

## C0. Introduction

---

### C0.1

---

#### **(C0.1) Give a general description and introduction to your organization.**

##### Response options

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 more than 150 years of experience in the coatings industry, approximately 14,000 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.

When we refer to sustainability, we mean a wide range of environmental, social, governance 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 49 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 <https://www.axaltacs.com/content/dam/New%20Axalta%20Corporate%20Website/Documents/sustainability/english/sustainability-website-2017/index.html>.

Headquartered in Philadelphia, Axalta manages its business in three regions servicing the Americas, Asia-Pacific, and Europe, Middle East and Africa.

### C0.2

---

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	Yes	2 years
Row 2	January 1 2016	December 31 2016	<Not Applicable>	<Not Applicable>
Row 3			<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C0.3**

---

**(C0.3) Select the countries/regions for which you will be supplying data.**

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Canada  
China  
Colombia  
France  
Germany  
Guatemala  
India  
Indonesia  
Malaysia  
Mexico  
Netherlands  
Puerto Rico  
South Africa  
Sweden  
Switzerland  
Thailand  
Turkey  
United Kingdom of Great Britain and Northern Ireland  
United States of America

**C0.4**

---

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**C0.5**

---

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

C-CH0.7

---

**(C-CH0.7) Which part of the chemicals value chain does your organization operate in?**

**Row 1**

**Bulk organic chemicals**

Please select

**Bulk inorganic chemicals**

Please select

**Other chemicals**

Other, please specify (Coatings Products)

C1. Governance

---

C1.1

---

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

---

**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board/Executive board	In 2017, we established Axalta's Environment, Health, Safety and Sustainability Committee of the Board of Directors. The Committee has three members who have principal oversight at Board level for company initiatives related to our policies, performance, strategy, and compliance matters related to Environmental, Health, Safety and Sustainability and report to the Chairman of the Board accordingly. The Committee would review any climate-related issues that arise.

C1.1b

---

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Board receives updates on EHS&S matters, in particular the climate-related goals on air emissions, water usage, and energy consumption included in our Sustainability Report 2016-2017. In the course of these discussions, a variety of topics may arise ranging from reducing the environmental impact from operations and products to considerations that may affect merger and acquisition plans.

## C1.2

---

**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Senior VP, Chief Supply Chain Officer)	Both assessing and managing climate-related risks and opportunities	Quarterly

## C1.2a

---

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

At a company management level, the Vice President and Assistant General Counsel, Compliance and Sustainability has oversight for sustainability and related climate change matters and works directly with the Board Committee responsible for EHS and Sustainability. The VP of Sustainability reports directly to the Assistant General Counsel. The VP of Sustainability also chairs Axalta's Sustainability Council, which is comprised of members of Axalta's management team with roles that contribute to developing and executing the company's sustainability initiatives. From a daily operational perspective, the Senior Vice President and Chief Supply Chain Officer has global responsibility for Environment, Health and Safety matters and is also a member of the Council. Other members of this committee include representatives from our global business segments, Product Technology, and Human Resources, which provide customer sustainability perspectives.

The individuals and committee noted above interact in a matrixed fashion. Our SVP for Supply Chain has responsibility for Procurement, Operations and Logistics and thus the largest factors that can influence climate change. Our VP and Assistant General Counsel, Compliance and Sustainability is responsible for integrating the plans and processes arising from our operations and our supply chain into our overall sustainability program that also includes customer, employee, product technology and other initiatives which are in play across the company.

The sustainability council has approximately 12 members from different business function. The leadership for managing climate-related issues specifically lie with the chair of the Sustainability Council, the VP and Assistant General Counsel, The SVP and Chief Supply chain officer and the Global Director of EHS&S .

## C1.3

---

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**  
Yes

## C1.3a

---

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Other C-Suite Officer

**Types of incentives**

Monetary reward

---

**Activity incentivized**

Other, please specify (EHS Performance)

**Comment**

Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress towards achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognized special achievements.

---

**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction project

**Comment**

Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress towards achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognized special achievements.

---

**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Emissions reduction target

**Comment**

Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress towards achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognized special achievements.

---

**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction project

**Comment**

Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress towards achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognized special achievements.

---

**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Behavior change related indicator

**Comment**

Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress towards achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognized special achievements.

---

**Who is entitled to benefit from these incentives?**

All employees

---

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Other, please specify (Environmental, health and safety)

**Comment**

In addition to the contributions made by individual sites to reaching our energy and emissions targets, to acknowledge exceptional performance in the area of Environmental, Health and Safety at an operating facility, a comprehensive set of recognition criteria has been established. All manufacturing facilities are eligible, but typically only one or two sites per year have won since the recognition program was introduced. The entire facility is recognized and receives the Chairman’s Environmental, Health and Safety Award for Excellence in Action.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	1	3	Our three-year timeframe reflects the schedule of our business planning process.
Medium-term	3	6	A subsequent three years incorporates projects planned during the first three years coming to completion.
Long-term	6	10	Long term anticipates slow moving regulatory and environmental changes and/or significant shifts in customer behavior.

**C2.2**

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

**C2.2a**

**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	3 to 6 years	

**C2.2b**

**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

**i. How climate-related risks are identified and assessed at a company level (e.g. reputational risk can impact the full corporation)**

In 2017, Axalta introduced a global enterprise risk management program (ERM) that is design to help the company address and manage enterprise level or other significant business risks.. The program is structured to help support Axalta's global goals and value creation efforts and to enable improved decision making, planning and prioritization though a structured understanding of both opportunities and threats. The end goal of the program is to have an integrated and forward-looking program that enables Axalta to intelligently quantify and address risks on a company-wide basis. We used the results from the latest risk assessment process as an input into our sustainability materiality assessment.

