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

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1 2017</td>
<td>December 31 2017</td>
<td>Yes</td>
<td>2 years</td>
</tr>
<tr>
<td>2</td>
<td>January 1 2016</td>
<td>December 31 2016</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>4</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(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) Select the currency used for all financial information disclosed throughout your response.
- USD

(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) 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.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board/Executive board</td>
<td>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.</td>
</tr>
</tbody>
</table>

C1.1b

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

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – some meetings</td>
<td>Reviewing and guiding strategy</td>
<td>The Board receives updates on EHS&amp;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.</td>
</tr>
</tbody>
</table>
C1.2

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

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

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.

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**C2. Risks and opportunities**

**C2.1**

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

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Medium-term</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Long-term</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Six-monthly or more frequently</td>
<td>3 to 6 years</td>
</tr>
</tbody>
</table>

**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 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. 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.
<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Legal</td>
<td>Not relevant, included</td>
<td>Axalta has not received any climate-related litigation claims.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
<td>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 38.9% of our revenues in 2017.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Relevant, sometimes included</td>
<td>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.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, sometimes included</td>
<td>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.</td>
</tr>
<tr>
<td>Chronic physical</td>
<td>Relevant, sometimes included</td>
<td>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.</td>
</tr>
<tr>
<td>Upstream</td>
<td>Relevant, sometimes included</td>
<td>We monitor and discuss with suppliers their susceptibility to energy- and emissions-related risks through periodic engagement throughout the year with suppliers.</td>
</tr>
<tr>
<td>Downstream</td>
<td>Relevant, sometimes included</td>
<td>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.</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Risk 1</th>
</tr>
</thead>
</table>

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
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 in a new building at our Savli site in the Gujarat State in India to increase our capability to produce high bake coatings for the transportation sector. The building 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 enter 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.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services</td>
<td>Impacted</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Adaptation and mitigation activities</td>
<td>Impacted</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Impacted</td>
</tr>
<tr>
<td>Operations</td>
<td>Impacted</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Not impacted</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Impacted</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Impacted</td>
</tr>
<tr>
<td>Capital expenditures / capital allocation</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Acquisitions and divestments</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Access to capital</td>
<td>We have not identified any risks or opportunities</td>
</tr>
<tr>
<td>Assets</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Other</td>
<td>Not yet impacted</td>
</tr>
</tbody>
</table>

C3. Business Strategy
(C3.1) Are climate-related issues integrated into your business strategy?
No

(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) Did you have an emissions target that was active in the reporting year?
Intensity target
(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 CO2e per metric ton of product

Base year
2013

Start year
2017

Normalized baseline year emissions covered by target (metric tons CO2e)
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.

<table>
<thead>
<tr>
<th>Number of projects</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>0</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>17</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>5</td>
</tr>
<tr>
<td>Implemented*</td>
<td>4</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Activity type</th>
<th>Description of activity</th>
<th>Estimated annual CO2e savings (metric tonnes CO2e)</th>
<th>Scope</th>
<th>Voluntary/Mandatory</th>
<th>Annual monetary savings (unit currency – as specified in CC0.4)</th>
<th>Investment required (unit currency – as specified in CC0.4)</th>
<th>Payback period</th>
<th>Estimated lifetime of the initiative</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency: Building services</td>
<td>Combined heat and power</td>
<td>81.5</td>
<td>Scope 2 (location-based)</td>
<td>Voluntary</td>
<td>43000</td>
<td>235000</td>
<td>1-3 years</td>
<td>Ongoing</td>
<td>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)</td>
</tr>
<tr>
<td>Energy efficiency: Building services</td>
<td>Motors and drives</td>
<td>1842147</td>
<td>Scope 1</td>
<td>Voluntary</td>
<td>54000</td>
<td>180000</td>
<td>1-3 years</td>
<td>Ongoing</td>
<td>HVAC replacement and/or improvement projects at Mt Clemens and Gebze sites.</td>
</tr>
<tr>
<td>Energy efficiency: Processes</td>
<td>CDP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>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.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>As part on an annual process, all sites solicit employee feedback through engagement to determine energy saving opportunities. This aligns with ISO ISO 14001 Business objectives and targets as nearly all our sites are RC 140001 certified.</td>
</tr>
<tr>
<td>Internal incentives/recognition programs</td>
<td>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.</td>
</tr>
</tbody>
</table>

(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) 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 refinshop, 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.

