

2020-2022

SUSTAINABILITY REPORT



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A Letter from Our CEO

As a global leader in the coatings industry, Axalta has the responsibility to ensure sustainability remains central to every part of our business. This is especially true when it comes to developing, manufacturing and delivering sustainable products and solutions for our customers. We also play a critical role in helping customers accelerate their own sustainability initiatives and achievements.

We believe that creating a better world starts with the surface. What we do has the power to change the way people live. Our products can extend the life of things that matter most and help safeguard our planet. Being smarter about who we are and what we create is embedded in everything we do. We are guided by a shared Purpose – *we innovate smarter surface solutions for better living and a more sustainable future*. We do this by living three core values: Do what's right. Act boldly. Win Together.

During my brief time with Axalta, I have seen firsthand that our teams around the world are proud of the work they do and are committed to high standards, quality and safety. There is no greater priority than safety and I believe that it is everyone's responsibility to help create a safe work environment. Our Axalta colleagues deserve to go home to their families well and injury-free every day, so we work as ONE Axalta toward a culture of ZERO. A zero culture prioritizes protecting the well-being of our people, providing high quality products to our customers, and reducing our impact on the environments in which we operate.

Last year, we announced ten ESG goals, including a 50% reduction in Scope 1 and Scope 2 emissions by 2030. These medium-term targets align to the latest scientific guidance that aims to keep global warming well-below 2°C above pre-industrial levels. As you will see in this sustainability report, we are making progress. From an **environmental** standpoint, we have a positive trend of reducing water consumption intensity. Our greenhouse gas (GHG) and volatile organic compounds (VOC) emissions intensity also improved.

Our investment in R&D reflects our commitment to sustainable innovation. The investment remained steady, with a focus on developing new, smarter products and services to help drive growth and differentiate us from our competitors. And we continued to be recognized for our efforts. In 2022 alone, we earned two prestigious Edison Awards for our innovations, including for our Spies Hecker waterborne coating solution which reduces emissions by more than 60%.

Our **social** investments, linked to the communities in which we live and work, continued as well. These primarily involved donations through Axalta's Bright Futures Program and other corporate social responsibility (CSR) initiatives. We increased our investment programs by about 47% between 2020 and 2022. We also continued to take pride in championing a culture of diversity and inclusion (D&I), recognizing its power in fostering innovation.

We operate ethically and with integrity. Axalta's strong **governance** practices are outlined within this report.

We remain committed to progress on our environmental, social and governance (ESG) 2030 goals. I am confident that our global team, working as ONE Axalta, will help us achieve our goals and innovate for a sustainable future.

Stay safe and be well,



Chris Villavarayan
CEO & President



2030 GOALS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>50% </p> <p>absolute reduction of Scope 1 and 2 GHG emissions, sourcing at least 50% of electricity from renewable sources</p> <p>Carbon neutral by 2040</p> <div data-bbox="90 583 261 657">   </div>	<p>100% </p> <p>of key suppliers assessed against a robust set of sustainability criteria, reflecting environmental, governance, and reputational risks, including human rights</p> <div data-bbox="516 611 678 684">   </div>	<p>80% </p> <p>of new technology and innovation developments will have a sustainability benefit</p> <div data-bbox="1198 527 1453 600">    </div>
<p>>20% </p> <p>increase in the percentage of net sales from products, services, and tools that offer sustainability benefits to our customers/markets/communities</p> <div data-bbox="90 1041 345 1115">    </div>	<p>\$5M </p> <p>donated to our communities through Axalta's Bright Futures Program</p> <div data-bbox="516 1020 771 1094">    </div>	<p>100% </p> <p>active global employees trained on Code of Business Conduct and Ethics</p> <div data-bbox="1198 926 1271 999">  </div>
<p>10% </p> <p>reduction of process waste, VOC emissions, and water use from operations (normalized to production)</p> <div data-bbox="90 1472 261 1545">   </div>	<p> Global top decile recordable injury rates annually while continually striving towards zero injuries</p> <div data-bbox="618 1419 781 1493">   </div>	<p></p> <p>Conduct employee engagement survey annually, and achieve participation rates and employee confidence in company follow-up actions greater than the provider benchmark</p> <div data-bbox="854 1314 927 1388">  </div>



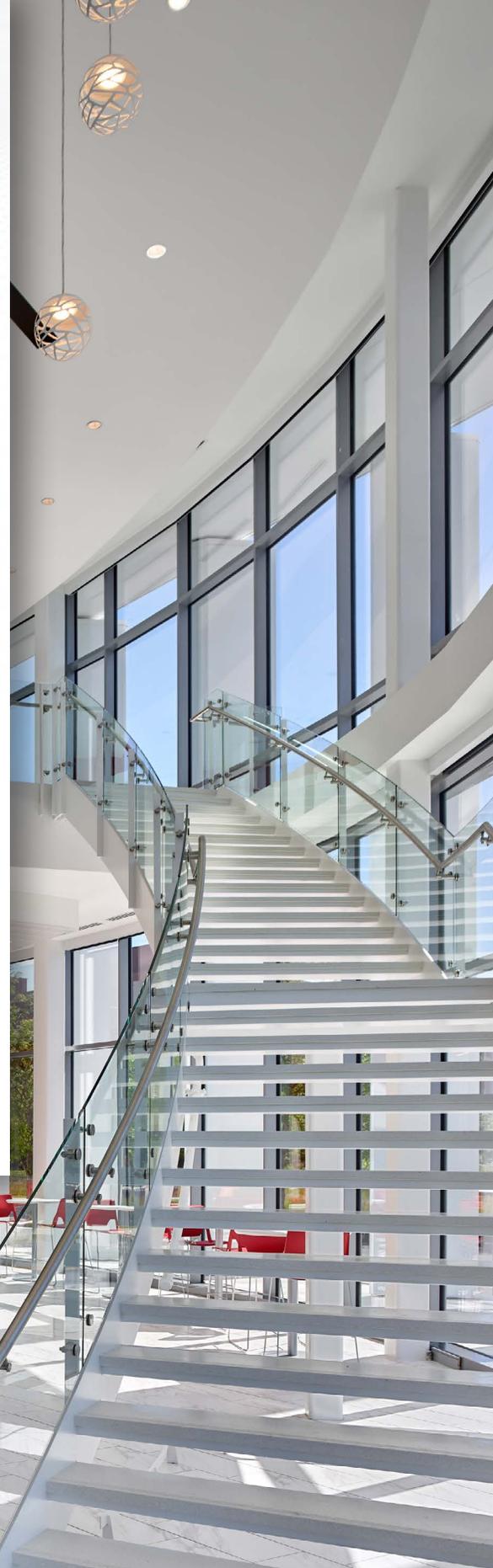
Introduction to Axalta

ABOUT AXALTA

Axalta is a global leader in the coatings industry, providing customers with innovative, colorful, beautiful and sustainable coatings solutions.

With **more than 150 years of experience** in the coatings industry, the global team at Axalta continues to find ways to serve our more than 100,000 customers in over 140 countries better every day with the finest coatings, application systems and technology. From applications in light and commercial vehicles to performance coatings for industrial and vehicle refinishing customers, our coatings are designed to prevent corrosion, increase productivity and enhance durability.

Our financial performance depends on our talented employees, high quality global operations, strong customer relationships, and the variety of innovative products and services we provide. The past three years brought unprecedented challenges to operating a manufacturing business. In 2020, the impacts of COVID-19 were felt across the business; however, the second half of the year proved our ability to remain resilient and highlighted future opportunities to shape the company. The effects of COVID-19 and growing inflation continued to apply pressure to our business in 2021 and 2022, but, despite these challenges, we maintained our goal to provide quality products to our customers. Axalta continues to be a leader in the markets in which we participate.



AXALTA AT A GLANCE

With \$4.9B in net sales from products sold in 140+ countries, sustainability is central to Axalta's business. From environmental and social performance to the sustainability benefits our products and services provide and our strong corporate governance practices, being an engaged business partner and a good neighbor are fundamental to our growth and success.

 <p>\$4.9B in net sales</p>	 <p>~12K employees</p>	<p>Products sold in Over 140 COUNTRIES</p>
 <p>~1,300 scientists, technical experts and engineers</p>	<p>4 MAJOR R&D CENTERS</p>	
<p>Partnering with 90K BODY SHOPS</p>	<p>Supply the TOP 10 OEM manufacturers</p>	<p>~750 active patents</p>
 <p>80% of new technology to have sustainable benefit by 2030</p>	 <p>Goal: Carbon neutral by 2040</p>	 <p>FUNDED 16 SCHOLARSHIPS for future STEM leaders in 2022</p>

Axalta's products and services are used in a wide variety of applications across many industries around the world, served by our three businesses: Refinish, Mobility and Industrial.



REFINISH

- Independent body shops
- Multi-shop operators (MSOs)
- Auto dealership groups

#1
GLOBAL LEADER



MOBILITY

Light Vehicle:

- Automotive original equipment manufacturers (OEMs)
- Plastic and composite components
- Automotive coatings application services

#2
IN LIGHT VEHICLE

Commercial Vehicle:

- Heavy duty and utility trucks
- Rail, bus and machinery
- Recreational and off-road
- Light marine and aviation

#1
IN TRUCK AND BUS



INDUSTRIAL

General Industrial:

- Architectural
- Transportation
- Oil & Gas
- Coil
- Agricultural, Construction & Earthmoving (ACE)

Energy Solutions

Building Products

#2
GLOBAL INDUSTRIAL
POWDER SUPPLIER,
E-COAT SUPPLIER,
NORTH AMERICAN WOOD
COATINGS SUPPLIER &
GLOBAL ELECTRICAL
INSULATION SUPPLIER



Please visit our [corporate website](#) for more information about our wide array of innovative products and services.





ACQUISITIONS AND UPDATE ON FOOTPRINT

Axalta continued our growth over the past several years through site expansions and acquisitions. These investments allow us to increase production capacity of sustainable and high-performance coatings, expand research and development activities and reach more customers and end-markets.

In late 2019, we acquired Capital Paints, a powder coatings manufacturer in the United Arab Emirates, as well as a powder coatings manufacturing site in Turkey. In 2021, Axalta completed the acquisition of U-POL, a leading supplier of paint, protective coatings and accessories primarily for the automotive aftermarket.

In response to growing demand for sustainable coating solutions for automotive, commercial vehicle and industrial markets in China and the Asia Pacific region more broadly, we made improvements to our manufacturing centers in 2021. We completed an expansion of our waterborne coatings manufacturing site in Jiading, China. We also broke ground for construction of a state-of-the-art coatings facility in Jilin City, Jilin Province, North China. The new plant began operating in 2023 and will mainly produce basecoats, primers and clearcoats used in Axalta's eco-friendly processes such as high solids technology.

Our Scope 1 and 2 emissions disclosure is currently limited to 44 of our 46 manufacturing sites and our R&D centers. We are working to calculate and incorporate the remaining contributions to our Scope 1 and Scope 2 footprint, including: Axalta-occupied office space, Axalta-owned warehouses, Axalta sales and distribution fleets, and 2 JV manufacturing facilities. We anticipate reporting comprehensive Scope 1 and Scope 2 emissions in 2024. We are also developing our capacity to measure and report Scope 3 emissions, beginning 2025.

ESG & SUSTAINABILITY STRATEGY AT AXALTA

In January 2022, Axalta set ten environmental, social and governance goals aligned with our purpose to create a more sustainable future. Axalta is working towards achieving these ambitious ESG goals by 2030. Our strategy focuses on developing and increasing sales of sustainable products, reducing operational waste and emissions, promoting diversity and inclusion in leadership positions, supporting local communities through our Bright Futures program, and ensuring ethical conduct across the value chain.

We are focused on environmental stewardship and our role in combating climate change in line with international climate objectives. Our medium-term Scope 1 and Scope 2 emissions targets align to the latest scientific guidance deemed necessary to limit global warming to well-below 2°C above pre-industrial levels, while making efforts to restrict the increase to 1.5°C. We will do our part by transitioning to renewable energy via power purchase agreements and renewable energy certificates. Our path to optimized energy consumption includes adopting eco-friendly process improvements and shifting to clean, energy-efficient technologies.

Our most significant opportunity for impact is continuing to develop more sustainable products, thereby enabling our customers to reach their environmental goals and improving the global environment as a whole. As a leading global

supplier of liquid and powder coatings, we embrace our responsibility to identify and deliver solutions that will produce a more sustainable environment and business. With this in mind, we connected three ESG goals to product innovation and financial performance.

We continue to view sustainability as an ongoing journey – we have made significant steps since becoming a standalone company in 2013 and are continuously striving for improvement. As ESG topics touch every aspect of our business, we continue to leverage an internal, cross-functional and cross-business ESG Steering Committee to govern sustainability at Axalta. This Committee, which comprises senior leaders across the company, is responsible for day-to-day oversight of Axalta's ESG strategy and progressing towards our ESG goals. All members of the ESG Steering Committee were actively involved in our latest materiality assessment and the development of our 2030 goals, as described in more detail later in this report. Axalta's Executive Committee sets our overall ESG strategy, and our Board of Directors provides oversight and input to our ongoing ESG and sustainability efforts. Our approach to corporate governance is detailed in the [Governance at Axalta](#) section of this report.



SUSTAINABILITY AWARDS

Over the past three years, customers, technology experts, researchers and the public have recognized Axalta for our commitment to sustainability in our operations and through our innovative, high-quality products and services that provide sustainability benefits to our customers, as well as ultimate end-users:



Named **one of America's Most Responsible Companies 2022** by Newsweek, reflecting Axalta's ongoing commitment to sustainable product and technology innovation, responsible manufacturing, employee and community engagement and ethical business practices.



Won a **2020 Gold Edison Award** for Voltatex 4224, our impregnating resin product that enables higher motor efficiency and reduced size and weight of electric devices.



Named **2021 GM Supplier of the Year** in the paint category for innovative technologies and exceeding high-quality requirements, including providing superior protection to vehicle bodies.



Named **2021 Global Commercial Vehicle Coatings Company of the Year** by Frost & Sullivan for leadership in innovation and commercialization of sustainable coating solutions.



Won **three Bronze Edison Awards** in the Innovative Services, Sustainability and Engineering & Materials Science categories in 2021 and two in 2022.



Axalta's Abcite® 2060 Thermoplastic Flame Spray Powder Coating won the prestigious **R&D 100 Award in 2022** for providing best in-class protection against corrosion and driving productivity while having no VOC emissions.



Please visit our [corporate website](#) for more information about additional awards and recognition.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Axalta regularly engages with key stakeholders – customers, employees, investors, suppliers and communities – through our day-to-day business activities. From time to time, we also engage with other stakeholders to advance our business priorities, such as the scientific and technology community, industry associations, legislators, regulators and Non-Governmental Organizations (NGOs). Directly engaging with stakeholders allows us to hear new perspectives, understand their needs, and appropriately factor those into our plans. These stakeholder groups are interested in various ESG topics, and we consider them critical to our sustainability program and performance.

The table below lists our critical stakeholders, how we engage with them and selected topics of interest they have raised.

Stakeholder Group	How We Engage	Topics of Interest
Customers	<ul style="list-style-type: none"> • R&D and technology partnerships • Sustainability discussions • Customer learning and development centers • Sales meetings 	<ul style="list-style-type: none"> • Sustainability attributes of products and services • Product and service quality • Product development and innovation including packaging and waste management • Responsible sourcing and human rights • On-site service and support • Product carbon footprint and life-cycle assessments • Carbon reduction and neutrality
Employees	<ul style="list-style-type: none"> • Town hall meetings • Employee intranet and online social community • Employee events • Training and development sessions • Annual all-employee engagement survey and follow up micro-surveys 	<ul style="list-style-type: none"> • Financial performance and business growth • Corporate governance • Human rights • Diversity and inclusion
Investors	<ul style="list-style-type: none"> • Annual meeting • Quarterly and annual reports and associated investor calls • Regular touchpoints, including on ESG topics 	<ul style="list-style-type: none"> • Financial performance and business growth • Corporate governance • Human rights • Climate change • Diversity and inclusion
Suppliers	<ul style="list-style-type: none"> • Supplier Code of Conduct • Supplier screening and contractor process • Supplier relationship management meetings 	<ul style="list-style-type: none"> • Supplier development • Responsible sourcing practices • Sustainable materials • Quality expectations
Communities	<ul style="list-style-type: none"> • Community meetings • Axalta Bright Futures programming • Government affairs efforts 	<ul style="list-style-type: none"> • Safe operations • Economic benefits • Corporate investment in community organizations and activities • STEM opportunities for our youth

In 2021, Axalta conducted a materiality assessment to guide our sustainability strategy, reporting, and 2030 ESG goal setting. The assessment process began with a review of input sources including peer benchmarking, industry guidelines, investor and analyst surveys, and reporting requirements of multiple sustainability frameworks

The success of our sustainability efforts depends on how well we meet the needs of our stakeholders. We then conducted in-depth interviews with 60 internal and external stakeholders to understand their priorities, gaps, and overlap.