**ii. How climate-related risks are identified and assessed at an asset level (e.g. physical impacts can affect individual facilities). Please note that asset level is defined as anything below company level, such as individual sites and subsidiaries**

At an asset level, risk is identified typically during the process we undergo when identifying new sites which may include any mergers and acquisitions. 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.

**iii. The process you have in place for assessing the potential size and scope of identified risks**

We evaluate risks based on how our customers and society expect our products and services to contribute to their respective sustainability goals. Axalta's Sustainability Council members represent all core staff functions and business segments of the company including those with lead responsibility for climate change-related assessments. We monitor and evaluate current and emerging legislation on emissions and energy to ensure compliance.

**iv. The process by which your organization determines the relative significance of climate-related risks in relation to other risks**

The significance of risks are determined based on their impact on the availability of affordable energy and/or permissible emissions levels as required by regulation, social norms or customer requirements. The latter include energy costs and availability as well as emissions from a procurement and production perspective. Finally, longer term we factor in potential developments in societal expectations and the consequent potential for new regulatory requirements .

**v. The definitions of risk terminologies used (or references to existing risk classification frameworks utilized by your company)**

Axalta's risk terminologies and risk classification frameworks are aligned with international standards such as ISO 14001:2015.

**C2.2c**

---

**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Axalta carefully monitors and evaluates all policies, laws and regulations applicable to energy use and emissions to ensure compliance. Changes in regulations may impact our operating costs. For example, we closely track the EU ETS for applicable requirements.
Emerging regulation	Relevant, always included	Axalta monitors the development of new regulations in major markets both on our own and through industry trade associations (e.g. American Coatings Association). Changes in emerging regulations may impact our operating costs. For example, varied programs regulate VOC emissions from auto refinish coatings at the federal, state, and local air district levels. Notably, the national auto refinish VOC regulation has been eclipsed by more stringent VOC limits from air districts in California and the states that comprise the northeast Ozone Transport Commission region. We continue to monitor the impact of the impending changes in the revised NAAQS for ozone in areas where we operate in the US.
Technology	Relevant, always included	Axalta assesses the impacts of changing technology; our business is incentivized to develop products that have reduced emissions and coatings application technologies that require less energy use by our customers. In addition, our coatings for lightweight components such as plastics and carbon fiber in cars make vehicles lighter, which in turn can reduce fuel consumption and reduce tailpipe CO2 emissions. Transportation coatings were approximately 38.5% of our revenues in 2017.
Legal	Not relevant, included	Axalta has not received any climate-related litigation claims.
Market	Relevant, always included	Our business performance is impacted by economic conditions and, particularly, by conditions in the light vehicle and commercial vehicle end-markets. Adverse developments in the global economy, in regional economies or in the light vehicle and commercial vehicle end-markets could adversely affect our business, financial condition and results of operations. This includes emerging legislation related to emissions and energy for light vehicle and commercial vehicles emissions such as the US CAFE standards and similar regulations in the EU and China as transportation coatings were approximately 38.5% of our revenues in 2017.
Reputation	Relevant, sometimes included	Our risk review considers potential risks to reputation, such as if we do not meet customer and stakeholder expectations of our performance toward meeting energy and emissions targets and related projects. We communicate our sustainability and climate risk management procedures through CDP and our sustainability report.
Acute physical	Relevant, sometimes included	We have a risk process in place that enables us to identify and monitor potential acute physical risks and other weather-related risks that may affect our assets. This process was used in 2017 during Hurricane Harvey, which impacted our Houston operations. Using our risk management process, we were able to shift some product manufacturing to other locations in the southern US, limiting the disruption to our business. Harsh weather conditions or severe storms can also impact our business through our customers as it can force them 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, financial condition and results of operations.
Chronic physical	Relevant, sometimes included	Historically, our facilities have not been affected by chronic physical risks, although we continue to monitor for changes. However, future prolonged seasonal changes may impact our business – these risks are evaluated as part of our business planning process. 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. 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.
Upstream	Relevant, sometimes included	We monitor and discuss with suppliers their susceptibility to energy- and emissions-related risks through periodic engagement throughout the year with suppliers.
Downstream	Relevant, sometimes included	We work closely with our customers to keep apprised of their evolving needs to address energy and emissions issues at their facilities and related to their products, which are largely vehicles.

**C2.2d**



**(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

**i. Risk/Opportunity identification:**

At the company level, Axalta's Environment, Health, Safety and Sustainability Committee of the Board of Directors provides risk oversight for EHS&S issues, including any climate-related issues that may arise. 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. In 2017, Axalta introduced a global enterprise risk management program (ERM) that is designed to help the company address and manage enterprise level or other significant business risks. The program is structured to help support Axalta's global goals and value creation efforts and to enable improved decision making, planning and prioritization through a structured understanding of both opportunities and threats. The end goal of the program is to have an integrated and forward-looking program that enables Axalta to intelligently quantify and address risks on a company-wide basis. On an operational 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; these may include emerging regulations, GHG performance, or physical risks such as weather-related impacts that may affect our operations. This process was utilized during Hurricane Harvey for our operations in Houston where we identified the impending risk to our operations that would impact manufacturing of certain product lines. Using the process, we were able to shift some of our manufacturing needs to other sites in the US, limiting the disruption to our customers.

From a transitional risk perspective, we use this process to evaluate and monitor emerging regulations that may impact our business financially such as the US CAFE standards and similar regulations in the EU and China will lead to lighter weight vehicles that use fuel more efficiently. Lightweight materials such as plastics and carbon fiber require different coating formulations than is required to paint steel, therefore providing an opportunity for us to provide product lines that enable our customers to meet their legislative requirements.

**ii. Risk/Opportunity prioritization:**

Axalta prioritizes risks and opportunities through a review of key leading and 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 facility expansion, Axalta would accelerate this effort to either reevaluate our goals or by review of alternatives to use more energy efficient equipment or use of renewable resources.

