



# Supplier Code of Conduct

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## I. Introduction

Axalta Coating Systems, LLC (“Axalta”) is committed to doing business ethically and responsibly and expects nothing less from its suppliers. This Supplier Code of Conduct (the “Code”) sets forth minimum workplace and business practice standards for any supplier doing business with Axalta including subsidiaries, joint ventures, divisions or affiliates. Axalta requires suppliers and their employees, as well as their own sub-tier suppliers and contractors, to commit to this Code as a condition of doing business. This Code is global in nature and is consistent with our company’s values and aligned with the principles of the United Nations Global Compact pertaining to human rights, labor, the environment, and anti-corruption. The Code is also designed to ensure compliance with applicable international supply chain transparency laws.

Axalta may verify supplier compliance with the Code through self-assessments, “Know Your Supplier” observations by Axalta personnel visiting supplier locations, and/or third-party audits of supplier locations. Supplier violations of the Code require immediate corrective action. Ongoing supplier violations of the Code may constitute grounds for termination of Axalta’s relationship with the supplier. Certain serious supplier violations of the Code are grounds for immediate termination of Axalta’s relationship with a supplier.

## II. Code Framework Elements

Axalta’s Code includes the following Framework Elements:

1. Requirements that suppliers **act in compliance with all applicable laws and regulations**;
2. Requirements that suppliers **do business ethically**;
3. Prohibitions against supplier use of **child and/or underage labor**;
4. Prohibitions against supplier use of *(or failure to adequately prevent)* **human trafficking**;
5. Prohibitions against supplier use of **forced and/or prison labor**;
6. Requirements that suppliers comply with applicable **environmental, health, and safety** standards and/or best practices;
7. Prohibitions against **discrimination** by suppliers;
8. Requirements that suppliers only engage in **humane disciplinary practices**;
9. Requirements that suppliers provide **adequate living standards for employees** housed in onsite dormitories or other employer-provided housing;
10. Requirements that suppliers establish **reasonable working hours** for employees;



11. Requirements that suppliers provide employees with **reasonable remuneration, wages, and benefits**;
12. Requirements that suppliers **source minerals and raw materials responsibly**;
13. Requirements that suppliers **keep accurate books and records**;
14. Requirements that suppliers **manage and protect information**; and
15. Requirements that suppliers have **verification methods** in place and permit Axalta to conduct **audits and/or assessments** as requested.

#### **A. Act in Compliance With All Applicable Laws and Regulations**

Suppliers shall maintain awareness of, and comply with, all applicable laws, standards, and regulations of the countries where they operate. A supplier's obligation to comply includes, where applicable, compliance with: anticorruption laws; customs regulations; export and trade control laws; and, fair dealing and competition laws. Where applicable national or local laws and/or regulations are stricter than the requirements of this Code, Axalta expects its suppliers to comply with the stricter requirements.

#### **B. Do Business Ethically**

Suppliers shall not pay bribes, provide kickbacks, or give anything of value to secure business or any business advantage. Suppliers must avoid any conflicts of interest that could compromise their integrity or the integrity of the business. Axalta recognizes that it is customary for some of its suppliers to occasionally give nominal gifts or offer modest business entertainment to those with whom they do business. In these situations, suppliers may offer gifts and business entertainment consistent with the following guidelines:

1. The gift or business entertainment is unsolicited, related to a legitimate business purpose, reasonable in value and customary under the circumstances;
2. The gift or business entertainment is permissible under applicable laws and regulations and consistent with usual business practice;
3. The gift or business entertainment does not take the form of cash, gift cards, checks, per diems, money for food or drink, loans or stock;
4. The gift or business entertainment would not embarrass Axalta or its employees if disclosed publicly;
5. If the gift or business entertainment is in the form of tickets to an event, then the supplier must also attend the event and a legitimate business discussion must occur; and
6. The gift or business entertainment does not create the appearance (or an actual or implied obligation) that the supplier is entitled to preferential treatment, an award of business, better prices, or improved terms of sale.



