

C0. Introduction

C0.1

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

Axalta is a global leader in the coatings industry, providing customers with innovative, colorful, beautiful and sustainable coatings solutions. From light vehicles, commercial vehicles and refinish applications to electric motors, building facades and other industrial applications, our coatings are designed to prevent corrosion, increase productivity and enhance durability. 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 130 countries better every day with the finest coatings, application systems and technology.

When we refer to sustainability, we mean a wide range of environmental, social, and governance responsibilities that can arise from our operations. Being a good neighbor and an engaged business partner are fundamental to our growth and success.

We manage our facilities in ways that are intended to minimize the impact of our operations across our more than 40 manufacturing centers with sophisticated environment, health and safety protocols. Our coatings are designed to serve the sustainability goals of our customers, helping their products last longer, enabling their operations to run more efficiently, and providing ways to save energy, reduce waste and emissions, and be more productive. Axalta's low-VOC, waterborne and powder products produce fewer targeted hazardous emissions.

Our Environment, Health and Safety Policy provides the foundation under which we develop, market, manufacture and distribute products and services globally. This policy is implemented through Axalta's EHS&S Management System, our global program designed to ensure compliance with applicable laws and regulations, internal standards for operations, management of potential environmental risks and continuous improvement. Axalta's latest sustainability report is available at <https://sustainability.axalta.com>.

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

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

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

- Austria
- Brazil
- Canada
- China
- Colombia
- France
- Germany
- Guatemala
- India
- Indonesia
- Malaysia
- Mexico
- Netherlands
- Sweden
- Switzerland
- Thailand
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

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

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-CH0.7

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

- Row 1
- Bulk organic chemicals
 - Bulk inorganic chemicals
 - Other chemicals
Other, please specify (Coatings Products)

C1. Governance

C1.1

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

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Axalta Board of Directors provides overall risk oversight focusing on the most significant risks facing our company. The Board annually reviews the company's overall risk profile and assesses specific key business or functional risk areas during Board meetings throughout the year. The Board also oversees the risk management processes that are implemented by our executives to determine whether these processes are functioning as intended and are consistent with our business and strategy as well as best practices. In 2017, we established Axalta's Environment, Health, Safety and Sustainability Committee of the Board of Directors. The Committee is composed of four members who have principal oversight at the Board level for company initiatives related to our policies, performance, strategy, and compliance matters related to environmental, health, safety and sustainability, including climate, and report to the Board Chair accordingly. The Committee is responsible for oversight of any climate-related issues that arise. In 2020, Axalta management reviewed an early draft of the company's 2018-2019 Sustainability Report with the EHS&S Committee and their comments, including on climate-related sections, were incorporated into the final report. The Committee will be involved in reviewing and approving Axalta's next set of sustainability goals, including climate-related goals, in 2021.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board receives updates on EHS&S matters, in particular the corporate-level climate-related goals on emissions, water usage, and energy consumption. (These goals are detailed in our latest Sustainability Report: https://sustainability.axalta.com/sustainability-overview/sustainability-goals/). In the course of these discussions, a variety of topics may arise ranging from reducing the environmental impact from operations and products to considerations that may affect merger and acquisition plans. The Board is actively involved in oversight of Axalta's broader ESG strategy; directors have provided feedback through Axalta's ESG materiality assessment process used to guide the company's ESG strategy, which includes climate-related topics.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Senior Vice President and Chief Operations and Supply Chain Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

At a company management level, the Vice President, Deputy General Counsel and Chief Compliance Officer has oversight for sustainability matters and works directly with the Board Committee responsible for EHS and Sustainability. Axalta's Senior Manager – Sustainability reports directly to the Chief Compliance Officer. The Senior Manager – Sustainability works with members of Axalta's management team and various business and functional leaders with roles that contribute to developing and executing the company's sustainability initiatives. From a daily operational perspective, the Senior Vice President and Chief Operations and Supply Chain Officer has global responsibility for environment, health and safety matters, supported by the Global Director of EHS&S and a broader global EHS team.

The individuals noted above interact in a matrixed fashion. Our Chief Operations and Supply Chain Officer has responsibility for Procurement, Operations and Logistics, Axalta's largest factors that can influence climate change. Our Vice President, Deputy General Counsel and Chief Compliance Officer and Senior Manager – Sustainability are responsible for integrating the plans and processes arising from our operations and our supply chain into our overall sustainability program that also includes customer, employee, product technology and other initiatives in play across the company. Climate-related issues are monitored by the operations, compliance and sustainability teams as there are regulatory-related aspects to climate change issues, and our sustainability team interfaces with all stakeholders, particularly customers and investors, that have an interest in Axalta's approach to climate change topics.