**C2.3**

---

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

---

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Enhanced emissions-reporting obligations

**Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company- specific description**

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. Regulations related to vehicle emissions such as the US CAFE standards and similar regulations in the EU and China will lead to lighter weight vehicles that use fuel more efficiently. Lightweight materials such as plastics and carbon fiber require different coating formulations than is required to paint steel.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Potential financial impact**

0

**Explanation of financial impact**

The financial impact may be significant as transportation coatings were approximately 38.5% of our revenues in 2017. However, we continue to be able to introduce new coatings that allow our customers to meet their legislative and market demands.

**Management method**

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 as well as for our customers. These programs are enhanced through integration with R&D activities. R&D at the company keeps pace with customer needs and emerging science that will support the continued development of coating products.

**Cost of management**

65

**Comment**

Axalta has been able to – and expects to continue to be able to – introduce new coating technologies to provide customers with products that will function on carbon fiber and plastics. We have established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit.

---

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact driver**

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

**Company- specific description**

Weather conditions may adversely affect production capacity at facilities susceptible to extreme weather and also can reduce the demand for some of our products and could have a negative effect on our business, financial condition and results of operations. For example, in 2017 Hurricane Harvey forced the closure of our facility in Houston for a number of days and also affected operations of nearby customers. .

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Potential financial impact**

0

**Explanation of financial impact**

Reduced demand for goods/services; From time to time, weather conditions have an adverse effect on our sales of coatings and related products. During last year's Hurricane Harvey, we were able to shift production an alternative facility which mitigated the potential of lost sales.

**Management method**

Axalta through our risk management systems, tracks weather events to forecast the need to shift production. We also have an emergency response plan that incorporates this process and supports our employees in such circumstances. Facility construction is also designed to ensure buildings remain resilient.

**Cost of management**

0

**Comment**

The marginal cost of managing these methods is minimal as they are built into our overarching emergency preparedness plans.

---

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Market: Increased cost of raw materials

**Type of financial impact driver**

Market: Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)

**Company- specific description**

Our manufacturing processes consume significant amounts of raw materials, the costs of which are subject to worldwide supply and demand as well as other factors beyond our control. We use a significant amount of raw materials derived from crude oil and natural gas. Increased costs of raw materials, in particular those derived from petrochemicals, may increase resulting in higher production costs.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-high

**Potential financial impact**

0

**Explanation of financial impact**

The financial impact cannot be forecasted due to the unpredictability of oil prices as well as future potential legislation on oil prices.

**Management method**

As part of our risk management process, our procurement, manufacturing and research departments coordinate closely to manage inventories, production process needs and potential alternative product formulations that could offset increased prices of individual materials.

**Cost of management**

0

---

**Comment**

Axalta has established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit.

---

**C2.4**

---

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

---

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Other

**Type of financial impact driver**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**

We continue to invest in making our operations more energy efficient and therefore use resources efficiently. In 2017, we invested in energy efficiency and process improvement technology in India, Brazil, and Germany. For example, we have invested We recently opened our Savli site in the Gujarat State in India to increase our capability to produce high bake coatings for the transportation sector. The new building at the site incorporates LEED design principles and has technology that provides lean automation, resulting in lower energy use. The manufacturing center features LED lighting, improved insulation, environmentally responsible refrigerant gases and emission control devices that help reduce our emissions. The warehouse located on the site has numerous skylight panels to reduce the electricity requirements during the day. The facility also includes features to improve the indoor air quality such as VOC emission control devices and air curtains to reduce the dust that may come into the plant. The new technologies installed at the site will save 1,062,830 kWh annually, which is equivalent to the energy needed to power 142 average U.S. homes for an entire year. This site will enable us to provide our customers products that enable them to reduce their energy such as Imron, which is used among manufacturers of commercial vehicles such as heavy duty trucks, buses, and rail stock, reduces cycle time required to cure coatings by 33 percent. It is also possible to use a lower temperature using Imron products to cure coatings, further reducing customer's energy in their operations.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Potential financial impact**

1.12

**Explanation of financial impact**

We invested 1.12% of CAPEX in our facility upgrades. This value was estimated using total capital spend on climate related projects divided by total, actual capital expenditures on all global projects.

**Strategy to realize opportunity**

---

As part of our business planning process, we identify opportunities for investing in energy efficiency or process improvements in our sites globally.

**Cost to realize opportunity**

65

**Comment**

Axalta has established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit.

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Type of financial impact driver**

Increased revenue through demand for lower emissions products and services

**Company- specific description**

Growing demand and unique vehicle technology present new requirements and challenges for electrical insulating materials. Electric insulation coatings, which include wire enamels, impregnating resins and self-adhesive electrical sheet finishes used in automotive products, are designed to improve the performance levels of modern electric motors. For example, our product line Voltatex® bondable electrical steel coating products that enable engineers to create revolutionary designs in motor geometry and build the most efficient motors—building smaller motors with the same torque as larger ones—and increase driving range. Voltatex® also provides excellent thermal and mechanical stability, which allows motors to run hotter and more efficiently. These products include: • Voltron™ wire enamels used in high performance voltage motors • Voltatex® bondable electrical steel coating products • Voltatex impregnating agents provide excellent thermal and mechanical stability

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

High

**Potential financial impact**

0

**Explanation of financial impact**

Our financial forecast is proprietary but we estimate significant marginal revenue contributions to arise from the increased sales of such products.

**Strategy to realize opportunity**

Axalta's cross functional teams including the sales teams identify emerging customer requirements that meet their energy and emissions goals and to inform R&D about products that will be needed in the future. The strategy for the continued sales and development of such products is the result of sales forecasting and R&D driven product development

**Cost to realize opportunity**

65

**Comment**

Axalta has established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit.