### **C. Child and/or Underage Labor Protections**

Suppliers shall employ only workers who meet the applicable minimum legal age requirement, except that in no event shall Supplier employ any person under the age of 16, even if local law permits otherwise. Suppliers shall also comply with all other applicable child labor laws according to local regulations. Supplier may employ juveniles who are as old or older than the applicable legal minimum age but are younger than 18 years of age, provided they shall:

1. Not allow young workers to work during normally scheduled (local) school hours;
2. Not allow young workers to work more than eight (8) hours per day;
3. Not allow young workers to work overtime;
4. Not allow young workers to work “night hours”; and,
5. Not allow young workers to engage in “hazardous work” which carries an increased risk of serious injury and/or serious acute or chronic illness.

### **D. Human Trafficking**

Suppliers shall not engage in employment practices that may foster or otherwise increase the risk that employees may be victims of human trafficking. Prohibited practices include requiring job applicants to pay fees, retaining job applicant and/or employee passports (or other government-issued travel or identification documents), utilizing employment contracts that are misleading or otherwise not readily understood or transparent, and/or engaging in fraudulent or misleading recruitment tactics. Suppliers shall also not engage in intimidation and threats directed at job applicants or employees, utilize tactics designed to exploit applicant or employee vulnerability, restrict applicant or employee movement, isolate applicants or employees, or otherwise subject employees to abusive working conditions.

### **E. Forced and/or Prison Labor**

Suppliers shall not use forced, slave, bonded, indentured, or involuntary prison labor, and must ensure that the products and materials they sell are not created with slave, forced, bonded, indentured, or involuntary prison labor. Suppliers shall not withhold work, travel, or identification documents that would prevent an employee from leaving their jobsite and/or their employment “at will”. Employees must be allowed to leave the supplier’s workplace at the end of each workday. Suppliers must allow employees to terminate their employment with reasonable notice. Suppliers shall ensure that employees are not subjected to any form of physical, sexual, or psychological threats. Suppliers must provide job applicants and employees with employment documents written in a language that the applicant or employee understands.

### **F. Environmental, Health, and Safety**

Suppliers shall comply with applicable environmental laws and regulations. Suppliers must comply with all required environmental permits. Suppliers shall support Axalta’s efforts to operate sustainably, including energy efficiency, renewable energy, decarbonization, and GHG



emissions. Suppliers shall develop, implement, and maintain environmental best practices to reduce and minimize air and noise emissions, wastewater discharges, waste generation, biodiversity loss and deforestation. Our suppliers are expected to prioritize reuse and recycling of materials, preserve soil health, respect animal welfare, and promote resource efficiency, and implement continuous improvement practices in sustainable material management and responsible chemical management.

Suppliers will ensure operations do not adversely impact the communities where they operate including upholding the rights of minorities and indigenous people. Suppliers shall avoid forced eviction and the deprivation of land, forests, and waters in the acquisition, development, or other use of land, forests, and waters.

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

Suppliers shall not tolerate violence in the workplace, which may include physical intimidation, direct or implied threats to physically harm others, bullying, stalking, or violent outbursts.

#### **G. Freedom From Discrimination**

Suppliers shall not discriminate against job applicants or employees on any basis including on the basis of race, origin, caste, gender, religion, political affiliation, pregnancy (*except where legitimate workplace reproductive hazards may present unreasonable fetal health and safety risks*), gender identity and expression, sexual orientation, marital status, genetic information, age, disability, military and/or veteran status, and/or any other status protected by applicable national or local laws.

#### **H. Humane Disciplinary Practices**

Supplier shall forbid the use of inhumane disciplinary practices including but not limited to threats, corporal punishment, physical and/or mental coercion or abuse, verbal abuse, harassment (whether by words, actions, or behavior), sexual harassment, derogatory comments based on race or ethnicity, or coercion of any kind.

Suppliers that hire or use private or public security forces for protection must provide different instruction and oversight to avoid inhuman or degrading treatment and the impairment of workers' freedom of association.



### **I. Adequate Living Standards for Employees**

If employee housing is provided by supplier, such housing shall meet applicable national or local sanitation standards, fire safety standards, and other applicable general safety standards. Adequate fire exits shall be provided. Fire exits shall not be locked, blocked, or otherwise rendered unusable or unsuitable for immediate safe evacuation in the event of an emergency.

### **J. Reasonable Working Hours**

Suppliers shall limit employees to reasonable working hours. Suppliers must comply with applicable laws and regulations pertaining to working hours and days of rest. A workweek for an adult employee (over 18 years of age) shall not exceed 60 hours (including overtime). Suppliers shall ensure that employees have at least one (1) day off work every seven (7) days. Regularly scheduled workweeks for employees shall not exceed 48 hours (excluding overtime). Any overtime worked by supplier's employees shall be entirely voluntary (and not compelled).

### **K. Reasonable Remuneration, Wages, and Benefits**

Suppliers shall pay employees at least the prevailing minimum wage pursuant to applicable laws, regulations, and/or any applicable employment contracts. Employees shall be paid for overtime in accordance with any applicable premium wage rates. Suppliers shall timely pay employees earned wages and shall not use wage deductions as a disciplinary measure.

### **L. Source Minerals and Raw Materials Responsibly**

Suppliers shall comply with Axalta's Conflict Minerals Policy. Suppliers shall cooperate with Axalta's efforts to ensure it is sourcing its minerals and other raw materials responsibly, including responding to traceability and reporting requests. Suppliers shall also cooperate by supporting Axalta's compliance with applicable conflict minerals reporting rules.

### **M. Keep Accurate Books and Records**

Suppliers shall maintain accurate financial books and business records as required by applicable legal and regulatory requirements and applicable accepted accounting practices and principles. Suppliers must not create, use, or accept false or misleading documents, accountings, or financial or electronic records, or invent or use fictitious entities, sales, purchases, services, loans, or other financial arrangements for any purpose relating to Axalta. Suppliers must provide accurate and timely disclosure of all relevant information that may impact their business relationship, ensuring transparency and accountability in all dealings.



#### **N. Manage and Protect Information**

Suppliers shall take appropriate steps to protect Axalta's proprietary or confidential information, including employee information, customer data, intellectual property, confidential business information, and trade secrets. Any suppliers that create, discover, use, access, receive, or otherwise handle personal data must follow applicable privacy laws and regulations.

#### **O. Verification Methods, Audits, and Assessments**

Suppliers shall conduct periodic evaluations of their facilities and operations to ensure compliance with the Code and applicable laws and regulations. Suppliers will respond to Axalta self-assessment requests and related inquiries honestly and in good faith without falsification or misrepresentation. Suppliers will permit Axalta and/or its duly authorized representatives to periodically evaluate and/or audit their facilities and operations in-person as Axalta may determine necessary in its sole discretion.

### **III. Supplier Compliance and Axalta Supplier Monitoring**

Axalta's current and prospective suppliers are required to review the Code and take appropriate steps to ensure compliance with all applicable provisions of the Code. Axalta will routinely verify supplier compliance with the Code including through supplier self-assessments, "Know Your Supplier" observations by Axalta personnel visiting supplier locations, and/or third-party audits of supplier locations.

At appropriate intervals, Axalta will require all current suppliers to honestly and accurately respond to a self-assessment questionnaire designed to determine supplier compliance with the Code. New prospective suppliers will also be required to respond to a self-assessment questionnaire honestly and accurately prior to entering into a sourcing contract with Axalta. Any areas of concern identified by Axalta in its review of a supplier's self-assessment responses will be addressed through implementation of appropriate corrective actions in cooperation with the supplier. Certain areas of concern identified in a supplier's self-assessment may warrant additional investigation that may include on-site third-party audits of one or more supplier locations. Note that certain egregious instances of non-compliance with the Code may result in immediate suspension of Axalta's relationship with the supplier (pending the supplier's confirmed implementation of corrective action) or immediate termination of Axalta's relationship with the supplier.