These stakeholders included:

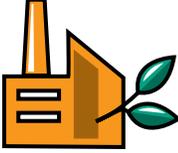
- Axalta employees, including all members of the Axalta Executive Committee and ESG Steering Committee and other subject matter experts reflecting geographic, age and gender diversity;
- Committee Chairs of Axalta's Board of Directors;
- Customers across Axalta's three businesses representing end-market and geographic diversity;
- Suppliers representing material and geographic diversity;
- Traditional and ESG-focused investors; and
- Community organizations and government representatives.

Through these interviews, we identified 10 material ESG issues and mapped each to committees of our Board for oversight.



TEN MATERIAL ESG ISSUES

The definition and boundaries for each of the ten material issues are shown below.

		Definition	Boundary	Where to Read More
 <p>ENVIRONMENT</p>	Climate change	Anticipating and addressing climate change risks on company operations, including physical and transitional risks. Responsibly managing and reducing energy use and greenhouse gas emissions from operations.	Manufacturing operations and technology centers	Planet Solutions - Climate Change
	Environmental impact of operations	Responsibly managing environmental impacts from operations, including reducing air emissions and responsibly manage water usage and waste generation.	Manufacturing operations and technology centers	Planet Solutions - Environmental Sustainability of Our Operations
	Product sustainability and customer impact	The benefits our products provide to our customers because of their use (e.g., improving customers' operational eco-efficiency or the quality/effectiveness of the customer's processes and products). Includes the incorporation of sustainability considerations in the product development and design phases.	Internal operations, our products and services, supply chain	Business Solutions
 <p>GOVERNANCE</p>	Technology and innovation	Developing new products to meet customer demands and expectations; innovating to improve business growth; ensuring product quality and compliance concerns are integrated into innovation processes.	Internal operations, our products and services, customer operations, supply chain	Business Solutions
	Ethics, integrity and compliance	Preventing unethical or illegal behavior, including bribery, fraud, corruption, antitrust violations, etc. Ethical approach to how we work with suppliers, customers, regulators and other business partners in developing and marketing our products and operating our assets. Complying with all applicable regulations on environment, safety, ethics, labor, human rights, etc. in a timely and cost-effective manner.	Internal operations, supply chain	Governance at Axalta - Ethics, Integrity and Compliance



SOCIAL

Definition

Boundary

Where to Read More

Safety

Protecting employees, contractors and visitors from occupational injuries and illnesses through design of safe operations and work practices, training programs, safety management systems and culture; includes compliance with health and safety regulations as well as process safety.

Internal operations

People Solutions - Occupational Health and Safety

Employee engagement

Recruiting and retaining a skilled and talented workforce, including succession planning, compensation and benefits, employee development and employee well-being.

Internal operations

People Solutions - Employee Culture and Talent Development, Employee Engagement

Diversity and inclusion

Fostering a diverse and inclusive workplace, accepting of all employees who bring unique perspectives based upon their race, ethnicity, gender, age, education, disability, sexual orientation, religious affiliation, experience, thought and other qualities.

Internal operations

People Solutions - Employee Culture and Talent Development, Diversity and Inclusion

Responsible sourcing and human rights

Practices to responsibly source materials, including conducting business with suppliers ethically, complying with appropriate regulations including those regarding conflict minerals, labor standards and environment. Upholding human rights throughout the supply chain, including the prohibition of modern slavery, providing safe working conditions, fair wages and reasonable working hours.

Supply chain

People Solutions - Responsible Sourcing and Human Rights

Community engagement

Local community relations and efforts to provide benefits to communities through corporate giving activities.

Local community

People Solutions - Community Engagement

2030 GOALS

In January 2022, Axalta announced ambitious 2030 goals focused on managing material ESG issues. To ensure progress through accountability, we assigned one or more functional/business owners of each goal and established a Sustainability Task Force to support cross-functional collaboration. Our ESG Steering Committee developed our goals with input from, and approval by, Axalta's Executive Committee. Oversight is further discussed in the Governance section of this report.

Our 2030 goals are structured under three key pillars: business solutions, planet solutions and people solutions. Where relevant, we have listed our baseline year for each goal and provided additional detail on scope of measurement. The 2030 goals reflect how meaningful environmental progress, inclusive social values, and strong corporate governance are at the heart of Axalta's operations and success. These 2030 goals supersede the sustainability goals we set in 2017.

	Material Topic	2030 Goal	Additional Notes
 <p>BUSINESS SOLUTIONS</p>	Technology and innovation	80% of new technology and innovation developments will have a sustainability benefit	Sustainability benefits, for both Axalta and our customers, including reduced waste, reduced energy and GHG emissions, reduced VOC emissions, use of biobased and recycled materials and products that support sustainable end-markets like electrification of transportation and renewable energy infrastructure From a 2022 baseline
	Product sustainability and customer impact	Increase, by at least 20%, the percentage of net sales from products, services and tools that offer sustainability benefits to our customers, markets and communities	From a 2019 baseline
 <p>PLANET SOLUTIONS</p>	Climate change	50% absolute reduction of Scope 1 and 2 GHG emissions, sourcing at least 50% of electricity from renewable sources Carbon neutral in our operations by 2040	From a 2019 baseline
	Environmental impact of operations	10% reduction of process waste, VOC emissions and water use from operations, normalized to production	From a 2019 baseline



**PEOPLE
SOLUTIONS**

Material Topic	2030 Goal	Additional Notes
Safety	Achieve an annual global top decile recordable injury rate while continually striving toward zero injuries	Top decile performance compared to the American Chemistry Council member company total injury rate
Employee engagement	Conduct employee engagement survey annually. Achieve participation rates and “employee confidence in company follow-up actions” results that exceed the provider benchmark	
Diversity and inclusion	30% of management positions globally filled by women 30% of management positions filled by under-represented racial/ethnic groups (in US) Establish, track and improve upon a favorable Inclusion Index	Management includes all employees who are people managers Inclusion Index established in 2022 employee engagement survey
Responsible sourcing and human rights	100% of key suppliers assessed against a robust set of sustainability criteria, reflecting environmental, governance and reputational risks, including human rights	Criteria and assessment tools established in late 2021; first year of reporting is for 2022 data
Community engagement	At least \$5 million donated to our communities through Axalta’s Bright Futures Program	Cumulative beginning with 2022 giving
Ethics, integrity and compliance	100% of active global employees trained on Axalta’s Code of Business Conduct and Ethics	



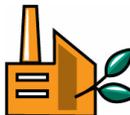
ESG DATA SHEET

Our most current ESG data, spanning the following ___ pages and rounded for formatting purposes, reflects a wide range of capacity-building in support of our 2030 goals. Changes in data due to scope, methodology, or error are detailed in the footnotes. Going forward, metrics may be added to support continual progress toward targets and management of material issues. We discuss our strategy and approach in more detail throughout this report.

CATEGORY	METRIC	UNIT	2020	2021	2022
 ECONOMIC AND GOVERNANCE	Countries of operation	# count	130+	140+	140+
	Training centers	# count	53	48	48
	Patents held and pending	# count	~960	~970	~1000
	Issued patents	# count	~740	~740	~750
	Pending patents	# count	~220	~230	~260
	Trademarks	# count	400+	480+	480+
	Local laboratories	# count	~30	~28	~25
	Technology development team	# count	~1,300	~1,300	~1,300
	Manufacturing centers	# count	46	47	45
	R&D tech centers ¹	# count	4	4	4
	Customers	# count	100,000+	100,000+	100,000+
	Distributors	# count	~4,000	~4,000	~4,000
	R&D and technical service investment ²	% investment	4% of net sales	4% of net sales	4% of net sales
	Global net sales	USD - million	3,738	4,416	4,884
	Net sales - Performance Coatings Segment	USD - million	2,517	3,096	3,327
	Net sales - Mobility Coatings Segment	USD - million	1,221	1,320	1,558
	Adjusted EBIT - Performance Coatings Segment	USD - million	344	479	448
	Adjusted EBIT - Mobility Coatings Segment	USD - million	83	39	24
	Net sales - North America Region	USD - million	1,481	1,723	2,022
	Net sales - EMEA Region	USD - million	1,376	1,619	1,604
Net sales - Asia Pacific Region	USD - million	546	671	735	
Net sales - Latin America Region	USD - million	335	403	523	

CATEGORY	METRIC	UNIT	2020	2021	2022
 ECONOMIC AND GOVERNANCE	Free cash flow	USD - million	442	455	163
	Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	# count	0	0	0
	Internal training on Code of Business Conduct and Ethics ³	Completion %	98%	99%	99%
	Total percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to	% of board members	100%	100.00%	100%

CATEGORY	METRIC	UNIT	2020	2021	2022
 RESPONSIBLE SOURCING	Suppliers of raw materials containing conflict minerals	# count	33	34	36
	Associated raw material suppliers CMRT ⁴ completion rate	% of suppliers that completed a CMRT	100%	97%	100%

CATEGORY	METRIC	UNIT	2020	2021	2022
 ENVIRONMENTAL	Energy use	Millions of gigajoules	2.0	2.1	2.2
	Direct energy	Millions of gigajoules	1.1	1.1	1.2
	Indirect energy	Millions of gigajoules	0.9	1.0	1.0
	Energy intensity	Gigajoules per metric ton of production	4.3	4.2	3.9

CATEGORY	METRIC	UNIT	2020	2021	2022
 ENVIRONMENTAL	GHG emissions (scope 1 and 2)	Thousand metric tons CO2e	151.2	160.6	161.4
	Scope 1 ⁵	Thousand metric tons CO2e	55.5	57.6	60.4
	Scope 2 ⁶ (location-based)	Thousand metric tons CO2e	95.7	103.0	101.0
	GHG intensity	Metric tons CO2e per metric ton of production	0.33	0.31	0.29
	VOC emissions ⁷	Metric tons	336.8	368.9	357.4
	HAP emissions ⁸	Metric tons	29.0	32.1	29.0
	NOx emissions	Metric tons	60.0	68.1	60.2
	SOx emissions	Metric tons	1.1	2.8	2.0
	PM emissions	Metric tons	38.6	41.7	42.8
	VOC emissions ⁷ intensity	Metric tons per 1,000 metric tons of production	0.72	0.72	0.64
	HAP emissions ⁸ intensity	Metric tons per 1,000 metric tons of production	0.06	0.06	0.05
	NOx emissions intensity	Metric tons per 1,000 metric tons of production	0.13	0.13	0.11
	SOx emissions intensity	Metric tons per 1,000 metric tons of production	0	0	0
	PM emissions intensity	Metric tons per 1,000 metric tons of production	0.08	0.08	0.08
	Water withdrawal ⁹	Megaliters	1233	1338	1482
	Municipal	Megaliters	924	994	1139
	Surface water	Megaliters	0	0	0
	Groundwater	Megaliters	308	343	342
	Water Consumption	Cubic meters	470,982	469,117	593,057
	Water intensity ¹⁰ (water consumption)	Cubic meters per metric ton of production	1.0	0.9	1.1
Water stressed regions ¹¹	% of sites in water stressed regions	28.9%	29.6%	30.4%	
Total water discharge	Megaliters	762	869	889	
Total waste	Metric tons	30,240	31,264	32,820	
Hazardous waste	Metric tons	12,828	12,561	15,197	
Non-hazardous waste	Metric tons	17,412	18,703	17,623	
Waste Intensity	Metric tons per metric ton of production	0.07	0.06	0.06	

CATEGORY	METRIC	UNIT	2020	2021	2022
 HUMAN CAPITAL ¹²	Total employees ¹³	# count	11,040	11,454	12,441
	Total female employees	# count	2,262	2,345	2,565
	Total male employees	# count	8,775	9,109	9,812
	Total employees under 30 years old	# count	1,251	1,354	1,657
	Total employees between 30-50 years old	# count	5,858	6,075	6,610
	Total employees over 50 years old	# count	3,926	4,025	4,172
	Board members ¹⁴	# count	9	9	9
	Percent female	% of total board members	22%	22%	22%
	Percent male	% of total board members	78%	78%	78%
	Percent under 30 years old	% of total board members	0%	0%	0%
	Percent between 30-50 years old	% of total board members	0%	0%	0%
	Total employees over 50 years old	# count	3,926	4,025	4,172
	Percent asian ethnicity	% of total board members	0%	11%	11%
	Percent black ethnicity	% of total board members	0%	0%	11%
	Percent white ethnicity	% of total board members	100%	91%	78%
	Management positions filled by women ¹⁴	Percentage	20.8%	21.1%	23.0%
	Management positions in the U.S. filled by under-represented racial/ethnic groups	Percentage (in US & Canada)	18.5%	18.5%	18.20%
	Axalta Leadership Program Participant ¹⁶	# count	—	—	550
	BetterUp Coaching Program Participants ¹⁶	# count	—	—	186
	Aspire participants ¹⁶	# count	—	—	5204
Internships and Apprenticeships ¹⁷	# count	—	—	239	
Collective bargaining agreements	Global percentage of workforce	54.6%	51.2%	34.0%	
Social Investment Programs ¹⁸	USD - million	385,000	752,150	382,386	

CATEGORY	METRIC	UNIT	2020	2021	2022
 SAFETY	Total recordable incident rate ¹⁹	# of injuries per 200,000 hours worked / total # of hours worked	0.16	0.24	0.49
	Employees	# of injuries per 200,000 hours worked / total # of hours worked	0.24	0.28	0.59
	Contractors	# of injuries per 200,000 hours worked / total # of hours worked	0.11	0.05	0.08
	Lost-time incident rate	# of lost time cases per 200,000 hours worked / total # of hours worked	0.03	0.08	0.18
	Employees	# of lost time cases per 200,000 hours worked / total # of hours worked	0.04	0.10	0.21
	Contractors	# of lost time cases per 200,000 hours worked / total # of hours worked	0.00	0.00	0.04
	Fatalities	# count	0	0	0
	Injuries as a result of commuting incidents ^{20,21}	# count	—	—	2
	Cases of recordable work-related ill health ²¹	# count	—	—	0
	Employees ²¹	# count	—	—	0
	Contractors ²¹	# count	—	—	0
	Employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by RC14001	%	100%	100%	100%
	Number of hours worked ²¹	# count	—	—	26,934,156
	Hours worked by employees ²¹	# count	—	—	21,824,830
Hours worked by contractors ²¹	# count	—	—	5,109,326	

¹ Represents Axalta's primary R&D facilities and does not include R&D facilities at manufacturing sites and other similar facilities.

² Axalta technology investment includes R&D, selling technical expense (SG&A), and production & raw material technology (COGS).

³ Based on training provided to active employees globally.

⁴ Conflict Minerals Reporting Template.

⁵ Direct emissions from the use of fuel burned in Axalta's operations. Our Scope 1 emissions disclosure currently covers 44 of our 46 manufacturing sites and our R&D facilities.

⁶ Indirect emissions from purchased energy used in Axalta's operations. Our Scope 2 emissions disclosure currently covers 44 of our 46 manufacturing sites and our R&D facilities.

⁷ VOC emissions determined globally per the definition used by the U.S. Environmental Protection Agency.

⁸ HAP emissions are representative of United States only.

⁹ Due to rounding, total values may not always match the sum of the parts.

¹⁰ Water intensity is specific to consumption.

¹¹ Water stressed regions as defined by SASB.

¹² Gender, race and ethnicity information is self-reported and may not fully reflect the actual number of employees within each category. Axalta recently implemented a new global HRIS system, and is working to validate various data elements. Through this process, we believe that we have more accurate metrics and data than what was utilized in prior sustainability reports or other external reporting. Accordingly, certain metrics and data in this sustainability report may differ from the corresponding metrics and data provided in prior sustainability reports or other external reporting.

¹³ The total employee value represents all permanent, temporary, full-time and part-time employees as of December 31 of the applicable year.

¹⁴ As of December 31 of the applicable year.

¹⁵ Our performance management and career development process applies to our 'office worker/non-manufacturing' workforce. All employees who are eligible participate in this process along with their manager.

¹⁶ This was a new program for 2022.

¹⁷ Total number of interns over the course of the year. Due to recent system changes, we are not able to report 2020 and 2021 data at this time.

¹⁸ Donation to our communities through Axalta's Bright Futures Program and other CSR initiatives.

¹⁹ Total recordable incidents based on U.S. OSHA 29 CFR 1904 and applied globally.

²⁰ Only where the transport has been organized by the organization.

²¹ Data first tracked as of 2022.

Governance at Axalta

Axalta's Board of Directors and global leadership team are committed to strong governance practices in everything we do. Axalta is led by our global [Executive Committee](#), comprising business and functional leaders, including our CEO, that guides the company. The [Axalta Board of Directors](#) provides independent oversight over our management, including with respect to the company's actions and performance. Currently, the positions of CEO and Board Chair are separated; an independent director currently serves as Board Chair.