---

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Customer

---

**Opportunity type**

Resilience

**Primary climate-related opportunity driver**

Participation in renewable energy programs and adoption of energy-efficiency measures

**Type of financial impact driver**

Increased revenue through new products and services related to ensuring resiliency

**Company- specific description**

Axalta coatings are used to insulate wires and metal components of electric motors such as those in electric vehicles, wind turbines and transformers. Coatings facilitate great motor efficiencies. An example of this is our product Voltatex® bondable electrical steel coating products that enable engineers to create revolutionary designs in motor geometry and build the most efficient motors—building smaller motors with the same torque as larger ones—and increase driving range. Voltatex® also provides excellent thermal and mechanical stability, which allows motors to run hotter and more efficiently.

**Time horizon**

Current

**Likelihood**

Likely

**Magnitude of impact**

High

**Potential financial impact**

0

**Explanation of financial impact**

Our financial forecast is proprietary but we estimate significant marginal revenue contributions to arise from the increased sales of such products.

**Strategy to realize opportunity**

The strategy for the continued sales and development of such products is the result of sales forecasting and R&D driven product development.

**Cost to realize opportunity**

65

**Comment**

Axalta has established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit.

---

**C2.5**

---

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
Products and services	Impacted	Axalta products provide opportunities to support reductions in energy use and emissions for our customers. These products include waterborne coatings products that have low VOC emissions and products that support vehicles that are light weight. Vehicle lightweighting continues to be a major focus within the automotive industry, as lighter vehicles improve fuel economy and reduce tailpipe emissions. Products such as Hyperdur 3000s enable our customers to streamline their supply chain impacts and reduce their energy use since they can be cured at lower temperatures, therefore providing for opportunities to conserve resources. Transportation coatings were approximately 38.5% of our revenues in 2017
Supply chain and/or value chain	Not yet impacted	Potential increased costs of raw materials may have an impact on revenues. Our manufacturing processes consume significant amounts of raw materials, the costs of which are subject to worldwide supply and demand as well as other factors beyond our control. We use a significant amount of raw materials derived from crude oil and natural gas. Increased costs of raw materials, in particular those derived from petrochemicals, may increase resulting in higher production costs.
Adaptation and mitigation activities	Impacted	Our emergency response plans have become more robust as a result of learning from recent weather related events in 2017. We continue to use our data collection and risk management systems to enable our business to be more resilient.
Investment in R&D	Impacted	We have established a goal to invest 65% of research and development efforts into products and technologies that will provide a sustainability benefit. New product development provides significant opportunities for increased sales and additional marginal contributions to revenues that contribute to our customers' sustainability goals as well.
Operations	Impacted	At an operational level, we continue to reduce our energy consumption, and therefore emissions through incorporating energy efficiency measures and process improvements. Additionally, our emergency response plans have become more robust as a result of learning from recent events.
Other, please specify	Not impacted	We have not identified any other risks or opportunities at this time.

**C2.6**

**(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.**

	Relevance	Description
Revenues	Impacted	Our revenues may be impacted by the conditions in the light vehicle and commercial vehicle end-market. Increased sales of low VOC or reducing curing temperature products that use less energy for our customers in particular could favorably affect revenues.
Operating costs	Impacted	Axalta's operating costs would be affected if raw material costs rise or fall. Our manufacturing processes consume significant amounts of raw materials, the costs of which are subject to worldwide supply and demand as well as other factors beyond our control. We use a significant amount of raw materials derived from crude oil and natural gas.
Capital expenditures / capital allocation	Not yet impacted	Our capital expenditures/capital allocation would not be affected in the short term.
Acquisitions and divestments	Not yet impacted	Our recent and future acquisitions could be affected if new capacity or technologies are required.
Access to capital	We have not identified any risks or opportunities	Climate change is not a driver in our evaluation of access to capital
Assets	Impacted for some suppliers, facilities, or product lines	Climate change is a driver for some of our sites in vulnerable locations, especially in locations where we have identified risks from historical data (i.e. hurricanes) to assets or have caused supply disruptions to our customers. Risks of such disruptions are now included in our distribution processes and alternate planning and contingencies are in place should similar conditions occur in the future. This includes contingencies to assure that our employees are safe and have proper provisions throughout the crisis.
Liabilities	Not yet impacted	Our recent and future acquisitions could pose climate change related liabilities if new capacity or technologies are required.
Other	Not yet impacted	We have not identified any other risks or opportunities at this time.

**C3. Business Strategy**

## C3.1

---

### **(C3.1) Are climate-related issues integrated into your business strategy?**

No

## C3.1f

---

### **(C3.1f) Why are climate-related issues not integrated into your business objectives and strategy?**

We factor the impact of emissions and energy use at our facilities, in our products and the needs of our customers. We continue to evolve in our technologies to assist our customers in reducing their carbon footprint as well as our own at our operations facilities. Integrating climate-related objectives and strategies in our business planning is basically stated in our overall Axalta EHS Policy in that we are committed to protect people and the environment through responsible sourcing, production and delivery of our products. We set specific goals and targets to reduce greenhouse gas emissions from our operations facilities and we track progress toward those goals on an annual basis. We will continue to evaluate the need to have more specific climate-related business objectives and strategy.

## C4. Targets and performance

---

## C4.1

---

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

## C4.1b

---



**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

100

**% reduction from baseline year**

13

**Metric**

Metric tons CO<sub>2</sub>e per metric ton of product

**Base year**

2013

**Start year**

2017

**Normalized baseline year emissions covered by target (metric tons CO<sub>2</sub>e)**

0.542

**Target year**

2022

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**% achieved (emissions)**

0

**Target status**

New

**Please explain**

We have reassessed and determined that in this global market and because of our manufacturing processes, 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 16 percent since 2013, our energy intensity rate has decreased by 13 percent.

**% change anticipated in absolute Scope 1+2 emissions**

5

**% change anticipated in absolute Scope 3 emissions**

0

---

**C4.2**

---

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**Target**

Energy usage

**KPI – Metric numerator**

GJ

**KPI – Metric denominator (intensity targets only)**

Metric Ton of Production

**Base year**

2017

**Start year**

2017

**Target year**

2022

**KPI in baseline year**

2.6

**KPI in target year**

2.47

**% achieved in reporting year**

0

**Target Status**

New

**Please explain**

This target applies to all our manufacturing operations.

**Part of emissions target**

0

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

---

**C4.3**

---

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

---

**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	17	5579.14
Implementation commenced*	5	287
Implemented*	4	1820.5
Not to be implemented	0	0

---

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Activity type**

Energy efficiency: Building services

**Description of activity**

Combined heat and power

**Estimated annual CO2e savings (metric tonnes CO2e)**

81.5

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

43000

**Investment required (unit currency – as specified in CC0.4)**

235000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Install meters to provide real-time feedback on energy demands within the facility. The profile can be used to identify times with high usage and potential energy reduction. (Jiading)

**Activity type**

Energy efficiency: Building services

**Description of activity**

Motors and drives

**Estimated annual CO2e savings (metric tonnes CO2e)**

1842147

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

54000

**Investment required (unit currency – as specified in CC0.4)**

180000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

HVAC replacement and/or improvement projects at Mt Clemens and Gebze sites.

**Activity type**

Energy efficiency: Processes

**Description of activity**

Other, please specify (Nitrogen and compressed air system leaks)

**Estimated annual CO2e savings (metric tonnes CO2e)**

179

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

100000

**Investment required (unit currency – as specified in CC0.4)**

5000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

This is an estimate of annual savings resulting from identifying and repairing hotspots. Utilization of thermography to eliminate hotspot/energy loss in our power distribution panels (All sites). Note that equipment pricing can vary from 2,000 to 10,000 USD.

---

**Activity type**

Energy efficiency: Processes

**Description of activity**

Process optimization

**Estimated annual CO2e savings (metric tonnes CO2e)**

1560

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

117300

**Investment required (unit currency – as specified in CC0.4)**

255000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Modernizing electrical infrastructure- Installing energy efficient Variable Speed Drives for Milling, Homogenous Mixing-Locations: Front Royal, Jiading, Changchun, Guarulhos.. Installing High Efficiency Dispersion Mills at Jiading site and consolidating mills at Mt Clemens to reduce energy use.

---

C4.3c

---

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	Meeting our compliance obligations in the US and Europe, Middle East, and Africa regions is a primary driver for identifying and making investments in our operations to drive energy and process efficiency.
Employee engagement	As part of an annual process, all sites solicit employee feedback through engagement to determine energy saving opportunities. This aligns with ISO 14001 Business objectives and targets as nearly all our sites are RC 140001 certified.
Internal incentives/recognition programs	In 2015, Axalta Initiated a Chairman's Award for Excellence in Action which includes non-monetary incentives for sites and their employees for ideas related to reducing our environmental footprint.

**C4.5**

**(C4.5) 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

**C4.5a**

**(C4.5a) 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**

Product

**Description of product/Group of products**

Beyond our factory door, we seek to provide customers with increasingly sustainable products and processes. New formulations of traditional solvent coatings, such as 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 to 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 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.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (We don't use a formal methodology )

**% revenue from low carbon product(s) in the reporting year**

19.2

**Comment**

The percentage of revenue is of total OEM Revenue is from low carbon products .

**C5. Emissions methodology**

**C5.1**

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

January 1 2013

**Base year end**

December 31 2013

**Base year emissions (metric tons CO2e)**

85071

**Comment**

Baseline year emissions have been amended to include global warming potential consideration as appropriate.

**Scope 2 (location-based)**

**Base year start**

January 1 2013

**Base year end**

December 31 2013

**Base year emissions (metric tons CO2e)**

197167

**Comment**

Baseline year emissions have been amended to include global warming potential consideration as appropriate.

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

We currently do not estimate scope 2 emission using the market-based method

**C5.2**

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**C6. Emissions data**

---

**C6.1**

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Row 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

85005

**End-year of reporting period**

<Not Applicable>

**Comment**

**Row 2**

**Gross global Scope 1 emissions (metric tons CO2e)**

**End-year of reporting period**

**Comment**

**Row 3**

**Gross global Scope 1 emissions (metric tons CO2e)**

**End-year of reporting period**

**Comment**

**C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Row 1**

**Scope 2, location-based**

207718

**Scope 2, market-based (if applicable)**

<Not Applicable>

**End-year of reporting period**

<Not Applicable>

**Comment**

**Row 2**

**Scope 2, location-based**

201067

**Scope 2, market-based (if applicable)**

<Not Applicable>

**End-year of reporting period**

2016

**Comment**

We are restating our 2016 Scope 2 location-based emissions.

**Row 3**

**Scope 2, location-based**

**Scope 2, market-based (if applicable)**

<Not Applicable>

**End-year of reporting period**

**Comment**

**C6.4**

---

**(C6.4) 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

**C6.4a**

---



**(C6.4a) 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**

Plascoat and Spencer Coating sites have not been included.

**Relevance of Scope 1 emissions from this source**

Emissions excluded due to recent acquisition

**Relevance of location-based Scope 2 emissions from this source**

Emissions excluded due to recent acquisition

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not evaluated

**Explain why the source is excluded**

We acquired Plascoat and Spencer Coating sites within the last 12 months and are working to integrate these sites in our EHS data collection systems.