The leadership for managing climate-related issues specifically lie with the Senior Manager – Sustainability, the Vice President, Deputy General Counsel and Chief Compliance Officer, the SVP and Chief Operations and Supply Chain Officer and the Global Director of EHS&S.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Monetary reward	Efficiency project	Axalta's internal employee recognition program, the Axalta Way Awards, provides monetary awards to employees that embrace savings, growth, operational efficiency, and productivity, and who embody the values and behaviors of our company.
Corporate executive team	Monetary reward	Other (please specify) (Operational and technology performance)	Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress toward achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognize special achievements. In 2018, Axalta realigned its financial metrics for business unit employees to business-unit specific metrics and introduced new operational and technology metrics in our annual performance-based compensation for our executive team.
Facilities manager	Monetary reward	Emissions reduction target	Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress toward achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognize special achievements.
Facilities manager	Non-monetary reward	Energy reduction project	Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress toward achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognize special achievements.
Facilities manager	Non-monetary reward	Behavior change related indicator	Base annual compensation and incentive compensation structures, depending on the level of the individual, aim to recognize and reward accomplishments related to achieving or progress toward achieving targets or projects underway to achieve them. Spot bonuses are an additional option to recognize special achievements.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

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

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

This is defined on a case by case basis taking into account short-, medium-, and long-term horizons.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risk management is the responsibility of everyone at Axalta. Axalta's Enterprise Risk Management (ERM) program focuses on a wide range of potential strategic and operational risks to the company, which may include climate-related risks. The risk management team refreshes the risks on an ongoing basis to capture evolving and emerging risks, which may include risks outside of Axalta's operations in our supply chain and in the market. The ERM process includes an annual survey of approximately 100 leaders across the company, as well as members of the Board of Directors, to rank potential risks to the company. At least once per year the ERM leaders also brief the Board's Audit Committee on risk management activities. Axalta's Responsible Care Management System, certified by a third party to RC14001 specifications, also incorporates robust risk management activities. Each year, the third party audits Axalta's risk management activities that relate to Responsible Care (including environmental topics) as part of our ongoing certification.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	Axalta carefully monitors and evaluates all policies, laws and regulations applicable to energy use and emissions to ensure compliance. Changes in regulations may impact our operating costs. For example, we closely track the EU ETS for applicable requirements.
Emerging regulation	Relevant, always included	Axalta monitors the development of new regulations in major markets both on our own and through industry trade associations (e.g. American Coatings Association). Changes in emerging regulations may impact our operating costs. For example, various programs regulate VOC emissions from auto refinish coatings at the federal, state, and local air district levels. Notably, the US national auto refinish VOC regulation has been eclipsed by more stringent VOC limits from air districts in California and the states that comprise the northeast Ozone Transport Commission region. We continue to monitor the impact of the impending changes in the revised NAAQS for ozone in areas where we operate in the US.
Technology	Relevant, always included	Axalta assesses the impacts of changing technology; our business is incentivized to develop products that have reduced emissions and coatings application technologies that require less energy use by our customers. In addition, our coatings for lightweight components such as plastics and carbon fiber in cars make vehicles lighter, which in turn can reduce fuel consumption and reduce tailpipe CO2 emissions. Our customers are also rapidly developing technology for electric vehicles, which may require specific coatings technologies. Transportation coatings were approximately 33% of our revenues in 2020.
Legal	Not relevant, included	Axalta has not received any climate-related litigation claims.
Market	Relevant, always included	Our business performance is impacted by economic conditions and, particularly, by conditions in the light vehicle and commercial vehicle end-markets. Adverse developments in the global economy, in regional economies or in the light vehicle and commercial vehicle end-markets could adversely affect our business, financial condition and results of operations. This includes emerging legislation related to emissions and energy for light vehicle and commercial vehicles emissions such as the US CAFE standards and similar regulations in the EU and China. Transportation coatings were approximately 33% of our revenues in 2020.
Reputation	Relevant, always included	Our risk review considers potential risks to reputation, such as if we do not meet customer and other stakeholder expectations of our performance toward meeting energy and emissions targets and related projects. We communicate our sustainability and climate risk management procedures through CDP and our sustainability report.
Acute physical	Relevant, sometimes included	We have a risk process in place that enables us to identify and monitor potential acute physical risks and other weather-related risks that may affect our assets. This process was used in 2017 during Hurricane Harvey, which impacted our Houston operations. Using our risk management process, we were able to shift some product manufacturing to other locations in the southern US, limiting the disruption to our business. In 2020, Axalta did not experience any acute physical risks that impacted our manufacturing operations, but we continued to use our Responsible Care Management System to ensure we were monitoring potential acute physical risks. We did experience some production impacts due to the deep freeze in Texas in early 2021. Harsh weather conditions or severe storms can also impact our business through our customers as it can force them to reduce or suspend operations, thereby reducing the amount of products they purchase from us. Any such reductions in customer purchases could have a material adverse effect on our business, financial condition and results of operations.
Chronic physical	Relevant, sometimes included	Historically, our facilities have not been affected by chronic physical risks, although we continue to monitor for changes. However, future prolonged seasonal changes may impact our business – these risks are evaluated as part of our business planning process. Weather conditions may reduce the demand for some of our products and could have a negative effect on our business, financial condition and results of operations. From time to time, weather conditions have an adverse effect on our sales of coatings and related products. For example, unusually mild weather during winter months may lead to fewer vehicle collisions, reducing market demand for our refinish coatings.