Axalta's Board of Directors has four standing committees:

- Audit
- Compensation
- Nominating and Corporate Governance;
- Environment, Health Safety and Sustainability (EHS&S)

The Board oversees ESG matters as part of its oversight of our business strategy and risk management, and the Board's standing committees each oversee specific ESG matters, risks and goals that fall within their respective areas of responsibility.

For example,

- **Audit Committee:** oversight responsibility for compliance matters
- **Compensation Committee:** oversight responsibility for human capital management matters, including diversity and inclusion
- **EHS&S Committee:** oversight responsibility for environmental, health, safety and sustainability matters, including with respect to climate-related risks and opportunities
- **Nominating & Corporate Governance Committee:** responsibility for ensuring that Axalta maintains strong governance practices. As part of this effort, the Committee regularly discusses the Company's current and prospective ESG practices, goals and disclosures, in order to ensure that all relevant ESG matters are overseen by the Board and its standing committees and communicated to our shareholders and other stakeholders.

The Board and its standing committees regularly discuss with management a variety of ESG topics that are significant to our business and stakeholders. Each Board member has relevant experience in, or overseeing, one or more ESG areas. This allows the Board to effectively oversee diverse ESG issues relevant to Axalta.



The charters for each of the committees are available on the [Corporate Governance](#) section of our website.

For more information on Axalta's Board of Directors and our governance practices, please see our latest Proxy Statement.

ETHICS, INTEGRITY AND COMPLIANCE

Since our inception, Axalta has maintained a strong commitment to operating with integrity and behaving ethically. The foundation of our ethical culture is the [Axalta Code of Business Conduct and Ethics](#). Our Code is approved by our Board of Directors, overseen by the Audit Committee and outlines Axalta's expectations of our employees, directors and business partners worldwide. The Code states our positions on topics such as complying with all applicable laws, avoiding conflicts of interest, acting as responsible citizens in our communities, managing corporate assets and proprietary information responsibly and respecting our colleagues. We also have a suite of company policies that complement our Code and guide our behaviors, including on topics such as anti-corruption, competition law compliance, gifts and business entertainment, insider trading, whistleblower protection and non-retaliation.

Our global compliance training program, Compliance Connect, includes an annual training on our Code of Business Conduct and Ethics. The training on the Code of Business Conduct and Ethics is done through online learning modules for our computer users, through in-person training sessions for our non-computer users working in our manufacturing sites and warehouses.

In addition to the annual training, Compliance Connect includes mandatory quarterly training on topics which vary year-to-year and range from conflicts of interest and trade compliance to anti-competition and anti-discrimination, among many others. We continually enhance our training program by relying on microburst, interactive trainings to increase effectiveness.



99%



We achieved a 99% completion rate on the Code training among active global employees during 2022.



GRIEVANCE MECHANISMS

Axalta is committed to fostering an open reporting environment where our employees feel empowered to raise any issues or concerns. Our company maintains an Ethics Helpline and website where all employees and business partners may ask questions, receive guidance on any ethical issues and report potential ethics violations. Reports may be made using the reporting website, phone or text and anonymously, as desired. Our Code of Business Conduct and Ethics includes the contact information for the Axalta Ethics Helpline, which is publicly available on our website and accessible to all internal and external stakeholders. We also post the Helpline information on our employee intranet and physically in our offices and manufacturing centers. Axalta investigates all reports made through all channels and does not tolerate retaliation against employees.



TRADE COMPLIANCE

As a multinational company that does business with suppliers and customers around the world, trade compliance is a key focus area of our compliance program. Our Global Trade Compliance team has experts in each region who support our Technology, Product Stewardship and Operations teams, as well as our businesses in navigating the complex and evolving nature of trade regulations and requirements. We have a full suite of policies and procedures detailing our commitment to trade compliance in our operations, including our Global Trade Compliance Policy. To monitor the quality and compliance of our import and export activities, the Global Trade Compliance team has established an audit process that evaluates transactions on a rolling basis.

RISK MANAGEMENT

Risk management is the responsibility of every employee. Axalta's Enterprise Risk Management (ERM) program focuses on a wide range of potential strategic, operational, financial, regulatory, human capital and ESG risks to the company. Risks may range from business continuity and competitive market dynamics to cybersecurity and succession planning. The ERM team refreshes potential risks facing our company on an ongoing basis, capturing evolving and emerging risks through an annual survey of 100+ leaders across the company, as well as members of the Board of Directors. The results are used to rank potential risks to the company. At least once per year the ERM team also briefs the Audit Committee and the Board on risk management activities. For more information on specific risks, please see the Risk Factors section of our [Annual Report](#).

We leverage our Crisis Management Protocol to prepare for a variety of risks we may face. We maintain site, business unit and corporate crisis management teams with corresponding protocols and procedures. We conduct crisis and emergency preparedness exercises throughout the company, including, from time to time, the Executive Committee, to foster preparedness.



CYBERSECURITY

Protecting Axalta's intellectual property and the information of our customers, business partners and employees from unauthorized access is incredibly important to us. Axalta aligns our information protection management system and associated policies with ISO 27000, the industry benchmark. Our information technology (IT) team has deployed tools and technologies to secure our intellectual property and data internally while protecting against external threats. The IT security team upholds cybersecurity-related policies, procedures and guidance documents that embody the company's established approach and initiatives in cybersecurity. We continually roll out cybersecurity and phishing training to employees to raise awareness and enhance knowledge around cybersecurity risks, reporting and mitigation and regularly test employees' knowledge to retain and stay current with knowledge on IT security.

Axalta executive leadership has appointed a VP, CISO - Chief Information Security Officer to lead the cybersecurity program. Our VP, CISO works closely with a cross-functional, cybersecurity steering committee, composed of members from our senior leadership and members from our IT, internal audit, human resources and legal leadership teams. The cybersecurity steering committee oversees and governs Axalta's cybersecurity program and risk management. Our IT leaders update the Board of Directors, at least once a year, on our ongoing cybersecurity and risk management activities, strategy, posture and roadmap.



INDUSTRY ENGAGEMENT

Axalta collaborates with partners, suppliers and customers to advance sustainability in our industry. As a global coatings manufacturer, Axalta participates in a variety of industry associations around the world to share best practices and tackle challenging issues.. In the United States, Axalta is active in many workgroups of the American Coatings Association (ACA).

Axalta is also a member of the American Chemistry Council (ACC), where we are active in the Responsible Care program—the chemical industry’s robust environmental, health, safety and security performance initiative. Please see the Planet Solutions section of this report for more information on our approach to Responsible Care.

Similarly, we are active members of other national and regional coatings associations in the countries where we operate, such as:

- Canadian Paint and Coatings Association (CPCA)
- European Council of the Paint, Printing Ink and Artists’ Colors Industry (CEPE)
- Association of the German Paint and Printing Ink Industry (VdL)
- China National Coatings Industry Association (CNCIA)
- Australian Paint Manufacturers’ Federation (APMF)
- British Coatings Federation (BCF)
- Paint Manufacturers’ Association in Turkey (BOSAD)
- Mexican Paint and Printing Ink Manufacturers’ Association (ANAFAPYT)



Many of these national associations, including the ACA, are members of the World Coatings Council, which works to ensure that the industry collaborates globally on training, education and proactive initiatives, including sustainability.

We also participate in automotive industry-specific consortia given our significant work with mobility sector customers. Axalta participates in the Automotive Industry Action Group (AIAG) and Original Equipment Supplier Association (OESA) to support industry-wide sustainability initiatives. Additionally, we work alongside our automotive customers and suppliers in the Responsible Minerals Initiative (RMI), which advances responsible sourcing practices and protects human rights in the minerals supply chain.





GOVERNMENT AFFAIRS

Advocating for sustainable policies and sharing the successes of our company and the industry are at the core of Axalta's government affairs efforts. As part of our membership in the ACC Responsible Care program, a number of our manufacturing sites participate on community advisory panels, where local officials, emergency responders and community members can ask questions and discuss concerns. We may also engage with leaders in the communities in which we operate from time to time.

Axalta continues to participate in ACA's Paint the Hill Days, where a delegation of ACA member companies visits with staff members of U.S. Representatives' and Senators'

offices for the jurisdictions in which we operate. Key topics covered in these meetings over the past several years include the social and economic contributions of the coatings industry, technology and innovation, environmental regulations, sustainability and infrastructure.

Through our membership in industry associations, Axalta comments on relevant draft legislation and regulations that may impact the coatings industry or our supply chain across the jurisdictions in which we operate. Officials from key regulatory agencies are often invited to meetings hosted by our trade association partners to speak and answer questions about new regulatory

initiatives or challenges with existing regulations.

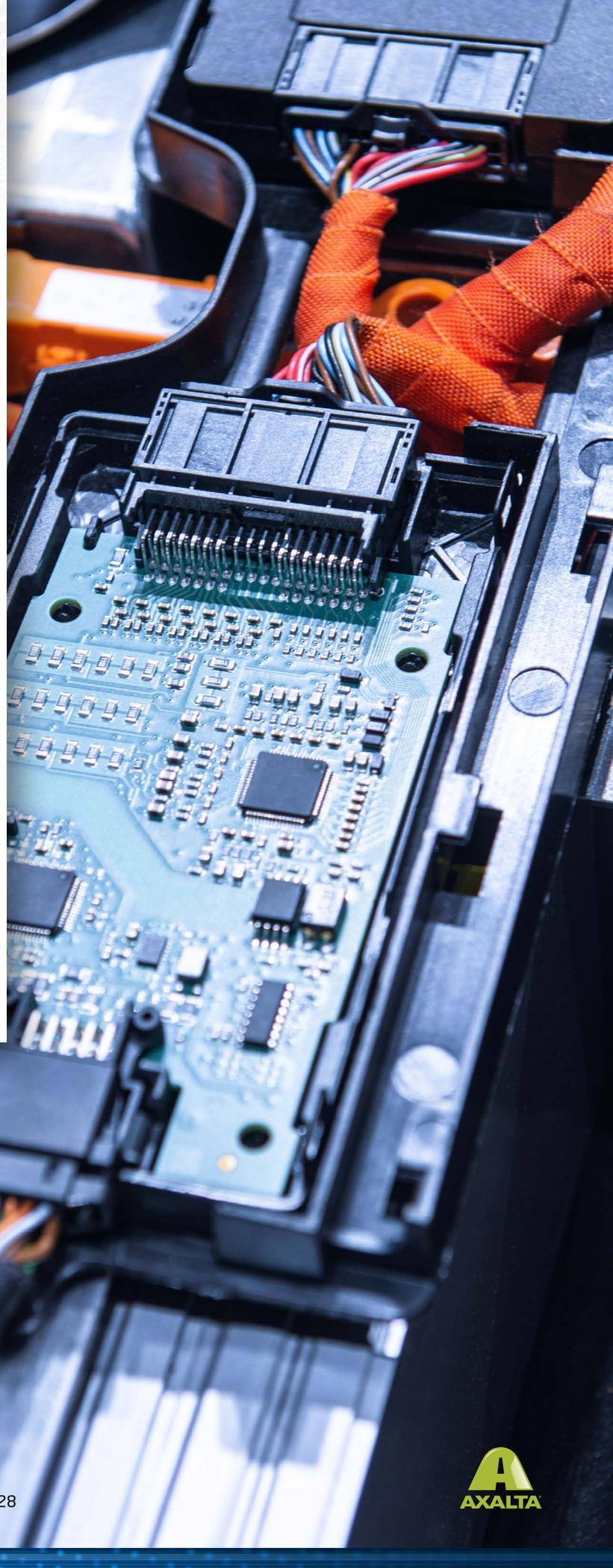
Axalta does not make any political contributions in the United States or use any corporate funds for lobbying. We also do not have a political action committee (PAC). Our government affairs efforts are focused on building relationships with key legislators and regulators at the local, state and federal level and advocating for issues of top priority by working through our industry associations, rather than using any monetary contributions.

Business Solutions

Sustainability is at the heart of our business: our products, services and technology help customers design and manufacture finished products that accelerate their own sustainability initiatives and achievements. We are committed to delivering sustainability benefits from 80 percent of our new technology and innovation developments by 2030.

TECHNOLOGY AND INNOVATION

Technology is the foundation of our business. Axalta has been at the forefront of coatings technology for more than 150 years, developing innovative coating systems that continue to meet our customers' needs around color and aesthetics, durability, productivity and sustainability. Axalta's long-term success is rooted in providing our customers with next-generation products and services. The end markets we serve are among the most demanding in the coatings industry, requiring high levels of product performance with increasing expectations for productivity and sustainability. Axalta continues to drive change in coatings innovation and align our technology efforts to meet these high expectations.





TECHNOLOGY STRATEGY

Our leading research and development activities begin with a market-based approach to identify the next generation of product innovations based on understanding our customers and their consumers, regulatory requirements and sustainability priorities that drive the need for new products and services. These factors influence the demand for product enhancements and new coating products and systems, stimulating product research and development. At year-end 2022, we had a portfolio of approximately 750 issued patents, 260 pending patent applications and more than 480 trademarks.

Axalta continues to be a leader in developing products that offer sustainability benefits including:

- Lower energy consumption/CO2 reduction
- Reduced hazardous materials
- Lower emissions/material consumption
- Reduced indirect material/waste
- Increased bio-based content
- Increased recycled content
- Enabling acceleration of the EV market or electrification

As such, we produce products with low-to-zero emissions of VOCs and hazardous air pollutants (HAPs) such as waterborne liquid coatings and powder coatings. Additionally, we focus on products that enable our customers to reduce energy consumption and waste as well as help drive EV adoption by providing more efficient and lower cost repair options specific to EVs.

Our approach to developing more sustainable products is influenced by customer preferences, existing and emerging regulatory controls on hazardous materials and our own commitment to develop and produce more sustainable coatings. As mentioned previously, we have committed to significantly increase our investment in sustainable solutions in our innovation pipeline - by 2030, our goal is that 80% of our new technology and innovation developments will have a sustainability benefit. We believe that a variety of developments create a sustainability benefit, including those that promote waterborne coatings technology, reduce VOCs and other hazardous materials and reduce customer energy usage, among others.

We track these opportunities throughout our stage-gate process and currently about 50% of our new technology development portfolio offers a sustainability benefit, over halfway towards our 2030 goal.



2030 GOAL



80%

of new technology and innovation developments will have a sustainability benefit



INVESTING IN TECHNOLOGY

Our technology development is led by a highly experienced global team of approximately 1,300 people focused on new product development, color development, technical customer support and manufacturing process improvement. We operate four major technology centers—in Philadelphia, Pennsylvania; Mt. Clemens, Michigan; Wuppertal, Germany; and Shanghai, China—to support our research and development activities, with approximately 25 regional labs tailored to local markets and customers.

In 2022, we continued our substantial investment back into research and development and technical services. The scope includes fundamental research and development to create new products, enhance existing products and provide customer support. We introduce more than 50 new product platforms each year that enable continued product leadership in the markets we serve.

EXAMPLES OF SUSTAINABLE PRODUCT PLATFORMS

In addition to our ongoing development of new sustainable technologies, we have many existing platforms and products that have improved sustainability performance benefits.

Below are just a few of our innovative solutions:



In our global Refinish business, our Spies Hecker® full waterborne collision repair technology won an Edison Award for sustainability in 2022. This sustainable solution provides best-in-class appearance and performance while reducing solvent emissions by more than 60%.

Axalta's Fast Cure Low Energy clearcoat technology provides a product that Refinish body shops can use to cut processing times by up to 50% and reduce energy consumption by up to 70% while still achieving a high-quality repair. The clearcoat can be dried at lower baking temperatures or through air drying and still offers the productivity of traditional refinish systems. In addition to the reduced energy consumption, the Fast Cure Low Energy clearcoat allows body shops to repair temperature-sensitive electric vehicles or vehicles with heat-sensitive components.

During 2022, the Refinish business also launched a new mainstream and economy basecoat system; Cromax®Gen. The product does not require a mixing machine to maintain product stability, which reduces energy consumption for our customers.



In the Commercial Vehicle end-market within our global Mobility Coatings business, we launched our next generation Imron® EY color coat technology that provides outstanding vehicle appearance, expanded color space and lower VOC content.

Axalta NextJet®, a novel high-resolution digital paint coating technology, supports color customization through a sustainable solution that reduces waste generated from overspray as well as the masking process. Our patented process received an Edison Award in 2022 for the innovation it brought to the coatings industry.