---

**C6.5**

---

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1126800

**Emissions calculation methodology**

Scope 3 emissions from purchased goods and services are estimated using the Quantis Tool using allocated spend in this category.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Explanation**

We use the Quantis Tool to calculate Scope 3 emissions

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

0

**Emissions calculation methodology**

Not applicable

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Explanation**

Emissions from the use of capital goods are accounted for in either scope 1 or scope 2.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

62795

### Emissions calculation methodology

Average-data method using data such as carbon dioxide fossil fuel and emission factor

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

We use the Quantis Tool to calculate Scope 3 emissions.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

93629

### Emissions calculation methodology

Scope 3 emissions from upstream transportation and distribution chased goods and services are estimated using the Quantis Tool using allocated spend in this category.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

60

### Explanation

We use the Quantis Tool to calculate Scope 3 emissions.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

2700

### Emissions calculation methodology

We use the EPA Warm tool to estimate emissions from our waste generations.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Emissions are estimated using EPA Warm tool

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

25260

### Emissions calculation methodology

Our third party travel management companies provide miles and emission estimates for our business travel.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

We use the Quantis Tool to calculate Scope 3 emissions using the miles provided by our travel partners.

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

20400

### Emissions calculation methodology

Average-data method using data such as carbon dioxide fossil fuel and emission factor.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

We use the Quantis Tool to calculate Scope 3 emissions. The system uses the number of employees to estimate calculate average Scope 3 emissions. This estimate is not granular.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta does not have upstream leased assets.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

9177

### Emissions calculation methodology

We have fleet management providers that track fuel purchases for our downstream transportation and distribution. Emissions are estimated by multiplying fuel purchased by a fuel emission factor.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

Our fleet management provider tracks fuel sped for our downstream transportation.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta may have emissions from processing of our sold products, however, we have not estimated the downstream emissions at this time.

## Use of sold products

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not Applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta products have downstream emission impacts, however, we have not estimated the downstream emissions at this time.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

2864

### Emissions calculation methodology

Indirect Use-phase emissions from sold intermediate products.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

Most emissions from use of our product will be from indirect use.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta does not have any downstream leased assets.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta does not have any franchises.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta has joint ventures, however has no operational control over these joint ventures. Axalta is unable to estimate the emissions from these joint ventures at this time.

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta does not have other upstream emissions.

## Other (downstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

Not applicable

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

Axalta does not have any other downstream emissions.

## C6.7

---

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

## C6.10

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.54

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

292723

**Metric denominator**

metric ton of product

**Metric denominator: Unit total**

540388

**Scope 2 figure used**

Location-based

**% change from previous year**

4.6

**Direction of change**

Decreased

**Reason for change**

Although our production increased, our emissions intensity decreased as a result of our total scope 1 and 2 emissions decreasing relative to 2016. The decrease in emissions is due to our efforts in increasing energy efficiency in our operations.

---

## C7. Emissions breakdowns

---

### C7.1

**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	84544	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	34	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	427	IPCC Fourth Assessment Report (AR4 - 100 year)

---

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia Pacific (or JAPA)	7197
Eastern Europe, Middle East, and Africa (EEMEA)	35769
Latin America and Caribbean (LAC)	6793
North America	35246

**C7.3**

---

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By facility

**C7.3b**

---

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
APTC Shanghai	1443.6	31.004863	121.381192
Changchun	3943.8	43.855187	125.388469
Shah Alam	0	3.024301	101.549586
Bangplee	1.8	13.631551	100.771154
Jiading	1807.3	31.374821	121.227693
Cikarang	0	-6.289865	107.14408
Huajia Chengdu	0	30.528194	103.988627
Huajia Huangshan	0	29.831916	118.355618
Huajia Dongguan	0	23.048324	113.691396
Huajia Qingpu	0	31.191911	121.113133
Huajia Shandong	0	36.984307	117.176831
Savli	0	22.438413	73.219323
Darlington	172.3	54.553445	-1.55758
Gebze	229.1	40.778509	29.540877
Guntramsdorf	903.9	48.051872	16.310229
Landshut	222.3	48.585478	12.204123
Mechelen	5597.6	51.011622	4.458963
Montbrison	12093.1	45.613912	4.075448
Wuppertal	16033.4	51.291777	7.201269
Bulle	517.6	46.615365	7.045102
Vaestervik	0	57.755829	16.648131
Escobar	4.7	-34.364665	-58.783062
TlanInepantla	2328.3	19.568894	-99.198183
Guarulhos	4143.5	-23.464258	-46.46472
Ocoyoacac	316.1	19.285942	-99.455182
Cartagena	0	10.298047	-75.50959
Apodaca	0	25.736444	-100.212142
Ajax	2761.7	43.848546	-79.03586
Century	0	31.929091	-95.24186
Chemspec	4.4	40.858537	-81.809021
Huntsville	1	34.634696	-86.850573
Riverside	192.3	34.016952	-117.379284
Front Royal	8263.7	39.11812	-78.187505
Ft. Madison	3850.1	40.629412	-91.357988
High Point	8.5	35.944058	-80.022856
Hilliard	245.2	40.037497	-83.127304
Houston	3.4	29.845452	-95.53499
Mt. Clemens	18334.3	42.613236	-82.889238
Toledo	1581.6	41.696901	-83.589467
Cornwall	0.4	45.012061	-74.775804

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4



**(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4)** Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	85005	<Not Applicable>	These emissions are representative of our manufacturing processes only and do not include ancillary buildings such as R&D facilities, warehouses, etc.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility generation activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons 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)	84137	0	52789	0
Eastern Europe, Middle East, and Africa (EEMEA)	52316	0	84671	0
Latin America and Caribbean (LAC)	15496	0	33567	0
North America	55769	0	107738	0

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By facility

## C7.6b

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
APTC Shanghai	10028.8	0
Changchun	12040.2	0
Shah Alam	2006.2	0
Bangplee	486.8	0
Jiading	19020.8	0
Cikarang	3548.2	0
Huajia Chengdu	4190.8	0
Huajia HUangshan	13145.7	0
Huajia Dongguan	5774.6	0
Huajia Qingpu	5255.9	0
Huajia Shandong	4192.3	0
Savli	4446.6	0
Darlington	1382.9	0
Dilovasi-Kocaeli	547.6	0
Guntramsdorf	1159.2	0
Landshut	5300.9	0
Mechelen	3614.1	0
Montbrison	1346.7	0
Wuppertal	38307	0
Bulle	596.1	0
Vaestervik	60.7	0
Escobar	120.6	0
TlanInepantla	6960.4	0
Guarulhos	4157	0
Ocoyoacac	583.8	0
Cartagena	1126.3	0
Apodaca	1126.3	0
Ajax	1254.2	0
Century	421.6	0
CHemspec	309.3	0
Huntsville	2093.8	0
Riverside	381.9	0
Front Royal	12456.5	0
Ft. Madison	4170.1	0
High Point	1810.7	0
Hilliard	1553	0
Houston	8511.5	0
Mt. Clemens	21496.9	0
Toledo	933.5	0
Cornwall	376.1	0

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

**(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	124631	0	These emissions are representative of our manufacturing processes only and do not include ancillary buildings such as R&D facilities, warehouses, etc.] We have estimated this based on our R&D facilities where we can track it, therefore this is a estimation and will be refined in the future.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-CH7.8**

**(C-CH7.8) Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.**

Purchased feedstock	Percentage of Scope 3, Category 1 tCO2e from purchased feedstock	Explain calculation methodology
Other (please specify) (No feedstocks)	0	We do not use any of these feedstocks.
Please select		

**C-CH7.8a**

**(C-CH7.8a) Disclose sales of products that are greenhouse gases.**

	Sales, metric tons	Comment
Carbon dioxide (CO2)	0	We do not sell any products that are greenhouse gases.
Methane (CH4)	0	We do not sell any products that are greenhouse gases.
Nitrous oxide (N2O)	0	We do not sell any products that are greenhouse gases.
Hydrofluorocarbons (HFC)	0	We do not sell any products that are greenhouse gases.
Perfluorocarbons (PFC)	0	We do not sell any products that are greenhouse gases.
Sulphur hexafluoride (SF6)	0	We do not sell any products that are greenhouse gases.
Nitrogen trifluoride (NF3)	0	We do not sell any products that are greenhouse gases.

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) 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.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Axalta has not purchased any renewable energy this year.
Other emissions reduction activities	7686.64	Decreased	2.6	Axalta implemented other emissions reduction activities in the manufacturing process which provided a reduction in emissions of 2.6% despite an increase in production in 2017.
Divestment	0	No change	0	Axalta did not have any divestments this year.
Acquisitions	5566.4	Increased	1.9	Our business acquired four companies which increased our manufacturing facilities by 7. This resulted in an increase of production which correlates with an increase of emissions by 1.9%
Mergers	0	No change	0	Axalta did not have any mergers this year.
Change in output	0	No change	0	Axalta did not have any changes in output this year
Change in methodology	70816	Increased	23.8	We updated emission factors for Scope 2 emission in our international operations to use 2016 emission factors rather than 2012 emission factors. These factors incorporated CH4 and N2O factors which we did not have previously. We also updated our scope 2 emission factors for the US to reflect the recent updates from eGrid, resulting in an overall increase of emissions by 23.8% from 2016.
Change in boundary	5979	Decreased	2	Axalta closed two facilities in 2017 which resulted in a decrease emissions of 2%.
Change in physical operating conditions	0	No change	0	Axalta did not have any changes in physical operating conditions this year.
Unidentified	0	No change	0	Axalta did not have any other unidentified changes this year.
Other	0	No change	0	Axalta did not have any other changes this year.

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

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

**C8.2****(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

**C8.2a****(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	456350	456350
Consumption of purchased or acquired electricity	<Not Applicable>	0	278765	278765
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	735115	735115

**C-CH8.2a****(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.**

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	456350
Consumption of purchased or acquired electricity	<Not Applicable>	167259
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	623609

**C8.2b**

---

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

---

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

429534

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

26671

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Propane Liquid

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

145

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**C8.2d**

---

**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

**Fuel Oil Number 2****Emission factor**

0.074

**Unit**

metric tons CO2e per million Btu

**Emission factor source**

The Climate Registry Default Emission Factors

**Comment**

The emission factor provided has used GWP from the AR4 to convert into CO2e

**Natural Gas****Emission factor**

0.051

**Unit**

metric tons CO2e per GJ

**Emission factor source**

The Climate Registry Default Emission Factors

**Comment**

The emission factor provided has used GWP from the AR4 to convert into CO2e

**Propane Liquid****Emission factor**

0.064

**Unit**

metric tons CO2e per million Btu

**Emission factor source**

The Climate Registry Default Emission Factors

**Comment**

The emission factor provided has used GWP from the AR4 to convert into CO2e

---

## C8.2f

---

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

**Low-carbon technology type**

<Not Applicable>

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

<Not Applicable>

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

<Not Applicable>

**Comment**

We do not use a low carbon emission factor for purchased or generated low carbon electricity, heat, steam, or cooling.

---

## C-CH8.3

---



**(C-CH8.3) Disclose details on your organization’s consumption of feedstocks for chemical production activities.**

**Feedstocks**

Other, please specify (Xylene)

**Total consumption**

14841

**Total consumption unit**

metric tons

**Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit**

0

**Heating value of feedstock, MWh per consumption unit**

12.1

**Heating value**

HHV

**Comment**

Although these fuels and energies may have CO2 content, we do not account for these in the energy section when they are used for feedstocks.

**Feedstocks**

Other, please specify (Toulene)

**Total consumption**

3193

**Total consumption unit**

metric tons

**Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit**

0

**Heating value of feedstock, MWh per consumption unit**

12

**Heating value**

HHV

**Comment**

Although these fuels and energies may have CO2 content, we do not account for these in the energy section when they are used for feedstocks.

