

# The UK Modern Slavery Act of 2015

July 2021

The Modern Slavery Act requires a commercial organisation over a certain size to publish a slavery and human trafficking statement each financial year. The statement should disclose the steps the organisation has taken to ensure there is no slavery or trafficking in its supply chains or its own business.

Axalta Coating Systems UK Limited and Axalta Powder Coating Systems UK Limited (together “Axalta UK”) are committed to responsible sourcing and specifically the eradication of human trafficking and slavery in our supply chain. Axalta UK also subscribes to the California Transparency In Supply Chains Act 2010 statement of its parent, Axalta Coating Systems LLC (“Axalta”). Axalta abhors and condemns human rights abuses, including child labor, forced labor and slave labor. As of year-end 2020, Axalta has taken the following steps to combat modern slavery.

## **Policies on modern slavery and supplier requirements**

Axalta’s [Code of Business Conduct and Ethics](#) requires all Axalta employees and third parties working with Axalta, including suppliers, to comply with all labor laws in the jurisdictions where it operates. Violation of the Code of Business Conduct and Ethics may result in termination of a supplier or employee. In 2016, Axalta introduced our [Supplier Code of Conduct](#), which outlines the expectations Axalta has of our suppliers. Item 5 in the Axalta Supplier Code of Conduct requires suppliers to respect fundamental human rights: “Suppliers shall ensure that the products and materials they sell to Axalta are not created with child labor, forced labor or through the victims of human trafficking and shall take reasonable steps to eliminate such practices in their supply chains.” We communicate the expectations in our Supplier Code of Conduct through direct communication for our key suppliers, and through our standard contract terms and conditions for all suppliers.

## **Due diligence and risk assessment**

In 2020, Axalta refreshed its human rights risk assessment for both internal operations and supply chain to identify salient human rights risks. We conducted benchmarking of peers and customers, reviewed concerns that were raised from both internal and external stakeholders, and engaged third-party human rights experts to complete the assessment. We currently do not have documented issues relating to these risks, including modern slavery, in our business. We recognize that some of these risks are more prevalent in certain countries, operations, or links in our supply chain and can range in severity. We have management systems, policies, and due diligence processes in place to monitor these risks.

For suppliers that provide us raw materials that contain certain minerals that may present higher risk of modern slavery, such as conflict minerals, mica, and cobalt, we require our suppliers to trace their supply chains, provide mineral reporting templates annually, and demonstrate that the minerals used in the materials provided to us were sourced from locations free of human rights abuses.



Axalta may rely on the audit rights in its supplier contracts and the Supplier Code of Conduct, where applicable, to permit Axalta to engage in its own verification process of its suppliers' representations. Axalta's standard supplier contract expressly reserves the right to conduct on-site audits of its suppliers to evaluate the supplier's compliance with labor laws and the expectations in the Supplier Code of Conduct. Axalta anticipates that it may conduct such audits through its own personnel or through a third-party independent auditor, on an announced or unannounced basis. Axalta may also initiate an audit based on findings from supplier risk management screening against the expectations outlined in the Axalta Supplier Code of Conduct.

### **Training**

On an annual basis, all Axalta employees must complete training on the Axalta Code of Business Conduct and Ethics, which includes training on topics related to modern slavery. Axalta's Legal and Compliance team also conducts targeted training sessions on a variety of compliance topics, including relating to modern slavery. We also communicate guidance to all employees through our quarterly compliance newsletter, which provides a deep dive on a compliance topic with recommendations of what to watch for, how to respond, and scenario examples.

### **External initiatives and reporting**

Axalta communicates its progress on respecting human rights on an ongoing basis. Updates are available in Axalta's biennial [Sustainability Report](#), on the [Human Rights](#) section of our corporate website, and in this statement and our California Transparency In Supply Chains Act 2010 statement. Axalta also actively supports and participates in the Responsible Minerals Initiative, which works to advance responsible sourcing practices and eradicate modern slavery in mineral supply chains.

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

A handwritten signature in black ink, appearing to read 'Tabitha Oman', with a horizontal line extending to the right.

Tabitha Oman

Vice President, Deputy General Counsel and Chief Compliance Officer

July 2021