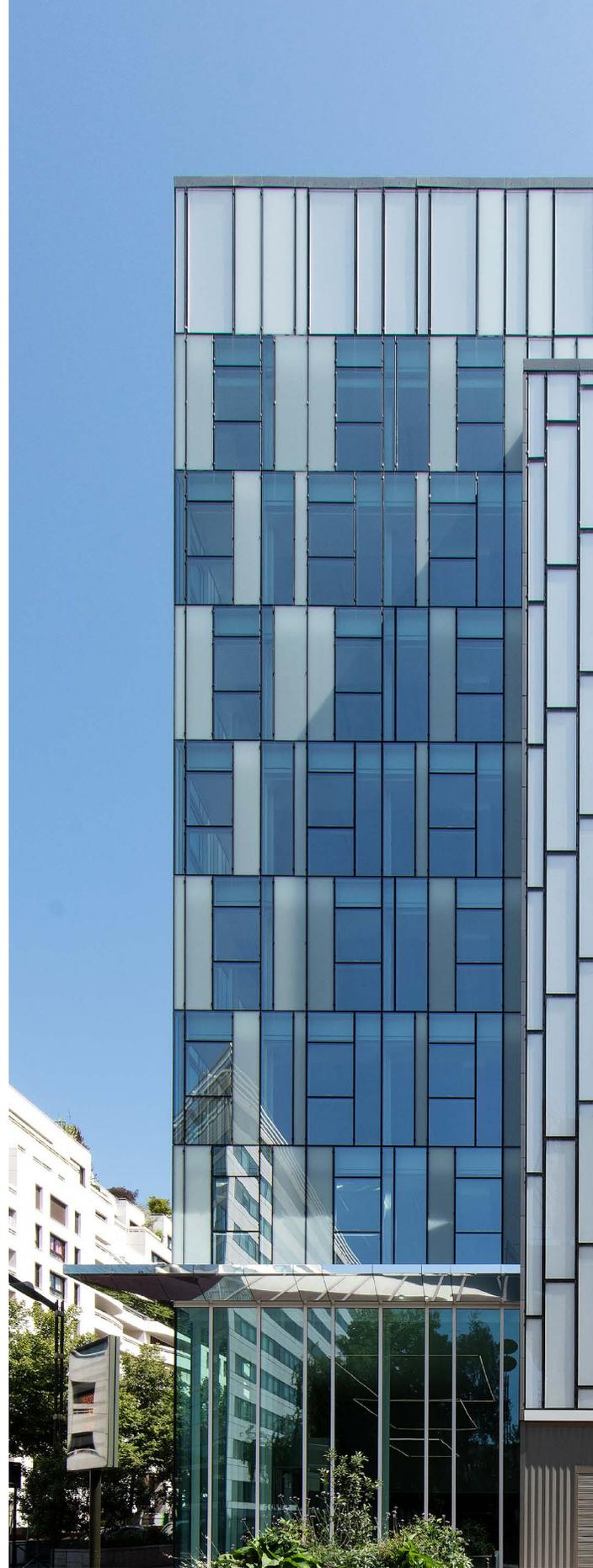
Axalta's AquaEC® Flex electrocoat offers a sustainable solution and enables electric vehicle designs. This product cures over a broad range of temperatures necessary for the frame sub-structure of electric vehicle batteries. This patented e-coat offers several sustainability advantages including 60% lower VOC emissions and 15% less energy use while also eliminating hazardous materials and enabling water recycling.



In our global Industrial Coatings business, we launched a new and improved water-based wood coating system. This system has excellent color stability and can be applied in just two coats, replacing conventional three-coat systems. Hazardous materials are reduced by 90% and this new technology reduces energy consumption for our customers.

We expanded our portfolio of corrosion-resistant products with the launch of Abcite®2060 flame spray powder coating which won an R&D100 award in 2022. This technology allows in-field application of powder coatings, prolonging asset life for our customers and reducing environmental impact.

In our Energy Solutions business, we continue to grow the Voltatex® 4224 impregnating resin technology. This high thermal conductivity product improves thermal management within electric motors. Higher motor efficiency or reduced size and weight of the electric device are achieved leading to significant energy savings and motor efficiency for applications such as EVs.



PRODUCT STEWARDSHIP

A comprehensive product stewardship program is critical for our business. We recognize that some of the raw materials we use and some of our finished products exhibit characteristics that may present hazards to people or the environment if not handled properly. We manage these potential hazards responsibly and safely in our operations and communicate the known risks to others across our value chain as required by all applicable regulations. We strive to identify and mitigate potential risks associated with our products—from development through manufacturing, use and disposal— and continue to deliver valuable products to our customers and ensure compliance across our business operations.

We manage our product stewardship and regulatory compliance obligations through a robust management system built on widely recognized industry best practices. We continue to work towards automating critical data transfers and other processes to eliminate operational errors and reduce cycle time. Our goal in product stewardship is to provide thorough and accurate information to business leaders on compliance and risks so that they can make decisions that mitigate risk while fostering continued growth.



PRODUCT REVIEWS

Our product stewardship program is designed to ensure compliance with regulations and industry standards. Dedicated staff guide the program and are knowledgeable about the products, customer applications and regulatory requirements in the jurisdictions where our products are manufactured or used. Our regional product stewardship experts continually monitor regulatory developments to understand and anticipate the potential impact on our operations, products and customers' use of our products. Early awareness of regulatory developments and timely communication with Axalta's businesses and functions enhances our ability to continually supply products that comply with all applicable regulations for their intended use.

Working with our Procurement, Technology and Environmental, Health, Safety and Sustainability functions, the product stewardship program advises the business stakeholders of the known risks throughout the product lifecycle. Our product stewardship team participates in technology reviews and other strategy discussions with our business leaders to provide guidance relative to new or developing regulations or other related and important issues that may impact our business strategy.

COMMUNICATING WITH CUSTOMERS

An essential aspect of our product stewardship program is effectively communicating with our customers. Axalta has implemented a robust global system to provide our customers accurate and compliant Safety Data Sheets (SDSs). This program ensures that applicable regulations in every jurisdiction and all available data related to the health and safety of raw materials are considered in the preparation of SDSs and product labels. Additionally, process efficiencies gained through this software allows for faster, more accurate communication of important health and safety information with our employees and customers. This system enhances our compliance efforts, reduces the risk of transfer errors and provides a more sustainable method for managing regulatory requirements.

Through continued engagement with the product management teams, we recognize that many of our customers are looking for ways to reduce risk through material substitution, ensure responsible sourcing throughout the supply chain and incorporate biobased and recycled materials into their products. Our product stewardship and raw materials experts review potential new raw materials that would offer these benefits for suitability of use and impact on product stewardship requirements, such as SDS and label text, substance compliance and product properties. We will continue to explore ways to collaborate with our customers on product stewardship and regulatory matters as we advance our sustainability efforts..



Planet Solutions

Axalta is committed to creating a more sustainable future for the planet and is working to reduce the impact of our global operations. At the core of our commitment to environmental sustainability is a pledge to achieve carbon neutrality in our operations by 2040.

OUR APPROACH TO SUSTAINABLE OPERATIONS

Our approach to sustainable operations starts with our global [Environment, Health and Safety \(EHS\) Guiding Principles](#), which are endorsed by our Executive Committee. These EHS Guiding Principles clearly outline the operational performance obligations and commitments for the company. Our Operations and Environmental, Health, Safety and Quality (EHSQ) leaders report quarterly on our EHSQ performance to the Environmental, Health, Safety and Sustainability (EHS&S) Committee of the Axalta Board of Directors.

The execution of our environmental sustainability principles and goals is part of Axalta's business and operations leadership core responsibilities. Our internal subject matter experts (competency leaders) provide expertise and best practices on regulatory compliance and facilitate knowledge sharing and training across our sites in key focus areas. The approach to managing our sites responsibly is rooted in our robust management systems. As a member of the American Chemistry Council, Axalta has committed to the Responsible Care (RC) management system, the chemical industry's leading environmental, health, safety and security performance initiative.

Axalta was one of the first companies to achieve a global, multi-site RC14001 certification to the 2015 standard update. This certification is completed by a third-party through annual in-depth onsite audits and extensive engagement with corporate EHSQ staff. It demonstrates that all elements of the Responsible Care management system are successfully implemented globally, including EHS, process safety, product safety, security and sustainability. Axalta holds a global, multi-site RC14001:2015 certification.

Our ongoing internal audit process reflects our EHS Guiding Principles and the requirements of the RC 14001:2015 standard, providing governance to ensure compliance with all applicable regulatory requirements and Axalta standards. The audit process allows us to further identify opportunities to improve risk controls and adherence to all our EHS management systems requirements. To monitor the effectiveness of our Environmental, Health, and Safety programs, we use a multi-layer internal audit process which includes leading and lagging indicators. We implement three layers of audit to ensure continuous improvement and adherence to regulatory and Axalta standards. First-party audits are facility self-assessments using tools and checklists provided by our global competency leaders. Second-party audits involve experienced EHS leaders and international professionals auditing facilities in multi-day events. Third-party audits utilize outside consultants to provide specialized inspections or conformance audits.

CLIMATE CHANGE

We recognize that climate change is one of the most pressing issues of our time and we are committed to being part of the solution.

Last year, we announced ten ESG goals, including a 50% reduction in Scope 1 and Scope 2 emissions by 2030. These medium-term targets align to the latest scientific guidance that aims to keep global warming well-below 2°C above pre-industrial levels.

CLIMATE RISK

In 2022, we embarked upon a climate change risk assessment in alignment with the expectations of the Task Force on Climate Related Financial Disclosures (TCFD). Axalta conducted a qualitative TCFD assessment to identify and analyze potential climate risks and opportunities that Axalta may face under different climate scenarios. The assessment began with sector analysis and education of key internal stakeholders. Axalta conducted engagement sessions with business leaders and subject matter experts (SMEs) throughout the organization to identify and assess climate-related risks and opportunities that Axalta may face in the short-, medium- and long-term time horizons. This process aggregated a number of potential climate risks and opportunities which were qualitatively assessed in terms of likelihood, severity and velocity of impact utilizing the Company's enterprise risk management framework.

ENERGY AND GHG EMISSIONS

Axalta is committed to reducing our energy-related emissions throughout our global operations to minimize our climate footprint, including maximizing efficiency in our operations. As a product formulator primarily, most of our manufacturing processes are blending rather than reactive, which require less energy and are therefore more energy efficient than many of our peer chemical companies. However, our sites are continuing to find ways to improve energy efficiency in our operations to reduce our total impact on the environment.

Our manufacturing and major laboratory sites track energy use at the site level. Energy efficiency and savings is a consideration in our capital projects process. In addition, our facilities are actively identifying a project pipeline for the future to improve efficiency and implement greener energy production solutions.

Our direct energy use (Scope 1)—the fuel used to generate energy on site—comes from natural gas, distillate fuel oil, and propane. Direct energy use in our most recent reporting year, 2022, was 1,192,323 GJ, representing a 11.48% increase from a 2019 baseline. While our energy use has increased over the baseline due to business growth and acquisitions, we have been working to implement

energy-saving initiatives in our facilities such as LED light bulb replacement and more efficient machinery including boilers and air compressors, keeping our energy intensity flat.

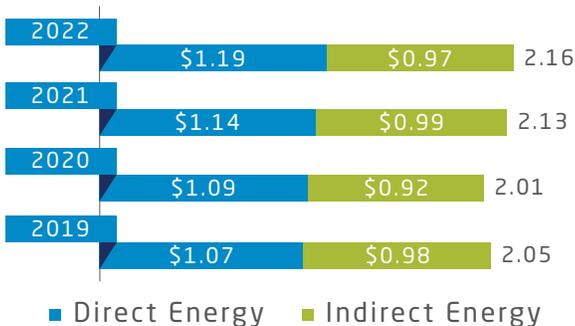
An example of one such effort at our Qingpu, China facility was the change to LED lighting which will save an estimated 108 GJ per year.

Indirect energy – energy we purchase and use at our facilities globally (Scope 2) -- includes electricity and heat that we buy from utility providers. Our global indirect energy consumption has been steady over the past three years.

We use energy intensity as a metric to assess our performance over time, accounting for changes in production due to market fluctuations, significant global incidents that impact business or changes in our footprint due to newly opened and acquired, expanded or closed sites. Our energy intensity is measured as gigajoules of direct and indirect energy per metric ton of production, and energy intensity continues to improve as energy efficiency improves at our facilities.

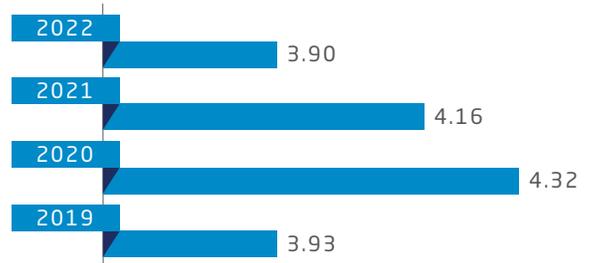
Energy Use

MILLIONS OF GJ



Energy Intensity

GJ PER METRIC TON OF PRODUCTION



As we work toward our 2030 goals, we are identifying a pipeline of projects, partnerships and opportunities to increase the percentage of our electricity generated from renewable sources. By year-end 2021, we purchased renewable energy certificates to source 100% renewable electricity for our locations in Austria, Belgium, Sweden and Switzerland. In 2022, we also increased our renewable electricity resources at our locations in Brazil and Columbia. We continue to work with third-party energy partners to identify cost-effective purchases of renewable energy as energy contracts come up for renewal.

Reducing our energy consumption and switching to renewable sources are primary drivers of our goal of reducing GHG emissions from our operations by 50% by 2030. We continue to improve our internal processes for measuring and reporting this data at the site level, including a detailed review in 2022 by Axalta's Internal Audit function. This review led to a number of enhancements to our measurement processes which will enhance the accuracy and timeliness of our GHG data reporting in the future.

Our direct (Scope 1) GHG emissions from our global operations were 60,410 metric tons CO₂e in 2022, a 11.19% increase compared to the baseline year of 2019. Our indirect GHG emissions (Scope 2) were 100,984 metric tons CO₂e, a 13.35% reduction from our baseline year of 2019. Our Scope 1 emissions have increased over the last three years due to acquisitions made and inclusion of their emissions data into our emissions inventory.

13.35% 
reduction of Scope 2 GHG emissions
from our baseline year of 2019

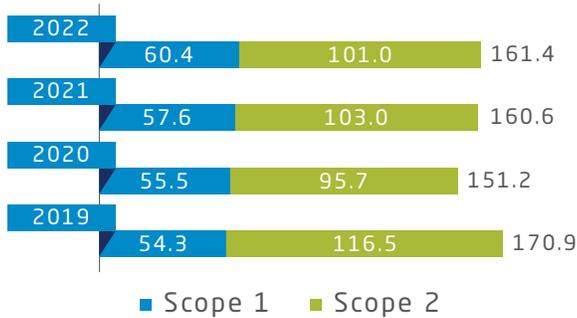
Carbon neutral by 2040



We calculate our GHG intensity to adjust for changes in production, such as the impacts from the COVID-19 pandemic and related disruptions in our end-markets. In 2020, 2021 and 2022, our GHG intensity was 0.33, 0.31 and 0.29 metric tons of CO₂e per metric ton of production respectively, reflecting a decrease of 11.16% compared with our 2019 baseline for GHG intensity.

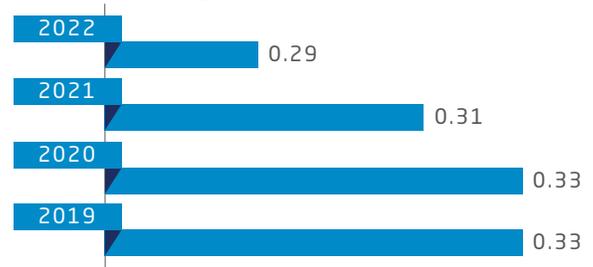
Greenhouse Gas Emissions

THOUSANDS METRIC TONS CO₂e



GHG Intensity

METRIC TONS CO₂e PER METRIC TON OF PRODUCTION



ENVIRONMENTAL SUSTAINABILITY IN OUR OPERATIONS

In addition to addressing climate-related impacts in our business, we remain committed to improving the environmental sustainability of our operations. We have committed to a 10% reduction of process waste generation, VOC emissions and water use from operations by 2030, normalized to production. We carefully manage our manufacturing operations, guided by our RC14001 management system, to comply with all appropriate environmental regulations and identify ways to minimize environmental impacts.

