



# Sustainability Report

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**2014 - 2015**

Highlights



# MESSAGE FROM THE CHAIRMAN AND CEO



Axalta's Sustainability Report 2014-2015 reviews the progress we have made over the past two years to meet the key sustainability goals that we have set for ourselves. Our accomplishments have also helped meet sustainability goals that our customers and society have established. In the two years since we published our inaugural report on sustainability progress, our company has matured and grown. We are now a publicly traded company and have invested significantly to expand production capacity and research capabilities. We've brought new people into the organization to provide the talent and skills that we will need to sustain our growth. While we have continued to transform, we have remained focused on delivering value to our

stakeholders by providing quality products to our customers, fulfilling careers to our employees, investments in our communities, and strong returns to our shareholders.

Our report highlights the many ways in which Axalta products help our customers meet their sustainability goals and the ways in which we have reinforced our culture of technology and innovation in order to fulfill our commitment to meet customer expectations for next-generation products and services. The report also reviews our progress in finding efficiencies within our own operations and creating a company culture that is committed to achieving operating excellence every day.

I invite you to explore our full report online at [www.axaltacs.com/axaltasustainability](http://www.axaltacs.com/axaltasustainability) to learn more about what sustainability means to us, the progress we have made since our first report, and the opportunities we have to continue to grow.

## CHARLES W. SHAVER



## PEOPLE



At Axalta, we want to recruit and retain the best talent who care deeply about our industry and customers, strive to perform at the highest levels, and believe in making a difference each and every day. We are a company that embraces our global footprint and the diverse people and ideas that come from the breadth of our business. Our values act as a guide to ensure all employees stay focused on not just results but the path to follow to achieve them. Simply stated, Axalta wants to be the employer of choice for the world's best talent in the coatings industry.

The diversity of our organization is one of the keys to our success. We believe that diversity comes in many forms—nationality, culture, age, and gender, among other criteria—and contributes to the successful and talented workforce at Axalta. As a global company doing business in more than 130 countries, diversity of culture is extremely important. We must understand our customers, how they do business, and the norms and traditions in which they operate. We reinforce these principles among our employees with a global approach to managing and rewarding individual performance.



We also have expanded our programs to find and develop the talent that will enable us to grow. Our pipeline for new talent taps both seasoned professionals and university students who begin their relationship with Axalta as interns. We identify future leaders of the company who are invited to participate in Axalta's Leadership Development Program, which brings together the brightest and highest-performing senior and middle managers from around the globe to hone their management abilities.

# TECHNOLOGY AND INNOVATION



Technology and innovation are at the core of what the talented people at Axalta focus on each day. In fact, “We innovate with purpose” is one of our corporate values. Our task is to use technology to convert our latest generation research and development into products formulated to meet the needs of our customers. This capability is fundamental to sustaining Axalta and to supporting our customers who look to us for products that will help them achieve their own sustainability and commercial objectives. On average, Axalta directs about 4 percent of sales toward technology development, which totaled more than \$165 million during 2015.

Our technology strategy is focused on providing durable coatings that protect, increase productivity, and provide beautiful color across the products and services we provide to our customers. Those benefits also translate into how our coatings provide customers with ways to increase their business performance and productivity, both when applying our coatings and by enabling the materials protected by our coatings to last longer. When our customers’ products last longer, the demand on natural resources required to produce replacements is reduced.

Axalta research and development focuses on multiple core technology competencies, including resin synthesis and processing, color science, dispersion, analytical science, network formation, rheology, coating application, and corrosion science. These capabilities have made us a leader in developing products with reduced environmental and toxicity footprints, such as waterborne liquid coatings, low-to-zero VOC and HAP liquid and powder coatings, and tin- and formaldehyde-free



coatings. To maintain our edge on coatings R&D, we hold a global Technology Symposium annually where more than 100 Axalta scientists, chemists, engineers, project managers, and technology and business leaders from across the company are invited to participate in workshops to bring forward new ideas and business proposals.

**Read our full report for case studies on Axalta products that support sustainability goals.**

# OPERATIONS



At Axalta, we are committed to being good stewards of the environment by using natural resources efficiently to preserve and protect the communities in which we operate. We understand that industrial manufacturing processes have the potential to affect the environment and can pose safety risks to our employees and others when not managed properly. Sustainable manufacturing is a focus at Axalta and part of how we do business. Our emphasis on sustainability extends to ensuring that we have safe and efficient operations, providing a guidepost for our behavior and a lens to measure our performance.

Our Environment, Health, Safety, and Security (EHS&S) policy provides the foundation on which we develop, market, manufacture, and distribute products and services 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. Over the course of 2014-2015, we reduced environmental impacts from operations based on a number of metrics.

## REDUCING THE ENVIRONMENTAL FOOTPRINT OF AXALTA’S GLOBAL OPERATIONS

**6%**

REDUCTION IN ENERGY INTENSITY

**9%**

REDUCTION IN GREENHOUSE GAS INTENSITY

**4%**

REDUCTION IN WATER INTENSITY

**10%**

REDUCTION IN NON-HAZARDOUS WASTE

**9%**

REDUCTION IN HAZARDOUS WASTE

\*REDUCTIONS ARE IN COMPARISON TO 2013 DATA

# CORPORATE SOCIAL RESPONSIBILITY



Axalta is committed to helping sustain communities through partnerships and initiatives that connect to our business. As part of our commitment to being a responsible corporate citizen, the initiatives we undertake and the organizations we support reflect the nature of our business as a technology-based manufacturing company. Subsequently, we focus our support in three areas: education with a science, technology, engineering, and mathematics or STEM focus, sustainability initiatives, and community service where our employees and customers live and work.

The STEM disciplines are integral to our business and to continued growth of the economies in which we do business. Our donations that support sustainability programs also help our communities and complement our efforts to reduce the impact of our operations on the environment.

In China, employees help plant trees for the "Axalta Forest." The purchase of trees, seeds, and fertilizer to plant and maintain 11,000 trees will expand the Xiahuayuan forest area near Beijing where local school students also learn about ecology.



## GRI INDEX



As part of our commitment to sustainability, Axalta's Sustainability Report 2014-2015 catalogues Axalta's achievements and provides an overview of areas that will benefit from improved operating performance, monitoring, and data collection. The report was

prepared using the Global Reporting Initiative's (GRI) G4 guidelines and in accordance with the GRI Core reporting level. Axalta's GRI Index identifies the extent to which we fulfill relevant GRI indicators.



For more information about Axalta and sustainability, please contact us at [Sustainabilityinfo@axaltacs.com](mailto:Sustainabilityinfo@axaltacs.com)

To read our full report, visit [www.axaltacs.com/axaltasustainability](http://www.axaltacs.com/axaltasustainability)