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

Yes

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

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Enhanced emissions-reporting obligations
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The uncertainty of government-imposed climate change legislation, including cap and trade schemes, could pose a commercial risk to our business. A regulation such as this could pose a financial threat by way of increased operational cost. In certain areas where we operate, such as California and the EU, schemes such as this are already in place while more locations are considering adopting a program. Regulations related to vehicle emissions such as the US CAFE standards and similar regulations in the EU and China will lead to lighter weight vehicles that use fuel more efficiently and vehicles with electric motors. Lightweight materials such as plastics and carbon fiber require different coating formulations than is required to paint steel. Electric vehicles require the use of specialized electrical insulating coatings to ensure optimized performance.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact may be significant as transportation coatings were approximately 33% of our revenues in 2020. However, we continue to be able to introduce new coatings that allow our customers to meet their legislative and market demands.

Cost of response to risk

65

Description of response and explanation of cost calculation

Axalta has programs and policies in place to track emerging schemes and engagement of both corporate and facility staff to ensure ongoing compliance. This is enhanced by quarterly calls held in each region so that sites and regional/country resources can discuss impending regulations and what it means to our operations as well as for our customers. These programs are enhanced through integration with R&D activities. The company's Technology organization keeps pace with customer needs and emerging science that will support the continued development of coating products with sustainability benefits.

Comment

Axalta has been able to – and expects to continue to be able to – introduce new coating technologies to provide customers with products that will function on carbon fiber and plastics as well as on electric motor components. We have established a goal to invest 65% of technology spending through 2022 to develop products designed to result in sustainability benefits.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Weather conditions may adversely affect production capacity at facilities susceptible to extreme weather and also can reduce the demand for some of our products and could have a negative effect on our business, financial condition and results of operations. In recent years, extreme weather has impacted Axalta production sites and sites of our suppliers and customers and related logistics, such as hurricanes and historic low temperatures in the Southern US.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Reduced demand for goods/services; from time to time, weather conditions have an adverse effect on our sales of refinish coatings and related products.

Cost of response to risk

0

Description of response and explanation of cost calculation

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

Comment

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

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

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

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

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

Cost of response to risk

65

Description of response and explanation of cost calculation

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

Comment

We have established a goal to invest 65% of technology spending through 2022 to develop products designed to result in sustainability benefits.

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

Yes

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

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We continue to invest in making our operations more energy efficient and therefore use resources efficiently. In 2019 and 2020, our major manufacturing and laboratory sites continued to upgrade older equipment to make production more efficient and realize resource efficiency benefits. For example, our Asia Pacific Technology Center in China implemented a chiller system control upgrade that allows for on-time switching, online operation, and energy consumption monitoring. Compared with 2018, this upgrade led to reductions in electricity of 15.1% and natural gas of 14.7%. As another example, our Tlalnepantla, Mexico site replaced its boiler on site with a new, more efficient boiler that uses less natural gas. Nearly a quarter of our manufacturing sites reported lighting upgrades from older, inefficient fixtures to LED lighting solutions that have significant energy and associated GHG emissions savings.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

180000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The referenced projects at our APTC and Tlalnepanla sites referenced above are estimated to save \$36,000 annually combined; estimated impact figure is for a medium-term time horizon of 5 years of savings as a conservative estimate.

Cost to realize opportunity

5

Strategy to realize opportunity and explanation of cost calculation

As part of our business planning process, we identify opportunities for investing in energy efficiency or process improvement in our sites globally. Any capital investment must go through a global review process whereby potential investments are evaluated based on financial impact as well as environmental, health and safety considerations.

Comment

We have established a goal to reduce Scope 1 and 2 GHG emissions from operations by 5 percent (normalized to production) by year-end 2022 from a baseline year of 2017. Axalta continues to enhance its capital projects tracking and sustainability data collection to better identify and quantify sustainability benefits from such projects in our manufacturing facilities.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Growing demand and unique vehicle technology present new requirements and challenges for electrical insulating materials. Electric insulation coatings, which include wire enamels, impregnating resins and self-adhesive electrical sheet finishes used in automotive products, are designed to improve the performance levels of modern electric motors. For example, Axalta's Voltatex® 4224 product is a high-thermal conductivity impregnating resin that significantly increases performance by conducting thermal energy as quickly as possible while keeping the electric motor temperature low. Its thermal conductivity is more than double compared to most standard impregnating resins. This new technology reduces the operating temperature of an electric motor by up to 30° Celsius or reduces the size of the motor by more than 15 percent. The use of Voltatex® 4224 enables higher motor efficiency and smaller, lighter electric devices. The product is manufactured using some renewable raw materials and is formulated to reduce VOC emissions.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

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

Cost to realize opportunity

65

Strategy to realize opportunity and explanation of cost calculation

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

development.

Comment

We have established a goal to invest 65% of technology spending through 2022 to develop products designed to result in sustainability benefits.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

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

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

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

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

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

Cost to realize opportunity

65

Strategy to realize opportunity and explanation of cost calculation

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

Comment

We have established a goal to invest 65% of technology spending through 2022 to develop products designed to result in sustainability benefits.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

No

C3.5

(C3.5) Why have climate-related risks and opportunities not influenced your strategy and/or financial planning?