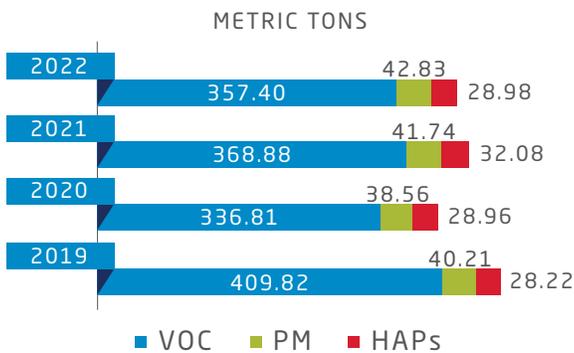
2030 GOAL

10% 

reduction of process waste, VOC emissions, and water use from operations (normalized to production)



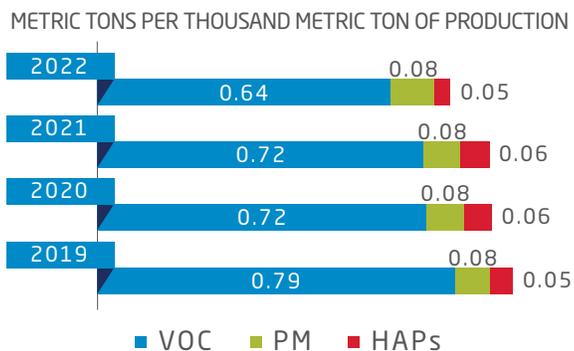
VOC, HAP & PM Emissions



AIR EMISSIONS

VOC emissions are the air emissions of highest focus for Axalta based on the types of raw materials we use for our products. Many of the jurisdictions in which we operate continue to implement VOC limits from manufacturing operations; we carefully track these regulatory requirements and work to be in compliance with all applicable regulations. In 2022, VOC emissions were 357.40 metric tons representing a 12.79% decrease compared to our 2019 baseline. We have set a goal to achieve a 10% reduction in VOC emissions normalized to production by 2030. In 2022 our VOC emissions intensity was 0.64 metric tons per 1,000 metric tons of production, representing an 18% reduction from our 2019 baseline. While we exceeded our 2030 VOC reduction goal for 2022, we continue to develop products that limit VOC emissions. For information about how Axalta is reducing VOC emissions from products, see the Business Solutions section of this report.

VOC, HAP & PM Intensity

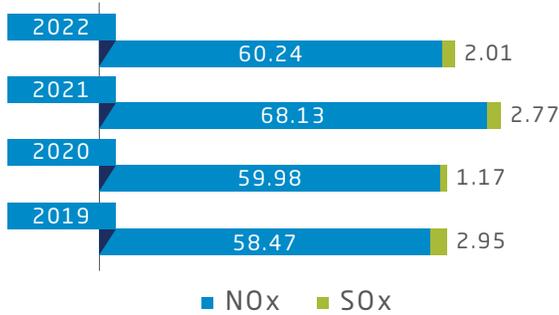


Over the past three years, our NO_x, SO_x and particulate matters (PM) emissions remained relatively constant. Our sites continue to monitor these emissions, improve data collection and identify reduction measures. A number of our facilities have implemented upgrades to boilers used on site. These efforts have involved fuel switching, swapping out older equipment for new and more efficient equipment and installing monitoring and control systems for the boilers. In addition to providing energy savings, these activities allow for significant reductions in air emissions, particularly NO_x and SO_x. In line with U.S. EPA regulations, we also monitor HAPs only from our U.S. facilities. HAPs emissions have remained constant for the last three years.

SO_x intensity measures are below our reporting threshold and, as such, appear as zero.

NOx & SOx Emissions

METRIC TONS



NOx & SOx Intensity

METRIC TONS PER THOUSAND METRIC TON OF PRODUCTION



WASTE AND RECYCLING

Carefully managing our materials and processes to reduce waste from operations is an important focus area at our manufacturing sites. Axalta's manufacturing and quality organizations manage the 'right first-time production' program to reduce waste generation from our manufacturing process.

Axalta ensures compliance with all waste-related regulations, which can vary widely across the different jurisdictions where we operate. As such, we regularly track these compliance obligations and investigate options to reduce the generation of all types of waste and identify beneficial reuse and recycle options.

Our sites that produce liquid coatings use solvents in the manufacturing process; these locations have continued to identify ways to recover solvent waste from our processes.

Recovered solvent is in some cases sold as a product to other companies, and some solvent is recycled back into our processes. An example of these efforts is our Huntsville, Alabama (U.S.) site where we achieved zero waste to landfill status for all process-related waste, with the process-related waste sent to energy recovery facilities instead.

While our waste generation increased over the baseline, waste intensity improved slightly. We are seeking opportunities to meet our 2030 goal to reduce waste intensity by 10%.

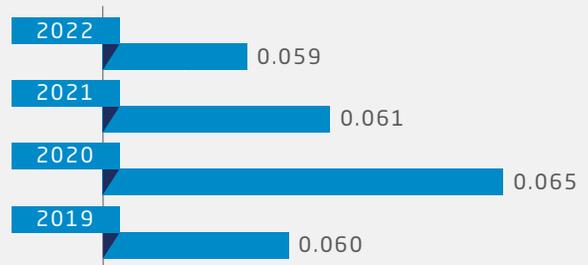
Total Waste

THOUSAND METRIC TONS



Waste Intensity

METRIC TONS PER METRIC TON OF PRODUCTION



1) SOx intensity measures are below our reporting threshold and, as such, appear as zero.

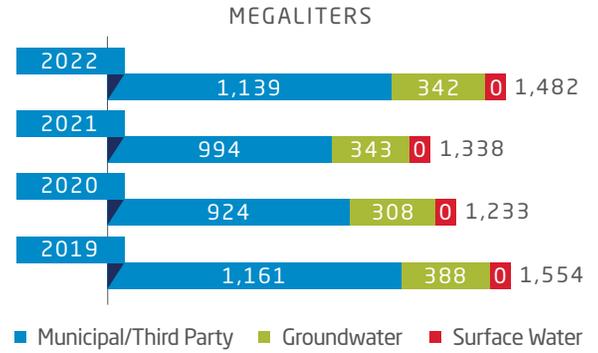
WATER

We use water in our operations for the manufacture of our products and sanitary use throughout our sites. We are cognizant of our water use everywhere we operate and we monitor water risk assessments to determine which of our facilities may be in areas of high-water stress using the World Resources Institute (WRI) Aqueduct tool. At year-end 2022, 14 of our 46 sites were in sites deemed as high or extremely high risk for water stress by WRI.

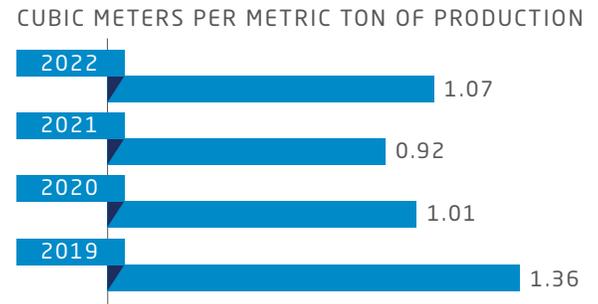
In 2022, our water consumption from all sources (purchased municipal water and groundwater wells) for our global operations was 593,057 cubic meters. This water consumption was a 16.25% decrease from baseline year 2019. On an intensity basis, our water usage normalized to production was 1.07 cubic meters per metric ton of production in 2022, a 21.23% reduction from our 2019 baseline, well above our 2030 goal to reduce water use by 10%.

We have invested in on-site wastewater treatment facilities at our manufacturing sites in Mt. Clemens, Michigan (U.S.) and Jiading, China . These on-site treatment systems allow us to reduce effluents produced in our manufacturing. Much of the treated water is recycled back into our operations, reducing the amount of water we withdraw from local municipalities. Axalta performs water monitoring to track discharge in line with all permit requirements.

Water Withdrawal



Water Intensity



People Solutions

Our vision is for Axalta to achieve world-class safety performance, which we strive for through our zero-incident culture rooted in inclusivity, integrity, safety and engagement. We seek to achieve our vision of zero incidents through inherently safer design and an exceptional people-first culture emphasizing preventative action following our Environmental, Health and Safety Guiding Principles.

OCCUPATIONAL HEALTH AND SAFETY

To better support our business units in 2022, we aligned the Environment, Health and Safety organization with Healthcare Services and Product Stewardship / Regulatory Compliance under the Global Vice President of EHSQ. The improved structure provides regional EHS leadership and subject matter experts who support specific competencies globally. We believe these changes led to better support for safe work performance at our facilities with closer alignment between our regions and EHS competencies.

Axalta's management is accountable for driving the culture and vision for zero incidents within the company. To support our leadership, EHS professionals provide expert guidance and program development. Our leadership team frequently visits facilities to engage with employees, check the health of EHS programs, and drive continuous improvement in environment, health, and safety. To engage employees in the health and safety decision making process, all sites are encouraged to have a health and safety committee with representatives from all functions at the site. Sites regularly conduct medical surveillance programs for physical and chemical hazards to ensure the health of employees.

We manage safety as part of our global Responsible Care® Management System aligned with our EHS Guiding Principles. Axalta's RC14001® Management System is certified by an accredited third-party auditor and meets the requirements of ISO 45001. The formal RC14001 Management System targets manufacturing locations, and the policies, standards, and work practices from the management system are applied globally to Axalta employees regardless of their location or job assignment.

Our global EHS standards are regularly revised and updated to drive best practices and prevention through design, engineering and administrative control. We utilize a layered audit process to continually validate the implementation and effective outcomes of our process and share best practices. As part of our global management system, metrics and reporting at all levels of the organization reinforce the execution of preventative plans and actions. A formal management review process also validates appropriate focus on current issues, emerging trends and resource allocation. We continue integrating our newly acquired sites into our safety culture and global RC14001 Management System to support the highest standards of safe and responsible operations aligning with our zero-incident vision. We are also working with new facilities acquired in Axalta's global portfolio over the past few years to integrate their programs and activities and matriculate their operations to the highest levels of operational safety.



As a part of our focus on prevention, we encourage our employees to speak up if they see unsafe conditions or unsafe acts. We have implemented two new proactive programs to ensure work is performed safely: Good Catch Reporting and Stop Work Authority (SWA), which are designed to empower all employees to prevent incidents from materializing.

- Axalta implemented the Good Catch program in 2021, expanding on the traditional near miss reporting program with focus on more minor events or simply to report any condition where there was an opportunity to make improvements. In total, over 21,000 good catches were reported, acted upon and corrected in 2022.

Axalta introduced its Stop Work Authority process in 2022. Stop Work Authority is the expectation that every employee, contractor and visitor have the authority and the expectation to stop any operation or task which is not meeting safety, health, environmental or quality expectations without consequence to them. SWA is a good faith process to empower everyone to ensure we operate safely and responsibly. Our senior management team are the champions of the SWA process. The SWA implementation plan began with communication sessions and dispersing of SWA cards to sites globally. Program implementation continues globally and is expected to be complete by the end of the first quarter 2023. The program has been translated into 11 languages to ensure the effectiveness and clear communication of this critical program.



Our primary mission is always incident prevention through proactive programs and processes. However, should an incident or high potential near miss occur, our formal investigation program uses root cause analysis to help identify and develop broad corrective actions to address the relevant hazards or deficiencies.

In 2022, Axalta engaged with a third-party root cause analyses expert and invested in new training, tools, and methods to understand the underlying causes of incidents better. The tool allows us to facilitate root cause investigations consistently across the organization to improve risk identification and mitigation. The root cause analysis is followed by an effectiveness check to demonstrate that the adjustments appropriately resolved the hazard, and we share lessons learned across our organization. To provide timely information on incidents when they occur within the organization, we utilize a Flash Alert process, which provides basic facts, causal factors and immediate actions that all facilities should take in communications and self-assessments to prevent similar incidents.

After allowing time for thorough root cause analyses, we share the products of root cause analyses globally during monthly EHS Lessons Learned meetings which provide an opportunity for the investigating site to share what and how the event occurred. EHS Lessons Learned allows our global network to learn from the event and communicate best practices moving forward.

Safety learning and development programs have always played a significant role at Axalta and help to continually improve our RC Management System. These programs are a partnership between operations and resource functions to ensure employees have the training needed to be safe and productive. Training programs vary depending on manufacturing processes, hazard types present in the operation, equipment configurations, and jurisdictional requirements. Sites develop training matrices based on job assignments, jurisdictional requirements and Axalta standards to best equip workers to conduct work activities that meet EHS expectations.

During 2022, Axalta redefined our EHS metrics, targets and goals to create a more leading indicator-focused scorecard. The improved scorecard aligns metrics to our business units and highlights our goals of top decile safety performance. We also standardized global reporting to ensure every incident was reported and classified using the same criteria globally. As such, we saw an increase in our total OSHA recordable incident rate (TRIR) from 0.24 in 2021 to 0.49 in 2022. While a disappointing increase, performance exceeded the paint and coatings industry average recordable incident rate of 3.5, as identified by the U.S. Bureau of Labor and Statistics in 2021². We believe this increase correlates with our campaign to more accurately improve reporting and communication of all incidents.

Many of our manufacturing sites have consecutive years of zero OSHA recordable incidents.

TOTAL RECORDABLE INCIDENT RATE

	2018	2019	2020	2021	2022	U.S. Bureau of Labor and Statistics (2021)
Total Workforce	0.39	0.30	0.16	0.24	0.49	3.5
Employees	0.39	0.31	0.24	0.28	0.59	n/a
Contractors	0.42	0.18	0.11	0.05	0.08	n/a

LOST-TIME INCIDENT RATE

	2018	2019	2020	2021	2022
Total Workforce	0.06	0.07	0.03	0.08	0.18
Employees	0.07	0.07	0.04	0.10	0.21
Contractors	0.08	0.05	0.00	0.00	0.04

2030 GOAL



Global **top decile** recordable injury rates annually while continually striving towards zero injuries



Improvement in our reporting enables us to develop better corrective actions to reduce injuries in the future. This effort is part of a larger focus on re-imagining and reapproaching our global Responsible Care Management System to be even more preventative and proactive.



Source: 2) U.S. Bureau of Labor and Statistics (2021).

PROCESS SAFETY

To undertake safe process operations, Axalta has a highly qualified and experienced Global Process Safety Management organization and a Reactor Safety Network comprised of engineers, scientists, safety professionals and facility leaders who help define safe operating requirements, perform reviews of process technology and evaluate product changes. We operate our facilities by complying with applicable regulations, setting global standards for advanced safety requirements and implementing a robust, layered audit process to mitigate risks effectively and pursue new levels of excellence.



WELLNESS PROGRAMS

The COVID-19 pandemic brought significant risks to our employee's health and well-being. Axalta acted quickly in 2020 to implement appropriate precautions to support our employees with training, personal protective equipment, contact tracing, social distancing and hygiene and sanitization products for each facility. Concurrently, we amended our leave, sick and compensation policies to support workers affected in their recovery. As vaccinations became available, our teams worked together to support education and vaccination access.

Axalta provides all employees access to occupational, medical and healthcare services through our global Healthcare Services (HCS) department, which is staffed with doctors, nurses and health administrators. These medical professionals provide ongoing workplace medical monitoring and evaluations of existing employees to support total worker health. The HCS department provides consultation and support to facility risk evaluations, leads our global ergonomic initiatives, and supports workers in our return-to-work programs in partnership with human resources and site management. Axalta continues to support the health and safety of our employees by encouraging healthy lifestyle choices through informational campaigns and on-site health events.

EMPLOYEE CULTURE AND TALENT DEVELOPMENT

Axalta's people around the world are our greatest asset. Critical to our success is ensuring Axalta is a place where employees feel connected to one another and where their career ambitions can thrive. Axalta develops strategies and plans related to our human capital; supported and reviewed by the Executive Committee and the Board of Directors

and advised by employee feedback. We focus on the entire employee lifecycle from the attraction of our future talent to creating an engaged and inclusive workforce who can grow their careers with Axalta and who are equipped with the right tools to fill our pipeline for the future.

EMPLOYEE ENGAGEMENT

We launched our first global annual employee engagement survey in 2021 leveraging best-in-class globally benchmarked survey design. Since then, we have continued to focus on increasing participation rates by ensuring teams are action planning and the organization is adjusting based on employee feedback. In 2022, we committed to a three-part employee engagement goal.

2030 GOAL



Conduct **employee engagement survey** annually, and achieve participation rates and employee confidence in company follow-up actions greater than the provider benchmark



In 2021, we reached 67% participation, 9% under the global benchmark but still in line with companies who are new to engagement surveys. This first survey provided meaningful insight into where employees were having a favorable experience, and what areas of improvement employees were seeking.

The highest rated topics included areas such as relationship to direct manager, performance feedback and coaching, as well as employee empowerment. Conversely, employees wanted more growth and development opportunities. We used the results from 2021 to focus our talent strategies and create new initiatives. The 2022 survey results reflected a direct relationship between these actions and the feedback from employees. For example, we focused heavily on our learning and development opportunities and saw large score increases in the 2022 survey with respect to these questions. In 2022, our participation rate increased by 20% to 87% ~10% above the global benchmark.

To keep moving Axalta along our engagement journey, for 2023, we will refresh some survey questions to ensure we are getting the most meaningful insights that will drive the best engagement outcomes for our employees in the future. We plan to share progress from our 2023 engagement survey in future reporting.

LEARNING AND DEVELOPMENT

Following our 2021 employee engagement survey results, we focused heavily on our learning strategy. Our comprehensive approach to creating a learning culture delivers meaningful developmental experiences at all levels of the organization. Leveraging scalable content and personalized learning paths, we provide access to learning tools and resources to support the development of all employees. We also created training specific for managers, so our leaders have the skills to drive performance, lead change and develop talent.