(C5.1) Emissions methodology
(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 emissions using the market-based method.

(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.


C6. Emissions data

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

<table>
<thead>
<tr>
<th>Row</th>
<th>Gross global Scope 1 emissions (metric tons CO2e)</th>
<th>End-year of reporting period</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>85005</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

**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

**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).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>64544</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>34</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>427</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
</tbody>
</table>

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

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

(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.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
<th>Latitude</th>
<th>Longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>APTC Shanghai</td>
<td>1443.6</td>
<td>31.00483</td>
<td>121.381192</td>
</tr>
<tr>
<td>Changchun</td>
<td>3943.8</td>
<td>43.85518</td>
<td>125.388469</td>
</tr>
<tr>
<td>Shah Alam</td>
<td>0</td>
<td>3.02430</td>
<td>101.549586</td>
</tr>
<tr>
<td>Bangplee</td>
<td>1.8</td>
<td>13.63155</td>
<td>100.771154</td>
</tr>
<tr>
<td>Jiading</td>
<td>1807.3</td>
<td>31.37482</td>
<td>121.227693</td>
</tr>
<tr>
<td>Cikarang</td>
<td>0</td>
<td>-6.28965</td>
<td>107.14408</td>
</tr>
<tr>
<td>Huajia Chengdu</td>
<td>0</td>
<td>30.52819</td>
<td>103.98627</td>
</tr>
<tr>
<td>Huajia Huangshan</td>
<td>0</td>
<td>29.83191</td>
<td>118.35618</td>
</tr>
<tr>
<td>Huajia Dongguan</td>
<td>0</td>
<td>23.04832</td>
<td>113.691396</td>
</tr>
<tr>
<td>Huajia Qingpu</td>
<td>0</td>
<td>31.19111</td>
<td>121.113133</td>
</tr>
<tr>
<td>Huajia Shandong</td>
<td>0</td>
<td>36.98430</td>
<td>117.176831</td>
</tr>
<tr>
<td>Savli</td>
<td>0</td>
<td>22.43841</td>
<td>73.21923</td>
</tr>
<tr>
<td>Darlington</td>
<td>172.3</td>
<td>54.55345</td>
<td>-1.55758</td>
</tr>