Axalta is primarily a formulations company, and as such, we do not have as significant of an energy and emissions footprint compared to many of our peer companies in the chemical sector whose operations are more reactive and energy intensive. As such, Axalta has not conducted a climate-related scenario analysis at this time. We recognize the importance of and continue to monitor climate change issues through our existing risk management program and our operational controls. We also recognize that our business faces a number of climate-related risks and opportunities. We factor the impact of emissions and energy use at our facilities, in our products and the needs of our customers. We continue to evolve in our technologies to assist our customers in reducing their carbon footprint as well as our own at our operations facilities. Integrating climate-related objectives and strategies in our business planning is basically stated in our overall Axalta EHS Policy in that we are committed to protect people and the environment through responsible sourcing, production and delivery of our products. We set specific goals and targets to reduce greenhouse gas emissions from our operations facilities and we track progress toward those goals on an annual basis.

Climate-related issues such as increasing emissions regulations and customer expectations/requirements around climate programs and emissions reduction targets will influence Axalta's business strategy in the future. We will be setting new climate-related targets to be shared in our next CDP response.

C4. Targets and performance

C4.1

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

C4.1b

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

Target reference number

Int 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2017

Intensity figure in base year (metric tons CO2e per unit of activity)

0.4

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2022

Targeted reduction from base year (%)

5

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

0.38

% change anticipated in absolute Scope 1+2 emissions

5

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

0.22

% of target achieved [auto-calculated]

900

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

We have determined that in this global market and because of our manufacturing processes, using production to normalize our GHG emissions is more indicative of our progress toward reducing GHG emissions. Our progress is underway. When we reach the end date of our goals in 2022, we may evaluate at that time whether our next corporate target will be a science-based target. Due to significant impacts due to the Covid-19 pandemic and reduced production, our GHG intensity decreased significantly in 2020.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

GJ

Target denominator (intensity targets only)

metric ton of product

Base year

2017

Figure or percentage in base year

2.6

Target year

2022

Figure or percentage in target year

2.47

Figure or percentage in reporting year

2.77

% of target achieved [auto-calculated]

-130.769230769231

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

This target applies to all our manufacturing operations. Our progress is underway. Due to significant impacts due to the Covid-19 pandemic and reduced production, our energy intensity increased in 2020.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	97687
To be implemented*	20	0
Implementation commenced*	20	0
Implemented*	15	5988
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

97687

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Axalta is investigating the use of low-carbon electricity at our sites, which if implemented at all sites for 100% zero-carbon electricity could reduce our Scope 2 market-based emissions from 97,687 in 2020 to zero. We are not far enough along in the investigation to have specific investment and payback information.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

5988

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

78000

Investment required (unit currency – as specified in C0.4)

330000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Completion of replacement of HVAC equipment in the spray booths at Ajax, Canada site. We will continue to realize savings for this project in the coming years. Note that this project has estimated CO2e savings for both Scope 1 (reduced natural gas usage) and Scope 2 (reduced electricity demand). We are aware of efficiency projects at our sites as indicated in 4.3a but do currently have robust tracking of the estimated savings from the projects. We anticipate being able to provide additional project details in future years.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Meeting our compliance obligations around the world, and particularly in the US and Europe, Middle East, and Africa regions, is a primary driver for identifying and making investments in our operations to drive energy and process efficiency, which leads to emissions reductions.
Employee engagement	As part of an annual process, all sites solicit employee feedback through engagement to determine energy saving opportunities. This aligns with ISO 14001 business objectives and targets as nearly all our manufacturing sites are RC 14001 certified.
Internal incentives/recognition programs	Axalta's internal employee recognition program, the Axalta Way Awards, provides monetary awards to employees that embrace savings, growth, operational efficiency, and productivity, and who embody the values and behaviors of our company.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Beyond our factory door, we seek to provide customers with increasingly sustainable products and processes. New formulations of traditional solvent coatings, such as medium and high solids, and waterborne coatings are formulated to reduce VOC emissions as well as the number of coating applications required in the manufacture of cars and commercial vehicles. Fewer steps and a more natural drying processes provided by our Harmonized Coating Technologies™ reduce energy consuming "bake steps" required between coating applications when painting and finishing a new vehicle. Other coatings for vehicle OEMs are formulated to perform on lightweight materials such as carbon fiber which are increasingly used by car manufacturers to improve fuel efficiency. Less fuel translates to lower CO2 emissions from vehicles on the road. In refinish shops, low-VOC and waterborne coatings are designed to help body shops reduce their environmental footprint from operations while producing superb results. Axalta's software and color tools such as handheld spectrophotometers help find the right refinish color formulation the first time, reducing waste and improving productivity. Insulated with Axalta's Voltatex® coatings, components of electrical motors, transformers and generators can operate at higher temperatures, which translates into greater efficiency and energy savings. Axalta's Nap-Gard® functional powder coatings resist high temperatures and enable the oil and gas industry to drill deeper and thus fewer wells.

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

Avoided emissions

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

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

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

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

We anticipate being able to provide consolidated data on this metric in future years.

C5. Emissions methodology

C5.1

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

Scope 1

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
85005

Comment
Baseline year emissions have been amended to appropriately account for global warming potential.

Scope 2 (location-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
124462

Comment
Baseline year emissions have been amended to appropriately account for global warming potential.

Scope 2 (market-based)

Base year start
January 1 2017

Base year end
December 31 2017

Base year emissions (metric tons CO2e)
0

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
50951

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Axalta is reporting market-based emissions for the first time as we continue to improve our reporting processes and begin to source renewable energy from our electricity providers.