As part of these efforts, we released three new learning programs in 2022:

- **Aspire:** a self-guided online learning platform with over 1,300 courses available for all Axalta employees. In 2022, 5,204 users completed 24,234 courses.
- **Axalta Leadership Program (ALP):** focuses on developing all current and future managers and leaders by building foundational managerial capabilities. The inaugural program trained 550 of Axalta's leaders over five months and covered several topics related to effective leadership.
- **BetterUp Coaching Program:** supported participants over a six-month development program with unlimited one-on-one coaching, 360-degree feedback and full access to specialty coaches and online resources.

Axalta is eager to support the development of the future workforce and provides annual internship opportunities to students through our InventU Internship program. The program helps college-level students learn and develop professional skills and gain real-world experiences to prepare them for their future careers. Over 10-12 weeks, interns work on meaningful projects with Axalta professionals, receive mentorship and networking opportunities and participate in a "We Paint Careers" series led by different members of the Executive Committee.



DIVERSITY AND INCLUSION

Respect for every individual is an essential value and the foundation of our success, and diversity and inclusion has always been important to us. We aspire to build a diverse talent pool and to foster an inclusive workplace culture where differences are valued and expressed freely, and all our employees have the individual support they need to develop and grow. Shaped by feedback from various sources including engagement survey responses, interviews with our executive leadership, Board of Directors, employees, customers, candidates and others, we have developed a 3-year diversity and inclusion strategy which focuses on things such as the establishment of an Inclusion Index (as measured by our engagement survey), expansion of Employee Resource Groups, targeted training efforts and enhanced Talent Acquisition processes.

2030 GOAL



30%

of management positions to be filled by women and 30% of management positions to be filled by under-represented racial/ethnic groups (in U.S.)



As part of the employee engagement survey and in response to meeting our 2030 goal to establish, track and improve upon a favorable Inclusion Index, we developed an Inclusion Index with eight items to gauge inclusivity throughout the organization. Results from the 2022 Inclusion Index were positive and we hope to improve in future reviews.

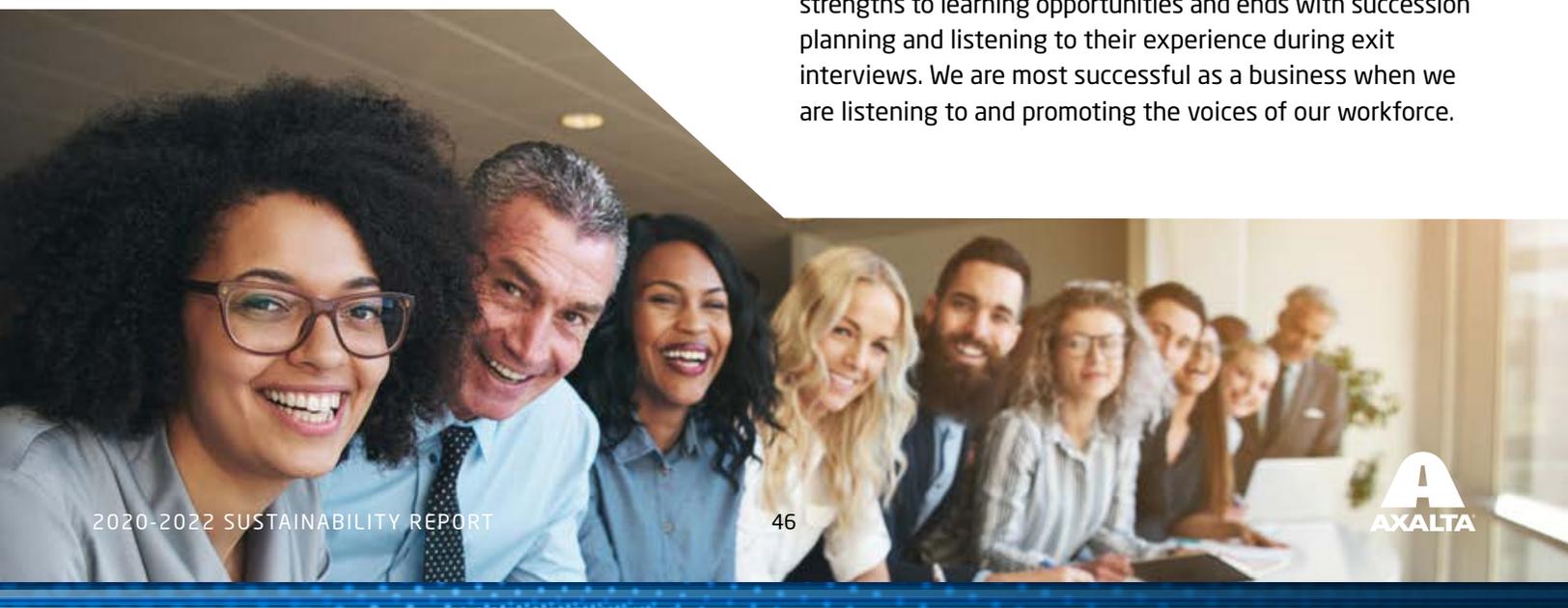
Establish, track, and improve upon a favorable Inclusion Index

Employee resource groups can be an effective tool to foster employees' feeling of belonging. The Axalta Women's Network was launched in 2016 and has been a resource for our female employees globally to network, collaborate and support each other. We have seen such success and growth from the Women's Network that we also plan to launch more Employee Resource Groups in the coming year. These groups will have a leadership sponsor and be engaged to support strategic initiatives for the business.

Our diversity and inclusion strategy extends beyond our operations into the community and potential workforce. Talent acquisition analyzes job descriptions for biases and develop standardized interview guides. Our actions to promote the next generation of coatings industry employees are detailed in the Community Engagement section of this report.

We continue to track the effectiveness of these actions through our inclusion index, employee feedback and talent data review. Additionally, our Board receives reports on diversity and inclusion progress and provides feedback on strategy and direction.

Our approach to employee engagement and talent development emphasizes the importance of communicating with our employees throughout their time at Axalta. It starts with appropriate and thorough onboarding, continues with performance management, recognizing their hard work and aligning their skills and strengths to learning opportunities and ends with succession planning and listening to their experience during exit interviews. We are most successful as a business when we are listening to and promoting the voices of our workforce.



COMMUNITY ENGAGEMENT

At Axalta, making a meaningful difference also extends to our communities. Inspired by our Purpose and Values, we are committed to corporate social responsibility (CSR) by working in partnership with our stakeholders to help ensure better living and build a sustainable future. The Axalta team around the world is dedicated to engaging with and supporting the communities in which we live and work. Axalta is working to develop and formalize a global CSR steering committee to further govern and centralize efforts, providing added visibility into strategic intent, investment and programming globally.

The program will continue to focus on:

- Science, Technology, Engineering and Math (STEM) and Vocational Education - we aim to develop the next generation of scientists, engineers, color experts, operators and auto body painters—especially women, minorities and people from disadvantaged and diverse backgrounds—to promote the vitality of the coatings industry and our customers' industries.
- Children, Health, Safety and the Environment in Our Communities - we support local organizations, community initiatives and environmental stewardship efforts that improve the lives of people in the places where our employees and our customers live and work, with a focus on supporting diverse and disadvantaged community members.

In 2022, we committed to investing at least \$5 million dollars in our communities through Axalta Bright Futures by 2030. The Bright Futures Scholarship Program and related investment further solidifies Axalta's commitment to the community. For 2023, we will continue to refine our programming, partnerships and investments globally with a greater focus on providing valuable scholarships for students and to align the program to our 2030 goal.



FUNDED 16 SCHOLARSHIPS

for future STEM leaders in 2022

2030 GOAL

\$5M 
donated to our communities
through Axalta's Bright
Futures Program



STEM AND VOCATIONAL EDUCATION

Our focus on STEM and vocational education is directly aligned with our recruitment and business strategy, as supporting these education initiatives helps foster the next generation of scientists, engineers, color experts, operators and auto body painters to support our industry and those of our customers. We focus on students of all ages and the teachers and institutions that support them in our local communities with an emphasis on women, minorities and other disadvantaged populations.

We are pleased to continue the Axalta Bright Futures Scholarship Program, which we launched in 2021, **supporting 19 deserving students who demonstrated academic excellence, leadership and active participation in school and community activities.** This diverse group of students is studying chemistry, chemical engineering, supply chain management and collision repair at schools near key Axalta locations in the United States. In addition, Axalta funded 16 scholarships for students studying science, engineering and manufacturing-related trades at Laurel Ridge Community College near our Front Royal, Virginia (U.S.) manufacturing site.

We continued our support of the **All-Pro Teachers program in partnership with the Philadelphia Eagles of the National Football League** throughout the 2019-2020 and 2020-2021 academic years. This program **honors 10 STEM teachers of grades 5 through 12 in the greater Philadelphia area annually.** These teachers are nominated and awarded for their exemplary efforts to put their students first, take an innovative approach to technology and STEM in the classroom, show commitment to their students' lives beyond the classroom and in the community and help students learn and get better every day. Each Axalta All-Pro Teacher received a donation for their school for STEM programming or school supplies.

In the greater Philadelphia, Pennsylvania (U.S.) area, near our global headquarters, we were proud to support several local organizations focused on engaging youth in STEM topics. Axalta teamed with the Urban Youth Racing School in Philadelphia to introduce STEM to students through the lens of motorsports in 2021. Axalta scientists and engineers introduced the students to the science of coatings, careers in coatings and how coatings are an integral component of

motorsports. We donated paint and supplies to the school for the students to use throughout their classes. Axalta also continued its support of the Girl Scouts of Eastern Pennsylvania (GSEP) and the organization's programming to support the development of girls of courage, confidence and character who make the world a better place. We continued to support GSEP's annual Take the Lead event, which honors local women leaders who mentor and inspire girls. In the greater Detroit, Michigan (U.S.) area, we continued our longstanding partnership with the Michigan Science Center, providing support for an annual Community Free Day that enables the local community to attend for free, exposing local children of all ages to fun STEM topics.

In 2022, Axalta launched a new CSR partnership with Saint Joseph's University (SJU) in Philadelphia to support the McNulty Scholarship Program that champions leadership in science and mathematics. The program includes three full and three partial scholarships for young women pursuing a STEM degree. Axalta's donation supports mentoring, leadership development, networking, the Summer Scholars Program, and a Senior Capstone. This allows SJU to continue empowering young women to enter and prosper in STEM-field careers. The partnership includes a Speaker Series that enables young women to hear from Axalta thought leaders and scientists and learn about their path toward a successful STEM career.

We also continued our partnership with Laurel Ridge Community College in 2022 donating \$20,000 including scholarships for seven students, valued at \$2,000 each, and \$5,000 towards the college's Building the Future Fund. The Fund creates and builds upon programs that train a skilled workforce and support economic development. Axalta's financial donation helps the college gain and retain critical resources, such as qualified instructors, innovative equipment, and a competitive curriculum.



CHILDREN, HEALTH, SAFETY AND THE ENVIRONMENT IN OUR COMMUNITIES

Axalta sites give back to our local communities in several ways, including volunteering at local organizations and making monetary and in-kind donations.

Throughout the COVID-19 pandemic, Axalta and our employees spurred into action to support our local communities, particularly those hit the hardest. Several of our manufacturing sites shifted production from coatings products to hand sanitizer, which we used within our sites and donated to local healthcare facilities and first responder organizations. We also contributed monetary support to local organizations that was used to provide meals and other essentials to community members hardest hit by the pandemic near our manufacturing sites in India and Brazil. We continued our financial support of Philabundance, the greater Philadelphia area's food distribution organization committed to alleviating hunger in the community. In Houston, Texas our employees joined Kids Meals, Inc. for a meal-packing volunteer event coupled with a monetary donation. We also supported habitats in communities both locally and internationally.



RESPONSIBLE SOURCING AND HUMAN RIGHTS

Managing our supply chain to mitigate risks, promote responsible sourcing practices, uphold human rights and reduce environmental impacts is a core element of Axalta's ESG program. Axalta works with several thousand suppliers throughout our global supply chain. These companies provide the raw materials we use in our manufacturing facilities, laboratories, offices and services that support the operations of our company. Supply chain risk management remains a key focus area for our company. We actively work to strengthen our policies, programs and performance to avoid or mitigate risks associated with supply, quality, safety and human rights.

SUPPLIER CODE OF CONDUCT

Regardless of what our suppliers provide to Axalta, their location in the world or how much we spend with them each year, we have consistent, high expectations of them. Axalta's [Supplier Code of Conduct](#) is the foundation of our expectations and is applicable to all suppliers within our supply chain. Our Supplier Code of Conduct complements the Axalta Code of Business Conduct and Ethics. It is reviewed by our Senior Vice President & Chief Operations and Supply Chain Officer, and the General Counsel.

Our Supplier Code of Conduct was updated in 2021 regarding screening and onboarding suppliers so that it reflects our continued focus on responsible sourcing of minerals and environmental sustainability within the value chain. We subsequently provided the new Supplier Code of Conduct to all vendors. We required key suppliers to verify their review and intent to meet the updated expectations in the document. Compliance with the expectations in our Supplier Code of Conduct is a requirement outlined in our standard terms and conditions with suppliers and is just one element of our supply chain risk management program.

The 10 expectations in our Supplier Code are for our suppliers to:

- 01 Act in compliance with laws.

- 02 Do business ethically.

- 03 Avoid inappropriate gifts, meals and entertainment.

- 04 Demonstrate respect for people.

- 05 Respect fundamental human rights.

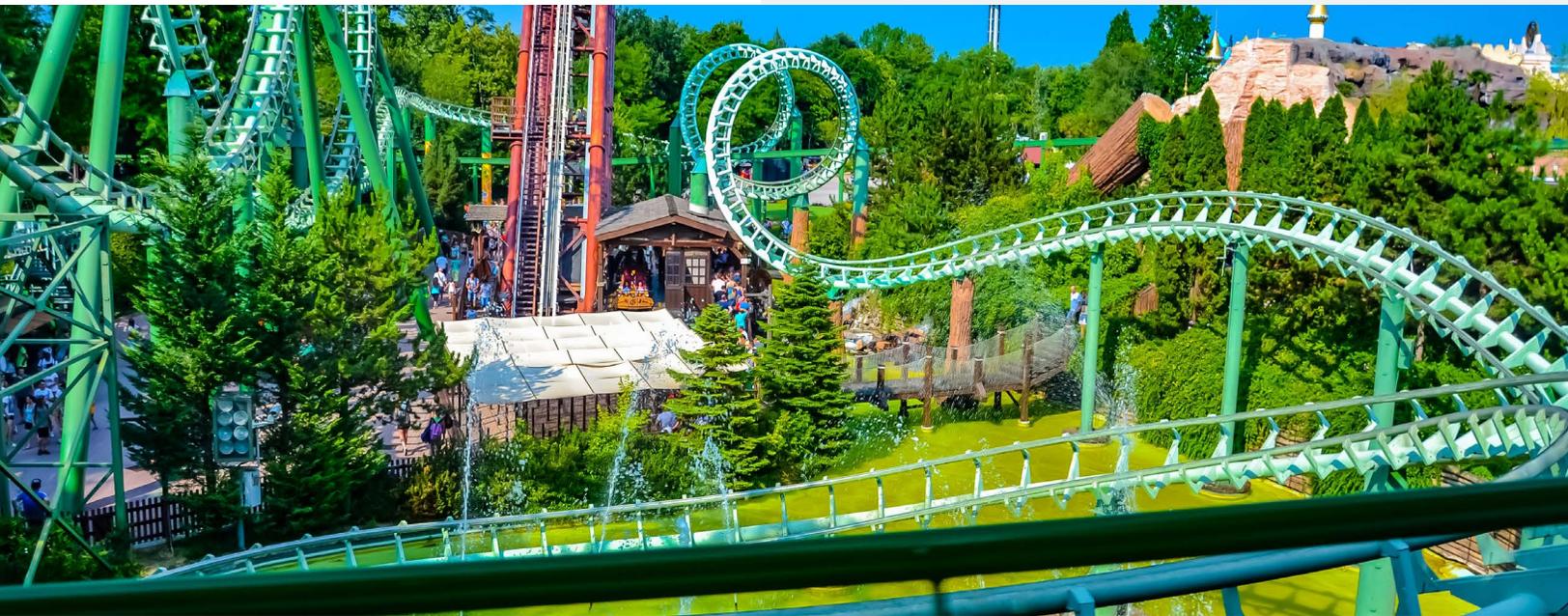
- 06 Provide a safe working environment.

- 07 Comply with environmental regulations.

- 08 Source minerals and raw materials responsibly.

- 09 Keep accurate books and records.

- 10 Manage and protect information.



The Act on Corporate Due Diligence Obligations in Supply Chains will be applicable to our Germany operations from 2024. Axalta is committed to complying with the German Supply Chain Act, and we are putting in processes and procedures to ensure we are complying by 2024.

SUPPLIER SUSTAINABILITY RISK MANAGEMENT

Over the past several years, Axalta enhanced our supply chain sustainability risk management efforts. We strive to responsibly source materials, including conducting business with suppliers ethically and complying with appropriate regulations regarding conflict minerals, labor standards, and the environment. Additionally, Axalta upholds human rights throughout the supply chain, including providing safe working conditions, fair wages, reasonable working hours and the prohibition of modern slavery. These efforts, led by our Procurement, Sustainability, Legal and Compliance teams, occur throughout the lifecycle of our supplier relationships.

Before companies do business with Axalta, prospective raw materials suppliers must complete our Initial Commercial Assessment questionnaire as part of our supplier qualification process. The assessment requires information about health and safety performance, financial and procurement information, logistics and quality, among other topics. Suppliers must agree to our standard terms and conditions which include requirements to adhere to all applicable laws and regulations related to the environment, labor, working conditions, forced labor, child labor and conflict minerals, among others, and to adhere to our Supplier Code of Conduct. Alternatively, suppliers may demonstrate that their own internal policies and procedures satisfy Axalta's standards.

On an ongoing basis, Axalta conducts screening of its existing suppliers on a risk-ranked basis to identify potential sustainability, compliance and human rights risks in our supply chain. Throughout 2021, we implemented new global tools that enable us to both passively and actively monitor and conduct due diligence of our suppliers on relevant topics. We monitor our suppliers on financial, operational, environmental and social conduct. We further monitor select suppliers for regulatory and legal risks via risk databases in our SAP Ariba supplier management portal. Monitoring includes critical news alerts, which enable us to work swiftly with suppliers if issues are identified.

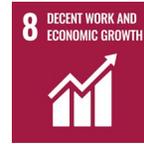


In late 2021, we introduced a new supplier self-assessment questionnaire process through a third-party partner, IntegrityNext. Key suppliers are requested to actively complete six questions on critical topics covered by our Supplier Code of Conduct: human rights and labor, environmental protection, anti-bribery and anti-corruption, health and safety, supply chain responsibility and quality management. We have asked more than 350 suppliers, both large, international companies and small, regional or even local vendors, to participate in this self-assessment.

2030 GOAL

100% 

of key suppliers assessed against a robust set of sustainability criteria, reflecting environmental, governance, and reputational risks, including human rights



Since introducing the tool:

49%

of our suppliers received green status by providing all information and documentation

10%

received yellow status

14%

received red status due to missing information or certificates

Of the 51% who are not green status, 41% have participated in a competitive assessment independent of our project. We looked at the remaining 10% in more detail and are working with them to progress to green status. Of the suppliers we asked to participate, 27% have not yet registered. We will also use IntegrityNext for risk assessments based on country and industry risks, including additional suppliers we did not ask to participate in the self-assessment. We look forward to sharing our progress on these assessments as we continue to work with our suppliers.

If at any point concerns are raised or risks are identified—via our ongoing screening and due diligence activities, through reports made to our Axalta Ethics Hotline, by our customers or other external stakeholders, or via other channels—Axalta will thoroughly investigate and conduct further due diligence on our suppliers. This may include third-party audits using social and environmental criteria, developing corrective action plans, or suspending or terminating suppliers.



SUPPLIER DIVERSITY

In North America, Axalta is committed to increasing selection and spending on qualified, diverse suppliers. A diverse supply chain benefits Axalta and more closely reflects the communities where we operate and serve our customers. It includes businesses owned by minorities, veterans, disabled veterans, women and certified small businesses. For our suppliers above a proprietary spend threshold, we individually verify whether they belong to this group. We also report on our indirect supplier diversity spending to our customers upon request.



HUMAN RIGHTS

Axalta is committed to respecting human rights in all aspects of our business: our operations, our dealings with business partners, the communities we operate in and our entire supply chain. Axalta values all people and respects their rights and dignity. Our [Code of Business Conduct and Ethics](#) and [Supplier Code of Conduct](#) outline our principles and expectations regarding human rights. We developed these Codes to explicitly outline Axalta’s expectations of our employees, directors and business partners—including suppliers—regarding respecting human rights.

We align our Codes and expectations with several international protocols, including but not limited to the following:

 The UN Global Compact	 The UN Universal Declaration of Human Rights	 The Global Sullivan Principles
 The ILO Declaration on Fundamental Principles and Rights at Work	 The OECD Guidelines for Multinational Enterprises	 The UK Modern Slavery Act

In addressing our approach to human rights in our business and supply chain, we leverage the UN Guiding Principles Reporting Framework to guide our disclosure. We continue advancing and improving our programs and monitoring emerging issues.

Ensuring that human rights are respected and upheld throughout our business activities is the responsibility of Axalta’s management, with responsibility placed on Axalta’s Procurement, Human Resources, Legal and Compliance, Operations and Sustainability teams globally. Axalta’s Board of Directors, specifically the Environment, Health, Safety and Sustainability Committee, oversees sustainability topics outlined in the [Committee’s charter](#), including with respect to human rights. Axalta’s senior leaders responsible for monitoring and responding to human rights risks to report to the Board at least quarterly.

Axalta refreshed our human rights risk assessment in 2020 for our internal operations and supply chain to identify salient human rights risks. We conducted benchmarking of peers and customers, reviewed concerns raised during the reporting period from internal and external stakeholders and engaged third-party human rights experts to help guide the assessment.

Based on the countries where we operate, our business activities and the suppliers we engage with, we’ve identified the following seven salient human rights risks:

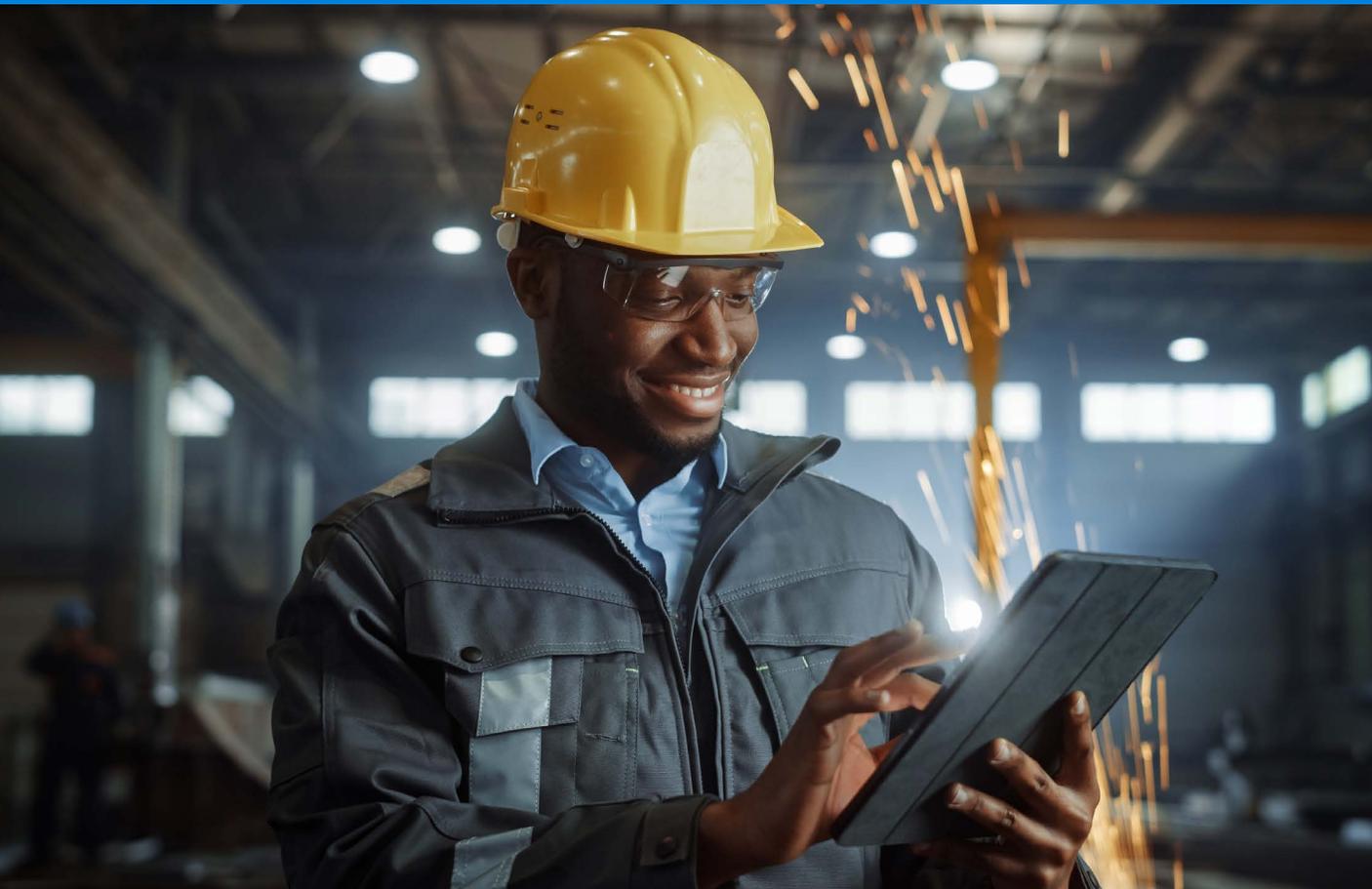
 Forced labor	 Child labor	 Occupational health and safety	 Freedom of association and right to collective bargaining
 Harassment and discrimination	 Working hours	 Living wages	

We recognize that some of these risks are more prevalent in certain countries, operations or links in our supply chain and can range in severity. We have management systems, policies and due diligence processes in place to monitor these risks as described in this report. For any concerns raised within our operations, we take immediate action to investigate reports and remedy the risks or issues. Under our Code of Business Conduct and Ethics, Axalta does not tolerate retaliation or discrimination against anyone who makes a report. We have rolled out additional training or employee communications as needed to address prevalent risks. For risks occurring within our supply chain, we engage with our suppliers directly to investigate further and identify ways to mitigate the risks.

Our coatings require a variety of minerals for product functionality and brilliant color. Ensuring our supply chain for minerals is free of human rights issues is a

high priority for Axalta. In the coatings we formulate and produce, we use many raw materials that consist of various substances. Like other coatings manufacturers, we use raw materials that contain tin, mica and cobalt in our products; these minerals are of great concern due to human rights risks associated with their mining, smelting, refining and processing. As we do not purchase directly from smelters, we work closely with our suppliers to ensure responsible sourcing practices are upheld throughout all levels of our minerals supply chain.

Axalta is an active member of the **Responsible Minerals Initiative (RMI)**, one of the most respected resources for companies addressing responsible mineral sourcing issues in their supply chains. We work alongside many of our automotive customers and other global manufacturers across various industries to promote the responsible sourcing of minerals from conflict-affected and high-risk areas.



CONFLICT MINERALS SOURCING

Axalta's use of conflict minerals—tin, tantalum, tungsten and gold—is governed by our [Conflict Minerals Policy](#). We require all suppliers of raw materials to follow this policy, which stipulates procuring minerals from conflict-free sources. Our standard terms and conditions with our raw material suppliers include these requirements and the requirements outlined in our Supplier Code of Conduct.

As of year-end 2022, Axalta only uses tin and its associated compounds in our products, typically in catalysts and pigments. Axalta has a comprehensive process for tracking the raw materials we procure; this process is designed to account for each substance contained in our raw materials and allows Axalta to trace the source of the substance. This process also helps to ensure that we become aware of potential conflict minerals integrated into our products from our supply chain, including new or changed raw materials.

Our due diligence activities around conflict minerals sourcing align with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Through our reasonable country-of-origin determination process, Axalta uses RMI's Conflict Minerals Reporting Template (CMRT) to survey our suppliers and receive information about specific smelters and refiners used in our supply chain. We leverage the support of a third party that assists in engaging with our suppliers and verifying the data provided in the CMRTs we receive. We aim for 100 percent participation in the CMRT process among our suppliers each year and then share the aggregated results of our country-of-origin process with our customers. Our annual conflict minerals reports filed with the SEC are available on our [website](#).

For the calendar year 2022, Axalta had 37 raw materials suppliers that contained either tin or its associated compounds; all these suppliers completed a CMRT for Axalta. We determined through this process that the minerals used in Axalta's products were conflict-free, as our suppliers reported that the minerals provided came from smelters deemed conformant to RMI's Responsible Minerals Assurance Process (RMAP). The RMAP uses independent third-party assessments of smelters or refiners to validate conformance with the RMI RMAP Standards, which meet the OECD Due Diligence Guidance requirements. If at any point we were to identify non-conformant smelters in our supply chain, we would engage with our suppliers to ensure they use alternate sources moving forward. We continue to work with our suppliers to assist them in providing timely and enhanced disclosure in their CMRTs.





MICA SOURCING

Axalta has taken the allegations of child labor used in mining mica very seriously since becoming aware of them in 2016 and has disclosed this issue in our prior sustainability reports. Axalta and other coatings manufacturers use pearlescent pigments to provide special effects and brilliant colors in certain vehicle coatings. These pigments can contain natural mica to produce these effects and have been associated with child labor use in certain jurisdictions in countries such as India and Madagascar.

We have transparently worked with our suppliers and customers to address risks in the mica supply chain. Axalta engages in direct communication with our suppliers and continues to regularly conduct due diligence on our mica supply chain. **Axalta purchases mica-containing pigments from several suppliers. The natural mica used in Axalta's coatings comes from mines in the United States, Brazil and India; none of our suppliers procure mica from Madagascar.**

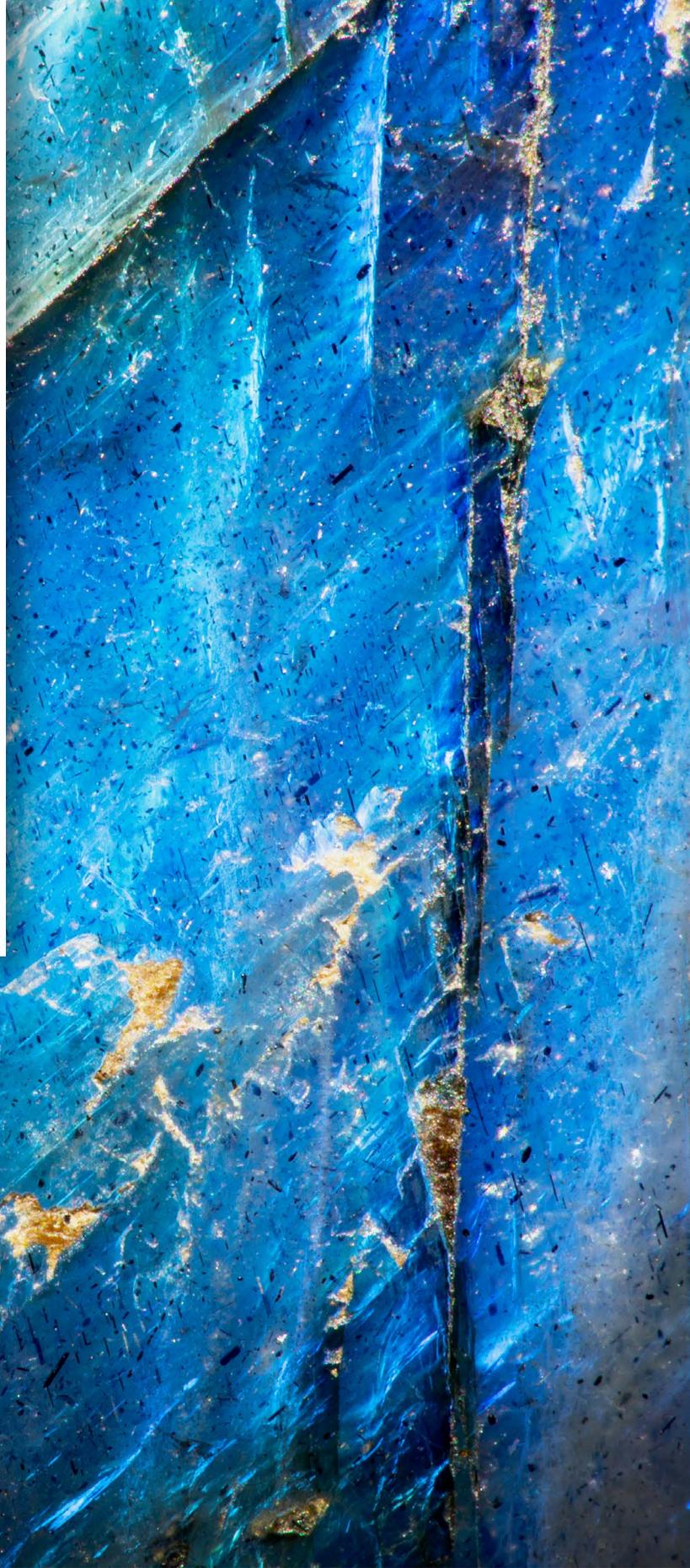
Axalta's mica pigment suppliers have continued to demonstrate over the past two years that appropriate controls and oversight are currently in place, and no human rights issues are present in their operations or supply chain. We are committed to engaging with all our suppliers to ensure that any identified human rights risks are properly addressed.

Axalta is an active member of the RMI's mica and emerging minerals working groups. These forums enable us to work alongside peers, customers and suppliers to address mica sourcing issues. Over the past two years, we are proud to have supported RMI's efforts to add mica to the organization's Risk Readiness Assessment and Responsible Minerals Assurance Process, like RMI's established processes for conflict minerals due diligence. Axalta also helped develop and review the newly published Global Mica Standard, which will be used in due diligence and third-party audits of mica processors. We support RMI's work to engage mica processors to undergo these necessary audits to provide confidence in responsible mica sourcing processes throughout the global supply chain. We continue to encourage our suppliers and their sub-suppliers to participate. In addition to our internal efforts and those of RMI, all of Axalta's mica suppliers are members of the Responsible Mica Initiative, which focuses on responsible mica supply chain development, primarily in India.

COBALT SOURCING

In recent years, cobalt sourcing, particularly in the Democratic Republic of Congo, has come under scrutiny due to concerns about child labor and unsafe working conditions in artisanal cobalt mining. Axalta procures small quantities of cobalt-containing raw materials, including some pigments, driers, and catalysts. We participate in RMI's working groups focused on cobalt sourcing to stay abreast of industry developments and best practices and to work to advance the tools used in the due diligence of cobalt supply chains.

Axalta has continued to participate in voluntary efforts around cobalt reporting since its inception in 2018. **We annually survey our suppliers of cobalt-containing raw materials using RMI's Extended Minerals Reporting Template (EMRT) to understand their responsible sourcing commitments and associated policies and map out the smelters and refiners within their supply chains.** We monitor for any risks requiring attention in our cobalt supply chain and transparently provide updates to customers.



GRI Index

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	Axalta Coating Systems (NYSE: AXTA) is a publicly held corporation headquartered in Glen Mills, PA. 2022 Annual Report: Business p.3			A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	2-2 Entities included in the organization's sustainability reporting	2022 Annual Report: Properties p.29			
	2-3 Reporting period, frequency and contact point	January 1, 2020 to December 31, 2022 Explanation: Axalta typically reports every two years; however, this report captures three years of information. The delay was due to personnel changes and allowed completion of multiple capacity-building projects to enhance reporting. For Contact Information, see the Axalta website, Contact Us			
	2-4 Restatements of information	ESG Datasheet, p.23 Explanation: We have corrected our 2020/21 emissions data due to inclusion of relevant acquisition emissions and by identifying minor errors in prior calculations. Axalta recently implemented a new global HRIS system, and is working to validate various data elements. Through this process, we believe that we have more accurate metrics and data than what was utilized in prior sustainability reports or other external reporting.			
	2-5 External assurance	Axalta does not currently seek external assurance on this report.			
	2-6 Activities, value chain and other business relationships	About Axalta, p. 06; Axalta Website: Customers	2-7biii.	Information unavailable/incomplete	Non-guaranteed employees are not applicable to Axalta's workforce.
	2-7 Employees	2020-2022 ESG Data Sheet, p. 18			
	2-8 Workers who are not employees	2022 Annual Report: Human Capital Resources, p. 12			
	2-9 Governance structure and composition	Governance at Axalta, p. 23; 2023 Proxy Statement, p. 6, 20-22			
	2-10 Nomination and selection of the highest governance body	2023 Proxy Statement, p. 24-25			
	2-11 Chair of the highest governance body	2023 Proxy Statement, p. 20			
	2-12 Role of the highest governance body in overseeing the management of impacts	2023 Proxy Statement, p. 21-23; Governance at Axalta, p. 23			
	2-13 Delegation of responsibility for managing impacts	2023 Proxy Statement, p. 21; Governance at Axalta, p. 23			

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	2023 Proxy Statement, p. 21; Materiality, p. 14			
	2-15 Conflicts of interest	Code of Business Conduct and Ethics, p. 3; 2023 Proxy Statement, p. 33,62			
	2-16 Communication of critical concerns	2023 Proxy Statement, p. 32	2-16b.	Information unavailable/incomplete	Our Audit Committee receives a quarterly dashboard of all complaints, not just those of "critical concern".
	2-17 Collective knowledge of the highest governance body	Governance at Axalta, p. 23			
	2-18 Evaluation of the performance of the highest governance body	2023 Proxy Statement, p. 27			
	2-19 Remuneration policies	2023 Proxy Statement, p. 55			
	2-20 Process to determine remuneration	2023 Proxy Statement, p. 55			
	2-21 Annual total compensation ratio	2023 Proxy Statement, p. 87			
	2-22 Statement on sustainable development strategy	ESG and Sustainability Strategy, p.10			
	2-23 Policy commitments	Ethics, Integrity and Compliance, p. 24; Human Rights, p. 53; Supplier Code of Conduct, Code of Business Conduct and Ethics			
	2-24 Embedding policy commitments	Ethics, Integrity and Compliance, p. 24; Responsible Sourcing and Human Rights, p. 49			
	2-25 Processes to remediate negative impacts	Ethics, Integrity and Compliance, p. 24; Responsible Sourcing and Human Rights, p. 49			
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Integrity and Compliance, p. 24			
	2-27 Compliance with laws and regulations	2022 Annual Report, p. 30			
	2-28 Membership associations	Industry Engagement, p. 26; Government Affairs, p.27			
2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality, p. 12; Government Affairs, p.27				
2-30 Collective bargaining agreements	2020-2022 ESG Data Sheet, p. 18				

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Material Topics					
Ethics, Integrity and Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics, Integrity and Compliance, p. 24; Code of Business Conduct and Ethics			
	205-1 Operations assessed for risks related to corruption		205-1	Information unavailable/incomplete	We do not track the percentage of operations assessed. We assess our risk when we engage key third party intermediaries.
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2020-2022 ESG Data Sheet, p. 18; Policies have been communicated to 100% of employees and board members.	205-2c; 205-2d	Information unavailable/incomplete	Communication with business partners is not tracked formally. We mention applicable policies and procedures in contracts with business partners. Board members are provided copies of our important business policies including the Code of Business Conduct and Ethics which covers anti-corruption. However, we do not provide formal training on the topic.
	205-3 Confirmed incidents of corruption and actions taken		205-3	Not applicable	We did not have any material confirmed incidents.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2020-2022 ESG Data Sheet, p. 18t			
Environmental Impact of Operations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Materiality, p.14, Environmental Sustainability in Our Operations, p. 38			
	303-1 Interactions with water as a shared resource	Water, p. 40			
	303-2 Management of water discharge-related impacts	Water, p. 40			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	2020-2022 ESG Data Sheet, p. 18	303-b	Information unavailable/incomplete	Axalta's assesses operations in areas of high water stress, but has not tracked withdrawal in these locations.
	303-4 Water discharge	2020-2022 ESG Data Sheet, p. 18	303-4a	Information unavailable/incomplete	Axalta has disclosed its total water discharge but has not collected the information by type of destination.
	303-5 Water consumption	2020-2022 ESG Data Sheet, p. 18	303-5b, c	Information unavailable/incomplete	Axalta has disclosed its total water consumption but has not collected the information in water stress areas or change in water storage.

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Climate Change					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change, p. 35; 2020-2022 ESG Data Sheet, p. 18; Axalta annually responds to the CDP Climate Change questionnaire. See Axalta's CDP responses for additional emissions information.			
	305-1 Direct (Scope 1) GHG emissions	Energy and GHG Emissions, p. 36; 2020-2022 ESG Data Sheet, p. 18; Axalta annually responds to the CDP Climate Change questionnaire. See Axalta's CDP responses for additional emissions information. Our Scope 1 emissions disclosure is currently limited to 44 of our 46 manufacturing sites and our R&D centers. We anticipate reporting comprehensive Scope 1 emissions in 2024.			
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Energy and GHG Emissions, p. 36; 2020-2022 ESG Data Sheet, p. 18; Axalta annually responds to the CDP Climate Change questionnaire. See Axalta's CDP responses for additional emissions information. Our Scope 2 emissions disclosure is currently limited to 44 of our 46 manufacturing sites and our R&D centers. We anticipate reporting comprehensive Scope 2 emissions in 2024.			
	305-3 Other indirect (Scope 3) GHG emissions		305-3	Information unavailable/incomplete	We are developing our capacity to measure and report Scope 3 emissions, beginning 2025.
	305-4 GHG emissions intensity	Energy and GHG Emissions, p. 36; 2020-2022 ESG Data Sheet, p. 18; Axalta annually responds to the CDP Climate Change questionnaire. See Axalta's CDP responses for additional emissions information.			
	305-5 Reduction of GHG emissions	Energy and GHG Emissions, p. 36; Axalta annually responds to the CDP Climate Change questionnaire. See Axalta's CDP responses for additional emissions information.			
	305-6 Emissions of ozone-depleting substances (ODS)			Not applicable	ODS emissions are not applicable to Axalta's operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air emissions, p. 38; 2020-2022 ESG Data Sheet, p. 18	305-7a.iii.	Not applicable	POP emissions are not applicable to Axalta's operations.

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Responsible Sourcing and Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Sourcing and Human Rights, p. 49; Supplier Code of Conduct; General Terms and Conditions for the Purchase of Goods and Services of Axalta Coating Systems Group Companies; Code of Business Conduct and Ethics; Conflict Minerals Policy; UK Modern Slavery Act			
	308-1 New suppliers that were screened using environmental criteria	Responsible Sourcing and Supplier Risk Management, p.51-52			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Sourcing and Human Rights, p. 49; 2020-2022 ESG Data Sheet, p. 18	308-2	Information unavailable/incomplete	The number of supplier assessed is unavailable. If concerns are raised or risks are identified—via our ongoing screening and due diligence activities, through reports made to our Axalta Ethics Hotline, by our customers or other external stakeholders, or via other channels—Axalta will fully investigate and conduct further due diligence on our suppliers.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Sourcing and Human Rights, p. 49			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Sourcing and Human Rights, p. 49; 2020-2022 ESG Data Sheet, p. 18			
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Sourcing and Human Rights, p. 49; 2020-2022 ESG Data Sheet, p. 18			

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety, p. 41; Environmental, Health & Safety Guiding Principles; 2021 Annual Report, p. 11			
	403-1 Occupational health and safety management system	Occupational Health and Safety, p. 41; Environmental, Health & Safety Guiding Principles			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p. 41			
	403-3 Occupational health services	Occupational Health and Safety, p. 41; Wellness Programs, p. 44			
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p. 41			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p. 41; Wellness Programs, p. 44			
	403-6 Promotion of worker health	Occupational Health and Safety, p. 41; Wellness Programs, p. 44			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p. 41			
	403-8 Workers covered by an occupational health and safety management system	2020-2022 ESG Data Sheet, p. 18			
	403-9 Work-related injuries	Occupational Health and Safety, p. 41; 2020-2022 ESG Data Sheet, p. 18			
	403-10 Work-related ill health	2020-2022 ESG Data Sheet, p. 18			

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Employee Engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Culture and Talent Development, p. 44			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		404-1	Information unavailable/incomplete	Employees across Axalta take mandatory and optional training through various sources both online and in-person. The content of the training can include technical/functional on-the-job training, compliance and regulatory training, as well as leadership and management training. These training sources are varied across the company globally and therefore are not consolidated into 1 data source at this time. We are working to integrate these systems.
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Culture and Talent Development, p. 44; 2020-2022 ESG Data Sheet, p. 18			
	404-3 Percentage of employees receiving regular performance and career development reviews	2020-2022 ESG Data Sheet, p. 18			
Diversity and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Inclusion, p. 46			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2020-2022 ESG Data Sheet, p. 18	405-1 b		
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Information unavailable/incomplete	Axalta uses current market data to ensure fair and equitable pay practices.
Community Engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Engagement, p. 47; 2023 Proxy Statement, p. 37			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement, p. 47	413-1	Information unavailable/incomplete	Data has not been collected.
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/incomplete	Data has not been collected.

GRI Standard	Disclosure	Location or Direct Response	Requirement(s) Omitted	Reason	Explanation
Product Sustainability and Customer Impact					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Stewardship, p. 33			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2020-2022 ESG Data Sheet, p. 18	416-1	Information unavailable/incomplete	Data has not been collected.
Technology and Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Technology and Innovation, p. 28			



SASB Index

Axalta uses the Sustainable Accounting Standards Board (SASB) Standards for the chemicals industry to provide interested stakeholders a guide to where this information is included in our report. While we used the SASB Standards for our industry to identify potential content to include in the report, we are not yet fully reporting against each indicator. Several of the indicators for our industry are not applicable to Axalta, or we believe are not as material to our business success as the ones identified in our sustainability materiality assessment process. We will continue to evaluate our use of the SASB indicators in future reports.

Indicator	Description	Report Section
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Energy and GHG Emissions
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate Change
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Air Emissions
Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Energy and GHG Emissions
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water
Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Not included
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Waste and Recycling
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Materiality; Stakeholder Engagement; Community Engagement
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Occupational Health and Safety
Workforce Health and Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Occupational Health and Safety
Product Design for Use-Phase Efficiency	Revenue from products designed for use-phase resource efficiency	Not included
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Not included
Safety & Environmental Stewardship of Chemicals	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Product Stewardship
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Not applicable to Axalta
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Industry Engagement; Government Affairs
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Occupational Health and Safety
Operational Safety, Emergency Preparedness & Response	Number of transport incidents	2020-2022 ESG Data Sheet

Acronyms

ACC	American Chemistry Council
ACA	American Coatings Association
AIAG	Automotive Industry Action Group
ALP	Axalta Leadership Program
CFR	Code of Federal Regulations
CMRT	Conflict Minerals Reporting Template
CSR	Corporate Social Responsibility
EHS	Environment, Health and Safety
ESG	Environmental, Social and Governance
EV	Electric Vehicle
EMEA	Europe, Middle East and Africa
EPA	Environmental Protection Agency
GSEP	Girl Scouts of Eastern Pennsylvania
GRI	Global Reporting Initiative
GHG	Greenhouse Gas
HAP	Hazardous Air Pollutants
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator

MSO	Multi-Shop Operators
NOx	Nitrogen Oxides
OSHA	Occupational Safety and Health Administration
OECD	Organization for Economic Co-operation and Development
OEM	Original Equipment Manufacturers
OESA	Original Equipment Supplier Association
PAC	Political Action Committee
R&D	Research and Development
RC	Responsible Care
RMAP	Responsible Minerals Assurance Process
RMI	Responsible Minerals Initiative
SDS	Safety Data Sheets
STEM	Science, Technology, Engineering and Math
SASB	Sustainability Accounting Standards Board
SOx	Sulfur Oxides
TCFD	Task Force on Climate Related Financial Disclosures
UN	United Nations
VOC	Volatile Organic Compound
VP	Vice President

Cautionary Statement

This report includes matters, including ESG metrics and data, that our stakeholders believe are significant to Axalta; these matters may not be material from a financial perspective. Certain of the metrics and data have been calculated based on historical methodology, which methodology may be changed in the future to reflect best practices, improved processes, stakeholder areas of focus and other applicable considerations. In addition, while Axalta has undertaken what it believes to be reasonable efforts to accurately capture the data and metrics reflected in this report, Axalta has not audited such data, and readers are cautioned not to place undue reliance on any such data or metric included in this report. This means that Axalta may in the future report metrics and data that is different in this report. Similarly, metrics and data in this report may differ from metrics and data that has previously been reported by Axalta. The metrics and data included in this report speak only as of the periods indicated herein and Axalta has no duty to update or recalculate any such metrics or data, whether as a result in changes in circumstances, new methodologies, improved processes or for any other reasons. Certain of the metrics and data identified herein relate to Axalta's 2030 ESG goals, which goals were issued in January 2022. There can be no assurance that Axalta will be successful in reaching such 2030 ESG goals or any commitments included in other ESG communications or materials. Please see Axalta's Annual Report on Form 10-K and Form 10-Q/other filings with the U.S. Securities and Exchange Commission for information regarding a

description of Axalta's business as well as risk factors that may be relevant to Axalta's business, and that may impact the achievement of the 2030 ESG goals, including with respect to the metrics included in this report and any accompanying attachments. In addition, Axalta's 2030 ESG goals, as well as other statements in this report, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. We have identified some of these forward-looking statements with words such as "goal," "future," "believe," "will," and the negative of these words or other comparable or similar terminology. All these statements are based on management's expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. These statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of Axalta's control, including the effects of COVID-19, that may cause actual results to differ materially. More information on potential factors that could affect Axalta's financial results is available in "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within Axalta's most recent Annual Report on Form 10-K, and in other documents that we have filed with, or furnished to, the SEC. Axalta undertakes no obligation to update or revise any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