**C-CH8.3a**

**(C-CH8.3a) State the percentage, by mass, of primary resource from which your chemical feedstocks derive.**

	Percentage of total chemical feedstock (%)
Oil	100
Natural Gas	0
Coal	0
Biomass	0
Waste	0
Fossil fuel (where coal, gas, oil cannot be distinguished)	0
Unknown source or unable to disaggregate	0

**C9. Additional metrics**

---

## C9.1

---

### (C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Energy use

**Metric value**

4.9

**Metric numerator**

Million GJ

**Metric denominator (intensity metric only)**

Metric Ton of Production

**% change from previous year**

8

**Direction of change**

Decreased

**Please explain**

As part of our sustainability program, we have set goals to reduce our energy intensity which is measured as million of GJ per metric ton of production

---

**Description**

Waste

**Metric value**

0.11

**Metric numerator**

Metric Tons

**Metric denominator (intensity metric only)**

Metric Tons of Production

**% change from previous year**

4.9

**Direction of change**

Increased

**Please explain**

As part of our sustainability program, we have set goals to reduce our waste normalized to production

---

## C-CH9.3a

---

**(C-CH9.3a) Provide details on your organization's chemical products.**

**Output product**

Other, please specify (Not applicable to our business)

**Production (metric tons)**

0

**Capacity (metric tons)**

0

**Direct emissions intensity (metric tons CO2e per metric ton of product)**

0

**Electricity intensity (MWh per metric ton of product)**

0

**Steam intensity (MWh per metric ton of product)**

0

**Steam/ heat recovered (MWh per metric ton of product)**

0

**Comment**

Axalta does not produce any base products on final coatings products.

---

**C-CH9.6**

---

**(C-CH9.6) Disclose your organization's low-carbon investments for chemical production activities.**

**Investment start date**

December 1 2016

**Investment end date**

December 31 2019

**Investment area**

Property, plant and equipment

**Technology area**

Product redesign

**Investment maturity**

Full/commercial-scale demonstration

**Investment figure**

317460.32

**Low-carbon investment percentage**

0 - 20%

**Please explain**

Replacement of less efficient process boiler/heaters, or heat exchangers. Replace diesel fuel with natural gas for boiler.

---

**C10. Verification**

---

**C10.1**

---

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

**C10.2**

---

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

**C11. Carbon pricing**

---

**C11.1**

---

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

**C11.1a**

---

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

Switzerland ETS  
UK carbon price floor

**C11.1c**

---

**(C11.1c) Complete the following table for each of the tax systems in which you participate.**

**UK carbon price floor**

**Period start date**

January 1 2018

**Period end date**

December 31 2018

**% of emissions covered by tax**

0

**Total cost of tax paid**

0

**Comment**

Axalta has just recently become subject to the Energy Savings Opportunity Scheme (ESOS) because of new acquisitions and an associated increase in energy usage. The first carbon tax payment will be due in 2019.

**C11.1d**

---

---

**(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?**

The Bulle Switzerland site has realized a significant decrease in carbon emissions by reducing on-site solvent distillation volumes, a significant producer of CO2 emissions. The site has also undertaken awareness training of all site employees regarding energy savings by reducing heating in buildings so that there is now an increased ownership in turning down thermostats and night-time temperature settings as they leave work for the day. The site has also initiated a program where 5% of site electricity comes from Naturemade Star programs, an environmental and ecologically produced energy with a commitment to ecological improvements. The Bulle site has future plans to replace two site air compressors and to convert fuel-oil-burning boilers to natural gas.

**C11.2**

---

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

**C11.3**

---

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

**C12. Engagement**

---

**C12.1**

---

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our customers

**C12.1b**

---

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**Size of engagement**

100

**% Scope 3 emissions as reported in C6.5**

0

**Please explain the rationale for selecting this group of customers and scope of engagement**

We share information with close to 100% of our customers that manufacture original equipment such as vehicles and motors to enable them to appreciate the ability of our products to help them meet their climate change goals.

**Impact of engagement, including measures of success**

We gain significant sales revenues from these products. Transportation Coatings customers accounted for US\$1.678 billion or 38.5% of revenues in 2017.

---

**C12.3**

---

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

**C12.3b**

---

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

---

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

American Coatings Association

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

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 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.

**How have you, or are you attempting to, influence the position?**

Axalta's Chairman and CEO, Charles W. Shaver, is a former 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 support and contribute to the success that we in the coatings industry have achieved and as stated in their position.

---

**C12.3f**

---

**(C12.3f) 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 in the US and other coatings associations in other countries. These organizations are closely aligned with our activities and common interests and we typically work through them to review and comment on new legislation.

**C12.4**

---

**(C12.4) 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**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

Axalta Sustainability Report 2016 - 2017(2).pdf

**Content elements**

Emissions figures

Emission targets

Other metrics

---

**C14. Signoff**

---

## C-FI

---

**(C-FI)** Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## C14.1

---

**(C14.1)** Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President and Chief Supply Chain Officer	Other C-Suite Officer

## SC. Supply chain module

---

### SC0.0

---

**(SC0.0)** If you would like to do so, please provide a separate introduction to this module.

### SC0.1

---

**(SC0.1)** What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	4352900000

### SC0.2

---

**(SC0.2)** Do you have an ISIN for your company that you would be willing to share with CDP?

No

### SC1.1

---

**(SC1.1)** Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

### SC1.2

---

**(SC1.2)** Where published information has been used in completing SC1.1, please provide a reference(s).

### SC1.3

---



**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	The challenges are primarily due to our internal systems, which we are in the process of improving

**SC1.4**

---

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

No

**SC1.4b**

---

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

There are too many internal functions, locations, and processes involved

**SC2.1**

---

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

**SC2.2**

---

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

**SC3.1**

---

**(SC3.1) Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?**

No

**SC3.2**

---

**(SC3.2) Is your company a participating supplier in CDP's 2017-2018 Action Exchange initiative?**

No

**SC4.1**

---

**(SC4.1) Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?**

No, I am not providing data

SC4.2d

---

**(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?**

No

Submit your response

---

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

**Please confirm below**

I have read and accept the applicable Terms