C6.3

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

Reporting year

Scope 2, location-based

98374

Scope 2, market-based (if applicable)

97687

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Axalta is reporting market-based emissions for the first time as we continue to improve our reporting processes and begin to source renewable energy from our electricity providers.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Our Cerkezkoy, Turkey facility and Capital Paints facility in UAE have not been included.

Relevance of Scope 1 emissions from this source

Emissions excluded due to recent acquisition

Relevance of location-based Scope 2 emissions from this source

Emissions excluded due to recent acquisition

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

Emissions excluded due to recent acquisition

Explain why this source is excluded

We acquired both sites in the second half of 2019 and due to challenges during the Covid-19 pandemic with limited travel and on-site integration, we will include the sites' emissions in 2021.

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1036182

Emissions calculation methodology

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

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

0

Please explain

We use the Quantis Tool to calculate Scope 3 emissions.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

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

Evaluation status

Relevant, calculated

Metric tonnes CO2e

32412

Emissions calculation methodology

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

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

100

Please explain

We use the Quantis Tool to calculate Scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

117432

Emissions calculation methodology

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

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

0

Please explain

We use the Quantis Tool to calculate Scope 3 emissions.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1426

Emissions calculation methodology

Scope 3 emissions from waste generated in operations are estimated using the Quantis Tool using allocated spend in this category.

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

0

Please explain

We use the Quantis Tool to calculate Scope 3 emissions.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1800

Emissions calculation methodology

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

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

0

Please explain

These estimates are based on 2019 travel and scaled for three months of travel in 2020.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

10200

Emissions calculation methodology

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

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

100

Please explain

We use the Quantis Tool to calculate Scope 3 emissions. The tool uses the number of employees to estimate average Scope 3 emissions. The estimate is not granular. This amount is scaled for half of the workforce commuting in 2020.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta does not have upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

7380

Emissions calculation methodology

We have fleet management providers that track fuel purchases and miles driven for our downstream transportation and distribution. Emissions are estimated using the Quantis tool.

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

100

Please explain

Our fleet management provider tracks fuel used and miles driven for our downstream transportation. The resulting emissions are estimated using the Quantis tool.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta does not have any franchises.

Investments

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta has several joint ventures where we have no operational control. Axalta is unable to estimate the emissions from these joint ventures at this time. Joint ventures in which Axalta has operational control are included in our Scope 1 and 2 emissions.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta does not have other upstream emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Axalta does not have any other downstream emissions.

C6.7

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

No

C6.10

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

Intensity figure

0.22

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

149325

Metric denominator

metric ton of product

Metric denominator: Unit total

680968

Scope 2 figure used

Location-based

% change from previous year

1.5

Direction of change

Increased

Reason for change

Our production decreased in 2020 by 20% while our total scope 1 and 2 GHG emissions decreased by about 18.5%. The emissions reductions are primarily driven by sites that closed in locations that had high GHG emissions intensity.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	50891	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	26	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	34	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia Pacific (or JAPA)	6004
Europe, Middle East and Africa (EMEA)	5890
Americas	39057

C7.3

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

C7.3b

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

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
APTC Shanghai	1035	31.210722	121.630013
Changchun	3812	43.855187	125.388469
Bangplee	0	13.631551	100.771154
Jiading	1117	31.304802	121.268199
Cikarang	0	-6.289865	107.14408
Qingpu	5	31.191911	121.113133
Savli	27	22.438413	73.219323
Darlington	260	54.553445	-1.55758
Gebze	0	40.778509	29.576872
Guntramsdorf	994	48.051872	16.310229
Landshut	281	48.585478	12.204123
Montbrison	89	45.613912	4.075448
Wuppertal	2883	51.291777	7.201269
Bulle	433	46.615365	7.045102
Vaestervik	0	57.755829	16.648131
Tlalnepantla	395	19.568894	-99.198183
Guarulhos	3191	-23.464258	-46.46472
Ocoyoacac	265	19.285942	-99.455182
Cartagena	0	10.314351	-75.502346
Apodaca	0	25.736444	-100.212142
Ajax	3082	43.848546	-79.03586
Century	38	31.929091	-95.24186
Chemspec	114	40.858537	-81.809021
Huntsville	5	34.634696	-86.850573
Riverside	232	34.016952	-117.379284
Front Royal	7361	38.98069	-78.187505
Ft. Madison	7510	40.629412	-91.357988
High Point	415	35.944058	-80.022856
Hilliard	103	40.037497	-83.127304
Houston	1	29.845452	-95.53499
Mt. Clemens	16012	42.613236	-82.889238
Cornwall	8	45.012061	-74.775804
West Bromwich	115	52.508679	-2.00058
Huthwaite	178	53.127331	-1.304681
Farnham	656	51.221044	-0.773257
Zuidland	1	51.881929	4.247785
Amatitlan	14	14.485892	-90.627454
Sacramento	1	38.531918	-121.404022
Global Innovation Center	10	39.891561	-75.169888
Fridley	303	45.055293	-93.278154
HPC Shah Alam	8	3.024301	101.549586
Shah Alam	0	3.024301	101.549586

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

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

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	50951	<Not Applicable>	These emissions are representative of our manufacturing processes and large regional laboratories only and do not include ancillary buildings such as offices, small R&D facilities, warehouses, etc.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Asia Pacific (or JAPA)	19216	19216	30198	0
Europe, Middle East and Africa (EMEA)	22256	21589	72037	4612
Americas	56902	56902	140189	0

C7.6

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

By facility

C7.6b

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

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
APTC Shanghai	2491	2491
Changchun	4171	4171
Shah Alam	539	539
Bangplee	157	157
Jiading	6751	6751
Cikarang	1241	1241
Qingpu	1794	1794
Savli	1935	1935
Darlington	612	612
Gebze	288	288
Guntramsdorf	687	0
Landshut	2158	2158
Montbrison	603	603
Wuppertal	14725	14725
Bulle	94	94
Vaestervik	45	45
Tlalnepantla	4231	4231
Guarulhos	1630	1630
Ocoyoacac	336	336
Cartagena	243	243
Apodaca	1797	1797
Ajax	662	662
Century	446	446
Chemspec	260	260
Huntsville	1153	1153
Riverside	281	281
Front Royal	11461	11461
Ft. Madison	2907	2907
High Point	818	818
Hilliard	1489	1489
Houston	6123	6123
Mt. Clemens	19717	19717
Cornwall	190	190
West Bromwich	214	214
Huthwaite	154	154
Farnham	414	414
Amatitlan	99	99
Zuidland	2262	2262
Sacramento	51	51
Global Innovation Center	2528	2528
HPC Shah Alam	135	135
Fridley	482	482

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

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	98374	97687	These emissions are representative of our manufacturing processes and large regional laboratories only and do not include ancillary buildings such as offices, small R&D facilities, warehouses, etc.
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-CH7.8

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

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

C-CH7.8a

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

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

C7.9

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

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	This is the first year Axalta is reporting using market-based method. Therefore we are unable to compare emissions reductions due to renewables relative to 2019. We plan to report these reductions in the future.
Other emissions reduction activities	0	No change	0	Axalta implemented other emissions reduction activities at manufacturing sites but we are unable to quantify the total impact of these activities at this time.
Divestment	0	No change	0	Axalta did not have any divestments in 2020.
Acquisitions	0	No change	0	Axalta did not have new acquisitions in 2020.
Mergers	0	No change	0	Axalta did not have any mergers in 2020.
Change in output	34040	Decreased	18.6	Axalta experienced a 20% decrease in production in 2020 compared with 2019 due to the prolonged global economic impacts due to the Covid-19 pandemic. In addition, Axalta closed its Mechelen and Escobar sites.
Change in methodology	0	No change	0	Axalta did not have a change in methodology in 2020..
Change in boundary	0	No change	0	Axalta did not have a change in boundary in 2020.
Change in physical operating conditions	0	No change	0	Axalta did not have any identified changes in physical operating conditions in 2020.
Unidentified	0	No change	0	Axalta did not have unidentified changes in 2020.
Other	0	No change	0	Axalta did not have other changes in 2020.

C7.9b

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

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
 More than 0% but less than or equal to 5%

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	276392	276392
Consumption of purchased or acquired electricity	<Not Applicable>	0	247035	247035
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	523427	523427

C-CH8.2a

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

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	276392
Consumption of purchased or acquired electricity	<Not Applicable>	247035
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	523427

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

264302

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

264302

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.05036

Unit

metric tons CO2e per GJ

Emissions factor source

EPA Climate Leaders Emission Factors for GHG Inventories

Comment

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

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11608

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

11608

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.07527

Unit

metric tons CO2e per million Btu

Emissions factor source

EPA Climate Leaders Emission Factors for GHG Inventories

Comment

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

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

482

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.0631

Unit

metric tons CO2e per million Btu

Emissions factor source

EPA Climate Leaders Emission Factors for GHG Inventories

Comment

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

C8.2e

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

Sourcing method

Other, please specify (Supplier Specific Emission Factor for Hydropower)

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Austria

MWh consumed accounted for at a zero emission factor

4612

Comment

100% hydropower renewable energy certificate from electricity provider at Guntramsdorf site.

C-CH8.3

(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?

Yes

C-CH8.3a

(C-CH8.3a) Disclose details on your organization's consumption of fuels as feedstocks for chemical production activities.

Fuels used as feedstocks

Other, please specify (Xylene)

Total consumption

12496

Total consumption unit

metric tons

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

0

Heating value of feedstock, MWh per consumption unit

12.1

Heating value

HHV

Comment

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

Fuels used as feedstocks

Other, please specify (Toluene)

Total consumption

3861

Total consumption unit

metric tons

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

0

Heating value of feedstock, MWh per consumption unit

12

Heating value

HHV

Comment

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

C-CH8.3b

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

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

C9. Additional metrics

C9.1

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

Description

Energy usage

Metric value

2.77

Metric numerator

GJ

Metric denominator (intensity metric only)

Metric Ton of Production

% change from previous year

9

Direction of change

Increased

Please explain

As part of our sustainability program, we have set goals to reduce our energy intensity, which is measured as GJ energy per metric ton of production. Production decreased in 2020 compared with 2019 due to the Covid-19 pandemic, while electricity consumption decreased slightly leading to a slight increase in energy intensity.