<tr>
<td>Gebze</td>
<td>229.1</td>
<td>40.77850</td>
<td>29.540777</td>
</tr>
<tr>
<td>Guntramsdorf</td>
<td>903.9</td>
<td>48.05187</td>
<td>16.310229</td>
</tr>
<tr>
<td>Landshut</td>
<td>222.3</td>
<td>48.58548</td>
<td>12.204123</td>
</tr>
<tr>
<td>Mechelen</td>
<td>5597.6</td>
<td>51.01162</td>
<td>4.458963</td>
</tr>
<tr>
<td>Montbrison</td>
<td>12093.1</td>
<td>45.61391</td>
<td>4.075448</td>
</tr>
<tr>
<td>Wuppertal</td>
<td>16033.4</td>
<td>51.29177</td>
<td>7.021269</td>
</tr>
<tr>
<td>Bulle</td>
<td>517.6</td>
<td>46.61536</td>
<td>7.045102</td>
</tr>
<tr>
<td>Vagestervik</td>
<td>0</td>
<td>57.75589</td>
<td>16.648131</td>
</tr>
<tr>
<td>Escobar</td>
<td>4.7</td>
<td>-34.364665</td>
<td>-58.783062</td>
</tr>
<tr>
<td>Tlanlnepantla</td>
<td>2328.3</td>
<td>19.56889</td>
<td>-99.198183</td>
</tr>
<tr>
<td>Guarulhos</td>
<td>4143.5</td>
<td>-23.46258</td>
<td>-46.4672</td>
</tr>
<tr>
<td>Ocoyoacac</td>
<td>316.1</td>
<td>19.28542</td>
<td>-99.45182</td>
</tr>
<tr>
<td>Cartagena</td>
<td>0</td>
<td>10.29804</td>
<td>-75.50959</td>
</tr>
<tr>
<td>Apodaca</td>
<td>0</td>
<td>25.73644</td>
<td>-100.212142</td>
</tr>
<tr>
<td>Ajax</td>
<td>2761.7</td>
<td>43.84854</td>
<td>-79.03586</td>
</tr>
<tr>
<td>Century</td>
<td>0</td>
<td>31.92909</td>
<td>-95.24186</td>
</tr>
<tr>
<td>Chemspec</td>
<td>4.4</td>
<td>40.85853</td>
<td>-81.809021</td>
</tr>
<tr>
<td>Huntsville</td>
<td>1</td>
<td>34.63469</td>
<td>-86.85073</td>
</tr>
<tr>
<td>Riverside</td>
<td>192.3</td>
<td>34.01695</td>
<td>-117.379284</td>
</tr>
<tr>
<td>Front Royal</td>
<td>8263.7</td>
<td>39.11812</td>
<td>-78.187505</td>
</tr>
<tr>
<td>Ft. Madison</td>
<td>3850.1</td>
<td>40.62941</td>
<td>-91.357988</td>
</tr>
<tr>
<td>High Point</td>
<td>8.5</td>
<td>35.84405</td>
<td>-80.022856</td>
</tr>
<tr>
<td>Hilliard</td>
<td>245.2</td>
<td>40.03749</td>
<td>-83.127304</td>
</tr>
<tr>
<td>Houston</td>
<td>3.4</td>
<td>29.84542</td>
<td>-95.35499</td>
</tr>
<tr>
<td>Mt. Clemens</td>
<td>18334.3</td>
<td>42.61323</td>
<td>-82.889238</td>
</tr>
<tr>
<td>Toledo</td>
<td>1581.6</td>
<td>41.69690</td>
<td>-83.589467</td>
</tr>
<tr>
<td>Cornwall</td>
<td>0.4</td>
<td>45.01206</td>
<td>-74.775804</td>
</tr>
</tbody>
</table>

---

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.

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

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

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific (or JAPA)</td>
<td>84137</td>
<td>0</td>
<td>52789</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Europe, Middle East, and Africa (EEMEA)</td>
<td>52316</td>
<td>0</td>
<td>84671</td>
<td>0</td>
</tr>
<tr>
<td>Latin America and Caribbean (LAC)</td>
<td>15496</td>
<td>0</td>
<td>33567</td>
<td>0</td>
</tr>
<tr>
<td>North America</td>
<td>55769</td>
<td>0</td>
<td>107738</td>
<td>0</td>
</tr>
</tbody>
</table>

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

By facility

C7.6b
(C.7.6b) Break down your total gross global Scope 2 emissions by business facility.

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

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.

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

**C-CH7.8**

**C-CH7.8a**

Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.

<table>
<thead>
<tr>
<th>Purchased feedstock</th>
<th>Percentage of Scope 3, Category 1 tCO2e from purchased feedstock</th>
<th>Explain calculation methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other (please specify) (No feedstocks)</td>
<td>0</td>
<td>We do not use any of these feedstocks.</td>
</tr>
<tr>
<td>Please select</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Disclose sales of products that are greenhouse gases.

<table>
<thead>
<tr>
<th>Product</th>
<th>Sales, metric tons</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon dioxide (CO2)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Methane (CH4)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Nitrous oxide (N2O)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Hydrofluorocarbons (HFC)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Perfluorocarbons (PFC)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Sulphur hexafluoride (SF6)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
<tr>
<td>Nitrogen trifluoride (NF3)</td>
<td>0</td>
<td>We do not sell any products that are greenhouse gases.</td>
</tr>
</tbody>
</table>
(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) 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.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>0</td>
<td>0</td>
<td>Axalta has not purchased any renewable energy this year.</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>7686.64</td>
<td>Decreased 2.6</td>
<td>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.</td>
</tr>
<tr>
<td>Divestment</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any divestments this year.</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>5566.4</td>
<td>Increased 1.9</td>
<td>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%</td>
</tr>
<tr>
<td>Mergers</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any mergers this year.</td>
</tr>
<tr>
<td>Change in output</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any changes in output this year.</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>70816</td>
<td>Increased 23.8</td>
<td>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.</td>
</tr>
<tr>
<td>Change in boundary</td>
<td>5979</td>
<td>Decreased 2</td>
<td>Axalta closed two facilities in 2017 which resulted in a decrease emissions of 2%.</td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any changes in physical operating conditions this year.</td>
</tr>
<tr>
<td>Unidentified</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any other unidentified changes this year.</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>No change 0</td>
<td>Axalta did not have any other changes this year.</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertakes this energy-related activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>No</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>No</td>
</tr>
</tbody>
</table>

C8.2a

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>HHV (higher heating value)</td>
<td>0</td>
<td>456350</td>
<td>456350</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>278765</td>
<td>278765</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>735115</td>
<td>735115</td>
</tr>
</tbody>
</table>

C-CH8.2a

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Heating value</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>HHV (higher heating value)</td>
<td>456350</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>167259</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>623609</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Consumption of fuel for the generation of electricity</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>No</td>
</tr>
</tbody>
</table>

(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-co-generation 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-co-generation 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 CO2e 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.

<table>
<thead>
<tr>
<th>Percentage of total chemical feedstock (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
</tr>
<tr>
<td>Natural Gas</td>
</tr>
<tr>
<td>Coal</td>
</tr>
<tr>
<td>Biomass</td>
</tr>
<tr>
<td>Waste</td>
</tr>
<tr>
<td>Fossil fuel (where coal, gas, oil cannot be distinguished)</td>
</tr>
<tr>
<td>Unknown source or unable to disaggregate</td>
</tr>
</tbody>
</table>

---

C9. Additional metrics
C9.1

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Energy use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metric value</strong></td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Metric numerator</strong></td>
<td>Million GJ</td>
</tr>
<tr>
<td><strong>Metric denominator (intensity metric only)</strong></td>
<td>Metric Ton of Production</td>
</tr>
<tr>
<td><strong>% change from previous year</strong></td>
<td>8</td>
</tr>
<tr>
<td><strong>Direction of change</strong></td>
<td>Decreased</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Description</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metric value</strong></td>
<td>0.11</td>
</tr>
<tr>
<td><strong>Metric numerator</strong></td>
<td>Metric Tons</td>
</tr>
<tr>
<td><strong>Metric denominator (intensity metric only)</strong></td>
<td>Metric Tons of Production</td>
</tr>
<tr>
<td><strong>% change from previous year</strong></td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Direction of change</strong></td>
<td>Increased</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>No third-party verification or assurance</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>No third-party verification or assurance</td>
</tr>
<tr>
<td>Scope 3</td>
<td>No third-party verification or assurance</td>
</tr>
</tbody>
</table>

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
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.

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

No

Does your organization use an internal price on carbon?

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

Do you engage with your value chain on climate-related issues?

Yes, our customers
(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 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.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Vice President and Chief Supply Chain Officer</td>
<td>Other C-Suite Officer</td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th></th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>4352900000</td>
</tr>
</tbody>
</table>

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?

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

**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

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Public</td>
<td>Investors</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms