



# California Transparency In Supply Chains Act Disclosure Statement

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Effective May 2015





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## California Transparency in Supply Chains Act of 2010

Axalta Coating Systems, LLC ("Axalta") is committed to responsible sourcing and specifically the eradication of human trafficking and slavery in our supply chain. We expect our direct suppliers of Axalta's tangible goods for sale ("Supplier" or "Suppliers") to adopt sound human rights practices, to treat workers fairly, with dignity and respect and in all cases to eliminate human trafficking and slavery in their workplace.

- **Verification:** Axalta's standard Supplier contract, currently in place with many of its Suppliers, requires the Supplier to warrant that it complies with "all federal, state, provincial, and local laws, codes, rules, regulations, orders and ordinances of the United States and all other jurisdictions, including those relating to... labor (including anti-discrimination, minimum age of employment, **forced labor** and working conditions)." The current standard Supplier contract also requires Suppliers to comply with "all policies and procedures of general application of Axalta." This includes Axalta's Code of Business Conduct and Ethics that requires all Axalta employees and third parties working with Axalta, including Suppliers, to comply with all applicable laws regarding the use of **forced or involuntary labor, human trafficking, and child labor**. Axalta anticipates that it will rely on the audit rights in its Supplier contracts, where applicable, to permit Axalta to engage in its own verification process of its Suppliers' representations.
- **Audits:** Axalta's standard Supplier contract expressly reserves the right to conduct on-site audits of its Suppliers to evaluate the Supplier's compliance with laws, including eradication of human trafficking and slavery. Axalta anticipates that it may conduct such audits through its own personnel or through a third party independent auditor, on an announced or unannounced basis.
- **Materials:** Axalta's standard Supplier contract and Code of Business Conduct and Ethics requires our Suppliers to comply with "all policies and procedures of general application of Axalta," including Axalta's Code of Business Conduct and Ethics which requires all Axalta employees and third parties working with Axalta, including Suppliers, to comply with all applicable laws regarding the use of **forced or involuntary labor, human trafficking, and child labor**. Axalta does not currently request but is considering how it might implement a supplier certification in the future.
- **Accountability Standards:** As noted above, Axalta currently has a written Code of Business Conduct and Ethics that addresses human trafficking and forced or involuntary labor. Specifically, the Code of Business Conduct and Ethics requires all Axalta employees and third parties working with Axalta, including Suppliers, to comply with all applicable laws regarding the use of forced or involuntary labor, human trafficking, and child labor. Violation of the Code of Business Conduct and Ethics may result in termination of a Supplier or employee.



- **Training**: Axalta is in the process of developing training for its employees and management who have direct responsibility for supply chain management, particularly with respect to mitigation risks within the supply chain.

As we expand our business activities and work with Suppliers domestically and globally to meet customers' needs, Axalta remains committed to human rights and safety in our supply chain.