Indirect (Client)	About as likely as not	Medium-high	Business disruptions, including supply disruptions, increasing costs for energy, temporary plant and/or power outages and information technology system and network disruptions, could harm our operations as well as the operations of our customers, distributors or suppliers. We	Axalta has programs and policies in place to track emerging schemes and engagement of corporate/ facilities to ensure ongoing operations. This is enhanced by quarterly environmental network calls held in each region so that sites and regional/country resources can discuss impending regulations and	We manage these risks through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not enter into derivative financial instruments for trading or speculative purposes.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>security breaches could significantly increase our cost of doing business, damage our reputation, and/or have a material adverse effect on our business, financial condition and results of operations. Further, while we have designed and implemented controls to restrict access to our data and information technology infrastructure, it is still vulnerable to unauthorized access through cyber-attacks, theft and other security breaches</p>						<p>face security threats and risks of security breaches to our facilities, data and information technology infrastructure. Although it is impossible to predict the occurrence or consequences of business disruptions, security threats or security breaches, they could harm our reputation, subject us to material liabilities, result in reduced demand for our products, make it difficult or impossible for us to deliver products to our customers or distributors or to receive raw materials from suppliers, and create delays and inefficiencies in our supply chain. .</p>	<p>what it means to our operations.</p>	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Air pollution limits	Axalta views reporting per permit terms & conditions, local regulation and public emission disclosures such as the toxic release inventory, as an opportunity to improve our measurement processes and to reduce emissions. This is especially relevant and challenging as we continue to acquire new businesses and facilities. Our objective is to reduce emissions	Increased production capacity	3 to 6 years	Direct	Very likely	Medium-high	Initial investments can be significant but increase production more than pays for it in future and over time.	Management of change and new project procedures drives technology determination and capital cost. Project engineers work closing with operations and leadership to fully assess how to meet air pollution limits while including the capability to increase production. Axalta EHS professionals assure that plans for construction are reported early	On-going management costs are compiled for each site and new project. Return on investment from cost of engineered controls versus increased production is assessed for all projects.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	by administrative and engineered controls, even as we acquire new businesses and increase production. Projects involving new facilities and modification of existing facilities all include attention to emissions control and energy efficient equipment.							and that agreements with regulators and permits are in place	

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	Adverse weather conditions and particularly snow and ice increases minor accidents and therefore increases	Increased demand for existing products/services	>6 years	Indirect (Client)	Very likely	Low-medium	Not fully assessed	Marketing and Sales	No additional cost to manage increase in production typically.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	our sales of refinish products.								

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	Approximately 50 percent of solar energy reaching the Earth's surface consists of infrared light that can significantly warm the earth. Building surfaces, particularly those made of metal, absorb the radiation and transfer that heat to building interiors. This increases the need for air-conditioning systems and the energy necessary to power them in warmer months and tropical climates. Higher	Increased demand for existing products/services	>6 years	Indirect (Client)	About as likely as not	Low-medium	Information not readily available	Operations increase production with existing equipment.	Typically there is no cost increase if increase is gradual. Hiring new personnel may be required over time. These costs are not assessed at this time.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>surface temperatures also stress the metal substrate of the facade and degrade the aesthetics and longevity of the coating. In response to these customer challenges, Axalta developed an innovative solution for reducing heat transfer to metal. The Alesta® Cool™ range of powder coatings is formulated to reduce heat transfer with darker colors, reducing the total solar reflection and heat transfer by as much as 20 percent and reducing surface temperature by as much as 20°C. For example, Axalta's Black Ral 9005 Alesta Cool powder coating performs as effectively in reducing heat absorption as a standard Alesta white Ral 9010 product. Lower building surface and interior temperatures reduce</p>								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy costs associated with cooling and help increase the lifespan of the coating on the structure.								

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Jan 2013 - Tue 31 Dec 2013	86278
Scope 2 (location-based)	Tue 01 Jan 2013 - Tue 31 Dec 2013	125134
Scope 2 (market-based)		

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Climate Registry: Oil & Gas Protocol

US EPA Climate Leaders: Indirect Emissions from Purchases/Sales of Electricity and Steam

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
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Further Information

Emissions factors you have applied and their origin

Attachments

<https://www.cdp.net/sites/2017/23/51923/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/Emissions Factors RY 2017.xlsx>

Page: **CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)**

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e

96528

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure		We currently calculate our Scope 2 emissions using a location-based approach.

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
136902		We currently calculate our Scope 2 emissions using a location-based approach.

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Standalone labs, warehouses and training centers, as well as new acquisitions not yet fully operating or just acquired are not included in our disclosure.	Emissions are not evaluated	Emissions are not evaluated		We have made the decision not to include standalone labs which are small product evaluation centers, service centers (warehouses) or training centers at this time. New acquisitions brought online during 2016 will be included in our next response.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Gaps	We are have started using an electronic submittal system with embedded UOM and direct input by all of our global sites. Final CO2e reported emissions are still manually calculated by transferring energy usage to an excel sheet.
Scope 2 (location-based)	Less than or equal to 2%	Data Gaps	We are have started using an electronic submittal system with embedded UOM and direct input by all of our global sites. Final CO2e reported emissions are still manually calculated by transferring energy usage to an excel sheet.
Scope 2 (market-based)			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

No third party verification or assurance

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

No third party verification or assurance

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
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CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
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CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Asia Pacific (or JAPA)	6576
Europe, Middle East and Africa (EMEA)	35513
North America	34235
Latin America (LATAM)	20203

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
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CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
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CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market- based approach (MWh)
Asia Pacific (or JAPA)	46621		58584	0
Europe, Middle East and Africa (EMEA)	30694		85873	0
North America	45620		79924	0
Latin America (LATAM)	13997		35363	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	
Steam	0
Cooling	

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

427129

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	409448
Diesel/Gas oil	17680

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
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CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
259744	259744	0	0	0	

Further Information

Page: **CC12. Emissions Performance**

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities			
Divestment	0	No change	No divestments in 2016.
Acquisitions	3	Increase	Axalta has acquired several new companies and new coatings technologies in 2015 and 2016 that resulted in about a 2 % increase in production.
Mergers	0	No change	No mergers in 2016 to affect our GHG inventory.
Change in output	0	No change	No change in output in 2016 to affect our GHG inventory
Change in methodology	1	Increase	Axalta began using a web-based system for data collection in 2016 versus the former excel sheet manual collection. This resulted in more accurate conversions in reported volume and mass.
Change in boundary	0	No change	No boundary changes.
Change in physical operating conditions	0	No change	No notable changes in physical operating conditions
Unidentified	4	Increase	New acquisitions have not yet fully implemented Axalta policies and procedures for meeting sustainability goals. Integration of the new facilities is in process and many new improvements are being made..
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000057	metric tonnes CO2e	4097354695	Location-based	8	Increase	Increased production. Increased cost of raw materials, reduced cost of product sold

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.4451	metric tonnes CO2e	metric tonne of product	522935	Location-based	6	Increase	Assessed to be a combination of new acquisitions, integration of those new facilities into Axalta systems and improved methods of data collection and calculation of emissions.

Further Information

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO ₂ e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	920057	Quantis estimating tool	0.00%	We used the Quantis tool to evaluate our purchased goods and services. We believe that this is a significant portion of our Scope 3 emissions. We have expanded how and what we evaluate as scope 3 emissions for 2016 as indicated below.
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	51383		0.00%	
Upstream transportation and distribution	Relevant, calculated	42328		0.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Waste generated in operations	Not evaluated				
Business travel	Relevant, calculated	15241		0.00%	A combination of rental cars used by employees during travel, leased vehicles for business purposes and business travel by airplane.
Employee commuting	Relevant, calculated	20400		0.00%	
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Relevant, not yet calculated				
Processing of sold products	Not evaluated				
Use of sold products	Relevant, not yet calculated				
End of life treatment of sold products	Relevant, calculated	2405		0.00%	
Downstream leased assets	Not evaluated				
Franchises	Not relevant, explanation provided				Not applicable to Axalta
Investments	Relevant, not yet calculated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No third party verification or assurance

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: Information not previously available		Increase	As Axalta grows, our systems have evolved and collection of data has improved. This has resulted in our ability to more accurately report Scope 3 emissions related to our operations.
Employee commuting	Other: Information not previously available		Increase	As Axalta grows, our systems have evolved and collection of data has improved. This has resulted in our ability to more accurately report Scope 3 emissions related to our operations.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Our customer training centers help our customers apply coating in ways that is more efficient and that results in lowering their own emissions and environmental footprints. Our OEM field technicians help our customers every day with the application of our products and ways to reduce product usage as well as how best to manage and maintain their spray booths. This includes treatment of water wash booths and frequency of filter changes in dry booths.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
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CC14.4c

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Denise Trabbic-Pointer	Global Environmental Competency Leader	Environment/Sustainability manager

Further Information

CDP 2017 Climate Change 2017 Information Request