C-CH9.3a

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

Output product

Other, please specify

Production (metric tons)

0

Capacity (metric tons)

0

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

0

Electricity intensity (MWh per metric ton of product)

0

Steam intensity (MWh per metric ton of product)

0

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

0

Comment

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

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CH9.6a

(C-CH9.6a) Provide details of your organization’s investments in low-carbon R&D for chemical production activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Product redesign	Applied research and development	61 - 80%	65	We have established a goal to invest 65% of technology spending through 2022 to develop products designed to result in sustainability benefits.

C10. Verification

C10.1

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

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

C10.2

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

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

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

Yes

C11.1a

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

Switzerland ETS
UK carbon price floor

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Switzerland ETS

% of Scope 1 emissions covered by the ETS

% of Scope 2 emissions covered by the ETS

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO₂e

Verified Scope 2 emissions in metric tons CO₂e

Details of ownership

Facilities we own and operate

Comment

Axalta operates one site in Bulle, Switzerland.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

UK carbon price floor
Period start date
January 1 2020
Period end date
December 31 2020
% of total Scope 1 emissions covered by tax
Total cost of tax paid
Comment
Axalta has recently become subject to the Energy Savings Opportunity Scheme (ESOS) because of new acquisitions and an associated increase in energy usage. Axalta completed the necessary ESOS audits and anticipate we will be able to report the carbon tax data in future responses. We have also acquired a new UK manufacturing facility in 2021 which will be integrated, evaluated and included in future reporting.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?
Axalta's sites in the UK are focused on reducing emissions from operations in line with our corporate goal to reduce GHG emissions from operations. Our Farnham, UK site implemented LED lighting retrofit projects and installed a new, efficient natural gas central heating boiler in the office area of the site. Our Darlington, UK and West Bromwich, UK sites are also in the process of upgrading to more efficient LED lighting fixtures throughout the sites.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Axalta's Technology team works closely with key raw materials suppliers to identify potential ways to reduce climate impacts on products and services. Axalta's Sustainability team also participates in engagement with suppliers to share sustainability expectations and additional ways to collaborate on climate-related activities. We have not yet quantified what proportion of our supplier base has been engaged.

Impact of engagement, including measures of success

As raw materials are our largest expense as a company and we procure many materials derived from fossil fuels, our ongoing work with suppliers to identify alternative materials derived from renewable or recycled materials is progressing and will have climate-related benefits. We are also beginning to work with suppliers to understand life cycle impacts of their products and operations to identify opportunities for reduced emissions in our supply chain. This is in addition to our everyday work internally to innovate our own products and services with reduced climate impacts for our customers, which our suppliers support.

Comment

C12.1b

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

Type of engagement

Education/information sharing

Details of engagement

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

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

<Not Applicable>

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

We share information with close to 100% of our customers through our biennial sustainability report, which features case studies about the environmental benefits of our products for our customers. Axalta has set a corporate goal to continue to collaborate with customers to identify additional opportunities to improve their operations including reduced energy use, lower emissions and greater productivity. On a more targeted basis, we conduct direct engagement with our customers that manufacture original equipment such as vehicles and motors to share how our products can help them meet their own climate change goals and understand expectations they have of their suppliers.

Impact of engagement, including measures of success

For the more targeted engagement, we gain significant sales revenues from these customers. Transportation coatings accounted for approximately 33% of revenues in 2020.

C12.3

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

Trade associations

C12.3b

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

Yes

C12.3c

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

Trade association

American Coatings Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The coatings industry has significantly reduced emissions, wastes and energy use over the past few decades and this downward trend will continue because of new regulatory requirements, improved industrial housekeeping and technological advances related to waterborne and low-VOC coatings, as well as improvements in the manufacturing process and changing consumer preferences. The trend has continued and is directly due to VOC and HAP regulations on coating products as well as other air quality regulations on coatings manufacturing facilities. The energy usage — and as a result, greenhouse gas emissions — from the paint and coatings sector is very small as compared to other U.S. manufacturing sectors. In 2007, the paint and coatings sector purchased about 1.7 billion kilowatt hours of electricity for heat and power, which represented well under 1% — less than 0.2% — of the total quantity of electricity purchased for heat and power by U.S. manufacturers. The total quantity of electricity purchased and used for heat and power — and as a result, greenhouse gas emissions — from the paint and coatings sector decreased by 17.8% between 2007 and 2012. ACA in recent years has focused its engagement around infrastructure and the impacts the coatings industry plays in the United States. To maintain these infrastructure systems and continue to develop the systems necessary to support future innovations in infrastructure and technology, appropriate policies must be developed and implemented. Coatings that provide durability, corrosion protection, reflectivity and many other performance characteristics will be key materials in these endeavors. New, technology-driven coating materials can make our public works safer, more resilient and sustainable, and respond better to extreme weather, rising sea level, and other 21st century challenges like chemical damage. For instance, unprotected steel structures in harsh environments can lose as much as 1 mm in thickness in as little as five years. This loss contributes to structural weakness, and the steel must be replaced. But a thin protective coating applied to the steel can slow or delay the corrosion process and significantly extend the life of the steel by 15 or more years, even in offshore environments. ACA works to aid policy development that will allow coatings to remain key materials in infrastructure.