Based upon an evaluation of various risks (including but not limited to the presence of a supplier's operations within a High Risk Country listed in the Code), Axalta may determine that additional screening is necessary to confirm a supplier's compliance with the Code. Such additional screening may consist of enhanced self-assessment questionnaires, "Know Your Supplier" observations by Axalta personnel visiting supplier locations in-person, and/or third-party audits of one or more supplier locations.



#### **IV. Corrective Actions in Response to Supplier Non-Compliance**

##### **A. Supplier Non-Compliance Warranting Immediate Termination**

While the majority of instances of supplier non-compliance with the Code will result in a cooperative corrective action process that will afford the supplier an opportunity to timely return to compliance and maintain its relationship with Axalta, certain non-compliance with the Code will result in immediate termination of Axalta's relationship with the supplier. Instances of non-compliance with the Code that may result in immediate termination of Axalta's relationship with the supplier are as follows:

1. The supplier is found to have a policy or practice that involves using or condoning child or underage labor, human trafficking, and/or forced or prison labor;
2. A supplier is found to have taken steps to conceal the use of child or underage labor, human trafficking, and/or forced or prison labor from Axalta or its agents;
3. A supplier is found to be falsifying information or providing intentionally misleading information as part of a self-assessment questionnaire response, or in the course of verifying corrective action implementation and/or return to compliance with the Code; and/or,
4. Other violations of the Code that Axalta in its sole discretion determines warrant immediate termination of its relationship with a supplier.

##### **B. Supplier Corrective Actions in Response to Non-Compliance With the Code**

For instances of supplier non-compliance with the Code that do not result in immediate termination of Axalta's relationship with the supplier, Axalta will work with the supplier to implement a cooperative corrective action process. This corrective action process will afford the supplier an opportunity to timely come into compliance with the Code.

When Axalta becomes aware of supplier non-compliance with the Code through whatever means, Axalta will notify the supplier in writing of:

- The nature of the non-compliance(s) identified;
- Required corrective actions;
- The timeline within which corrective actions must be fully-implemented; and,
- Details on how the supplier must prove its return to compliance with the Code.

If a supplier fails to timely respond to Axalta and/or fails to timely implement appropriate corrective actions to return to compliance with the Code, then Axalta may immediately suspend or terminate its relationship with the supplier. If Axalta chooses to suspend its relationship with the supplier, the supplier will be notified in writing of all steps that must be taken (including implementation of corrective actions) before its relationship with Axalta can resume. Any supplier who fails to timely take the steps necessary to resume its relationship with Axalta may be subject to immediate termination of its relationship with Axalta.

## High Risk Countries Listed Alphabetically

Afghanistan	Mali
Algeria	Mauritania
Angola	Monaco
Bangladesh	Mynamar
Burundi	Nepal
Cambodia	Former Netherlands Antilles
Cameroon	Nigeria
Central African Republic	Niue
Chad	Pakistan
Comoros	San Marino
Congo	Russian Federation
Cook Islands	Russia-Controlled Ukrainian Territory
Djibouti	Sierra Leone
Egypt	Somalia
Equatorial Guinea	Sudan and South Sudan
Eritrea	Syria
Ethiopia	Tajikistan
Gambia	Togo
Guinea	Turkmenistan
Haiti	Uzbekistan
Iran	Venezuela
Iraq	West Bank and Gaza
North Korea (DPRK)	Yemen
Kyrgyz Republic	Zimbabwe
Lebanon	
Liberia	
Libya	
Madagascar	