How have you influenced, or are you attempting to influence their position?

Axalta's CEO currently serves on the ACA Board of Directors. Axalta personnel participate on many of ACA's committees, such as the Environmental Management Committee, Product Stewardship Committee, Legal and Government Affairs Committee, and Sustainability Committee. As members of the ACA committees, we review and comment on all position statements and comments to legislators and regulatory agencies on all topics, including climate-related topics. We also support and contribute to the success that we in the coatings industry have achieved and as stated in their position.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We primarily work through the American Coatings Association in the US and other coatings associations in other countries. These organizations are closely aligned with our activities and common interests and we typically work through them to review and comment on new legislation. Axalta does not conduct any direct lobbying activities or provide any monetary political contributions to influence policy. Axalta's Government Affairs function works closely with key stakeholders throughout the business, in particular our Environmental, Product Stewardship, and Legal and Compliance teams, to understand current priority issues and emerging issues and Axalta's position on each, so we can communicate with the industry associations that may be engaging on policy. In instances where Axalta's position or strategy is not aligned with the general position of one of our industry associations, we will abstain from supporting that policy-related activity.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

Axalta 2018-2019 Sustainability Report - PDF Webpages.pdf

Page/Section reference

Content elements

Governance
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Axalta publishes a voluntary Sustainability Report on a biennial basis. Our full 2018-2019 Sustainability Report is available at the link above; the attached copy is a PDF copy of the webpages. Axalta will publish its 2020-2021 Sustainability Report in 2022.

C15. Signoff

C-FI

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

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Global Director, EHS&S	Environmental, health and safety manager

SC. Supply chain module

SC0.0

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

SC0.1

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

	Annual Revenue
Row 1	3737600000

SC0.2

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

No

SC1.1

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

Requesting member

BMW AG

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

79.8

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

BMW AG

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

153

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Daimler AG

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

863.5

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Daimler AG

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

1655.6

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Eaton Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

5.2

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Eaton Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

10

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Ford Motor Company

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

2341.3

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Ford Motor Company

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

4488.8

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

General Motors Company

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

1338.9

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

General Motors Company

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

2567

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Honda North America, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

877

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Honda North America, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

1681.4

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

lochpe-Maxion SA

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

1.7

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

lochpe-Maxion SA

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

3.2

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Jaguar Land Rover Ltd

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

406.6

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Jaguar Land Rover Ltd

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

779.5

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Magna International Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

355.1

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Magna International Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

680.8

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Nissan Motor Co., Ltd.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

182.1

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Nissan Motor Co., Ltd.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

349.1

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Renault

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

332.6

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Renault

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

637.7

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Robert Bosch GmbH

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

6.6

Uncertainty (±%)**Major sources of emissions**

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Robert Bosch GmbH

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

12.7

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Stanley Black & Decker, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

5.2

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 1 emissions arise from the use of no.2 fuel oil, natural gas, and liquid propane in our manufacturing facilities to create steam for use in our processes.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

Requesting member

Stanley Black & Decker, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

10

Uncertainty (±%)

Major sources of emissions

Axalta's global Scope 2 emissions come from the use of purchased electricity at our manufacturing facilities.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Axalta has decided to allocate emissions to customers using the fraction of global sales to each customer applied to our global GHG emissions.

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

No public reference available; Axalta does not publicly report sales by customer.

SC1.3

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

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Allocating emissions to our customers can be done at a high level using global sales data. We face challenges in using any other more granular allocation method, such as based on specific products, as we have a diversity of product lines and more than 100,000 customers globally.
Customer base is too large and diverse to accurately track emissions to the customer level	Allocating emissions to our customers can be done at a high level using global sales data. We face challenges in using any other more granular allocation method, such as based on specific products, as we have a diversity of product lines and more than 100,000 customers globally.

SC1.4

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

No

SC1.4b

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

Axalta has experienced a constantly shifting footprint over the past several years. We have opened new facilities, closed facilities, acquired facilities, exited joint ventures, and expanded production capacity at some facilities. In addition to our own changes, our customers are also experiencing similar shifts in production. Axalta produces coatings products that are sold into a number of markets and to more than 100,000 customers. For any given customer, it is likely that we are producing a range of coatings products in more than one facility. Therefore, it is very difficult to allocate emissions to our customers on a more granular level. We believe that our approach to allocate emissions to our customers using the same percentage as the percentage of total global sales to that customer is likely our most accurate approach and will allow both Axalta and our customers compare data year-over-year and over a longer time period. We anticipate continuing to use this approach moving forward.

SC2.1

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

Requesting member

General Motors Company

Group type of project

Other, please specify (Sourcing green energy)

Type of project

Other, please specify (Exploring GM/Shell green energy sourcing partnership)

Emissions targeted

Actions that would reduce our own operational emissions (our scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

1-3 years

Estimated lifetime CO2e savings

6000

Estimated payback

3-5 years

Details of proposal

Axalta is currently working with GM to potentially leverage the GM/Shell partnership in Texas to source green energy for our Houston manufacturing site. If 100% green energy was purchased at the site, we anticipate approximately 6,000 metric tons of emissions to be saved annually (based on 2020 emissions).

SC2.2

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

Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

(SC4.1) Are you providing product level data for your organization’s goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms